

FUTURE RETAIL



REF: FRL/CCM/15-16

October 26, 2015

To

Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex, Bandra (East)
Mumbai- 400 051

Fax Nos.: 22723121 / 22722037 / 22722039 22722041
/ 22722061 / 22723719/ 22721082

Fax Nos. 26598237 / 26598238

Re:Scrip Code : 523574 / 570002

Re:ScripCode :FRL/FRLDVR

Re: Scrip Code of Debt: 947649 / 949020 / 946840 /
949039 / 952008 / 952009 / 952010 / 952045 / 952046 /
952053 / 952054 / 952074 / 952075 / 952089 / 952090 /
952097 / 952098 / 952715 / 952717 / 952718 / 952721

Dear Sir/Madam,

Sub: Court Convened Meeting Notices

Please find enclosed herewith 3 copies of Notices of Court Convened Meeting of the members of the Company to be held on Wednesday, November 18, 2015.

Please acknowledge the same.

Thanking you,

Yours faithfully,

For Future Retail Limited

Deepak N. Tanna
Company Secretary

Encl : as above

FUTURE RETAIL

FUTURE RETAIL LIMITED

Regd. Off.: Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060.
 Tel. No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201
 CIN: L52399MH1987PLC044954; Website : www.futureretail.co.in; Email: investorrelations@futureretail.in

NOTICE TO THE MEMBERS OF FUTURE RETAIL LIMITED

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 797 OF 2015**

In the matter of the Companies Act, 1 of 1956 and other relevant
provisions of the Companies Act, 2013;

AND

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

AND

In the matter of the Composite Scheme of Arrangement under
Sections 391 to 394 read with Sections 100 to 104 of the Companies
Act, 1956 and Section 52 of Companies Act, 2013 and the applicable
provisions of the Companies Act, 1956 and/or Companies Act, 2013,
as may be applicable between Future Retail Limited and Bharti Retail
Limited and their respective shareholders and creditors

FUTURE RETAIL LIMITED

[CIN:L52399MH1987PLC044954], a Company incorporated
under the Companies Act, 1956 and having its registered
office at Knowledge House, Shyam Nagar, Off. Jogeshwari –
Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060

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.....Applicant Company

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 16th day of October, 2015, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay ("said Order") 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 Wednesday, 18th day of November, 2015 at 10.00 am for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement between Future Retail Limited and Bharti 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, will be convened and held at Rangswar, Y.B. Chavan Centre, 4th Floor, Gen. Jagannath Bhosale Marg, Mumbai 400021 on Wednesday, 18th day of November, 2015 at 10.00 am 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 authorized representative, is deposited at the Registered Office of the Applicant Company at Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari(East), Mumbai - 400060, not later than 48 hours before the time of the aforesaid meeting. The Hon'ble High Court of Judicature at Bombay has appointed Mr. Kishore Biyani, Managing Director of the Applicant Company, and failing him, Mr. Rakesh Biyani, Joint Managing Director of the Applicant Company and failing him, Mr. Vijay Biyani, Whole time Director of the Applicant Company to be the Chairman of the aforesaid meeting of the Members of Future Retail Limited, the Applicant Company, comprising of the Equity Shareholders and Class B (Series 1) shareholders.

A copy of the Composite Scheme of Arrangement and Explanatory Statement under Section 393 of the Companies Act, 1956, read with Section 102 of the Companies Act, 2013, Form of Proxy with instructions and the Attendance Slip are enclosed herewith.

Sd/-
Chairman appointed for the meeting

Place: Mumbai
Date: 16th October, 2015

Registered Office:

Knowledge House,
Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400 060
CIN: L52399MH1987PLC044954
Email: investorrelations@futereretail.in
Website: www.futereretail.co.in
Phone: +91-22-66442200 FAX: +91-22-66442201

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 an authorised representative under Section 113 of the Companies Act, 2013) at the Members' meeting. The authorized 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 authorizing such a 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 scheduled time of the commencement of the meeting.
- (3) A person can act as proxy on behalf of shareholders not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the Company carrying voting rights, provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
- (4) Registered Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such holding will be entitled to vote.
- (5) Voting on Resolution: Resolution at the court convened meeting would be voted through, by way of ballot form at meeting for the members. In said voting by ballot form, each Class B (Series 1) Shareholder shall be entitled to three votes for every four Class B (Series 1) Shares held and each Equity shareholder shall be entitled to one vote for every equity share held.
- (6) Members / Proxies are requested to hand over the Attendance Slip duly signed in accordance with their specimen signature(s) registered with the Applicant Company/Depository Participant(s) for admission to the meeting hall.

Enclosures: As above.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 797 OF 2015**

In the matter of the Companies Act, 1 of 1956 and other relevant provisions of the Companies Act, 2013;

AND

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

AND

In the matter of the Composite Scheme of Arrangement under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of Companies Act 2013 and the applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013, as may be applicable between Future Retail Limited and Bharti Retail Limited and their respective shareholders and creditors

FUTURE RETAIL LIMITED

[CIN:L52399MH1987PLC044954], a Company
incorporated under 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, READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE MEMBERS OF FUTURE RETAIL LIMITED, THE APPLICANT COMPANY

1. In this statement, Future Retail Limited is referred to as “the Applicant Company” or “FRL”. The other definitions contained in the Scheme will also apply to this statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013 (“Explanatory Statement”).
2. Pursuant to an Order dated 16th day of October, 2015 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 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 Wednesday, 18th day of November, 2015 at 10.00 am for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement between Future Retail Limited and Bharti Retail Limited and their respective Shareholders and Creditors (“the Scheme”) under Sections 391 to 394 of the Companies Act, 1956 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other relevant provision of the Companies Act, 1956 and or Companies Act, 2013 as may be applicable.
3. The Board of Directors of the Applicant Company had approved the Scheme on 4th May, 2015. Currently, the Scheme is pending before the Hon'ble High Court of Judicature at Bombay. A copy of the Scheme setting out in detail the terms and conditions of the arrangement is enclosed.

4. Background of each company

A. Future Retail Limited (“FRL”)

- 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 Company was changed to “Manz Wear Limited” with effect from 20th day of September 1991. The name of the Company was further changed to “Pantaloon Fashion (India) Limited” with effect from 25th day of September 1991. The name of the Company was further changed to “Pantaloon Retail (India) Limited” with effect from 7th day of July 1999. The name of the Company was further changed to its present name “Future Retail Limited” with effect from 16th day of March 2013.
- b) The Registered Office of FRL is situated at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
- c) The main Objects of FRL are as under:
 1. *To carry on the business of manufacturing, buying, selling, exchanging, altering, importing, exporting, distributing or otherwise dealing in ready made garments an hosiery made of cotton, silk, rayon, wool, nylon, manmade fabrics, polyester, canvas, jute, leather, any other fabric coated with any chemical or not, or other preparation and other fabric.*
 2. *To carry on the business of manufacturing, processing, dyeing, bleaching, buying, selling, exchanging, importing, exporting or otherwise dealing in yarns and textiles made of cotton, silk, rayon, wool, nylon, man-made fibres, polyester, canvas or any other substances.*
 - 2A. *To carry on trade or retail business in India through retail formats and including but not limited to hyper markets, super markets, mega stores/discount stores, cash & carry, departmental stores, shoppers plaza, direct to home, phone order and mail order, catalogue, through internet and other forms and multi level channels for all products and services, dealing in all kinds of goods, materials and items including but not*

limited to food & provisions, household goods, consumer durables, jewellery, home improvement products, footwears, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products, furniture & furnishings, automobile & accessories, and acquiring and running food, service and entertainment centers including but not limited to multiplexes, cinemas, gaming centers, amusement parks, restaurants and food courts and acquiring of land or building on lease or freehold or any commercial or industrial or residential building for running and management of retail business and to acquire flats, offices and retail spaces for carrying on retail business and to sell them, lease or sublet them and to undertake and execute civil, mechanical, electrical and structural works contracts and sub contracts in all their respective branches to carry on retailing business.”

- d) The authorized, issued, subscribed and paid-up share capital of FRL as on March 31, 2015 is as under:

Particulars of Share Capital	Amount in Rs. Crores
Authorized Share Capital	
45,00,00,000 Equity Shares of Rs.2/- each	90.00
5,00,00,000 Equity Shares of Class B (Series-1) of Rs.2/- each	10.00
30,00,000 Preference Shares of Rs. 100/- each	30.00
Total	130.00
Issued, Share Capital	
38,84,17,201 Equity Shares of Rs.2/- each, fully paid-up	77.68
2,58,84,872 Equity Shares of Class B (Series-1) of Rs.2/- each, fully paid-up	5.18
Total	82.86
Subscribed and Paid-up Share Capital	
38,83,21,323 Equity Shares of Rs.2/- each, fully paid-up	77.66
2,58,76,379 Equity Shares of Class B (Series-1) of Rs.2/- each, fully paid-up	5.18
Total	82.84

Subsequent to the above date, there has been a change in the capital structure of FRL. Revised capital structure of FRL is as under:

Particulars of Share Capital	Amount in Rs. Crores
Authorized Share Capital	
45,00,00,000 Equity Shares of Rs.2/- each	90.00
5,00,00,000 Equity Shares of Class B (Series-1) of Rs. 2/- each	10.00
30,00,000 Preference Shares of Rs. 100/- each	30.00
Total	130.00
Issued, Share Capital	
38,84,17,201 Equity Shares of Rs.2/- each, fully paid-up	77.68
3,93,83,172 Equity Shares of Class B (Series-1) of Rs.2/- each, fully paid-up	7.88
Total	85.56
Subscribed and Paid-up Share Capital	
38,83,21,323 Equity Shares of Rs.2/- each, fully paid-up	77.66
3,93,74,679 Equity Shares of Class B (Series-1) of Rs.2/- each, fully paid-up	7.87
Total	85.53

Pursuant to the provisions of the Act, following shares are kept in abeyance:

- Equity Shares: 11,400 equity shares of rights issue of 2006 and 84,478 equity shares of rights issue of 2015; and
- Class B (Series 1) Shares: 8,493 Class B (Series 1) shares of the rights issue of 2015.

11,72,410 (Eleven Lakhs Seventy Two Thousand Four Hundred and Ten) options are outstanding against Employee Stock Option Scheme as on date.

1500 Optionally Convertible Debentures (OCDs Series 2) issued by FRL pursuant to the Scheme of Amalgamation of Future Value Retail Limited with FRL, became effective on 11th February, 2014 which were outstanding as on 31st March, 2015 have been subsequently redeemed on 11th May, 2015.

B. Bharti Retail Limited (“BRL”)

- a) BRL was incorporated on 7th day of February, 2007 as a private limited company under the name “Bharti Retail Private Limited” under the provisions of Companies Act, 1956. BRL was later converted to a public company with effect from 21st May 2009 under the name “Bharti Retail Limited”. Further, the registered office of BRL was shifted from the National Capital Territory of Delhi to the State of Maharashtra consequent to the order of Regional Director, Northern Region dated 11th August, 2015.

