

FUTURE LIFESTYLE FASHIONS LIMITED

Regd. Off.: Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060. India
Tel. No. +91 22 3084 2336; Fax No. : +91 22 3084 2502
CIN U52100MH2012PLC231654; Website : www.futurelifestyle.in; Email: investorrelations@futurelifestyle.in

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of Future Lifestyle Fashions Limited will be held on Saturday, May 31, 2014 at 10:30 AM at Rangswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhonsle Marg, Mumbai 400 021 to transact the following business:

Special Business:

Item No. 1

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and rules thereunder (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the **“SEBI Regulations”**) and subject to all other applicable laws, rules, regulations, circulars and guidelines and subject to such approvals, permissions, sanctions and consents as may be necessary and required under the applicable laws, rules, regulations, circulars and guidelines and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated under such approvals, permissions, sanctions, and consents as the case may be) which may be accepted by the Board of Directors of the Company (herein referred to as **“Board”** which term shall include any duly constituted and authorized committee thereof to exercise its powers under this resolutions) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, from time to time, in one or more tranches, up to an aggregate of 1,55,27,950 (One Crore Fifty Five Lakh Twenty Seven Thousand Nine Hundred Fifty only) equity shares of face value of Rs. 2 each at a price of Rs. 80.50 (Rupees Eighty and Paise Fifty only) per equity share (including a premium of Rs.78.50 (Rupees Seventy Eight and Paise Fifty only) per equity share) aggregating to Rs. 124,99,99,975 (Rupees One Hundred Twenty Four Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Seventy Five only) (hereinafter referred to as **“Issue Shares 1”**), to PI Opportunities Fund – I (hereinafter referred to as the **“Investor 1”**) on a preferential basis.

RESOLVED FURTHER THAT the Issue Shares 1 being offered, issued and allotted to the Investor 1 by way of a preferential issue shall *inter alia* be subject to the following:

- (i) The Issue Shares 1 to be offered, issued and allotted to the Investor 1 shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (ii) The Issue Shares 1 to be offered, issued and allotted shall rank *pari passu* with the existing equity shares of the Company in all respects including as to dividend;
- (iii) The **“Relevant Date”** for the offer, issue and allotment of the Issue Shares 1 by way of a preferential issue, as per the SEBI Regulations, for the determination of minimum price for the issue of the Issue Shares 1 is April 30, 2014 (as May 1 2014, which is the day 30 days prior to the date of this Extraordinary General Meeting i.e. May 31 2014, was a holiday, and hence, in terms of Explanation to Regulation 71 of the SEBI Regulations, the preceding day has been taken as the **“Relevant Date”**);
- (iv) The Issue Shares 1 to be offered, issued and allotted shall be subject to lock-in as provided under the provisions of SEBI Regulations; and
- (v) The Issue Shares 1 so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and approvals.

RESOLVED FURTHER THAT subject to the provisions of SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the offer, issue and allotment of the Issue Shares 1 and vary, modify or alter any relevant terms and conditions, including size of the preferential issue to the Investor 1, as it may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to issue clarifications on the offer, issue and allotment of the Issue Shares 1, to execute all such writings and instruments and enter into arrangement/ agreements as the Board may in its absolute

discretion deem necessary or desirable for purposes of this resolution, to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Issue Shares 1 and utilisation of proceeds of the Issue Shares 1, take all others steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing in the best interests of the Company and its shareholders.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to delegate all or any of its powers to any officer(s) or authorized signatory(ies) of the Company to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

Item No. 2

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“**SEBI Regulations**”) and subject to all other applicable laws, rules, regulations, circulars and guidelines and subject to such approvals, permissions, sanctions and consents as may be necessary and required under the applicable laws, rules, regulations, circulars and guidelines and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated under such approvals, permissions, sanctions, and consents as the case may be) which may be accepted by the Board of Directors of the Company (herein referred to as “**Board**” which term shall include any duly constituted and authorized committee thereof to exercise its powers under the resolutions) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, from time to time, in one or more tranches, on a preferential basis:

- (a) upto an aggregate of 31,05,590 (Thirty One Lakh Five Thousand Five Hundred Ninety only) equity shares having a face value of Rs. 2/- (Rupees Two only) each at a price of Rs. 80.50 (Rupees Eighty and Paise Fifty only) per equity share (including a premium of Rs.78.50 (Rupees Seventy Eight and Paise Fifty only) per equity share aggregating to Rs. 24,99,99,995 (Rupees Twenty Four Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Ninety Five only) (hereinafter referred to as “**Issue Shares 2**”); and
- (b) upto an aggregate of 1,86,33,540 (One Crore Eighty Six Lakh Thirty Three Thousand Five Hundred Forty only) compulsorily convertible debentures of face value of Rs.80.50 (Rupees Eighty and Paise Fifty only) each at par aggregating to Rs. 149,99,99,970 (Rupees One Hundred Forty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Seventy only) (hereinafter referred to as “**CCDs**”), with each CCD convertible into 1 (One) equity share at a conversion price of Rs. 80.50 (Rupees Eighty and Paise Fifty only) per equity share (hereinafter referred to as “**CCD Shares**”), to Ryka Commercial Ventures Private Limited (hereinafter referred to as the “**Investor 2**”).

