

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION**

**BETWEEN**

**FUTURE TRENDZ LIMITED ('FTL')**

**AND**

**FUTURE SPECIALITY RETAIL LIMITED ('FSRL')**

**AND**

**FUTURE LIFESTYLE FASHIONS LIMITED ('FLFL')**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

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

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**(A) PREAMBLE**

This 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 the following:

- reduction of share capital of FSRL; and
- amalgamation of FTL and FSRL with FLFL.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

**(B) RATIONALE FOR THE SCHEME**

1. FLFL owns the entire paid up equity share capital of FTL alongwith its nominees. FTL owns the entire paid up equity share capital of FSRL alongwith its nominees.
2. FLFL is engaged in the business of retailing of fashion products through departmental and neighbor-hood stores under various formats across the country.
3. FSRL is engaged in the business of retailing Lee Cooper branded apparel, footwear and other accessories.
4. FLFL has entered into a One Time Resolution ('OTR') with various lenders for restructuring of the debts due by it to the lenders. Amalgamation of FTL and FSRL into FLFL is one of the conditions subject to which OTR has been agreed upon by the lenders.
5. Amalgamation of FTL and FSRL with FLFL shall have the following benefits:
  - (a) consolidation of the business operations of FTL, FSRL and FLFL in a single entity;
  - (b) streamlining the operating structure; and
  - (c) synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale to FLFL.

**(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 reduction of paid up share capital of FSRL;
- (iii) **PART III** deals with the amalgamation of FTL and FSRL with FLFL;
- (iv) **PART IV** 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, 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 or are 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 **“Appointed Date”** for Part II and Part III of the Scheme means the Effective Date;
- 1.4 **“Board”** means the Board of Directors of FTL, FSRL and FLFL 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;
- 1.5 **“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 FTL, FSRL and FLFL with the concerned Registrar of Companies;
- 1.6 **“FLFL”** means Future Lifestyle Fashions Limited, a public company bearing CIN L52100MH2012PLC231654, 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;
- 1.7 **“FTL”** means Future Trendz Limited, a public company bearing CIN U74999MH2016PLC285892, incorporated under the Companies Act, 2013, and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060;
- 1.8 **“FSRL”** means Future Speciality Retail Limited, a public company bearing CIN U74999MH2016PLC286295, incorporated under the Companies Act, 2013, and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060;
- 1.9 **“National Company Law Tribunal” or “NCLT” or “Tribunal”** the National Company Law Tribunal having applicable jurisdiction;
- 1.10 **“Scheme” or “the Scheme” or “this Scheme”** means this 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 18 of the Scheme;
- 1.11 **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.12 **“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 ascribed 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 FTL as on March 31, 2021 is as under:

Particulars	Amount (In Rs.)
<b>Authorized Share Capital</b>	
60,00,000 Equity Shares of Rs 10/- each	6,00,00,000
<b>TOTAL</b>	<b>6,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
5,50,000 Equity Shares of Rs.10/- each, fully paid up	55,00,000
<b>TOTAL</b>	<b>55,00,000</b>

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of FTL. The entire issued, subscribed and paid up equity share capital of FTL is held by FLFL along with its nominees.

2.2 The authorized, issued, subscribed and paid-up share capital of FSRL as on March 31, 2021 is as under:

Particulars	Amount (In Rs.)
<b>Authorized Share Capital</b>	
3,99,900 Equity Shares of Rs.10/- Each	39,99,000
1100 Compulsorily Convertible Preference Shares of Rs.910/- each	10,01,000
<b>TOTAL</b>	<b>50,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
3,50,135 Equity Shares of Rs. 10/- each, fully paid up	35,01,350
100 Compulsory Convertible Preference Share of Rs. 910/- each, fully paid up	91,000
<b>TOTAL</b>	<b>35,92,350</b>

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of FSRL. The entire issued, subscribed and paid up equity share capital of FSRL is held by FLFL along with its nominees.

