



FUTURE RETAIL LIMITED

(Formerly known as Bharati Retail Limited)

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POSTAL BALLOT NOTICE

(Notice pursuant to Section 110 of the Companies Act, 2013)

Dear Shareholder(s),

Notice is hereby given that pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014 as amended from time to time (hereinafter referred to as the **"Rules"**), the Resolution(s) in respect of the matter(s) as set out in the accompanying Postal Ballot Notice are proposed to be transacted by way of postal ballot / e-voting ("Postal Ballot").

Accordingly, the draft resolutions together with the explanatory statement pertaining to the said Resolution(s) setting out the material facts in respect of the same is being sent to the members, along with Postal Ballot Form for their consideration and to enable the members for sending their assent or dissent in writing by Postal Ballot means or through e-voting.

Members who wish to cast their votes physically through Postal Ballot Form are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before 6th November, 2016.

In accordance to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"Listing Regulations"**) and that of the Rules, the Company is pleased to offer e-voting facility to its Shareholders. The Company has engaged National Securities Depository Limited ("NSDL"), an agency authorised by the Ministry of Corporate Affairs ("MCA") for providing e-voting platform. The procedure for e-voting is explained under the Notes provided with this Postal Ballot Notice.

1. **Approval of Future Retail Limited Employee Stock Option Plan 2016 and Grant of Employees Stock Options to employees of the Company thereunder**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as **"SEBI SBEB Regulations"**) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company (**"Shareholders"**) be and is hereby accorded to the 'Future Retail Limited Employee Stock Option Plan 2016' (hereinafter referred to as the **"FRL ESOP 2016"** / **"Plan"**) and to the Board to create, offer and grant from time to time upto 90,00,000 (Ninety Lakh) Employee Stock Options (**"ESOPs"**) being not exceeding 2% (Two percent) of the paid-up equity share capital of the Company as on the date of passing the resolution, to the permanent employees including Directors of the Company (other than Promoter(s) or belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), whether whole time or otherwise, whether working in India or out of India (hereinafter referred to as an **"Employee(s)"**), as may be decided solely by the Board under the Plan, exercisable into not more than 90,00,000 (Ninety Lakh) fully paid-up equity shares in the Company in aggregate of face value of Rs. 2/- (Rupees Two) each, through an Employee Welfare Trust (herein after referred to as **"Trust"**) to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT the benefits of FRL ESOP 2016 as mentioned above be also extended to the Employee(s) of any existing and future subsidiary company(ies) of the Company whether in or outside India.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to the Employee(s), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders (**"Additional Shares"**), the ceiling as aforesaid of 90,00,000 (Ninety Lakh) ESOPs and equity

shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate the FRL ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the FRL ESOP 2016 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FRL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under the FRL ESOP 2016 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorizing or directing the Trust to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FRL ESOP 2016 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

2. Grant of Employee Stock Options to the employees of the Subsidiary company(ies), if any, of the Company under Future Retail Limited Employee Stock Option Plan 2016

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “**SEBI SBEB Regulations**”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded to create, offer and grant from time to time 90,00,000 (Ninety Lakh) Employee Stock Options (“**ESOPs**”), within the overall ceiling of 90,00,000 (Ninety Lakh) equity shares as specified in a separate Resolution to be approved by the Shareholders of the Company through Postal Ballot Notice dated 27th September, 2016, being not exceeding 2% (Two percent) of the paid-up equity share capital of the Company as on the date of passing the resolution, to the permanent employees including Directors (other than Promoter(s) or belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), whether whole time or otherwise, whether working in India or out of India of any existing and future subsidiary company(ies) of the Company whether in or outside India (hereinafter referred to as an “**Employee(s)**”), as may be decided solely by the Board under the 'Future Retail Limited Employee Stock Option Plan 2016' (hereinafter referred to as the “**FRL ESOP 2016**”/ “**Plan**”), exercisable into not more than 90,00,000 (Ninety Lakh) fully paid-up equity shares in the Company in aggregate of face value of Rs. 2/- (Rupees Two) each, through an Employee Welfare Trust (herein after referred to as “**Trust**”) to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to the Employee(s) of the subsidiary company(ies), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued

by the Company to the Shareholders ("**Additional Shares**"), the ceiling as aforesaid of 90,00,000 (Ninety Lakh) ESOPs and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate the FRL ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the FRL ESOP 2016 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FRL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under the FRL ESOP 2016 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorizing or directing the Trust to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FRL ESOP 2016 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

