DETAILED PUBLIC STATEMENT TO THE SHAREHOLDERS OF

FUTURE CAPITAL HOLDINGS LIMITED

Registered Office: 15th Floor, Tower II, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai 400013, Maharashtra
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Open offer ("Open Offer" / "Offer") for acquisition of up to 17,788,266 equity shares of Future Capital Holdings Limited ("Target Company") from the shareholders of the Target Company by Cloverdell Investment Ltd ("Acquirer")

This Detailed Public Statement ("DPS") is being issued by Kotak Mahindra Capital Company Limited ("Manager to the Offer"), on behalf of the Acquirer along with Warburg Pincus Private Equity XI, L.P., Warburg Pincus XI Partners, L.P., Warburg Pincus Private Equity XI-B, L.P., WP XI Partners, L.P. and Warburg Pincus Private Equity XI-C, L.P., as the persons acting in concert (collectively referred to as the "WP XI Fund" or "PAC") pursuant to and in compliance with regulation 13(4) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") pursuant to the Public Announcement ("PA") filed on June 4, 2012 with BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and filed on June 5, 2012 with the Securities and Exchange Board of India ("SEBI") and the Target Company at their registered offices in terms of Regulation 3(1) and 4 of the SEBI (SAST) Regulations.

INFORMATION ABOUT ACQUIRER / PAC

Cloverdell Investment Ltd ("Acquirer")

1. The Acquirer, Cloverdell Investment Ltd, is a private company limited by shares incorporated under the laws of Mauritius on February 8, 2012, with its registered office at c/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius. Telephone: +230-405-2000; Fax: +230-212-5265. The Acquirer's name has not been changed since its incorporation.
2. The Acquirer proposes to act as an investment holding company.
3. As on the date of this DPS, the Acquirer is owned by the WP XI Fund (PAC) (as defined hereinafter).
4. The PACs to the Offer are the shareholders of the Acquirer.
5. The shareholding pattern of the Acquirer as on date is as follows:

No.	Name of the entity	No. of shares	%
1	Warburg Pincus Private Equity XI, L.P.	53,151,317.70	81.77%
2	Warburg Pincus XI Partners, L.P.	5,193,579.90	7.99%
3	Warburg Pincus Private Equity XI-B, L.P.	4,088,562.90	6.29%
4	WP XI Partners, L.P.	2,554,539.30	3.93%
5	Warburg Pincus Private Equity XI-C, L.P.	13,000.20	0.02%

6. The equity shares of the Acquirer are not listed on any stock exchange.
7. Presently, the Acquirer, its directors and its management personnel do not have any ownership interest in the Target Company except to the extent of the proposal of the Acquirer to purchase Sale Shares and subscribe to Subscription Securities of the Target Company under the Share Purchase Agreement ("SPA") and Share Subscription Agreement ("SSA") as mentioned in the paragraphs 51 to 54 below.
8. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any other regulation made under the SEBI Act.
9. The key financial information of the Acquirer from inception upto May 30, 2012 as derived from its audited financial statements are as follows:

	From February 8, 2012 to May 30, 2012	
	USD in millions	₹ in millions
Total Revenue	NIL	NIL
Net Income	- 0.01	- 0.56
Earnings per Share*	- 0.00	- 0.01

	As at May 30, 2012	
	USD in millions	₹ in millions
Cash	65.00	3,608.56
Networth / Shareholders Funds	64.99	3,608.00

** shown in USD / ₹*

Note:

1. *Since the Acquirer has been recently incorporated, it has not earned any income in the period mentioned.*
2. *Conversion using the RBI Reference rate 1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012*

Warburg Pincus Private Equity XI, L.P., Warburg Pincus XI Partners, L.P., Warburg Pincus Private Equity XI-B, L.P., WP XI Partners, L.P. and Warburg Pincus Private Equity XI-C, L.P. ("PAC")

10. Details of the PAC are as follows:

Name / type of entity	Registered address	Date of incorporation / formation	Nature of activity
Warburg Pincus Private Equity XI, L.P. ("WP XI"), limited partnership formed under the Delaware Revised Uniform Limited Partnership Act	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, USA. Telephone: +1-212-878-0600; Fax: +1-212-878-9351	September 12, 2011	Private Equity Fund, the primary activity of which is to make investments in growth capital transactions, venture capital and start-up companies, buyouts, recapitalizations and other special situations, collectively, "private equity investments".
Warburg Pincus Private Equity XI-B, L.P. ("WP XI-B"), limited partnership formed under the Delaware Revised Uniform Limited Partnership Act	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, USA. Telephone: +1-212-878-0600; Fax: +1-212-878-9351	November 29, 2011	Private Equity Fund, the primary activity of which is to make investments in growth capital transactions, venture capital and start-up companies, buyouts, recapitalizations and other special situations, collectively, "private equity investments".
Warburg Pincus XI Partners, L.P. ("WP XI Partners"), limited partnership formed under the Delaware Revised Uniform Limited Partnership Act	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, USA. Telephone: +1-212-878-0600; Fax: +1-212-878-9351	December 5, 2011	Private Equity Fund, the primary activity of which is to make investments in growth capital transactions, venture capital and start-up companies, buyouts, recapitalizations and other special situations, collectively, "private equity investments".
WP XI Partners, L.P. ("WP XIP"), limited partnership formed under the Delaware Revised Uniform Limited Partnership Act	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, USA. Telephone: +1-212-878-0600; Fax: +1-212-878-9351	December 5, 2011	Private Equity Fund, the primary activity of which is to make investments in growth capital transactions, venture capital and start-up companies, buyouts, recapitalizations and other special situations, collectively, "private equity investments".
Warburg Pincus Private Equity XI-C, L.P. ("WP XI-C"), limited partnership established under the laws of the Cayman Islands	c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands. Telephone: +1-212-878-0600; Fax: +1-212-878-9351	March 30, 2012	Private Equity Fund, the primary activity of which is to make investments in growth capital transactions, venture capital and start-up companies, buyouts, recapitalizations and other special situations, collectively, "private equity investments".

