

# FUTURE RETAIL



REF: SEC/BSE/NSE/2017-18

20th April 2017

To,  
Dept. of Corporate Services (CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 540064**

Listing Department  
The National Stock Exchange Limited of India Limited  
Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400 051  
**Symbol: FRETAIL**

Dear Sir / Madam,

**Sub: Outcome of proceeding of the Board Meeting held on 20th April, 2017**

**Ref: 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')– Intimation under Regulation 30 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

We would like to inform that the meeting of Board of Directors of Future Retail Limited ('FRL' / 'Company') was held today, 20th April, 2017, and the Board *inter alia*, considered and approved segregation of the Home Retail Business of the Company operated through HomeTown stores into Praxis Home Retail Private Limited ('PHRPL') by way of a demerger.

The proposed segregation would be carried out vide a 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 (proposed to be converted into public company prior to completion of the Scheme) ('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.

In consideration for the demerger of the Home Retail Business of FRL into PHRPL in terms of the Scheme and based on share entitlement report issued by M/s Walker Chandio & Co LLP, Independent Chartered Accountants, and fairness opinion provided by M/s Keynote Corporate Services Limited, a Category I Merchant Banker, PHRPL will issue 1 (one) fully paid up equity shares of Rs. 5/- each to the equity shareholders of FRL as on the Record Date (as may be determined in terms of the Scheme) for every 20 (Twenty) fully paid up equity share of Rs. 2/- each of FRL. Please note that fractional shares arising out of the above entitlement would be consolidated and dealt with as provided in the Scheme and proceeds would be distributed to all such shareholders who were originally entitled to such fractional shares.

**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

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CIN : L51909MH2007PLC268269



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Pursuant to the Scheme, the shareholding of the existing shareholders of PHRPL would get cancelled and the shareholders of the Company would get equity shares of PHRPL. Upon such issue of equity shares, the shareholding pattern of PHRPL shall be identical to that of the Company.

The equity shares of PHRPL to be issued to the shareholders of FRL pursuant to the Scheme shall be listed on the stock exchanges viz, BSE and NSE (*subject to listing permission being granted by the stock exchanges*). The Scheme would be subject to approval of the National Company Law Tribunal, Stock Exchanges, SEBI and various statutory approvals, including those from the shareholders and the lenders / creditors of the companies involved in the Scheme.

The Board also authorised the Committee of Directors to take necessary actions for completing the requirement in this regard and to do all acts and deeds as may be necessary.

The information pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is also enclosed herewith.

The above is for your information and record, please.

Thanking you,

Yours faithfully,  
For Future Retail Limited

Virendra Samani  
Dy. Company Secretary



Encl: as above.

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Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Remarks
Brief details of the division to be demerged	<p>"HomeTown" format, is Home Retail Business of Future Retail Limited, which was initially established in the year 2007 and vested with the Company from Future Enterprises Limited as part of the demerged business with effect from 31st October, 2015. HomeTown format is a one-stop destination for complete home-making solutions. Various offerings in Home Town include a slew of living room furniture, dining, bedroom furniture and furniture essentials, mattresses, modular kitchens, home furnishing, décor, households and bath luxury. Home Town offers customers a unique, personalized shopping experience, and has grown to be India's biggest store in homemaking, renovation and décor.</p>
Turnover of the demerged division and as a % to the total turnover of the listed entity in the immediately preceding financial year	<p>Turnover : *Rs. 187.36 crore out of Rs. 6,716.01 crore of the Company (equivalent to 2.79% of total turnover) as on 31st March, 2016.</p> <p>* considered on the basis of five months turnover of the Demerged business vested with the Company during the previous year with effect from 31st October 2015 (Total revenue for the HomeTown division for financial year 2015-16 is Rs. 477 Cr.)</p>
Rationale for demerger	<p>The Scheme would <i>inter-alia</i> involve the following:</p> <ul style="list-style-type: none"> <li>• Demerger of Home Retail Business from FRL into PHRPL;</li> <li>• Demerger of e-Commerce Home Retail Business from BSPL into PHRPL;</li> <li>• Cancellation of existing paid up share capital of PHRPL;</li> <li>• Issue of equity shares by PHRPL to the shareholders of FRL as consideration for demerger; and</li> <li>• Issue of redeemable preference shares by PHRPL to the shareholders of BSPL as consideration for demerger.</li> </ul> <p>The Demerger is expected to result in the following:</p> <ul style="list-style-type: none"> <li>• spin off specialty retail business and focusing on large format and small format pure retail businesses from FRL;</li> </ul>

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Particulars	Remarks
	<ul style="list-style-type: none"> <li>consolidation of offline and online Home Retail Business under a single entity;</li> <li>attribution of appropriate risk and valuation to the respective businesses based on risk-return profile and cash flows;</li> <li>more focused leadership and dedicated management; and</li> <li>greater visibility on the performance of Home Retail Business and e-Commerce Home Retail Business.</li> </ul>
Brief details of change in shareholding pattern of the entities	<ul style="list-style-type: none"> <li>FRL – There would be no change in the shareholding pattern of FRL post demerger</li> <li>PHRPL – The shareholding of the existing shareholders of PHRPL would get cancelled and the shareholders of FRL would get equity shares of PHRPL. Upon such issue of equity shares, the shareholding pattern of PHRPL shall be identical / mirror image to that of FRL.</li> </ul>
Nature of consideration	<p>In consideration for the demerger of the Home Retail Business of FRL into PHRPL in terms of the Scheme and based on share entitlement report issued by Walker Chandiook &amp; Co LLP, Independent Chartered Accountants, and fairness opinion provided by M/s Keynote Corporate Services Limited, a Category I Merchant Banker, PHRPL will issue One (1) fully paid up equity shares of Rs. 5/- each to the equity shareholders of FRL as on the Record Date (as may be determined in terms of the Scheme) for every Twenty (20) fully paid up equity share of Rs. 2/- each of FRL.</p> <p>Please note that fractional shares arising out of the above entitlement would be consolidated and dealt with as provided in the Scheme and proceeds would be distributed to all such shareholders who were originally entitled to such fractional shares.</p>
Whether listing would be sought for the resulting company	<ul style="list-style-type: none"> <li>Yes, listing will be sought for the Resulting Company (i.e. PHRPL)</li> </ul>



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