

ISSUE OF CONVERTIBLE INSTRUMENTS PURSUANT TO SCHEME OF AMLAGAMATION OF FUTURE VALUE RETAIL LIMITED (“FVRL”) WITH THE FUTURE RETAIL LIMITED (“FRL” or “THE COMPANY”) (“SCHEME”).

FVRL had issued certain Compulsorily Convertible Debentures ("CCDs") for an aggregate amount of RS.685 cr. to six investors as under:

Name of Investor	Amount (Rs. In Cr)	Date of Allotment
IFCI Ltd	250	30/12/2010
Brand Equity Treaties Ltd	150	30/12/2010
Axis Bank Ltd	250	18/04/2011
Three HNI Investors	35	22/03/2011

Out of above CCDs issued by FVRL, FRL, had in previous financial period ended on 31 December 2012, bought CCDs held by three HNI investors aggregating to RS.35 crores. Further as on 30 September 2013, FRL further purchased CCDs held by M/s. Axis Bank Ltd. aggregating to Rs.250 crores. Accordingly, as on date, the status of investors holding FVRL CCDs stands as under:

Name of Investor	Amount (Rs. In Cr)	Date of Allotment
IFCI Ltd	250	30/12/2010
Brand Equity Treaties Ltd	150	30/12/2010
Future Retail Ltd.	285	22/03/2011, 18/04/2011

As part of the Scheme, CCDs held by FRL would extinguish. Further, CCDs /OCDs of FRL ("Debentures") shall be issued to the external investors holding CCDs issued by FVRL, as follows:

Name of Investor	Instrument	Conversion / Redemption Date
IFCI Ltd	Optionally Convertible Debenture: Series 1 – Rs. 100 crs Series 2 - Rs. 150 crs	30/12/2014 15/12/2015
Brand Equity Treaties Ltd	CCDs - Rs. 150 crs	30/12/2014

Debentures, would be convertible into equity shares of FRL as on conversion date at a price, which shall be four weeks average closing market price of equity shares of FRL based on a conversion amount as agreed with the investors, if the said Debentures are not redeemed before that date.

These Debentures would have a put option only on the Company and in case of Debentures held by IFCI, same shall also have a performance cum financial guarantee from the promoter viz. Future Corporate Resources (FCRL). The guarantee would be operative for conversion of the Debentures into equity shares on the conversion date. If, FCRL intimates to the investors and FRL about its decision to revoke performance of FRL for conversion, the said guarantee would become financial guarantee to ensure redemption of the Debentures in favour of the investors within 30 days of such intimation or conversion date whichever is earlier.