

FUTURE RETAIL

FUTURE RETAIL LIMITED

Regd. Off.: Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060. India
Tel. No.: +91 22 3084 2336; Fax No.: +91 22 3084 2502
CIN: L52399MH1987PLC044954; Website : www.futureretail.co.in; Email: investorrelations@futureretail.in

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of Future Retail Limited will be held on Wednesday, July 9, 2014 at 10:30 AM at Rangswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai 400 021 to transact the following business:

SPECIAL BUSINESS:

Item No. 1

Preferential allotment of equity shares of the Company

To consider and, if thought fit, to pass with or without modification, if any, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**) read with the rules made thereunder, to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India, the Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **“ICDR Regulations”**) and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the **“Takeover Regulations”**) and any other guidelines and clarifications issued by any other competent authority, whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed (the **“Stock Exchanges”**) and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot, on a preferential basis, 1,53,84,615 equity shares of face value of Rs. 2/- each (the **“Equity Shares”**), at a price of Rs. 130/- (Rupees One Hundred & Thirty only) each aggregating up to 199,99,99,950 (Rupees One Ninety Nine Crore Ninety Nine Lac Ninety Nine Thousand Nine Hundred & Fifty only), including premium to Brand Equity Treaties Limited (the **“Investor”**), at such time or times, in one or more tranches and on such terms and conditions and in such manner as the Board may think fit in its absolute discretion.”

“RESOLVED FURTHER THAT, in accordance with the provisions of Chapter VII of the ICDR Regulations, the **“Relevant Date”** for the purpose of calculating the floor price for the issue of Equity Shares is June 9, 2014, which is 30 days prior to the date of this Extraordinary General Meeting i.e. July 9, 2014, and the floor price so calculated is Rs. 127.43. (Rupees One Hundred & Twenty Seven & Paise Forty Three only).

“RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to the Investor in dematerialised form within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.”

RESOLVED FURTHER THAT the Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions of SEBI Regulations and the Equity Shares so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and approvals.

“RESOLVED FURTHER THAT the Equity Shares to be issued and allotted in the manner aforesaid shall rank *pari passu* with the existing Equity Shares of the Company in all respects including as to dividend and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and

utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

“**RESOLVED FURTHER THAT**” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

Item No. 2

Preferential allotment of Equity Warrants of the Company

To consider and, if thought fit, to pass with or without modification, if any, the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013, as amended (the “**Companies Act**”) read with the rules made thereunder, to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India, the Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**ICDR Regulations**”) and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the “**Takeover Regulations**”) and any other guidelines and clarifications issued by any other competent authority, whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed (the “**Stock Exchanges**”) and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot, from time to time in one or more tranches, 76,92,307 warrants (“**Equity Warrants**”) on a preferential basis to Future Corporate Resources Limited, being a company within the Promoter Group (as defined in the ICDR Regulations), each convertible into, or exchangeable for, one equity share of face value of Rs. 2 each (the “**Equity Shares**”) at a price (including the warrant subscription price and the warrant exercise price) of Rs.130/- each (Rupees One Hundred & Thirty only) each aggregating to Rs.99,99,99,910 (Rupees Ninety Nine Crore Ninety Nine Lac Ninety Nine Thousand Nine Hundred & Ten only), on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the ICDR Regulations or other applicable laws.

“**RESOLVED FURTHER THAT**, in accordance with the provisions of Chapter VII of the ICDR Regulations, the “Relevant Date” for the purpose of calculating the floor price for the issue of Equity Shares pursuant to the exercise of the Equity Warrants is June 9, 2014, which is 30 days prior to the date of this Extraordinary General Meeting i.e. July 9, 2014, and the floor price so calculated is Rs. 127.43.(Rupees One Hundred & Twenty Seven & Paise Forty Three only).

“**RESOLVED FURTHER THAT** the said Equity Warrants shall be issued and allotted by the Company to Future Corporate Resources Limited within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Equity Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- i) The equity shares to be so allotted on exercise the Equity Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The Equity Warrants may be exercised by the Equity Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Equity Warrants.
- ii) A Equity Warrant subscription price equivalent to 25% of the issue price of the Equity Shares will be payable at the time of subscription to the Equity Warrants, as prescribed by Regulation 77 of the ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Equity Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Equity Warrant holder(s) at the time of exercising the Equity Warrant.
- iii) The issue of the Equity Warrants as well as Equity Shares arising from the exercise of the Equity Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- iv) In the event the Equity Warrant holder(s) does not exercise the Equity Warrants within 18 months from the date of allotment of the Equity Warrants, the Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- v) The Equity Warrants issued and allotted will be transferable within the Promoter Group subject to the approval of the Board and such other approvals as may be necessary.

