

FUTURE RETAIL



FUTURE RETAIL LIMITED

(formerly known as Bharti Retail Limited)

CIN: L51909MH2007PLC268269

Regd. Office: Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060

Tel No.: 022 – 6644 2200, Fax No.: 022-6644 2201

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In the matter of the Companies Act, 2013

And

In the matter of Future Retail Limited ('FRL' or 'First Demerged Company') and Bluerock eServices Private Limited ('BSPL' or 'Second Demerged Company') and Praxis Home Retail Limited ('PHRL' or 'Resulting Company') and their respective Shareholders

And

In the Matter of Sections 230 to 232 and Section 66 of the Companies Act, 2013

NOTICE TO SECURED / UNSECURED CREDITORS OF FUTURE RETAIL LIMITED UNDER SECTION 230 OF THE COMPANIES ACT, 2013

You are the Secured / Unsecured Creditors of Future Retail Limited as on 31st March, 2017

NOTICE is hereby given in pursuance of sub-section (3) of Section 230 of the Companies Act, 2013 ("the Act") that as directed by Mumbai Bench of the National Company Law Tribunal by an Order dated 17th August, 2017 under sub-section (1) of Section 230 of the Act a meeting of the Equity Shareholders of **Future Retail Limited ('FRL' or 'the Company')** shall be held on Tuesday, the 26th day of September, 2017 at 10.00 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021 to consider and approve 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 Limited ('PHRL' or '**Resulting Company**') and their respective Shareholders ('**the Scheme**' or "**Scheme of Arrangement**").

A copy of the Notice and Scheme of Arrangement are enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the National Company Law Tribunal Bench at Mumbai within Thirty (30) days from the date of receipt of this notice. The address of the Hon'ble Tribunal is 6th Floor, Fountain Telecom Building, 1, Mahatma Gandhi Road, Fort, Mumbai – 400 001. Copy of the representation may simultaneously be sent to the Company at its Registered Office at Knowledge House, Shyam Nagar, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

In case no representation is received within the stated period of Thirty (30) days, it shall be presumed that you have no representation to make on the proposed Scheme.

Sd/-
Kishore Biyani
DIN : 00005740
Chairperson appointed for the Meeting

Date : 17th August, 2017
Place : Mumbai

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

Encl.: (1) Copy of notice with statement as required under Section 230(3) of the Act.
(2) Copy of Composite Scheme of Arrangement

**Before the National Company Law Tribunal Bench
At Mumbai**

In the matter of the Companies Act, 2013

And

In the matter of Future Retail Limited ('FRL' or 'First Demerged Company') and Bluerock eServices Private Limited ('BSPL' or 'Second Demerged Company') and Praxis Home Retail Limited ('PHRL' or 'Resulting Company')

And

In the Matter of Sections 230 to 232 and Section 66 of the Companies Act, 2013

Future Retail Limited

.....the Applicant Company / the Company

STATEMENT UNDER SECTION 230(3) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF EQUITY SHAREHOLDERS OF FUTURE RETAIL LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL AND E-VOTING

In this statement, Future Retail Limited is hereinafter referred to as '**FRL**' or '**First Demerged Company**' or '**the Company**', Bluerock eServices Private Limited is hereinafter referred to as '**BSPL**' or '**the Second Demerged Company**' and Praxis Home Retail Limited is hereinafter referred to as '**PHRL**' or '**the Resulting Company**'. The other definitions contained in the Scheme will apply to this Statement also unless specified otherwise. The following statement as required under Section 230(3) read with Section 102 of the Companies Act, 2013 ("the Act") sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as Members.

1. Pursuant to an Order dated 17th August, 2017 passed by the National Company Law Tribunal Bench at Mumbai in the Company Application no. 828 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of Future Retail Limited is being convened and held at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021 on Tuesday, 26th September, 2017 at 10:00 AM for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement between Future Retail Limited and Bluerock eServices Private Limited and Praxis Home Retail Limited and their respective Shareholders ("**the Scheme**").
2. The draft Scheme was placed before the Audit Committee and Board of Directors of FRL at their respective meetings held on 20th April, 2017. In accordance with the provisions of SEBI Circular bearing number CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the Audit Committee of the Company vide a resolution passed on 20th April, 2017 recommended the Scheme to the Board of Directors of the Company *inter-alia* taking into account:
 - a) The Share Entitlement Report issued by M/s. Walker Chandio & Co. LLP, Chartered Accountants dated 20th April, 2017 for issue of shares pursuant to the Scheme;
 - b) The Fairness Opinion issued by M/s. Keynote Corporate Services Limited, an Independent Category I Merchant Banker dated 20th April, 2017 on the fairness of the Share Entitlement Report;
 - c) Statutory Auditors Certificate dated 20th April, 2017 issued by M/s. NGS & Co LLP, Chartered Accountants, Statutory Auditors of FRL, in relation to the accounting treatment prescribed in the Scheme.

Copy of the Share Entitlement Report and Fairness Opinion are enclosed to this Notice.

3. Further, as required under paragraph 9 of Annexure I of the SEBI Circular bearing number CFD/DIL3/CIR/2017/21 dated 10th March, 2017, FRL has furnished an undertaking certified by the Statutory Auditors and duly approved by the Board of Directors stating the non-applicability of paragraph 9(a) of the said circular to the proposed Scheme. The said undertaking is displayed on the website of the Company.
4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of FRL has come to the conclusion that the Scheme is in the interest of FRL and its Shareholders.
5. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.
6. **Background of the Companies involved in the Scheme is as under:**

Future Retail Limited ('FRL' or 'First Demerged Company' or 'the Company')

- a) FRL was incorporated in year 2007 as a private limited company under the name "Bharti Retail Private Limited" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated 7th February 2007. It was converted to a public company under the name "Bharti Retail Limited" vide a fresh certificate of incorporation dated 21st May, 2009. The name of the Company was further changed to "Future Retail Limited" vide certificate of incorporation dated 25th May, 2016. The Corporate Identification Number of FRL is L51909MH2007PLC268269. Permanent Account Number of FRL is AADCBI093N. E-mail id of FRL is : investorrelations@futureretail.in
- b) The Registered Office of FRL is situated at Knowledge House, Shyam Nagar, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060. The details of change in the Registered Office of FRL during last five years are as below:

Sl. No.	Date of Resolution	Address of the Registered Office prior to the change	Address of the Registered Office after the change
1.	04th May, 2015	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj Phase II, New Delhi – 110070.	6th & 7th Floor, Interface Building No. 7, Link Road, Malad (West), Mumbai – 400 064. Maharashtra.
2.	02nd May, 2016	6th & 7th Floor, Interface Building No. 7, Link Road, Malad (West), Mumbai – 400 064. Maharashtra.	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai–400 060. Maharashtra.

- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of FRL as on 31st March, 2017 are as under:

Particulars	Rupees in Crores
Authorised Share Capital	
12,50,00,00,000 Equity Shares of Rs. 2 each	2,500.00
Issued Share Capital	
47,19,17,110 Equity Shares of Rs. 2 each	94.38
Total	94.38
Subscribed and Paid-up Share Capital	
47,18,12,739 Equity Shares of Rs. 2 each	94.36
Total	94.36

Subsequent to the above date and as on 27th July, 2017, the capital structure of FRL is as follows:

Particulars	Rupees in Crores
Authorised Share Capital	
12,50,00,00,000 Equity Shares of Rs. 2 each	2,500.00
Issued Share Capital	
48,99,16,152 Equity Shares of Rs. 2 each	97.98
Total	97.98
Subscribed and Paid-up Share Capital	
48,98,11,781 Equity Shares of Rs. 2 each	97.96
Total	97.96

- d) The shares of FRL are currently listed on BSE Limited and National Stock Exchange of India Limited.
- e) FRL currently operates multiple retail formats in the Indian consumer market under different brand names including : Big Bazaar; fbb; Food Bazaar; Foodhall; HomeTown; easyday and eZone.
- f) The objects for which FRL has been established are set out in its Memorandum of Association. The main objects of FRL are set out hereunder:
- To initiate, acquire, set up, construct, establish, maintain, run, operate and manage business centre, hyper markets, departmental stores, super markets, shopping malls, discount stores, specialty stores, shopping outlets, convenience stores, commercial complexes, showrooms and for the purpose to give on lease or hire, to deal in, trade, import, export, market, distribute, process, pack, re-pack, move, preserve, produce, repair, wholesale, retail, exchange, stock, supply indent or otherwise to act as agents, sub-agents, wholesalers, retailers, representatives, commissions agents, franchisers and dealers of all commercial, industrial, scientific, household, domestic, forest and food products and services, consumer goods, consumer durables and other consumer's necessities of every kind, make and sorts, whatsoever, including cosmetic, pharmaceuticals, automobile, plants, machineries, equipments, apparatus, gadgets, appliances, computer hardware, computer parts, softwares, components, communication equipments, petroleum products, steel, accessories, spare parts or other merchandise such as food products, confectionery, beverages, beer housekeepers, licensed victuallers, wine and spirit merchants, tea, coffee and refreshment rooms, café, ice cream parlours, video parlours, jute, textiles, linens, furnishing fabrics and fabrics of all kinds, readymade garments and clothing, lingetic, hosiery, leather, rubber and plastic products, footwears, glass wares, enamelwares, earthenwares, porcelain wares, handicrafts, antiques, accessories, home décor items, furniture, stationary, personal care products, toiletries, metals, cookeries, precious and semi precious stones, paper and paper products, perfumery, engineering goods, health and beauty products, pets and supplies, household chemical, impulse merchandise, oil seeds toys, sporting goods, automotive, hardware, paint and accessories, housewares, small appliances, lawn & garden, home furnishings, seasonal, horticulture, large appliances, wireless, fabrics and craft, domestic goods, curtains and drap, bedding, mens wear, boys wear, infants/toddlers, girls wear, ladies socks, sheer hosiery, sleepwear, bras & shapewear, accessories, ladieswear, swimwear. Outerwear, seafood, meat-fresh & frozen, floral, dairy products, frozen foods, commercial bread, bakery, candy and tobacco, grocery dry goods, grocery, liquor, wine, beer, pharmacy, jewelry and sunglasses, shoes optical-frames, optical-lenses, cameras photo films and reels, concept stores, optical-doctors, financial services, electrical & electronic goods and all other types of general good, consumables, materials, accessories, commodities and equipments or any other general merchandise or services of every nature, types and descriptions on ready or forward basis.*
 - To manufacture, process, prepare, preserve, refine, bottle, buy, sell and deal whether as wholesaler or retailers or as exporters or importers or as Principals or agents or as keepers or dealers in all kinds of milk products, including Cheese, Butter, Ghee, Ice creams, Baby foods, Instant foods and any by-products or co-products thereof and to carry on the business and setting up of dairy farms, milk processing plants, food processing plants, cold storage plants, research laboratories, packing units, bottling plants and to manufacture and deal in all kinds and varieties of foods for human or animal consumption.*

**1B. To carry on the business of manufacturers, millers, grinders, rollers, processors, tankers, packers and preserves, and dealers of all foods from agriculture products, dairy products, horticulture and poultry products, fruits, vegetables, flowers, meats, processed meat scanned and tinned and processed foods, fast foods, processed fish and sea foods, frozen foods, potential foods, health and instant foods of all kinds, including baby and dietic foods, cereals, beverages, restoratives and aerated mineral waters and food stuffs and consumable provisions and to extract by-products, derivatives food preparations of every kind and description."*

*The object clause of FRL has been amended pursuant to a Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench and Hyderabad Bench vide order dated 11th May, 2017 and 3rd May, 2017 respectively. Accordingly, Clause 1A and 1B above have been added to the main object clause of FRL effective from 19th May, 2017. There is no other change in object clause of FRL during last five years.

Bluerock eServices Private Limited ('BSPL' or 'Second Demerged Company')

- a) BSPL was incorporated as a private limited company under the name "Bluerock eServices Private Limited" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated 17th January, 2012. The Corporate Identification Number of the BSPL is U72900MH2012PTC298230. Permanent Account Number of BSPL is AAECB8968P. E-mail id of BSPL is : deepak.tanna@futuregroup.in.
- b) The Registered Office of BSPL is situated at Knowledge House, Shyam Nagar, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060. The details of change in the Registered Office of BSPL during last five years are as below:

Sl. No.	Date of Resolution	Address of the Registered Office prior to the change	Address of the Registered Office after the change
1.	24th October, 2016	521, III Floor, Udyog Vihar Phase III, Gurgaon – 122 016. Haryana	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060. Maharashtra.

The Registered Office was shifted from State of Haryana to State of Maharashtra duly approved by the office of Regional Director and the Registrar of Companies.

- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of BSPL as on 31st March, 2017 are as under:

Particulars	In Rupees
Authorised Share Capital	
3,00,00,000 equity shares of Rs. 10 each	30,00,00,000
Total	30,00,00,000
Issued, Subscribed & Fully Paid-up Share Capital	
2,24,52,099 equity shares of Rs. 10 each	22,45,20,990
Total	22,45,20,990

Subsequent to the above date, there has been no change in the capital structure of BSPL.

- d) BSPL is engaged in the business of operating a web portal for Online Sale of furniture & furnishing products and providing services for operation & maintenance of IT enables platforms.
- e) The objects for which BSPL has been established are set out in its Memorandum of Association. The main objects of BSPL are set out hereunder:

- "To carry on the business of ecommerce and to purchase, sell, market, distribute, on through electronic commerce, for the purpose to do web designing, web based information systems, client server application, enterprise, resource planning, business to business wholesale trade of goods, network management and to establish and maintain portals, to act as internet service provider, to develop E-commerce activities doing business to business wholesale trading, to commercialize internet applications, to develop consumer oriented electronic commerce, to create digital signatures & systems on demand, to develop education and digital copyrights, to provide multimedia and digital video broadband communication, to create domain names, internet, internet marketing, online advertisement or such other internet media of any kinds of goods, things, articles, products, materials, commodities and services of the company or other companies or any other party on cash basis or on commission basis or such other terms and conditions and to do all such other acts and things necessary for the attainment of the foregoing objects."*

There is no change in the object clause of BSPL during the last five years.

Praxis Home Retail Limited ('PHRL' or 'Resulting Company')

- a) PHRL was incorporated in year 2011 as a private limited company under the name "GRN Energy Private Limited" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated 31st January, 2011. Further, vide fresh certificate of incorporation dated 21st December, 2016 the name was changed to "GRN Retail Private Limited". Subsequently, vide fresh certificate of incorporation dated 05th January, 2017 the name of the company was changed to "Praxis Home Retail Private Limited". It was converted to a public company under the current name "Praxis Home Retail Limited" vide fresh certificate of incorporation dated 21st June, 2017. The Corporate Identification Number of PHRL is

U52100MH2011PLC212866. Permanent Account Number of PHRL is AAECG1127D. E-mail id of PHRL is : cs@praxisretail.in

- b) The Registered Office of PHRL is situated at iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400 042. The details of change in the Registered Office of PHRL during last five years are as below:

Sl. No.	Date of Resolution	Address of the Registered Office prior to the change	Address of the Registered Office after the change
1.	21st July, 2017	32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai – 400 004	iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai – 400 042.

- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of PHRL as on 31st March, 2017 are as under:

Particulars	In Rupees
Authorised Share Capital	
10,00,000 equity shares of Rs. 10 each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed & Fully Paid-up Share Capital	
50,000 equity shares of Rs. 10 each	5,00,000
Total	5,00,000

Subsequent to the above date, there has been no change in the capital structure of PHRL.

- d) As on date of this Notice, PHRL is not carrying on any business activity. Pursuant to the Scheme of Arrangement becoming effective, it will carry on Home Retail Business through retail outlets and online portal.
- e) The objects for which PHRL has been established are set out in its Memorandum of Association. The main objects of PHRL are set out hereunder:

1. To own, manage, operate, carry on the business in India or elsewhere of retailing, malls, multiplexes, theatres, shopping plaza, entertainment plaza, food plaza, sports plaza, health plaza, spas, food courts, family entertainment centres, resorts, hotels, motels, inns, restaurants, cafes, taverns, bars, refreshment rooms, boarding and lodging, house keepers, flight kitchens, parlors, soda fountains, fast food outlets, restaurant keepers, wine and spirit merchants, brewers, masters, distillers, importers and manufacturers of aerated mineral and artificial waters and other drinks, purveyors, refreshment contractors and caterers, milk and snack proprietors, dairymen, ice and ice-cream merchants, importers and brokers of food and foreign produce of all descriptions, hair dressers, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, shopping arcades, grounds and places of amusements, recreation, entertainment and instruction of all kinds, tobacco and cigar merchants, agents for railway, airlines and shipping companies and theatrical and opera box office operators.

- 1A. ** To act as retailers by opening retail outlet on hire or company owned on all India basis and even abroad through various retail formats, direct to home, phone to order, through internet and other permitted mode of channels wherein to buy, sell and deal in furniture & fixtures for residence, office, commercial, industrial and other buildings, building material, household goods, equipment, products, hardware, pictures, household utensils and containers, glassware, porcelain and earthenware, carpets, rugs, mats and matting, linoleum and other materials, wall hangings, fittings, electrical goods, water supply or storage equipment, floor polish, door closers, concrete mixers, elevators and other spare parts and items, any other building or decorative materials made of cement stone, clay, timber, teak, board, fibre, paper, glass, rubber, plastic or other natural or synthetic substance or chemical, and provide services including design, architectural, vashtu consultancy services and also to carry on the business of trading in all types of goods, products, articles, accessories, equipment's, appliances, commodities and merchandise as well the business of buying, selling, letting on hire, hire purchase or easy payment system, as dealers of and in households and office & commercial furniture, domestic and business appliance, all the spare parts and accessories required in connection therewith and to refine, process, purchase, sell, import, export or generally deal in bricks, sand, stone, marble, tile refractories, chinawares, sanitary materials, hardware, pipes, tube, tubular structures dealing in all kinds of goods, materials and items and also to deal in food & provisions, consumer durables, jewellery, home improvement products, footwears, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, agri input products and acquiring of land or building on lease or freehold or any commercial or industrial or residential building for running and management of business and to undertake and execute all types works contracts to carry on the business.

During last five years, the main Object was amended / substituted in place of then existing object clause vide Special Resolution passed at the Extraordinary General Meeting held on 28th November, 2016.

** Further, Clause (1A) was inserted vide Special Resolution passed at Extraordinary General Meeting held on 30th May, 2017.

7. BACKGROUND OF THE SCHEME

7.1. The Scheme *inter-alia* provides for the following:

- (i) Demerger of Home Retail Business from FRL into PHRL;
- (ii) Demerger of e-Commerce Home Retail Business from BSPL into PHRL;
- (iii) Cancellation of existing paid up share capital of PHRL;
- (iv) Issue of equity shares by PHRL to the shareholders of FRL as consideration for demerger; and
- (v) Issue of redeemable preference shares by PHRL to the shareholders of BSPL as consideration for demerger.

8. RATIONALE OF THE SCHEME

8.1. The Composite Scheme of Arrangement involving FRL, BSPL and PHRL would have the following benefits:

- (i) spin off specialty retail business and focusing on large format and small format pure retail businesses from FRL;
- (ii) consolidation of offline and online Home Retail Business under a single entity;
- (iii) attribution of appropriate risk and valuation to the respective businesses based on risk-return profile and cash flows;
- (iv) more focused leadership and dedicated management; and
- (v) greater visibility on the performance of Home Retail Business and e-Commerce Home Retail Business.

8.2. In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed this Composite Scheme of Arrangement under the provisions of Sections 230 to 232 read with Section 66 of the Act.

9. SALIENT FEATURES OF THE SCHEME

9.1. Salient features of the scheme are set out as below:

- The Scheme is presented under Section 230 to Section 232 of the Act for the Demerger of the Home Retail Business of FRL into PHRL and for the Demerger of e-Commerce Home Retail Business of BSPL into PHRL;
- FRL, BSPL and PHRL shall make applications and/or petitions under Section 230 to Section 232 of the Act and other applicable provisions of the Act to the jurisdictional National Company Law Tribunal ('Tribunal') as the case may be for sanction of this Scheme and all matters ancillary or incidental thereto;
- "1st Appointed Date" (i.e. Appointed Date for the Demerger of Home Retail Business of FRL into PHRL) is the commencement of business on 1st August, 2017 or such other date as may be approved by the Tribunal;
- "2nd Appointed Date" (i.e. Appointed Date for Demerger of e-Commerce Home Retail Business of BSPL into PHRL) is 15th April, 2016;
- "Effective Date" means the last of the dates on which the certified copy of the Order of the Tribunal sanctioning the Scheme is filed by FRL, BSPL and PHRL with the concerned Registrar of Companies;
- In consideration of the transfer and vesting of the Home Retail Business Undertaking to and in PHRL in terms of this Scheme, PHRL shall, without any further application, act, instrument or deed, issue and allot to the members of FRL whose names appear on the Register of Members of FRL on the Record Date or to his / her / their respective heirs, executors, administrators or, as the case may be, successors, equity shares of PHRL in the following ratio:
 - 1 (One) equity share of the face value of Rs. 5/- (Rupees Five only), each fully paid-up, of PHRL to be issued for every 20 (Twenty) fully paid-up equity shares of Rs. 2/- (Rupees Two only) each of FRL to the equity shareholders of FRL holding shares as on the Record Date.
- On the Scheme becoming effective, FRL shall account for the Demerger in its books as per the applicable accounting principles prescribed under Indian accounting standards (INDAS) prescribed under the Companies Act, 2013;
- Conduct of Business till Effective Date.