11. The five entities namely; (i) Warburg Pincus Private Equity XI, L.P., (ii) Warburg Pincus Private Equity XI-B, L.P., (iii) Warburg Pincus XI Partners, L.P., (iv) WP XI Partners, L.P., and (v) Warburg Pincus Private Equity XI-C, L.P. (collectively the "**WP XI Fund**" or "**PAC**") are the shareholders of the Acquirer. The WP XI Fund collectively holds the entire equity capital in the Acquirer. Pending completion of the Open Offer, there may be a change in the inter-se shareholding of the WP XI Fund. However, no new entity will acquire any shares in the Acquirer during this period.
12. While the said entities are established as separate entities for group structuring related purposes, they are collectively part of the "Warburg Pincus XI Fund" and as such the investment decisions are taken on a combined basis and the investment performance of the WP XI Fund is also measured on a combined basis. In view thereof, disclosures on the shareholding pattern and the financials of the WP XI Fund, as contained in this DPS are made on a combined basis for the WP XI Fund as a whole.
13. The WP XI Fund is operated by Warburg Pincus (as defined in paragraph 20 below).
14. The general partner of the WP XI Fund (other than WP XI-C, which holds only 0.02% of the equity capital of the Acquirer) is Warburg Pincus XI, L.P. ("WP XI GP"), a Delaware limited partnership. The general partner of WP XI-C is Warburg Pincus (Cayman) XI, L.P. The general partner of WP XI GP is WP Global LLC ("WP Global"), a Delaware limited liability company. Warburg Pincus & Co., a New York general partnership, is in turn the managing member of WP Global. No single person holds an economic interest of more than 10% in Warburg Pincus & Co. and consequently, indirectly, in WP Global or WP XI GP. Neither the applicable Delaware laws nor the constitutional documents of WP XI GP and WP Global require the preparation of audited financial statements. The New York Revised Partnership Act does not require Warburg Pincus & Co. to prepare audited financial statements.
15. The main investors in WP XI Fund are state and private pension funds, financial institutions, foundations and endowments and other institutional investors. These investors (known as limited partners) do not manage WP XI Fund. The investors of the WP XI Fund can be broadly classified as follows:

Government Institutions (including state government and government bodies / institutions)	56%
Corporate Bodies	13%
Financial Institutions	12%
Endowment / School / Foundation	3%
High Net worth Individuals	16%

The geographical spread of the investors in the WP XI Fund is as follows:

United States	71%
Europe	12%
Others	17%

16. None of the PACs are listed on any stock exchange.
17. Presently, the PACs and their management personnel do not have any ownership interest in the Target Company except to the extent of the proposal of the Acquirer to purchase Sale Shares and subscribe to Subscription Securities of the Target Company in accordance with the SPA and the SSA as mentioned in the paragraphs 51 to 54 below.
18. None of the PACs have been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act as amended or under any other regulation made under the SEBI Act.
19. The key financial information for WP XI Fund as derived from its audited Statement of Net Assets and Partners Capital are as follows:

	From inception / formation till May 24, 2012	
	USD in millions	₹ in millions
Total Revenue	NIL	NIL
Net Income	NIL	NIL
Earnings per Share	NIL	NIL

	As at May 24, 2012	
	USD in millions	₹ in millions
Cash and cash equivalents[4]	178.00	9,881.93
Partner's Capital	194.31	10,787.38

Note:

1. *Since the PAC has been recently incorporated, it has not earned any income since incorporation.*
2. *Conversion using the RBI Reference rate 1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012*
3. *Subsequent to this audit date, PACs have invested USD 65 million (₹3,609 million) in the Acquirer*
4. *Does not include 'Restricted Cash' of USD 15 million (₹ 833 million) as disclosed in Statement of Net Assets and Partners Capital*

20. **Overview of Warburg Pincus:**

Warburg Pincus LLC ("WP LLC"), a New York limited liability company, is the manager of the WP XI Fund. WP LLC is registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser under The Investment Advisers Act of 1940. The WP XI Fund (or the constituents thereof) is not registered as investment companies under the rules and regulations of the SEC, pursuant to exemptions therefrom. The investment activities of WP LLC and the WP XI Fund are subject to certain rules and regulations of the SEC and other regulatory authorities.

Warburg Pincus & Co., WP Global, WP XI GP and WP LLC, all belong to the Warburg Pincus group.

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm currently has more than USD 30 billion (equivalent to ₹ 1,665,465 million) (1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012) of assets under management. Its active portfolio of about 130 companies is highly diversified by stage, sector and geography. The firm has 67 managing directors and more than 180 investment professionals worldwide. Founded in 1966, Warburg Pincus has raised 14 private equity funds with committed capital in excess of USD 45 billion (equivalent to ₹ 2,498,198 million) (1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012). These private equity funds, along with their affiliates, have invested more than USD 40 billion (equivalent to ₹ 2,220,620 million) (1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012) in over 675 companies in more than 30 countries. Throughout its history in private equity, Warburg Pincus has invested at all stages of a company's life cycle, from founding start-ups and providing growth capital to leading restructurings, recapitalizations and buy-outs.