3. Grant of Employee Stock Options to the Employees of Company and that of the Subsidiary company(ies) by way of Secondary Acquisition under Future Retail Limited Employee Stock Option Plan 2016

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), further pursuant to the approval and consent of the Shareholders of the Company ("**Shareholders**") accorded to the 'Future Retail Limited Employee Stock Option Plan 2016' (hereinafter referred to as the "**FRL ESOP 2016**" / "**Plan**") for creation, offer and grant from time to time upto 90,00,000 (Ninety Lakh) Employee Stock Options ("**ESOPs**") in respect of the eligible employees and directors of the Company and its subsidiaries (hereinafter referred to as an "**Employee(s)**") vide resolution no. 1 and 2 of the Postal Ballot Notice dated 27th September, 2016 further approval and consent of the Shareholders of the Company be and is hereby accorded for secondary acquisition of shares for implementation of Plan upto the fullest extent of limits prescribed hereunder and those under the SEBI SBEB Regulations as may be decided solely by the Board under the Plan, exercisable into not more than 90,00,000 (Ninety Lakh) fully paid-up equity shares in the Company in aggregate of face value of Rs. 2/- (Rupees Two) each through an Employee Welfare Trust (herein after referred to as "**Trust**") to be set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board subject however that Secondary acquisition by the Trust in any financial year shall not exceed 2% (Two Percent) of the paid-up capital as at the end of the previous financial year, more particularly, in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT in the event of expansion of share capital of the Company arising due to any corporate action(s), including by way of preferential allotment of shares or qualified institutions placement, the limits set hereunder prescribed for secondary acquisition shall accordingly apply to such increased capital, in proportion of such expanded share capital, subject however that, the Company shall adhere to the cap prescribed under sub-regulation (11) of regulation 3 of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("**Additional Shares**"), the ceiling as aforesaid of 90,00,000 (Ninety Lakh) ESOPs and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two) per equity share bears to the

revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate the FRL ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the FRL ESOP 2016 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FRL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorizing or directing the Trust to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FRL ESOP 2016 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

4. **Approval of Trust Route for the implementation of Future Retail Limited Employee Stock Option Plan 2016**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company ("**Shareholders**") be and is hereby accorded to the Board to implement 'Future Retail Limited Employee Stock Option Plan 2016' (hereinafter referred to as the "**FRL ESOP 2016**" / "**Plan**") through an Employee Welfare Trust (hereinafter referred to as "**Trust**") and the Trust to subscribe, acquire, purchase, hold and deal in equity shares of the Company for the purpose of implementation of FRL ESOP 2016 or any other employee stock plan or share based employee benefit plan which may be introduced by the Company from time to time, (hereinafter referred to as "**Employees Benefit Plan**"), or for any other purpose(s) as contemplated herein and in due compliance with the provisions of the SEBI SBEB Regulations, the Companies Act, 2013 (including rules framed thereunder) and other applicable laws and regulations.

RESOLVED FURTHER THAT the Company should conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FRL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders and the Board be and is hereby further authorised to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution."

5. **Provision of Money by the Company for purchase of its own shares by the Trust / Trustees for the benefit of Employees under Future Retail Limited Employee Stock Option Plan 2016**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b), 67 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**"), Rule 16 of the Companies (Share Capital and Debentures) Rules, 2015 as amended from time to time (hereinafter referred to as "**Companies Rules**") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), consent of the Shareholders of the Company be and is hereby accorded to the Board to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to, the Employee Welfare Trust (hereinafter referred to as "**Trust**") set-up or to be set up by the Company in one or more tranches not exceeding 5% (Five percent) of the aggregate of the paid-up share capital and Free Reserves for the purpose of subscription and/or purchase of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under 'Future Retail Limited Employee Stock Option Plan 2016' (hereinafter referred to as the "**FRL ESOP 2016**" / "**Plan**"), or any other employee / plan or share based

employee benefit plan which may be introduced by the Company from time to time (hereinafter referred to as “**Employee Benefit Plan(s)**”) from time to time, with a view to deal in such equity shares in line with contemplated objectives of the Plan or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI SBEB Regulations, the Companies Rules and other applicable laws and regulations.

