

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2021

(₹ in Crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2021	31-03-2021	30-06-2020	31-03-2021
		Unaudited	Audited	Unaudited	Audited
1	Income				
	a) Revenue from operations	289.73	378.68	66.84	886.93
	b) Other Income	5.13	0.21	114.66	132.87
	Total Income	294.86	378.89	181.50	1,019.80
2	Expenses				
	a) Cost of materials consumed	8.37	15.04	0.20	26.86
	b) Purchases of stock-in-trade	204.51	177.03	14.20	508.57
	c) Changes in inventories of finished goods, work-in-progress, and stock-in-trade - (Increase) / Decrease	13.87	95.35	25.31	116.50
	d) Employee benefits expense	19.90	12.07	13.35	58.06
	e) Finance costs	179.05	182.73	174.74	717.00
	f) Depreciation and amortisation expense	133.09	129.74	226.41	609.74
	g) Other Expenses	12.26	18.78	6.53	50.86
	Total Expenses	571.05	630.74	460.74	2,087.59
3	Profit/(Loss) from ordinary activities before tax (1-2)	(276.19)	(251.85)	(279.24)	(1,067.79)
4	Tax Expense				
	a) Current Tax	-	(17.89)	-	(17.89)
	b) Deferred Tax	-	-	-	-
	(c) Earlier Years Tax	-	(17.89)	-	(17.89)
5	Profit/(Loss) for the period (3-4)	(276.19)	(233.96)	(279.24)	(1,049.90)
6	Other Comprehensive Income (Net of Taxes)	2.07	(4.08)	1.08	(6.16)
7	Total Comprehensive Income (Net of Taxes) (5+6)	(274.12)	(238.04)	(278.16)	(1,056.06)
8	Paid up equity share capital (Face value of ₹ 2/- per share)	98.86	98.86	98.86	98.86
9	Other Equity				2,474.55
10	Basic EPS :				
	a) Equity Shares (in ₹)	(5.59)	(4.73)	(5.65)	(21.24)
	b) Class B Shares(Series 1) (in ₹)	(5.59)	(4.73)	(5.65)	(21.24)
11	Diluted EPS :				
	a) Equity Shares (in ₹)	(5.59)	(4.73)	(5.65)	(21.24)
	b) Class B Shares(Series 1) (in ₹)	(5.59)	(4.73)	(5.65)	(21.24)

Notes:

- The above financial results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at its meeting held on August 12, 2021. A Limited review of the above results has been carried out by the Statutory Auditors.
- The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India. Consequently the revenue and profitability for the quarter ended June, 2021 has been adversely impacted. The second wave across India has raised concern over economic growth and business conditions, while the restrictions are currently more localized and for shorter duration as compared to the previous year. Moreover, increasing pace of inoculation and efforts by the government are likely to help mitigate some of the adverse impact.
In assessing the recoverability of the Receivables, Inventories and other financial and non-financial assets, the Company is closely monitoring the development and possible effects on the financial condition, liquidity, operations, and is actively working to minimize the impact of this unprecedented situations. The impact of the pandemic may differ from that estimated as on the date. The Company will continue to closely monitor any material changes to future economic conditions. As the situation is continuously evolving, the eventual impact may differ from the estimates made in financial statements.
- The Board of Directors of the Company at its meeting held on August 29, 2020 has inter-alia, considered and approved the Composite Scheme of Arrangement which involves: (i) merger of 19 Transferor Companies including Future Retail Limited ("FRL") with Future Enterprises Limited ("FEL" or "Transferee Company" "the Company") and their respective Shareholders and Creditors; (ii) Transfer and vesting of the Logistics & Warehousing Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail Ventures Limited ("RRVL"); (iii) Transfer and vesting of the Retail & Wholesale Undertaking from FEL as a going concern on a slump sale basis to Reliance Retail and Fashion Lifestyle Limited, a wholly owned subsidiary of RRVL ("RRVL WOS"); and (iv) Preferential allotment of equity shares and warrants of FEL to RRVL WOS ("The Composite Scheme of Arrangement"/ Scheme"), pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

The combination contemplated under the scheme has been approved by Competition Commission of India on November 20, 2020. Further stock exchanges have issued observation letter without any adverse observation on January 20, 2021. Pursuant to this the scheme application has been filed with National Company Law Tribunal Mumbai (NCLT) on January 26, 2021 for convening the meeting of the Shareholders and Creditors of the Transferor Companies and Transferee Company. NCLT has heard this Application and the intervention application filed by Amazon.com Investment Holdings LLC. (Amazon) and has reserved the order on the said application filed by Amazon.

