

FUTURE RETAIL



Regd. Office: Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060 **Tel:-** 91-22-61190000 **Fax:** 91-22-61995019
Website: www.futureretail.in

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 428 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act,
1956;

AND

In the matter of Scheme of Amalgamation

of

Future Value Retail Limited ("FVRL" or "the Transferor
Company")

with

Future Retail Limited ("FRL" or "the Transferee Company")

and

their Respective Shareholders and Creditors

FUTURE RETAIL LIMITED, a Company)
incorporated under the provisions of the)
Companies Act, 1956 and having its registered)
office at Knowledge House, Shyam Nagar, Off)
Jogeshwari Vikhroli Link Road, Jogeshwari).....Applicant Company
(East), Mumbai – 400 060.

**NOTICE CONVENING THE MEETING OF MEMBERS OF FUTURE RETAIL LIMITED, THE
APPLICANT COMPANY**

To,

The Members of **Future Retail Limited** ("the Applicant Company"),

TAKE NOTICE that by an Order made on 10th day of May 2013, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Members of Future Retail Limited, the Applicant Company, comprising of the Equity Shareholders and Class B (Series 1) Shareholders of the Applicant Company, be convened and held at Rangswar, Y. B. Chavan Centre, 4th Floor, Gen. Jagannath Bhosale Marg, Mumbai 400021 on Monday 10th day of June, 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of Future Value Retail Limited with Future Retail Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Members of Future Retail Limited, the Applicant Company, comprising of the Equity Shareholders and Class B (Series 1) Shareholders, be convened and held at Rangswar, Y. B. Chavan Centre, 4th Floor, Gen. Jagannath Bhosale Marg, Mumbai 400021 on Monday 10th day of June, 2013 at 10:00 a.m at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060 not later than 48 hours before the time of said meeting. The Hon'ble High Court has appointed Mr. Shailesh Haribhakti, Chairman of the Applicant Company, and failing him, Mr. Kishore Biyani, Managing Director of the Applicant Company, and failing him,

Mr. Vijay Biyani, Wholetime Director of the Applicant Company, to be the Chairman of the aforesaid Meeting of the Members comprising of the Equity Shareholders and Class B (Series 1) Shareholders.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Scheme of Amalgamation, Form of Proxy and Attendance Slip are enclosed.

Sd/-
Chairperson appointed for the meeting

Dated this 10th day of May, 2013

Registered office:

Knowledge House,
Shyam Nagar, Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered members of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the members' meeting. The representative of a body corporate which is a shareholder of the Applicant Company may attend and vote at the members' meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the members' meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the time of the members' meeting.

Encl.: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 428 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation

of

Future Value Retail Limited ("FVRL" or "the Transferor Company")

with

Future Retail Limited ("FRL" or "the Transferee Company")

and

their Respective Shareholders and Creditors

FUTURE RETAIL LIMITED, a Company)
incorporated under the provisions of the Companies)
Act, 1956 and having its registered office at)
Knowledge House, Shyam Nagar, Off Jogeshwari)
Vikhroli Link Road, Jogeshwari (East), Mumbai -)
400 060.) Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 FOR THE
COURT CONVENED MEETING OF MEMBERS OF APPLICANT COMPANY**

1. Pursuant to an Order dated 10th day of May, 2013 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Members of Future Retail Limited, the Applicant Company, comprising of the Equity Shareholders and Class B (Series 1) Shareholders, is being convened and held at Rangswar, Y. B. Chavan Centre, 4th Floor, Gen. Jagannath Bhosale Marg, Mumbai 400021 on Monday, 10th day of June 2013 at 10.00 a.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Future Value Retail Limited with Future Retail Limited and their respective Shareholders and Creditors ('the Scheme' or 'this Scheme').
2. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, inter alia, providing for the merger of Future Value Retail Limited with Future Retail Limited which has been approved by Board of Directors of the Applicant Company at its meeting held on 15th day of March, 2013, is enclosed to this explanatory statement and forms part of this statement
3. The background of the companies involved in the scheme is as under:

3.1. Future Retail Limited

- a. The Applicant Company was incorporated on 12th day of October, 1987 under the provisions of the Companies Act, 1956 under the name "Manz Wear Private Limited". The name of the Applicant Company was changed to "Manz Wear Limited" with effect from 20th day of September 1991. The name of the Applicant Company was further changed to "Pantaloon Fashion (India) Limited" with effect from 25th day of September 1991. The name of the Applicant Company was further changed to "Pantaloon Retail (India) Limited" with effect from 7th day of July 1999. The name of the Applicant Company was further changed to its present name "Future Retail Limited" with effect from 16th day of March 2013.

