

INFRLIP-SE/065

August 29, 2023

To,

Dept. of Corporate Services (CRD)

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

Scrip Code: 540064

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

Listing Department

National Stock Exchange of India

Limited

Exchange Plaza,

Bandra - Kurla Complex,

Bandra (East),

Mumbai - 400 051

Dear Sir / Madam,

Sub: Response to the letter received from Bank of India - Intimation in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref. Letter from Bank of India seeking reply / submission on Forensic Audit Report

This is in furtherance of our previous intimation dated August 22, 2023 regarding letter from Bank of India ("BOI") seeking representation / submissions from the Company, Mr. Kishore Biyani (Promoter / Director / Guarantor) and Mr. Rakesh Biyani (Promoter / erstwhile Director) on Forensic Audit Report dated August 09, 2023 submitted to BOI by BDO India LLP (Forensic Auditor appointed by BOI).

Kindly note that the Resolution Professional for and on behalf of the Company has submitted a response to the BOI in respect of the said letter, on August 28, 2023.

A copy of the response dated August 28, 2023 submitted by the Resolution Professional for and on behalf of the Company is attached herewith for your records.

The above is for your information and record.

Thanking you,

Yours faithfully,

For **Future Retail Limited**

Pratiksha Salecha
Company Secretary

FUTURE RETAIL

CC:

Singapore Exchange Securities Trading Limited

2, Shenton Way, #02-02, SGX Centre 1.

Singapore - 068 804

Encl: as above

Ref: INFRLIP/ 1610

28 August, 2023

To,

Avendra Kumar Singh

Chief Manager, SARM Branch,

Bank of India

Sub: Response to your letter dated 17 August 2023 (“Letter”) bearing reference no. SARM / 2023-24 / 310 issued by the Bank of India to Future Retail Limited

Dear Sir,

1. This is with reference to the captioned Letter from Bank of India (“**Bank**”) received by Future Retail Limited (“**FRL**” or “**Company**” or “**Corporate Debtor**”), *vide* which the Bank has indicated, that with respect to the Corporate Debtor’s borrowal account, it has received a forensic audit report dated August 9, 2023 by BDO India LLP (“**Report**”). In respect of the same, the Bank has sought *inter alia* the Corporate Debtor’s representation/submission to the Report *vide* the said Letter.
2. With respect to the contents of the Letter, as the Bank, being an applicant to application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with rules and regulations framed thereunder (“**Code**”) and a member of the committee of creditors (“**CoC**”) of the Corporate Debtor, is already aware, the Corporate Debtor is presently undergoing corporate insolvency resolution process (“**CIRP**”) under the Code *vide* order of the Hon’ble National Company Law Tribunal, Mumbai Bench (“**NCLT**”) dated July 20, 2022 (“**Insolvency Commencement Date**” or “**ICD**”) and the undersigned, Mr. Vijaykumar V. Iyer was appointed as the interim resolution professional (“**IRP**”) of the Company. Thereafter, the IRP was confirmed as the resolution professional (“**RP**”) by the CoC of the Company as per the provisions of the Code. Further, the undersigned had issued a public announcement dated July 23, 2022 seeking claims from the creditors of the Corporate

Future Retail Limited (Formerly known as Bharti Retail Limited)

Registered Office: 2nd Floor, Future Group Office, SOBO Brand Factory, Pandit Madan Mohan Malviya Marg, Cross Road Haji Ali, Tardeo, Mumbai 400 034

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CIN: L51909MH2007PLC268269

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Debtor as on July 20, 2022 in respect of their outstanding dues against the Corporate Debtor as on such date.

3. The Bank may please note that specifically in light of Section 14(1)(a) of the Code, on account of the prevailing moratorium, there exists a prohibition on inter alia the institution/ continuation of any suits/ proceedings against the Corporate Debtor, including the execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority. Accordingly, no proceedings in relation to classifying the loan accounts of the Corporate Debtor as fraudulent, including any consequences of such classification, may be undertaken by the Bank during the subsistence of the prevailing moratorium.
4. It may kindly be further noted that the Report annexed by the Bank as part of the said Letter, appears to be in respect of transactions which were carried out between April 1, 2017 and April 30, 2022, which is prior to the date of initiation of CIRP in respect of the Corporate Debtor. Accordingly, as the period covered under the said report is prior to commencement of CIRP of the Corporate Debtor and as such, much prior to appointment of the undersigned as RP and the RP has been constrained to rely on the support of the Company personnel in procuring details of documents and information of the Company and the business transactions of the Company prior to the ICD. Please further note that these details/information/documents are not available with the Company as the suspended management has not provided this information. In this regard, the RP had also filed applications against directors and certain ex-employees of the Corporate Debtor, filing requisite applications before NCLT under Section 19 of the Code, and seeking their necessary cooperation and access to the said data.
5. Please note that in terms of Regulation 39(7) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulations**”), no proceedings can be initiated against the RP for any actions of the company prior to the Insolvency Commencement Date.
6. It is pertinent to note that during the CIRP period, as required under the relevant provisions of the Code, the resolution professional had appointed M/s Nangia & Co. LLP, Chartered Accountants (“**Transaction Auditors**”), in order to assist the Applicant in ascertaining if the Corporate Debtor had entered into transactions which could be