- b) The Registered Office of BRL is situated at 6th & 7th Floor, Interface Building No. 7, Link Road, Mindspace, Malad (West), Mumbai – 400 064.
- c) The Main Objects of BRL are as under:
1. To initiate, acquire, set up, construct, establish, maintain, run, operate and manage business centre, hyper markets, departmental stores, super markets, shopping malls, discount stores, specialty stores, shopping outlets, convenience stores, commercial complexes, showrooms and for the purpose to give on lease or hire, to deal in, trade, import, export, market, distribute, process, pack, repack, move, preserve, produce, repair, wholesale, retail, exchange, stock, supply indent or otherwise to act as agents, sub-agents, wholesalers, retailers, representatives, commissions agents, franchisers and dealers of all commercial, industrial, scientific, household, domestic, forest and food products and services, consumer goods, consumer durables and other consumer's necessities of every kind, make and sorts, whatsoever, including cosmetic, pharmaceuticals, automobile, plants, machineries, equipments, apparatus, gadgets, appliances, computer hardware, computer parts, softwares, components, communication equipments, petroleum products, steel, accessories, spare parts or other merchandise such as food products, confectionery, beverages, beer housekeepers, licensed victuallers, wine and spirit merchants, tea, coffee and refreshment rooms, café, ice cream parlours, video parlours, jute, textiles, linens, furnishing fabrics and fabrics of all kinds, readymade garments and clothing, lingetic, hosiery, leather, rubber and plastic products, footwears, glass wares, enamelwares, earthenwares, porcelain wares, handicrafts, antiques, accessories, home decor items, furniture, stationary, personal care products, toiletries, metals, cookeries, precious and semi precious stones, paper and paper products, perfumery, engineering goods, health and beauty products, pets and supplies, household chemical, impulse merchandise, oil seeds toys, sporting goods, automotive, hardware, paint and accessories, housewares, small appliances, lawn & garden, home furnishings, seasonal, horticulture, large appliances, wireless, fabrics and craft, domestic goods, curtains and drap, bedding, menswear, boys wear, infants/toddlers, girls wear, ladies socks, sheer hosiery, sleepwear, bras & shapewear, accessories, ladies wear, swimwear. Outerwear, seafood, meat-fresh & frozen, floral, dairy products, frozen foods, commercial bread, bakery, candy and tobacco, grocery dry goods, grocery, liquor, wine, beer, pharmacy, jewelry and sunglasses, shoes optical-frames, optical-lenses, cameras photo films and reels, concept stores, optical-doctors, financial services, electrical & electronic goods and all other types of general good, consumables, materials, accessories, commodities and equipments or any other general merchandise or services of every nature, types and descriptions on ready or forward basis.
- d) The authorized, issued, subscribed and paid-up share capital of BRL as on March 31, 2015 is as under:

Particulars of Share Capital	Amount (Rs.) (in crores)
Authorised Share Capital:	
140,00,00,000 Equity Shares of Rs. 10/- each	1,400.00
TOTAL	1,400.00
Issued, Subscribed and Fully Paid-up Share Capital:	
139,86,60,000 Equity Shares of Rs. 10/- each, fully paid-up	1,398.66
TOTAL	1,398.66

Subsequent to the above date, there has been a change in the capital structure of BRL. Revised capital structure of BRL is as under:

Particulars of Share Capital	Amount (Rs.) (in crores)
Authorised Share Capital:	
250,00,00,000 Equity Shares of Rs. 10/- each	2,500.00
TOTAL	2,500.00
Issued, Subscribed and Fully Paid-up Share Capital:	
171,97,50,000 Equity Shares of Rs. 10/- each, fully paid-up	1,719.75
TOTAL	1,719.75

5. DESCRIPTION AND RATIONALE OF THE COMPOSITE SCHEME OF ARRANGEMENT:

Description

5.1 The Scheme inter-alia provides for the following:

- (i) Re-organisation of paid up equity share capital of BRL pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable;
- (ii) Demerger of the Retail Business Undertaking of FRL into BRL pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable with effect from 31st October, 2015 ("Appointed Date"); and
- (iii) Demerger of the Retail Infrastructure Business Undertaking of BRL into FRL pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable with effect from 31st October, 2015 ("Appointed Date").

Rationale

- 5.2 FRL currently operates multiple retail formats in the Indian consumer market under different brand names including: Big Bazaar; FBB; Food Bazaar; Foodhall; Home Town and eZone. The retail business of FRL inter-alia includes retail operations and retail infrastructure operations.
- 5.3 Currently, BRL operates retail business formats under the brand name 'easyday'. The retail business of BRL inter-alia includes the retail operations and the retail infrastructure operations.
- 5.4 FRL and BRL are desirous of consolidating their retail businesses by consolidating the retail operations and retail infrastructure operations of both companies under separate entities.
- 5.5 Demerger of the Retail Business Undertaking from FRL into BRL and demerger of the Retail Infrastructure Business Undertaking from BRL into FRL would help in achieving the desired operating structure and shall have the following benefits:
- (a) consolidation of the retail operations of FRL and BRL;
 - (b) consolidation of the retail infrastructure operations of FRL and BRL;
 - (c) streamlining the operating structure;
 - (d) unlocking of value;
 - (e) emergence of a retail company focusing on retail operations having pan India retail footprint;
 - (f) emergence of a retail infrastructure company focusing on providing infrastructure support to retail businesses;
 - (g) attribution of appropriate risk and valuation to the Retail Business Undertaking and the Retail Infrastructure Business Undertaking based on respective risk-return profile and cash flows;
 - (h) more focused leadership and dedicated management;
 - (i) greater visibility on the performance of respective businesses;
 - (j) synergies expected to bring in cost savings in the marketing, selling and distribution expenses; and
 - (k) leveraging on the combined capabilities of both entities for further expansion.

6. SALIENT FEATURES OF THE SCHEME ARE AS UNDER:

A. 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 the re-organisation of paid-up equity share capital of BRL;
- (iii) PART III deals with the transfer and vesting of Retail Business Undertaking of FRL into BRL;
- (iv) PART IV deals with the transfer and vesting of Retail Infrastructure Business Undertaking of BRL into FRL; and
- (v) PART V deals with general terms and conditions applicable to the Scheme.

B. APPOINTED DATE

The Appointed Date for demerger of Retail Business Undertaking of the FRL into BRL and demerger of Retail Infrastructure Business Undertaking of BRL into the FRL is 31st October, 2015.

C. REDUCTION OF SHARE CAPITAL OF BRL

- Before giving effect to demerger of Retail Business Undertaking of FRL into BRL and demerger of Retail Infrastructure Undertaking of BRL into FRL and as a part of reorganization of share capital of BRL, the issued, subscribed and paid-up share capital of BRL shall be reduced and reorganized as a part of the Scheme. Accordingly, as an integral part of the Scheme, and, upon the coming into effect of the Scheme, the issued, subscribed and paid-up equity share capital of BRL shall be reduced appropriately by reducing the face value of equity shares to Rs. 8,69,56,522/- (Rupees Eight Crores Sixty Nine Lakhs Fifty Six Thousand Five Hundred Twenty Two only) divided into 4,34,78,261 (Four Crores Thirty Four Lakhs Seventy Eight Thousand Two Hundred Sixty One) equity shares of Rs. 2/- (Rupees Two only) each, fully paid-up, without any further act or deed.
- The above reorganization of capital would be carried out by reducing appropriately the face value of each equity share of Rs. 10/- each and reconsolidating the same into 4,34,78,261 (Four Crores Thirty Four Lakhs Seventy Eight Thousand Two Hundred Sixty One) equity shares of Rs. 2/- (Rupees Two only) each, fully paid-up, without any further act or deed.
- The surplus, if any, arising on reduction and re-organisation of issued, subscribed and paid up share capital of BRL as above shall be adjusted against balance lying in its Profit and Loss Account.

D. CONSIDERATION FOR DEMERGER

- Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Retail Business Undertaking of FRL into BRL, BRL shall, without any further application or deed, issue and allot shares, credited as fully paid up, to all the FRL Equity Shareholders / FRL DVR Shareholders or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date to be fixed in that behalf by the Board of Directors of FRL for the purpose of reckoning name of the FRL Equity Shareholders / FRL DVR Shareholders in the following ratio:

“1 (One) Equity share of BRL of Rs. 2/- (Rupees Two only) each, fully paid up to be issued for every 1 (One) Equity share of Rs. 2/- (Rupees Two only) each held by FRL Equity Shareholders / FRL DVR Shareholders”

- Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Retail Infrastructure Business Undertaking of BRL into FRL, FRL shall, without any further application or deed issue and allot equity shares, credited as fully paid up, to all the shareholders of BRL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the register of members as on the Record Date under:

“1 (One) Equity share of FRL of Rs. 2/- (Rupees Two only) each, fully paid up to be issued for every 1 (One) Equity share of Rs. 2/- (Rupees Two only) each held by the equity shareholders of BRL”

E. CHANGE OF NAME

- Upon the Scheme becoming effective, with effect from the Appointed Date, the name of 'Bharti Retail Limited' shall be changed to 'Future Retail Limited' or such other name as may be approved by the Ministry of Corporate Affairs, subject to BRL filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard.
- Upon the Scheme becoming effective, with effect from the Appointed Date, the name of 'Future Retail Limited' may be changed to 'Future Enterprises Limited' or such other name as may be approved by the Ministry of Corporate Affairs, subject to FRL filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard.

F. LISTING OF SHARES OF BRL

Equity shares to be issued by BRL to the members of FRL pursuant to the Scheme will be listed and / or admitted to trading on the BSE Limited and National Stock Exchange of India Limited, where the shares of FRL are listed and / or admitted to trading. BRL shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

G. TERMS OF OCDs

As part of the Scheme, (i) terms of BRL OCDs, whether continuing with BRL or transferred as transfer of liabilities to FRL pursuant to transfer of Retail Infrastructure Undertaking to FRL, shall be amended to comply with applicable SEBI pricing guidelines prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (ii) FRL OCDs shall be issued by FRL to existing OCD holders of BRL, and (iii) upon the Effective Date, the terms of BRL OCDs and FRL OCDs shall be as per the terms and conditions as agreed between FRL and BRL.

H. CONDITIONALITY OF THE SCHEME

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

- The requisite consent, approval or permission of the Central Government including Stock Exchange, Competition Commission of India and Securities and Exchange Board of India or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of FRL and BRL as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable;
- The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Act read with Section 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013;
- Certified copy of the Order of the High Court of Judicature at Bombay sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by FRL and BRL.

The material provisions set out above being only the salient features of the Scheme, the shareholders are requested to read the entire text of the Scheme forming part of Annexures (Refer Annexure 1) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

7. Pursuant to clause 24 (f) of the Listing Agreement and SEBI circulars dated 10th February 2013 and 21st May 2013, Observation Letter of the concerned stock exchanges viz. BSE Ltd and National Stock Exchange of India Limited has been obtained by FRL vide letters dated September 15, 2015 (Refer Annexure 7 & 8).
8. The rights and interests of the members and the creditors of FRL and BRL will not be prejudicially affected by the Scheme and due provisions have been made for payment of the existing liabilities as and when the same fall due in usual course.
9. No investigation proceedings have been instituted or are pending in relation to the FRL and BRL under Sections 235 and 250A of the Companies Act, 1956 or the corresponding provisions as per the Companies Act, 2013.

10. Background of the Board of Directors of FRL and BRL as on 16th October, 2015 is as under:

Future Retail Limited				
DIN	Name	Designation	Age	Educational Qualification
00005740	Mr. Kishore Biyani	Managing Director	55	Commerce Graduate, from University of Mumbai with Post Graduate Diploma in Management from University of Mumbai
00005806	Mr. Rakesh Biyani	Joint Managing Director	43	Commerce Graduate from University of Mumbai and attended Advance Management Program from Harvard Business School.
00005827	Mr. Vijay Biyani	Wholetime Director	56	Commerce Graduate from University of Mumbai
00001685	Mr. Anil Harish	Independent Director	61	Bachelor's Degree in Arts from University of Mumbai, Bachelor's Degree in Law from University of Mumbai, and Master Degree in Law from University of Miami, US
00020130	Ms. Bala Deshpande	Independent Director	49	Bachelor's Degree in Arts (Economics) from University of Mumbai, Master's Degree in Arts (Economics) from University of Mumbai, and Master Degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai
00042897	Mr. Doreswamy Sheshagiri Rao	Independent Director	78	Bachelor's Degree in Science and Bachelor's Degree in Law
02109340	Mr. Vijay Kumar Chopra	Independent Director	69	Commerce Graduate, Chartered Accountant and Certified Associates of Indian Institute of Bankers.

Directors of Bharti Retail Limited				
DIN	Name	Designation	Age	Educational Qualification
01812849	Mr. Inderjit Walia	Director	57	Graduate in Economics and Accounting with Post Graduate in Human Resources
01996768	Mr. Devendra Khanna	Director	55	Commerce Graduate from Sriram College of Commerce, Delhi University and a fellow member of ICAI.
06942295	Mr. Rajendra Kumar Chopra	Director	43	Law Graduate and an associate member of The Institute of Company Secretaries of India
07143571	Mr. Sridhar Natarajan	Independent Director	46	B. Com [Hons.], Chartered Accountant, Cost Accountant and Company Secretary
07143818	Mrs. Veenu Mittal	Independent Director	33	Commerce Graduate from Punjab University and holds an MBA diploma from International Management Institute.

11. **Disclosure of Interest**

- (a) The Directors of FRL and BRL may be deemed to be concerned and / or interested in the Scheme only to the extent of their or their relatives' shareholding in the respective companies or to the extent the said Directors or their relatives are common directors in the aforesaid companies or to the extent the said Directors or their relatives are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of aforesaid companies. Their interest in these companies shall not be treated in any way differently than the other shareholders of aforesaid companies. Particulars of the interest of directors and their relatives are available for inspection at the respective Registered Offices of the aforesaid companies.
- (b) The shareholding (singly or jointly) of Directors and Key Managerial Personnel in FRL and BRL as on 16th October, 2015 forms part of Annexures (Refer Annexure 2).

The Directors of either, FRL and BRL, have not given loans to respective companies.

12. The shareholding pattern of FRL and BRL (pre & post Scheme) based on shareholding as on 30th September, 2015 forms part of the Annexures (Refer Annexure 3 and 4).