- b. The Registered Office of the Applicant Company is situated at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
- c. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on 31st March, 2013 is as under:

Share Capital	Rupees
Authorized Share Capital	
50,00,00,000 Equity Shares of Rs. 2 each (divided into 45,00,00,000 Equity Shares and 5,00,00,000 Class B (Series 1) Shares)	100,00,00,000
30,00,000 0.01% Compulsory convertible preference Shares of Rs.100 each	30,00,00,000
TOTAL	130,00,00,000
Issued Share Capital	
23,15,93,991 equity shares of Rs 2 each (divided into 21,56,64,839 Equity Shares and 1,59,29,152 Class B (Series 1) Shares)	463,187,982
Subscribed & Paid-up Share Capital	
23,15,82,591 equity shares of Rs 2 each (divided into 21,56,53,439 Equity Shares and 1,59,29,152 Class B (Series 1) Shares)	463,165,182

Subsequent to the said date, there has been no change in the capital structure of the Applicant Company.

- d. The Applicant Company is engaged in the business of organised retail through its various business formats.

3.2 Future Value Retail Limited:

- a. Future Value Retail Limited (FVRL) was incorporated under the provisions of the Indian Companies Act, 1956 in Mumbai, the State of Maharashtra on 11th day of June, 2007, under the name "Pantaloons Future Ventures Limited". The name was later changed to "Future Value Retail Limited" on 16th day of November 2009.
- b. The Registered Office of FVRL is situated at Knowledge House, Off Jogeshwari, Vikhroli Link Road, Shyam Nagar, Jogeshwari(East), Mumbai 400060.
- c. The authorised, issued, subscribed and paid-up share capital of FVRL as on 31st March , 2013 is as under:

Share Capital	Rupees
Authorized Share Capital	
10,00,00,000 equity shares of Rs 10 each	100,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-up Share Capital	
6,64,99,912 equity shares of Rs 10 each fully paid up	66,49,99,120
Total	66,49,99,120

FRL alongwith with its nominee shareholders presently hold the entire share capital of FVRL.

- e. FVRL is currently in the business of operating retail formats like Big Bazaar and Food Bazaar.

4. Description and Rationale for the Transaction

Description

- 4.1 The Scheme of Amalgamation ("**Scheme**") pursuant to Sections 391 to 394 of the Companies Act, 1956 provides for merger of FVRL with FRL and matters incidental and consequential thereto.

Rationale

- 4.2 FRL is a public listed company which, through itself and its subsidiaries, is a diversified retail player and also has interests in financial services, insurance, media and other businesses.
- 4.3 FVRL is, inter alia, in the business of operating retail formats like Big Bazaar and Food Bazaar.
- 4.4 The amalgamation of FVRL with FRL would, inter-alia, have the following benefits:
- i) Cost savings in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalisation, standardisation and simplification of business processes and productivity improvements;
 - ii) The synergies that exist between the two entities can be put to the best advantage of all stakeholders;
 - iii) Greater size, scale, integration and greater financial strength and flexibility for the restructured entity;
 - iv) The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from FVRL and FRL who have the diverse skills, talent and vast experience to compete successfully in increasingly competitive environment;
 - v) Removing multiple layer hindrances

