

FUTURE RETAIL



In consideration for the demerger of Retail Business Undertaking of FRL into BRL in terms of the Scheme and based on share entitlement ratio recommended by M/s SSPA & Co., Independent Chartered Accountants and Edelweiss Capital Services Private Limited, a Category I Merchant Banker, BRL will issue 1 (One) fully paid equity share of Rs. 2/- (Rupees Two) each, fully paid up of BRL to the equity shareholders / DVR shareholders of FRL (on a fully diluted basis) as on the Record Date (as may be determined in terms of the Scheme) for every 1 (One) fully paid-up equity share / DVR of Rs. 2/- (Rupees Two) each of FRL. 42,76,96,002 equity shares having a face value of Rs. 2/- each, fully paid up of BRL, will be issued on demerger to the equity shareholders / DVR shareholders of FRL (on a fully diluted basis).

In consideration for the demerger of Retail Infrastructure Business Undertaking of BRL into FRL in terms of the Scheme and based on share entitlement ratio recommended by M/s SSPA & Co., Independent Chartered Accountants and Edelweiss Capital Services Private Limited, a Category I Merchant Banker, FRL will issue 1 (One) fully paid equity share of Rs. 2/- (Rupees Two) each of FRL to the equity shareholders of BRL as on the Record Date (as may be determined in terms of the Scheme) for every 1 (One) fully paid-up equity share of Rs. 2/- (Rupees Two) each of BRL. 4,34,78,261 equity shares having a face value of Rs. 2/- each, fully paid up of FRL, will be issued on demerger to the equity shareholders of BRL.

The existing holders of Optionally Convertible Debentures ('OCDs') of BRL aggregating to Rs. 250 crores shall, consequent to the aforesaid demerger, hold OCDs in BRL and FRL aggregating to Rs. 250 crores. These OCDs would be convertible into equity shares of the respective companies, at the option of the company, at the price prescribed under SEBI (ICDR) Regulations, 2009 for Preferential Issue of securities on the date of conversion.

The shareholders and OCD holders of Bharti Group have agreed to share with the respective companies an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions as per the Annexure.

The Board also authorised Committee of Directors to take necessary actions for completing the requirements in this regard and to do all acts and deeds as may be necessary.

The equity shares of BRL issued to the shareholders of FRL pursuant to the Scheme shall be listed on the stock exchanges (subject to trading permission being granted by the stock exchanges). The Scheme would be subject to approval of Competition Commission of India, relevant Hon'ble High Courts and various statutory approvals, including those from the shareholders and the lenders / creditors of FRL.



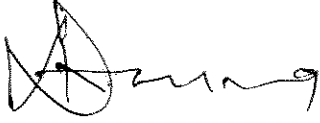
Future Retail Limited [Formerly Pantaloon Retail (India) Limited]

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

Yours faithfully
For Future Retail Limited



Name: Deepak Tanna
Designation: Company Secretary
Date: May 4, 2015

Encl. – a/a



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Annexure

On sale of the equity shares (including OCD converted shares or the redemption amount) of FRL and BRL by Shareholders and OCD holders of Bharti Group have agreed to an upside sharing arrangement with FRL and BRL as follows :

- a) If the sale proceeds are between Rs. 950 Crores and Rs. 1450 Crores, the amount shall be 50% of the amount above Rs. 950 Crores;
- b) If the sale proceeds are between Rs. 1450 Crores and Rs. 1950 Crores the amount shall be 60% of the amount above Rs. 1450 Crores; and
- c) If the sale proceeds are greater than Rs. 1950 Crores the amount shall be 75% of the amount above Rs. 1950 Crores.

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