13. The Financial Statements of FRL and BRL in the form of Financial Statements for last three years are available for inspection by the shareholders.
14. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
15. Upon approval of the Scheme by the shareholders of FRL pursuant to this meeting, FRL and BRL will file petition under section 394 and other applicable provisions of the Act with the Hon'ble High Court of Judicature at Bombay for sanctioning of the Scheme.
16. No winding up petitions have been pending and/or admitted against FRL and BRL.
17. This Statement may be treated as Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and form of Proxy may be obtained from the Registered Office of the FRL and/or at the office of the Advocate M/s. Hemant Sethi & Co., 1602, Nav Parmanu Building, Behind Amar Cinema, Chembur, Mumbai - 400 071.
18. The following documents will be available for inspection by the shareholders at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays (between 11.00 am to 01.00 pm).
 - i. Copies of the Orders passed by the Hon'ble High Court of Bombay dated 16th day of October, 2015 (vide Company Summons for Directions No. 797 of 2015) directing convening or dispensing with the meetings;
 - ii. Copies of the Memorandum of Association and Articles of Association of FRL and BRL;
 - iii. Copy of report on Share Entitlement Ratio dated 4th May, 2015 provided by M/s. SSPA & Co., Chartered Accountants and M/s Edelweiss Financial Services Limited, a Category I Merchant Banker (Joint Valuers appointed for the purpose of demerger);
 - iv. Copy of Fairness Opinion dated 4th May, 2015 provided by M/s. Keynote Corporate Services Ltd, a Category I Merchant Banker;
 - v. Copy of Net worth Certificates dated 4th May, 2015 of FRL and BRL as on 31st December, 2014 and 31st March, 2015 respectively provided by M/s.R. S. Ajwani & Co.; Chartered Accountants;
 - vi. Copies of Observation letters received from BSE Limited and National Stock Exchange of India Limited dated 15th September, 2015 for FRL;
 - vii. Copy of Complaints Report dated 2nd July, 2015 for FRL;
 - viii. Copy of the Report of the Audit Committee dated 4th May, 2015 for recommendation of Scheme for FRL;
 - ix. Particulars of the Interest of Directors and their relatives as aforesaid in Para 11(a) of this Explanatory Statement;
 - x. Copies of Financial for last three years of FRL and BRL
19. Your Directors recommend the Resolution as set out in the Notice for your approval

For Future Retail Limited

**Sd/
Chairman appointed for the meeting**

Place: Mumbai
Date: 16th October, 2015

Registered Office:

Knowledge House,
Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060
CIN:L52399MH1987PLC044954
Email: investorrelations@futereretail.in
Website: www.futereretail.co.in
Phone: +91-22-66442200 FAX: +91-22-66442201

**COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
FUTURE RETAIL LIMITED ('FRL')
AND
BHARTI RETAIL LIMITED ('BRL')
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

(Under Sections 391 to 394 read with Sections 100-104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013, as amended)

(A) PREAMBLE

This Composite Scheme of Arrangement is presented under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 for:

- (i) Re-organisation of paid up equity share capital of BRL pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable;
- (ii) Demerger of the Retail Business Undertaking (defined hereinafter) of Future Retail Limited ('FRL') into Bharti Retail Limited ('BRL') pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable; and
- (iii) Demerger of the Retail Infrastructure Business Undertaking (*defined hereinafter*) of BRL into FRL pursuant to the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as may be applicable.

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

(B) RATIONALE FOR THE SCHEME

1. FRL currently operates multiple retail formats in the Indian consumer market under different brand names including: Big Bazaar; FBB; Food Bazaar; Foodhall; Home Town and eZone. The retail business of FRL inter-alia includes retail operations and retail infrastructure operations.
2. Currently, BRL operates retail business formats under the brand name 'easyday'. The retail business of BRL inter-alia includes the retail operations and the retail infrastructure operations.
3. FRL and BRL are desirous of consolidating their retail businesses by consolidating the retail operations and retail infrastructure operations of both companies under separate entities.
4. Demerger of the Retail Business Undertaking from FRL into BRL and demerger of the Retail Infrastructure Business Undertaking from BRL into FRL would help in achieving the desired operating structure and shall have the following benefits:
 - (a) consolidation of the retail operations of FRL and BRL;
 - (b) consolidation of the retail infrastructure operations of FRL and BRL;
 - (c) streamlining the operating structure;
 - (d) unlocking of value;
 - (e) emergence of a retail company focusing on retail operations having pan India retail footprint;
 - (f) emergence of a retail infrastructure company focusing on providing infrastructure support to retail businesses;
 - (g) attribution of appropriate risk and valuation to the Retail Business Undertaking and the Retail Infrastructure Business Undertaking based on respective risk-return profile and cash flows;
 - (h) more focused leadership and dedicated management;
 - (i) greater visibility on the performance of respective businesses;
 - (j) synergies expected to bring in cost savings in the marketing, selling and distribution expenses; and
 - (k) leveraging on the combined capabilities of both entities for further expansion.

(C) Parts of the Scheme:

This Scheme (*as defined hereinafter*) is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with the re-organisation of paid-up equity share capital of BRL;
- (iii) **PART III** deals with the transfer and vesting of Retail Business Undertaking of FRL into BRL;
- (iv) **PART IV** deals with the transfer and vesting of Retail Infrastructure Business Undertaking of BRL into FRL; and
- (v) **PART V** deals with general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 and/or the Companies Act, 2013 (as the case may be and to the extent applicable) as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Board of Directors of FRL and BRL, Sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 / Companies Act, 2013 as may be in force;
- 1.2 **“Appointed Date”** means the 31st day of October, 2015 or such other date as may be fixed or approved by the High Court of Judicature at Bombay;
- 1.3 **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4 **“BEL”** means Bharti Enterprise Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070, India.
- 1.5 **“BRL”** means Bharti Retail Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 6th & 7th Floor, Interface Building No. 7, Link Road, Mindspace, Malad (West), Mumbai – 400 064;
- 1.6 **“BRL OCDs”** means optionally convertible debentures, currently existing in BRL, issued to lenders of BRL, cumulatively worth Rupees Two Hundred and Fifty Crores.
- 1.7 **“Cedar”** means Cedar Support Services Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070, India and includes its nominee holding shares in BRL;
- 1.8 **“Retail Business Undertaking”** means business of FRL comprising of the retail business of FRL operated by it through various retail formats including but not limited to Big Bazaar, FBB, Food Bazaar, Foodhall, Home Town and eZone, on a going concern basis and include without limitation:
- (i) All assets and liabilities (excluding assets and liabilities pertaining to *“Remaining Business of FRL”* as defined in Clause 1.21 below) pertaining to the retail operations of FRL including but not limited to Intellectual Property Rights, inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, all earnest moneys and / or security deposits paid by FRL, cash and bank balances, advances, receivables, together with all present and future liabilities (including contingent liabilities) appertaining or relatable thereto;
 - (ii) Without prejudice to the provisions of sub-clause (i) above, the Retail Business Undertaking of FRL shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relatable to the Retail Business Undertaking of FRL such as goodwill, customer lists, customer connects, licenses, permits, quotas, registrations, agreements, contracts, arrangements, privileges or all other rights including tax deferrals and tax credits and other benefits, incentives, tenancy rights, if any, and all other rights, title, interests, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, format brands including but not limited to Big Bazaar, FBB, Food Bazaar, Foodhall, Home Town and eZone, consent, approvals or powers of every kind nature and description whatsoever in connection with or pertaining or relatable to the Retail Business Undertaking of FRL and all deposits and or moneys paid or received by FRL in connection with or pertaining or relatable to the Retail Business Undertaking of FRL and all statutory licences, permissions, approvals or consents to carry on the operations of the Retail Business Undertaking of FRL;
- For the purpose of this Scheme, it is clarified that liabilities pertaining to the Retail Business Undertaking of FRL include:
- (a) The liabilities, which arise out of the activities or operations of the Retail Business Undertaking of FRL;
 - (b) Specific loans and borrowings raised, incurred and / or utilized solely for the activities or operation of the Retail Business Undertaking of FRL;
 - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the remaining business of FRL, being the amounts of general or multipurpose borrowings of FRL shall be allocated to the Retail Business Undertaking of FRL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of FRL immediately before giving effect to this Scheme.
- (iii) All permanent and / or temporary employees of FRL employed in and / or relatable to the Retail Business Undertaking of FRL as on the Effective Date;
 - (iv) All deposits and balances with government, semi government, local and other authorities, and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by FRL directly or indirectly in connection with or relating to the Retail Business Undertaking;

- (v) All necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Retail Business Undertaking of FRL.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Retail Business Undertaking of FRL or whether it arises out of the activities or operations of the Retail Business Undertaking of FRL shall be decided by mutual agreement between the Board of Directors of FRL and BRL.

- 1.9 **“Effective Date”** means the last of the dates on which the certified copy of the Order of the High Court of Judicature at Bombay sanctioning the Scheme of Arrangement is filed by FRL and BRL with the Registrar of Companies, Maharashtra;
- 1.10 **“FRL”** means Future Retail Limited, a company incorporated under the Act with its registered office at Knowledge House, Shyam Nagar, off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060 (hereinafter referred to as **“FRL”**), which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);
- 1.11 **“FRL DVRs”** shall mean equity shares of FRL classified as Class B shares (Series-1) of face value of Rs. 2/- each with every four FRL DVRs having voting rights equal to three FRL equity shares, and every FRL DVR having the right to receive 2% additional dividend than every FRL equity share;
- 1.12 **“FRL DVR Shareholders”** shall mean the shareholders of FRL holding FRL DVRs;
- 1.13 **“FRL Equity Shares”** shall mean equity shares of FRL having a face value of Rs. 2/- each and having one vote each;
- 1.14 **“FRL Equity Shareholders”** shall mean the shareholders of FRL holding FRL Equity Shares;
- 1.15 **“FRL Employees Stock Option Plan”** means the Employee Stock Option Plan 2012 (FRL ESOP 2012);
- 1.16 **“FRL OCDs”** means optionally convertible debentures, to be issued by FRL to the BRL OCD holders;
- 1.17 **“High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable;
- 1.18 **“Intellectual Property Rights”** means in relation to the Retail Business Undertaking of FRL, whether registered in the name of or recognized under applicable Laws as being the intellectual property of FRL, or in the nature of common law rights of FRL, all domestic and foreign (a) trademarks, service marks, brand names, Internet domain names, trade names, logos, trade dress, and all applications and registration for the foregoing, and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and Trade Secrets; (c) published and unpublished works of authorship, and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software and programs (including source code, object code, firmware, operating systems and specifications); (e) designs, drawings, sketches; (f) databases, customer data, proprietary information, knowledge, technology, licenses and formulas; (g) all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Law;
- 1.19 **“Record Date”** shall mean the following:
- (i) in relation to demerger of Retail Business Undertaking of FRL into BRL, such date to be fixed by the Board of Directors of FRL or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date for the purpose of determining the members of FRL to whom shares of BRL will be allotted pursuant to this Scheme in terms of Clause 6.1; and
 - (ii) in relation to demerger of Retail Infrastructure Business Undertaking of BRL into FRL, such date to be fixed by the Board of Directors of BRL or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date for the purpose of determining the members of BRL to whom shares of FRL will be allotted pursuant to this Scheme in terms of Clause 16.1;
- 1.20 **“Remaining Business of BRL” or “Remaining Undertaking of BRL”** means all the undertakings, businesses, activities and operations of BRL relating to the retail operations and warehousing business and excluding activities and assets pertaining to the Retail Infrastructure Business Undertaking as defined in Clause 1.22 below;
- 1.21 **“Remaining Business of FRL” or “Remaining Undertaking of FRL”** means all the undertakings, businesses, activities and operations of FRL other than the Retail Business Undertaking (as defined in Clause 1.8 above) of FRL being demerged into BRL including but not limited to the following:
- (a) activities and assets in relation to all the retail format stores operated by FRL including but not limited to the following:
 - all the infrastructure assets situated at the retail outlets including plant & equipments, office equipments, furniture & fixtures, computers, electrical installations, vehicles etc;
 - leasehold improvements at retail stores;
 - IT and related infrastructure.
 - (b) Other non-core businesses of FRL (including but not limited to strategic investments held by FRL in various companies) not relatable to the Retail Business Undertaking.
- 1.22 **“Retail Infrastructure Business Undertaking”** means all the undertakings, businesses, activities and operations of BRL pertaining to the Retail Infrastructure Business to be transferred to FRL on a going concern basis and include without limitation:

- a) all the infrastructure assets situated at the retail outlets including plant & equipments, office equipments, furniture & fixtures, computers, electrical installations, vehicles; leasehold improvements at retail stores; IT and related infrastructure etc.
- b) All assets of the Retail Infrastructure Business Undertaking of BRL (immovable, movable, tangible or intangible, vehicles, furniture, office equipment, appliances, accessories, computers) together with all present and future liabilities (including contingent liabilities);
- c) Without prejudice to the provisions of sub-clause (i) above, the Retail Infrastructure Business Undertaking of BRL shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relatable to the Retail Infrastructure Business Undertaking of BRL such as licenses, permits, quotas, approvals, registrations, permissions, plant and machinery, office equipment, vehicles, incentives if any, and consents, approvals or powers of every kind nature and description whatsoever in connection with or pertaining or relatable to the Retail Infrastructure Business Undertaking of BRL and all deposits and or moneys paid or received by BRL in connection with or pertaining or relatable to the Retail Infrastructure Business Undertaking of BRL and all statutory licences, permissions, approvals or consents to carry on the operations of the Retail Infrastructure Business Undertaking of BRL.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Retail Infrastructure Business Undertaking of BRL include:

- (i) The liabilities, which arise out of the activities or operations of the Retail Infrastructure Business Undertaking of BRL.
 - (ii) Specific loans and borrowings raised, incurred and/or utilized solely for the activities or operation of the Retail Infrastructure Business Undertaking of BRL.
 - (iii) Liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relatable to Retail Infrastructure Business Undertaking and the remaining business of BRL, being the amounts of general or multipurpose borrowings of BRL shall be allocated to the Retail Infrastructure Business Undertaking of BRL in the same proportion which the value of the assets transferred under this clause bears to the total value of the assets of BRL immediately before giving effect to this Scheme.
- d) All permanent and/or temporary employees of BRL employed in and/or relatable to the Retail Infrastructure Business Undertaking of BRL as on the Effective Date;
 - e) All deposits and balances with government, semi government, local and other authorities, and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by BRL directly or indirectly in connection with or relating to the Retail Infrastructure Business Undertaking; and
 - f) All necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations and other records whether in physical or electronic form in connection with or relating to the Retail Infrastructure Business Undertaking of BRL.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Retail Infrastructure Business Undertaking of BRL or whether it arises out of the activities or operations of the Retail Infrastructure Business Undertaking of BRL shall be decided by mutual agreement between the Board of Directors of BRL and FRL.