With effect from the 1st Appointed Date and till the Effective Date:

- a) FRL shall carry on, and shall be deemed to have carried on, all the business, activities and operations relating to the Home Retail Business Undertaking, and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of the Home Retail Business Undertaking, on account of and / or on behalf of and / or for the benefit of and / or in trust for PHRL;
 - b) All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by FRL in relation to the Home Retail Business Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of PHRL;
 - c) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Home Retail Business Undertaking and exercised by or available to FRL, shall be deemed to have been exercised for and on behalf of and as an agent for PHRL. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Home Retail Business Undertaking that have been undertaken or discharged by FRL shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for PHRL.
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne and paid by FRL, BSPL and PHRL as mutually agreed between them.
 - Equity Shares of PHRL shall be listed on BSE & NSE subject to receipt of requisite approvals.

- This Scheme is conditional upon and subject to the following :
 - (a) The Scheme being approved by the requisite majority of the members and/or creditors of the Companies and/or by such other persons as may be required under the Act and as directed by the National Company Law Tribunal;
 - (b) The requisite sanctions and approvals of any Governmental Authority including Stock Exchanges and the Securities and Exchange Board of India, as may be required by law, in respect of the Scheme being obtained;
 - (c) The sanction of this Scheme by the National Company Law Tribunal;
 - (d) Copies of the orders of the National Company Law Tribunal sanctioning the Scheme being filed with the concerned Registrar of Companies;
 - (e) The Scheme being approved by the Stock Exchanges in terms of Regulations 37 and 94 of the SEBI Listing Regulations, 2015 and SEBI Circulars.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

10. APPROVALS

- 10.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, FRL had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. FRL has received the observation letters from BSE and NSE on 4th August, 2017, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.
- 10.2. BSE and NSE vide their Observation Letters dated 4th August, 2017 have advised that SEBI has given following comments on the draft Scheme of Arrangement:
 - *The Company shall incorporate the following provisions in the Scheme:*
 - *The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange*
 - *There shall be no change in the shareholding pattern of Praxis Home Retail Limited between the record date and the listing which may affect the status of this approval*
 - *Company to ensure that the applicable information pertaining to unlisted entities Praxis Home Retail Limited and Bluerock eServices Private Limited is included in the format specified for abridged prospectus as specified in the circular*
- 10.3. As required by the SEBI Circular, FRL has filed the Complaints Report with BSE and NSE on 27th June, 2017. A copy of the aforementioned Complaints Report is enclosed herewith.

11. CAPITAL STRUCTURE PRE AND POST ARRANGEMENT

- 11.1. Pre-arrangement capital structure of FRL is mentioned in paragraph 6 above, There would not be any change in the capital structure of FRL post the arrangement.
- 11.2. Pre-arrangement capital structure of BSPL is mentioned in paragraph 6 above. There would not be any change in the capital structure of BSPL post the arrangement.
- 11.3. Pre-arrangement capital structure of PHRL is mentioned in paragraph 6 above.

Post-arrangement, the capital structure of PHRL would undergo a change. As per Clause 5.1 of Part II of the Scheme, PHRL shall issue and allot 1 (One) equity share of the face value of Rs. 5/- (Rupees Five only), each fully paid-up, of PHRL for every 20 (Twenty) fully paid-up equity shares of Rs. 2/- (Rupees Two only) each of FRL to the equity shareholders of FRL as on the Record Date. Further, as per Clause 16.1 of Part III of the Scheme, PHRL shall issue and allot 6,30,000 (Six Lakh Thirty Thousand) Preference Shares of the face value Rs. 100/- (Rupees One Hundred only), each fully paid-up, of PHRL on a proportionate basis to the members holding equity shares in BSPL as on the Record Date. Upon issuance of the equity shares and preference shares pursuant to Scheme (based on the current shareholding of FRL), the capital structure of PHRL would be as under:

Particulars	Rupees in Crores
Authorised Share Capital	
2,94,00,000 Equity Shares of Rs. 5 each	14.70
6,30,000 Preference Shares of Rs. 100 each	6.30
Total	21.00
Issued Share Capital	
2,44,95,808 Equity Shares of Rs. 5 each	12.25
6,30,000, 9% Redeemable Preference Shares of Rs. 100 each	6.30
Total	18.55
Subscribed and Paid-up Share Capital	
2,44,90,589 Equity Shares of Rs. 5 each	12.25
6,30,000 9% Redeemable Preference Shares of Rs. 100 each	6.30
Total	18.55

As per Part IV of the Scheme, the existing equity share capital of PHRL shall be reduced and the same shall be effected as per Part IV of the Composite Scheme of Arrangement.

12. PRE AND POST ARRANGEMENT SHAREHOLDING PATTERN

12.1. The pre and post arrangement shareholding pattern of FRL as on 27th July, 2017 is as follows:

Sl. No.	Particulars	Pre-arrangement		Post-arrangement #	
	Description	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals / Hindu Undivided Family	88,115	0.0180	88,115	0.0180
	Anil Biyani	2,121	0.0004	2,121	0.0004
	Ashni Kishore Biyani	71,147	0.0145	71,147	0.0145
	Gopikishan Biyani	2,121	0.0004	2,121	0.0004
	Kishore Biyani	2,121	0.0004	2,121	0.0004
	Laxminarayan Biyani	2,121	0.0004	2,121	0.0004
	Rakesh Biyani	2,121	0.0004	2,121	0.0004
	Sunil Biyani	2,121	0.0004	2,121	0.0004
	Vijay Biyani	2,121	0.0004	2,121	0.0004
	Vivek Biyani	2,121	0.0004	2,121	0.0004
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate Names	23,36,52,321	47.7025	23,36,52,321	47.7025
	Future Corporate Resources Limited	18,11,70,090	36.9877	18,11,70,090	36.9877
	PIL Industries Limited	4,41,36,090	9.0108	4,41,36,090	9.0108
	Gargi Business Ventures Private Limited	67,66,038	1.3814	67,66,038	1.3814
	Ryka Commercial Ventures Private Limited	-	-	-	-
	Manz Retail Private Limited	15,79,103	0.3224	15,79,103	0.3224
	Future Capital Investment Private Limited	-	-	-	-
	Akar Estate And Finance Private Limited	1,000	0.0002	1,000	0.0002
(d)	Financial Institutions / Banks	-	-	-	-
(e)	Any Others	-	-	-	-
	Trust				
	Retail Trust	-	-	-	-
	Sub Total(A)(1)	23,37,40,436	47.7205	23,37,40,436	47.7205
2	Foreign	-	-	-	-
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others	-	-	-	-
	Sub Total(A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	23,37,40,436	47.7205	23,37,40,436	47.7205
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds / UTI	1,71,22,999	3.4958	1,71,22,999	3.4958
(b)	Financial Institutions / Banks	47,57,386	0.9713	47,57,386	0.9713
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	16,60,144	0.3389	16,60,144	0.3389
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other				
	Foreign Portfolio Investor	8,16,11,686	16.6618	8,16,11,686	16.6618
	Alternate Investment Funds	76,500	0.0156	76,500	0.0156
	Sub-Total (B)(1)	10,52,28,715	21.4835	10,52,28,715	21.4835

Sl. No.	Particulars	Pre-arrangement		Post-arrangement #	
	Description	No. of shares	%	No. of shares	%
2	Non-institutions				
(a)	Bodies Corporate	12,93,49,849	26.4081	12,93,49,849	26.4081
(b)	Individuals				
	i. Individuals shareholders holding nominal share capital up to Rs. 2 lakhs	1,07,83,054	2.2015	1,07,83,054	2.2015
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	66,43,596	1.3564	66,43,596	1.3564
(c)	Any Other	40,66,131	0.8301	40,66,131	0.8301
	Sub-Total (B)(2)	15,08,42,630	30.7960	15,08,42,630	30.7960
(B)	Total Public Shareholding (B)= (B) (1)+(B)(2)	25,60,71,345	52.2795	25,60,71,345	52.2795
	TOTAL (A)+(B)	48,98,11,781	100.0000	48,98,11,781	100.0000
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	48,98,11,781	100.0000	48,98,11,781	100.0000

Note : The current Scheme does not stipulate any warrants/ instruments which give right to any person to take the equity shares in PHRL at any future date. However, as on date, FRL has issued 1,542 Optionally Convertible Debentures (OCDs) of Rs. 10 lakh each which are convertible into equity share of FRL at any time during the tenure of the OCDs or latest by 31st October, 2017, as and when the option for conversion is exercised. The conversion price of OCDs would be determinable only at the time of exercise of conversion option. Accordingly the resultant shareholding pattern upon conversion of such OCDs cannot be determined. However, upon conversion of such OCDs, resultant shares would form part of public shareholding and the public shareholding in FRL will increase accordingly.

12.2. The pre and post arrangement shareholding pattern of BSPL as on 30th June, 2017 is as follows:

Sl. No.	Particulars	Pre-arrangement		Post-arrangement	
	Description	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals / Hindu Undivided Family	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate Names	-	-	-	-
	Future Enterprises Limited (*)	2,24,52,099	100.0000	2,24,52,099	100.0000
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others	-	-	-	-
	Sub Total(A)(1)	2,24,52,099	100.0000	2,24,52,099	100.0000
2	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others	-	-	-	-
	Sub Total(A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)	2,24,52,099	100.0000	2,24,52,099	100.0000
(B)	Public shareholding	-	-	-	-
1	Institutions				
(a)	Mutual Funds / UTI	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-

Sl. No.	Particulars	Pre-arrangement		Post-arrangement	
	Description	No. of shares	%	No. of shares	%
2	Non-institutions	-	-	-	-
(a)	Bodies Corporate	-	-	-	-
(b)	Individuals	-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs 2 lakh.	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	-	-	-
(c)	Any Other	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-
	TOTAL (A)+(B)	2,24,52,099	100.0000	2,24,52,099	100.0000
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	2,24,52,099	100.0000	2,24,52,099	100.0000

(*) Including 6 shares held jointly with nominees

12.3 The pre and post arrangement shareholding pattern of Equity Shares of PHRL as on 27th July, 2017 is as follows:

Sl. No.	Particulars	Pre-arrangement		Post-arrangement ##	
	Description	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	-	-	4,406	0.0180
	Anil Biyani	-	-	106	0.0004
	Ashni Kishore Biyani	-	-	3,558	0.0145
	Gopikishan Biyani	-	-	106	0.0004
	Kishore Biyani	-	-	106	0.0004
	Laxminarayan Biyani	-	-	106	0.0004
	Rakesh Biyani	-	-	106	0.0004
	Sunil Biyani	-	-	106	0.0004
	Vijay Biyani	-	-	106	0.0004
	Vivek Biyani	-	-	106	0.0004
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate Names	50,000	100.0000	1,16,82,616	47.7025
	GRN Finsec Private Limited (#)	50,000	100.0000	-	-
	Future Corporate Resources Limited	-	-	90,58,505	36.9877
	PIL Industries Limited	-	-	22,06,805	9.0108
	Gargi Business Ventures Private Limited	-	-	3,38,302	1.3814
	Ryka Commercial Ventures Private Limited	-	-	-	-
	Manz Retail Private Limited	-	-	78,955	0.3224
	Future Capital Investment Private Limited	-	-	-	-
	Akar Estate And Finance Private Limited	-	-	50	0.0002
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others	-	-	-	-
	Trust				
	Retail Trust	-	-	-	-
	Sub Total(A)(1)	50,000	100.0000	1,16,87,022	47.7205
2	Foreign	-	-	-	-
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others	-	-	-	-
	Sub Total(A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	50,000	100.0000	1,16,87,022	47.7205

Sl. No.	Particulars	Pre-arrangement		Post-arrangement ##	
	Description	No. of shares	%	No. of shares	%
(B)	Public shareholding				
1	Institutions	-	-		
(a)	Mutual Funds / UTI	-	-	8,56,150	3.4958
(b)	Financial Institutions / Banks	-	-	2,37,869	0.9713
(c)	Central Government / State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	83,007	0.3389
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other				
	Foreign Portfolio Investor	-	-	40,80,584	16.6618
	Alternate Investment Funds	-	-	3,825	0.0156
	Sub-Total (B)(1)	-	-	52,61,436	21.4835
2	Non-institutions				
(a)	Bodies Corporate	-	-	64,67,492	26.4081
(b)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs 2 lakhs	-	-	5,39,153	2.2015
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	-	3,32,180	1.3564
(c)	Any Other	-	-	2,03,307	0.8301
	Sub-Total (B)(2)	0	0.0000	75,42,132	30.7960
(B)	Total Public Shareholding (B)= (B) (1)+(B)(2)	0	0.0000	1,28,03,567	52.2795
	TOTAL (A)+(B)	50,000	100.0000	2,44,90,589	100.0000
(C)	Shares held by Custodians and against which DRs have been issued	-	-		-
	GRAND TOTAL (A)+(B)+(C)	50,000	100.0000	2,44,90,589	100.0000

(#) including shares held jointly with nominee

(##) Note: The reduction of Equity Share Capital of PHRL shall be effected as per the Part-IV of the Composite Scheme of Arrangement.

12.4. The pre and post arrangement shareholding pattern of Preference Shares of PHRL as on 27th July, 2017 is as follows:

Sl. No.	Particulars	Pre-arrangement		Post-arrangement	
	Description	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group	-	-	-	-
1	Indian				
(a)	Individuals / Hindu Undivided Family	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-
(c)	Bodies Corporate Names	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-
(e)	Any Others	-	-	-	-
	Sub Total(A)(1)	-	-	-	-
2	Foreign	-	-	-	-
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions				-
(d)	Any Others	-	-	-	-
	Sub Total(A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	-	-	-
(B)	Public shareholding	-	-	-	-
1	Institutions				

Sl. No.	Particulars	Pre-arrangement		Post-arrangement	
	Description	No. of shares	%	No. of shares	%
(a)	Mutual Funds / UTI	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-
(c)	Central Government / State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other				
	Foreign Portfolio Investor	-	-	-	-
	Alternate Investment Funds	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-
2	Non-institutions				
(a)	Bodies Corporate	-	-	6,30,000	100.0000
(b)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs 2 lakhs	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	-	-	-
(c)	Any Other	-	-	-	-
	Sub-Total (B)(2)	-	-	6,30,000	100.0000
(B)	Total Public Shareholding (B)= (B) (1)+(B)(2)	-	-	6,30,000	100.0000
	TOTAL (A)+(B)	-	-	6,30,000	100.0000
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	-	6,30,000	100.0000

13. **EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

- 13.1. The Directors and Key Managerial Personnel (KMP) and their respective relatives of FRL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in FRL, or to the extent the said Directors/KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in FRL. Save as aforesaid, none of the Directors, Managing Director or KMP of FRL have any material interest in the Scheme.
- 13.2. The details of the present Directors and KMP of FRL and their respective shareholdings in FRL, BSPL and PHRL as on 30th June, 2017 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Rs. 2/- each	Equity Shares of Rs.10/- each	
		FRL	BSPL	PHRL
Mr. Kishore Biyani	Chairman & Managing Director	2,121	Nil	Nil
Mr. Rakesh Biyani	Joint Managing Director	2,121	Nil	Nil
Mr. Rajan Bharti Mittal	Non-Executive Director	Nil	Nil	Nil
Mr. Ravindra Dhariwal	Independent Director	Nil	Nil	Nil
Mr. Shailendra Bhandari	Independent Director	Nil	Nil	Nil
Ms. Gagan Singh	Independent Director	Nil	Nil	Nil
Ms. Sridevi Badiga	Independent Director	Nil	Nil	Nil
Mr. Chandra Prakash Toshniwal	Chief Financial Officer	11,000	Nil	Nil
Mr. Chandra Prakash Toshniwal-HUF		20,000	Nil	Nil
Mr. Virendra Samani	Dy. Company Secretary	5,450	Nil	Nil

- 13.3. The details of the present Directors and KMP of BSPL and their respective shareholdings in BSPL, PHRL and FRL as on 30th June, 2017 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Rs.10/- each	Equity Shares of Rs.10/- each	Equity Shares of Rs. 2/- each
		BSPL	PHRL	FRL
Mr. Ashish Garg	Director	Nil	Nil	Nil
Mr. Deepak Tanna	Additional Director	Nil	Nil	Nil
Mr. Sunil Mantri	Additional Director	Nil	Nil	2,395

- 13.4. The details of the present Directors and KMP of PHRL and their respective shareholdings in PHRL, BSPL and FRL as on 30th June, 2017 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Rs.10/- each	Equity Shares of Rs.10/- each	Equity Shares of Rs. 2/- each
		PHRL	BSPL	FRL
Mr. Pawan Kumar Agarwal	Additional Director	Nil	Nil	Nil
Mr. Mukesh Agarwal	Additional Director	Nil	Nil	13
Mr. Krishan Kumar Biyani	Additional Director	Nil	Nil	Nil

14. **GENERAL**

- 14.1. FRL, BSPL and PHRL have made separate applications before the jurisdictional National Company Law Tribunal for the sanction of the Scheme under Sections 230 read with Section 232 of the Act.
- 14.2. The amount due to its respective unsecured creditors as on 31st March, 2017 from FRL is Rs. 3405.14 crore; from BSPL is Rs. 19.92 crore and from PHRL is Rs. 5,750/-. The amount due to unsecured creditors as on 31st March, 2017 due to PHRL was already paid and no objection was received.
- 14.3. In relation to the meeting of FRL, Equity Shareholders of FRL whose names are appearing in the records of FRL as on 20th September, 2017 shall be eligible to attend and vote at the meeting of the Equity Shareholders of FRL convened at the direction of the Tribunal or cast their votes using remote e-voting facility.
- 14.4. The rights and interests of secured creditors and unsecured creditors of either of the companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, FRL will be able to meet its liabilities as they arise in the ordinary course of business.
- 14.5. None of Directors and KMP of FRL, BSPL and PHRL as the case may be or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding or directorship, if any.
- 14.6. As on date, BSPL and PHRL are not related parties to FRL.
- 14.7. The latest audited accounts for the year ended 31st March, 2017 of FRL indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the Company would be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the arrangement will not cast any additional burden on the shareholders or creditors of the Company, nor will it adversely affect the interest of any of the shareholders or creditors.
- 14.8. There are no winding up proceedings pending against FRL, BSPL or PHRL as of date.
- 14.9. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Act or under the provisions of the Companies Act, 1956 in respect of FRL, BSPL or PHRL.
- 14.10. A copy of the Scheme has been filed by FRL, BSPL and PHRL with the Registrar of Companies, Maharashtra – Mumbai on 11th August, 2017.
- 14.11. FRL, BSPL and PHRL are required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the concerned Registrar of Companies, Regional Director, and will obtain the same at the relevant time.
- 14.12. Names and addresses of the Directors and Promoters of FRL are as under:

Sl. No.	Name of Director/ Promoter	Category	Address
1.	Mr. Kishore Biyani	Director and Promoter	406, Jeevan Vihar, Manav Mandir Road, Mumbai – 400 006
2.	Mr. Rakesh Biyani	Director	Flat No. 1903, 19th Floor, B Wing, Vivarea Building, Sane Guruji Marg, Jacob Circle, Mumbai – 400 011
3.	Mr. Rajan Bharti Mittal	Director	E-9/ 17, Vasant Vihar, Vasant Marg, New Delhi – 110 057
4.	Mr. Shailendra Bhandari	Director	E-27 Dhanraj Mahal, Chhatrapati Shivaji Maharaj Marg, Apollo Bundar, Mumbai – 400 001
5.	Mr. Ravindra Dhariwal	Director	Aashray Farm, Opp. N.V. Farm, Sub P.O., S P School, Bhatti Mines, Asola Village, New Delhi, Delhi – 110 030
6.	Ms. Gagan Singh	Director	L - 4/4 Qutab Enclave, DLF Phase – II, Gurgaon – 122 002, Haryana
7.	Ms. Sridevi Badiga	Director	Plot No. 25, Janakpuri Colony, Opp Royal Appts, Manovikas Nagar, Tirumalagiri, Manovikas Nagar, Hyderabad, Telangana, 500 009.

