

August 29, 2020

To,

The Board of Directors,
Future Enterprises Limited,
247 Park, Tower C, LBS Marg, Vikhroli West
Mumbai – 400083.

Sub: Fairness Opinion on Pricing of Preferential Allotment

In terms of our engagement letter dated August 28, 2020 with Future Enterprises Limited (“**FEL**”), FEL has requested ICICI Securities Ltd. (“**I-Sec**”) to provide a fairness opinion for pricing of the issue of equity shares and share warrants on preferential basis (“**Preferential Allotment**”) to Reliance Retail and Fashion Lifestyle Limited (“**RRVL WOS**”) as part of the composite scheme of arrangement amongst FEL, Reliance Retail Ventures Limited (“**RRVL**”), RRVL WOS and others (hereinafter referred to as the “**Scheme**”).

BACKGROUND, PURPOSE AND USE OF THIS FAIRNESS OPINION

We understand that the Scheme mainly provides for:

- (i) amalgamation of certain companies with FEL;
- (ii) transfer and vesting of the Logistics & Warehousing Undertaking from FEL to RRVL on a Slump Sale basis;
- (iii) transfer and vesting of the Retail & Wholesale Undertaking from FEL to RRVL WOS on a Slump Sale basis; and
- (iv) Preferential Allotment to RRVL WOS.

The Board of Directors of FEL has appointed BDO Valuation Advisory LLP (“**Valuer**”) to determine and recommend the preferential issue price along with applicable adjustments, if any, in terms of Chapter V – Preferential Issue of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (hereinafter referred to as “**SEBI ICDR Regulations**”), SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017

In this connection, we have been requested by the Board of FEL to render an opinion on whether the Preferential Allotment price determined and recommended by the Valuer vide their report dated August 29, 2020, is fair and reasonable in accordance with SEBI ICDR Regulations.

As per the Valuer’s recommendation, under the Scheme, the Preferential Allotment price works out to INR 17.63/- per fully paid up equity share of face value INR 2/-.

This fairness opinion is being issued in terms of this engagement and is intended only for the sole use and information of FEL, and only in connection with the Scheme including for obtaining judicial and

SEBI Registration : INM000011179
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Website Address: www.icicisecurities.com



regulatory approvals for the Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Scheme or their subsidiaries / joint ventures / associates 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 any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Scheme can be done only with our prior permission in writing. We acknowledge that this fairness opinion will be shared to the extent as may be required, with National Company Law Tribunal, BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE” and together with the BSE, the “Stock Exchanges”), advisors of FEL in relation to the Scheme, as well as with other relevant statutory or regulatory authorities.

SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- (a) Discussions with management of FEL regarding the Scheme;
- (b) Equity share price data of FEL from BSE and NSE; and
- (c) Discussions with the Valuer and the draft and final valuation report of the Valuer

SCOPE LIMITATIONS

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such, the fairness opinion 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 share price data in relation to FEL appearing on BSE and NSE websites. Accordingly, we are unable to and do not express an opinion on the accuracy of any share price data referred to in this fairness opinion.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity.

Our analysis and results are also specific to the date of this fairness opinion and based on information as at August 28, 2020. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that FEL have drawn our attention to all the matters, which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses upto this date. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Further, we understand that the management of FEL has not omitted any relevant and material factors for the purposes of the work, which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of FEL, as to how they should vote in the meeting held in connection with the



Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the market prices at which the equity shares of FEL would trade following the announcement of the Scheme or as to their financial performance following the consummation of the Scheme. We also express no opinion on the likely market price of FEL post the consummation of the Scheme.

No investigation with respect to the claim to title of assets of FEL has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of FEL and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Further, we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Scheme.

In the ordinary course of business, ICICI Securities Limited and its affiliates 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 ICICI Securities Limited 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 Scheme.

RATIONALE & CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the Preferential Allotment price, as recommended by the Valuer is fair and reasonable.

Yours faithfully,

For ICICI Securities Limited



Raghwendra Pande
Executive Vice President, Investment Banking
ICICI Securities, Mumbai
Date: August 29, 2020