- vi) In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new Equity Shares, prior to allotment of Equity Shares resulting from the exercise of the Equity Warrants, the issue price of the Equity Shares to be allotted against such Equity Warrants shall be subject to appropriate adjustment, subject to the SEBI ICDR Regulations and other applicable law.
- vii) The Equity Shares to be issued and allotted by the Company on exercise of the Equity Warrants in the manner aforesaid shall be in dematerialised form and subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects including dividend, with the existing Equity Shares of the Company.
- viii) The warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter VII of ICDR Regulations relating to preferential issues.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Warrants and Equity Shares and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive .”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

“**RESOLVED FURTHER THAT**” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

**By Order of the Board of Directors
For Future Retail Limited**

Deepak Tanna
Company Secretary

Place: Mumbai

Date: June 11, 2014

Registered Office:

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

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at a general meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, 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 shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Only registered members of the Company or any proxy appointed by such registered member may attend and vote at the Extraordinary General Meeting as provided under the provisions of the Companies Act, 2013.
4. Electronic copy of the Notice of the aforesaid Extraordinary General Meeting of the Company *inter alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Extraordinary General Meeting of the Company *inter alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
5. Voting Rights: Shareholders holding equity shares shall have one vote per share as shown against their holding and shareholders holding Class B Shares (Series 1) shall have three votes for four shares as shown against their holding. Fraction, if any in the voting

right is to be ignored as per provisions of Article 43B and terms of issue of Class B Shares (Series 1). The shareholders holding both types of shares will have combined voting right as shown in total row. The shareholders can vote for their entire voting rights as per their discretion. Shareholders have to vote electronically for each class of shares separately.

6. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Extraordinary General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-Voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- i) Open email and open PDF file viz: "Future Retail Ltd e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for e-Voting. Please note that the password is an initial password.
 - ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - iii) Click on Shareholder - Login
 - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - vii) Select "EVEN" of Future Retail Limited.
 - viii) Now you are ready for e-Voting as Cast Vote page opens.
 - ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in
- B. In case a member receives physical copy of the Notice of EGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
- i. Initial password is provided at the bottom of the Attendance Slip for the EGM.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Download Section of www.evoting.nsd.com
- III. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-Voting period commences on July 2, 2014 (9:00 am) and ends on July 4, 2014 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 6, 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, may vote if the Chairman of the Meeting orders a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. **For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote in a poll at the Meeting.** The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 6, 2014.
- VIII. Mr. Virendra Bhatt, Practicing Company Secretary (Membership No. ACS 1157 Certificate of Practice No. 124) has been appointed as the Scrutinizer to scrutinize the e-Voting process and poll process in a fair and transparent manner.
- IX. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Director of the Company, who has been authorised to receive the report from Scrutinizer.
- X. The results of e-Voting and poll shall be aggregated and declared on or after the EGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.futureretail.co.in and on the website of NSDL within two (2) days of passing of the resolutions at the EGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.
7. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent (R & T Agent) at the following address:

LINK INTIME INDIAPRIVATE LIMITED
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400078
Phone No. (022) 25963838 Fax No. (022) 25946969
email: mt.helpdesk@linkintime.co.in

8. Members/ Proxies are requested to bring the attendance slips duly filled in to the Meeting.
9. All documents referred to in the accompanying Notice and the Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days between Monday and Friday of every week, up to and including the date of the Extraordinary General Meeting of the Company.

Statement under Section 102 of the Companies Act, 2013:

The following Statement pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the business mentioned under each item of the accompanying Notice dated June 11, 2014.