5. The salient features of the Scheme are as follows:

- i) Appointed Date of the Scheme is July 1, 2012
- ii) With effect from the Appointed Date, the whole of the undertaking of FVRL shall be merged with FRL
- iii) Since the entire share capital of FVRL is held by FRL, no consideration shall be payable / dischargeable to the shareholders of FVRL for the amalgamation of FVRL with FRL
- iv) Upon the Scheme becoming effective, in respect of existing Convertible Debentures of FVRL held by IFCI Limited, FRL shall issue its optionally convertible debentures of face value equal to face value of Convertible Debentures held in FVRL. Such optionally convertible debentures of FRL shall be subject to such terms and conditions as may be agreed with IFCI Limited and shall be convertible, at the option of IFCI Limited, into equity shares of FRL at a price not less than the average of share price of FRL on stock exchanges having the higher turnover, for a period of four weeks immediately prior to the date of conversion based on the conversion amount of Rs.282 crores as on the conversion date, subject to deduction of applicable taxes, if any.
- v) Upon the Scheme becoming effective, in respect of existing Convertible Debentures of FVRL held by Brand Equity Treaties Limited and AXIS Bank Limited, FRL shall issue its compulsorily convertible debentures of face value equal to face value of Convertible Debentures held in FVRL. Such compulsorily convertible debentures of FRL shall be subject to such terms and conditions as may be agreed with such holders and shall be convertible into equity shares of FRL at a price not less than the average of share price of FRL on stock exchanges having the higher turnover, for a period of four weeks immediately prior to the date of conversion based on the conversion amount of Rs.228 crores and Rs.384 crores in case of Brand Equity Treaties Limited and AXIS Bank Limited respectively, as on the conversion dates, subject to deduction of applicable taxes, if any.
- vi) The holders of debentures issued pursuant to this clause shall have a put option with respect to such debentures on a promoter company of FRL / FRL
- vii) On the Scheme becoming effective, FVRL shall be dissolved without being wound up.

The features set out above being only the salient features of the Scheme of and Amalgamation; the members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. Pursuant to the Scheme, there is no issue of shares since the Transferor Company is a wholly owned subsidiary of the Transferee Company. There are pre existing Compulsorily Convertible Debentures in the Transferor Company, holders of which as part of the Scheme, would be issued optionally / compulsorily convertible debentures of the Transferee Company based on the terms and conditions as mutually agreed between the holders of the CCDs and FRL.

On Scheme becoming effective and issuance of the said Debentures pursuant to the Scheme, there would be no change in the shareholding pattern and share capital structure of FRL as on Effective Date. The said Debentures would be subject to conversion terms as specified hereinabove and would be convertible in multiple tranches in financial years 2014-15 and 2015-16.

The shareholding pattern of FRL as on March 31, 2013 is as under:

SN	Description	Equity Shares	%	Class B Shares (Series 1)	%
A	Promoters				
1	Indian Promoters				
A	Individuals / Hindu Undivided Family			10836	0.07
B	Bodies Corporate	95286601	44.19	8184025	51.38
	Sub-Total (A)(1)	95286601	44.19	8194861	51.45
2	Foreign				
	Sub-Total (A)(2)				
	Total Shareholding of Promoter	95286601	44.19	8194861	51.45
B	Public Shareholding				
1	Institution				
A	Mutual Funds/ UTI	13129718	6.09	45175	0.28
B	Financial Institutions/ Banks	4226055	1.96	166342	1.05
C	Central/State Government	0	0.00	0	0.00
D	Venture Capital Funds	8159147	3.78	0	0.00
E	Insurance Companies	1678760	0.78	26631	0.17
F	Foreign Institutional Investors	55815912	25.88	107281	0.67
	Sub-Total (B)(1)	83009592	38.49	345429	2.17
B 2	Non Institution				
	Bodies Corporate	24906335	11.55	3241753	20.35
	Individuals				
	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	9549587	4.43	1666413	10.46
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1461720	0.68	2305286	14.47
	Any Other (specify)				
	NRIs	140202	0.06	22707	0.14
	Clearing Member	1260602	0.58	151243	0.95
	Directors & their Relatives & Friends	37600	0.02	1260	0.01
	Trusts	1200	0.00	0	0.00
	Sub-Total (B)(2)	37357246	17.32	7388862	46.38
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	120366838	55.81	7734291	48.55
	TOTAL (A)+(B)	215653439	100.00	15929152	100.00

(C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group				
2	Public				
	Sub-Total (C)				
	Grand Total (A+B+C)	215653439	100.00	15929152	100.00

7. The directors holding the shares in FRL do not have any other interest in the Scheme otherwise than that as shareholders in general. Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