2.3 The authorized, issued, subscribed and paid-up share capital of FLFL as on March 31, 2021 is as under:

<b>Particulars</b>	<b>Amount (In Rs.)</b>
<b>Authorized Share Capital</b>	
25,00,00,000 equity shares equity shares of Rs. 2 each	50,00,00,000
<b>TOTAL</b>	<b>50,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
20,17,74,874 equity shares of Rs. 2 each, fully paid up	40,35,49,748
<b>TOTAL</b>	<b>40,35,49,748</b>

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

FLFL has outstanding employee stock option schemes, the exercise of which may result in an increase in the issued, subscribed and paid-up share capital of FLFL.

### **3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or directed by the NCLT or any amendment(s) made under Clause 18 of this Scheme shall be effective from the Appointed Date but shall become operative from the Effective Date

**PART II**  
**REDUCTION OF SHARE CAPITAL OF FSRL**

**4. REDUCTION OF CAPITAL OF FSRL**

4.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the issued, subscribed and paid up share capital of FSRL shall stand reduced in the following manner:

- the issued, subscribed and paid up share capital of FSRL of Rs. 91,000/- comprising of 100 (One Hundred) Compulsorily Convertible Preference Shares ('CCPS') of Rs. 910/- each, fully paid up, shall be cancelled, extinguished and rendered invalid, without any further act or deed by FSRL or by the holders of the said Compulsorily Convertible Preference Shares.
- The consideration for such cancellation of the share capital shall be discharged by FSRL by issue of 1,89,975 Unsecured Redeemable Non-Convertible Debentures('NCDs') of Rs. 1,000/- each, fully paid up. The terms of issue of said NCDs shall be as provided under Schedule I to this Scheme.

Upon the coming into effect of this Scheme and with effect from the Appointed Date, FSRL shall account for the reduction of capital in its books as per the applicable accounting principles prescribed under applicable Indian Accounting Standards (Ind AS) or such other accounting principles as may be applicable or prescribed under the Act.

4.2 The cancellation and reduction in paid up share capital of FSRL and utilization of the Securities Premium Account, if any, 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. Notwithstanding the reduction in the paid up share capital and utilization of the Securities Premium Account of FSRL, FSRL shall not be required to add "And Reduced" as suffix to its name.

**PART III**  
**AMALGAMATION OF FTL AND FSRL WITH FLFL**

**5. AMALGAMATION OF FTL AND FSRL WITH FLFL**

5.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the entire business and whole of the undertakings of FTL and FSRL shall, in accordance with Section 2(1B) 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 FLFL 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 FTL and FSRL shall be transferred to and vested in or deemed to be transferred to and vested in FLFL in the following manner:

5.1.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the whole of the said assets, as aforesaid, of FTL and FSRL, 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 FLFL so as to vest in FLFL all the rights, title and interest of FTL and FSRL therein.

5.1.2 Upon the Scheme becoming effective, with effect from the Appointed Date, all the moveable assets including cash in hand, if any, of FTL and FSRL, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to FLFL. On such delivery or endorsement and delivery, the same shall become the property of FLFL to the end and intent that the ownership and property therein passes to FLFL on such handing over in pursuance of the provisions of Section 230 to 232 of the Act.

5.1.3 In respect of the moveable properties of FTL and FSRL other than specified in Clause 5.1.2 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., FLFL may itself or require FTL and FSRL and FTL and FSRL shall upon such requisition from FLFL, 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 FLFL as the person entitled thereto to the end and intent that the right of FTL and FSRL to recover or realize all such debts (including the debts payable by such persons or depositors to FTL and FSRL) stands transferred and assigned to FLFL and that appropriate entries should be passed in their respective books to record the aforesaid change.