RESOLVED FURTHER THAT any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the FRL ESOP 2016 and or Employee Benefit Plan(s) as the case may be subject to exercise price being paid by the employees on exercise of Employee Stock Options under the respective Employee Benefit Plan.

RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake transactions as permitted by SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Trustees of the Trust shall not vote in respect of the shares held by such Trust.

RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of the provisions of the SEBI SBEB Regulations, Companies Rules and all other applicable laws at all times in connection with dealing with the shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary or expedient and also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Committee was authorised to do for the purpose of giving effect to this resolution.”

6. Issue of Guarantee

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 185, 186 and 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to issue guarantee in connection with obligations of Future Enterprises Limited (“FEL”) in respect of borrowings having aggregate principle / nominal value of Rs. 6,375 crore (Rupees Six Thousand Three Hundred Seventy-Five Crore only) notwithstanding that the aggregate of the guarantees to be given may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (in Rs.)	Any other information relevant or important for the Members to take decision on the proposed resolution
Future Enterprises Limited (FEL)	Issue of Corporate Guarantee in favour of Lenders / Bankers / Debenture holders of FEL to secure obligations of FEL in respect of borrowings having aggregate principle / nominal value of Rs. 6,375 crore	Mr. Kishore Biyani	Mr. Kishore Biyani is Promoter and Vice Chairman & Director of FEL	Providing of Corporate Guarantee to various Bankers / Lenders / Debenture holders of FEL in connection with various facilities availed by FEL on terms and conditions agreed with respective Bankers / Lenders / Debenture holders to secure obligations of FEL in respect of such borrowings	Upto an aggregate limit of principle sanctioned amount of borrowing aggregating to Rs. 6,375 crore and any other amount / obligations due on such facilities (as per terms of individual loan documents)	Guarantee is being issued as per terms and conditions agreed with Bankers / Lenders / Debentureholders for issuance of no objection to Composite Scheme of Arrangement pertaining Demerger of Retail Infrastructure Business Undertaking to FEL and vesting of demerged Retail Business Undertaking of FEL with the Company and consequently, transfer of certain Working Capital Credit facilities as well as transfer of current assets into the Company pursuant to the Scheme. The FEL is also reciprocating by issuance of corporate guarantee in favour of Lenders / Bankers of Company.

RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby given for the above limit to be in addition to the existing limit approved by members for making of investment and/or giving of loan or guarantee for or in connection with loan / facility taken by any body corporate, except to the extent the guarantees issued by the Company in favour of lenders of FEL under the existing limits, which shall be now reckoned under the limits approved under this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company (the “**Board**”, which term shall be deemed to include its “Committee of Directors”), be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with related parties and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution.”

7. Approval for entering into Related Party Transaction

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), consent of the Shareholders of the Company be and is hereby accorded to the Company, for entering into following related party transaction(s) with Future Consumer Enterprise Limited (*whose name is proposed to be changed to “Future Consumer Limited” or such other name as may be requested for and approved by the Registrar of Companies and/or any other competent authority*) to the extent of the maximum amounts in any financial year, stated against respective nature of transactions as provided below:

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (Rs. in Lakhs)	Any other information relevant or important for the Members to take decision on the proposed resolution
Future Consumer Enterprise Limited (“FCEL”)	Purchase	Mr. Kishore Biyani	Mr. Kishore Biyani is a Director of FCEL	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	3,00,000	None
	Sales				2,000	
	Services (on either side)				1,500	
	Deposit				1,000	
	Purchase / Sale of Assets				500	
	Royalty fees / charges – Brands				500	
	Franchisee Fees				1,000	

RESOLVED FURTHER THAT the Board of Directors of the Company (the “**Board**”, which term shall be deemed to include its “Committee of Directors”), be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with related parties and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution.”