The extent of the shareholding of the Directors of FVRL in FVRL and FRL either singly or jointly or as nominee as on March 31, 2013 is as under:

Sr No	Name of the Director	Designation	Shares in FVRL	Shares in FRL
1	Mr. Rakesh Biyani	Director	Nil	1,000 Class B (Series 1) shares
2	Mr. Vivek Biyani	Director	Nil	1,000 Class B (Series 1) Shares
3	Mr. C. P. Toshniwal	Director	Nil	10,000 Equity, 1000 Class B (Series 1) Shares
4	Mr. V. K. Chopra	Director	Nil	Nil

The extent of the shareholding of the Directors of FRL in FRL and FVRL either singly or jointly or as nominee as on March 31, 2013 is as under:

Sr No	Name of the Director	Designation	Shares in FVRL	Shares in FRL
1	Mr. Kishore Biyani	Managing Director	Nil	1,000 Class B (Series 1) Shares
2	Mr. Rakesh Biyani	Joint Managing Director	Nil	1,000 Class B (Series 1) Shares
3	Mr. Vijay Biyani	Wholetime Director	Nil	1,000 Class B (Series 1) Shares
4	Mr. Gopikishan Biyani	Director	Nil	1,000 Class B (Series 1) Shares
5	Mr. Shailesh Haribhakti	Director	Nil	25,100 Equity, 10 Class B (Series 1) Shares
6	Mr. Anil Harish	Director	Nil	10,000 Equity, 1,000 Class B (Series 1) Shares

8. FRL has filed the application for approval to the Scheme in the terms of Clause 24(f) of the Listing Agreement with BSE Limited and National Stock Exchange of India Limited on March 18, 2013. The Company is expecting the approval from the said stock exchanges and the same would be available on the website of the Company as soon as the same is received.
9. The financial position of FRL will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of FRL will not be prejudicially affected by the Scheme as FRL, post the Scheme will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the FRL will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
10. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of FRL. No winding up petitions have been admitted against FRL.

11. In the event that this Scheme is terminated or withdrawn in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event each party hereto shall bear and pay their respective costs, charges and expenses for and or in connection with the Scheme.
12. Inspection of the following documents may be had by the members of FRL at the Registered Office of FRL between 11:00 am and 1:00 pm up to date of the Court Convened Meeting on all working days (except Saturdays, Sundays and Public holidays):
- (a) Copy of the Order dated 10th day of May, 2013 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 428 of 2013 directing the convening of the meeting of the members of FRL;
 - (b) Scheme of Amalgamation;
 - (c) Memorandum and Articles of Association of FRL and FVRL;
 - (d) The Audited Financial Statements of FRL & FVRL for financial period ended December 31, 2012 and financial years ended June 30, 2011 and June 30, 2010.
 - (e) Copies of the resolutions passed by the respective Board of Directors of FRL and FVRL approving the Scheme.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of FRL and/or at the office of the Advocates M/S Hemant Sethi & Co, 1602, Nav Parmanu Building, Behind Amar Cinema, Chembur, Mumbai – 400 071.

Sd/-

Chairperson appointed for the meeting

Dated this 10th day of May, 2013

Registered office:

Knowledge House,
Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East),
Mumbai – 400 060

Note: - All alterations made in the form of proxy should be initialed.

**SCHEME OF AMALGAMATION
OF
FUTURE VALUE RETAIL LIMITED.
WITH
FUTURE RETAIL LIMITED
AND**

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(A) PREAMBLE

This Scheme of Amalgamation ('Scheme') is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Future Value Retail Limited. ("FVRL"), a wholly owned subsidiary of Future Retail Limited ("FRL") into FRL

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) RATIONALE FOR THE SCHEME

FRL is a public listed company which, through itself and its subsidiaries, is a diversified retail player and also has interests in financial services, insurance, media and other businesses.

FVRL is, *inter alia*, in the business of operating retail formats like Big Bazaar and Food Bazaar.