1.23 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Composite Scheme of Arrangement in its present form as submitted to the Honorable High Court or this Scheme with such modification(s), if any made, as per Clause 26 of the Scheme;

1.24 “**Stock Exchange**” means BSE Limited and National Stock Exchange of India Limited;

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 Depositories Act, 1996, 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. SHARE CAPITAL

2.1 The authorized, issued, subscribed and paid-up share capital of BRL as on March 31, 2015 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
140,00,00,000 Equity Shares of Rs. 10 each	1,400.00
Total	1,400.00
Issued, Subscribed and Paid-up Share Capital	
139,86,60,000 Equity Shares of Rs. 10 each, fully paid up	1,398.66
Total	1,398.66

Subsequent to the above date, the authorized and paid up share capital of BRL has changed. Revised capital structure of BRL as on the date of approval of this Scheme by the Board of Directors of FRL and BRL is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
250,00,00,000 Equity Shares of Rs. 10 each	2,500.00
Total	2,500.00
Issued, Subscribed and Paid-up Share Capital	
153,16,60,000 Equity Shares of Rs. 10 each, fully paid up	1,531.66
Total	1,531.66

2.2 The authorized, issued, subscribed and paid-up share capital of FRL as on March 31, 2015 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
45,00,00,000 Equity Shares of Rs.2/- each	90.00
5,00,00,000 Equity Shares of Class B (Series-1) of Rs.2/- each	10.00
30,00,000 Preference Shares of Rs. 100/- each	30.00
Total	130.00
Issued, Share Capital	
38,84,17,201 Equity Shares of Rs.2/- each, fully paid-up	77.68
2,58,84,872 Equity Shares of Class B (Series-1) of Rs.2/- each, fully paid-up	5.18
Total	82.86
Subscribed and Paid-up Share Capital	
38,83,21,323 Equity Shares of Rs.2/- each, fully paid-up	77.66
2,58,76,379 Equity Shares of Class B (Series-1) of Rs.2/- each, fully paid-up	5.18
Total	82.84

Pursuant to the provisions of the Act, following shares are kept in abeyance:

- Equity Shares: 11,400 equity shares of rights issue of 2006 and 84,478 equity shares of 2015; and
- Class B (Series 1) Shares: 8,493 Class B (Series 1) shares of the rights issue of 2015.

In the above paid up share capital, 1500 Optionally Convertible Debentures (OCDs Series 2) issued pursuant to the Scheme of Amalgamation for merger of Future Value Retail Limited with FRL, becoming effective on 11th February, 2014, have not been considered as the conversion price of these securities would be determinable on 15th December, 2015 for OCDs Series 2. Further, as per terms of issue, these securities may be redeemed based on certain events.

As on the date of approval of this Scheme by the Board of Directors of FRL and BRL, 1,34,98,300 Class B Warrants issued to the Promoter Group of FRL are outstanding. Further, 4,14,514 (Four Lakhs Fourteen Thousand Five Hundred Fourteen) options are outstanding against Employee Stock Option Scheme as on 31st March, 2015.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as 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 applicable Appointed Date, but shall be operative from the Effective Date.

PART II

RE-ORGANISATION OF PAID-UP EQUITY SHARE CAPITAL OF BRL

4. RE-ORGANISATION OF PAID-UP EQUITY SHARE CAPITAL OF BRL

- 4.1 Before giving effect to the demerger in Part III and Part IV below and as a part of reorganization of share capital of BRL, the issued, subscribed and paid-up share capital of BRL shall be reduced and reorganized as a part of the Scheme. Accordingly, as an integral part of the Scheme, and, upon the coming into effect of the Scheme, the issued, subscribed and paid-up equity share capital of BRL shall be reduced appropriately by reducing the face value of equity shares to Rs. 8,69,56,522/- (Rupees Eight Crores Sixty Nine Lakhs Fifty Six Thousand Five Hundred Twenty Two only) divided into 4,34,78,261 (Four Crores Thirty Four Lakhs Seventy Eight Thousand Two Hundred Sixty One) equity shares of Rs. 2/- (Rupees Two only) each, fully paid-up, without any further act or deed.
- 4.2 The above reorganization of capital would be carried out by reducing appropriately the face value of each equity share of Rs. 10/- each and re consolidating the same into 4,34,78,261 (Four Crores Thirty Four Lakhs Seventy Eight Thousand Two Hundred Sixty One) equity shares of Rs. 2/- (Rupees Two only) each, fully paid-up, without any further act or deed.

- 4.3 Due to reduction in capital of BRL and the aforesaid consolidation, if a shareholder becomes entitled to a fraction of an equity share of BRL, BRL shall not issue fractional share certificates to such member / beneficial owner but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by BRL in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders / beneficial owners respectively entitled to the same in proportion to their fractional entitlement.
- 4.4 The reduction in share capital of BRL shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 104 of the Companies Act, 1956 and any other applicable provisions of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution in liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of BRL, BRL shall not be required to add "And Reduced" as suffix to its name.
- 4.5 It is hereby clarified that for the purposes of Clause 4.1, 4.2, 4.3 and 4.4 above, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and no further resolution under the Act, would be required to be separately passed.
- 4.6 It is hereby further clarified that the reduction of the paid up equity share capital shall not affect the authorised share capital of BRL and unissued authorised share capital shall be available to BRL for issue and allotment.
- 4.7 Accounting Treatment of reorganisation of paid-up share capital of BRL:
- The surplus, if any arising on reduction and reorganisation of issued, subscribed and paid up share capital of BRL pursuant to clause 4.1 and 4.2 of this Scheme shall be adjusted against balance lying in its Profit and Loss Account.

PART III

TRANSFER AND VESTING OF RETAIL BUSINESS UNDERTAKING OF FRL INTO BRL

5. TRANSFER AND VESTING OF RETAIL BUSINESS UNDERTAKING OF FRL INTO BRL

- 5.1 Upon the Scheme becoming effective, with effect from the Appointed Date the Retail Business Undertaking of FRL shall, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Sections 391 to 394 of the Act and all other applicable laws, if any, stand transferred to and vested in or be deemed to be transferred to and vested in BRL as a going concern and all the properties whether moveable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, inventories, work in progress, current assets, deposits, reserves, provisions, funds and all other entitlements, licenses, registrations, patents, trade names, trademarks, leases, tenancy rights, flats, telephones, telexes, facsimile, connections, email connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, titles, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), tax losses and advantages of whatsoever nature and where so ever situated belonging to or in possession of or granted in favour of or enjoyed by Retail Business Undertaking of FRL shall be transferred to and vested in or deemed to be transferred to and vested in BRL in the following manner:
- 5.1.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the whole of the said assets, as aforesaid, of Retail Business Undertaking of FRL, except for the portions specified in Clauses 5.1.2 and 5.1.3 below, of whatsoever nature and where so ever situated and incapable of passing by manual delivery and/or endorsement or otherwise however, shall, under the provisions of Sections 391 and 394 and all other provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in BRL so as to vest in BRL all the rights, title and interest of Retail Business Undertaking of FRL therein.
- 5.1.2 Upon the Scheme becoming effective, with effect from the Appointed Date, all the moveable assets including cash in hand, if any, of Retail Business Undertaking of FRL, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to BRL. On such delivery or endorsement and delivery, the same shall become the property of BRL to the end and intent that the ownership and property therein passes to BRL on such handing over in pursuance of the provisions of Section 394 of the Act.
- 5.1.3 In respect of the moveable properties of Retail Business Undertaking of FRL other than specified in Clause 5.1.2 above and any intangible assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., BRL may itself or require FRL and FRL shall upon such requisition from BRL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the High Court having sanctioned the Scheme, the said debt, loan receivable, advance or deposit be paid or made good or held on account of BRL as the person entitled thereto to the end and intent that the right of FRL to recover or realize all such debts (including the debts payable by such persons or depositors to FRL) stands transferred and assigned to BRL and that appropriate entries should be passed in their respective books to record the aforesaid change.
- 5.1.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description including all income taxes, excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of Retail Business Undertaking of FRL shall also, under the provisions of Sections 391 and 394 of the Act without any further act or deed be transferred or deemed to be transferred to BRL so as to become as from the Appointed Date the debts, liabilities, duties, obligations of BRL and further that all the debts, liabilities, duties, obligations, taxes etc.

as aforesaid of Retail Business Undertaking of FRL incurred/contracted during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by BRL and shall be deemed to be the debts, liabilities and obligations of BRL and further that it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this clause.

- 5.2 The transfer and/or vesting of the properties as aforesaid shall be subject to the charges, hypothecation and mortgages as on the Effective Date, if any, over or in respect of all the said assets or any part thereof of Retail Business Undertaking of FRL.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Retail Business Undertaking of FRL which shall vest in BRL by virtue of the Scheme and FRL shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

- 5.3 Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of whatsoever nature in relation to the Retail Business Undertaking of FRL, to which FRL is a party to or to the benefit of which FRL may be eligible and which are subsisting or having effect immediately before the Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in BRL as if the same were originally given or issued to or executed in favour of BRL, and the rights and benefits under the same shall be available to BRL. Further, FRL shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 5.3.
- 5.4 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of FRL (in relation to Retail Business Undertaking) after the Effective Date shall be accepted by the bankers of BRL and credited to the account of BRL, if presented by BRL or received through electronic transfers. Similarly, the banker of BRL shall honour all cheques / electronic fund transfer instructions issued by FRL (in relation to Retail Business Undertaking) for payment after the Effective Date. If required, the bankers of FRL and FRL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of FRL by BRL in relation to the Retail Business Undertaking for such time as may be determined to be necessary by BRL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of BRL.
- 5.5 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 5.6 Upon the Scheme becoming effective, FRL and BRL are expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 5.7 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of Retail Business Undertaking of FRL to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to BRL.
- 5.8 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to FRL in relation to the Retail Business Undertaking consequent to the assessment made on FRL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by BRL upon this Scheme becoming effective.
- 5.9 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which Retail Business Undertaking of FRL is entitled to in terms of applicable laws, shall be available to and vest in BRL, upon this Scheme coming into effect.