Item No. 1&2

Preferential issue of Equity Shares and preferential issue of Equity Warrants of the Company:

BRIEF NOTE ON THE COMPANY'S OPERATIONS AND JUSTIFICATION FOR THE PROPOSED PREFERENTIAL ISSUES

Your Company continue to consolidate value, home and CD&E retail business in hyper markets after completion of the realignment of its operations and deliverage its balance sheet by sale of non-core retail investments. The envisaged consolidation and growth plan together with debt reduction program is necessary for the Company to achieve the size and scale of the business operations and create value for its stakeholders. This will also help strengthen Company's leadership position as well as help it capture market share in the key consumption-led sectors. The objective of the proposed preferential allotment of Equity Shares and Equity Warrants is to utilize proceeds upto seventy five percent for debt reduction program and balance proceeds to fund capex for growth plans as well as general corporate purposes.

The Company, subject to necessary approvals, is proposing to issue and allot, on a preferential basis:

- a. Equity Shares to Brand Equity Treaties Limited (the "Investor") at a price of Rs.130/- (Rupees One Hundred & Thirty only) per Equity Share determined in accordance with the ICDR Regulations; and
- b. Equity Warrants to Future Corporate Resources Limited ("FCRL"), which may be exercised to receive Equity Shares at a price (including the Equity Warrant Subscription Price and Equity Warrant Exercise Price) of Rs.130/- (Rupees One Hundred & Thirty only) determined in accordance with the ICDR Regulations.

Salient features of the preferential issue of Equity Shares and preferential issue of Equity Warrants are as under:

The proposed issue and allotment of Equity Shares and Equity Warrants, on a preferential basis, shall be governed by the applicable provisions of the ICDR Regulations and the Companies Act read with the applicable provisions of the rules made thereunder. Without generality to the above, the salient features of the preferential issue of Equity Shares and Equity Warrants are:

- The "Relevant Date" as per the ICDR Regulations for determining the minimum price for the preferential issue of Equity Shares and Equity Warrants is June 9, 2014, being 30 days prior to the date of this Extraordinary General Meeting i.e. July 9, 2014.
- The minimum price as per the pricing formula prescribed under the ICDR Regulations for the preferential issue of Equity Shares and Equity Warrants is Rs. 127.43 (Rupees One Hundred & Twenty Seven & Paise Forty Three), being higher of (a) the average of the high and low of the closing prices at the National Stock Exchange of India Limited for 26 weeks prior to the relevant date viz. Rs.93.33 (Rupees Ninty Three & Paise Thirty Three), and (b) the average of the high and low of the closing prices at the National Stock Exchange of India Limited for 2 weeks prior to the relevant date viz. Rs.127.43 (Rupees One Hundred & Twenty Seven & Paise Forty Three only).
- The total amount payable for preferential issue of Equity Shares and 25% of the amount for preferential issue of Equity Warrants shall be received by the Company prior to the respective allotments.
- The Equity Warrants shall be exercised within a period of 18 (eighteen) months from the date of their allotment, in one or more tranches.
- At the time of exercise, the Equity Warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Equity Warrants so being exercised.
- Post allotment, pursuant to preferential issue of Equity Shares, the increase in equity share capital would be Rs.3,07,69,230/- (Rupees Three Crore Seven Lac Sixty Nine Thousand Two Hundred & Thirty only) and the increase in securities premium, it would be Rs.196,92,30,720/- (Rupees One Hundred Ninty Six Crore Ninty Two Lac Thirty Thousand Seven Hundred & Twenty only).
- Post conversion of the Warrants (assuming full conversion), the increase in equity share capital would be Rs.1,53,84,614/- (Rupees One Crore Fifty Three Lac Eighty Four Thousand Six Hundred & Fourteen only) and the increase in securities premium, it would be Rs.98,46,15,296/- (Rupees Ninty Eight Crore Forty Six Lacs Fifteen Thousand Two Hundred & Ninty Six only).
- This is the first preferential issue of securities by the Company in this year and no other persons have been allotted any securities on a preferential basis during the current year. However, the Company has allotted 2,17,594 Equity Shares to eligible employees upon their exercise of employee stock option under Employees Stock Option Scheme 2012 in the year.

The Investor and FCRL have not sold any Equity Shares during the six months preceding the Relevant Date.

FCRL has not subscribed to any warrants of the Company during last one year. However, concurrently with this Notice, the Company has sought approval of the Members through Postal Ballot to issue Class B Warrants to FCRL through preferential issue.