The amalgamation of FVRL with FRL would, *inter-alia*, have the following benefits:

- i) Cost savings in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalisation, standardisation and simplification of business processes and productivity improvements;
- ii) The synergies that exist between the two entities can be put to the best advantage of all stakeholders;
- iii) Greater size, scale, integration and greater financial strength and flexibility for the restructured entity;
- iv) The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from FVRL and FRL who have the diverse skills, talent and vast experience to compete successfully in increasingly competitive environment;
- v) Removing multiple layer hindrances;

(C) PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **Part II** deals with amalgamation of FVRL with FRL;
- (iii) **PART III** deals with general terms and conditions applicable to this Scheme.

**PART I
DEFINITIONS AND SHARE CAPITAL**

1. DEFINITIONS

In this Scheme (as defined hereunder), unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 "Act" or "The Act"** means the Companies Act, 1956, or any statutory modification or re-enactment thereof or amendments thereto for the time being in force;
- 1.2 "Appointed Date"** would mean 1st day of July 2012 or such other date as may be fixed or approved by the High Court or such other competent authority as may be applicable;
- 1.3 "Board of Directors" or "Board"** means the Board of Directors of FRL and/ or FVRL as the context may require and includes a committee thereof.
- 1.4 "Convertible Debentures"** means 6850 5% Unsecured Compulsorily Convertible Debentures of Rs 10 lacs each aggregating to Rs 685 Crores (Series A and Series B) issued by FVRL.
- 1.5 "Court" or "High Court"** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable;
- 1.6 "Effective Date"** means the later of the dates on which the certified copies of the Orders sanctioning this Scheme, passed by the High Court, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, at Mumbai by FRL and FVRL;
- 1.7 "FVRL" or "the Transferor Company"** means Future Value Retail Limited., a company incorporated under the Companies Act, 1956, and having its Registered Office at Knowledge House, Off Jogeshwari - Vikhroli Link Road, Shyam Nagar, Jogeshwari (East), Mumbai - 400060;
- 1.8 "FRL" or "the Transferee Company"** means Future Retail Limited, a company incorporated under the Companies Act, 1956, and having its Registered Office at Knowledge House, Off Jogeshwari - Vikhroli Link Road, Shyam Nagar, Jogeshwari (East), Mumbai - 400060;
- 1.9 "Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form as submitted to the High Court or this Scheme with such modification(s), if any made, as per the Scheme;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3 SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of FRL as on June 30, 2012 is as under:

Share Capital	Rupees
Authorized Share Capital	
50,00,00,000 Equity Shares of Rs. 2 each (divided into 45,00,00,000 Equity Shares and 5,00,00,000 Class B (Series 1) Shares)	100,00,00,000
30,00,00,000 preference Shares of Rs.100 each	30,00,00,000
TOTAL	130,00,00,000
Issued Share Capital	
23,15,93,991 equity shares of Rs 2 each (divided into 21,56,64,839 Equity Shares and 1,59,29,152 Class B (Series 1) Shares)	463,187,982
Subscribed & Paid Up Share Capital	
23,15,82,591 equity shares of Rs 2 each (divided into 21,56,53,439 Equity Shares and 1,59,29,152 Class B (Series 1) Shares)	463,165,182

Subsequent to June 30, 2012, there has been no change in the capital structure of FRL .

- 3.2 The authorized, issued, subscribed and paid-up share capital of FVRL as on June 30, 2012 is as under:

Share Capital	Rupees
Authorized Share Capital	
10,00,00,000 equity shares of Rs. 10 each	100,00,00,000
TOTAL	100,00,00,000
Issued, Subscribed and Paid Up Share Capital	
6,64,99,912 equity shares of Rs. 10 each, fully paid up	66,49,99,120
TOTAL	66,49,99,120

Subsequent to June 30, 2012, there has been no change in the capital structure of FVRL.