Over the years, Warburg Pincus, along with its affiliates, has invested approximately USD 2.7 billion (equivalent to ₹ 149,892 million) (1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012) in Indian companies and currently has approximately USD 1.1 billion (equivalent to ₹ 61,067 million) (1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012) invested in India. Warburg Pincus' past and current investments in India include Au Financiers (India) Private Limited, ACB (India) Limited, Bharti Tele-ventures Limited, Ambuja Cements Ltd (formerly Gujarat Ambuja Cements Limited), DB Corp Limited, Gangavaram Port Limited, Havells India Limited, HDFC Limited, ICICI Bank Limited, IMC Limited, Kotak Mahindra Bank Limited, Lemon Tree Hotels Private Limited, Continental Warehousing Corporation (Nhava Seva) Limited, Max India Limited, Metropolis Healthcare Limited, Nicholas Piramal India Limited, and Sintex Industries Limited.

Warburg Pincus has also conducted open offers in the past for Vaibhav Gems Limited, Max India Limited and Sintex Industries Limited as an acquirer and has participated in the initial public offering of DB Corp Limited as a selling shareholder. All the above mentioned open offers have been completed and Warburg Pincus has complied with its obligations under the **SEBI (SAST) Regulations** (or equivalent) in this regard.

INFORMATION ABOUT SELLERS

21. The Sellers, as mentioned under the SPA, are Pantaloon Retail (India) Limited ("PRIL") and Future Value Retail Limited ("FVRL").
22. PRIL is a public limited company listed on the BSE (Scrip code: 523574 & 570002) and the NSE (Scrip symbol: PANTALOONR & PRETAILDVR). PRIL was incorporated in Mumbai on October 12, 1987 under the name "Manz Wear Private Limited". The name of the company was changed to "Manz Wear Limited" with effect from September 20, 1991. The name of the company was further changed to "Pantaloon Fashion (India) Limited" with effect from September 25, 1991. The name of the company was further changed to its present name "Pantaloon Retail (India) Limited" with effect from July 7, 1999.
23. FVRL is a public limited company and was incorporated in Mumbai on June 11, 2007 under the name Pantaloon Future Ventures Limited. The name was changed to its present name Future Value Retail Limited with effect from November 16, 2009.
24. The registered office of PRIL is located at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060; Tel: +91 22 61190000; Fax: +91 22 61995391. The registered office of FVRL is located at Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060; Tel: +91 22 61190000; Fax: +91 22 61995391.
25. PRIL and FVRL form part of the "Promoter and the Promoter Group" of the Target Company as disclosed in stock exchange filings of the Target Company.
26. PRIL and FVRL belong to the Future Group of companies.
27. PRIL is listed on on the BSE and the NSE, while FVRL is unlisted.
28. Shareholding / voting rights of Sellers in the Target Company before and after the underlying Transaction is as follows:

	Details of Shares / voting rights held by the Sellers			
	Pre Transaction		Post Transaction[2]	
Name	Number of Shares	% of Diluted Voting Share Capital[1]	Number of Shares assuming 26% Shares are validly tendered in the Offer	% of Diluted Voting Share Capital[1] assuming 26% Shares are validly tendered in the Offer
Future Value Retail Limited	25,000,000	36.54%	NIL	0.00%
Pantaloon Retail (India) Limited	9,779,999	14.29%	8,860,605	12.95%
Total	**34,779,999**	**50.84%**	**8,860,605**	**12.95%**

Note:

1. *Diluted Voting Share Capital has been computed and defined in paragraph 33*
2. *In the event that number of Shares validly tendered in the Offer is less than the Offer Size, the Sellers would sell such additional Shares calculated as the difference between (a) the open offer Shares i.e. 17,788,266 Shares, and (b) the number of Shares validly tendered under the Open Offer, subject to a maximum of 8,860,605 Shares*

29. The Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act as amended or under any other regulation made under the SEBI Act.

INFORMATION ABOUT THE TARGET COMPANY

30. Future Capital Holdings Limited, the Target Company, was incorporated on October 18, 2005 under the Companies Act, 1956 ("Companies Act"). The registered office of the Target Company is located at 15th Floor, Tower II, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai 400013; Tel: +91 22 40423400; Fax: +91 22 40423401. There have been no changes in the name of the Target Company during the three years prior to the date of this DPS.
31. The Shares of the Target Company are listed on the BSE (scrip code: 532938) and the NSE (scrip symbol: FCH) (hereinafter referred to as the "Stock Exchanges").
32. The Target Company has complied with the listing requirements and no penal / punitive actions have been taken by the Stock Exchanges. There has not been any non-listing of any Shares of the Target Company at the Stock Exchanges. The equity Shares of the Target Company are frequently traded on the Stock Exchanges within the meaning of regulation 2(1) (j) of SEBI (SAST) Regulations for the period commencing on June 01, 2011 and ending on May 31, 2012 (12 (twelve) calendar months preceding the month in which the PA is issued).
33. The fully paid-up voting equity share capital of the Target Company as of the tenth (10th) working day from the closure of the tendering period ("Diluted Voting Share Capital") of 68,416,404 Shares of face value of ₹ 10 each ("Shares") has been calculated as sum of (a) total fully paid-up equity Shares outstanding as of the date of the PA (64,798,484 Shares), (b) total employee stock options which may vest by November 30, 2012, and for which equity Shares may be issued during the period of the Offer (531,500 Shares); and (c) Subscription Securities proposed to be issued to the Acquirer under preferential allotment issue pursuant to the Share Subscription Agreement to the extent that can be converted into equity Shares during the period of the Offer (3,086,420 Shares).
34. There are 2,578,500 outstanding stock options under employee stock option schemes as on the date of the DPS. Out of such outstanding stock options, 244,500 options have vested as on date but is unexercised and 287,000 options shall vest by November 30, 2012 and hence total number of these options (i.e. 531,500) has been considered for the purpose of computing the Diluted Voting Share Capital. The Board of Directors of the Target Company has approved in its Board meeting on May 29, 2012, the introduction of a new Employee Stock Option Scheme - 2012 for grant of 2,500,000 stock options representing equal number of equity Shares to the eligible employees, subject to shareholder's approval. Apart for these options there are no other outstanding convertible instruments (warrants/FCDs/PCDs) etc. in the Target Company as of date.
35. The financial highlights of the Target Company on a consolidated basis, based on the audited financials, are as follows:

(All figures in ₹ million except for per Share numbers)	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
	Audited	Audited	Audited
Total Revenue	2,516.50	4,015.14	7,437.45
Net Income	592.66	491.21	1,058.31
EPS	9.33	7.64	16.33
Networth / Shareholders Funds (as at March 31 of respective years)*	6,909.00	7,469.23	8,315.72

** excluding revaluation reserves*

Note:

1. *Earnings per share calculated as Profit After Tax / Weighted Average Number of Shares outstanding during the year.*
2. *Total Revenue includes other income.*

Source: Audited financial statements of the Target Company

DETAILS ABOUT THE OFFER

36. This open offer ("Open Offer"/ "Offer") is a mandatory offer being made by the Acquirer and PAC in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the Agreements mentioned in paragraph 51 below to acquire more than 25% of the voting rights of the Target Company by the Acquirer accompanied with change in control of the Target Company.
37. Pursuant to the Offer, the Acquirer proposes to acquire up to 17,788,266 Shares of the Target Company ("Offer Size") from the shareholders of the Target Company, representing 26.00% of the Diluted Voting Share Capital of the Target Company, in accordance with the SEBI (SAST) Regulations.
38. The Open Offer is being made to all holders of Shares of the Target Company other than the parties to the SPA and SSA.
39. There are no partly paid-up Shares in the Target Company.
40. All Shares validly tendered in the Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and the Letter of Offer. There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
41. The price being offered under this Open Offer is ₹ **162** (Rupees One Hundred Sixty Two Only) per Share of the Target Company ("Offer Price").
42. The Offer Price will be paid in cash, in accordance with the provisions of regulation 9(1) (a) of the SEBI (SAST) Regulations.
43. This Offer and the Transaction as envisaged under SPA and SSA are subject to the receipt of the statutory and other approvals and consents mentioned in paragraph 81 of this DPS. However, on receipt of statutory and other approvals and consents, the Acquirer may complete the Transaction prior to completion of the Offer.
44. This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of SEBI (SAST) Regulations.
45. The Offer is not a competing offer in terms of regulation 20 of SEBI (SAST) Regulations.
46. In terms of regulation 23 (1) of the **SEBI (SAST) Regulations**, if any of the said conditions mentioned in paragraph 81 are not obtained (including if refused) or otherwise complied with, the Acquirer may elect not to proceed with completion of the Transaction as envisaged under SPA and SSA. In such an event, the Acquirer shall also have a right to withdraw this Offer in terms of regulation 23(1) (c) of the **SEBI (SAST) Regulations**. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and the registered office of the Target Company.
47. Pursuant to the resolution of the Board of Directors of the Target Company passed on May 25, 2012, the Target Company had decided not to pursue the business lines currently being undertaken through two of its wholly owned subsidiaries, namely (i) Myra Mall Management Limited; and (ii) Future Finance Limited. Towards this end, the Target Company may elect to sell the shares of such subsidiaries, the respective businesses or assets or explore other appropriate means to give effect the said resolution of the Board of Directors, either during or following completion of the offer period. If required, the Acquirer would support the implementation of the said decision of the Board of Directors once it acquires control over the Target Company. In FY12, the total revenue of Myra Mall Management Limited was ₹ 68.41 million and of Future Finance Limited was ₹ 16.44 million.
48. In terms of regulation 25(2) of **SEBI (SAST) Regulations**, other than as stated in paragraph 47 above, as of date of this DPS, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 (two) years, except (i) in the ordinary course of business, (ii) with the prior approval of the shareholders, (iii) to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or business of the Target Company, and (iv) in accordance with the prior decision of Board of Directors of the Target Company. Further, subject to the requisite approvals, the Acquirer may evaluate options regarding disposal of any surplus assets.
49. The Acquirer reserves the right to streamline / restructure its holding in the Target Company and/or the operations, assets, liabilities and/or businesses of the Target Company and/or its subsidiaries through arrangements, reconstructions, restructurings, mergers (including but not limited to mergers with or between its subsidiaries), demergers, delisting of the Shares of the Target Company from the Stock Exchanges, sale of assets or undertakings and/or re-negotiation or termination of existing contractual / operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time.
50. The Shares of the Target Company are listed on the Stock Exchanges. As per Clause 40A of the listing agreement read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. Shares of the Target Company held by the public excluding the Shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR, on a continuous basis for listing. Consequent to this Offer, the shareholding of the Acquirer in the Target Company including the Shares acquired under the SPA and SSA will not exceed the maximum permissible non-public shareholding specified in the listing agreement entered into by the Target Company with the Stock Exchanges, as per Rule 19A of the SCRR, for the purpose of listing on continuous basis. Hence, the provisions of regulation 7(4) of the SEBI (SAST) Regulations are not applicable.