- 5.1.4 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities (including liability towards NCDs issued pursuant to Part II of the Scheme), duties, obligations of every kind, nature and description including all income taxes, excise duty, custom duty, sales tax, value added tax, service tax, goods and services tax and other government and semi government liabilities of FTL and FSRL 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 FLFL so as to become as from the Appointed Date the debts, liabilities, duties, obligations of FLFL and it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this Clause.
- 5.2 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 FTL and FSRL.
- Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by FTL and FSRL which shall vest in FLFL by virtue of the Scheme and FLFL shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.
- 5.3 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, to which FTL and FSRL are a party to or to the benefit of which FTL and FSRL may be eligible and which are subsisting or having effect immediately before the Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in FLFL as if the same were originally given or issued to or executed in favour of FLFL and the rights and benefits under the same shall be available to FLFL. Further, FTL and FSRL shall execute such further deeds, documents, etc. as may be required to give effect to this Clause 5.3.
- 5.4 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 FTL and FSRL after the Effective Date shall be accepted by the bankers of FLFL and credited to the account of FLFL, if presented by FLFL or received through electronic transfers. Similarly, the banker of FLFL shall honour all cheques / electronic fund transfer instructions issued by FTL and FSRL for payment after the Effective Date. If required, the bankers of FTL, FSRL and FLFL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of FTL and FSRL by FLFL for such time as may be determined to be necessary by FLFL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of FLFL.



- 5.5 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) 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(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 5.6 Upon the Scheme becoming effective, FLFL is expressly permitted to revise its 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, goods and services tax 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.
- 5.7 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, goods and services tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of FTL and FSRL shall be transferred to FLFL.
- 5.8 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, goods & services tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to FTL and FSRL consequent to the assessment made on FTL and FSRL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by FLFL upon this Scheme becoming effective.
- 5.9 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, goods & services tax, applicable state value added tax etc.) to which FTL and FSRL are entitled to in terms of applicable laws, shall be available to and vest in FLFL, upon this Scheme coming into effect.
- 5.10 It is hereby clarified that pursuant to the Composite Scheme of Arrangement between Future Consumer Limited and Future Lifestyle Fashions Limited and Future Market Networks Limited and Future Retail Limited and Future Supply Chain Solutions Limited and Futurebazaar India Limited and Acute Retail Infra Private Limited and Basuti Sales and Trading Private Limited and Brattle Foods Private Limited and Chirag Operating Lease Co. Private Limited and Hare Krishna Operating Lease Private Limited and Nice Texcot Trading & Agency Private Limited and Nishta Mall Management Company Private Limited and Ojas Tradelease and Mall Management Private Limited and Precision Realty Developers Private Limited and Rivaaz Trade Ventures Private Limited and Syntex Trading & Agency Private Limited and Taquito Lease Operators Private Limited and Unique Malls Private Limited and Future Enterprises Limited and Future Enterprises Limited and Reliance Retail Ventures Limited and their respective Shareholders and Creditors and Future Enterprises Limited and Reliance Retail and Fashion Lifestyle Limited and their respective Shareholders and Creditors (hereinafter referred to as ‘FEL Scheme’), FLFL is under the process of being amalgamated with Future Enterprises Limited (‘FEL’). In the event, the said FEL Scheme becomes effective as per the provisions

contained in the said FEL Scheme prior to this Scheme becoming effective, FTL and FSRL shall stand merged with FEL, being the legal successor of FLFL.

## **6. CONSIDERATION**

- 6.1 The entire issued, subscribed and paid-up equity share capital of FTL and FSRL is held, directly and indirectly, by FLFL. Upon the Scheme becoming effective, no shares of FLFL shall be allotted in lieu or exchange of its holding in FTL and, investment in the share capital of FTL, as on the Effective Date shall stand cancelled in the books of FLFL. Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by FLFL and its nominees in FTL and the share certificates, if any, and / or the shares in electronic form representing the shares held by FTL and its nominees in FSRL, shall be deemed to be cancelled without any further act or deed for cancellation thereof by FLFL, and shall cease to be in existence accordingly.

## **7. ACCOUNTING TREATMENT IN THE BOOKS OF FLFL**

- 7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, FLFL shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS) 103 or such other accounting principles as may be applicable or prescribed under the Act.