RESOLVED FURTHER THAT the Board is hereby authorised to offer, issue and allot requisite number of CCD Shares to the holders of CCDs upon conversion.

RESOLVED FURTHER THAT the Issue Shares 2 and CCDs being offered, issued and allotted to Investor 2 by way of a preferential issue shall *inter alia* be subject to the following:

- (i) The Issue Shares 2 and CCD Shares to be offered, issued and allotted to Investor 2 shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company. CCDs to be offered, issued and allotted to Investor 2 shall be either in physical form or in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company ;
- (ii) The Issue Shares 2 and CCD Shares arising upon conversion of CCDs shall rank *pari passu* with the existing equity shares of the Company in all respects including as to dividend;
- (iii) The “Relevant Date” for the offer, issue and allotment of Issue Shares 2 and the CCDs by way of a preferential issue, as per the SEBI Regulations, for the determination of the minimum price for the issue of Issue Shares 2 and the CCDs is April 30, 2014 (as May 1 2014, which is the day 30 days prior to the date of this Extraordinary General Meeting i.e. May 31, 2014, was a holiday, and hence, in terms of Explanation to Regulation 71 of the SEBI Regulations, the preceding day has been taken as the “Relevant Date”);
- (iv) The CCDs, Issue Shares 2 and CCD Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions of SEBI Regulations;
- (v) The CCDs shall be converted into CCD Shares within a period of 18 months from the date of allotment of the CCDs, in the manner specified in the Explanatory Statement, which shall be deemed to be a part hereof; and
- (vi) Issue Shares 2 and CCD Shares upon conversion of the CCDs will be listed subject to the receipt of the necessary regulatory permissions and approvals.

RESOLVED FURTHER THAT subject to the provisions of the SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of Issue Shares 2 and the CCDs including the time, mode and manner of conversion of CCDs into CCD Shares and to vary, modify or alter any of the terms and conditions, including size of the preferential issue to Investor 2, as it may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to issue clarifications on the offer, issue and allotment of Issue Shares 2 and the CCDs and conversion of CCDs into CCD Shares, to execute all such writings and instruments and enter into arrangement/ agreements as the Board may in its absolute discretion deem necessary or desirable for purposes of this resolution, to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of Issue Shares 2 and the CCDs, conversion of CCDs into CCD Shares and utilisation of proceeds of Issue Shares 2 and the CCDs, take all others steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing in the best interests of the Company and its shareholders.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to delegate all or any of its powers to any officer(s) or authorized signatory(ies) of the Company to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

**By order of the Board of Directors
For Future Lifestyle Fashions Limited**

**Kuldeep Sharma
Head-Legal & Company Secretary**

**Mumbai,
May 03, 2014**

Registered office:

Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400060.

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at a general meeting is annexed hereto,
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Only Registered Members of the Company or any proxy appointed by such Registered Member may attend and vote at the Extraordinary General Meeting as provided under the provisions of the Companies Act, 2013.
4. Electronic copy of the Notice of the aforesaid Extraordinary General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid Extraordinary General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by speed post.
5. Voting on Resolution: If any resolution at the meeting is put to vote on a poll each equity shareholder shall be entitled to one vote for every equity share held.

6. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Extraordinary General Meeting (EGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "Future Lifestyle Fashions Ltd e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Future Lifestyle Fashions Limited
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjayrd65@yahoo.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of EGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided at the bottom of the Attendance Slip for the EGM
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on May 25, 2014 (9:00 am) and ends on May 27, 2014 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of April 25, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of April 25, 2014.
- VII. Mr. Sanjay Dholakia, Practicing Company Secretary (Membership No. 2655 Certificate of Practice No. 1798) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Director of the Company, who had been authorised to receive the report from Scrutinizer.
- IX. The Results shall be declared on or after the EGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.futurelifestyle.in and on the website of NSDL within two (2) days of passing of the resolutions at the EGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

7. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent (R & T Agent) at the following address:

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400078
Phone No. (022) 25963838 Fax No. 022 - 25946969
email : rnt.helpdesk@linkintime.co.in

8. Members/ Proxies are requested to bring the attendance slips duly filled in to the Meeting.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days between Monday and Friday of every week, up to and including the date of the Extraordinary General Meeting of the Company.

Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at a general meeting to be held on May 31, 2014

Item Nos. 1 and 2:

BRIEF NOTE ON COMPANY OPERATIONS AND JUSTIFICATION FOR ISSUE

Your Company has a proven track record of developing strong brands in the lifestyle fashion space as well as distribution and retailing through department stores, specialty and exclusive brand stores and outlet malls. The fresh investment in the Company will further help in growth and investments in developing its portfolio of brands and expansion of its retail network. The equity infusion will also strengthen the Company's balance sheet and reduce interest costs for the Company. It is therefore proposed to raise funds through preferential issue of 1,55,27,950 (One Crore Fifty Five Lakh Twenty Seven Thousand Nine Hundred & Fifty) equity shares to PI Opportunities Fund-I and 31,05,590 (Thirty One Lakh Five Thousand Five Hundred & Ninty) equity shares & 1,86,33,540 (One Crore Eighty Six Lakh Thirty Three Thousand Five Hundred & Forty) CCDs to Ryka Commercial Ventures Private Limited, being a company forming part of the Promoter Group.

Salient features of the preferential issue are as under:

- Allotment of the Issue Shares 1 to PI Opportunities Fund – I as the Investor 1 and Issue Shares 2 to Ryka Commercial Ventures Private Limited as Investor 2 (hereinafter collectively referred as "Issue Shares") would be made at a price of Rs.80.50 (Rupees Eighty and Paise Fifty only) per equity share comprising Rs. 2/- (Rupees Two only) towards the face value of each equity share and Rs.78.50/- (Rupees Seventy Eight and Paise Fifty only) towards securities premium per equity share. The total issue size assuming allotment of 1,86,33,540 (One Crore Eighty Six Lakh Thirty Three Thousand Five Hundred Forty only) equity shares is Rs. 149,99,99,970 (Rupees One Hundred Forty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Seventy only).
- Allotment of CCDs to Ryka Commercial Ventures Private Limited would be made at its face value of Rs. 80.50 per CCD. Each CCD is convertible into 1 (One) equity share of the Company (being the CCD Shares), at a fixed conversion price of Rs. 80.50 (Rupees Eighty and Paise Fifty only) per CCD Share. The total issue size assuming allotment of 1,86,33,540 (One Crore Eighty Six Lakh Thirty Three Thousand Five Hundred Forty) CCDs converting into 1,86,33,540 (One Crore Eighty Six Lakh Thirty Three Thousand Five Hundred Forty only) equity shares is Rs. 149,99,99,970 (Rupees One Hundred Forty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Seventy only).
- The "Relevant Date" as per SEBI Regulations for determining the minimum price for the offer, issue and allotment of the Issue Shares is April 30, 2014 (as May 1 2014, which is the day 30 days prior to the date of this Extraordinary General Meeting i.e. 31st May, 2014, was a holiday, and hence, in terms of Explanation to Regulation 71 of the SEBI Regulations, the preceding day has been taken as the "Relevant Date"). The same "Relevant Date" has also been considered for determining the minimum conversion price for conversion of the CCDs into the CCD Shares.
- The minimum price as per the SEBI pricing formula for preferential issue is Rs. 76.49 (Rupees Seventy Six and Paise Forty Nine only), being higher of (a) the average of the high and low of the closing prices at the National Stock Exchange of India Limited for 26 weeks prior to the relevant date i.e. Rs.66.94 (Rupees Sixty Six and Paise Ninety Four only), and (b) the average of the high and low of the closing prices at the National Stock Exchange of India Limited for 2 weeks prior to the relevant date i.e. Rs.76.49 (Rupees Seventy Six and Paise Forty Nine only). The price at which Issue Shares are proposed to be allotted and the price at which the CCDs are proposed to be converted into CCD Shares is higher than this minimum price.
- The price of the Issue Shares to be allotted to Investor 1 and Investor 2 and the conversion price of the CCD Shares to be allotted upon conversion of the CCDs to Investor 2 have been arrived at based on the minimum floor price determined under

the SEBI Regulations and an additional premium agreed to between the Company and the Investor 1 (for the Issue Shares 1) and the Company and Investor 2 (for the Issue Shares 2 and the CCD Shares).

