

DCS/AMAL/PS/24(f)/322/2013-14

December 18, 2013

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

Dear Sir;

Sub: Observation letter regarding the Draft Scheme of Arrangement/ Amalgamation between Future Retail Ltd (FRL) and Future Value Retail Ltd (FVRL).

We are in receipt of draft Scheme of Arrangement/ Amalgamation involving merger of Future Value Retail Limited (WOS) with the company.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated December 13, 2013 received on December 16, 2013 given the following comment(s) on the draft scheme of arrangement:

Considering the significant developments with respect to Optionally convertible Debentures (OCDs) and Compulsorily Convertible Debentures (CCDs) Issued by FVRL, ensure:-

- a) **FRL undertakes voting from public shareholders of the company in accordance with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013**
- b) **FRL incorporates a separate section in draft scheme of arrangement furnishing details of the said OCDs and CCDs allotted to various entities by FVRL and the further developments with respect to the same.**
- c) **Details of OCDs and CCDs allotted to various entities by FVRL and the future developments with respect to the same are uploaded on the website of the company alongwith various other documents pertaining to the instant scheme of arrangement.**
- d) **Details of OCDs and CCDs allotted to various entities by FVRL and the future developments with respect to the same are disclosed to the stock exchange as part of corporate announcements**
- e) **Necessary amendments in the scheme are undertaken to give effect to various submissions and undertakings submitted by the company including submissions and undertaking submitted by the company vide letter dated December 6, 2013.**

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The company shall duly comply with various provisions of the aforesaid SEBI circular.

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

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 mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval 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.

Yours faithfully,


Jayesh Ashtekar
Manager


Lalit Phatak
Asst. Manager