## **8. TRANSACTIONS UPTO THE EFFECTIVE DATE**

- 8.1 With effect from the date of approval of this Scheme by Board of Directors of FTL, FSRL and FLFL and up to and including the Effective Date:
- (a) FTL and FSRL shall carry on, and shall be deemed to have carried on, all its business, activities and operations and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all its assets, properties and liabilities, on account of and / or on behalf of and / or for the benefit of and / or in trust for, FLFL.
  - (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 FTL and FSRL 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, FLFL.
  - (c) Any of the rights, powers, authorities and privileges attached or related to FTL and FSRL and exercised by or available to FTL and FSRL, shall be deemed to have been exercised for and on behalf of and as an agent for FLFL. Further, any of the obligations, duties and commitments attached, relating or pertaining to FTL and FSRL that have been undertaken or discharged by FTL and FSRL shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for FLFL.
  - (d) FTL and FSRL shall not without the prior written consent of FLFL or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its assets or undertakings or any part thereof except in the ordinary course of its business;

- (e) FTL and FSRL shall not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business or as per past prevailing practices;
- (f) FLFL 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 FLFL may require to carry on the business of FTL and FSRL. Further, FTL and FSRL shall extend all assistance to FLFL, if requested by FLFL, in obtaining the said consents, approvals and sanctions.

8.2 With effect from the date of approval to the Scheme by Board of Directors of FTL, FSRL and FLFL until the Effective Date, FTL and FSRL shall preserve and carry on its business and activities with reasonable diligence and business prudence and FTL and FSRL shall not, without the prior consultation with FLFL, alienate, charge or otherwise deal with or dispose of its business undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees..

## **9. DECLARATION OF DIVIDEND, BONUS, ETC.**

9.1 FTL and FSRL shall not utilize the profits or income 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 FTL, FSRL and FLFL, without the prior written consent of FLFL.

## **10. EMPLOYEES**

10.1 On the Scheme becoming effective, all employees of FTL and FSRL in service on the Effective Date, shall be deemed to have become employees of FLFL with effect from the 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 FLFL shall not be less favorable than those applicable to them with reference to FTL and FSRL on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to FTL and FSRL shall be decided by Board of Directors of FTL and FSRL in consultation with FLFL.

10.2 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 FTL and FSRL shall be deemed to have been created by FLFL in place of FTL and FSRL 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 FTL and FSRL in relation to such fund or funds shall become those of FLFL. It is clarified that the services of the employees of FTL and FSRL will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

## **11. LEGAL PROCEEDINGS**

- 11.1 All legal proceedings of whatsoever nature by or against FTL and FSRL pending and/or arising before the Effective Date, 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 FLFL, 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 FTL and FSRL.
- 11.2 After the Appointed Date, if any proceedings are taken against FTL and FSRL in respect of the matters referred to in the Clause 11.1 above, FTL and FSRL shall defend the same in accordance with advise and instructions of FLFL at the cost of FLFL, and FLFL shall reimburse and indemnify FTL and FSRL against all liabilities and obligations incurred by FTL and FSRL in respect thereof.
- 11.3 FLFL undertakes to have all legal or other proceedings initiated by or against FTL and FSRL referred to in Clause 11.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against FLFL as the case may be, to the exclusion of FTL and FSRL and FTL and FSRL shall extend all assistance in such transfer into FLFL's name, if required by FLFL.

## **12. CONTRACTS, DEEDS, ETC.**

- 12.1 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 to which FTL and FSRL are a party or to the benefit of which FTL and FSRL may be eligible, shall continue in full force and effect against or in favour of FLFL, and may be enforced effectively by or against FLFL as fully and effectually as if, instead of FTL and FSRL, FLFL had been a party thereto from inception.
- 12.2 FLFL 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 FTL and FSRL are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. FLFL shall be deemed to be authorised to execute any such writings on behalf of FTL and FSRL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of FTL and FSRL.

## **13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the undertaking of FTL and FSRL under Clause 5 and the continuance of legal proceedings by or against FTL and FSRL as per Clause 11 shall not affect any transaction or proceedings already concluded by FTL and FSRL on or after the Appointed Date till the Effective Date, to the end and intent that FLFL accepts and adopts all acts, deeds and things done and executed by FTL and FSRL in respect thereto as done and executed on behalf of itself.