Sl. No.	Name of Director/ Promoter	Category	Address
8.	Retail Trust	Promoter	5th floor, SOBO Central Mall, Near Haji Ali, No. 28, Pt Madan Mohan Malviya Road, Tardeo, Mumbai – 400 034
9.	Future Corporate Resources Limited	Promoter	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
10.	PIL Industries Limited	Promoter	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
11.	Gargi Business Ventures Private Limited	Promoter	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
12.	Ryka Commercial Ventures Private Limited	Promoter	5th floor, SOBO Central Mall, Near Haji Ali, No. 28, Pt Madan Mohan Malviya Road, Tardeo, Mumbai – 400 034.
13.	Manz Retail Private Limited	Promoter	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

14.13. Names and addresses of the Directors and Promoters of BSPL are as under:

Sl. No.	Name of Director/ Promoter	Category	Address
1.	Mr. Deepak Tanna	Additional Director	Flat No. 1C - 111, Kalapataru Gardens, Off. Ashok Chakravorty Road, Kandivali (East), Mumbai – 400 101.
2.	Mr. Sunil Mantri	Additional Director	Flat No. B-1104, Parkview City - 2, Sohna Road, Sector-49, Gurgaon – 122 001, Haryana.
3.	Mr. Ashish Garg	Director	Flat No. 4604, DLF Phase IV, Near Ridgewood Apartment, Gurgaon – 122 002, Haryana.
4.	Future Enterprises Limited	Promoter	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

14.14. Names and addresses of the Directors and Promoters of PHRL are as under:

Sl. No.	Name of Director/ Promoter	Category	Address
1.	Mr. Pawan Kumar Agarwal	Additional Director	Flat No. 209, B – Wing, Second Floor, Ostwal Ornate Bldg-1, Jesal Park, Bhayandar (East), Mumbai – 401 105.
2.	Mr. Mukesh Agarwal	Additional Director	Flat No. 701, B - Wing, Building No. 90, Shubhaghan-2, Poonam Sagar Complex, Miraroad (East), Thane – 401 107.
3.	Mr. Krishan Kumar Biyani	Additional Director	Flat No- 601, Balsam Bldg, Rosalie LX Complex, Barave Khadakpada, Kalyan (West), Thane – 421 301.
4.	GRN Finsec Private Limited	Promoter	5 -C, 5th Floor, Court Chambers, 35, New Marine Lines, Mumbai – 400 020.

14.15. Details of Directors of FRL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of FRL is given below:

Sl. No	Name of Director	Voted in favour / against / did not participate
1.	Mr. Kishore Biyani	Voted in favour
2.	Mr. Rakesh Biyani	Voted in favour
3.	Mr. Rajan Bharti Mittal	Absent / granted leave of absence
4.	Mr. Shailendra Bhandari	Voted in favour
5.	Mr. Ravindra Dhariwal	Voted in favour
6.	Ms. Gagan Singh	Voted in favour
7.	Ms. Sridevi Badiga	Voted in favour

14.16. Details of Directors of BSPL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of BSPL are given below:

Sl. No	Name of Director	Voted in favour / against / did not participate
1.	Mr. Ashish Garg	Voted in favour
2.	Ms. Ankita Dabas #	Voted in favour
3.	Mr. Deepak Tanna	Voted in favour

Ms. Ankita Dabas resigned as Director w.e.f. 2nd June, 2017.

- 14.17. Details of Directors of PHRL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of PHRL is given below:

Sl. No	Name of Director	Voted in favour / against / did not participate
1.	Mr. Pawan Kumar Agarwal	Voted in favour
2.	Mr. Mukesh Agarwal	Voted in favour
3.	Mr. Krishan Kumar Biyani	Voted in favour
4.	Mr. Girdhar Pathak ##	Voted in favour
5.	Mr. Rajendra Chaturvedi ##	Voted in favour

resigned as Director w.e.f. 20th April, 2017.

- 14.18. M/s. Walker Chandiok & Co. LLP, Chartered Accountants have recommended a ratio of allotment of equity shares for the Demerger of Home Retail Business Undertaking of FRL into PHRL. The ratio has been determined on the basis of desired capital structure of PHRL. Further, the interest of the shareholders of FRL will remain unchanged as the shareholders of FRL would hold equity shares in PHRL in the same proportion in which they hold shares in FRL. Accordingly, the number of shares to be issued by PHRL to the shareholders of FRL is 1 (One) equity share of the face value of Rs. 5/- (Rupees Five only), each fully paid-up, for every 20 (Twenty) fully paid-up equity shares of Rs. 2/- (Rupees Two only) each of FRL as on the Record Date to be fixed as per the provisions of the Scheme. M/s. Keynote Corporate Services Limited, a Category I Merchant Banker after having reviewed the share entitlement report of M/s. Walker Chandiok & Co. LLP, Chartered Accountants and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed valuation / share entitlement is fair.
- 14.19. A report adopted by the Directors of FRL, BSPL and PHRL, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share allotment, attached herewith. FRL does not have any public deposits, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the debentureholders, employees, and creditors of FRL are concerned.
- 14.20. As far as the employees of FRL are concerned, pursuant to Clause 9 of the Scheme, the employees of Home Retail Business Undertaking would get transferred to PHRL upon Demerger. However, there would not be any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of FRL is envisaged on account of the Scheme.
- 14.21. Inspection of the following documents specified under Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 viz; Copy of the Order dated 17th August, 2017 of the Hon'ble Tribunal passed in Company Scheme Application No. 828 of 2017 directing the convening of the meeting of the Equity Shareholders of FRL, Pre and Post Capital Structure and Shareholding Pattern of FRL, BSPL and PHRL, Memorandum of Associations and Articles of Association of FRL, BSPL and PHRL, Audited Financial Statements of FRL, BSPL and PHRL for last three financial years ended 31st March, 2017, 31st March, 2016 and 31st March, 2015, copy of the Observation Letters from BSE Limited and National Stock Exchange of India Limited dated 4th August, 2017, copy of the Complaints Report dated 27th June 2017 filed with BSE Limited and National Stock Exchange of India Limited, contracts or agreements material to the Scheme, Valuation / Share Entitlement Report dated 20th April, 2017 and letter dated 31st May, 2017 issued by M/s. Walker Chandiok & Co. LLP, Mumbai, Fairness Opinion dated 20th April, 2017 issued by M/s. Keynote Corporate Services Limited, Certificate issued by the Statutory Auditors of the Company dated 20th April, 2017 stating that the accounting treatment proposed in the Scheme is in conformity with Accounting Standards prescribed under Section 133 of the Companies Act, 2013, copy of the Audit Committee Report dated 20th April, 2017 of FRL, Information pertaining to PHRL and BSPL in the format specified for Abridged Prospectus may be carried out by the Equity Shareholders of FRL at the Registered Office of the Company on any working day upto the date of the Meeting between 11.00 AM and 1.00 PM.

This Statement may be treated as the statement under Section 230(3) read with Section 102 of the Companies Act, 2013. A copy of this Scheme, Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Company or at the office of its Advocates M/s. Hemant Sethi & Co, 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400 071.

Sd/-
Kishore Biyani
DIN : 00005740
Chairperson appointed for the Meeting

Date : 17th August, 2017
Place : Mumbai

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

**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 LIMITED ('PHRL' OR 'RESULTING COMPANY')
AND
THEIR RESPECTIVE SHAREHOLDERS**

ANNEXURE - I

(Under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013)

(A) PREAMBLE

This Composite Scheme of Arrangement is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for demerger of the Home Retail Business Undertaking (*defined hereinafter*) of Future Retail Limited ('FRL') and demerger of the e-Commerce Home Retail Business Undertaking (*defined hereinafter*) of Bluerock eServices Private Limited ('BSPL') into Praxis Home Retail Limited ('PHRL'). This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) RATIONALE FOR THE SCHEME

1. FRL currently operates multiple retail formats in the Indian consumer market under different brand names including: Big Bazaar; fbb; Food Bazaar; easyday; Foodhall; Home Town and eZone. Home Retail Business of FRL is carried on through HomeTown stores operated by FRL;
2. BSPL is *inter-alia* engaged in the business of operating a web portal for online sale of furniture & furnishing products (viz; www.fabfurnish.com) and providing services for operation & maintenance of IT enabled platforms.
3. Demerger of the Home Retail Business Undertaking from FRL and demerger of the e-Commerce Home Retail Business Undertaking from BSPL into PHRL shall have the following benefits:
 - (a) spin off specialty retail business and focusing on large format and small format pure retail businesses from FRL;
 - (b) consolidation of offline and online Home Retail Business under a single entity;
 - (c) attribution of appropriate risk and valuation to the respective businesses based on risk-return profile and cash flows;
 - (d) more focused leadership and dedicated management; and
 - (e) greater visibility on the performance of Home Retail Business and e-Commerce Home Retail Business.

(C) PARTS OF THE SCHEME:

This Scheme (as defined hereinafter) is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with the transfer and vesting of the Home Retail Business Undertaking of FRL into PHRL;
- (iii) **PART III** deals with the transfer and vesting of the e-Commerce Home Retail Business Undertaking of BSPL into PHRL;
- (iv) **PART IV** deals with cancellation and reduction of share capital of PHRL; and
- (v) **PART V** deals with general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act"** means the Companies Act, 1956 and / or the Companies Act, 2013 (as the case may be and to the extent applicable) as in force from time to time (including any statutory modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate to or be applicable to the arrangement.

- 1.2 **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.3 **“1st Appointed Date”** means commencement of business on August 1, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority as may be applicable;
- 1.4 **“2nd Appointed Date”** means commencement of business on April 15, 2016 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority as may be applicable;
- 1.5 **“BSPL”** means Bluerock eServices Private Limited a company incorporated under the Companies Act, 1956, and having its registered office at 521, III Floor, Udyog Vihar Phase III, Gurgaon, Haryana – 122106;
- 1.6 **“Board”** means the Board of Directors of FRL, BSPL and PHRL or any Committee of Directors constituted or appointed and authorized to take any decision for the implementation of this Scheme on behalf of such Board of Directors;
- 1.7 **“Effective Date” or “coming into effect of this Scheme” or “upon the Scheme becoming effective”** means the last of the dates on which the certified copy of the Order of the National Company Law Tribunal sanctioning the Composite Scheme of Arrangement is filed by FRL, BSPL and PHRL with the concerned Registrar of Companies.
- 1.8 **“e-Commerce Home Retail Business Undertaking”** means the business of BSPL comprising of the operation of web portal for online sale of furniture & furnishing products (viz; www.fabfurnish.com), on a going concern basis and includes without limitation:

- (i) All assets and liabilities (excluding assets and liabilities pertaining to Remaining Business of BSPL as defined in Clause 1.15 below) pertaining to the e-Commerce Home Retail Business Undertaking including but not limited to intellectual property rights, inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, all earnest moneys and / or security deposits, cash and bank balances, advances, receivables, together with all present and future liabilities (including contingent liabilities) appertaining or relatable thereto;
- (ii) Without prejudice to the provisions of sub-Clause (i) above, the e-Commerce Home Retail Business Undertaking of BSPL shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relatable to the e-Commerce Home Retail Business Undertaking of BSPL such as goodwill, customer lists, customer connects, licenses, permits, quotas, registrations, agreements, contracts, arrangements, privileges or all other rights including tax deferrals and tax credits and other benefits, incentives, tenancy rights, if any, and all other rights, title, interests, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, consent, approvals or powers of every kind nature and description whatsoever in connection with or pertaining or relatable to the e-Commerce Home Retail Business Undertaking of BSPL and all deposits and / or moneys paid or received by BSPL in connection with or pertaining or relatable to the e-Commerce Home Retail Business Undertaking and all statutory licences, permissions, approvals or consents to carry on the operations of the e-Commerce Home Retail Business Undertaking of BSPL;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the e-Commerce Home Retail Business Undertaking of BSPL include:

- (a) The liabilities, which arise out of the activities or operations of the e-Commerce Home Retail Business Undertaking of BSPL;
 - (b) Specific loans and borrowings raised, incurred and / or utilized solely for the activities or operation of the e-Commerce Home Retail Business Undertaking of BSPL; and
 - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the e-Commerce Home Retail Business of BSPL, being the amounts of general or multipurpose borrowings of BSPL shall be allocated to the e-Commerce Home Retail Business Undertaking of BSPL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of BSPL immediately before giving effect to this Scheme.
- (iii) All employees of BSPL employed in and / or relatable to the e-Commerce Home Retail Business Undertaking of BSPL as on the Effective Date;
 - (iv) All deposits and balances with government, semi government, local and other authorities, and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by BSPL directly or indirectly in connection with or relating to the e-Commerce Home Retail Business Undertaking;
 - (v) All necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the e-Commerce Home Retail Business Undertaking of BSPL.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the e-Commerce Home Retail Business Undertaking of BSPL or whether it arises out of the activities or operations of the e-Commerce Home Retail Business Undertaking of BSPL shall be decided by mutual agreement between the Board of Directors of BSPL and PHRL.

- 1.9 **“FRL”** means Future Retail Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060;
- 1.10 **“FRL Employees Stock Option Plan”** means the Employee Stock Option Plan 2016 (FRL ESOP 2016);
- 1.11 **“Home Retail Business Undertaking”** means business of FRL comprising of the furniture and furnishing business operated by it through Home Town stores, on a going concern basis and includes without limitation:
- (i) All assets and liabilities (excluding assets and liabilities pertaining to Remaining Business of FRL as defined in Clause 1.16 below) pertaining to the Home Retail Business Undertaking of FRL including but not limited to intellectual property rights, inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, all earnest moneys and / or security deposits, cash and bank balances, advances, receivables, together with all present and future liabilities (including contingent liabilities) appertaining or relatable thereto;
 - (ii) Without prejudice to the provisions of Sub-Clause (i) above, the Home Retail Business Undertaking of FRL shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relatable to the Home Retail Business Undertaking of FRL such as goodwill, customer lists, customer connects, licenses, permits, quotas, registrations, agreements, contracts, arrangements, privileges or all other rights including tax deferrals and tax credits and other benefits, incentives, tenancy rights, if any, and all other rights, title, interests, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, consent, approvals or powers of every kind nature and description whatsoever in connection with or pertaining or relatable to the Home Retail Business Undertaking of FRL and all deposits and or moneys paid or received by FRL in connection with or pertaining or relatable to the Home Retail Business Undertaking and all statutory licences, permissions, approvals or consents to carry on the operations of the Home Retail Business Undertaking of FRL;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Home Retail Business Undertaking of FRL include:

- (a) The liabilities, which arise out of the activities or operations of the Home Retail Business Undertaking of FRL;
 - (b) Specific loans and borrowings raised, incurred and / or utilized solely for the activities or operation of the Home Retail Business Undertaking of FRL; and
 - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Home Retail Business of FRL, being the amounts of general or multipurpose borrowings of FRL shall be allocated to the Home Retail Business Undertaking of FRL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of FRL immediately before giving effect to this Scheme.
- (iii) All employees of FRL employed in and / or relatable to the Home Retail Business Undertaking of FRL as on the Effective Date;
 - (iv) All deposits and balances with government, semi government, local and other authorities, and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by FRL directly or indirectly in connection with or relating to the Home Retail Business Undertaking;
 - (v) All necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Home Retail Business Undertaking of FRL.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Home Retail Business Undertaking of FRL or whether it arises out of the activities or operations of the Home Retail Business Undertaking of FRL shall be decided by mutual agreement between the Board of Directors of FRL and PHRL.

- 1.12 **“National Company Law Tribunal” or “NCLT” or “Tribunal”** the National Company Law Tribunal having applicable jurisdiction;
- 1.13 **“PHRL”** means Praxis Home Retail Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai – 400 004;
- 1.14 **“Record Date”** shall mean such date to be fixed by the Board of Directors of FRL and BSPL or a committee thereof/person duly authorized by the Board of Directors, after the Effective Date for the purpose of determining the members of FRL and BSPL to whom shares of PHRL will be allotted pursuant to this Scheme in terms of Clause 5 and Clause 16 below;
- 1.15 **“Remaining Business of BSPL” or “Remaining Undertaking of BSPL”** means all the undertakings, businesses, activities and operations of BSPL other than the e-Commerce Home Retail Business Undertaking (as defined in Clause 1.8 above);
- 1.16 **“Remaining Business of FRL” or “Remaining Undertaking of FRL”** means all the undertakings, businesses, activities and operations of FRL other than the Home Retail Business Undertaking (as defined in Clause 1.11 above);
- 1.17 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Arrangement in its present form as submitted to the NCLT or this Scheme with such modification(s), if any made, as per Clause 30 of the Scheme;

- 1.18 **“Stock Exchange”** means BSE Limited and National Stock Exchange of India Limited.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The authorized, issued, subscribed and paid-up share capital of PHRL as on December 31, 2016 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
10,00,000 Equity Shares of Rs. 10/- each	1.00
Total	1.00
Issued, Subscribed and Paid-up Share Capital	
50,000 Equity Shares of Rs. 10/- each, fully paid up	0.05
Total	0.05

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of PHRL.

- 2.2 The authorized, issued, subscribed and paid-up share capital of FRL as on December 31, 2016 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
12,50,00,00,000 Equity Shares of Rs.2/- each	2,500
Total	2,500
Issued Share Capital	
47,14,42,928 Equity Shares of Rs.2/- each, fully paid-up	94.28
Total	94.28
Subscribed and Paid up Capital	
47,13,38,557 Equity Shares of Rs.2/- each, fully paid-up	94.26
Total	94.26

The shares of FRL are currently listed on the National Stock Exchange of India Limited and BSE Limited. Subsequent to the above date and on January 19th, 2017 and March 21st, 2017, the Nomination and Remuneration Committee of FRL has approved the allotment of 4,67,558 and 6,624 equity shares of Rs. 2/- each respectively to eligible employee(s) of FRL under Employee Stock Option Plan.

Upon allotment, the Issued equity share capital of FRL stands increased to Rs. 94,38,34,220/- (Rupees Ninety Four Crore Thirty Eight Lacs Thirty Four Thousand Two Hundred and Twenty only) divided into 47,19,17,110 (Forty Seven Crore Nineteen Lacs Seventeen Thousand One Hundred and Ten only) equity shares of Rs. 2/- (Rupees Two only) each and the paid-up equity share capital of FRL stands increased to Rs. 94,36,25,478/- (Rupees Ninety Four Crore Thirty Six Lacs Twenty Five Thousand Four Hundred and Seventy Eight only) divided into 47,18,12,739 (Forty Seven Crore Eighteen Lacs Twelve Thousand Seven Hundred and Thirty Nine) equity shares of Rs. 2/- (Rupees Two only) each, fully paid up.

Pursuant to the applicable provisions of the Companies Act total 1,04,371 Equity Shares of Rs. 2/- each of the Company are kept in abeyance.

- 2.3 The authorized, issued, subscribed and paid-up share capital of BSPL as on December 31, 2016 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
3,00,00,000 Equity Shares of Rs. 10/- each	30.00
Total	30.00
Issued Share Capital	
2,24,52,099 Equity Shares of Rs. 10/- each, fully paid-up	22.45
Total	22.45

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of BSPL.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective and operative from the respective Appointed Dates.