Amazon has initiated arbitration proceedings against the Future Retail Limited (FRL) and its promoters (including Future Coupons Private Limited (FCPL)) on October 5, 2020 before Singapore International Arbitration Centre ("SIAC"). On the same day, Amazon had also filed a Claimant's application for seeking emergency reliefs ("CAER").

Future Enterprises Limited

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After completion of the hearing of CAER, Emergency Arbitrator passed an interim order on October 25, 2020 ("EA Order") inter alia restraining the Respondents therein i.e. FRL and promoters (including FCPL) to take any steps in furtherance of the resolution passed by FRL on August 29, 2020. However, based on the legal advice received by FRL, it had contended that the EA Order would not be enforceable in view of FRL being not a signatory to the arbitration agreement between Amazon and FCPL & other Promoters under which arbitration has been initiated.

In terms of the information provided by FRL, a party to the composite scheme of arrangement, it has filed a suit before Hon'ble Delhi High Court making a prayer to injunct Amazon from tortiously interfering with the scheme. The Hon'ble Single Judge of the Delhi High Court has passed a Judgment in the Interim Application in the Suit, on December 21, 2020 (Judgment), wherein it has prima facie held -

- (a) that there is no arbitration agreement between Amazon and FRL;
- (b) FRL's Resolution dated August 29, 2020 approving the scheme is neither void nor contrary to any statutory provision nor the Articles of Association of FRL.
- (c) that Amazon's representations to various regulatory authorities amounted to unlawful interference with the Scheme and a civil wrong actionable by both FRL and Reliance in case they suffer any loss and
- (d) no injunction was granted and all the Statutory Authorities were directed to take the decision on the objections in accordance with the law.

The Hon'ble Court also prima facie held that conflation of the two shareholders agreements will be in violation of FEMA FDI Rules. An Appeal was preferred by Amazon against certain observations contained in this Judgment.

In another application of Amazon under section 17(2) of Arbitration & Conciliation Act, 1996 ("the Act") to enforce EA Order, Hon'ble Delhi High Court vide its interim order dated February 2, 2021 directed the parties to maintain status quo ("Status Quo Order"), further on March 18, 2021 a detailed order was passed by the Single Judge of the High Court ("Detailed Order") inter alia confirming the directions in the Status Quo Order, granting further reliefs in favour of Amazon, and inter alia restricting all respondents from taking any further action in violation of the EA Order. FRL has filed, appeals against both the above orders, before the Hon'ble Division Bench and has obtained a stay on the Status Quo Order and the Detailed Order by orders dated February 08, 2021 and March 22, 2021 respectively. Amazon has filed special leave petitions against both the above order of the Hon'ble Division Bench and the Hon'ble Supreme Court after hearing both sides have on August 6, 2021 has held that the EA order is an order under section 17(1) of the Act.

FRL has further informed in its intimation to stock exchanges that FRL intends to pursue all available avenues to conclude the deal to protect the interests of its stakeholders and workforce.

Further in relation to the Arbitration Proceedings, a Tribunal has been constituted by SIAC on January 5, 2021 and FRL has filed two applications before the Tribunal, first being an application under section 16 of the Act challenging the jurisdiction of the Tribunal; and second being an Application under Rule 10 of Schedule I of SIA Rules for vacation of the EA Order. The hearing for both the application was concluded on July 16, 2021 and verdict of the Tribunal is awaited on the said applications.

- 4 Pursuant to RBI guidelines vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on 'Resolution Framework for COVID-19-related Stress', the lenders of the Company has invoked One Time Restructuring (OTR) with regard to credit facilities availed by the Company from Banks and other Institutions on October 27, 2020. The aforesaid OTR has been implemented by execution of the documents by the Company and eligible lenders on April 23, 2021. Accordingly as per the agreed terms of OTR the repayment of Long Term and Short Term obligation is extended, overdue working capital limits is converted in Working Capital Term Loan (WCTL), and interest due till September, 2021 on various credit facilities has been converted into Funded Interest Term Loan (FITL).
- 5 The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the unaudited published year-to-date figures up to December 31, 2020.
- 6 Figures for the previous financial period(s) have been re-arranged and re-grouped wherever necessary.
- 7 Historically, the Company has been operating its business under two main segments, viz. Manufacturing & Trading and Leasing & Others. However, during the current year the operations under the segment Leasing and Others business has reduced significantly and hence, now entire business is being reviewed by the management as single operations. Accordingly, no separate segment reporting has been prepared as contemplated under the IND-AS 108.

By Order of Board of Directors



Vijay Biyani

Chairman & Managing Director

Place : Mumbai

Date : August 12, 2021

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