6. CONSIDERATION

- 6.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Retail Business Undertaking in BRL, BRL shall, without any further application or deed, issue and allot shares, credited as fully paid up, to all the FRL Equity Shareholders / FRL DVR Shareholders or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date to be fixed in that behalf by the Board of Directors of FRL for the purpose of reckoning name of the FRL Equity Shareholders / FRL DVR Shareholders in the following ratio:

"1 (One) Equity share of BRL of Rs. 2/- (Rupees Two only) each, fully paid up to be issued for every 1 (One) Equity share of Rs. 2/- (Rupees Two only) each held by FRL Equity Shareholders / FRL DVR Shareholders"

- 6.2 In case any FRL Equity Shareholder/ FRL DVR Shareholder has holding in FRL, such that it becomes entitled to a fraction of an equity share of BRL, BRL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:

- (a) consolidate such fractions and issue consolidated shares to a trustee nominated by BRL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
 - (b) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders;
 - (c) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of FRL and BRL.
- 6.3 Equity Shares to be issued by BRL pursuant to Clause 6.1 above in respect of any FRL Equity Shares and FRL DVRs which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (corresponding provision of Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by BRL.
- 6.4 Equity shares to be issued by BRL to the respective shareholders of FRL as above shall be subject to the Memorandum and Articles of Association of BRL and shall rank *pari passu* with the existing equity shares of BRL in all respects including dividends.
- 6.5 Equity shares in BRL shall be issued in dematerialized form to those shareholders who hold shares of FRL in dematerialized form, in to the account in which FRL shares are held or such other account as is intimated by the shareholders to FRL and / or its Registrar. All those shareholders who hold shares of FRL in physical form shall also have the option to receive the equity shares in BRL, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to FRL and / or its Registrar. Otherwise, they would be issued equity shares in physical form.
- 6.6 The Board of Directors of BRL and FRL shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of equity shares to the shareholders of FRL pursuant to clause 6.1 of the Scheme.
- 6.7 Equity shares to be issued by BRL to the members of FRL pursuant to clause 6.1 of this Scheme will be listed and/or admitted to trading on the BSE Limited and National Stock Exchange of India Limited, where the shares of FRL are listed and/or admitted to trading. BRL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 6.8 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of FRL, the Board of Directors or any committee thereof of FRL shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.
- 6.9 Approval of this Scheme by the shareholders of BRL shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by BRL to the shareholders of FRL, as provided in this Scheme.
- 6.10 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 13, 14 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

7. ACCOUNTING TREATMENT IN THE BOOKS OF BRL AND FRL

7.1 IN THE BOOKS OF BRL

- 7.1.1 As on the Appointed Date and the Scheme becoming effective, BRL shall record all the assets and liabilities, pertaining to the Retail Business Undertaking, at the respective book values appearing in the books of FRL.
- 7.1.2 BRL shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 6.1 of this Scheme.
- 7.1.3 Investments, loans and advances and other dues outstanding between BRL and the Retail Business Undertaking of FRL, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 7.1.4 The difference between the net assets of Retail Business Undertaking of FRL acquired and recorded by BRL as reduced by the face value of equity shares issued by BRL pursuant to Clause 6.1 of this Scheme and after making adjustments in terms of clause 7.1.3 above, if surplus, shall be credited to General Reserve Account. In case of a deficit, the same shall be debited to Goodwill Account.
- 7.1.5 In case of any difference in accounting policy between FRL and BRL with respect to the Retail Business Undertaking of FRL, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of BRL to ensure that the financial statements of BRL reflect the financial position on the basis of consistent accounting policy.

7.2 IN THE BOOKS OF FRL

- 7.2.1 Upon the Scheme becoming effective, FRL shall reduce the book value of assets and liabilities pertaining to the Retail Business Undertaking.

- 7.2.2 The book values, as on the Appointed Date, of net assets (assets minus liabilities) comprised in the Retail Business Undertaking transferred to BRL shall be adjusted against the following, in the order specified:
- (i) Capital Reserve Account, existing in books of accounts of FRL;
 - (ii) Securities Premium Account;
 - (iii) General Reserve; and the balance, if any, against;
 - (iv) Profit and Loss Account.
- 7.2.3 The utilization, if any, of the Securities Premium Account of FRL as above shall be effected as an integral part of the Scheme in accordance with the provisions of Section 100 to 104 and any other applicable provisions of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction as mentioned above, FRL shall not be required to add "And Reduced" as a suffix to its name.

8. TRANSACTIONS UPTO THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- (a) FRL shall carry on and be deemed to have carried on the business and activities in relation to the Retail Business Undertaking and shall stand possessed of their properties and assets relating to the Retail Business Undertaking for and in trust for BRL and all the profits / losses accruing on account of the Retail Business Undertaking shall for all purposes be treated as profits / losses of BRL.
 - (b) FRL shall not without the prior written consent of the Board of Directors of BRL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Retail Business Undertaking or any part thereof except in the ordinary course of its business.
 - (c) FRL shall not vary the terms and conditions of service of its permanent employees relating to the Retail Business Undertaking except in the ordinary course of its business.
 - (d) BRL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which BRL may require to carry on the business of Retail Business Undertaking. Further, FRL shall extend all assistance to BRL, if requested by BRL, in obtaining the said consents, approvals and sanctions.
- 8.2 With effect from the date of approval to the Scheme by Board of Directors of FRL and BRL until the Effective Date, FRL shall preserve and carry on the business and activities of Retail Business Undertaking with reasonable diligence and business prudence and FRL shall not, without the prior consultation with BRL, alienate, charge or otherwise deal with or dispose of the Retail Business Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees; further, FRL shall not engage in any corporate restructuring exercise including any merger and/or demerger or substantial expansion of the Retail Business Undertaking without prior written consent of BRL.

9. DECLARATION OF DIVIDEND, BONUS, ETC.

- 9.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FRL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend.
- 9.2 FRL shall not utilize the profits or income, if any, relating to the Retail Business Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of BRL.
- 9.3 FRL shall not, without the prior written consent of BRL, issue or allot any further securities, either by way of rights or bonus shares or in any other manner.
- 9.4 Until the coming into effect of this Scheme, the holders of equity shares and DVRs of FRL and equity shares of BRL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Associations.
- 9.5 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of FRL and/or BRL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of FRL and BRL and subject, wherever necessary, to the approval of the shareholders of FRL and BRL, respectively.

10. EMPLOYEES

- 10.1 On the Scheme becoming effective, all employees of the Retail Business Undertaking in service on the Effective Date, shall be deemed to have become employees of BRL with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with BRL shall not be less favorable than those applicable to them with reference to the Retail Business Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Retail Business Undertaking shall be decided by Board of Directors of FRL.
- 10.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Retail Business Undertaking shall be deemed to have

been created by BRL in place of FRL for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or 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 FRL in relation to such fund or funds shall become those of BRL. It is clarified that the services of the employees of the Retail Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

- 10.3 In respect of the stock options outstanding under the FRL Employees Stock Option Plan/(s) in the hands of the employees of the Retail Business Undertaking of FRL, it is hereby clarified that the options which have been granted but have not vested in the employees of the Retail Business Undertaking of FRL as of the Effective Date would lapse. BRL will put in place a suitable stock option scheme on terms and conditions not less favourable to the employees than those of the FRL Stock Option plans which will be offered to such employees of the Retail Business Undertaking of FRL whose options under the FRL Stock Option plans have lapsed pursuant to this Clause. The options under the FRL Stock Option plans which, as of the Effective Date, have been vested in employees of the Retail Business Undertaking of FRL but have not been exercised, would be appropriately adjusted in FRL or would be issued options in BRL such that the economic benefit on such options as have been vested in the hands of the employee remains same.
- 10.4 For the avoidance of doubt it is hereby clarified that upon the coming into effect of this Scheme, the options granted and / or vested, under and pursuant to the FRL Stock Option plans to the employees of the Remaining Business of FRL as of the Effective Date would continue and the exercise price of such options or number of options to be vested would be suitably adjusted / recomputed in order to compensate the employees of FRL for reduction, if any in the intrinsic value of FRL pursuant to the demerger of Retail Business Undertaking of FRL or suitable provision shall be made for issue of shares in BRL as and when the options are exercised.

11. LEGAL PROCEEDINGS

- 11.1 All legal proceedings of whatsoever nature by or against FRL pending and/or arising before the Effective Date and relating to the Retail Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against BRL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against FRL.
- 11.2 After the Appointed Date, if any proceedings are taken against FRL in respect of the matters referred to in the sub-clause 11.1 above, FRL shall defend the same in accordance with advise and instructions of BRL at the cost of BRL, and BRL shall reimburse and indemnify FRL against all liabilities and obligations incurred by FRL in respect thereof.
- 11.3 BRL undertakes to have all legal or other proceedings initiated by or against FRL referred to in Clause 11.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against BRL as the case may be, to the exclusion of FRL and FRL shall extend all assistance in such transfer into BRL's name, if required by BRL.

12. CONTRACTS, DEEDS, ETC.

- 12.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Retail Business Undertaking of FRL to which FRL is a party or to the benefit of which FRL may be eligible, shall continue in full force and effect against or in favour of BRL, and may be enforced effectively by or against BRL as fully and effectually as if, instead of FRL, BRL had been a party thereto from inception.
- 12.2 BRL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which FRL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. BRL shall be deemed to be authorised to execute any such writings on behalf of FRL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of FRL.
- 12.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Retail Business Undertaking to which FRL is a party to, cannot be transferred to BRL for any reason whatsoever, FRL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of BRL; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Retail Business Undertaking as well as FRL (pursuant to the transfer of the Retail Business Undertaking), FRL and BRL shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

13. REMAINING UNDERTAKING

- 13.1 The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by FRL and BRL shall have no right, claim or obligation in relation to the Remaining Undertaking. From the Appointed Date, FRL shall carry on the activities and operations of the Remaining Undertaking distinctly and as a separate business from the Retail Business Undertaking.
- 13.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) by or against FRL under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking shall be continued and enforced by or against FRL after the Effective Date. BRL shall in no event be responsible or liable in relation to any such legal or other proceeding against FRL.
- 13.3 With effect from the Appointed Date and up to, including and beyond the Effective Date, FRL:

- 13.3.1 shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Remaining Undertaking for and on its own behalf; and
- 13.3.2 all profits accruing to FRL thereon or losses arising or incurred by it relating to the Remaining Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of FRL.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Retail Business Undertaking as above and the continuance of proceedings by or against FRL in relation to the Retail Business Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that BRL accepts and adopts all acts, deeds and things done and executed by FRL in respect thereto as done and executed on behalf of BRL.

PART IV

TRANSFER AND VESTING OF RETAIL INFRASTRUCTURE BUSINESS UNDERTAKING OF BRL INTO FRL

15. VESTING OF BUSINESS UNDERTAKING

- 15.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the Retail Infrastructure Business Undertaking of BRL shall, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Sections 391 to 394 of the Act and all other applicable laws, if any, stand transferred to and vested in or deemed to be transferred to and vested in FRL as a going concern and all the properties whether moveable or immoveable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, fixed assets, work in progress, current assets, deposits, reserves, provisions, funds and all other entitlements, licenses, registrations, patents, trade names, trademarks, leases, tenancy rights, telephones, telexes, facsimile, connections, email connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, titles, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), tax losses and advantages of whatsoever nature and where so ever situated belonging to or in possession of or granted in favour of or enjoyed by Retail Infrastructure Business Undertaking of BRL shall be transferred to and vested in or deemed to be transferred to and vested in FRL in the following manner:
- 15.1.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the whole of the said assets, as aforesaid, of Retail Infrastructure Business Undertaking of BRL, except for the portions specified in Clauses 15.1.2 and 15.1.3 below, of whatsoever nature and where so ever situated and incapable of passing by manual delivery and/or endorsement or otherwise however, shall, under the provisions of Sections 391 and 394 and all other provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in FRL so as to vest in FRL all the rights, title and interest of Retail Infrastructure Business Undertaking of BRL therein.
- 15.1.2 Upon the Scheme becoming effective, with effect from the Appointed Date, all the moveable assets including cash in hand, if any, of the Retail Infrastructure Business Undertaking of BRL, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to FRL. On such delivery or endorsement and delivery, the same shall become the property of FRL to the end and intent that the ownership and property therein passes to FRL on such handing over in pursuance of the provisions of Section 394 of the Act.
- 15.1.3 In respect of the moveable properties of Retail Infrastructure Business Undertaking of BRL other than specified in Clause 15.1.2 above and other assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., FRL may itself or require BRL and BRL shall upon such requisition from FRL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the High Court having sanctioned the Scheme, the said debt, loan receivable, advance or deposit be paid or made good or held on account of FRL as the person entitled thereto to the end and intent that the right of BRL to recover or realize all such debts (including the debts payable by such persons or depositors to BRL) stands transferred and assigned to FRL and that appropriate entries should be passed in their respective books to record the aforesaid change.
- 15.1.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description including all income taxes, excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of Retail Infrastructure Business Undertaking of BRL shall also, under the provisions of Sections 391 and 394 of the Act without any further act or deed be transferred or deemed to be transferred to FRL so as to become as from the Appointed Date the debts, liabilities, duties, obligations of FRL and further that all the debts, liabilities, duties, obligations, taxes etc. as aforesaid of Retail Infrastructure Business Undertaking of BRL incurred/contracted during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by FRL and shall be deemed to be the debts, liabilities and obligations of FRL and further that it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this clause.
- 15.2 Upon the Scheme being effective, with effect from the Appointed Date, a portion of the existing debt of BRL, in the form of OCDs held by the existing shareholders of BRL, shall be transferred to FRL and shall be assumed by FRL. In lieu of the transfer of such portion of the aggregate debt of BRL to FRL, such existing holders of the BRL OCDs shall be issued the FRL OCDs.
- 15.3 The transfer and/or vesting of the properties as aforesaid shall be subject to the charges, hypothecation and mortgages as on the Effective Date, if any, over or in respect of all the said assets or any part thereof of Retail Infrastructure Business Undertaking of BRL.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Retail Infrastructure Business Undertaking of BRL which shall vest in FRL by virtue of the Scheme and BRL shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