BACKGROUND TO THE OFFER

51. On June 4, 2012, the Acquirer entered into a Share Purchase Agreement ("SPA / Share Purchase Agreement") with the Sellers, Mr. Kishore Biyani and the Target Company and a Share Subscription Agreement with the Target Company ("SSA"). The Share Purchase Agreement and the Share Subscription Agreement are collectively referred to as the Agreements ("Agreements").
52. Pursuant to the Share Purchase Agreement, the Acquirer has agreed to acquire from the Sellers maximum of 34,779,999 Shares of the Target Company constituting 50.84% of Diluted Voting Share Capital in two tranches in the following manner: (i) 25,919,394 Shares of the Target Company, representing 37.88% of the Diluted Voting Share Capital from the Sellers in the first tranche ("First Tranche Equity Shares"); and (ii) if the Shares validly tendered and accepted in the Offer is less than the Offer Size, the difference between Offer Size and the actual number of Shares validly tendered and accepted under the Offer from PRIL, subject to a maximum of 8,860,605 Shares in the second tranche ("Second Tranche Equity Shares"). The First Tranche Equity Shares and the Second Tranche Equity Shares are collectively referred to as "Sale Shares".
53. The Acquirer intends to purchase the Sale Shares from the Sellers at a price of ₹ 162 (Rupees One Hundred Sixty Two Only) per Sale Share. Such purchase price shall be reduced by an amount equal to the amount the Sellers receive or will receive (due to the purchase of Sale Shares not having taken place prior to the record date fixed by the Target Company for the purposes of payment of dividend) as dividends in relation to the Sale Shares after the date of execution of the Agreements. There shall, however, be no adjustment to the Offer Price.
54. Pursuant to the SSA:
    a) the Acquirer proposes to, subscribe to 6,172,840 Compulsorily Convertible Preference Shares ("CCPS") having a dividend rate of 0.01% and having a face value of ₹ 10 each for a price of ₹ 162 (Rupees One Hundred Sixty Two Only) per CCPS up to an aggregate consideration of ₹ 1,000,000,080 (Rupees One Billion and Eighty only) ("Subscription Amount"). Each CCPS is convertible into 1 equity share. In light of the compulsory nature of conversion of the CCPS, subject to approval of the Board of the Target Company, the Acquirer can, in lieu of CCPS, opt for Shares of the Target Company. The securities so subscribed to are referred to as "Subscription Securities".
    b) CCPS issued shall be convertible any time after January 1, 2013, at the option of the Acquirer, but prior to the expiry of 18 months from the date of allotment of CCPS.

