

## JM Financial Acts as Exclusive Advisor to Future Group in Sale of its Businesses to Reliance Retail in a Landmark Transaction

Future Group today announced a composite scheme by which the retail, wholesale, logistics and warehouse businesses of the Group shall be transferred to Reliance Retail Ventures Limited (RRVL) and its wholly owned subsidiary Reliance Retail and Fashion Lifestyle Limited (RRFL) through a slump sale that marks the largest ever consolidation in India's growing organized retail space.

The scheme comprises of merging of Future Retail, Future Lifestyle Fashions, Future Consumer, Future Supply Chains and Future Market Networks into Future Enterprises Limited (FEL) and the subsequent slump sale of the businesses mentioned above.

Post transaction, FEL will continue to retain the manufacturing and distribution of FMCG goods and integrated fashion sourcing and manufacturing business and its insurance JVs with Generali and JVs with NTC Mills. There will be a supply agreement between FEL and RRFL as part of the transaction.

The lump sum aggregate consideration for the transaction is INR 24,713 crores subject to adjustments and including the liabilities of Future group being taken over. Reliance Retail shall also subscribe to INR 2,800 crores worth of preferential issue of equity and warrants at FEL to acquire 13.14% of equity on a fully subscribed basis as a part of this Transaction.

### **Key Highlights of the Transaction**

- Largest ever transaction in offline retail space in India and marks major consolidation among two of India's largest big box retailers across formats. The retail and wholesale business includes key formats such as Big Bazaar, fbb, Foodhall, Easyday, Nilgiris, Central and Brand Factory.
- Provides strong boost to Reliance Retail's fast paced strategic expansion into retail; according to observers, post transaction Reliance Retail may potentially hold one third of the organized retail market in India and may become the largest grocery player in the country.
- The Transaction is expected to provide relief to the stakeholders of Future Group including the shareholders and lenders as COVID lockdown has impacted the retail sector significantly.

The Scheme and Transaction is subject to the customary approvals from the Stock Exchanges, SEBI, NCLT, CCI, Shareholders and Creditors, etc.

### **JM Financial Limited acted as the Exclusive Advisor to Future Group for this Transaction**

The transaction highlights JM Financial's unmatched track record as the trusted advisor for the most marquee and largest of transactions. It also establishes the leadership of JM Financial's consumer and retail practice with undisputed credentials and is the second marquee M&A transaction completed within the consumer and retail space during the COVID lockdown period.