PART II

4. TRANSFER AND VESTING OF HOME RETAIL BUSINESS UNDERTAKING OF FRL INTO PHRL

- 4.1 Upon the Scheme becoming effective, with effect from the 1st Appointed Date, the Home Retail Business Undertaking of FRL shall, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Sections 230 to 232 of the Act and all other applicable laws, if any, stand transferred to and vested in or be deemed to be transferred to and vested in PHRL as a going concern and all the properties whether moveable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, inventories, work in progress, current assets, investments, deposits, reserves, provisions, funds and all other entitlements, licenses, registrations, patents, trade names, trademarks, leases, tenancy rights, flats, telephones, telexes, facsimile, connections, email connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, titles, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), tax losses and advantages of whatsoever nature and where so ever situated belonging to or in possession of or granted in favour of or enjoyed by Home Retail Business Undertaking of FRL shall be transferred to and vested in or deemed to be transferred to and vested in PHRL in the following manner:
- 4.1.1 Upon the Scheme becoming effective, with effect from the 1st Appointed Date, the whole of the said assets, as aforesaid, of Home Retail Business Undertaking of FRL, of whatsoever nature and where so ever situated and incapable of passing by manual delivery and/or endorsement or otherwise however, shall, under the provisions of Sections 230 to 232 and all other provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in PHRL so as to vest in PHRL all the rights, title and interest of Home Retail Business Undertaking of FRL therein.
- 4.1.2 Upon the Scheme becoming effective, with effect from the 1st Appointed Date, all the moveable assets including cash in hand, if any, of Home Retail Business Undertaking of FRL, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to PHRL. On such delivery or endorsement and delivery, the same shall become the property of PHRL to the end and intent that the ownership and property therein passes to PHRL on such handing over in pursuance of the provisions of Section 230 to 232 of the Act.
- 4.1.3 In respect of the moveable properties of Home Retail Business Undertaking of FRL other than specified in Clause 4.1.2 above and any intangible assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., PHRL may itself or require FRL and FRL shall upon such requisition from PHRL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan receivable, advance or deposit be paid or made good or held on account of PHRL as the person entitled thereto to the end and intent that the right of FRL to recover or realize all such debts (including the debts payable by such persons or depositors to FRL) stands transferred and assigned to PHRL and that appropriate entries should be passed in their respective books to record the aforesaid change.
- 4.1.4 Upon the Scheme becoming effective, with effect from the 1st Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description including all income taxes, excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of Home Retail Business Undertaking of FRL shall also, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred or deemed to be transferred to PHRL so as to become as from the 1st Appointed Date the debts, liabilities, duties, obligations of PHRL and it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this Clause.
- 4.2 The transfer and/or vesting of the properties as aforesaid shall be subject to the charges, hypothecation and mortgages as on the Effective Date, if any, over or in respect of all the said assets or any part thereof of Home Retail Business Undertaking of FRL.
- Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to Home Retail Business Undertaking of FRL which shall vest in PHRL by virtue of the Scheme and FRL shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.
- 4.3 Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of whatsoever nature in relation to the Home Retail Business Undertaking of FRL, to which FRL is a party to or to the benefit of which FRL may be eligible and which are subsisting or having effect immediately before the 1st Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in PHRL as if the same were originally given or issued to or executed in favour of PHRL and the rights and benefits under the same shall be available to PHRL. Further, FRL shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 4.3.
- 4.4 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of FRL (in relation to Home Retail Business Undertaking) after the Effective Date shall be accepted by the bankers of PHRL and credited to the account of PHRL, if presented by PHRL or received through electronic transfers. Similarly, the banker of PHRL shall honour all cheques / electronic fund transfer instructions issued by FRL (in relation to Home Retail Business Undertaking) for payment after the Effective Date. If required, the bankers of FRL and PHRL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of FRL by PHRL in relation to the Home Retail Business Undertaking for such time as may be determined to be necessary by PHRL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of PHRL.

- 4.5 This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 4.6 Upon the Scheme becoming effective, FRL and PHRL are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 4.7 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of Home Retail Business Undertaking of FRL to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the 1st Appointed Date shall be transferred to PHRL.
- 4.8 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws / regulations dealing with taxes/duties/levies due to FRL in relation to the Home Retail Business Undertaking consequent to the assessment made on FRL and for which no credit is taken in the accounts as on the date immediately preceding the 1st Appointed Date shall also belong to and be received by PHRL upon this Scheme becoming effective.
- 4.9 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) to which Home Retail Business Undertaking of FRL is entitled to in terms of applicable laws, shall be available to and vest in PHRL, upon this Scheme coming into effect.

5. CONSIDERATION

- 5.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Home Retail Business Undertaking in PHRL, PHRL shall, without any further application or deed, issue and allot equity shares, credited as fully paid up, to all the shareholders of FRL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date to be fixed in that behalf by the Board of Directors / Committee of Directors of FRL for the purpose of reckoning names of the shareholders of FRL in the following ratio:

1 (One) fully paid up equity share of Rs. 5/- each of PHRL to be issued for every 20 (Twenty) fully paid up equity shares of Rs. 2/- each of FRL to the equity shareholders of FRL as on the Record Date
- 5.2 In case any shareholder of FRL has holding in FRL, such that it becomes entitled to a fraction of an equity share of PHRL, PHRL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:
 - (a) consolidate such fractions and issue consolidated shares to a trustee nominated by PHRL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
 - (b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of FRL and PHRL.
- 5.3 Equity Shares to be issued by PHRL pursuant to Clause 5.1 above in respect of any equity shares of FRL which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (corresponding provision of Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by PHRL.
- 5.4 Equity shares to be issued by PHRL to the shareholders of FRL as above shall be subject to the Memorandum and Articles of Association of PHRL and shall rank *pari passu* with the existing equity shares of PHRL in all respects including dividends.
- 5.5 Equity shares in PHRL shall be issued in dematerialized form to those shareholders who hold shares of FRL in dematerialized form, in to the account in which FRL shares are held or such other account as is intimated by the shareholders to FRL and / or its Registrar. All those shareholders who hold shares of FRL in physical form shall also have the option to receive the equity shares in PHRL in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to FRL and / or its Registrar. Otherwise, they would be issued equity shares in physical form.
- 5.6 The Board of Directors of PHRL shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of equity shares to the shareholders of FRL pursuant to Clause 5.1 of the Scheme.
- 5.7 Equity shares to be issued by PHRL to the members of FRL pursuant to Clause 5.1 of this Scheme will be listed and/or admitted to trading on BSE Limited and National Stock Exchange of India Limited, where the shares of FRL are listed and/or admitted to trading. PHRL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges. The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.

- 5.8 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of FRL, the Board of Directors or any Committee thereof of FRL shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.

6. ACCOUNTING TREATMENT IN THE BOOKS OF FRL AND PHRL

Upon the coming into effect of this Scheme, FRL and PHRL shall account for the demerger in their books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS) or such other accounting principles as may be applicable or prescribed under the Act.

7. TRANSACTIONS UPTO THE EFFECTIVE DATE

- 7.1 With effect from the date of approval of this Scheme by Board of Directors of FRL and PHRL and up to and including the Effective Date:

- (a) FRL shall stand possessed of the properties and assets relating to the Home Retail Business Undertaking for and in trust for PHRL.
- (b) FRL shall not without the prior written consent of the Board of Directors of PHRL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Home Retail Business Undertaking or any part thereof except in the ordinary course of its business.
- (c) FRL shall not vary the terms and conditions of service of its permanent employees relating to the Home Retail Business Undertaking except in the ordinary course of its business or as per past prevailing practices.
- (d) PHRL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which PHRL may require to carry on the business of Home Retail Business Undertaking. Further, FRL shall extend all assistance to PHRL, if requested by PHRL, in obtaining the said consents, approvals and sanctions.

- 7.2 With effect from the date of approval to the Scheme by Board of Directors of FRL and PHRL until the Effective Date, FRL shall preserve and carry on the business and activities of Home Retail Business Undertaking with reasonable diligence and business prudence and FRL shall not, without the prior consultation with PHRL, alienate, charge or otherwise deal with or dispose of the Home Retail Business Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees.

8. DECLARATION OF DIVIDEND, BONUS, ETC.

- 8.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FRL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend.
- 8.2 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FRL from issuing fully paid up bonus equity shares to its shareholders by capitalization of reserves.
- 8.3 FRL shall not utilize the profits or income, if any, relating to the Home Retail Business Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the date of approval of this Scheme by the Board of Directors of FRL and PHRL, without the prior written consent of the Board of Directors of PHRL.
- 8.4 Until the coming into effect of this Scheme, the holders of equity shares of FRL and equity shares of PHRL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Associations.
- 8.5 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, or issuance of fully paid bonus equity shares, are enabling provisions only and shall not be deemed to confer any right on any member of FRL and/or PHRL to demand or claim any dividends / bonus which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of FRL and PHRL and subject, wherever necessary, to the approval of the shareholders of FRL and PHRL, respectively.

9. EMPLOYEES

- 9.1 On the Scheme becoming effective, all employees of the Home Retail Business Undertaking in service on the Effective Date, shall be deemed to have become employees of PHRL with effect from the 1st Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PHRL shall not be less favorable than those applicable to them with reference to the Home Retail Business Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Home Retail Business Undertaking shall be decided by Board of Directors of FRL.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Home Retail Business Undertaking shall be deemed to have been created by PHRL in place of FRL for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of FRL in

relation to such fund or funds shall become those of PHRL. It is clarified that the services of the employees of the Home Retail Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

- 9.3 Upon the coming into effect of this Scheme, the options granted and / or vested, under and pursuant to the FRL Stock Option Plan to the employees of the Remaining Business of FRL as of the Effective Date would continue and the exercise price of such options or number of options to be vested would be suitably adjusted / recomputed in order to compensate the employees of FRL for reduction, if any in the intrinsic value of FRL pursuant to the demerger of Home Retail Business Undertaking of FRL or suitable provision shall be made for issue of shares in FRL as and when the options are exercised.
- 9.4 Approval granted to the Scheme by the shareholders of FRL shall also be deemed to be approval granted to any modifications made to the existing FRL Stock Option Plan.
- 9.5 The variations to the FRL Stock Option Plan made pursuant to this Clause 9 shall not be detrimental or prejudicial to the interests of the concerned employees.

10. LEGAL PROCEEDINGS

- 10.1 All legal proceedings of whatsoever nature by or against FRL pending and/or arising before the Effective Date and relating to the Home Retail Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against PHRL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against FRL.
- 10.2 After the 1st Appointed Date, if any proceedings are taken against FRL in respect of the matters referred to in the Clause 10.1 above, FRL shall defend the same in accordance with advice and instructions of PHRL at the cost of PHRL, and PHRL shall reimburse and indemnify FRL against all liabilities and obligations incurred by FRL in respect thereof.
- 10.3 PHRL undertakes to have all legal or other proceedings initiated by or against FRL referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against PHRL as the case may be, to the exclusion of FRL and FRL shall extend all assistance in such transfer into PHRL's name, if required by PHRL.

11. CONTRACTS, DEEDS, ETC.

- 11.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Home Retail Business Undertaking of FRL to which FRL is a party or to the benefit of which FRL may be eligible, shall continue in full force and effect against or in favour of PHRL, and may be enforced effectively by or against PHRL as fully and effectually as if, instead of FRL, PHRL had been a party thereto from inception.
- 11.2 PHRL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which FRL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. PHRL shall be deemed to be authorised to execute any such writings on behalf of FRL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of FRL.
- 11.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Home Retail Business Undertaking to which FRL is a party to, cannot be transferred to PHRL for any reason whatsoever, FRL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of PHRL; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Home Retail Business Undertaking as well as FRL (pursuant to the transfer of the Home Retail Business Undertaking), FRL and PHRL shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

12. REMAINING UNDERTAKING OF FRL

- 12.1 The Remaining Undertaking of FRL and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by FRL and PHRL shall have no right, claim or obligation in relation to the Remaining Undertaking of FRL. From the 1st Appointed Date, FRL shall carry on the activities and operations of the Remaining Undertaking of FRL distinctly and as a separate business from the Home Retail Business Undertaking.
- 12.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) by or against FRL under any statute, whether pending on the 1st Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking of FRL shall be continued and enforced by or against FRL after the Effective Date. PHRL shall in no event be responsible or liable in relation to any such legal or other proceeding against FRL.
- 12.3 With effect from the date of approval of this Scheme by the Board of Directors of FRL and PHRL and up to, including and beyond the Effective Date, FRL:
- 12.3.1 shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Remaining Undertaking of FRL for and on its own behalf; and
- 12.3.2 all profits accruing to FRL thereon or losses arising or incurred by it relating to the Remaining Undertaking of FRL shall for all purposes be treated as the profits or losses, as the case may be, of FRL.

13. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

13.1 With effect from the 1st Appointed Date and till the Effective Date:

- 13.1.1 FRL shall carry on, and shall be deemed to have carried on, all the business, activities and operations relating to the Home Retail Business Undertaking, and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of the Home Retail Business Undertaking, on account of and / or on behalf of and / or for the benefit of and / or in trust for, PHRL.
- 13.1.2 All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by FRL in relation to the Home Retail Business Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of, PHRL.
- 13.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to the Home Retail Business Undertaking and exercised by or available to FRL, shall be deemed to have been exercised for and on behalf of and as an agent for PHRL. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Home Retail Business Undertaking that have been undertaken or discharged by FRL shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for PHRL.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Home Retail Business Undertaking as above and the continuance of proceedings by or against FRL in relation to the Home Retail Business Undertaking shall not affect any transaction or proceedings already concluded till the Effective Date in accordance with this Scheme, to the end and intent that PHRL accepts and adopts all acts, deeds and things done and executed by FRL in respect thereto as done and executed on behalf of PHRL

PART III

15. TRANSFER AND VESTING OF e-COMMERCE HOME RETAIL BUSINESS UNDERTAKING OF BSPL INTO PHRL

- 15.1 Upon the Scheme becoming effective, with effect from the 2nd Appointed Date, the e-Commerce Home Retail Business Undertaking of BSPL shall, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Sections 230 to 232 of the Act and all other applicable laws, if any, stand transferred to and vested in or be deemed to be transferred to and vested in PHRL as a going concern and all the properties whether moveable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, inventories, work in progress, current assets, investments, deposits, reserves, provisions, funds and all other entitlements, licenses, registrations, patents, trade names, trademarks, leases, tenancy rights, flats, telephones, telexes, facsimile, connections, email connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights, titles, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), tax losses and advantages of whatsoever nature and where so ever situated belonging to or in possession of or granted in favour of or enjoyed by e-Commerce Home Retail Business Undertaking of BSPL shall be transferred to and vested in or deemed to be transferred to and vested in PHRL in the following manner:

- 15.1.1 Upon the Scheme becoming effective, with effect from the 2nd Appointed Date, the whole of the said assets, as aforesaid, of e-Commerce Home Retail Business Undertaking of BSPL, of whatsoever nature and where so ever situated and in capable of passing by manual delivery and/or endorsement or otherwise however, shall, under the provisions of Sections 230 to 232 and all other provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in PHRL so as to vest in PHRL all the rights, title and interest of e-Commerce Home Retail Business Undertaking of BSPL therein.
- 15.1.2 Upon the Scheme becoming effective, with effect from the 2nd Appointed Date, all the moveable assets including cash in hand, if any, of e-Commerce Home Retail Business Undertaking of BSPL, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to PHRL. On such delivery or endorsement and delivery, the same shall become the property of PHRL to the end and intent that the ownership and property therein passes to PHRL on such handing over in pursuance of the provisions of Sections 230 to 232 of the Act.
- 15.1.3 In respect of the moveable properties of e-Commerce Home Retail Business Undertaking of BSPL other than specified in Clause 15.1.2 above and any intangible assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., PHRL may itself or require BSPL and BSPL shall upon such requisition from PHRL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan receivable, advance or deposit be paid or made good or held on account of PHRL as the person entitled thereto to the end and intent that the right of BSPL to recover or realize all such debts (including the debts payable by such persons or depositors to BSPL) stands transferred and assigned to PHRL and that appropriate entries should be passed in their respective books to record the aforesaid change.
- 15.1.4 Upon the Scheme becoming effective, with effect from the 2nd Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description including all income taxes, excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of e-Commerce Home Retail Business Undertaking of BSPL shall also, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred or deemed to be

transferred to PHRL so as to become as from the 2nd Appointed Date the debts, liabilities, duties, obligations of PHRL and it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this Clause.

- 15.2 The transfer and/or vesting of the properties as aforesaid shall be subject to the charges, hypothecation and mortgages as on the Effective Date, if any, over or in respect of all the said assets or any part thereof of e-Commerce Home Retail Business Undertaking of BSPL.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to e-Commerce Home Retail Business Undertaking of BSPL which shall vest in PHRL by virtue of the Scheme and BSPL shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

- 15.3 Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of whatsoever nature in relation to the e-Commerce Home Retail Business Undertaking of BSPL, to which BSPL is a party to or to the benefit of which BSPL may be eligible and which are subsisting or having effect immediately before the 2nd Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in PHRL as if the same were originally given or issued to or executed in favour of PHRL and the rights and benefits under the same shall be available to PHRL. Further, BSPL shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 15.3.
- 15.4 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of BSPL (in relation to e-Commerce Home Retail Business Undertaking) after the Effective Date shall be accepted by the bankers of PHRL and credited to the account of PHRL, if presented by PHRL or received through electronic transfers. Similarly, the banker of PHRL shall honour all cheques / electronic fund transfer instructions issued by BSPL (in relation to e-Commerce Home Retail Business Undertaking) for payment after the Effective Date. If required, the bankers of BSPL and PHRL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of BSPL by PHRL in relation to the e-Commerce Home Retail Business Undertaking for such time as may be determined to be necessary by PHRL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of PHRL.
- 15.5 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 15.6 Upon the Scheme becoming effective, BSPL and PHRL are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 15.7 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws / regulations dealing with taxes/duties/levies of the e-Commerce Home Retail Business Undertaking of BSPL to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the 2nd Appointed Date shall be transferred to PHRL.
- 15.8 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to BSPL in relation to the e-Commerce Home Retail Business Undertaking consequent to the assessment made on BSPL and for which no credit is taken in the accounts as on the date immediately preceding the 2nd Appointed Date shall also belong to and be received by PHRL upon this Scheme becoming effective.
- 15.9 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which e-Commerce Home Retail Business Undertaking of BSPL is entitled to in terms of applicable laws, shall be available to and vest in PHRL, upon this Scheme coming into effect.

16. CONSIDERATION

- 16.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the e-Commerce Home Retail Business Undertaking in PHRL, PHRL shall, without any further application or deed, issue and allot 9% Redeemable Preference Shares (hereinafter referred to as 'Preference Shares'), credited as fully paid up, to all the shareholders of BSPL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date to be fixed in that behalf by the Board of Directors of BSPL for the purpose of reckoning names of the shareholders of BSPL in the following ratio:

6,30,000 (Six Lakh Thirty Thousand) Preference Shares of the face value of Rs. 100/- (Rupees One Hundred only), each fully paid-up, of PHRL to be issued on a proportionate basis to members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding fully paid-up equity shares in BSPL on the Record Date.

- 16.2 In case any shareholder of BSPL has holding in BSPL, such that it becomes entitled to a fraction of Preference Shares of PHRL, PHRL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:

- (a) consolidate such fractions and issue consolidated shares to a trustee nominated by PHRL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
 - (b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of BSPL and PHRL.
- 16.3 Preference Shares to be issued by PHRL pursuant to Clause 16.1 above in respect of any equity shares of BSPL which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (corresponding provision of Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by PHRL.
- 16.4 Preference Shares to be issued by PHRL to the shareholders of BSPL as above shall be subject to the Memorandum and Articles of Association of PHRL.
- 16.5 Preference Shares in PHRL shall be issued in dematerialized form to those shareholders who hold shares of BSPL in dematerialized form, in to the account in which BSPL shares are held or such other account as is intimated by the shareholders to BSPL and / or its Registrar. All those shareholders who hold shares of BSPL in physical form shall also have the option to receive the Preference Shares in PHRL in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to BSPL and / or its Registrar. Otherwise, they would be issued Preference Shares in physical form.
- 16.6 The Board of Directors of PHRL shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of Preference Shares to the shareholders of BSPL pursuant to Clause 16.1 of the Scheme.
- 16.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of BSPL, the Board of Directors or any committee thereof of BSPL shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective.
- 16.8 Approval of this Scheme by the shareholders of PHRL shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of Preference Shares by PHRL to the shareholders of BSPL, as provided in this Scheme.
- 16.9 The approval of this Scheme by the shareholders of the companies under Sections 230 and 232 of the Act shall be deemed to have been the approval under Sections 13 and 14 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

17. ACCOUNTING TREATMENT IN THE BOOKS OF BSPL AND PHRL

Upon the coming into effect of this Scheme, BSPL and PHRL shall account for the demerger in their books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS) or such other accounting principles as may be applicable or prescribed under the Act.

