



15.04.2019

Notice u/s 6 (2) of the Competition Act, 2002 filed by Future Coupons Limited.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. U. C. Nahta
Member

Ms. Sangeeta Verma
Member

Legal representatives: M/s Trilegal

Order under Section 31(1) of the Competition Act, 2002

1. On 19.03.2019, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”) filed by Future Coupons Limited (“**FCL**”/ “**Acquirer**”).
2. The proposed combination relates to issue and allotment of equity warrants of Future Retail Limited (“**FRL**”) to FCL, on exercise of equity warrants, FCL will hold 7.30 per cent in FRL (“**Proposed Combination**”). The Proposed Combination has been filed pursuant to resolution passed by board of directors of FCL and FRL on 25.01.2019 and 04.02.2019 respectively (hereinafter, FCL and FRL are collectively referred to as the “**Parties**”).
3. During the course of review of the Proposed Combination by the Commission, the Acquirer submitted certain information(s)/clarification(s) *vide* submission on 04.04.2019.
4. FCL, a public company incorporated in India, is a wholly-owned subsidiary of Future Corporate Resources Private Limited (“**FCRPL**”) and belongs to the Future group of companies. FCL is *inter alia*, engaged in the business of making and distributing coupons,



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vouchers, cards, smart cards, including pre-paid and loyalty cards. Currently, FCL is only engaged in business-to-business wholesale trading of fabrics.

5. FRL, a public limited company incorporated in India, is listed on the Bombay Stock Exchange and the National Stock Exchange and belongs to the Future group of companies. It *inter alia*, operates stores under multiple retail formats such as hypermarket, supermarket and home segments with different brand names including Big Bazaar, Big Bazaar Genext, Hypercity, FBB, easy day.
6. It is stated that each of FCL and FCRPL are “promoter group” entities, in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”), and are owned and controlled by the promoter group led by Mr. Kishore Biyani (“**Promoter Group**”). Further, it is stated that the Promoter Group (principally through FCRPL) has 46.92% stake in FRL and pursuant to the Proposed Combination, the combined equity stake of the Promoter Group in FRL will increase from 46.92% to 50.79% of the enhanced capital base.
7. It is also stated that the Promoter Group is, and will continue to be the single largest shareholder in FRL, and there will be no impact, whatsoever, on the veto rights and/or board nomination rights in FRL by the Promoter Group, pursuant to the Proposed Combination. In view of foregoing, it appears that the Proposed Combination is not likely to cause any change in competition dynamics in any market in India.
8. Considering the facts on record and the details provided in the notice given under Section 6(2) of the Act and assessment of the Proposed Combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the same under Section 31(1) of the Act.
9. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
10. The information provided by the Acquirers is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.



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11. The Secretary is directed to communicate to the Acquirers accordingly.