PART II

AMALGAMATION OF FVRL WITH FRL

4. VESTING OF UNDERTAKING

With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the undertaking and properties (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever, of FVRL shall pursuant to the provisions contained in Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in FRL in the manner specified hereinafter in this Scheme

- 4.1 All the assets of the FVRL as on the Appointed Date shall, without any further act, instrument or deed and pursuant to Sections 391 to 394 of the Act be transferred to and vested in or be deemed to have been transferred to and vested in FRL on a going concern basis, so as to become the business, undertaking, estate, assets, properties, rights, title and interests of FRL in the following manner:-

- All the movable assets of FVRL which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to FRL to the end and intent that the property therein passes to FRL ;
- In respect of other assets pertaining to FVRL including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, FRL shall issue notices stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of FRL as the person entitled thereto, to the end and intent that the right of FVRL to receive, recover or realize the same, stands transferred to FRL and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- any and all immovable properties (including land together with the buildings and structures standing thereon) of FVRL, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in FRL, without any act or deed done by FRL or FVRL. With effect from the Appointed Date, FRL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation

to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of FRL shall be made and duly recorded by the appropriate authorities / parties pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of FRL ;

- (iv) In respect of such of the assets of FVRL other than those referred to in clause (i) to (iii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in FRL on the Appointed Date pursuant to the provisions of Section 394 of the Act.

4.2 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of FVRL including debentures shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to FRL , so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of FRL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any brands, copyrights, trademarks, statutory licenses, permissions or approvals or consents held by FVRL required to carry on operations of FVRL shall stand vested in or transferred to FRL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of FRL and the benefit of all brands, copyrights, trademarks, statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses, consents, certificates, authorities (including for the operation of Bank accounts), power of attorneys given by, issued to or executed in favour of FVRL shall vest in and become available to FRL as if they were originally obtained by FRL . In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by FVRL, are concerned, the same shall vest with and be available to FRL on the same terms and conditions as applicable to FVRL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to FRL.

4.4 The transfer and vesting of the undertaking and properties of FVRL as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof.

4.5 With effect from the Appointed Date, loans or other obligations if any, due between FVRL and FRL, shall stand discharged and there shall be no liability in that behalf. In so far as any securities or notes issued by the FVRL and held by FRL and vice versa are concerned, the same shall, unless sold or transferred by FVRL or FRL, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date and shall have no effect and FVRL and FRL, as the case may be, shall have no further rights or obligations outstanding in that behalf.

4.6 With effect from the Effective Date, FRL shall commence and carry on and shall be authorized to carry on the business carried on by FVRL in addition to the business of FRL.

4.7 The resolutions, if any, of FVRL which are valid and subsisting on the Effective Date, shall be continued to be valid and subsisting and be considered as resolutions of FRL and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in FRL.

5. CONSIDERATION

5.1 Since the entire share capital of FVRL is held by FRL, no consideration shall be payable / dischargeable to the shareholders of FVRL for the amalgamation of FVRL with FRL

5.2 Upon the Scheme becoming effective, in respect of existing Convertible Debentures of FVRL held by IFCI Limited, FRL shall issue its optionally convertible debentures of face value equal to face value of Convertible Debentures held in FVRL . Such optionally convertible debentures of FRL shall be subject to such terms and conditions as may be agreed with IFCI Limited and shall be convertible, at the option of IFCI Limited, into equity shares of FRL at a price not less than the average of share price of FRL on stock exchanges having the higher turnover, for a period of four weeks immediately prior to the date of conversion based on the conversion amount of Rs.282 crores as on the conversion date, subject to deduction of applicable taxes, if any.

5.3 Upon the Scheme becoming effective, in respect of existing Convertible Debentures of FVRL held by Brand Equity Treaties Limited and AXIS Bank Limited, FRL shall issue its compulsorily convertible debentures of face value equal to face value of Convertible Debentures held in FVRL. Such compulsorily convertible debentures of FRL shall be subject to such terms and conditions as may be agreed with such holders and shall be convertible into equity shares of FRL at a price not less than the average of share price of FRL on stock exchanges having the higher turnover, for a period of four weeks immediately prior to the date of conversion based on the conversion amount of Rs. 228 crores and Rs. 384 crores in case of Brand Equity Treaties

Limited and AXIS Bank Limited respectively, as on the conversion dates, subject to deduction of applicable taxes, if any.