By Order of the Board of Directors
For Future Retail Limited

Place : Mumbai
Date : 27th September, 2016

Virendra Samani
Dy. Company Secretary

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

NOTES:

- The Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 and other applicable provisions, if any, along with the Rules as may be prescribed therein, setting out the material facts in relation to resolutions as set out in the Notice is annexed hereto.
- The Notice is being sent by prescribed mode to all the members of the Company whose name appears on Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on 30th September, 2016 (Cut-off date). Each Member's voting rights shall be in proportion to his/her/its share of the paid up equity share capital of the Company as on Cut-off date, which will only be considered for voting.

Voting Rights: The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off date of 30th September, 2016. The shareholders can vote for their entire voting rights as per their discretion.

- The Company offers e-voting option to all the Members. Members have an option to vote either through e-voting or physically through Postal Ballot Form. Members opting for e-voting, should not vote through Postal Ballot Form. Similarly, Members opting to vote through Postal Ballot Form should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. through Postal Ballot Form and e-voting, then votes casted through e-voting shall only be taken into consideration and votes casted by Postal Ballot Form shall be treated as invalid.

4. The Board has appointed Ms. Bindu Shah (Membership No. 20066 / CP No. 7378), Proprietor - M/s. K. Bindu & Associates, Practicing Company Secretary as Scrutinizer for conducting the voting by way of Postal Ballot in a fair and transparent manner. Members are requested to carefully read the instructions printed for voting by "postal ballot" or through "e-voting", namely by-
 - (i) returning the Postal Ballot Form duly completed, as per the instructions contained in the Postal Ballot Form, in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer not later than 6th November, 2016; or
 - (ii) casting their votes electronically from 8th October, 2016 (9:00 a.m.) to 6th November, 2016 (5:00 p.m.) by following the procedures as explained in the Notes.

The Scrutinizer will submit his report on the results of voting by "postal ballot" and through "e-voting" to the Company, after completion of the scrutiny, of Postal Ballot Form and e-voting.

The results of the Postal Ballot shall be announced by a Director or person authorised in this connection on the completion of the scrutiny and displayed on the Notice Board at the Registered Office of the Company on 7th November, 2016. The results of postal ballot alongwith Scrutinizer Report will also be placed on the website of the Company www.futureretail.co.in and on the website of NSDL and shall also be communicated to BSE Limited and National Stock Exchange of India Limited

5. Members are requested to read the instructions printed on the reverse of the Postal Ballot Form and return the Form duly completed in the attached self addressed and postage pre-paid envelope so as to reach the Scrutinizer on or before 6th November, 2016, at the following address, failing which, it will be strictly treated as if no reply has been received from the member:

M/s. K. Bindu & Associates, Scrutinizer
 Future Retail Limited
 Knowledge House, Shyam Nagar
 Off Jogeshwari - Vikhroli Link Road,
 Jogeshwari (East), Mumbai – 400 060

6. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent Postal Ballot Notice by e-mail and members who have not registered their e-mail IDs will receive Postal Ballot Notice along with Postal Ballot Form through post/courier. The Postal Ballot Form for casting vote physically can also be obtained from the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 or from the Company. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from the 'Investors' section on the Company's website www.futureretail.co.in
7. All documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 a.m. to 1.00 p.m.) on all working days (except Saturday, Sunday and Public Holidays) upto 6th November, 2016.

7.1. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with (Management and Administration) Rules, 2014, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company also offers e-voting option to all the members. For this purpose, the Company has signed an agreement with NSDL for facilitating e-voting and is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through Ballot Form.

The instructions for Members for e-voting are as under:

- A In case a Member receives an email from NSDL [for members whose email ID's 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 remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Future Retail Limited".
 - (viii) Now you are ready for remote 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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to kbindushah@gmail.com with a copy marked to evoting@nsdl.co.in.
- B In case a Member receives physical copy of Postal Ballot Notice / Form by post / courier [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 below / bottom of the Postal Ballot Form.