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classified as, inter alia, preferential, undervalued, extortionate and fraudulent, as required under the Code. The undersigned on March 21, 2023 received the Transaction Review Audit Report from the Transaction Auditors. Accordingly, basis the information made available to the undersigned, the undersigned made an opinion in respect of the transactions and arrived at a determination and the undersigned filed applications for avoidance of transactions as identified by the Transaction Auditors under Section 43 and 45 before the Hon'ble NCLT.

7. It is also pertinent to note that, the undersigned had also filed an application under Section 66 (2) of the Code on March 6, 2023, against the erstwhile directors and the promoters for potential loss caused to creditors due to failure by the erstwhile management to provide and protect data of the Corporate Debtor. Additionally, basis the findings of the Transaction Auditors and to place on record additional facts that have occurred / been discovered after the filing of the application, the RP has on August 02, 2023 filed an additional affidavit before the NCLT in the existing application in IA 3319 of 2023 under Section 66(2) of the Code which is critical for the adjudication of the original Section 66(2) application.
8. Further, the undersigned received the Supplementary Transaction Audit Report dated May 29, 2023. Accordingly, basis the information made available to the undersigned, the undersigned made an opinion in respect of the transactions identified in the Supplementary Transaction Audit Report, and arrived at a determination and the undersigned filed avoidance applications for undervalued transaction under Section 45 of the Code and for fraudulent transaction under Section-66(1) of the Code before the Hon'ble NCLT. The Transaction Auditors are still in the process of analyzing transactions entered into by the Corporate Debtor and the undersigned will take appropriate actions as required under the Code once the findings are shared. Copies of such applications have also been shared earlier with the members of the CoC. Further, as the period covered under the said report is prior to commencement of CIRP of the Corporate Debtor, the undersigned has also shared your Letter (along with the Report) with the Transaction Auditors for their benefit in analyzing further transactions, if any, entered into by the Corporate Debtor which could fall within the purview of avoidance transactions under the Code.

9. Further, as set out in the Letter, the Bank is requested to note that the credit facilities/ borrowings referred to in the Letter in relation to which the Corporate Debtor's account is to be examined for classification as fraud pertains to the period prior to the insolvency commencement date, which are required, in terms of the Code, to be necessarily resolved as a part of a resolution plan or in liquidation, as the case may be. As the Bank is already aware, in terms of the ongoing CIRP, a resolution plan has already been put forth before the committee of creditors of the Corporate Debtor for voting. If and upon the resolution plan being approved and implemented, the outstanding dues of the Corporate Debtor shall be resolved in accordance with the terms of the approved resolution plan.

10. Owing to the reasons mentioned above, no action can be said to lie against the Corporate Debtor for classification of its account as fraud or any other consequences under the RBI's Master Direction on Fraud at present. The Bank is requested to take note of the above..

11. Furthermore, vide your Letter, we understand that you have provided a time period of 15 days for receipt of representation/submission, if any, on the forensic audit report from the Corporate Debtor's management (including erstwhile management). Accordingly, without prejudice to our submissions as aforesaid, we request that upon the finalization of the forensic audit report after consideration of responses received to the Letter, the Bank may kindly intimate us about the finalized forensic report, inter alia, for our internal records, and for making suitable disclosures to the stock exchanges with respect to the same in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

12. Our views in this letter are limited to the Corporate Debtor and nothing herein should be either construed as an admission on behalf of the Corporate Debtor, nor should it be construed as a representation to release the erstwhile management / promoters of the Corporate Debtor from any liability whatsoever. It is clarified that this response is being issued solely on behalf of the Company, to place on record the submissions of the Company in view of the ongoing CIRP. This response is without prejudice to the merits of the contentions raised in the Letter, and should not be construed as response on behalf of other addressees of the Letter.

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All rights and remedies are hereby reserved.

Thanking you

Yours faithfully,



Vijaykumar V. Iyer

Resolution Professional for Future Retail Limited

Insolvency Professional - Regn. No.: IBBI/IPA-001/IP-P00261/2017-2018/10490

Authorization for assignment No: AA1/10490/02/190224/105486 (valid till 19 February 2024)

Registered Address and Communication Address:

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One International Centre, Tower 3, 32nd Floor,
Senapati Bapat Marg, Elphinstone Road (West),
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