    The Acquirer has taken a decision that they will not opt for Shares in lieu of CCPS for more than 50% of the Subscription Amount, which decision has been conveyed to the Board of the Target Company and included in the explanatory statement in the notice of postal ballot that has gone to the shareholders of the Target Company for their approval of the issue.
55. The acquisition of Sale Shares under the SPA and the subscription to the Subscription Securities under the SSA is collectively referred to as the Transaction ("Transaction").
56. The mode of payment of consideration for acquisition of Sale Shares and Subscription Securities by the Acquirer is cash.
57. A summary of some of the salient features of the Share Purchase Agreement which are all subject to detailed terms in the Share Purchase Agreement, is as follows:
    a) Under the terms of the Share Purchase Agreement the Acquirer will purchase 25,919,394 (Twenty Five Million Nine Hundred and Nineteen Thousand Three Hundred and Ninety Four) Shares of the Target Company from the Sellers representing 37.88% of the Diluted Voting Share Capital of the Target Company. If the Shares tendered in the Offer are less than the Offer Size, then the Acquirer will purchase additional Shares from PRIL to the extent of difference between Offer Size and the number of Shares validly tendered under the Offer, subject to a maximum of 8,860,605 Shares.
    b) The sale and purchase of the First Tranche Equity Shares under the Share Purchase Agreement shall be completed subject to the fulfillment of the conditions precedent agreed between the Acquirer and the Sellers in the Share Purchase Agreement including necessary corporate authorisations of (i) the Target Company; and (ii) the Acquirer, in each case, authorising the execution and delivery of and performance of their respective obligations under the Share Purchase Agreement and the receipt of the statutory and other approvals as set out in paragraph 81 of this DPS. The sale and purchase of the Second Tranche Equity Shares under the Share Purchase Agreement shall be completed subject to fulfillment of the conditions precedent agreed between the Acquirer and the Sellers in the Shares Purchase Agreement including completion of the Offer and the sale and purchase of the First Tranche Equity Shares.
    c) The Target Company and the Sellers have agreed to not undertake certain actions between the date of execution of the Share Purchase Agreement and the purchase of the First Tranche Equity Shares including declaration of dividends, amendments to the articles of association and memorandum of association of the Target Company.
    d) The Share Purchase Agreement provides that the Sellers and Mr. Kishore Biyani shall cause their related party to allow Target Company to use the brand, trademark or co-brand containing the word "Future", "Future Group" in the name and business of the Target Company and all its subsidiaries for a period of 9 (nine) months from the date of sale and purchase of the First Tranche Equity Shares ("Transition Period"), without any payment whatsoever to the Sellers, Mr. Kishore Biyani or any of their respective affiliates or any related parties. In relation to the brands and trademarks containing the term "Future Capital", which are currently with the Target Company, it has agreed that it will only use them till the expiry of the Transition Period. Immediately prior to the expiry of the Transition Period, the Target Company will assign without any consideration the brands and trademarks owned by it incorporating the term "Future" (but, for the avoidance of doubt not "Future Capital"). The Target Company will however be entitled to continue to use all the brands and trademarks, not incorporating the term "Future" being currently used in the business of the Target Company and/or its subsidiaries, without any restriction whatsoever.
    e) The Sellers have undertaken to the Acquirer that the existing Store In Store Contracts ("**SIS Contracts**") of the Target Company with affiliates of the Sellers will continue post the transfer of the First Tranche Equity Shares and the Second Tranche Equity Shares (if applicable) in accordance with the same terms and conditions, which will not be amended, altered or terminated.
    f) PRIL has agreed to not directly or indirectly transfer (by way of sale or gift or otherwise) any of Sale Shares continued to be held by it after closing of the respective tranches relating to the First Tranche Equity Shares and if applicable, the Second Tranche Equity Shares for a period of 12 months from the completion of the Offer. However, during this period, PRIL would be permitted to dispose of such balance Shares, only in certain limited cases and in compliance with the specific provisions of the SPA.
    g) The Sellers shall be entitled to have 1 (one) nominee director on the Board of the Target Company. Such nominee director shall immediately resign from the Board of the Target Company upon the Target Company and its subsidiaries assigning the "Future" brand and upon change of name of the Target Company in accordance with the terms of the Share Purchase Agreement.
    h) The Share Purchase Agreement imposes a non-compete and non-solicit obligation on the Sellers, and Mr. Kishore Biyani and their respective affiliates in the territory of India for a period of 24 months from the date of transfer of the First Tranche Equity Shares and imposes a restriction on undertaking financing activities relating to purchases made at their stores without first offering such opportunity to the Target Company for a period of 36 months from the date of transfer of the First Tranche Equity Shares. No separate consideration has been paid to the Sellers in relation to the non-compete obligation of the Sellers under the Share Purchase Agreement.
58. A summary of some of the salient features of the SSA which are all subject to detailed terms in the SSA, is as follows:
    a) Pursuant to the SSA, the Acquirer proposes to subscribe to Subscription Securities, which will entitle the Acquirer to an aggregate of 6,172,840 Shares of the Target Company to be issued at a price of ₹ 162 for an aggregate consideration upto ₹ 1,000,000,080 (Rupees One Billion and Eighty only) ("Subscription Amount").
    b) The issuance and allotment of the Subscription Securities is subject to the certain conditions precedent as agreed between the Acquirer and the Target Company in the SSA including necessary corporate authorisations of the Target Company and the Acquirer authorising the execution and delivery of and performance of their respective obligations under the SSA and the receipt of the statutory and other approvals as set out in paragraph 81 of this DPS.
    c) The Target Company has provided certain undertakings in relation to the business and affairs of the Target Company between the date of execution of the SSA and the date of issuance and allotment of the Subscription Securities including in relation to declaration of dividends, amendments to the charter documents of the Target Company, and incurring of indebtedness.
    d) The Acquirer shall have governance rights customary to transactions of similar nature. Under the SSA, there is a set of affirmative vote matters for which prior consent of the Acquirer is required including matters such as declaration of dividends, incurrence of indebtedness, amendments to the articles and memorandum of association of the Target Company, and disposing of or encumbering any material assets.
    e) The SSA contains customary representations and warranties from the Target Company including in relation to authority, valid issuance of the Subscription Securities, share capital of the Target Company, compliance with labour laws, related party transactions. The Acquirer has provided customary representations and warranties including in relation to authority, financial capacity.
59. In addition, the Sellers have agreed to buy certain loans currently outstanding in the books of Target Company and provide security for the payment of consideration therefor. If the Sellers are unable to provide satisfactory security in this regard, the Sellers will pay an amount equal to the amount outstanding of such loans on the books of the Target Company on or prior to the closing of the First Tranche Equity Shares. Further, on or prior to the closing of the First Tranche Equity Shares, the Sellers have also agreed to acquire certain portfolio investments from the Target Company at the book value of such investments.
60. After the completion of this Offer and pursuant to the acquisition of Shares of the Target Company under the SPA, the Acquirer shall hold the majority of the Shares of the Target Company by virtue of which they shall be in a position to exercise effective control over the management and affairs of the Target Company and shall consequently replace the Sellers as the promoters of the Target Company.
61. The Acquirer may reconstitute the Board of Directors of the Target Company after the purchase of First Tranche Equity Shares in accordance with the SEBI (SAST) Regulations. If such purchase occurs, then the Acquirer waives its right to withdraw the Offer on account of non-satisfaction of the conditions set out in paragraph 81.
62. The Acquirer acknowledges the significant potential offered by the financial services sector in India and proposes to invest in this sector through this Transaction and the Offer.
63. The Acquirer's approach and investment philosophy in relation to the present Transaction is to grow the Target Company with support from the Target Company's strong management team. In this context, it has been decided that Mr. V. Vaidyanathan, Vice Chairman and Managing Director, will continue to head the Target Company. Consistent with this outlook and factoring the long term approach, Mr. V. Vaidyanathan has agreed with the Acquirer that he and/or entities controlled by him would not sell part of their Shares in the Target Company for a period of 12 months and the balance for 60 months.

SHAREHOLDING AND ACQUISITION DETAILS

64. The current and proposed shareholding of the Acquirer and PAC in the Target Company and the details of their acquisition are as follows:

	Acquirer		PAC	
	No.	%	No.	%
Shareholding as on the PA date	NIL	NIL	NIL	NIL
Shares acquired between the PA date and the DPS date	NIL	NIL	NIL	NIL
Post Offer shareholding (On diluted basis, as on tenth (10th) working day after closure of tendering period)				
- Scenario 1: Assuming 26% Shares are validly tendered in the Offer	46,794,080	68.40%	NIL	NIL
- Scenario 2: Assuming NIL Shares are validly tendered in the Offer	37,866,419	55.35%	NIL	NIL

65. Neither the Acquirer nor PAC nor its directors have acquired any Shares of the Target Company during the twelve (12) months period prior to the date of this DPS and do not hold any Shares as on date.