- 5.4 The holders of debentures issued pursuant to this clause shall have a put option with respect to such debentures on a promoter company of FRL / FRL

6. ACCOUNTING TREATMENT IN THE BOOKS OF FRL

- 6.1 With effect from the opening of business as on the Appointed Date, FRL shall account for the transfer and vesting of entire undertaking of FVRL pursuant to the Scheme, in accordance with pooling of interest method as prescribed in Accounting Standard 14 as notified by Companies (Accounting Standard) Rules, 2006 in the following manner:

- 6.1.1 With effect from the Appointed Date, FRL shall record all the assets, liabilities and reserves of FVRL, at the respective book values as appearing in the books of FVRL as on the Appointed Date;
- 6.1.2 An amount equal to share capital of FVRL shall be credited to capital reserve account.
- 6.1.3 Inter Company balances including debentures shall be cancelled;
- 6.1.4 Investment in the shares of FVRL as appearing in the books of FRL shall be cancelled and debited to the profit and loss account;
- 6.1.5 The Securities Premium account of FVRL recorded in the books of FRL pursuant to Clause 6.1.1 be transferred to capital reserve account and the same, shall be utilized to create a provision for diminution / loss on assets and for unprovided liabilities of FVRL.
- 6.1.6 The application and reduction, if any, of the Securities Premium Account as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 78 read with Sections 100 to 103 of the Act. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Order approving the Scheme shall be deemed to be order confirming the reduction.
- 6.1.7 FRL may make suitable adjustments as considered appropriate, for the purpose of application of uniform accounting methods and adjust the same in Capital Reserve.

7. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

During the period between the Appointed Date and upto and including the Effective Date:

- 7.1 FVRL shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new business, nor alienate, charge, mortgage, encumber or otherwise deal with the assets

or any part thereof except in the ordinary course of business without the prior written consent of the Board of Directors of FRL or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme. FVRL shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of FVRL for and on account of and in trust for FRL.

- 7.2 FRL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which FRL, may require to carry on the business of FVRL.

8. LEGAL PROCEEDINGS

- 8.1 If any suit, appeal or other legal proceedings of whatever nature by or against FVRL is pending in on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against FRL, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against FVRL as if this Scheme had not been made.

9. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 9.1 Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which FVRL is a party, subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of FRL, and may be enforced as if, instead of FVRL, FRL had been a party thereto.

10. STAFF, WORKMEN & EMPLOYEES

- 10.1 Upon the coming into effect of this Scheme, all staff, workmen and employees of FVRL engaged in or in service on the Effective Date shall be deemed to have become staff, workmen and employees of FRL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with FRL shall not be less favourable than those applicable to them with reference to FVRL respectively on the Effective Date.
- 10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and/ or Pension Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees (collectively referred to as "Funds") of FVRL shall become the trusts/ funds of FRL for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of FVRL in relation to such Funds shall

become those of FRL. It is clarified that the services of the staff, workmen and employees of FVRL will be treated as having been continuous for the purpose of the said Funds.

11. PERMISSIONS

- 11.1 Any statutory licenses, permissions, approvals or consents to carry on the operations of FVRL shall stand vested in or transferred to FRL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of FRL. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to FRL pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by FVRL, are concerned, the same shall vest with and be available to FRL, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT, shall stand transferred to and vested in FRL as if the transaction giving rise to the said balance or credit was a transaction carried out by FRL. The assets and properties of FVRL shall not be required to be and shall not be physically transferred from any premises or location of FVRL and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty.

12. TAXES

- 12.1 FRL will be the successors of FVRL. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed by FVRL and the obligations if any for payment of the tax on any assets or their erection and / or installation, etc. shall be deemed to have been availed by FRL or as the case may be deemed to be the obligations of FRL. Consequently, and as the Scheme does not contemplate removal of any asset by FRL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made.
- 12.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by FVRL including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of FRL.
- 12.3 FRL is expressly permitted to revise its tax returns, tax deducted at source (TDS) certificates/ returns and to claim deductions, refunds, advance tax credits, excise and service tax credits, set off, etc., upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

13. SAVING OF CONCLUDED TRANSACTIONS

The vesting of the undertaking of FVRL into FRL shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that FRL accepts and adopts all acts, deeds and things done and executed by or on behalf of FVRL.

14. WINDING UP OF FVRL

- 14.1 On and from the Effective Date, FVRL shall stand dissolved without being wound up.
- 14.2 On and with effect from the Effective Date, the name of FVRL shall be struck off from the records of the relevant Registrar of Companies.
- 14.3 The Board of Directors (or any Committee thereof) of FVRL shall without any further act, instrument or deed be and stand dissolved.