18. TRANSACTIONS UPTO THE EFFECTIVE DATE

- 18.1 With effect from the date of approval of this Scheme by Board of Directors of BSPL and PHRL and up to and including the Effective Date:
- (a) BSPL shall stand possessed of the properties and assets relating to the e-Commerce Home Retail Business Undertaking for and in trust for PHRL.
 - (b) BSPL shall not without the prior written consent of the Board of Directors of PHRL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the e-Commerce Home Retail Business Undertaking or any part thereof except in the ordinary course of its business.
 - (c) BSPL shall not vary the terms and conditions of service of its permanent employees relating to the e-Commerce Home Retail Business Undertaking except in the ordinary course of its business or as per past prevailing practices.
 - (d) PHRL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which PHRL may require to carry on the business of e-Commerce Home Retail Business Undertaking. Further, BSPL shall extend all assistance to PHRL, if requested by PHRL, in obtaining the said consents, approvals and sanctions.
- 18.2 With effect from the date of approval to the Scheme by Board of Directors of BSPL and PHRL until the Effective Date, BSPL shall preserve and carry on the business and activities of e-Commerce Home Retail Business Undertaking with reasonable diligence and business prudence and BSPL shall not, without the prior consultation with PHRL, alienate, charge or otherwise deal with or dispose of the e-Commerce Home Retail Business Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees.

19 DECLARATION OF DIVIDEND, BONUS, ETC.

- 19.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent BSPL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend.
- 19.2 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent BSPL from issuing fully paid up bonus equity shares to its shareholders by capitalization of reserves.
- 19.3 BSPL shall not utilize the profits or income, if any, relating to the e-Commerce Home Retail Business Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the date of approval of this Scheme by the Board of Directors of BSPL and PHRL, without the prior written consent of the Board of Directors of PHRL.
- 19.4 Until the coming into effect of this Scheme, the holders of equity shares of BSPL and equity shares of PHRL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Associations.
- 19.5 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, or issuance of fully paid bonus equity shares, are enabling provisions only and shall not be deemed to confer any right on any member of BSPL and/or PHRL to demand or claim any dividends / bonus which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of BSPL and PHRL and subject, wherever necessary, to the approval of the shareholders of BSPL and PHRL, respectively.

20 EMPLOYEES

- 20.1 On the Scheme becoming effective, all employees of the e-Commerce Home Retail Business Undertaking in service on the Effective Date, shall be deemed to have become employees of PHRL with effect from the 2nd Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PHRL shall not be less favorable than those applicable to them with reference to the e-Commerce Home Retail Business Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the e-Commerce Home Retail Business Undertaking shall be decided by Board of Directors of BSPL.
- 20.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the e-Commerce Home Retail Business Undertaking shall be deemed to have been created by PHRL in place of BSPL for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of BSPL in relation to such fund or funds shall become those of PHRL. It is clarified that the services of the employees of the e-Commerce Home Retail Business Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

21 LEGAL PROCEEDINGS

- 21.1 All legal proceedings of whatsoever nature by or against BSPL pending and/or arising before the Effective Date and relating to the e-Commerce Home Retail Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against PHRL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against BSPL.
- 21.2 After the 2nd Appointed Date, if any proceedings are taken against BSPL in respect of the matters referred to in the Clause 21.1 above, BSPL shall defend the same in accordance with advise and instructions of PHRL at the cost of PHRL, and PHRL shall reimburse and indemnify BSPL against all liabilities and obligations incurred by BSPL in respect thereof.
- 21.3 PHRL undertakes to have all legal or other proceedings initiated by or against BSPL referred to in Clause 21.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against PHRL as the case may be, to the exclusion of BSPL and BSPL shall extend all assistance in such transfer into PHRL's name, if required by PHRL.

22 CONTRACTS, DEEDS, ETC.

- 22.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the e-Commerce Home Retail Business Undertaking of BSPL to which BSPL is a party or to the benefit of which BSPL may be eligible, shall continue in full force and effect against or in favour of PHRL, and may be enforced effectively by or against PHRL as fully and effectually as if, instead of BSPL, PHRL had been a party thereto from inception.
- 22.2 PHRL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which BSPL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. PHRL shall be deemed to be authorised to execute any such writings on behalf of BSPL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of BSPL.
- 22.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the e-Commerce Home Retail Business Undertaking to which BSPL is a party to, cannot be transferred to PHRL for any reason whatsoever, BSPL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other

instruments of whatsoever nature in trust for the benefit of PHRL; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the e-Commerce Home Retail Business Undertaking as well as BSPL (pursuant to the transfer of the e-Commerce Home Retail Business Undertaking), BSPL and PHRL shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

23 REMAINING UNDERTAKING OF BSPL

- 23.1 The Remaining Undertaking of BSPL and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by BSPL and PHRL shall have no right, claim or obligation in relation to the Remaining Undertaking of BSPL. From the 2nd Appointed Date, BSPL shall carry on the activities and operations of the Remaining Undertaking of BSPL distinctly and as a separate business from the e-Commerce Home Retail Business Undertaking.
- 23.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) by or against BSPL under any statute, whether pending on the 2nd Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking of BSPL shall be continued and enforced by or against BSPL after the Effective Date. PHRL shall in no event be responsible or liable in relation to any such legal or other proceeding against BSPL.
- 23.3 With effect from the date of approval of this Scheme by the Board of Directors of BSPL and PHRL and up to, including and beyond the Effective Date, BSPL:
- 23.3.1 shall be deemed all the business and activities relating to the Remaining Undertaking of BSPL for and on its own behalf; and
- 23.3.2 all profits accruing to BSPL thereon or losses arising or incurred by it relating to the Remaining Undertaking of BSPL shall for all purposes be treated as the profits or losses, as the case may be, of BSPL.

24 CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 24.1 With effect from the 2nd Appointed Date and till the Effective Date:
- 24.1.1 BSPL shall carry on, and shall be deemed to have carried on, all the business, activities and operations relating to the e-Commerce Home Retail Business Undertaking, and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of each of the e-Commerce Home Retail Business Undertaking, on account of and / or on behalf of and / or for the benefit of and / or in trust for, PHRL.
- 24.1.2 All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by BSPL in relation to the e-Commerce Home Retail Business Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of, PHRL.
- 24.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to the e-Commerce Home Retail Business Undertaking and exercised by or available to BSPL, shall be deemed to have been exercised for and on behalf of and as an agent for PHRL. Further, any of the obligations, duties and commitments attached, relating or pertaining to the e-Commerce Home Retail Business Undertaking that have been undertaken or discharged by BSPL shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for PHRL.

25 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the e-Commerce Home Retail Business Undertaking as above and the continuance of proceedings by or against BSPL in relation to the e-Commerce Home Retail Business Undertaking shall not affect any transaction or proceedings already concluded till the Effective Date in accordance with this Scheme, to the end and intent that PHRL accepts and adopts all acts, deeds and things done and executed by BSPL in respect thereto as done and executed on behalf of PHRL.

PART IV

26 CANCELLATION AND REDUCTION OF SHARE CAPITAL OF PHRL

- 26.1 Upon the Scheme becoming effective and upon the allotment of equity shares and Preference Shares by PHRL in accordance with provisions of Clause 5.1 and Clause 16.1 above, the existing paid up equity share capital of PHRL amounting to Rs. 500,000/- comprising of 50,000 equity shares of Rs. 10/- each fully paid up shall stand cancelled without any consideration and accordingly, the paid up share capital of PHRL shall stand reduced to the extent of face value of such equity shares cancelled.
- 26.2 The amount of paid up equity share capital of PHRL cancelled as per Clause 26.1 above shall be credited to the Capital Reserve Account in the books of PHRL.
- 26.3 The cancellation and reduction in paid up share capital of PHRL shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Act and any other applicable provisions of the Act and the order of the NCLT sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution in liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 66 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of PHRL, PHRL shall not be required to add "And Reduced" as suffix to its name.

PART V

GENERAL TERMS AND CONDITIONS

27 APPROVALS

- 27.1 PHRL shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which it may require to own and operate the Home Retail Business Undertaking and the e-Commerce Home Retail Business Undertaking to be transferred under this Scheme.

28 ADMINISTRATIVE CONVENIENCE

- 28.1 Notwithstanding anything contained in other clauses of this Scheme, FRL, BSPL and PHRL, shall enter into such documents, agreements, make applications to various authorities, regulatory bodies to facilitate the uninterrupted transitions of the business from FRL and BSPL to PHRL.
- 28.2 Notwithstanding anything contained in other clauses of this Scheme but in accordance with the Act and other applicable laws, FRL, BSPL and PHRL, may enter into such documents, agreements, arrangements and make applications to various authorities, regulatory bodies to facilitate the sharing of, inter alia any common services, employees, intellectual properties and other assets (whether moveable or immoveable).

29 APPLICATION TO NCLT

- 29.1 FRL, BSPL and PHRL shall as may be required make applications and/or petitions under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Act to the NCLT or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

30 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 30.1 On behalf of FRL, BSPL and PHRL, the Board of Directors of respective companies, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Board of Directors of FRL, the Board of Directors of BSPL and Board of Directors of PHRL) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 30.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of FRL, BSPL and PHRL may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

31 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 31.1 The requisite consent, approval or permission of the Central Government including Stock Exchange, Securities and Exchange Board of India or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 31.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of FRL, BSPL and PHRL as may be directed by the NCLT or any other competent authority, as may be applicable;
- 31.3 The Scheme being sanctioned by the NCLT or any other authority under Sections 230 to 232 read with Section 66 of the Companies Act, 2013; and
- 31.4 Certified copy of the Order of the NCLT sanctioning the Scheme being filed with the concerned Registrar of Companies by FRL, BSPL and PHRL.

32 EFFECT OF NON-RECEIPT OF APPROVALS

- 32.1 In the event of the Scheme not being sanctioned by the NCLT and/or the order or orders not being passed by March 31, 2018, or by such later date as may be agreed by the respective Boards of Directors of the Companies, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

33 UNDERTAKING IN RESPECT OF CAPITAL STRUCTURE OF PHRL

There shall be no change in the shareholding pattern of PHRL between the Record Date and the listing which may affect the status of approval granted by Stock Exchanges.

34 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be as agreed between FRL, BSPL and PHRL.

SCHEDULE I

TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES BY PHRL TO SHAREHOLDERS OF BSPL

Issuer	Praxis Home Retail Limited
Instrument	Non-Cumulative Redeemable Preference Shares
Face value	Rs. 100/- per Preference Share
Coupon Rate	9% per annum Non-Cumulative
Redemption	To be redeemed at the end of 60 months from the date of allotment
Call Option	PHRL will have an option to redeem the Preference Shares at any time after the end of 24 months from the date of allotment. PHRL, upon exercise of such option or on redemption, will pay the amount of face value of the Preference Shares along with dividend accrued up to that date, if any. PHRL'S liability to the Preference Shareholders shall stand extinguished from the date of dispatch of the cheques / pay order for the redemption amount along with dividend, if any.

STRICTLY PRIVATE AND CONFIDENTIAL

20 April 2017

**The Board of Directors
Future Retail Limited**
10th Floor, Tower C
247 Park, LBS Marg
Vikhroli (West)
Mumbai 400 083

Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
16th Floor, Tower II
Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

Dear Sir(s),

T +91 22 6626 2600
F +91 22 6626 2601

Re: Recommendation of ratio of allotment of equity shares of Praxis Home Retail Private Limited ("PHRPL" or the "Resulting Company") to be issued to the shareholders of Future Retail Limited ("FRL" or the "Client"), in connection with the proposed demerger of Home Retail Business Undertaking of FRL (the "Home Retail Business Undertaking") into the Resulting Company

This has reference to our engagement letters and the discussions that we have had with the executives, representatives and management of FRL from time to time in relation to the above matter.

BRIEF BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Future Group, through its subsidiaries, engages in the businesses of multi-format retail, insurance, and supply chain and logistics services in India. Its multi-format retail business includes hypermarkets and supermarkets, home retailing, consumer durables retail, fashion retail, food retail, and FMCG retail.

FRL is the flagship company of Future Group. FRL currently operates multiple retail formats in hypermarket, supermarket and home segments of the Indian consumer market including: Big Bazaar (hypermarket chain); FBB (Fashion at Big Bazaar); Food Bazaar (supermarket chain); Food hall (Premium lifestyle food destination); easyday (convenient stores); HomeTown (Home Retail Business) and eZone (consumer electronics specialty store). The business of FRL inter-alia includes the retail operations associated therewith. The Equity Shares of FRL are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

FRL operates in the home solutions segment through HomeTown offering a range of living room furniture, dining, bedroom furniture and furniture essentials, mattresses, modular kitchens, home furnishing, décor, households and bath luxury.

PHRPL is a private limited company incorporated under the Companies Act, 1956 and having its registered office at Mumbai.

SCHEME OF ARRANGEMENT

We understand that the Management of FRL (the "Management") is contemplating a group restructuring/ realignment exercise wherein it is proposed that Home Retail Business Undertaking will be demerged from FRL into PHRPL ("Proposed Demerger").



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandio & Co LLP

The Demerger is proposed to be effected through a Scheme of Arrangement pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956.

In this connection, Walker Chandio & Co LLP has been requested by FRL to submit a report recommending the ratio of allotment of equity shares of PHRPL to shareholders of FRL in connection with the Proposed Demerger for the consideration of the Board of FRL.

We understand that consequent to the Proposed Demerger, there will be no impact on the economic beneficial interest of the shareholders of FRL.

This report, and the information contained herein, is absolutely confidential. This report will be placed before the Audit Committee and the Board of FRL and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the proposed Transactions. We are not responsible to any other person/ party for any decision of such person or party based on this report. Any person/ party intending to provide finance / invest in the shares / business of FRL/ PHRPL or their holding companies / subsidiaries / associates / joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the aforementioned purpose, is not permitted.

SOURCES OF INFORMATION

The information and documents, which have been furnished to us by Future Retail Limited, are as under:

1. Unaudited and provisional extracted statement of assets and liabilities of HomeTown as on 31 March 2017.
2. Draft Scheme of Arrangement between FRL, BSPL, PHRPL and their respective shareholders.
3. Proposed Capital Structure of PHRPL.
4. Memorandum of Association of PHRPL.
5. Other relevant details regarding FRL, HomeTown, PHRPL and the Proposed Demerger.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives, representatives and management of FRL.

It may be mentioned that FRL has been provided opportunity to review the draft report (excluding our recommendation of share allotment) for the current exercise as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

EXCLUSIONS AND SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements of FRL/ PHRPL/ Home Retail Business Undertaking referred to in this report. We have not analysed the Financial Statements of Home Retail Business Undertaking and FRL. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. We assume no responsibility for any errors in the above information furnished by FRL and their impact on the present exercise.



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Our scope is limited to expression of our view on the proposed Share Allotment Ratio and its impact on the economic interest of the shareholders of FRL and the Resulting Company. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 1956, Companies Act 2013, FEMA, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger. This report is issued on the understanding that FRL has drawn our attention to all the matters, which they are aware of concerning the financial position of FRL/ Home Retail Business Undertaking / PHRPL and any other matter, which may have an impact on our opinion, on the share allotment ratio for the Proposed Demerger including any significant changes that have taken place or are likely to take place in the financial position of FRL/ Home Retail Business Undertaking / PHRPL in connection with the Proposed Demerger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Recommendation of the allotment ratio is specific to the purpose as mentioned above and the allotment date is as agreed per terms of the engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Please note that the valuation of a business or an enterprise, its equity shares or its equity options is not an exact science and ultimately depends upon what the enterprise or shares might be worth to an independent investor or buyer. Therefore, there is no indisputable single Share Allotment / Entitlement Ratio. While we would provide our view on the Share Allotment Ratio based on the information available to us and within the scope and constraints of this Engagement Letter, others may have a different opinion. The Client acknowledges and agrees that the final responsibility for determination of the Share Allotment/ Entitlement Ratio for the Proposed Demerger and factors other than our report will need to be taken into account in determining such ratios; these will include the Client's assessment of the Proposed Demerger and may include the input of other professional advisors.

The fee for the report is not contingent upon the results reported.

This report does not address the relative merits of the Transactions as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. Any decision by the Client regarding whether or not to proceed with the Transactions shall rest solely with the Client. We owe responsibility to only the Board of Directors of FRL that have retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Demerger. In addition, we express no opinion or recommendation as to how the shareholders of FRL should vote at any shareholders meeting(s) to be held in connection with the Transactions.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other person to the Company. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of the Report and our Report is conditional upon an express indemnity from the Company in our favor holding us harmless from and against any cost, damage, expense and other consequences in connection with the provision of this Report. It is clarified that this Report is not a fairness opinion under any of the stock



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exchange/ listing regulations. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

BACKGROUND

Future Retail Limited

Future Group, through its subsidiaries, engages in the businesses of multi-format retail, insurance, and supply chain and logistics services in India. Its multi-format retail business includes hypermarkets and supermarkets, home retailing, consumer durables retail, fashion retail, food retail, and FMCG retail.

FRL is the flagship company of Future Group. FRL currently operates multiple retail formats in hypermarket, supermarket and home segments of the Indian consumer market including; Big Bazaar (hypermarket chain); FBB (Fashion at Big Bazaar); Food Bazaar (supermarket chain); Food hall (Premium lifestyle food destination); easyday (convenient stores); HomeTown (Home Retail Business) and eZone (consumer electronics specialty store). The business of FRL inter-alia includes the retail operations associated therewith.

The issued, subscribed and paid up equity share capital of FRL as at 31 December 2016 is as under:

Issued, Subscribed and Paid-up Capital	No. of shares
Equity shares of Rs. 2 each	471,338,557

The Equity Shares of FRL are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. As of this report date, the number of equity shares are expected to increase upon allotment of approved 4,67,558 and 6,624 equity shares to eligible employee(s) of FRL under their employees' stock option scheme. Accordingly, the number of issued shares of FRL would stand increased to 471,812,739.

Home Retail Business Undertaking of Future Retail Limited ("Home Retail Business Undertaking")

FRL operates in the home solutions segment through HomeTown offering a range of living room furniture, dining, bedroom furniture and furniture essentials, mattresses, modular kitchens, home furnishing, décor, households and bath luxury.

Praxis Home Retail Private Limited ("PHRPL")

PHRPL is a private limited company incorporated under the Companies Act, 1956 and having its registered office at Mumbai.

The issued, subscribed and paid up equity share capital of PHRPL as at 31 December 2016 is as under:

Issued, Subscribed and Paid-up Capital	No. of shares
Equity shares of Rs. 10 each	50,000

With effect from the Scheme becoming effective, the existing paid up equity share capital of PHRPL amounting to Rs. 500,000/- and any further capital increase required to comply with conversion of company from private limited to public limited company shall stand cancelled without any consideration and accordingly new shares with the face value of Rs. 5 each shall be issued.



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APPROACH - SHARE ALLOTMENT RATIO FOR PROPOSED DEMERGER

As per the Proposed Scheme of Arrangement, in consideration of the transfer and vesting of Home Retail Business Undertaking from FRL into PHRPL, PHRPL shall issue & allot equity shares to the equity shareholders of FRL based on the ratio of allotment of shares.

We understand from the management of FRL that in the event of demerger of Home Retail Business Undertaking into PHRPL, the ratio of allotment of equity shares to the shareholders of FRL is determined on the basis of desired capital structure of PHRPL (post-demerger).

The management of FRL has further indicated that the shareholding of PHRPL pursuant to the Proposed Demerger of Home Retail Business Undertaking into PHRPL would be, effectively, same as the shareholding of FRL (pre-demerger) as the new shares of PHRPL would be issued to the shareholders of FRL in proportion to their shareholding in FRL (pre-demerger). Thus, we understand that the interest of the shareholders in FRL will effectively remain unchanged and therefore from that perspective would not be prejudicially affected.

RECOMMENDATION OF RATIO OF ALLOTMENT OF EQUITY SHARES FOR THE PROPOSED DEMERGER

On the basis of the foregoing, considering the desired capital structure of PHRPL as proposed by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, a share allotment ratio in the event of Demerger of Furniture & Furnishing Business Undertaking of FRL into PHRPL would be as follows:

1 (One) fully paid equity share of Rs. 5 (Rupees Five) each of PHRPL for every 20 (Twenty) fully paid equity share of Rs. 2 (Rupees Two) each held in FRL

Pursuant to the Scheme, in order to comply with the intent of maintaining the economic interest of the shareholders of FRL, the Resulting Company shall issue 23,590,637 equity shares of Rs. 5 to the shareholders of FRL and the initial issued, subscribed and paid up capital of the Resulting Company consisting of 50,000 equity shares of Rs. 10 each and any further capital increase required to comply with conversion of company from private limited to public limited company shall stand cancelled.

Yours faithfully,
For **Walker Chandiok & Co LLP**
Chartered Accountants



Riaz Thingna
Partner
Firm Registration No: 001076N/ N500013

Place: Mumbai
Date: 20 April 2017

Walker Chandio & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

Board of Directors

Bluerock eServices Private Limited

521, III Floor
Udyog Vihar Phase III
Gurgaon
Haryana – 122 106

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India

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20 April 2017

Dear Sirs,

Re: Recommendation of issue and allotment of redeemable preference shares of Praxis Home Retail Private Limited ("PHRPL" or the "Resulting Company") to the shareholders of Bluerock eServices Private Limited ("BSPL" or "the Client"), in connection with the proposed demerger of e-Commerce Home Retail Business Undertaking of Bluerock eServices Private Limited ("eCommerce Home Retail Business Undertaking") into the Resulting Company.