- No report of registered valuer is required for the offer, issue and allotment of the Issue Shares and the offer, issue and allotment of CCD Shares pursuant to conversion of the CCDs under the provisions of first proviso to Rule 13(1) of the Companies (Share Capital and Debenture) Rules, 2014.
- The CCDs shall be converted into 1,86,33,540 (One Crore Eighty Six Lakh Thirty Three Thousand Five Hundred Forty only) equity shares of the Company on April 2 2015, which would be within a period of 18 (eighteen) months from the date of their allotment.
- The entire amount payable on the Issue Shares and the CCDs shall be received by the Company prior to allotment.
- Post allotment of the Issue Shares, the increase in equity share capital would be Rs.3,72,67,080/- (Rupees Three Crore Seventy Two Lakh Sixty Seven Thousand Eighty only) and the increase in securities premium, would be Rs 146,27,32,890/- (Rupees One Hundred Forty Six Crore Twenty Seven Lakh Thirty Two Thousand Eight Hundred Ninety only).
- Post conversion of the CCDs (assuming full conversion), the increase in equity share capital would be Rs.3,72,67,080/- (Rupees Three Crore Seventy Two Lakh Sixty Seven Thousand Eighty only) and the increase in securities premium, would be Rs 146,27,32,890/- (Rupees One Hundred Forty Six Crore Twenty Seven Lakh Thirty Two Thousand Eight Hundred Ninety only).
- This is the first preferential issue of securities by the Company in this year and no other persons have been allotted any securities on a preferential basis during the current year. However, the Company has allotted 1,61,332 equity shares to eligible employees upon their exercise of employee stock option under Employees Stock Option Scheme 2013, in the year.

Disclosures as required under Regulation 73 of the SEBI ICDR Regulations for the purpose of allotment of Equity Shares on preferential basis:

The object/s of the issue through preferential offer	Amount not exceeding 25 % of the preferential issue would be used for general corporate purposes and the balance shall be utilized for repayment of debt.	
Intention of Promoters/ Directors/ Key Management persons to subscribe to the preferential offer	Promoters/Directors / Key Management Persons are not subscribing to the Issue Shares 1. The offer, issue and allotment of the Issue Shares 2 and CCDs is being made to Investor 2 (being Ryka Commercial Ventures Private Limited), which forms part of the "Promoter Group" of the Company.	
Shareholding pattern before and after the Preferential issue	As given below	
Proposed time within which the preferential issue shall be completed	The allotment of the Issue Shares and the CCDs by way of preferential issue will be completed within a period of 15 days from the date of passing of the above-referred special resolutions in the captioned Extraordinary General Meeting or 15 days from the date of receipt of necessary regulatory approvals, if any, whichever is later or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities	
The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and /or who ultimately control proposed allottees and the percentage of the post preferential issue capital that may be held by them on fully diluted basis	Identity of the Allottees	% of post preferential issue capital
	PI Opportunities Fund I – SEBI registered Venture Capital Fund under registration number IN/VCF/09-10/163	8.09%
	Kishore Biyani, Vijay Biyani, Rakesh Biyani, Anil Biyani, Sunil Biyani, Gopikishan Biyani, Laxminarayan Biyani and Sangeeta Biyani	56.97%
Change in control, if any, in the Company consequent to the preferential issue	There will be no change in control of the Company upon the allotment of the Issue Shares and the CCDs, and upon conversion of the CCDs into CCD Shares.	

Lock-in period:

The Issue Shares 1 to be offered, issued and allotted to Investor 1 shall be subject to lock-in as provided under the provisions of SEBI Regulations.

The CCDs, Issue Shares 2 and CCD Shares to be offered, issued and allotted to Investor 2 shall be subject to lock-in as provided under the provisions of SEBI Regulations.

Listing:

The Company will make an application to the stock exchanges at which the existing shares are listed, for listing of the Issue Shares and CCD Shares. Such Issue Shares and CCD Shares, once allotted, will rank *pari passu* with the existing equity shares of the Company in all respects, including dividend. Shareholding pattern before and after the proposed issue is as follows:

Sr. No.	Category	Pre-issue Equity Shareholding		After allotment of Issue Shares		After allotment of CCD shares	
		Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
A	Promoters' Holding						
1	Indian Promoters (including Persons acting in concert)	84428252	54.59	84428252	48.73	84428252	44.00
	Acquirer Ryka Commercial Ventures Private Ltd.	31,50,811	2.04	6256401	3.61	24889941	12.97
	Other persons acting in concert	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total	87579063	56.63	90684653	52.34	109318193	56.97
B1	Non-Promoters' Holding						
a.	Insurance Companies	1931992	1.25	1931992	1.12	1931992	1.01
b.	Mutual Funds	1840833	1.19	1840833	1.06	1840833	0.96
c.	Banks, Financial Institutions, (Central Govt. State Govt. Institutions / Non-Government Institutions)	132952	0.09	132952	0.07	132952	0.07
d	Foreign Institutional Investors (FIIs)	22316514	14.43	22316514	12.88	22316514	11.63
E	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total	26222291	16.96	26222291	15.13	26222291	13.16
B2	Others						
a.	Private Corporate Bodies	23847839	15.42	23847839	13.76	23847839	12.43
b.	Acquirer: PI Opportunities Fund I	0	0	15527950	8.96	15527950	8.09
c.	Public	16509335	10.68	16509335	9.53	16509335	8.60
d.	Non Resident Indians	291064	0.19	291064	0.17	291064	0.15
e.	Any other – Clearing Members	184971	0.12	184971	0.11	184971	0.10
	Sub-Total	40833209	26.41	56361159	32.53	56361159	29.37
	Grand Total	154634563	100.00	173268103	100.00	191901643	100.00

The certificate issued by NGS & Co. LLP, Chartered Accountants, Statutory Auditors of the Company as to the pricing of the Issue Shares, CCDs and CCD Shares in this preferential issue and certifying that this preferential issue is being made in accordance with the requirements contained in Chapter VII of the SEBI Regulations, will be placed before the shareholders at the meeting and will be kept open for inspection in the manner indicated in Note 9 above.

As it is proposed to issue equity shares of the Company on a preferential basis, it is required to be approved by the members by way of a special resolution pursuant to the provisions of Section 62 of the Companies Act, 2013, rules thereunder and Chapter VII of the SEBI Regulations.

The directors recommend the resolutions in Item Nos. 1 and 2 above for approval and adoption.

None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be considered to be concerned or interested in the proposed Resolution in Item No. 1, except to the extent of shares held by any of them in the Company. Mr. Kishore Biyani, Managing Director and Mr. Rakesh Biyani, Director of the Company, together with their relatives shall be deemed to be concerned or interested in the proposed Resolution in Item No. 2, by reason of their being part of the promoter group which also includes Ryka Commercial Ventures Private Limited. Apart from the above, no other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be deemed to be concerned or interested in the proposed Resolution in Item No. 2, except to the extent of shares held by any of them in the Company.

**By order of the Board of Directors
For Future Lifestyle Fashions Limited**

**Mumbai,
May 03, 2014**

**Kuldeep Sharma
Head-Legal & Company Secretary**

Registered office:
Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road,
Jogeshwari (East), Mumbai 400060.

FUTURE LIFESTYLE FASHIONS LIMITED

Regd. Off.: Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060. India
Tel. No. +91 22 3084 2336; Fax No. : +91 22 3084 2502
CIN U52100MH2012PLC231654; Website : www.futurelifestyle.in; Email: investorrelations@futurelifestyle.in

PROXY FORM

Name of the member(s):
Registered Address:
E-mail Id:
Folio No./ Client Id:
DP ID:

I/ we, being the member(s) of _____ shares of the above named company, hereby appoint:

- (1) Name:..... Address:.....
E-mail id:..... Signature..... Or failing him;
- (2) Name:..... Address:.....
E-mail id:..... Signature..... Or failing him;
- (3) Name:..... Address:.....
E-mail id:..... Signature.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Extraordinary General meeting of the Company, to be held on the 31st day of May, 2014 at 10:30 a.m. at Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhonsale Marg, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Matter of resolution
1	Issue of equity shares of the Company to PI Opportunities Fund – I on preferential basis as per applicable SEBI regulations
2	issue of equity shares and compulsorily convertible debentures convertible into equity shares of the Company to Ryka Commercial Ventures Private Limited on preferential basis as per applicable SEBI regulations;

Signed this day of 2014.

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

FUTURE LIFESTYLE FASHIONS LIMITED

Registered Office: Knowledge House, Shyam Nagar, Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060

CIN: U52100MH2012PLC231654

ATTENDANCE SLIP

I / We hereby record my / our presence at the Extraordinary General Meeting of the Company held on Saturday, May 31, 2014 at 10.30 am at Rangswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhonsle Marg, Mumbai 400 021.

Regd.Folio / DP ID & Client ID	
Name and Address of the shareholder	
Joint Holders	

**SIGNATURE OF THE MEMBER/
JOINT MEMBER(S) / PROXY**

Please complete the attendance slip and hand over at the entrance of the meeting hall.

E-Voting Information

EVEN (Electronic Voting Event Number)	User ID	Password