

To,
The Board of Directors,
Future Retail Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East),
Mumbai – 400 060

We, the Statutory Auditors of Future Retail Limited ('the Company') have examined the draft Composite Scheme of Arrangement between Future Retail Limited ('FRL' or 'First Demerged Company') and Bluerock eServices Private Limited ('BSPL' or 'Second Demerged Company') and Praxis Home Retail Private Limited ('PHRPL' or 'Resulting Company') and their respective Shareholders ('the Scheme') under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

On the basis of information and explanation given to us, we certify the attached undertaking issued by Future Retail Limited on the non-applicability, of the conditions prescribed in Para 9 of Annexure 1 of Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by Securities Exchange Board of India for the reasons stated below:

- i. The Scheme does not envisage allotment of any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company; or
- ii. The Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
- iii. The Scheme does not involve merger of a subsidiary with a parent listed entity equity shares of which the parent listed entity has / had acquired, either directly or indirectly, from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.
- iv. The Scheme does not involve a merger of an unlisted entity resulting in reduction in the voting share of

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pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;

- v. The Scheme does not involve transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.

Auditors' Responsibility

We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement /scheme other than the matters referred to in the said certificate.

Restrictions on Use

This Certificate is issued at the request of the Future Retail Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

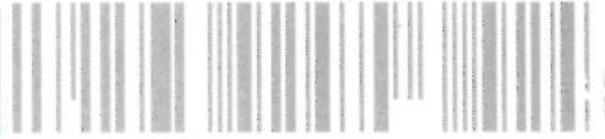
For **NGS & Co. LLP**
Chartered Accountants
Firm Registration No. 119850W



Ashok A. Trivedi
Partner
Membership No. 042472
Mumbai
Date : April 20, 2017



FUTURE RETAIL



Undertaking in relation to non-applicability of Para 9 of Annexure 1 of Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations in respect of Composite Scheme of Arrangement:

1. In connection with the Composite Scheme of Arrangement between Future Retail Limited ('FRL' or 'First Demerged Company') and Bluerock eServices Private Limited ('BSPL' or 'Second Demerged Company') and Praxis Home Retail Private Limited ('PHRPL' or 'Resulting Company') and their respective Shareholders ('the Scheme'), we undertake that the Scheme does not envisage any of the following cases referred to in Para 9 of Annexure 1 of Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017:
 - i. Allotment of additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity; or
 - ii. The Scheme involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group;
 - iii. The parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.
 - iv. The Scheme involves merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;
 - v. The Scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.
2. The Scheme would inter-alia involve the following:
 - i. Demerger of Home Retail Business Undertaking from FRL into PHRPL;
 - ii. Demerger of e-Commerce Home Retail Business Undertaking from BSPL into PHRPL;
 - iii. Cancellation of existing paid up share capital of PHRPL;
 - iv. Issue of equity shares by PHRPL to the shareholders of FRL as consideration for Demerger; and
 - v. Issue of redeemable preference shares by PHRPL to the shareholders of BSPL as consideration for Demerger.
3. The Company hereby states that the conditions prescribed in Para 9 of Annexure 1 of Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 are not applicable to the Scheme on the following grounds:
 - i. The Scheme does not envisage allotment of any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company; or

Future Retail Limited (Formerly known as Bharti Retail Limited)

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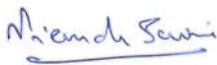


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- ii. The Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
 - iii. The Scheme does not involve merger of a subsidiary with a parent listed entity equity shares of which the parent listed entity has / had acquired, either directly or indirectly, from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.
 - iv. The Scheme does not involve a merger of an unlisted entity resulting in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;
 - v. The Scheme does not involve transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.
4. Accordingly, we undertake that the following requirements prescribed in Para 9 of Annexure 1 of Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 are not applicable to our Company in relation the Scheme filed by the Company:
- a) Requirement for the Scheme being acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.

Yours faithfully,

For Future Retail Limited



Virendra Samani
Dy. Company Secretary



Place : Mumbai
Date : 20th April, 2017