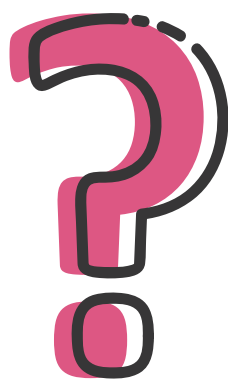


AMAZON-FUTURE TUSSLE

TAXTRU BUSINESS ADVISORS LLP

- India's retail giant Kishore Biyani's Future Retail is stuck in a long-standing tussle with the US tech giant Amazon.
- Amazon has been blocking a deal worth \$3.4 billion between Future Group and Reliance Retail alleging that the transaction between the two Indian majors violates the terms of its earlier contract with Future.



What it is about

- In January 2020, Amazon acquired a 49 percent stake in Future Coupons, the promoter entity of Future Retail. This deal gave Amazon a 3.6 percent stake in the Future group.
- Amid the unprecedented challenges of Covid-19, Future Retail eyes at restructuring and selling its retail assets like Big Bazaar to Reliance Retail Ventures Limited.
- On October 25, Amazon got an emergency order from Singapore International Arbitration Centre (SIAC) to block the Future assets sale to Reliance Retail Ventures Limited (RRVL). Future had rejected the challenge.
- According to a non-compete clause of the deal between Reliance and Future, Kishore Biyani and his family are not allowed to enter the retail sector for the next 15 years.
- Future Group approached the Delhi high court to pass an injunction order against Amazon that been trying hard to block the deal. The court asked SEBI to scrutiny the deal.
- SEBI granted conditional approval to the deal.
- Last week, the Delhi high court halted the deal in a blow to Future group.