This has reference to our engagement letters and the discussions that we have had with the executives, representatives and management of FRL from time to time in relation to the above matter.

BRIEF BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Bluerock eServices Private Limited

BSPL, founded in 2012 and headquartered at Gurgaon, operates an online home store selling furniture, solid wood products, bed and bath products, décors, kitchen and dining products, lighting products, luggage and bags, kids and baby products, home improvement products, housekeeping products, indoor games, eco bags and accessories, and gifts. BSPL has a web portal for online sale and provides services for operation & maintenance of IT enabled platforms.

BSPL operates through two divisions, one engaged in provision of IT Infrastructure and the other engaged in provision of online home retail e-commerce business, namely Online Home Retail e-Commerce Business ("eCommerce Home Retail Business Undertaking"). BSPL operates as a subsidiary of Future Enterprises Limited.

Praxis Home Retail Private Limited

PHRPL is a private limited company incorporated under the Companies Act, 1956 and having its registered office at Mumbai.

SCHEME OF ARRANGEMENT

We understand that the Management of BSPL is contemplating an internal realignment exercise wherein eCommerce Home Retail Business Undertaking will be demerged into PHRPL ("Proposed Demerger"). The Proposed Demerger is to be effected through a Scheme of Arrangement ('Scheme') pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2005 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiok & Co LLP

In this connection, the Management of BSPL (hereinafter referred to as "Management") has requested Walker Chandiok & Co LLP ("WCC" or the "Firm") to submit a report recommending the ratio of allotment of redeemable preference shares of PHRPL to shareholders of BSPL in connection with the Proposed Demerger for the consideration of the Board of BSPL.

This report, and the information contained herein, is absolutely confidential. This report will be placed before the Board of BSPL and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the proposed Transactions. We are not responsible to any other person/ party for any decision of such person or party based on this report. Any person/ party intending to provide finance / invest in the shares / business of BSPL/ PHRPL or their holding companies / subsidiaries / associates / joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the aforementioned purpose, is not permitted.

SOURCES OF INFORMATION

The information and documents, which have been furnished to us by BSPL are as under:

- Information on business, profile and financials of the eCommerce Home Retail Business Undertaking;
- Draft Scheme of Arrangement between FRL, BSPL, PHRPL and their respective shareholders.
- Carved out Provisional Financial Statements for e-Commerce Home Retail Business Undertaking for year ending 31 March 2017 and period ended 15 April 2016 as provided by the Management;
- Management certified financial projections of e-Commerce Home Retail Business Undertaking for the period from 1 April 2017 to 31 March 2022;
- International Database; World Wide Web;
- Correspondence with the Management and
- Other industry related information from various publicly available sources.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives, representatives and management of BSPL.

It may be mentioned that BSPL has been provided opportunity to review the draft report (excluding our recommendation of share allotment) for the current exercise as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

EXCLUSIONS AND SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements of BSPL/ PHRPL/ eCommerce Home Retail Business Undertaking; referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. We assume no responsibility for any errors in the above information furnished by BSPL and their impact on the present exercise.

In the course of the valuation, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information sourced from data bases.



Walker Chandio & Co LLP

The report assumes that the BSPL comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the eCommerce Home Retail Business Undertaking; will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

Our scope is limited to expression of our view on the proposed Share Allotment Ratio. The report should not be construed as, our opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 1956, Companies Act 2013, FEMA, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger. This report is issued on the understanding that BSPL has drawn our attention to all the matters, which they are aware of concerning the financial position of BSPL/ eCommerce Home Retail Business Undertaking; PHRPL and any other matter, which may have an impact on our opinion, on the share allotment ratio for the Proposed Demerger including any significant changes that have taken place or are likely to take place in the financial position of eCommerce Home Retail Business Undertaking in connection with the Proposed Demerger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Recommendation of the Share Allotment Ratio is specific to the purpose as mentioned above and the allotment date is as agreed per terms of the engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Please note that the valuation of a business or an enterprise, its equity shares or its equity options is not an exact science and ultimately depends upon what the enterprise or shares might be worth to an independent investor or buyer. Therefore, there is no indisputable single Share Allotment / Entitlement Ratio. While we would provide our view on the Share Allotment Ratio based on the information available to us and within the scope and constraints of this Engagement Letter, others may have a different opinion. The Client acknowledges and agrees that the final responsibility for determination of the Share Allotment/ Entitlement Ratio for the Proposed Demerger and factors other than our report will need to be taken into account in determining such ratios; these will include the Client's assessment of the Proposed Demerger and may include the input of other professional advisors.

The fee for the report is not contingent upon the results reported.

This report does not address the relative merits of the Transactions as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. Any decision by the Client regarding whether or not to proceed with the Transactions shall rest solely with the Client. We owe responsibility to only the Board of Directors of BSPL that have retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Demerger. In addition, we express no opinion or recommendation as to how the shareholders of BSPL should vote at any shareholders meeting(s) to be held in connection with the Transactions.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other person to the Company. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.



Walker Chandiook & Co LLP

We do not accept any liability to any third party in relation to the issue of the report and our report is conditional upon an express indemnity from the Client in our favor holding us harmless from and against any cost, damage, expense and other consequences in connection with the provision of this report. It is clarified that this report is not a fairness opinion under any of the stock exchange/ listing regulations. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

APPROACH - BASIS OF PROPOSED DEMERGER OF eCOMMERCE HOME RETAIL BUSINESS UNDERTAKING INTO PHRPL

The scheme contemplates the Proposed Demerger pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956

There are several commonly used and accepted methods for deriving value of a company/ business. Arriving at the fair share allotment ratio for the Proposed Demerger would require determining the fair value of the eCommerce Home Retail Business Undertaking. The value is to be determined independently and without considering the effect of the Proposed Demerger.

The commonly used and accepted methods for deriving value of a company/ undertaking include.

1. Net Asset Value method
2. Comparable Company Market Multiple method\
3. Discounted Cash Flows method

It should be understood that the valuation of any company / undertaking is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the latest available audited/ provisional financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. Under this method, the net assets as per the financial statements are adjusted for market value of surplus / non-operating assets, potential and contingent liabilities if any. The NAV is generally used as the minimum break-up value for any business since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

This methodology is appropriate to value a business whose value derives mainly from the underlying fair value of its assets rather than its earnings, such as property holding companies and investment businesses. This methodology may also be appropriate for a business that is not making an adequate return on assets and for which a greater value can be realised by liquidating the business and selling its assets.



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As the transaction envisages a "going concern", we have not used this method for valuation of eCommerce Home Retail Business Undertaking.

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. This is based on the premise that the market multiples of comparable listed companies are a good benchmark to derive the value of the Company being valued. This method applies the most appropriate and reasonable multiple to the relevant operating performance metrics of the Company being valued to estimate its fair value. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product/service portfolio, size, business strategy and accounting practices.

In the absence of closely comparable listed companies, we have not used this method for valuation of eCommerce Home Retail Business Undertaking.

Discounted Cash Flow Method ("DCF")

The DCF method uses the future free cash flows of the firm/ equity holders discounted by the cost of capital/ equity to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business.

Considering that this method is based on future potential and is widely accepted, we have considered this method to arrive at the valuation of eCommerce Home Retail Business Undertaking as on the Valuation Date.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

While carrying out this engagement, we have relied on historical information made available to us by the Management and the respective Financial Projections for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement. The Projected Financial Statements for the period from 1 April 2017 to 31 March 2022 along with other key items such as capital expenditure and working capital, provided by the Management, have been used to derive future free cash flows of the eCommerce Home Retail Business Undertaking.

Further, to arrive at the equity value of eCommerce Home Retail Business Undertaking, the value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent and other matters, as applicable, based on the provisional financial statements as on 31 March 2017 provided to us by the Management. The Net Equity Value of e-Commerce Home Retail Business Undertaking is thus arrived at INR 63 million as on the Valuation date.



Walker Chandiok & Co LLP

BASIS OF FAIR SHARE ALLOTMENT RATIO

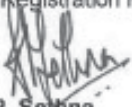
The fair basis for the Proposed Demerger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove.

The Valuer has carried out a fair valuation of the eCommerce Home Retail Business Undertaking. The fair redeemable preference shares entitlement ratio of PHRPL has been arrived at on the basis of a fair valuation of eCommerce Home Retail Business Undertaking based on the various methodologies explained herein earlier and various qualitative factors relevant to the eCommerce Home Retail Business Undertaking and the business dynamics and growth potential of the business, having regard to information base, key underlying assumptions and limitations.

Based on the above analysis and subject to the assumptions and limitations stated in this report and in our Engagement Letter, we have estimated the Equity Value of eCommerce Home Retail Business Undertaking to be INR 63 million as on the Valuation Date.

On the basis of the foregoing, for the Proposed Demerger of the eCommerce Home Retail Business Undertaking of BSPL into Praxis Home Retail Private Limited, we recommend issue of *630,000 (Six Lakh Thirty Thousand) 9% Redeemable Preference Shares of Praxis Home Retail Private Limited (of INR 100/- each fully paid up)*.

Yours faithfully,
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.


Adi P. Sethna
Partner
Membership No. 108840

Place: Mumbai
Date: 20 April 2017

Walker Chandio & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

To,

Future Retail Limited

10th Floor, Tower C,
247 Park, LBS Marg,
Vikhroli (West),
Mumbai 400 083

31 May 2017

Dear Sir / Madam,

Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
16th Floor, Tower I
Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

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We understand that you have received a request from the National Stock Exchange of India Limited to submit the relevant valuation workings for arriving at the ratio of allotment proposed in the Valuation Report (the "Report") dated 20 April 2017, issued by Walker Chandio & Co LLP ("WCC"). In this regard, please find below the necessary explanations and workings for arriving at the share allotment ratio in the report.

As per the Proposed Composite Scheme of Arrangement, Home Retail Business Undertaking of FRL was proposed to be demerged into PHRPL and in consideration of the same PHRPL shall issue & allot equity shares to the equity shareholders of FRL based on the ratio of allotment of shares.

Share Capital Structure of FRL

The issued, subscribed and paid up equity share capital of FRL as at 31 December 2016 was 471,338,557 equity shares. Further, there were certain equity shares to be allotted to eligible employee (s) of FRL towards employee stock options held by them. Accordingly the number of issued shares of FRL would stand increased to 471,812,739.

Computation of Fair Share exchange ratio on demerger of Home Retail Business undertaking of FRL into PHRPL

Pursuant to the Composite Scheme of Arrangement, the interest of the shareholders of FRL will remain unchanged as all the shareholders of FRL would receive shares in PHRPL in the proportion of their holding in FRL, as it is proposed to create mirror image of FRL.

The issued, subscribed and paid up equity share capital of PHRPL as at 31 December 2016 was 50,000 equity shares which was proposed to be cancelled upon scheme becoming effective. Based on the requirement of minimum required capital structure to ensure listing of the shares with stock exchanges and capital structure as desirable and sustainable for PHRPL after cancellation of existing share capital of PHRPL, considering the demerged business to be vested with PHRPL, the management of PHRPL proposed issuance of 23,590,637 equity shares to shareholders of FRL on demerger of Home Retail Business Undertaking in ratio of their holding in FRL.

Walker Chandiok & Co LLP

The share allotment ratio as mentioned in the report is reproduced here for reference:

1 (One) fully paid equity share of Rs. 5 (Rupees Five) each of PHRPL for every 20 (Twenty) fully paid equity share of Rs. 2 (Rupees Two) each held in FRL

In addition to above the Composite Scheme of Arrangement also involved demerger of eCommerce Home Retail Business Undertaking of Bluerock eServices Private Limited ("BSPL") into PHRPL. The consideration for said demerger was in the form of Redeemable Preference shares of PHRPL to be issued to BSPL.

Computation of Fair Share allotment ratio on demerger of eCommerce Home Retail Business undertaking of BSPL into PHRPL

We have undertaken the fair valuation of eCommerce Home Retail Business Undertaking using following method:

Valuation Approach	eCommerce Home Retail Business Undertaking	
	Equity Value (INR Mn)	Weight (%)
Asset Approach	Not Applied	0%
Market Approach	Not Applied	0%
Income Approach	62.9	100%

Hence the number of Redeemable Preference share to be issued is 630,000 (Six Lakh thirty thousand) 9% Redeemable Preference share of PHRPL (of Rs. 100/- each fully paid up).

These valuation workings should be read in conjunction with the Report, along with necessary caveats and disclaimers. The valuation workings are prepared solely for the purpose of submission to Bombay Stock Exchange Limited, National Stock Exchange of India Limited and other relevant regulatory authorities as required. It should not be used, reproduced or circulated to any other person or for any other purpose other than as mentioned above, in whole or in part, without the prior written consent of WCC. Such consent will only be given after full consideration of the circumstances at the time.

Yours faithfully,

Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013



Riaz Thingna
Partner

Private and Confidential

KEYNOTE

April 20, 2017

The Board of Directors,

Future Retail Limited
9th Floor, Tower C,
247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083

Praxis Home Retail Private Limited
32-D, Khotachi Wadi,
Ideal Wafer House Compound,
Girgaum, Mumbai - 400 004

Dear Sirs,

Reg: Fairness Opinion in connection with the proposed demerger of Home Retail Business Undertaking of Future Retail Limited into Praxis Home Retail Private Limited

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of Future Retail Limited ("FRL" or the "Demerged Company") is contemplating a realignment exercise wherein it is considering a Composite Scheme of Arrangement ("Scheme") for the demerger of its Home Retail Business Undertaking into Praxis Home Retail Private Limited ("PHRPL"). The proposed realignment is to be carried out pursuant to the Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

In consideration of the demerger of Home Retail Business Undertaking of FRL into PHRPL pursuant to the Scheme, for every 20 (Twenty) fully paid equity shares of face value of Rs. 2/- each held by the shareholders of FRL, 1 (One) fully paid equity share of face value of Rs. 5/- each of PHRPL shall be issued and allotted (referred to as the "Share Allotment/ Entitlement Ratio").

In connection with the aforesaid, we have been requested by the Board of Directors of FRL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Allotment/ Entitlement Ratio to the Equity Shareholders of FRL. We have perused the documents/ information provided by you in respect of the said Arrangement and the Valuation Report as issued by Walker Chandio & Co LLP ("WCC") dated 20th April, 2017 and state as follows:

Company Profile:

Future Retail Limited is the flagship company of Future Group. FRL currently operates multiple retail formats in hypermarket, supermarket and home segments of the Indian consumer market including; Big Bazaar (Hypermarket chain); FBB (Fashion at Big Bazaar); Food Bazaar (Supermarket chain); Foodhall (Premium lifestyle food destination); Easyday (Consumer retail department stores); Home Town (Home Improvement Store) and eZone (High end consumer electronics specialty store). Home Retail Business of FRL is carried on through HomeTown stores operated by FRL. The equity shares of FRL are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited ("Stock Exchanges").

Praxis Home Retail Private Limited is a private limited Company incorporated under the Companies Act, 1956, and having its registered office at Mumbai.

Page 1 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

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Rationale of the Report:

We have been informed that pursuant to the Draft Composite Scheme of Arrangement and subject to necessary approvals, the Home Retail Business Undertaking of FRL and the e-Commerce Home Retail Business Undertaking of Bluerock eServices Private Limited ("BSPL") will be demerged into PHRPL. The proposed realignment exercise shall result in the consolidation of offline and online Home Retail Business under a single entity, more focused leadership and dedicated management, greater visibility on the performance of Home Retail Business and e-Commerce Home Retail Business and attribution of appropriate risk and valuation to the respective businesses based on risk-return profile and cash flows.

In this regard, we have been requested by the Board of Directors of FRL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Allotment/ Entitlement Ratio to the Equity Shareholders of FRL.

Sources of Information:

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Share Allotment Ratio Report by Walker Chandiok & Co LLP dated 20th April, 2017;
- Draft Composite Scheme of Arrangement between FRL and BSPL and PHRPL and their Respective Shareholders.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Valuation Report by Walker Chandiok & Co LLP, they have recommended the following:

"1 (One) fully paid equity share of Rs.5 (Rupees Five) each of PHRPL for every 20 (Twenty) fully paid equity share of Rs. 2 (Rupees Two) each held by FRL"

The aforesaid Arrangement shall be pursuant to the Draft Composite Scheme of Arrangement and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the arrangement are more fully set forth in the Draft Composite Scheme of Arrangement. Keynote has issued the Fairness Opinion with the understanding that Draft Composite Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Composite Scheme of Arrangement alters the transaction

Based on the information, data made available to us, including the Share Allotment Ratio Report, to the best of our knowledge and belief, the Share Allotment/ Entitlement Ratio as recommended by Walker Chandiok & Co LLP in relation to the proposed Draft Composite Scheme of Arrangement is Fair to the equity shareholders of Future Retail Limited in our opinion.

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Keynote Corporate Services Limited

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CIN-L67120MH1993PLC072407

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Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by FRL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of Home Retail Business Undertaking of FRL. We have solely relied upon the information provided to us by FRL. We have not reviewed any books or records of FRL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Home Retail Business Undertaking of FRL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of Home Retail Business Undertaking of FRL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by FRL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of Home Retail Business Undertaking of FRL with respect to these matters. In addition, we have assumed that the Draft Composite Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Composite Scheme of Arrangement.

We understand that the management of FRL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Composite Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that FRL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving FRL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to FRL for providing a Fairness Opinion and will receive a fee for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of FRL for the purpose of this Transaction and may not be relied upon by any other person and may not be



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Keynote Corporate Services Limited

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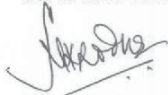
KEYNOTE

used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of FRL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to FRL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of FRL should vote at their respective meetings held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of FRL will trade following the announcement of the Transaction or as to the financial performance of FRL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, FRL and their affiliates shall indemnify them.

For KEYNOTE CORPORATE SERVICES LTD



Nipun Lodha

Executive Vice President and Head Corporate Finance

SEBI Registration No. INM000003606

(Merchant Banker)

Page 4 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028

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CIN-L67120MH1993PLC072407

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April 20, 2017

The Board of Directors,

Bluerock eServices Private Limited

521, III Floor,
Udyog Vihar Phase III,
Gurgaon, Haryana - 122 106

Praxis Home Retail Private Limited

32-D, Khotachi Wadi,
Ideal Wafer House Compound,
Girgaum, Mumbai - 400 004

Dear Sirs,

Reg: Fairness Opinion in connection with the proposed demerger of e-Commerce Home Retail Business Undertaking of Bluerock eServices Private Limited into Praxis Home Retail Private Limited

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of Bluerock eServices Private Limited ("BSPL" or the "Demerged Company") is contemplating a realignment exercise wherein it is considering a Composite Scheme of Arrangement ("Scheme") for the demerger of its e-Commerce Home Retail Business Undertaking into Praxis Home Retail Private Limited ("PHRPL"). We understand that the consideration for the proposed demerger shall be paid to the shareholders of BSPL by issuance of redeemable preference shares of PHRPL. The proposed realignment is to be carried out pursuant to the Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. We have perused the documents/ information provided by you in respect of the said Arrangement and the Valuation Report as issued by Walker Chandio & Co LLP ("WCC") dated 20th April, 2017 and state as follows:

Company Profile:

Bluerock eServices Private Limited is engaged in the business of operating a web portal (www.fabfurnish.com) for online sale of furniture & furnishing products and also provides services for operation & maintenance of technology platforms. FabFurnish.com is an online content driven marketplace for discovery and retail of curated home products. With an international-quality assortment of 1 lakh+ furniture, decor products and home appliances, elegant sofas, beds, dining sets, garden accessories, kitchen essentials, home appliances or classy artifacts etc., FabFurnish.com offers 'Everything Home' across affordable and premium ranges. BSPL, headquartered in Gurgaon operates as a 100% subsidiary of Future Enterprises Limited.

Praxis Home Retail Private Limited is a private limited Company incorporated under the Companies Act, 1956, and having its registered office at Mumbai.

Rationale of the Report:

We have been informed that pursuant to the Draft Composite Scheme of Arrangement and subject to necessary approvals, the Home Retail Business Undertaking of Future Retail Limited ("FRL") and the e-Commerce Home Retail Business Undertaking of BSPL will be demerged into PHRPL. The proposed realignment exercise shall result in the consolidation of offline and online Home Retail Business under a single entity, more focused leadership and dedicated management, greater visibility on the performance

Page 1 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

of Home Retail Business and e-Commerce Home Retail Business and attribution of appropriate risk and valuation to the respective businesses based on risk-return profile and cash flows.