The other information prescribed under Regulation 73 of the ICDR Regulations is as follows:

a. Object of the preferential issue of Equity Shares and Equity Warrants and details of utilization of proceeds:

The objective of the proposed preferential allotment of Equity Shares and Equity Warrants is to utilize proceeds upto seventy five percent for debt reduction program and balance proceeds to fund capex for growth plans as well as general corporate purposes.

b. Intention of the promoter/ directors/ key management personnel to subscribe to the proposed preferential issue:

Except FCRL, a Promoter Group Company, who will be subscribing to Equity Warrants in the preferential issue, none of the promoters, directors or key management personnel of the Company intends to apply /subscribe to any of the Equity Shares / Equity Warrants.

c. The shareholding pattern of the Company before and after the preferential issue of Equity Shares and Equity Warrants

Shareholding pattern before and after the proposed preferential issue of Equity Shares and Equity Warrants is as follows:

Sr. No	Category	Equity Shares				Class B (Series 1)	
		Pre-issue Equity Shareholding		After allotment of Equity Shares / Preferential Issue of Warrants *		Pre-issue & post issue of Equity Shares & Preferential Issue of Warrants	
		Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
A	Promoter's Holding						
1	Indian Promoters	-	0.00	-	0.00	41544	0.26
2	Persons acting in concert	15007996	6.95	15007996	6.28	7743958	48.62
3	Acquirers:						
	Future Corporate Resources Limited	89290093	41.36	96982400	40.59	784921	4.93
4	Other persons acting in concert	-	0.00	-	0.00	-	0.00
	Sub-Total	104298089	48.31	111990396	46.87	8570423	53.81
B	Non-Promoters Holding						
1	Insurance Companies	298363	0.14	298363	0.12	36631	0.23
2	Mutual Funds	871266	0.40	871266	0.36	50	0.00
3	Banks, Financial Institutions, (Central Govt. State Govt. Institutions / Non-Government Institutions)	8042795	3.73	8042795	3.37	166342	1.04
4	Foreign Institutional Investors (FIIs)	46172395	21.39	46172395	19.32	130381	0.82
5	Venture Capital Fund	4068007	1.89	4068007	1.70	-	0.00
	Sub-Total	59452826	27.55	59452826	24.87	333404	2.09
C	Others						
1	Other Bodies Corporate	26898360	12.46	26898360	11.26	2635949	16.55
2	Acquirers:						
	Brand Equity Treaties Limited	-	0.00	15384615	6.44	-	0.00
3	Indian Public	23139153	10.72	23139153	9.68	4322738	27.13
4	Non Resident Indians	209632	0.10	209632	0.09	11394	0.07
5	Clearing Members	1518473	0.70	1518473	0.64	55244	0.35
6	Trust	354500	0.16	354500	0.15	-	0.00
	Sub-Total	52120118	24.14	67504733	28.26	7025325	44.10
	Grand Total	215871033	100.00	238947955	100.00	15929152	100.00

Notes:

- (1) The above post-issue shareholding pattern assumes that the Preferential Issue of Equity Warrants issued pursuant to this resolution are converted into equity shares, failing which, the percentage will change accordingly.
- (2) The Company has, concurrently with this Notice, sought the approval of the Members by postal ballot, to make a preferential issue of Class B Warrants, which may be, at the option of the Class B Warrant Holders, convertible into Class B Shares (Series 1) Based on the number of Class B Warrants issued and the number of Class B Shares (Series 1) issued upon exercise of such Class B Warrants, the pre and post shareholding of Class B Shares (Series 1) will change.

d. Proposed time within which preferential issue of Equity Shares and Equity Warrants shall be completed

As required under the ICDR Regulations, the preferential issue of Equity Shares and Equity Warrants shall be completed, within a period of 15 days from the date of passing of the special resolution contained under this item of business provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

e. Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares and Equity Warrants proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue

The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares and Equity Warrants proposed to be allotted and /or who ultimately control proposed allottees and the percentage of the post preferential issue capital that may be held by them on fully diluted basis is given in the following table:

Name of the Allottees	Natural persons who are the ultimate beneficial owners	% of post preferential issue capital
Brand Equity Treaties Limited	The Investor, Brand Equity Treaties Ltd (BETL) is a wholly owned subsidiary company of Bennett Coleman & Company Limited (BCCL) an existing Company managed by its Board of Directors. Approximately 74% of the equity share capital of BCCL is held by the following listed entities namely, Bharat Nidhi Limited, PNB Finance & Industries Limited, Camac Commercial Company Limited, Arth Udyog Limited and Ashoka Viniyoga Limited.	6.44%
Future Corporate Resources Limited	Kishore Biyani, Vijay Biyani, Rakesh Biyani, Anil Biyani, Sunil Biyani, Gopikishan Biyani, Laxminarayan Biyani and Sangeeta Biyani	40.59% (Equity Shares)

f. Change in control

As a result of the proposed preferential issue of Equity Shares and Preferential Issue of Equity Warrants, and upon conversion of the Equity Warrants, there will be no change in the control of the Company.

g. Lock-in-period**Pre-preferential allotment holding of Equity Shares, non disposal of Equity Shares and lock-in period of the Equity Shares**

- i) The Equity Shares to be allotted on a preferential basis to FCRL, a Promoter Group Company, pursuant to exercise of options against each Warrant, shall be subject to 'lock-in' for a period of three years from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the ICDR Regulations.
- ii) The Equity Shares allotted on a preferential basis to the Investor shall be subject to 'lock-in' for a period of one year from the date of trading approval as per Regulation 78(2) of the ICDR Regulations.
- iii) The entire pre-preferential allotment shareholding of FCRL and the Investor, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the ICDR Regulations.

h. Auditor's certificate

A copy of the certificate from NGS & Co., LLP, Chartered Accountants, the statutory auditors of the Company, certifying that the above preferential issue of Equity Shares and Equity Warrants is made in accordance with the applicable provisions of the ICDR Regulations, is open for inspection at the registered office of the Company during the working hours between 9.00 a.m. to 5.00 p.m., except on holidays, up to the date of the Extraordinary General Meeting. Copies of the above mentioned statutory auditor's certificate shall also be laid before the Extraordinary General Meeting.

The Board has already approved the issue and allotment of Equity Shares and Equity Warrants on preferential basis to the Investor and FCRL, respectively, in the manner stated hereinabove.

Regulation 72(1)(a) of the ICDR Regulations provides that preferential issue of specified securities by a listed company would require approval of its shareholders by way of a Special Resolution. The Board, therefore, recommends the above mentioned resolutions to be passed as a Special Resolutions.

Nature of concern or interest of Promoter/ Directors/Manager/ Key Managerial Personnel:

None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be considered to be concerned or interested in the proposed Resolution in Item No. 1, except to the extent of shares held by any of them in the Company. Mr. Kishore Biyani, Managing Director, Mr. Rakesh Biyani, Joint Managing Director and Mr. Vijay Biyani, Wholetime Director of the Company, together with their relatives shall be deemed to be concerned or interested in the proposed Resolution in Item No. 2, by reason of their being part of the Promoter Group which also includes Future Corporate Resources Limited. Apart from the above, no other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be deemed to be concerned or interested in the proposed Resolution in Item No. 2, except to the extent of shares held by any of them in the Company.

**By Order of the Board of Directors
For Future Retail Limited**

Deepak Tanna
Company Secretary

Place: Mumbai

Date: June 11, 2014

Registered Office:

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

FUTURE RETAIL

FUTURE RETAIL LIMITED

Regd. Off.: Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060. India
Tel. No.: +91 22 3084 2336; Fax No.: +91 22 3084 2502
CIN: L52399MH1987PLC044954; Website : www.futureretail.co.in; Email: investorrelations@futureretail.in

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No./ Client Id: DP ID:

I/ we, being the member(s) of _____ shares of the above named company, hereby appoint:

- (1) Name:..... Address:.....
E-mail id:..... Signature..... Or failing him;
- (2) Name:..... Address:.....
E-mail id:..... Signature..... Or failing him;
- (3) Name:..... Address:.....
E-mail id:..... Signature..... Or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Extraordinary General Meeting of the Company, to be held on the 9th day of July, 2014 at 10:30 a.m. at Fourth Floor, Rangswar, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Matter of Resolution
1	Preferential Issue of Equity Shares of the Company to Brand Equity Treaties Limited on a preferential basis as per applicable SEBI regulations;
2	Preferential Issue of Equity Warrants convertible into Equity Shares of the Company to Future Corporate Resources Limited on a preferential basis as per applicable SEBI regulations;

Signed this day of 2014.

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix
revenue
stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.