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN.

(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 Members and remote e-voting user manual for Members available at the Downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or Telephone No: 022-24994600.
- III. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800-222-990 or Telephone No: 022-24994600.
- IV. You can also update your mobile number and e-mail id in the user provide details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 8th October, 2016 (9:00 a.m.) to 6th November, 2016 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of 30th September, 2016, 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 member, the member shall not be allowed to change it subsequently.

7.2 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 INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078

Phone No. +91 22 2594 6970; Fax No. +91 22 2594 6969

email: rnt.helpdesk@linkintime.co.in

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out the material facts concerning each item of special business mentioned in the accompanying this Postal Ballot Notice dated 27th September, 2016:

ITEM NO. 1, 2 & 3

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary company(ies) for their continuous hard work, dedication and support, which has led the Company on the growth path. The Company intends to implement Future Retail Limited Employee Stock Option Plan 2016 ("**FRL ESOP 2016**" / "**Plan**") with a view to attract and retain key talents working with the Company and its Subsidiary company(ies), if any, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the Shareholders in respect of FRL ESOP 2016 and for grant of Stock Options to the eligible employees/ Directors of the Company, that of its Subsidiary company(ies), if any, as may be decided by Board and / or the Nomination and Remuneration Committee ("**Committee**") from time to time in due compliance with Companies, Act, 2013 (including rules framed thereunder), SEBI SBEB Regulations and other applicable laws and regulations.

The main features of the FRL ESOP 2016 are as under:

1. Total number of Options to be granted:

90,00,000 (Ninety Lakh) Options would be available for grant to the eligible employees of the Company and / or eligible employees of the Subsidiary company(ies), if any, in aggregate under FRL ESOP 2016, in one or more tranches exercisable into not exceeding 90,00,000 (Ninety Lakh) equity shares in aggregate in the Company of face value of Rs. 2/- each fully paid-up. Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation / termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorised to re-grant such lapsed / cancelled options as per the provisions of FRL ESOP 2016. The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI SBEB Regulations.

2. Identification of classes of employees entitled to participate in FRL ESOP 2016

Following class / classes of employees are entitled to participate in FRL ESOP 2016:

- a) Permanent employees of the Company working with the Company or on deputation with any other company in India or out of India;
- b) Directors of the Company; and
- c) Permanent employees and Directors of the Subsidiary company(ies) / working with respective subsidiary company or on deputation with any other company.

Following class / classes of employees are not eligible:

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013.

3. Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under FRL ESOP 2016.

4. Requirements of vesting and period of vesting:

The Options granted shall vest in accordance with the terms of the each grant under the FRL ESOP 2016, so long as an employee continues to be in the employment of the Company or the subsidiary company, if any, as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

5. Maximum period within which the Options shall be vested:

Options granted under FRL ESOP 2016 would vest in accordance with the terms of the each grant, subject to maximum period of 3 years from the date of grant of such Options.

6. Exercise price or pricing formula:

The exercise price per Option shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Committee. Market price in this context refers to the meaning assigned to it under the SEBI SBEB Regulations. The Committee can give cashless exercise of options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulations.

7. Exercise period and the process of Exercise:

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 3 years from the date of vesting of such Options. The vested Option shall be exercisable by the employees by a written application to the Trust or Company expressing his / her desire to exercise such Options in such manner and on such format as may be prescribed by the Trust/Committee from time to time. The Options shall lapse if not exercised within the specified exercise period. In case of cashless system of exercise of vested Options, the Committee shall be entitled to specify such procedures and/or mechanisms for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

8. Appraisal process for determining the eligibility of employees under FRL ESOP 2016:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time.

The employees would be granted Options under the FRL ESOP 2016 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Committee from time to time.

9. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee of the Company or of its subsidiary company under the Plan, in any financial year and in aggregate under the FRL ESOP 2016 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

10. Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

11. Method of Option Valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Option granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

12. Primary / Secondary Route:

The Board shall decide on exploring the option for issuance of shares upon exercise, either by way of primary issue or by way of secondary acquisition, subject however to adherence with applicable laws and regulations as prevailing and in force from time to time.