- 15.4 Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of whatsoever nature in relation to the Retail Infrastructure Business Undertaking of BRL, to which BRL is a party to or to the benefit of which BRL may be eligible and which are subsisting or having effect immediately before the Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in FRL as if the same were originally given or issued to or executed in favour of FRL, and the rights and benefits under the same shall be available to FRL. Further, BRL shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 15.3.
- 15.5 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of BRL (in relation to Retail Infrastructure Business Undertaking) after the Effective Date shall be accepted by the bankers of FRL and credited to the account of FRL, if presented by FRL or received through electronic transfers. Similarly, the banker of FRL shall honour all cheques / electronic fund transfer instructions issued by BRL (in relation to Retail Infrastructure Business Undertaking) for payment after the Effective Date. If required, the bankers of BRL and BRL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of BRL by FRL in relation to the Retail Infrastructure Business Undertaking for such time as may be determined to be necessary by FRL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of FRL.
- 15.6 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 15.7 Upon the Scheme becoming effective, BRL and FRL are expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 15.8 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of Retail Infrastructure Business Undertaking of BRL to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to FRL.
- 15.9 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to BRL in relation to the Retail Infrastructure Business Undertaking consequent to the assessment made on BRL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by FRL upon this Scheme becoming effective.
- 15.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which Retail Infrastructure Business Undertaking of BRL is entitled to in terms of applicable laws, shall be available to and vest in FRL, upon this Scheme coming into effect.

16. CONSIDERATION

- 16.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Retail Infrastructure Business Undertaking into FRL, FRL shall, without any further application or deed issue and allot equity shares, credited as fully paid up, to all the shareholders of BRL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the register of members as on the Record Date under:
- "1 (One) Equity share of FRL of Rs. 2/- (Rupees Two only) each, fully paid up to be issued for every 1 (One) Equity share of Rs. 2/- (Rupees Two only) each held by the equity shareholders of BRL"
- 16.2 In case any equity shareholder of BRL has holding in BRL, such that it becomes entitled to a fraction of an equity share of FRL, then FRL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:
- (a) consolidate such fractions and issue consolidated shares to a trustee nominated by FRL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
 - (b) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of equity shares to the relevant shareholder;
 - (c) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of BRL and FRL.

- 16.3 Shares to be issued by FRL pursuant to Clause 16.1 above to the equity shareholders of BRL which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (corresponding provisions of section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by FRL.
- 16.4 Equity shares of FRL to be issued to the respective shareholders of BRL as above shall be subject to the Memorandum and Articles of Association of FRL and shall rank *pari passu* with the existing equity shares of FRL in all respects including dividends.
- 16.5 The equity shares of FRL shall be issued in dematerialized form to those shareholders who hold shares of BRL in dematerialized form, in to the account in which BRL shares are held or such other account as is intimated by the shareholders to BRL and/or its Registrar. All those shareholders who hold shares of BRL in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to BRL and/or its Registrar. Otherwise, they would be issued equity shares in physical form.
- 16.6 The Board of Directors of BRL and FRL shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities for the issue and allotment of equity shares to the shareholders of BRL pursuant to Clause 16.1 of the Scheme.
- 16.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of BRL, the Board of Directors or any committee thereof of BRL shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.
- 16.8 Approval of this Scheme by the shareholders of FRL shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of shares by FRL to the shareholders of BRL, as provided in this Scheme.
- 16.9 The approval of this Scheme by the shareholders of BRL and FRL under Sections 391 and 394 of the Act shall be deemed to have been the approval under Sections 13, 14 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 16.10 FRL shall apply for the listing of the equity shares of FRL issued under this Scheme in accordance with Applicable Laws. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.

17. ACCOUNTING TREATMENT IN THE BOOKS OF BRL AND FRL

17.1 IN THE BOOKS OF FRL

- 17.1.1 As on the Appointed Date, FRL shall record all the assets and liabilities, pertaining to the Retail Infrastructure Business Undertaking, at the respective book values appearing in the books of BRL.
- 17.1.2 FRL shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 16.1 of this Scheme.
- 17.1.3 Investments, loans and advances and other dues outstanding between FRL and Retail Infrastructure Business Undertaking of BRL will stand cancelled and there shall be no further obligation/outstanding in that behalf.
- 17.1.4 The difference between the net assets of Retail Infrastructure Business Undertaking of BRL acquired and recorded by FRL after making adjustments in terms of clause 17.1.3 above as reduced by the face value of equity shares issued by FRL to the shareholders of BRL in terms of Clause 16.1, if surplus, shall be credited to General Reserve Account. In case of a deficit, the same shall be debited to Goodwill Account.
- 17.1.5 In case of any difference in accounting policy between BRL and FRL with respect to Retail Infrastructure Business Undertaking of BRL, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of FRL to ensure that the financial statements of FRL reflect the financial position on the basis of consistent accounting policy.

17.2 IN THE BOOKS OF BRL

- 17.2.1 Upon the Scheme becoming effective, BRL shall reduce the book value of assets and liabilities pertaining to the Retail Infrastructure Business Undertaking.
- 17.2.2 The book values, as on the Appointed Date, of net assets (assets minus liabilities) comprised in the Retail Infrastructure Business Undertaking transferred to FRL shall be adjusted against the following, in the order specified:
 - (i) General Reserve Account, if any, arising in terms of Part III of this Scheme; and the balance, if any, against;
 - (ii) Profit and Loss Account.

18. TRANSACTIONS UPTO THE EFFECTIVE DATE

- 18.1 With effect from the Appointed Date and up to and including the Effective Date:
 - a) BRL shall carry on and be deemed to have carried on the business and activities in relation to the Retail Infrastructure Business Undertaking and shall stand possessed of their properties and assets relating to the Retail Infrastructure

Business Undertaking for and in trust for FRL and all the profits/losses accruing on account of the Retail Infrastructure Business Undertaking shall for all purposes be treated as profits/losses of FRL.

- b) BRL shall not without the prior written consent of the Board of Directors of FRL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Retail Infrastructure Business Undertaking or any part thereof except in the ordinary course of its business.
- c) BRL shall not vary the terms and conditions of service of its permanent employees relating to the Retail Infrastructure Business Undertaking except in the ordinary course of its business.
- d) FRL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which FRL may require to carry on the business of Retail Infrastructure Business Undertaking. Further, BRL shall extend all assistance to FRL, if requested by FRL, in obtaining the said consents, approvals and sanctions.

- 18.2 With effect from the date of approval to the Scheme by Board of Directors of BRL and FRL until the Effective Date, BRL shall preserve and carry on the business and activities of Retail Infrastructure Business Undertaking with reasonable diligence and business prudence and BRL shall not, without the prior consultation with FRL, alienate, charge or otherwise deal with or dispose of the Retail Infrastructure Business Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees; further, BRL shall not engage in any corporate restructuring exercise including any merger and/or demerger or substantial expansion of the of the Retail Infrastructure Business Undertaking without prior written consent of FRL.

19. DECLARATION OF DIVIDEND, BONUS, ETC.

- 19.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent BRL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend.
- 19.2 BRL shall not utilize the profits or income, if any, relating to the Retail Infrastructure Business Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FRL.
- 19.3 BRL shall not, without the prior written consent of FRL, issue or allot any further securities, either by way of rights or bonus shares or in any other manner.
- 19.4 Until the coming into effect of this Scheme, the holders of equity shares of BRL and equity shares and DVRs of FRL shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective articles of associations.
- 19.5 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of BRL and FRL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of BRL and FRL and subject, wherever necessary, to the approval of the shareholders of BRL and FRL.

20. EMPLOYEES

- 20.1 On the Scheme becoming effective, all employees of the Retail Infrastructure Business Undertaking in service on the Effective Date, shall be deemed to have become employees of FRL with effect from the Appointed Date or their respective joining date, whichever is later, 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 favorable than those applicable to them with reference to the Retail Infrastructure Business Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Retail Infrastructure Business Undertaking shall be decided mutually by the board of directors of BRL and board of directors of FRL.
- 20.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Retail Infrastructure Business Undertaking shall be deemed to have been created by FRL in place of BRL for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or 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 BRL in relation to such fund or funds shall become those of FRL. It is clarified that the services of the employees of the Retail Infrastructure Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

21. LEGAL PROCEEDINGS

- 21.1 All legal proceedings of whatsoever nature by or against BRL pending and/or arising before the Effective Date and relating to the Retail Infrastructure Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against FRL, in the same manner and to the same extent as would or might have been continued and enforced by or against BRL.
- 21.2 After the Appointed Date, if any proceedings are taken against BRL in respect of the matters referred to in the sub-clause 21.1 above, BRL shall defend the same in accordance with the advice and instructions of FRL at the cost of FRL and FRL shall reimburse and indemnify BRL against all liabilities and obligations incurred by BRL in respect thereof.

- 21.3 FRL undertakes to have all legal or other proceedings initiated by or against BRL referred to in Clauses 21.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against FRL as the case may be, to the exclusion of BRL and BRL shall extend all assistance in such transfer into FRL's name, if required by FRL.

22. CONTRACTS, DEEDS, ETC.

- 22.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Retail Infrastructure Business Undertaking of BRL to which BRL is a party or to the benefit of which BRL may be eligible, shall continue in full force and effect against or in favour of FRL, and may be enforced effectively by or against FRL as fully and effectually as if, instead of BRL, FRL had been a party thereto from inception.
- 22.2 FRL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which BRL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. FRL shall be deemed to be authorised to execute any such writings on behalf of BRL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of BRL.
- 22.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Retail Infrastructure Business Undertaking to which BRL is a party to, cannot be transferred to FRL for any reason whatsoever, BRL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FRL; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Retail Infrastructure Business Undertaking as well as BRL (pursuant to the transfer of the Retail Infrastructure Business Undertaking), BRL and FRL shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

23. REMAINING UNDERTAKING

- 23.1 The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by BRL and FRL shall have no right, claim or obligation in relation to the Remaining Undertaking. From the Appointed Date, BRL shall carry on the activities and operations of the Remaining Undertaking distinctly and as a separate business from the Retail Infrastructure Business Undertaking.
- 23.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) by or against BRL under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking shall be continued and enforced by or against BRL after the Effective Date. FRL shall in no event be responsible or liable in relation to any such legal or other proceeding against BRL.
- 23.3 With effect from the Appointed Date and up to, including and beyond the Effective Date, BRL:
- 23.3.1 shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Remaining Undertaking for and on its own behalf; and
- 23.3.2 all profits accruing to BRL thereon or losses arising or incurred by it relating to the Remaining Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of BRL.

24. SAVING OF CONCLUDED TRANSACTIONS

- 24.1 The transfer and vesting of the Retail Infrastructure Business Undertaking as above and the continuance of proceedings by or against BRL in relation to the Retail Infrastructure Business Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that FRL accepts and adopts all acts, deeds and things done and executed by BRL in respect thereto as done and executed on behalf of FRL.

PART V

GENERAL TERMS AND CONDITIONS

25. APPLICATION TO HIGH COURT

- 25.1 FRL and BRL shall as may be required make applications and/or petitions under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Act to the High Court of Judicature at Bombay or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

26. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 26.1 On behalf of FRL and BRL, the board of directors of respective companies, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by both of them (i.e. the board of directors of FRL and board of directors of BRL) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

- 26.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of FRL and BRL may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

27. CHANGE OF NAME

- 27.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the name of 'Bharti Retail Limited' shall be changed to 'Future Retail Limited' or such other name as may be approved by the Ministry of Corporate Affairs, subject to BRL filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard. Approval of the shareholders of BRL to the Scheme shall be considered as the approval required under the provisions of Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 for such change of name.
- 27.2 Upon the Scheme becoming effective, with effect from the Appointed Date, the name of 'Future Retail Limited' may be changed to 'Future Enterprises Limited' or such other name as may be approved by the Ministry of Corporate Affairs, subject to FRL filing all necessary forms and applications with the Ministry of Corporate Affairs in this regard. Approval of the shareholders of FRL to the Scheme shall be considered as the approval required under the provisions of Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 for such change of name.

