

# FUTURE RETAIL



16th March, 2022

To,  
Surveillance Department / Listing Compliance  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Scrip Code: 540064**

**Scrip Code of Debt : 958809, 958810 & 959518**

Kind Attention: Mr. Harshad Naik, Assistant Manager

**Re: Your e-mail dated 16th March, 2022**

**Sub: Clarification /Confirmation on news item appearing in “Media/Publication”**

Dear Sir / Madam,

We, Future Retail Limited (“**FRL/Company**”) are in receipt of your above referred e-mail whereby you had sought certain clarifications/ confirmations on the news item accessible on : <https://www.business-standard.com> dated 15th March, 2022 captioned “Amazon accuses Future Retail, Reliance of 'fraud' in newspaper ads.”

With reference to the public notice issued by Amazon in various newspapers, we wish to bring following factual position for the information of the Stock Exchanges, investors and all other stakeholders of the Company.

Since March, 2020, the operations of FRL's retail business has been significantly impacted by the Covid-19 linked lockdown. The Company has seen massive erosion in its sales and complete erosion of its net worth due to mounting losses. The 2nd & 3rd wave of Covid-19 has further aggravated the financial deterioration of FRL.

FRL announced a scheme of arrangement in August 2020 with Reliance Group (“**the Scheme**”). The Scheme not only ensured continuity of business but also a significant repayment of dues to lenders as well as protected interest of all other stakeholders. FRL strained cash flow, had led to build of unpaid dues to vendors and lessors. Post announcement of Scheme, FRL, was unable to raise any additional capital and thus continued to remain in default on of various commitments. Many Lessors issued termination notices as well as filed suits for recovery and eviction from the properties. To ensure continuity of stores for the benefit of all stakeholders, Reliance Group reached out to these Lessors and signed a fresh Lease deed in respect of such properties & sub-leased on a Leave & License basis to FRL. Unfortunately, due to impact of Covid-19 Wave 2 in April to August 2021 and Wave 3 from December 2021 to February 2022, FRL's strained cash flow, lead to further default in payment of lease payment commitments.

Since the last week of February 2022, Reliance Group has unilaterally terminated the leases and forcefully taken over control of hundreds of Future Retail's stores, which has been intimated to stock exchanges vide its intimation dated 26th February, 2022 and 09th March, 2022. Such termination of leases and takeover of stores by Reliance

# FUTURE RETAIL



Group has come as a surprise to FRL and its Board since throughout the entire period, the Future Group and Reliance Group have been collaborating to ensure full continuity of businesses. FRL has in fact welcomed the extension of the long stop date of the Scheme to 30th September, 2022 by Reliance Group and given intimation of the same as well to Stock Exchanges vide its letter dated 26th February, 2022.

FRL's Board has taken strong objection to of such action by Reliance Group and has put Reliance Group to notice to reconsider all other actions initiated over the last few days. FRL's Board has also notified Reliance Group that assets such as store fixtures, store infrastructure, merchandise, inventory, etc. belonging to FRL and lying inside these stores are hypothecated as security in favour of the FRL lenders. The Board has called upon Reliance Group to ensure that the possession of the secured assets is not transferred and retained unharmed for the benefit of the Lenders.

FRL Board had also objected to act of Reliance Group issuing offer letters to employees of FRL, since the transfer of employees was envisaged to take place pursuant to the Scheme and not through any other mechanism. FRL Board had once again requested to reconsider the issuance of the termination notices, offer letters to employees and other actions initiated by them in recent past.

There have been several media reports and public notices issued by Amazon misreporting that FRL has handed over Retail Assets of FRL to Reliance in breach of orders of Tribunal and Supreme Court of India. Such reporting is inaccurate and factually erroneous. FRL has not handed over the stores to Reliance Group. On the contrary, FRL's Board had two meetings and notified Reliance Group that such a drastic and unilateral action of Reliance Group to takeover the stores has not only come as a surprise to FRL but also complicated the positive scenario, which had started building up after the CCI order in December 2021, in favour of the Scheme and Future Group.

FRL and its Board remain committed to take all such action as may be necessary to seek value adjustments and reversal of takeover of the stores (leases) by Reliance Group. FRL and its Board is taking steps to arrive at a feasible solution which will be in the interests of all stakeholders.

We request you to take the above response on record.

Thanking you,  
Yours sincerely,  
For **Future Retail Limited**



**CP Toshniwal**  
**Chief Financial Officer**