**14. DISSOLUTION OF FTL AND FSRL**

14.1 On the Scheme becoming effective, FTL and FSRL shall stand dissolved without being wound-up.

**PART IV**  
**GENERAL TERMS AND CONDITIONS**

**15. APPROVALS**

- 15.1 FLFL 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 business of FTL and FSRL.
- 15.2 FLFL 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 business of FTL and FSRL.
- 15.3 If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of FTL, FSRL and FLFL through their respective Boards, affect the validity or implementation of the other provisions of this Scheme.
- 15.4 Further, each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part / provision of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part / provision shall cause this Scheme to become materially adverse to FTL, FSRL or FLFL, in which case either FTL, FSRL or FLFL shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part / provision.

**16. ADMINISTRATIVE CONVENIENCE**

- 16.1 Notwithstanding anything contained in other clauses of this Scheme, FTL, FSRL and FLFL, shall enter into such documents, agreements, make applications to various authorities, regulatory bodies to facilitate the uninterrupted transitions of the business from FTL and FSRL to FLFL.
- 16.2 Notwithstanding anything contained in other clauses of this Scheme but in accordance with the Act and other applicable laws, FTL, FSRL and FLFL, 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 immovable).

**17. APPLICATION TO NCLT**

- 17.1 FTL, FSRL and FLFL shall as may be required make applications and/or petitions under Sections 230 to 232 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.

**18. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 18.1 On behalf of FTL, FSRL and FLFL, 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 FTL, FSRL and FLFL) 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.

- 18.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of FTL, FSRL and FLFL 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.

## **19. CONDITIONALITY OF THE SCHEME**

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

- 19.1 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;
- 19.2 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 FTL, FSRL and FLFL as may be directed by the NCLT or any other competent authority, as may be applicable;
- 19.3 FLFL shall provide evoting facility to all its shareholders in terms of paragraph 10(a) of Part I of the SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if the votes cast by the majority of public shareholders are in favor of the Scheme and are more than the number of votes cast by the public shareholders against it as required in para 10(b) of Part I of aforesaid SEBI circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- 19.4 The Scheme being sanctioned by the NCLT or any other authority under Sections 230 to 232 of the Companies Act, 2013; and
- 19.5 Certified copy of the order of the NCLT sanctioning the Scheme being filed with the concerned Registrar of Companies by FTL, FSRL and FLFL.
- 19.6 Each part of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. The reduction of capital as provided under Part II of the Scheme shall take effect prior to the amalgamation of FTL and FSRL as provided in Part III of the Scheme.
- 19.7 The provisions contained in the Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if its approved in its entirety unless specifically agreed otherwise by respective Board of Directors of the FTL, FSRL and FLFL or any committee constituted by such board.

## **20. EFFECT OF NON-RECEIPT OF APPROVALS**

- 20.1 In the event of the Scheme not being sanctioned by the NCLT and/or the order or orders not being passed by December 31, 2022 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.

**21. 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 borne by FLFL.



### Schedule I

#### Terms and conditions for issue of Unsecured Redeemable Non-Convertible Debentures

Issuer	Future Speciality Retail Limited
Issue size	Rs. 18,99,75,000
Objects of the issue	Consideration to the CCPS holders under the Scheme
Instrument	1,89,975 Unsecured Redeemable Non-Convertible Debentures
Nature and status of Debentures	Unsecured Redeemable Non-Convertible Debentures
Issuance Mode	Demat
Convertibility	Non-convertible
Status (listed / unlisted)	Unlisted
Face Value	Rs. 1,000/- per debenture
Coupon Rate	0.01% per annum
Premium / discount on redemption	NA
Maturity	The NCDs are redeemable at the completion of five years from the date of allotment ("Tenure"). The FLFL would have an option to redeem the NCDs at any time within the Tenure.
Coupon payment frequency	Annually
Coupon / Interest payment date	Within Thirty days from the closure of every financial year