28. CHANGE IN OBJECT CLAUSE OF FRL

- 28.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FRL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of Retail Infrastructure Business Undertaking, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of FRL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of FRL and shall read as under:

- (i) To carry on the business of any or all of the infrastructure activities such as development, maintenance and operations of all types of infrastructural projects or facilities including Transportation, Storage & warehousing infrastructure & facilities, rendering all kinds of support services required by the retail outlets/industry of all formats like management and assisting in the maintenance of inventory control, purchase orders, product sourcing, invoicing, maintenance of day to day accounts and the like to all kinds of retail entities whether companies, firms, proprietorship concerns, individuals and others in whatever form and retailing all kind of products, act as agents, distributors and dealers of all kinds of products for the retail industry and especially relating to fashion and general garments, general merchandise, different types of services and such others type of products or services which can be undertaken by retail formats of any types, undertake designing, establishing and developing on a turn key basis retail outlets for all kinds of products including franchisee outlets of all types of products or any specialised products and the like for and on behalf of third parties and anywhere in India as the Company may deem fit, in such manner or methods for the purpose of carrying out the foregoing objects and to obtain from them the rights of all sorts for assistance, privileges, charters, licenses and concessions, as may be necessary or incidental to the business of the Company

For the purposes of amendment in the Memorandum of Association and Articles of Association of FRL as provided in this clause, the consent / approval given by the members of FRL to this Scheme pursuant to Section 391 of the Companies Act, 1956 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of FRL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of FRL and filing of the certified copy of this Scheme as sanctioned by the High Court, in terms of Section 391-394 of the Companies Act, 1956 and any other applicable provisions of the Act, together with the Order of the High Court and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai, Maharashtra shall register the same and make the necessary alterations in the Memorandum of Association and Articles of Association of FRL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.

FRL shall file with the Registrar of Companies, Mumbai, Maharashtra all requisite forms and complete the compliance and procedural requirements under the Act, if any.

29. CONDITIONALITY OF THE SCHEME

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

- 29.1 The requisite consent, approval or permission of the Central Government including Stock Exchange, Competition Commission of India and Securities and Exchange Board of India or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 29.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of FRL and BRL as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable.
- 29.3 The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Act read with Section 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013.
- 29.4 Certified copy of the Order of the High Court of Judicature at Bombay sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by FRL and BRL.

30. TERMS OF OCDs

As part of the Scheme, (i) the terms of the BRL OCDs, whether continuing with BRL or transferred as transfer of liabilities to FRL pursuant to transfer of Retail Infrastructure Undertaking to FRL (as per Part IV of this Scheme), shall be amended to comply with applicable SEBI pricing guidelines prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (ii) the FRL OCDs shall be issued by FRL to the existing shareholders of BRL, and (iii) upon the Effective Date the terms of the BRL OCDs and the FRL OCDs shall be as per the terms and conditions as agreed between FRL and BRL

31. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 29 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

32. UNDERTAKING IN RESPECT OF CAPITAL STRUCTURE OF BRL

There shall be no change in the shareholding pattern of BRL between the Record Date and the listing which may affect the status of approval granted by Stock Exchanges.

33. 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.

ANNEXURE 2

The Shareholding of Directors and Key Managerial Personnel in FRL and BRL:

Name of the Directors/Key Management Personnel	Shareholding in Number of Shares		
	FRL – Equity Shares	FRL – Class B (Series -1)	BRL
Mr. Kishore Biyani - Managing Director	-	2121	-
Mr. Rakesh Biyani - Joint Managing Director	-	2121	-
Mr. Vijay Biyani - Wholetime Director	-	2121	-
Mr. Anil Harish - Independent Director	10000	1000	-
Ms. Bala Desphande - Independent Director	-	-	-
Mr. Doreswamy Sheshagiri Rao - Independent Director	-	-	-
Mr. Vijay Kumar Chopra - Independent Director	-	-	-
Mr. Dinesh Maheshwari - Chief Financial Officer	-	-	-
Mr. Deepak Tanna - Company Secretary	-	-	-
Mr. Inderjit Walia - Director	-	-	1*
Mr. Devendra Khanna - Director	-	-	1*
Mr. Rajendra Kumar Chopra - Director	-	-	1*
Mr. Sridhar Natarajan - Independent Director	-	-	-
Ms. Veenu Mittal - Independent Director	-	-	-
Mr. Manish Sabnis - CEO	-	-	-
Mr. Anupam Goyal - Chief Financial Officer	-	-	-
Ms. Gurdeep Kaur - Company Secretary	-	-	-

* Each one holds share as nominee of Cedar Support Services Ltd.

ANNEXURE 3
FUTURE RETAIL LIMITED (Applicant Company)
PRE & POST SCHEME EQUITY SHAREHOLDING PATTERN

The Pre & Post Scheme shareholding pattern of the Applicant Company of Equity and Class B (Series 1) based on shareholding as on 30th September, 2015

Pre & Post Scheme Shareholding Pattern - FRL (Equity Shares)					
Sr No	Category of Shareholder	Pre-Scheme Shareholding		Post-Scheme Shareholding	
		No of shares	%	No of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals / Hindu Undivided Family	0	0.00	0	0.00
(b)	Central Government / State Government(s)	0	0.00	0	0.00
(c)	Bodies Corporate	201205918	51.81	201205918	46.60
(d)	Financial Institutions/ Banks	0	0.00	0	0.00
(e)	Any Others(Specify)	0	0.00	0	0.00
	Sub Total(A)(1)	201205918	51.81	201205918	46.60
2	Foreign				
a	Individuals (Non-Residents Individuals / Foreign Individuals)	0	0.00	0	0.00
b	Bodies Corporate	0	0.00	0	0.00
c	Institutions	0	0.00	0	0.00
d	Qualified Foreign Investor	0	0.00	0	0.00
e	Any Others(Specify)	0	0.00	0	0.00
	Sub Total(A)(2)	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	201205918	51.81	201205918	46.60
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	6908268	1.78	6908268	1.60
(b)	Financial Institutions / Banks	5264854	1.36	5264854	1.22
(c)	Central Government / State Government(s)	0	0.00	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00
(e)	Insurance Companies	4209828	1.08	4209828	0.97
(f)	Foreign Institutional Investors	57481179	14.80	57481179	13.31
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0.00	0	0.00
(i)	Any Other (specify)	0	0.00	0	0.00
(i-i)	Foreign Portfolio Investor (Corporate)	17968437	4.63	17968437	4.16
	Sub-Total (B)(1)	91832566	23.65	91832566	21.27
B 2	Non-institutions				
(a)	Bodies Corporate	77506407	19.96	120984668	28.02
(b)	Individuals				
I	Individual shareholders holding nominal share capital up to Rs. 1 lakh	9662552	2.49	9662552	2.24
II	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	6613533	1.70	6613533	1.53
(c)	Qualified Foreign Investors	0	0.00	0	0.00
(d)	Any Other (specify)				
(d-i)	Clearing Member	535846	0.14	535846	0.12
(d-ii)	Non Resident Indians	338777	0.09	338777	0.08
(d-iii)	Directors & their Relatives (Independent Directors)	10000	0.00	10000	0.00
(d-iv)	Trust	312800	0.08	312800	0.07
(d-v)	Hindu Undivided Family	302924	0.08	302924	0.07
	Sub-Total (B)(2)	95282839	24.54	138761100	32.14
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	187115405	48.19	230593666	53.40
	TOTAL (A)+(B)	388321323	100.00	431799584	100.00

(C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group	0	0	0	0
2	Public	0	0	0	0
	Sub-Total (C)	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	388321323	100.00	431799584	100

Pre & Post Scheme Shareholding Pattern - FRL (Class B (Series 1) Shares)					
Sr No	Category of Shareholder	Pre-Scheme Shareholding		Post-Scheme Shareholding	
		No of shares	%	No of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	88,115	0.22	88,115	0.22
(b)	Central Government / State Government(s)	-	0.00	-	0.00
(c)	Bodies Corporate	28,321,456	71.93	28,321,456	71.93
(d)	Financial Institutions/ Banks	-	0.00	-	0.00
(e)	Any Others(Specify)	-	0.00	-	0.00
	Sub Total(A)(1)	28,409,571	72.15	28,409,571	72.15
2	Foreign				
a	Individuals (Non-Residents Individuals/Foreign Individuals)	-	0.00	-	0.00
b	Bodies Corporate	-	0.00	-	0.00
c	Institutions	-	0.00	-	0.00
d	Qualified Foreign Investor	-	0.00	-	0.00
e	Any Others(Specify)	-	0.00	-	0.00
	Sub Total(A)(2)	-	0.00	-	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	28,409,571	72.15	28,409,571	100.00
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	336,984	0.86	336,984	0.86
(b)	Financial Institutions / Banks	96,991	0.24	96,991	0.24
(c)	Central Government / State Government(s)	-	0.00	-	0.00
(d)	Venture Capital Funds	-	0.00	-	0.00
(e)	Insurance Companies	23,579	0.06	23,579	0.06
(f)	Foreign Institutional Investors	-	0.00	-	0.00
(g)	Foreign Venture Capital Investors	-	0.00	-	0.00
(h)	Qualified Foreign Investor	-	0.00	-	0.00
(i)	Any Other (specify)	-	0.00	-	0.00
(i-i)	Foreign Portfolio Investor (Corporate)	125,595	0.32	125,595	0.32
	Sub-Total (B)(1)	583,149	1.48	583,149	1.48
B 2	Non-institutions				
(a)	Bodies Corporate	2,751,258	7.00	2,751,258	7.00
(b)	Individuals				
I	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,196,990	3.04	1,196,990	3.04
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	5,228,817	13.28	5,228,817	13.28
(c)	Qualified Foreign Investor	-	0.00	-	0.00
(d)	Any Other (specify)				
(d-i)	Clearing Member	465,692	1.18	465,692	1.18
(d-ii)	Non Resident Indians	10,947	0.03	10,947	0.03
(d-iii)	Directors & their Relatives (Independent Directors)	1,000	0.00	1,000	0.00
(d-iv)	Trust	15	0.00	15	0.00
(d-v)	Hindu Undivided Family	727,240	1.85	727,240	1.85

	Sub-Total (B)(2)	10,381,959	26.38	10,381,959	26.38
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	10,965,108	27.85	10,965,108	27.85
	TOTAL (A)+(B)	39,374,679	100.00	39,374,679	100.00
C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group	-	0	-	0
2	Public	-	0	-	0
	Sub-Total (C)	-	0	-	0
	GRAND TOTAL (A)+(B)+(C)	39,374,679	100.00	39,374,679	100.00

ANNEXURE 4

BHARTI RETAIL LIMITED PRE & POST SCHEME EQUITY SHAREHOLDING PATTERN

The Pre & Post Scheme equity shareholding pattern of BRL based on shareholding as on 30th September, 2015

Pre & Post Scheme Shareholding Pattern - BRL					
Sr No	Category of Shareholder	Pre-Scheme Shareholding		Post-Scheme Shareholding	
		No of shares	%	No of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	0	0.00	88115	0.02
(b)	Central Government / State Government(s)	0	0.00	0	0.00
(c)	Bodies Corporate	1719750000	100.00	229527374	48.71
(d)	Financial Institutions/ Banks	0	0.00	0	0.00
(e)	Any Others(Specify)	0	0.00	0	0.00
	Sub Total(A)(1)	1719750000	100.00	229615489	48.73
2	Foreign				
a	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0.00	0	0.00
b	Bodies Corporate	0	0.00	0	0.00
c	Institutions	0	0.00	0	0.00
d	Qualified Foreign Investor	0	0.00	0	0.00
e	Any Others(Specify)	0	0.00	0	0.00
	Sub Total(A)(2)	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1719750000	100.00	229615489	48.73
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	0	0.00	7245252	1.54
(b)	Financial Institutions / Banks	0	0.00	5361845	1.14
(c)	Central Government / State Government(s)	0	0.00	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	4233407	0.90
(f)	Foreign Institutional Investors	0	0.00	57481179	12.20
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0.00	0	0.00
(i)	Any Other (specify)	0	0.00	0	0.00
(i-i)	Foreign Portfolio Investor (Corporate)	0	0.00	18094032	3.84
	Sub-Total (B)(1)	0	0.00	92415715	19.61
B 2	Non-institutions				
(a)	Bodies Corporate	0	0.00	123735926	26.26
(b)	Individuals				
I	Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0.00	10859542	2.30
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0.00	11842350	2.51

(c)	Qualified Foreign Investor	0	0.00	0	0.00
(d)	Any Other (specify)	0	0.00	0	0.00
(d-i)	Clearing Member	0	0.00	1001538	0.21
(d-ii)	Non Resident Indians	0	0.00	349724	0.07
(d-iii)	Directors & their Relatives (Independent Directors)	0	0.0	11000	0.00
(d-iv)	Trust	0	0.00	312815	0.07
(d-v)	Hindu Undivided Family	0	0.00	1030164	0.00
	Sub-Total (B)(2)	0	0.00	149143059	31.65
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0.00	241558774	51.27
	TOTAL (A)+(B)	1719750000	100.00	471174263	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group	-	0	-	0
2	Public	-	0	-	0
	Sub-Total (C)	-	0	-	0
	GRAND TOTAL (A)+(B)+(C)	1719750000	100.00	471174263	100.00

KEYNOTE

May 04, 2015

The Board of Directors**Future Retail Limited**

Knowledge House,
Off Jogeshwari-Vikhroli Link Road,
Shyam Nagar, Jogeshwari (East),
Mumbai - 400060.

