

# FUTURE RETAIL



09th October, 2017

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

Listing Department  
**The National Stock Exchange Limited of India Limited**  
Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400 051

**Scrip Code: 540064**

**Symbol: FRETAIL**

Dear Sir / Madam,

**Sub: Update on Acquisition of Hypercity Retail (India) Limited – execution of Share Purchase Agreement (“SPA”)**

**Ref: Our Intimation dated 05th October 2017, under Regulation 30 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

We refer to our intimation dated 05th October 2017 on the above subject matter. Pursuant to Regulation 30 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 09th September, 2015, wherein the Company has *inter alia* informed about execution of a term sheet for the acquisition of entire equity share capital of M/s Hypercity Retail (India) Limited (“HRIL”) from its existing shareholders (“Sellers”).

Further we are pleased to inform that now the Company has executed the SPA with Sellers and HRIL on 8th October, 2017 for acquisition of the entire share capital on the same terms and conditions as disclosed in Annexure B to the above referred first intimation made on 05th October 2017. The proposed transaction remains subject to receipt of approval of shareholders of the Company and receipt of requisite regulatory and other approvals.

The details as required under Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 09th September, 2015 with respect Acquisition (including agreement to acquire) and the SPA are enclosed as Annexure 1 and 2 to this letter.

The above is for your information and record, please.

Yours faithfully,  
For **Future Retail Limited**

**Virendra Samani**  
**Dy. Company Secretary**



Encl: as above.

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## Annexure 1

### Acquisition (including agreement to acquire):

Sr. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p><b>Name of the Target Entity:</b> Hypercity Retail (India) Limited</p> <ul style="list-style-type: none"> <li>Net Worth of HRIL as on 31st March, 2017 : Rs. 11.45 crore;</li> <li>Turnover of HRIL during FY 2016-17 : Rs. 1,191 crore</li> </ul>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	<ul style="list-style-type: none"> <li>The proposed transaction would not fall within related party transaction;</li> <li>The promoter / promoter group do not have any interest in the business being acquired</li> </ul>
3.	Industry to which the entity being acquired belongs;	Retail Industry
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	<ul style="list-style-type: none"> <li>The line of business of acquired company is same of Listed Entity, viz Retail.</li> <li>The acquisition would result in further consolidation of retail business of FRL and would increase foothold of FRL in Hypermarket segment.</li> </ul>
5.	Brief details of any governmental or regulatory approvals required for the acquisition;	The acquisition would <i>inter-alia</i> require approval from (a) Stock Exchanges; and (b) Competition Commission of India;
6.	Indicative time period for completion of the acquisition;	3-5 months
7.	Nature of consideration - whether cash consideration or share swap and details of the same;	<p>Purchase Consideration would be discharged by FRL:-</p> <ul style="list-style-type: none"> <li>partly by issue of equity shares subject to maximum and in aggregate of upto 93,10,987 equity shares of Rs. 2 each, fully paid up of FRL at a premium of Rs. 535 per equity share aggregating to 500,00,00,019/-, to the equity shareholders of HRIL on a proportionate basis;</li> <li>partly by payment in cash upto an amount of Rs. 154,99,99,981/-</li> </ul>
8.	Cost of acquisition or the price at which the shares are acquired;	Rs. 43.3687 per share

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Sr. No.	Particulars	Details
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	100% of paid up equity share capital of HRIL (151,030,306 equity shares of Rs. 10/- each)
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).	<ul style="list-style-type: none"><li>• HRIL originally incorporated on 27th May, 2004 is mainly into Retail business and operating its various stores across India and does not have any overseas presence.</li><li>• Turnover for last three years:<ul style="list-style-type: none"><li>❖ FY 2016-17 – Rs. 1,191 crore;</li><li>❖ FY 2015-16 – Rs. 1,035 crore;</li><li>❖ FY 2014-15 – Rs. 1,002 crore</li></ul></li><li>• No. of operating stores as on date : 19 stores;</li><li>• Area under operation : 1.24 mn sq. ft.</li></ul>



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## Annexure 2

### Agreement

Sr. No.	Particulars	Details
a)	Name(s) of parties with whom the agreement is entered;	Share Purchase Agreement ("SPA") has been executed by and between all the shareholders of Hypercity Retail (India) Limited ("Sellers") (as provided in Annexure "A" below) and Hypercity Retail (India) Limited ("HRIL") and the Company on 8th October, 2017.
b)	Purpose of entering into the agreement;	The Company has entered into terms sheet and SPA for the purpose of acquiring the entire share capital of HRIL from its existing shareholders
c)	Size of Agreement	Total consideration in form of part cash and part share consideration aggregating up to Rs. 655 Crore – subject to certain adjustments as agreed in the SPA
d)	Shareholding, if any, in the entity with whom the agreement is executed;	<ul style="list-style-type: none"> <li>FRL as on date do not hold any shares in HRIL and also in entities with whom agreement is executed.</li> <li>Post-acquisition, HRIL will become a wholly owned subsidiary of FRL.</li> </ul>
e)	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	<ul style="list-style-type: none"> <li>FRL, being holding company and holding entire 100% share capital of HRIL post-closing shall have all the rights to control Board constitution, share capital and operations of HRIL.</li> </ul>
f)	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	Sellers are not related to promoter / promoter group / group companies in any manner.
g)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	The proposed transaction would not fall within related party transaction. The arm's length criteria is not applicable since it is not related party transaction.
h)	In case of issuance of shares to the parties, details of issue price, class of shares issued;	Subject to approval of the shareholders of the Company to be obtained at Extraordinary General Meeting of the Company and receipt of requisite regulatory and other approvals, up to 93,10,987 equity shares of face value of Rs. 2 each, will be issued at a price of Rs. 537 (including premium of Rs. 535) per equity share for settling part consideration for the proposed transaction.
i)	in case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date	Not Applicable

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Sr. No.	Particulars	Details
	of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan	
j)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;	The proposed transaction is subject to receipt of requisite regulatory and other approvals

## Annexure "A"

Name of Sellers (existing Shareholders) of HRIL:

Sl. No.	Name	Sl. No.	Name
1.	Shoppers Stop Ltd	9.	Genext Hardware & Parks Private Ltd
2.	Support Properties Private Ltd	10.	Raghukool Estate Development LLP
3.	Eternus Real Estate Private Ltd	11.	Mr. Ravi Chandru Raheja jointly with Chandru L Raheja and Jyoti C Raheja
4.	Palm Shelter Estate Development LLP	12.	Mr. Chandru Lachmandas Raheja jointly with Jyoti C Raheja
5.	Anbee Constructions LLP	13.	Mrs. Jyoti Chandru Raheja jointly with Mr. Chandru L Raheja
6.	Cape Trading LLP	14.	Mr. Neel Chandru Raheja jointly with Mr. Chandru L Raheja and Mr. Jyoti C Raheja
7.	Capstan Trading LLP	15.	Mr. B S Nagesh jointly with Ms. Shailaja Nagesh
8.	Casa Maria Properties LLP		



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