PART III

GENERAL CLAUSES AND OTHER TERMS AND CONDITIONS

15. RESOLUTIONS

- 15.1 Approval to this Scheme by the share holders of FRL and FVRL shall be deemed to be their approval under all the requisite provisions of the Act for all matters in relation to the Scheme including but not limited to issuance / conversion of securities and vesting of investments / instruments.

16. APPLICATION TO HIGH COURT

- 16.1 FRL and FVRL shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 17.1 FRL and FVRL by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). FRL and FVRL by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 18.1 The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of FRL and FVRL as may be directed by the High Court.
- 18.2 The sanction of the High Court under Sections 391 to 394 of the said Act in favour of FRL and FVRL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
- 18.3 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, of Maharashtra at Mumbai by FRL and FVRL as may be applicable.

19. EFFECT OF NON-RECEIPT OF APPROVALS

- 19.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High

Court or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2014 or within such further period or periods as may be agreed upon between FRL and FVRL by their respective Board of Directors (and which the Board of Directors of the companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

20. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by FRL.

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 428 OF 2013

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation

of

Future Value Retail Limited ("FVRL" or "the Transferor Company")

with

Future Retail Limited ("FRL" or "the Transferee Company")

and

their respective Shareholders and Creditors

FUTURE RETAIL LIMITED, a Company)
incorporated under the provisions of the Companies)
Act, 1956 and having its registered office at)
Knowledge House, Shyam Nagar, Off Jogeshwari)
Vikhroli Link Road, Jogeshwari (East), Mumbai -)
400 060.).....Applicant Company

FORM OF PROXY

I/ We _____, the undersigned, being the member of Future Retail Limited, the Applicant Company do hereby appoint Mr./ Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of Members to be held at Rangswar, Y. B. Chavan Centre, 4th Floor, Gen. Jagannath Bhosale Marg, Mumbai 400021 on Monday, 10th day of June, 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed arrangement embodied in the Scheme of Amalgamation of Future Value Retail Limited with Future Retail Limited and their respective shareholders and creditors and at such meeting, and any adjournment / adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if 'for' insert 'FOR', if 'against' insert 'AGAINST' and in the later case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Amalgamation either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary

Dated this _____ day of _____, 2013

Affix
Revenue
stamp

Signature across the stamp

Name _____

Address _____

Reg. Folio No. _____

Client ID No. _____

DP ID No. _____

No. of shares: _____

Sole / First Holder: _____

Second Holder: _____

Third Holder: _____

Proxy: _____

Signatures of Shareholder(s)

Signature of Proxy

Notes:

- (1) Please affix Revenue Stamp before putting Signature.
- (2) All alterations made in the Form of proxy should be initialed.
- (3) The Proxy must be deposited at the Registered Office of the Company at Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 at least 48 hours before the time for holding the Court Convening meeting.
- (4) In case of multiple proxies, the proxy later in time shall be accepted.
- (5) Proxy need not be a member.

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Regd. Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060 **Tel:-91-22-61190000 Fax: 91-22-61995019**

Website: www.futureretail.in

ATTENDANCE SLIP

COURT CONVENED MEETING OF MEMBERS ON MONDAY, 10TH DAY OF JUNE , 2013

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the Meeting of the Member of the Company, convened pursuant to the Order dated 10th day of May, 2013 of the Hon'ble High Court of Judicature at Bombay at Rangswar, Y. B. Chavan Centre, 4th Floor, Gen. Jagannath Bhosale Marg, Mumbai 400021 on Monday, 10th day of June, 2013 at 10.00 a.m.

Name and Address of Equity Shareholders (IN BLOCK LETTERS):

Signature : _____
Reg. Folio No. : _____
Client ID : _____
DP. ID : _____
No. of Equity Shares : _____
No. of Class B (Series 1) Shares : _____

Name of the Proxy holders* (IN BLOCK LETTERS) : _____

Signature : _____

* (To be filled in by the Proxy in case he/she attends instead of the equity shareholder)

NOTE:

Members attending the Meeting in person or by Proxy or through authorized representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.

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