The Board of Directors**Bharti Retail Limited**

Bharti Crescent 1,
Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi 110070.

Dear Sirs,

Reg: Fairness Opinion on the Share Entitlement ratio for the proposed demerger with respect to Scheme of Arrangement between Future Retail Limited ("FRL") and Bharti Retail Limited ("BRL") and their respective shareholders and creditors

Keynote Corporate Services Limited ("**Keynote**" or "**we**" or "**us**") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to issue a report on fairness on the Share Entitlement ratio for the proposed demerger with respect to Scheme of Arrangement between Future Retail Limited ("FRL") and Bharti Retail Limited ("BRL") and their respective shareholders and creditors. We have perused the documents/ information provided by you in respect of the said Arrangement and the Joint Valuation Report as issued by **Edelweiss Financial Services Limited** (*hereafter referred to as "Edelweiss"*) and **SSPA & Co, Chartered Accountants** (*hereafter referred to as "SSPA"*) dated May 04, 2015 and state as follows:

Company Profile:

Future Retail Limited is the flagship company of Future Group. FRL currently operates multiple retail formats in hypermarket, supermarket and home segments of the Indian consumer market including; Big Bazaar (hypermarket chain); FBB (Fashion at Big Bazaar); Food Bazaar (supermarket chain); Foodhall (Premium lifestyle food destination); Home Town (Home Improvement Store) and eZone (high end consumer electronics specialty store). The business of FRL inter-alia includes the retail operations and the retail infrastructure operations associated therewith. We have been informed by the management of FRL to consider the Equity Shares and Class B Shares (Series 1) (hereinafter referred to as "DVR Shares") at par with equity shares of FRL as both the classes of shares have similar economic interest and are treated equally for all corporate actions except for voting/dividend rights.

Bharti Retail Limited is wholly owned subsidiary of Cedar Support Services Limited (CSSL) belonging to Bharti Enterprises Group. BRL is primarily engaged in the business of organised retail. It operates neighborhood stores called "Easyday" and compact hypermarket stores called "Easyday Market". The retail business of BRL inter-alia includes the in-store retail operations and the retail infrastructure operations associated therewith.

Page 1 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028

Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net

CIN-L67120MH1993PLC072407

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Rationale of the Report:

We have been informed that, pursuant to a Scheme of Arrangement under sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 (hereinafter referred to as "the Scheme") and subject to necessary approvals, the "Retail Business Undertaking" of FRL would be demerged into BRL and the "Retail Infrastructure Business Undertaking" of BRL would be demerged into FRL with effect from the Appointed Date of 31 Oct 2015.

In this regard, we have been requested to suggest Fairness on the Share Entitlement ratio for:

- a) issue of equity shares of BRL to the shareholders of FRL for the purpose of proposed demerger of "Retail Business Undertaking" of FRL into BRL; and
- b) issue of equity shares of FRL to the shareholders of BRL for the purpose of proposed demerger of "Retail Infrastructure Business Undertaking" of BRL into FRL.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- a) Joint Valuation Report by Edelweiss and SSPA dated May 04, 2015;
- b) Estimated Financial statements of FRL and BRL for the year ended March 31, 2015;
- c) Projected Financials of FRL and BRL for FY 2015-16 to FY 2018-19;
- d) Draft Scheme of Arrangement;
- e) Other relevant information/documents regarding FRL and BRL such as their history, past and present activities, the demerger process, future plans and prospects post the demerger including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Valuation Report, Edelweiss and SSPA have recommended the following Share Entitlement Ratio:

- a) Demerger of "Retail Business Undertaking" of FRL into BRL (post reorganization of share capital of BRL):
"1 (One) equity share of BRL of INR 2/- each fully paid for every 1 (One) equity share / DVR share of FRL of INR 2 each fully paid."
- b) Demerger of "Retail Infrastructure Business Undertaking" of BRL (post reorganization of share capital of BRL) into FRL:
"1 (One) equity share of FRL of INR 2 each fully paid for every 1 (One) equity share of BRL of INR 2 each fully paid."

The aforesaid Arrangement shall be pursuant to the Draft Scheme of Arrangement and shall be subject to receipt of approval from the Jurisdictional High Court of Bombay and other statutory approvals as may be

KEYNOTE

required. The detailed terms and conditions of the demerger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the share entitlement ratio for the equity shareholders as suggested by Edelweiss and SSPA proposed under the Scheme of Arrangement is fair in our opinion.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by FRL & BRL for the purpose of this opinion. With respect to the estimated financials provided to us by the managements of FRL & BRL we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the managements of FRL & BRL. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of FRL & BRL. We have solely relied upon the information provided to us by FRL & BRL. We have not reviewed any books or records of FRL & BRL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of FRL & BRL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of FRL & BRL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by FRL & BRL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of FRL & BRL with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the managements of FRL & BRL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that FRL & BRL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving FRL & BRL or any of its assets, nor did we negotiate with any other party in this regard.

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Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
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CIN-L67120MH1993PLC072407

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We have acted as a financial advisor to FRL & BRL for providing a fairness view on the share entitlement ratio and will receive a fee for our services.

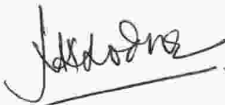
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of FRL & BRL for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of FRL & BRL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to FRL's or BRL's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of FRL & BRL should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of FRL will trade following the announcement of the transaction or as to the financial performance of FRL & BRL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, FRL & BRL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



Nipun Lodha
Executive Vice-President & Head- Corporate Finance
SEBI Registration No. INM000003606
(Merchant Banker)

Page 4 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
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FUTURE RETAIL

ANNEXURE 6

Complaints Report as on 2 July, 2015

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable	Not Applicable	Not Applicable
2.	Not Applicable	Not Applicable	Not Applicable
3.	Not Applicable	Not Applicable	Not Applicable

For Future Retail Limited



Deepak Tanna
Company Secretary



Future Retail Limited [Formerly Pantaloon Retail (India) Limited]

Registered Office: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060

P +91 22 3084 2336, F + 91 22 3084 2502, www.futureretail.co.in

CIN : L52399MH1987PLC044954

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
 Corporate Identity Number : U67120MH2005PLC155188



DCS/AMAL/LP/24(f)/157/2015-16

September 15, 2015

The Company Secretary
Future Retail Limited
 Knowledge House, Off Jogeshwari,
 Vikhroli Link Road, Shyam Nagar, Jogeshwari (East),
 Mumbai, Maharashtra, 400060.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Bharti Retail Limited and Future Retail Limited.

We refer to your draft Scheme of Arrangement between Bharti Retail Limited and Future Retail Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated September 11, 2015 given the following comment(s) on the draft scheme of arrangement:

- *The Company shall ensure that additional information, if any, submitted by the Companies, after filling the draft scheme with the stock exchange/s, is displayed from the receipt of this letter on the website of the company.*
- *The Company (BRL) shall ensure that BRL compliance with the requirements of Para 1(b), Part A, Annexure I of the SEBI Circular dated February 4, 2013*
- *The Company (FRL) shall ensure that the issuance of shares by FRL pursuant to scheme of arrangement is in compliance with applicable provisions of SEBI(ICDR) Reg.2009 with regard to pricing, lock in, etc.*
- *The Company (BRL) is advised to ensure that in case SEBI (SAST) Regulations are triggered the company shall comply with the SEBI (SAST) Regulations, 2011.*
- *The company shall duly comply with various provisions of the Circulars.*

Accordingly, based on aforesaid comments offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

However, the listing of equity shares of Bharti Retail Limited on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 including compliance with Para 1(b) read with Para 1(d), Part A, Annexure I of the aforesaid SEBI circular dated February 4, 2013 on the fully diluted post arrangement capital of BRL considering full conversion of BRL OCDs into the equity shares of BRL. Further, Bharti Retail Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bharti Retail Limited is at the discretion of the Exchange. In addition to the above, the listing of Bharti Retail Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bharti Retail Limited and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about Bharti Retail Limited in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Bharti Retail Limited to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Bharti Retail Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the company from complying with any other requirements.

Yours faithfully,



Nitin Pujari
Manager



Lalit Phatak
Asst. Manager



**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**



Stock of the nation

Ref: NSE/LIST/ 42719

September 15, 2015

The Company Secretary
Future Retail Limited,
"Knowledge House", Shyam Nagar,
Off. Jogeshwari Vikhroli Link Road,
Jogeshwari (E), Mumbai - 400060

Kind Attn.: Mr. Deepak Tanna

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Future Retail Limited ('FRL') and Bharti Retail Limited ('BRL') and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Future Retail Limited ('FRL') and Bharti Retail Limited ('BRL') and their respective shareholders and creditors u/s 391 to 394 and other applicable provisions of the Companies Act 1956 submitted to NSE vide your letter dated May 22, 2015.

Based on our letter reference no Ref: NSE/LIST/34493 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated September 11, 2015, has given following comments on the draft Scheme of Amalgamation:

- a) *The Companies shall ensure additional information, if any, submitted by the Companies, after filing the draft scheme with the stock exchange/s, is displayed from the date of receipt of this letter on the website of the listed company.*
- b) *The Company shall duly comply with various provisions of the Circulars.*
- c) *The Company (BRL) shall ensure the compliance with the requirement of para 1 (b), Part A, Annexure I of the SEBI circular dated February 04, 2013*
- d) *The Company (FRL) shall ensure that the issuance of shares by FRL pursuant to scheme of arrangement is in compliance with applicable provisions of SEBI (ICDR) Regulation 2009 with regard to pricing, lock in, etc.*
- e) *The Companies shall ensure that the post Scheme shareholding pattern of BRL, considering full dilution, shall disclosed to the shareholders.*
- f) *The Company (BRL) may be advised to ensure that in case SEBI (SAST) Regulation are triggered the company shall comply with the SEBI (SAST) Regulation, 2011*

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Bharti Retail Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Bharti Retail Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bharti Retail Limited is at the discretion of the Exchange.



The listing of Bharti Retail Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bharti Retail Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about Bharti Retail Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Bharti Retail Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Bharti Retail Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from September 15, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 797 OF 2015**

In the matter of the Companies Act, 1 of 1956 and other relevant provisions of the Companies Act, 2013;

AND

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

AND

In the matter of the Composite Scheme of Arrangement under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of Companies Act 2013 and the applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013, as may be applicable between Future Retail Limited and Bharti Retail Limited and their respective shareholders and creditors

FUTURE RETAIL LIMITED

[CIN:L52399MH1987PLC044954], a Company incorporated
under 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 Wednesday, 18th day of November, 2015 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 Composite Scheme of Arrangement between Future Retail Limited and Bharti 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 Composite Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary

Dated this ____ day of _____, 2015

Name _____

Address _____

Reg. Folio No. _____

Client ID No. _____

DP ID No. _____

No. of equity shares: _____

No. of class B (Series 1) shares _____

Signatures of

Shareholder(s)

Sole / First Holder: _____

Second Holder: _____

Third Holder: _____

Signature of Proxy

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.

Affix
Rs. 1
Stamp

Signature across the stamp



Future Retail Limited

Registered Office: Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060
CIN: L52399MH1987PLC044954 **Tel. No.:** +91 22 66442200; **Fax No. :** +91 22 66442201;
Website: www.futureretail.co.in; **Email:** investorrelations@futureretail.in

ATTENDANCE SLIP

COURT CONVENED MEETING OF MEMBERS ON WEDNESDAY, 18TH DAY OF NOVEMBER , 2015

I/We hereby record my/our presence at the Meeting of the Member of the Company, convened pursuant to the Order dated 16th day of October, 2015 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 Wednesday, 18th day of November, 2015 at 10.00 a.m.

Sr. No.:

Registered Folio / DP ID & Client ID	
Name and address of the Member(s)	
Joint Holder 1 Joint Holder 2	

Type of Equity Shares	No of Shares held	Votes Entitled
Equity		
Class B (Series 1)		
Total		

Equity Shareholders - one vote for each share held.

Class B (Series 1) Shareholders - three vote for four shares held.(fraction if any to be ignored)

**SIGNATURE OF THE MEMBER/
JOINT MEMBER(S) / PROXY**

SHAREHOLDER / PROXY HOLDER WISH TO ATTEND THE MEETING MUST BRING THE ATTENDANCE SLIP TO THE MEETING AND HANDOVER AT THE ENTRANCE OF THE MEETING HALL DULY SIGNED.