In terms of provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 consent of the Shareholders is being sought by way of a Special Resolution(s) set out at Item No. 1, 2 & 3 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution(s), except to the extent of their entitlements, if any.

Your Directors recommend the Special Resolution(s) proposed at Item No. 1, 2 & 3 of this Notice for your approval.

ITEM NO. 4

The Company intends to implement Future Retail Limited Employee Stock Option Plan 2016 ("**FRL ESOP 2016**" / "**Plan**") with a view to attract and retain key talents working with the Company and its Subsidiary company(ies), if any. Your Company contemplates implementation of the Plan through an Employee Welfare Trust ("**Trust**") route with a view to efficiently manage the Plan and if required to enable cashless exercise of vested options. FRL ESOP 2016 envisages primary issue of 90,00,000 (Ninety Lakh) equity shares within the term of the Plan. The Company also contemplates to manage any future employee stock option plan or share based employee benefit plan which may be introduced from time to time through trust route.

The Board of Directors of the Company have approved FRL ESOP 2016, envisaging aforesaid number of equity shares.

In term of the provisions of relevant regulation of the SEBI SBEB Regulations, the consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 4 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution, except to the extent of their entitlements, if any.

Your Directors recommend the Special Resolution proposed at Item No. 4 of this Notice for your approval.

ITEM NO. 5

The Company intends to implement Future Retail Limited Stock Option Plan 2016 (“**FRL ESOP 2016**”/ “**Plan**”) with a view to attract and retain key talents working with the Company and its Subsidiary company(ies), if any, by primary issue of shares and through Trust route for its implementation. The SEBI SBEB Regulations govern share based employee benefit schemes / plans being implemented by a Company. These Regulations permits Trust route in Plan implementation.

The Board passed a resolution to set-up an Employee Welfare Trust namely Future Retail Limited Employees Welfare Trust (“**Trust**”) and approved the proposal for sanction of loan by the Company to the Trust. This proposed amount of loan is within the statutory limit of 5% of the aggregate of paid-up share capital and free reserves, as prescribed under SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 (“**Companies Rules**”).

Particulars in respect of the Trust:

a) The class/classes of employees for whose benefit the Plan is being implemented and money is being provided for purchase and subscription of the shares:

The Plan will be implemented and money will be provided for purchase and subscription of shares for the benefit of employees within the meaning of the Plan. The class/ classes of employees who are eligible subject to selection by the Board and / or the Nomination and Remuneration Committee (“**Committee**”) are as under:

- i. Permanent employees of the Company working with the Company or on deputation with any other company in India or out of India;
- ii. Directors of the Company; and
- iii. Permanent employees and Directors of the Subsidiary company(ies) / working with respective subsidiary company or on deputation with any other company.

Following class/classes of employees are not eligible:

- i. an employee who is a Promoter or belongs to the Promoter Group;
- ii. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- iii. an Independent Director within the meaning of the Companies Act, 2013.

b) The particulars of the Trustee or employees in whose favour such shares are to be registered:

It is contemplated that one or more of the designated Trustees shall acquire and hold the Shares in due compliance of the relevant provisions of SEBI SBEB Regulations and other applicable provisions. The Trustees shall transfer the Shares in favour of the employees on exercise of the Employee Stock Options after realisation of exercise price and applicable income tax.

c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

An Irrevocable Trust in the nature of an Employee Welfare Trust is proposed to be set-up with the name Future Retail Limited Employees Welfare Trust having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

Particulars of the Trustees being appointed :

The Trustee(s) would be appointed by the Board and / or the Committee duly authorised by the shareholders thereof and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations.