In this regard, we have been requested by the Board of Directors of BSPL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Equity Value of e-Commerce Home Retail Business Undertaking of BSPL and subsequent allotment of redeemable preference shares of PHRPL as consideration for the demerger to the shareholders of BSPL.

Sources of Information:

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by Walker Chandiok & Co LLP dated 20th April, 2017;
- Draft Composite Scheme of Arrangement between FRL and BSPL and PHRPL and their Respective Shareholders.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Valuation Report by Walker Chandiok & Co LLP, they have recommended the following:

"We have estimated the Equity Value of e-Commerce Home Retail Business Undertaking to be INR 63 million as on the Valuation Date. On the basis of the foregoing, for the Proposed Demerger of the Home Retail Business Undertaking of BSPL into Praxis Home Retail Private Limited, we recommend issue of 630,000 (Six Lakh Thirty Thousand) 9% Redeemable Preference Shares of Praxis Home Retail Private Limited (of INR 100/- each fully paid up)"

The aforesaid Arrangement shall be pursuant to the Draft Composite Scheme of Arrangement and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the arrangement are more fully set forth in the Draft Composite Scheme of Arrangement. Keynote has issued the Fairness Opinion with the understanding that Draft Composite Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Composite Scheme of Arrangement alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the Equity Value of e-Commerce Home Retail Business Undertaking and Preference Shares Allotment Ratio as recommended by Walker Chandiok & Co LLP in relation to the proposed Draft Composite Scheme of Arrangement is Fair to the equity shareholders of Bluerock eServices Private Limited in our opinion.



Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by BSPL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of e-Commerce Home Retail Business Undertaking of BSPL. We have solely relied upon the information provided to us by BSPL. We have not reviewed any books or records of BSPL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of e-Commerce Home Retail Business Undertaking of BSPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of e-Commerce Home Retail Business Undertaking of BSPL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by BSPL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of e-Commerce Home Retail Business Undertaking of BSPL with respect to these matters. In addition, we have assumed that the Draft Composite Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Composite Scheme of Arrangement.

We understand that the management of BSPL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Composite Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that BSPL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving BSPL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to BSPL for providing a Fairness Opinion and will receive a fee for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.



Page 3 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

KEYNOTE

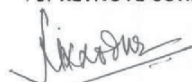
Private and Confidential

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of BSPL for the purpose of this Transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of BSPL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to BSPL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of BSPL should vote at their respective meetings held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of BSPL will trade following the announcement of the Transaction or as to the financial performance of BSPL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, BSPL and their affiliates shall indemnify them.

For KEYNOTE CORPORATE SERVICES LTD



Nipun Lodha

Executive Vice President and Head Corporate Finance

SEBI Registration No. INM000003606

(Merchant Banker)

Page 4 of 4

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407



DCS/AMAL/AC/R37/883/2017-18

August 04, 2017

The Company Secretary
Future Retail Ltd
 Knowledge House,
 Off. Jogeshwari Vikhroli Link Road,
 Shyam Nagar, Jogeshwari (East),
 Mumbai, Maharashtra, 400060.

Sir,

Sub: Observation letter regarding the Draft Scheme of Demerger of Home Retail Business of Future Retail Limited into Praxis Home Retail Limited and E- commerce home retail business of Bluerock eServices Private Limited into Praxis Home Retail Limited.

We are in receipt of Draft Scheme of Demerger of Home Retail Business of Future Retail Limited into Praxis Home Retail Limited and E- commerce home retail business of Bluerock eServices Private Limited into Praxis Home Retail Private Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017;

SEBI vide its letter dated August 03, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company to ensure that the applicable information pertaining to unlisted entities Praxis Home Retail Limited and Bluerock eServices Private limited is included in the format specified for abridged prospectus as specified in the circular."
- "Company shall duly comply with various provisions of the Circulars."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
 Corporate Identity Number : L87120MH2005PLC155188

However, the listing of equity shares of Praxis Home Retail Limited on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Praxis Home Retail Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Praxis Home Retail Limited is at the discretion of the Exchange. In addition to the above, the listing of Praxis Home Retail Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Praxis Home Retail Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Praxis Home Retail Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Praxis Home Retail Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Praxis Home Retail Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'N. Pujari'.

Nitin Pujari
Manager

Ref: NSE/LIST/11482

August 04, 2017

The Dy. Company Secretary
Future Retail Limited
Knowledge House,
Shyam Nagar,
Off. Jogeshwari-Vikhroli Link Road,
Jogeshwari (E) Mumbai – 400060

Kind Attn: Mr. Virendra Samani

Dear Sir,

Sub: Observation letter for Composite Scheme of Arrangement between Future Retail Limited and Bluerock Eservices Private limited and Praxis Home Retail Limited and their respective shareholders.

This has reference to Composite Scheme of Arrangement between Future Retail Limited and Bluerock Eservices Private limited and Praxis Home Retail Limited and their respective shareholders submitted to NSE on May 02, 2017.

Based on our letter reference no Ref: NSE/LIST/11066 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI has vide letter dated August 03, 2017, has given following comments on the draft Scheme of Amalgamation:

1. *Company to ensure that applicable information pertaining to unlisted entity PHRL and BSPL is included in the format specified for abridged prospectus as specified in the circular.*
2. *Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.*
3. *Company shall duly comply with various provisions of the circulars.*
4. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
5. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the National Company Law Tribunal.

1



However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from August 04, 2017, within which the Scheme shall be submitted to the NCLT. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by NCLT, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the NCLT;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

FUTURE RETAIL



June 27, 2017

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

To,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex, Bandra (East)
Mumbai- 400 051

Scrip Code: **540064**Symbol: **FRETAIL**

Ref: SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular') dealing with requirements of the Stock Exchanges on a Scheme of Arrangement

Sub: 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.

Dear Sirs / Madam,

This is with reference to the information / documents filed with you vide our letter dated May 02, 2017 as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular') and subsequent information / documents submitted from time to time with your good office.

As stated in our letter dated May 02, 2017, we hereby submit the Complaints Report containing details of complaints / comments on the Scheme of Arrangement as Annexure I to this letter.

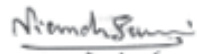
The soft copy of the Complaints Report is being separately sent to you by e-mail and the same is being uploaded on website the Company under the following link:

<http://futureretail.in/investors/Scheme-under-consideration.html>

We request you to kindly upload the same on your website as required under the above mentioned Circular.

Thanking You,

Yours faithfully,
For Future Retail Limited


Virendra Samani
Dy. Company Secretary



Encl: As above

FUTURE RETAIL



ANNEXURE I

Complaints Report as on June 22, 2017

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable	Not Applicable	Not Applicable
2.			
3.			

For Future Retail Limited


Virendra Samani
Dy. Company Secretary



Future Retail Limited (Formerly known as Bharti Retail Limited)
Registered Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060
P +91 22 6644 2200, F +91 22 6644 2201, www.futureretail.co.in
CIN : L51909MH2007PLC298269

FUTURE RETAIL



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF FUTURE RETAIL LIMITED AT ITS MEETING HELD ON 20TH APRIL, 2017 AT MUMBAI EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT.

The Composite Scheme of Arrangement amongst Future Retail Limited ("FRL" / "the Company"), Praxis Home Retail Private Limited ("PHRPL") and Bluerock eServices Private Limited ("BSPL") and their respective Shareholders ("the Scheme") in connection with the Demerger of Home Retail Business Undertaking of the Company and Demerger of e-Commerce Home Retail Business Undertaking of BSPL and vesting with PHRPL under the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("the Act") was approved by the Board of Directors at their respective meetings held on 20th April, 2017.

As required under the provisions of Sections 232(2)(c) of the Act, a report explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio / entitlement, required to be circulated to the Shareholders along with the Notice convening the meeting of Equity Shareholders of the Company.

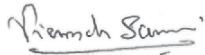
Having regard to the aforesaid provisions, the following was discussed and adopted by the Board of Directors of Company:

- 1) For the Scheme, the Share entitlement Report was obtained from M/s. Walker Chandok & Co. LLP, Independent Chartered Accountants and the Fairness Opinion was provided by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, wherein the following share entitlement was recommended in their report dated 20th April, 2017 as consideration in respect of the Demerger of Home Town Division (Home Retail Business Undertaking) of FRL into PHRPL:

"PHRPL will issue One (1) Equity Share of the face value of Rs. 5 (Rupees Five only), each fully paid-up, on a proportionate basis to members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding in FRL / the Company on the Record Date (as may be determined in terms of the Scheme) for every Twenty (20) fully paid up equity shares of Rs. 2 (Rupees Two only) each of FRL."

- 2) As far as the Shareholders of the Company were concerned (Promoter Shareholders as well as Non-Promoter Shareholders), there would be no strict dilution in their shareholding in the Company on issuance of Equity Shares by PHRPL to the Shareholders of FRL as the Shares are being issued by PHRPL to the Shareholders of FRL based on and in proportion to their shareholding in the Company on Record Date to be fixed as provided in the Scheme and there would be mirror image shareholding.
- 3) The Company was not expecting any change in the KMP's of the Company in pursuance of the Scheme becoming Effective.

For Future Retail Limited


Virendra Samani
Dy. Company Secretary
ACS # 12971



Place : Mumbai
Date : 20th April, 2017

Future Retail Limited (Formerly known as Bharti Retail Limited)

Registered Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060
P +91 22 6644 2200, F + 91 22 6644 2201, www.futureretail.co.in
CIN : L51909MH2007PLC268269

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BLUEROCK ESERVICES PRIVATE LIMITED AT ITS MEETING HELD ON 20TH APRIL, 2017 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT.

The Composite Scheme of Arrangement between Future Retail Limited ("FRL"), Praxis Home Retail Private Limited ("PHRPL") and Bluerock eServices Private Limited ("BSPL" / "the Company") and their respective Shareholders ("the Scheme") in connection with Demerger of e-Commerce Home Retail Business Undertaking of the Company and Demerger of Home Retail Business Undertaking of FRL and vesting with PHRPL under the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("the Act") was approved by the Board of Directors at their respective meetings held on 20th April, 2017.

As required under the provisions of Sections 232(2)(c) of the Act, a report explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio / entitlement, required to be circulated to the Shareholders along with the Notice convening the meeting of Equity Shareholders of the Company.

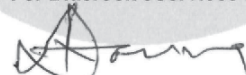
Having regard to the aforesaid provisions, the following was discussed and adopted by the Board of Directors of Company:

- 1) For the Scheme, the Share allotment Report was obtained from M/s. Walker Chandio & Co. LLP, Independent Chartered Accountants and the Fairness Opinion was provided by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, wherein the following share entitlement was recommended in their report dated 20th April, 2017 as consideration in respect of the Demerger of e-Commerce Home Retail Business Undertaking of BSPL into PHRPL:

"PHRPL will issue 6,30,000 (Six Lakh Thirty Thousand) Preference Shares of the face value of Rs. 100 (Rupees One Hundred only), each fully paid-up, on a proportionate basis to members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding fully paid up equity shares in BSPL / the Company on the Record Date (as may be determined in terms of the Scheme)."

- 2) As far as the Shareholders of the Company were concerned (Promoter Shareholders), there would be no strict dilution in their shareholding in the Company on issuance of Preference Shares by PHRPL to the Shareholders of the Company as the Shares are being issued by PHRPL to the Shareholders of BSPL based on and in proportion to their shareholding in the Company on Record Date to be fixed as provided in the Scheme.
- 3) The Company was not expecting any change in the KMP's of the Company in pursuance of the Scheme becoming Effective.

For Bluerock eServices Private Limited



Deepak Tanna
Director
DIN : 02148981



Place : Mumbai
Date : 20th April, 2017

Bluerock eServices Pvt. Ltd.

Plot NO. - 521, 3rd Floor, Udyog Vihar, Phase III, Gurgaon - 122016, Haryana, Ph.: 0124 4246156

Praxis Home Retail Private Limited

(formerly known as GRN Retail Private Limited)

CIN: U52100MH2011PTC212866

Registered Office: 32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai-400004

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PRAXIS HOME RETAIL PRIVATE LIMITED AT ITS MEETING HELD ON 20TH APRIL, 2017 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT.

The Composite Scheme of Arrangement between Future Retail Limited ("FRL"), Praxis Home Retail Private Limited ("PHRPL" / "the Company") and Bluerock eServices Private Limited ("BSPL") and their respective Shareholders ("the Scheme") in connection with the Demerger of Home Retail Business Undertaking of FRL and Demerger of e-Commerce Home Retail Business Undertaking of BSPL and vesting with the Company under the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("the Act") was approved by the Board of Directors at their respective meetings held on 20th April, 2017.

As required under the provisions of Sections 232(2)(c) of the Act, a report explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio / entitlement, required to be circulated to the Shareholders along with the Notice convening the meeting of Equity Shareholders of the Company.

Having regard to the aforesaid provisions, the following was discussed and adopted by the Board of Directors of Company:

- 1) For the Scheme, the Share entitlement Report was obtained from M/s. Walker Chandio & Co. LLP, Independent Chartered Accountants and the Fairness Opinion was provided by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, wherein the following share entitlement was recommended in their report dated 20th April, 2017 as consideration in respect of the Demerger of Home Town Division (Home Retail Business Undertaking) of FRL into the Company:

"PHRPL / the Company will issue One (1) Equity Share of the face value of Rs. 5 (Rupees Five only), each fully paid-up, on a proportionate basis for every Twenty (20) fully paid up equity shares of Rs. 2 (Rupees Two only) each held by members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding shares in FRL on the Record Date (as may be determined in terms of the Scheme)."

- 2) For the Scheme, the Share allotment Report was obtained from M/s. Walker Chandio & Co. LLP, Independent Chartered Accountants and the Fairness Opinion was provided by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, wherein the following share entitlement was recommended in their report dated 20th April, 2017 as consideration in respect of the Demerger of e-Commerce Home Retail Business Undertaking of BSPL into the Company:

"PHRPL / the Company will issue 6,30,000 (Six Lakh Thirty Thousand) Preference Shares of the face value of Rs. 100 (Rupees One Hundred only), each fully paid-up, on a proportionate basis to members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding fully paid up equity shares in BSPL on the Record Date (as may be determined in terms of the Scheme)."



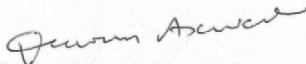
Praxis Home Retail Private Limited
(formerly known as GRN Retail Private Limited)

CIN: U52100MH2011PTC212866

Registered Office: 32-D, Khotachi Wadi, Ideal Wafer House Compound, Girgaum, Mumbai-400004

- 3) As per Part IV of the Scheme, upon the Scheme becoming effective and upon the allotment of equity shares and preference shares by the Company to the shareholders of FRL and BSPL respectively, the existing paid up equity share capital of the Company shall stand cancelled without any consideration. Accordingly, the existing shareholders would no longer hold any shares in the Company.
- 4) The Company is expecting a change in the KMP's of the Company in pursuance of the Scheme becoming Effective in order to comply with requirement of relevant provisions of various applicable acts, rules, regulations and guidelines.

For Praxis Home Retail Private Limited


Pawan Kumar Agarwal
Director
DIN : 01435580



Place : Mumbai
Date : 20th April, 2017

PRAXIS

HOME RETAIL LIMITED

PRAXIS HOME RETAIL LIMITED

(formerly known as Praxis Home Retail Private Limited)

Please see below the applicable information pertaining to Praxis Home Retail Limited in accordance with circular no. CFD/DIL3/CIR/2017/21, dated March 10, 2017, issued by the Securities and Exchange Board of India ("SEBI").

Praxis Home Retail Limited ("PHRL")

Corporate Identification Number: U52100MH2011PLC212866

Registered and Corporate Office: iThink Techno Campus, Jolly Board Tower D, Ground Floor, Kanjurmarg (East), Mumbai 400 042

Tel: +91 22 6199 4667; **Fax:** +91 22 6199 5019; **Website:** www.praxisretail.in

Contact Person: Pawan Kumar Agarwal, Director

E-mail: cs@praxisretail.in

Promoter of PHRL: G R N Finsec Private Limited ("GRN")*

* Upon the Scheme of Arrangement (as defined hereinafter) becoming effective, the promoters of PHRL shall be identified in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations").

Consideration under the composite scheme of arrangement and Listing Details

Pursuant to the composite Scheme of Arrangement amongst Future Retail Limited ("FRL"), Bluerock eServices Private Limited ("BSPL") and PHRL and their respective shareholders in connection with demerger of home retail business undertaking of FRL into PHRL and also the demerger of e-commerce home retail business undertaking of BSPL into PHRL (the "Scheme of Arrangement"), each shareholder of FRL shall be issued 1 (One) Equity Share of face value of ₹ 5 each of PHRL (the "Equity Share") for every 20 (Twenty) fully paid up equity shares of ₹ 2 each of FRL held by such shareholder as on the record date to be determined in accordance with the Scheme of Arrangement. Further, pursuant to the Scheme of Arrangement, and subject to applicable laws and receipt of requisite approvals, including exemption from Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 (the "SCRR") to be obtained from the SEBI, the Equity Shares would be listed on BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges").

Further, all the shareholders of BSPL as on the record date to be determined in accordance with the Scheme of Arrangement, shall be issued fully paid up 6,30,000 (Six Lakh Thirty Thousand) 9% Redeemable Non-Cumulative Preference Shares of ₹ 100 each of PHRL (the "Preference Shares"), on a proportionate basis.

Details of Merchant Banker, Registrar and Statutory Auditor

MERCHANT BANKER

Axis Capital Limited

1st Floor, Axis House,
C-2, Wadia International Centre
P. B. Marg, Worli
Mumbai 400 025
Tel: +91 22 4325 1199
Fax: +91 22 4325 3000
Contact Person: Ankit Bhatia
E-mail: ankit.bhatia@axiscap.in
Website: www.axiscapital.co.in
SEBI Registration Number: MB/INM000012029

REGISTRAR

Link Intime (India) Private Limited

C-101, 247 Park, Tower C, 1st Floor
L. B. S. Marg, Vikroli (West)
Mumbai 400 083
Tel: +91 22 4918 6000
Fax: +91 22 4918 6060
Contact Person: Suman Shetty
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058

STATUTORY AUDITOR

Pathak H. D. & Associates

814-815, Tulsiani Chambers

212, Nariman Point

Mumbai 400 021

Tel: +91 22 30228508

Fax: +91 22 30228509

Contact Person: Naveen Chaturvedi

E-mail: naveen.c@phd.ind.in

Website: www.phd.ind.in

Firm Registration Number: 107783W

Details of promoter of PHRL

GRN is the promoter of PHRL. GRN was originally incorporated as 'Mohini Finsec Private Limited' on September 11, 2007. Its name was changed from 'Mohini Finsec Private Limited' to 'GRN' with effect from July 13, 2009. The Corporate Identification Number of GRN is U65993MH2007PTC174016. The registered office of GRN is situated at 5-C, 5th Floor, Court Chambers, 35, New Marine Lines, Mumbai 400 020.

GRN is a non-banking financial company which does not accept public deposits and is incorporated with the object of financing industrial enterprises or otherwise and to invest the capital or other funds of GRN in shares, stocks, debentures, debenture stock, bonds, mortgages, obligations, securities and revolving underwriting facilities.

Name of the listed Group Companies of PHRL*: The present group companies of PHRL are not listed on any of the Stock Exchanges.

**Upon the Scheme of Arrangement becoming effective, the promoters and group companies of PHRL shall be identified in accordance with the SEBI ICDR Regulations.*

Business overview and strategy of PHRL

The Memorandum of Association of PHRL authorizes it to undertake the following activities:

1. To own, manage, operate and carry on the business in India or elsewhere of retailing, malls, multiplexes, theatres, shopping plaza and other recreational avenues.
2. To act as retailers by opening retail outlet through various formats, such as direct to home, phone to order, through internet and other modes of channels for buying, selling and dealing in furniture and fixtures for various purposes in India or elsewhere.

As on the date of this notice, PHRL is not carrying on any business activity. Pursuant to the Scheme of Arrangement becoming effective, it will carry on home retail business through retail outlets and online portal.