OFFER PRICE

66. The Shares of the Target Company are listed and traded on the Stock Exchanges. The annualised trading turnover based on the trading volume in the Shares of the Target Company on the Stock Exchanges during June 01, 2011 to May 31, 2012, (12 (twelve) calendar months preceding the month in which the PA is issued) is as under:

Stock Exchange	Number of Shares traded during the 12 (twelve) calendar months prior to the month in which the PA is issued	Total number of listed Shares during this period	Annualized trading turnover (as a % to total listed Shares)
BSE	32,226,486	64,798,484	49.73%
NSE	57,308,484	64,798,484	88.44%

Source: BSE website and NSE website

67. Based on the parameters set out in the SEBI (SAST) Regulations for frequently traded stocks, as of the date of this DPS, the Offer Price of ₹ 162 (Rupees One Hundred Sixty Two Only) is justified in view of the following:

S.No	Particulars	Price (in ₹ per Share)
I	The negotiated price under the SPA and SSA dated June 4, 2012	162.00
II	The volume-weighted average price paid or payable for acquisition whether by the Acquirer or by any persons acting in concert with him, during 52 weeks immediately preceding the date of the PA	Not Applicable
III	The highest price paid or payable for any acquisition, whether by the Acquirer or by any persons acting in concert with him, during 26 weeks immediately preceding the date of the PA	Not Applicable
IV	The volume-weighted average market price paid of such Shares for a period of sixty trading days immediately preceding the date of the PA as traded on NSE (as the maximum volume of trading in the Shares of the Target Company is recorded on NSE during such period)	134.41

68. There have been no corporate actions in the Target Company warranting adjustment of relevant pricing parameters.
69. The Sellers have entered into a non-compete arrangement with the Acquirer embodied in the terms of the Share Purchase Agreement, for which no separate consideration has been paid to the Sellers.

Contd.

70. In the event of further acquisition of Shares of the Target Company by the Acquirer / PAC during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer/PAC shall not acquire any Shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
71. In the event of such a revision in the Offer Price on account of future purchases / competing offers, an announcement would be made in the same newspapers in which this DPS has appeared and the revised Offer Price would be paid for all Shares accepted under the Offer.
72. If there is any revision in the offer price on account of future purchases / competing offers, such revision will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period (i.e. upto July 20, 2012) and would be notified to the shareholders.

FINANCIAL ARRANGEMENTS

73. The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 2,881,699,092 (Rupees Two Billion Eight Hundred Eighty One Million Six Hundred Ninety Nine Thousand Ninety Two Only) ("Maximum Consideration").
74. In accordance with regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened a "Cash Escrow Account" in the name and style as "Escrow Account-Cloverdell Investment Ltd-Open Offer" bearing Account No. 3611198418 with Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400021 ("Escrow Bank") and made a cash deposit of ₹ 720,424,773 (Rupees Seven Hundred Twenty Million Four Hundred Twenty Four Thousand Seven Hundred Seventy Three Only) in the account in accordance with the regulation 17(3)(a) of the SEBI (SAST) Regulations, which represents 25% of Maximum Consideration. The cash deposit has been confirmed vide a confirmation letter dated June 1, 2012 issued by Kotak Mahindra Bank Limited.
75. A lien has been marked on the said Cash Escrow Account in favour of the Manager to the Offer by the Escrow Bank. The Manager to the Offer has been solely authorised by the Acquirer to operate and realise the value of Cash Escrow Account in terms of the SEBI (SAST) Regulations.
76. For the balance amount of Maximum Consideration, the Acquirer has set aside an amount of USD 43,000,000 (United States Dollars Forty Three Million Only) (equivalent to ₹ 2,387.17 million) (1 USD = ₹ 55.5155 (source: www.rbi.org.in) dated June 4, 2012) in an escrow account number 080 149743 020 ("Offshore Escrow Account") with HSBC Bank (Mauritius) Limited, which, together with the amounts set aside in the Cash Escrow Account, represents more than 100% of the cash required to fund the entirety of the Offer. The funds in the Offshore Escrow Account will be utilized solely towards fulfilling the obligations of the Acquirer for the Offer and shall be released only upon instructions received from the Manager to the Offer. The deposit of funds in the Offshore Escrow Account has been confirmed by HSBC Bank (Mauritius) Limited vide its letter dated June 01, 2012.
77. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Cash Escrow Account shall be increased by the Acquirer and the PAC such that it represents 25% of the revised consideration calculated at such revised offer price or offer size prior to effecting such revision, in terms of regulation 17(2) of the SEBI (SAST) Regulations.
78. The source of funds to meet the Acquirer's and the PACs' obligations under the Offer is foreign funds.
79. BSR & Co (the "Accountants") have confirmed by their certificate dated June 04, 2012 that the Acquirer and PAC have adequate financial resources through verifiable means available for meeting their obligations under the SEBI (SAST) Regulations for a value up to the Maximum Consideration.
80. On the basis of the aforesaid financial arrangements and the Accountants' certificate, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer.