A person shall not be appointed as a trustee to hold such shares, if he (a) is a director, key managerial personnel or promoter of the company or its subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or (b) beneficially holds 10% (Ten percent) or more of the paid-up share capital of the Company.

d) Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

Promoters are not eligible to be covered under the Plan. However, key managerial personnel, directors may be covered or interested under the Plan but only to the extent of stock options as may granted to them, if any, under the Scheme / Trust and in due compliance with the SEBI SBEB Regulations.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:

The eligible employees shall be granted Employee Stock Options under the Plan which would vest subject to vesting conditions prescribed by the Committee or Board. After vesting and on exercise of the Options, the Trust / Trustees shall transfer corresponding number of Equity Shares to the employees. The employees may deal in the shares by way of selling /holding or otherwise deal in their absolute discretion subject to applicable laws and regulations immediately after exercise or may hold and sell after a definite period of time at his/ her discretion. The employees would get the benefit on sell of shares depending on sale price of such Shares. In case of cashless system of exercise of vested Options, the Committee shall be entitled to specify such procedures and/or mechanisms for the equity shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

f) The details about who would exercise and how the voting rights in respect of the shares to be purchased under the Plan would be exercised:

As per SEBI SBEB Regulations, the Trustees shall not vote in respect of equity shares held in the Trust. In these circumstances, the voting rights can be exercised by an employee only when the equity shares are transferred to them after due process of exercise of Options.

In term of the provisions of relevant regulation of the SEBI SBEB Regulations read with Rule 16 of the Companies Rules, consent of the Shareholders is being sought by way of a Special Resolution set out at Item No. 5 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or in the Trust or the aforesaid Special Resolution, except to the extent of their entitlements, if any.

Your Directors recommend the Special Resolution proposed at Item No. 5 of this Notice for your approval.

ITEM NO. 6

Pursuant to the Composite Scheme of Arrangement between the Company and Future Enterprises Limited (*formerly known as* Future Retail Limited) ("FEL") and its respective shareholders and creditors ("the Scheme"), all the current assets of FEL pertaining to its Retail Business Undertaking were transferred and vested with our Company along with Working Capital limits and the fixed assets pertaining to Retail Infrastructure Business Undertaking of the Company were demerged together with liabilities pertaining to the said Undertaking and vested with FEL

Presently, the Company is availing Working Capital Limits under consortium arrangement with Bank of India as Lead Banker under the consortium set up by FEL and transferred pursuant to the Scheme. The said Working Capital facilities were secured by pari-passu first charge on current assets of Retail Business Undertaking and pari passu second charge on Credit / Debit card receivables and pari-passu second charge on fixed assets (excluding specific immovable fixed assets) of FEL. It is proposed that Banks would be regularizing the said credit facilities with fresh sanctions and new loan documentations will be executed by the Company in favour of Lenders / Banks to secure charge on current assets of the Company. Further, Term Loan and Non-Convertible Debentures issued in various series in books of FEL were inter alia secured by Fixed Assets pertaining to Retail Infrastructure Business Undertaking of FEL and would continue in the same manner.

As the Lenders / Bankers / Debentureholders have concern about security dilution for them and as per the terms of issue of NCDs, any reduction in the security cover offered in FEL will required to be increased by way of additional security in the manner acceptable to the Lenders / Bankers / Debentureholders. Further, while granting no objection for the Scheme Lenders / Bankers / Debentureholders, have approved the same on the condition that each company viz, Company (FRL) and FEL would be guaranteeing the borrowing of the other company to their respective lenders.

Accordingly, it is proposed to issue corporate guarantee in connection with obligations of FEL in respect of borrowings having in aggregate principle / nominal value of Rs. 6,375 crore (Rupees Six Thousand Three Hundred Seventy-Five Crore only) in favour of various Lenders / Bankers / Debentureholders. Similarly, with a view to providing sufficient security to the lenders of the Company and to ensure credit rating to the business, FEL would be extending corporate guarantee to the working capital lenders of the Company for securing obligations of the Company towards its lenders.

The provisions of corporate guarantee by the Company as above requires approval of shareholders through Special Resolution pursuant to the provisions of Section 186 and Section 188 (since both FRL and FEL would be related parties within the meaning of Section 188 of the Companies Act, 2013) of the Act. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also provides for obtaining approval of the Shareholders by way of passing a resolution for entering into material related party transactions as provided therein.