Board of Directors

Set forth below are the details regarding the Board of Directors of PHRL as on the date of this notice:

Sr. No.	Name	Designation	Experience including other directorships
1.	Pawan Kumar Agarwal	Additional Director	He is a qualified chartered accountant and company secretary having over 15 years of experience in corporate restructuring, taxation, accounts management, management information systems and finance. He holds directorships in: • Future Retail Destination Limited; • Gati Realtors Private Limited; • Knitted Shirts Private Limited; and • Sattva Realtors Limited
2.	Krishan Kumar Biyani	Additional Director	He holds bachelor's degree in commerce from University of Mumbai and diploma in business administration in finance from Welingkar Institute of Management Development and Research. He has over 14 years of experience in finance and accounting. As on the date of this notice, he does not hold directorship in any other company.
3.	Mukesh Agarwal	Additional Director	He holds his bachelor's degree in commerce and is a qualified chartered accountant. He has over 12 years of experience in accounting and taxation. He holds directorships in: • Aashirwad Malls Private limited; • Rural Fairprice Wholesale Limited; and • Shreya Mall Management Private Limited

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issue/rights issues, if any, of PHRL in the preceding 10 years:

PHRL is an unlisted public company and has not undertaken any public issue.

Capital structure of PHRL as on July 27, 2017

Sr. No.	Particulars	Description of equity shares
1.	Authorized share capital	10,00,000 Equity Shares
2.	Issued, subscribed and paid-up equity share capital	50,000 Equity Shares

Shareholding Pattern of PHRL as on July 27, 2017

Equity shares[#]

Sr. No.	Particulars	Number of equity shares prior to Scheme of Arrangement becoming effective	% of holding prior to Scheme of Arrangement becoming effective	Number of equity shares post the Scheme of Arrangement becoming effective	% of holding post the Scheme of Arrangement becoming effective
1.	Promoter*	50,000	100.00	11,687,022	47.72
2.	Public	0	0.00	12,803,567	52.28
	TOTAL	50,000	100.00	24,490,589	100.00

Note : Promoter shareholding includes shares held jointly with nominees.

Preference Shares[^]

Sr. No.	Particulars	Number of preference shares prior to Scheme of Arrangement becoming effective	% of holding prior to Scheme of Arrangement becoming effective	Number of preference shares post the Scheme of Arrangement becoming effective	% of holding post the Scheme of Arrangement becoming effective
1.	Promoter*	0	100.00	0	0
2.	Public	0	0.00	6,30,000	100.00
	TOTAL	0	100.00	6,30,000	100.00

[#] Shareholding pattern as on July 27, 2017, which is subject to revision as on Record Date to be fixed as per the provisions of the Scheme of Arrangement.

* Upon the Scheme of Arrangement becoming effective, the promoters of PHRL shall be identified in accordance with the SEBI ICDR Regulations.

[^] Pursuant to the Scheme of Arrangement, Preference Shares shall be redeemed at the end of 60 months from the date of allotment. Also, PHRL will have an option to redeem the Preference Shares at any time after the end of 24 months from the date of allotment.

Audited Financials

Standalone Financial Information

Particulars (In ₹ Million)	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Total income from operations (net)	-	-	-	-	-
Net Profit/(Loss) before tax and extraordinary items	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)
Net Profit/(Loss) after tax and extraordinary items	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)
Equity Share Capital	0.50	0.10	0.10	0.10	0.10
Reserves and surplus	(0.25)	(0.22)	(0.21)	(0.20)	(0.20)
Net worth	0.25	(0.12)	(0.11)	(0.10)	(0.10)
Basic and Diluted Earnings per Share (₹)	(1.11)	(0.76)	(0.87)	(0.67)	(0.96)
Return on Net Worth (%)	(13.87%)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net Asset Value Per Share (in ₹)	4.93	(11.93)	(11.18)	(10.31)	(9.64)

Risk Factors

The below mentioned risks are top five risks applicable to PHRL:

1. The Scheme of Arrangement is subject to approval of (i) shareholders of PHRL, FRL and BSPL; (ii) sanction by the National Company Law Tribunal in accordance with Section 230-232 of the Companies Act, 2013; (iii) exemption under Rule 19 (2) (b) of SCRR from SEBI; and (iv) in-principle and final approvals from the Stock Exchanges for listing and trading of Equity Shares. In case any of these required approvals or sanctions are not received, the proposed Scheme of Arrangement will not be completed, which will adversely impact PHRL's ability to commence its business activities as contemplated in the said Scheme of Arrangement.

2. PHRL is entering into the business in which it may not have experience. Pursuant to the Scheme of Arrangement, as part of the demerged business, requisite personnel operating the demerged business, would also be part of PHRL and based on their experience in the said field, PHRL would be in position to continue business operations. However, PHRL cannot assure you that it will successfully foray in or continue to be profitable in this business. Any inability to effectively develop and operate its business may have an adverse impact on PHRL's financial condition and results of operations.
3. The efforts of PHRL at integrating acquired businesses, pursuant to the Scheme of Arrangement becoming effective, may not yield timely or effective results or at all, which may affect its financial condition and results of operations. PHRL's failure to derive anticipated synergies could expose itself to potential risks of integrating acquired businesses. PHRL's inability to generate sufficient revenue to offset the costs of acquisitions could significantly disrupt its ability to manage acquired business and adversely affect its financial condition and results of operations.
4. Changes in the regulatory environment in which PHRL operates could have a material adverse effect on its business, financial condition, results of operations and prospects. The regulatory and policy environment in which PHRL operates is evolving and subject to change. Such changes may adversely affect its business, results of operations and prospects, to the extent that PHRL is unable to suitably respond to and comply with any such changes in applicable law and policy.
5. The Equity Shares have never been publicly traded and after the Scheme of Arrangement becoming effective, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to sell the Equity Shares issued to you pursuant to the Scheme of Arrangement at or above the deemed acquisition cost, or at all.

Summary of outstanding Litigations, Claims and Regulatory Actions

1. Total number of outstanding litigations against PHRL and amount involved

As on June 30, 2017, there are no outstanding litigations against PHRL.

2. Brief Details of top 5 material outstanding litigations against PHRL and the amount involved

As on June 30, 2017, there are no outstanding litigations against PHRL.

3. Regulatory action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoter/Group Companies in last 5 financial years including outstanding action*

There has been no regulatory action or disciplinary action nor there is any outstanding regulatory or disciplinary action being undertaken against the promoter company of PHRL i.e. GRN and against the group companies of PHRL in last five financial years by the SEBI or the Stock Exchanges.

** Upon the Scheme of Arrangement becoming effective, the promoters and group companies of PHRL shall be identified in accordance with the SEBI ICDR Regulations.*

4. Brief details of outstanding criminal proceedings against the promoter*

There is no outstanding criminal proceeding against the promoter company i.e. GRN.

** Upon the Scheme of Arrangement becoming effective, the promoters of PHRL shall be identified in accordance with the SEBI ICDR Regulations.*

BLUEROCK eSERVICES PRIVATE LIMITED

ANNEXURE - X

Please see below the applicable information pertaining to Bluerock eServices Private Limited in accordance with circular no. CFD/DIL3/CIR/2017/21, dated March 10, 2017, issued by the Securities and Exchange Board of India ("SEBI").

Bluerock eServices Private Limited ("BSPL")
Corporate Identification Number: U72900MH2012PTC298230

Registered and Corporate Office: Knowledge House, Shyam Nagar,
Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
Tel: +91 22 6199 4103; **Fax:** +91 22 6199 5019
Contact Person: Deepak Navinchandra Tanna, Director;
E-mail: Deepak.Tanna@futuregroup.in

Promoter of BSPL: Future Enterprises Limited ("FEL")

Consideration under the composite scheme of arrangement

Pursuant to the composite Scheme of Arrangement amongst BSPL, Future Retail Limited ("FRL") and Praxis Home Retail Limited ("PHRL") and their respective shareholders in connection with demerger of e-commerce home retail business undertaking of BSPL into PHRL and also the demerger of home retail business undertaking of FRL into PHRL (the "**Scheme of Arrangement**"), PHRL shall issue and allot fully paid up 6,30,000 (Six Lakh Thirty Thousand) 9% Redeemable Non- Cumulative Preference Shares of face value of ₹ 100 each (the "**Preference Shares**"), to all the shareholders of BSPL on a proportionate basis as on the record date for the demerger of e-commerce home retail business undertaking.

Further, each shareholder of FRL shall be issued 1 (One) equity share of face value of ₹ 5 each of PHRL for every 20 (Twenty) fully paid up equity shares of ₹ 2 each of FRL held by such shareholder as on the record date to be determined in accordance with the Scheme of Arrangement.

Details of Merchant Banker and Statutory Auditor

MERCHANT BANKER

Axis Capital Limited

1st Floor, Axis House, C-2, Wadia International Centre
P. B. Marg, Worli
Mumbai 400 025
Tel: +91 22 4325 1199
Fax: +91 22 4325 3000
Contact Person: Ankit Bhatia
E-mail: ankit.bhatia@axiscap.in
Website: www.axiscapital.co.in
SEBI Registration Number: MB/INM000012029

STATUTORY AUDITOR

Surinder Mahajan & Associates

A-134, Defence Colony,
New Delhi 110 024
Tel: +91 11 4653 6729
Contact Person: Surinder Mahajan
E-mail: info@surindermahajan.com
Website: www.surindermahajan.com
Firm Registration Number: 009973N

Details of promoter of BSPL

FEL is the promoter of BSPL. FEL was originally incorporated as Manz Wear Private Limited on October 12, 1987. The name of FEL was changed to 'Manz Wear Limited' consequent to its conversion into a public company and a fresh certificate of incorporation was issued on September 20, 1991. Thereafter, the name of FEL was changed to 'Pantaloons Fashions (India) Limited' and a fresh certificate of incorporation was issued on September 25, 1991. Further, the name of FEL was changed to 'Pantaloons Retail (India) Limited' and a fresh certificate of incorporation was issued on July 7, 1999. Furthermore, the name of FEL was changed to 'Future Retail Limited' and a fresh certificate of incorporation was issued on March 16, 2013. Subsequently, the name of FEL was changed from 'Future Retail Limited' to its present name i.e. 'Future Enterprises Limited' and a fresh certificate of incorporation was issued on May 4, 2016.

The Corporate Identification Number of FEL is L52399MH1987PLC044954. The registered office of FEL is situated at Knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060.

FEL has three broad businesses:

1. Renting of retail infrastructure assets: FEL owns and invests in the retail infrastructure assets, including furniture, fixture and backend infrastructure and rents them out to FRL and other retail companies.

2. Manufacturing: FEL operates garment manufacturing facilities that supply to various Future Group companies and third parties as its operating business.
3. Investments: FEL holds stakes in various Future Group companies and joint ventures and invests in potential value creating opportunities.

Name of the listed Group Companies of BSPL: FEL

Business overview and strategy

The Memorandum of Association of BSPL authorizes it to undertake the following activities:

To carry on the business of e-commerce and to purchase, sell, market, distribute through electronic commerce, for the purpose to do web designing, web based information systems, client server application enterprise, resource planning, business to business wholesale trade of goods, network management and to establish and maintain portals, to act as internet service provider, to develop E-commerce activities doing business to business wholesale trading, to commercialize internet applications, to develop consumer oriented electronic commerce, to create digital signatures & systems on demand, to develop education and digital copyrights, to provide multimedia and digital video broadband communication, to create domain names, internet, internet marketing, online advertisement or such other internet media any kinds of goods, things, articles, products, materials, commodities and services of the company or other companies or any other party on cash basis or on commission basis or such other terms and conditions and to do all such other acts and things necessary for the attainment of the foregoing objects.

Board of Directors

Set forth below are the details regarding the Board of Directors of BSPL as on the date of this notice:

Sr. No.	Name	Designation	Experience including other directorships
1.	Deepak Tanna	Additional Director	He is a member of the Institute of Company Secretaries of India and holds a bachelor's degree in commerce from University of Mumbai. He has over 27 years of experience in corporate law and compliance. He holds directorships in: • Future Outdoor Media Solutions Limited; and • DMA Yellow Works Limited.
2.	Ashish Garg	Director	He holds bachelor's degree in technology from Indian Institute of Technology, Delhi. He has over 11 years of experience in supply chain and business management. As on the date of this notice, he does not hold directorship in any other company.
3.	Sunil Mantri	Additional Director	He is a qualified chartered accountant and has over 25 years of experience across functions in business integration, finance and accounts. As on the date of this notice, he does not hold directorship in any other company.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issue/rights issues, if any, of BSPL in the preceding 10 years: BSPL is a private company and has not undertaken any public issue.

Capital structure of BSPL as on June 30, 2017

Sr. No.	Particulars	Description of equity shares
1.	Authorized share capital	3,00,00,000 equity shares of ₹10 each
2.	Issued, subscribed and paid-up equity share capital	2,24,52,099 equity shares of ₹10 each

Shareholding Pattern of BSPL as on June 30, 2017

Equity shares

Sr. No.	Particulars	Number of shares prior to Scheme of Arrangement becoming effective	% of holding prior to Scheme of Arrangement becoming effective	Number of shares post the Scheme of Arrangement becoming effective	% of holding post the Scheme of Arrangement becoming Effective
1.	Promoter	2,24,52,099	100.00	2,24,52,099	100.00
2.	Public	0	0.00	0	0.00
	TOTAL	2,24,52,099	100.00	2,24,52,099	100.00

**Note- Promoter shareholding includes shares held jointly with nominees.*

Audited Financials of BSPL

Standalone Financial Information

Particulars (In ₹ Million)	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Total income from operations (net)	68.92	410.12	789.28	472.27	115.07
Net profit/(Loss) before tax and extraordinary items	(426.38)	(631.77)	(727.68)	(374.85)	(218.25)
Net profit/(Loss) after tax and extraordinary items	(426.38)	(631.77)	(727.68)	(374.85)	(218.06)
Equity share capital	224.52	224.52	152.35	64.81	28.67
Reserves and surplus	(365.30)	61.08	43.28	(16.86)	32.69
Net worth	(140.78)	285.60	195.63	47.96	61.35
Basic and diluted earnings per share (₹)	(18.99)	(32.28)	(74.97)	(220.85)	(457.64)
Return on Net Worth (%)	Not Applicable	(221.21%)	(371.97%)	(781.65%)	(355.41%)
Net asset value per share (in ₹)	(6.27)	12.72	12.84	7.40	21.40

Risk Factors

The below mentioned risks are top five risks applicable to BSPL:

1. The Scheme of Arrangement is subject to approval of (i) shareholders of BSPL, FRL and PHRL; and (ii) sanction by the National Company Law Tribunal in accordance with Section 230-232 of the Companies Act, 2013. In case any of these required approvals or sanctions are not received, the proposed Scheme of Arrangement will not be completed.
2. Changes in the regulatory environment in which BSPL operates could have a material adverse effect on its business, financial condition, results of operations and prospects. The regulatory and policy environment in which BSPL operates is evolving and subject to change. Such changes may adversely affect its business, results of operations and prospects, to the extent that it is unable to suitably respond to and comply with any such changes in applicable law and policy.
3. BSPL relies on information technology systems, networks and infrastructure to operate its business and any interruption or breakdown in such systems, networks or infrastructure or its technical systems could impair its ability to effectively deliver its products and services.
4. BSPL's inability to manage the rapid growth in scale of its operations or adapt to technological developments or e-commerce trends could affect the performance and features of the services it provides thereby adversely affecting its business operations.
5. BSPL depends on certain third party service providers including for logistics services and payment gateways and an inability to ensure availability of such services at competitive cost may have an adverse effect on its business. Third parties fulfill an increasing portion of customers' orders, and BSPL is increasingly reliant on the reliability, quality and future procurement of their services.

Summary of outstanding Litigations, Claims and Regulatory Actions

1. Total number of outstanding litigations against BSPL and amount involved

BSPL has one outstanding litigation which is pending against it and the amount involved in the matter is ₹ 0.24 million. For details, please see "Brief details of top five material outstanding litigations against BSPL and the amount involved" below.

2. Brief details of top five material outstanding litigations against BSPL and the amount involved

BSPL has one outstanding litigation pending against it.

Biswazith Das (the "**Complainant**"), a customer of BSPL has filed a consumer complaint (the "**Complaint**") dated December 31, 2016 against BSPL before Bengaluru Additional District Consumer Redressal Forum in relation to reimbursement against alleged defective goods supplied by BSPL to the Complainant. BSPL is in the process of filing a reply to the said Complaint. The amount involved in the matter is ₹ 0.24 million. The matter is currently pending.

3. Notices

BSPL has also been served with nine legal notices aggregating to ₹ 1.07 million comprising of:

- five legal notices from customers in relation to reimbursement against defective goods; and
- four legal notices from vendors in relation to non-payment of consideration for advertisement services received and in relation to non-payment of invoices against sales made to BSPL.

The matter is currently pending.

4. Regulatory action, if any – disciplinary action taken by SEBI or stock exchanges against the promoter/group companies in last 5 financial years including outstanding action

- SEBI had passed an adjudication order dated October 13, 2011 against the promoter company i.e. FEL in relation to failure to redress investor grievances and file reports within the stipulated period. Thereafter, FEL had filed a Consent Application dated March 12, 2012 (the "Consent Application"). Pursuant to the Consent Application, and the recommendations of the High Powered Advisory Committee, FEL settled the proceedings through consent mechanism upon payment of ₹ 0.65 million in respect of settlement charges and ₹ 0.1 million in respect of legal expenses incurred by SEBI. In this regard, a consent order was passed by SEBI on December 5, 2012. There has been no regulatory or disciplinary action being undertaken by SEBI or the stock exchanges against the group companies of BSPL in last five financial years.
- FEL and some of its directors have received show cause notices from the Registrar of Companies, in relation to (a) inadequate disclosures, (i) in the financial statements of FEL about the amounts unpaid to suppliers of FEL registered under the Micro, Small and Medium Enterprises Development Act, 2006; (ii) in the terms of issue of bonus shares made by FEL; (iii) in the financial statements of FEL regarding dividend received from the subsidiaries and joint ventures of FEL; and (iv) non-compliance with the applicable accounting standards, as well as the provisions of the Companies Act, 1956 regarding valuation of inventory, (b) payment of remuneration to statutory auditors without approval of the board of directors of FEL, and (c) grant of certain loans and issue of inter-corporate deposits without proper authorisation of the board of directors of FEL (collectively, the "Violations"). In relation to the Violations, the erstwhile Company Law Board (now the National Company Law Tribunal) has imposed a cumulative fee of ₹ 0.32 million on the executive directors and the company secretary of FEL. The Company Law Board (now the National Company Law Tribunal) on May 17, 2016 in connection with compounding of the offences directed to pay an amount of ₹1.6 million, which was paid to National Company Law Tribunal.
- 15 matters have been filed against FEL, including issuance of notices, by various stamp duty authorities, including the District Collector of Stamp, the Assistant Collector of Stamp, the Additional District Magistrate (Finance and Revenue) and the Sub-Divisional Magistrate, in relation to alleged deficiencies in payment of stamp duty in relation to various transactions undertaken by FEL. These matters are at various stages of adjudication. The aggregate amount involved in the matters is ₹97.10 million. The matters are currently pending.

5. Brief details of outstanding criminal proceedings against the promoter.

There are 66 criminal cases against the promoter company i.e. FEL, the details of which are disclosed below:

- 58 criminal cases have been filed by the local health authorities of various cities, Food Inspectors and Food Safety Officers, against FEL, before various judicial forums, for alleged violation of the provisions of the Prevention of Food Adulteration Act, 1954, the Prevention of Food Adulteration Rules, 1955, the Food Safety & Standards Act, 2006, the Food Safety and Standards (Food Products Standard & Food Additives) Regulations, 2011, and the Food Safety & Standards (Packaging & Labelling) Regulations, 2011, in relation to various matters such as misbranding of food products, high content of chemicals in food products above permissible levels, food products containing insects and improper labelling and packaging. These matters are pending at various stages of adjudication.
- 6 criminal cases have been filed by inspectors of legal metrology, against FEL, before various judicial forums, for alleged violation of the provisions of the Legal Metrology Act, 2009 in relation to improper pricing of various products, deficiency in label declaration and misbranding. These matters are pending at various stages of adjudication.
- D. M. Chitnis, labour inspector, has filed a criminal complaint against FEL and others, before the Municipal Court, Ahmedabad, under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 ("CLRAA") for alleged failure of compliance with notice from Labour Officer, A.M. Modi, in relation to non-compliance with registration requirements under the provisions of the CLRAA and failure to file Form 25 for the calendar year ending 2011. The matter is currently pending.
- S.P Singh, Regional Officer, Rajasthan State Pollution Control Board has filed a criminal case before the Chief Judicial Magistrate, Jaipur, against Big Bazaar (operated by FEL) and another, for alleged violation of the provisions of the Environment Protection Act, 1986, in relation to the use of plastic bags, despite such use being prohibited. The matter is currently pending.

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