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (in Rs.)	Any other information relevant or important for the Members to take decision on the proposed resolution
Future Enterprises Limited (FEL)	Issue of Corporate Guarantee in favour of Lenders / Bankers / Debenture holders of FEL to secure obligations of FEL in respect of borrowings having aggregate principle / nominal value of Rs. 6,375 crore	Mr. Kishore Biyani	Mr. Kishore Biyani is Promoter and Vice Chairman & Director of FEL	Providing of Corporate Guarantee to various Bankers / Lenders / Debenture holders of FEL in connection with various facilities availed by FEL on terms and conditions agreed with respective Bankers / Lenders / Debenture holders to secure obligations of FEL in respect of such borrowings	Upto an aggregate limit of principle sanctioned amount of borrowing aggregating to Rs. 6,375 crore and any other amount / obligations due on such facilities (as per terms of individual loan documents)	Guarantee is being issued as per terms and conditions agreed with Bankers / Lenders / Debentureholders for issuance of no objection to Composite Scheme of Arrangement pertaining Demerger of Retail Infrastructure Business Undertaking to FEL and vesting of demerged Retail Business Undertaking of FEL with the Company and consequently, transfer of certain Working Capital Credit facilities as well as transfer of current assets into the Company pursuant to the Scheme. The FEL is also reciprocating by issuance of corporate guarantee in favour of Lenders / Bankers of Company.

The above limit to be in addition to the existing limit approved by members for making of investment and/or giving of loan or guarantee for or in connection with loan / facility taken by any body corporate, except to the extent the guarantees issued by the Company in favour of lenders of FEL under the existing limits, which shall be now reckoned under the limits approved under this resolution.

No Shareholder of the Company being a related party or having any interest in the Special Resolution as set out at Item No. 6 of the Notice shall be entitled to vote on this Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested in the aforesaid Special Resolution set out at Item No. 6 of this Notice, save and except to the extent of their Directorship / Shareholding, if any, in the entity mentioned in the said Resolution.

Your Directors recommend the Special Resolution proposed at Item No. 6 of this Notice for your approval.

ITEM NO 7

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) provides for obtaining approval of the Shareholders for entering into material related party transactions as provided therein. Further, in terms of the provisions of Section 188(1) of the Companies Act, 2013 read with Rules framed thereunder, for entering into related party transactions where the transaction value exceed the thresholds prescribed, prior approval of the Shareholders by way of an Ordinary Resolution is required.

Accordingly, in terms of the provisions of the SEBI Regulations and the Companies Act, 2013, approval of the Shareholders of the Company is being sought by way of an Ordinary Resolution set out at Item No. 7 of this Notice.

Pursuant to the requirements prescribed under the Companies (Meetings of the Board and its Powers) Rules, 2014, as amended from time to time, the details in relation to the transactions with related parties, is as under:

Name of the Related Party	Nature of Transactions as per Section 188 of the Companies Act, 2013	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Material Terms and particulars of the contract or arrangement	Monetary value (Rs. in Lakhs)	Any other information relevant or important for the Members to take decision on the proposed resolution
Future Consumer Enterprise Limited	Purchase	Mr. Kishore Biyani	Mr. Kishore Biyani is a Director of FCEL	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	3,00,000	None
	Sales				2,000	
	Services (on either side)				1,500	
	Deposit				1,000	
	Purchase / Sale of Assets				500	
	Royalty fees / charges – Brands				500	
	Franchisee Fees				1,000	

No Shareholder of the Company being a related party or having any interest in the Ordinary Resolution as set out at Item No. 7 of the Notice shall be entitled to vote on this Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested in the aforesaid Ordinary Resolution set out at Item No. 7 of this Notice, save and except to the extent of their Directorship / Shareholding, if any, in the entity mentioned in the said Resolution.

Your Directors recommend the Ordinary Resolution proposed at Item No. 7 of this Notice for your approval.

By Order of the Board of Directors
For Future Retail Limited

Place : Mumbai
Date : 27th September, 2016

Virendra Samani
Dy. Company Secretary

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