STATUTORY AND OTHER APPROVALS

81. This Offer is subject to the Acquirer obtaining the following necessary statutory and other approval(s):
    i. The Acquirer having received the approval from the Reserve Bank of India ("RBI") under the applicable foreign exchange rules and regulations for the Transaction and for acquisition of Shares under the Offer and if any conditions are imposed in the approval from RBI, then such conditions have been duly complied.
    ii. The Acquirer having received the no-objection / or a certificate from the Financial Services Commission, Mauritius in response to an application made by the Acquirer for seeking approval to purchase the Sale Shares from the Sellers and the Shares under Open Offer, and if any conditions are imposed in the no-objection certificate / equivalent certificate from Financial Services Commission, then such conditions have been duly complied.
    iii. The Acquirer having received the approval from the Foreign Investment Promotion Board, Government of India ("FIPB") for the Transaction and the acquisition of Shares under the Offer and if any conditions are imposed in the approval from the FIPB, then such conditions have been duly complied.
    iv. The Target Company having received the no objection certificate from the RBI (DNBS Division) pursuant to Circular No. 43 dated 4 November, 2011 under the applicable foreign exchange rules and regulations for the purchase of the Sale Shares and purchase of the Shares under the Open Offer, and if any conditions are imposed in the no-objection from RBI, then such conditions have been duly complied.
    v. The completion of a period of 30 (thirty) days from the date of issuance of each of the public notices in relation to the proposed change in shareholding and control of the Target Company and indirect change of control of Future Finance Limited pursuant to the Transaction and acquisition of Shares under the Offer and if the RBI has reverted with any communication (in writing or by way of any oral communication) indicating that its prior approval is required or that the Transaction cannot be completed without the prior no-objection of the RBI and if any conditions are imposed in the approval / no-objections from RBI, then such conditions have been duly complied with.
    vi. Receipt of the following governmental and / or regulatory authorizations, approvals, orders, consents, non-objections and/or filings:
        a. by Future Capital Securities Limited from SEBI, the BSE Limited and the National Stock Exchange of India Limited, MCX Stock Exchange Limited and Central Depository Services (India) Limited;
        b. by Future Capital Commodities Limited from the Forward Markets Commission, Multi Commodity Exchange of India Limited, the National Commodities and Derivatives Exchange Limited, and National Spot Exchange;

    in each case, for the indirect change of control or change of shareholding arising pursuant to the Transaction and acquisition of Shares under the Offer and if any conditions are imposed in the approval / no-objection from the aforesaid governmental authorities, then such conditions have been duly complied with.
    vii. Future Capital Home Finance Private Limited having provided a notice to the National Housing Board for the indirect change of control or change of shareholding arising pursuant to the Transaction and the acquisition of Shares under the Offer and if any conditions are imposed in the approval / no-objection from the National Housing Board, directly as a result of the Transaction, then such conditions have been duly complied with.
    viii. The Target Company having received the in-principle and final approvals from BSE Limited and the National Stock Exchange of India Limited for the issuance and allotment of the Subscription Securities.
    ix. The shareholders of the Target Company having approved the preferential allotment of the Subscription Securities in favour of the Acquirer pursuant to Section 81(1A) of the Companies Act and other applicable law pursuant to a postal ballot process notice for which has been dispatched on June 4, 2012.

Other Approvals

    x. The Target Company having received the approval from all the creditors of the Target Company as per the terms of the respective finance agreements for the Transaction and the acquisition of Shares under the Offer and if any conditions are imposed in the approval / no-objections from the creditors, then such conditions have been duly complied with.

82. As of the date of this DPS, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required to acquire the Shares that are validly tendered pursuant to this Offer.
83. Notwithstanding paragraphs 81 and 82, if any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer and PAC will not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 23 of the SEBI (SAST) Regulations.
84. The Target Company needs the consent of the creditors of the Target Company as set out in paragraph 81 for implementing the Offer.
85. In case of delay/ non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations.
86. In terms of regulation 23 (1) of the SEBI (SAST) Regulations, if any of the conditions precedent and other conditions as stated in the SPA and SSA and mentioned in paragraph 81 are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer and the PAC have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and the registered office of the Target Company.

TENTATIVE SCHEDULE OF ACTIVITY

No.	Activity	Schedule (Day and Date)
1.	Date of the PA	Monday, June 4, 2012
2.	Date of publication of this DPS in newspapers	Monday, June 11, 2012
3.	Filling of the draft letter of offer with SEBI along with the soft copies of the PA and this DPS	Monday, June 18, 2012
4.	Last date for public announcement of a competing offer(s) being made	Monday, July 2, 2012
5.	Identified Date*	Wednesday, July 11, 2012
6.	Date by which Letter of Offer is to be posted to the equity shareholders of the Target Company	Wednesday, July 18, 2012
7.	Last date for upward revision of the Offer Price or any increase in the Offer Size	Friday, July 20, 2012
8.	Last date for public announcement by the independent directors committee of the Target Company on their recommendation to the shareholders of the Target Company for this Offer	Monday, July 23, 2012
9.	Date of publication of Offer opening public announcement in the newspapers where this DPS has been published	Tuesday, July 24, 2012
10.	Date of commencement of the tendering period	Wednesday, July 25, 2012
11.	Date of closure of the tendering period	Tuesday, August 7, 2012
12.	Date of publication of post-offer public announcement in the newspapers where this DPS has been published	Thursday, August 30, 2012
13.	Last date for communicating the rejection / acceptance; completion of payment of consideration or refund of Shares to the shareholders of the Target Company	Thursday, August 23, 2012
14.	Last date for submission of the final report with SEBI	Thursday, August 30, 2012

** "Identified Date" is only for the purpose of determining the shareholders of the Target Company as on such date to whom the letter of offer ("Letter of Offer") would be mailed. It is clarified that all the shareholders holding Shares of the Target Company (registered or unregistered) (except the parties to the SPA) are eligible to participate in this Offer any time before the closure of this Offer.*

PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

87. All shareholders holding Shares of the Target Company (other than the parties to the SPA) whether holding Shares in dematerialised form or physical form, registered or unregistered, are eligible to participate in this Offer any time during the tendering period of this Offer.
88. A letter of offer ("Letter of Offer") specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement ("Form of Acceptance") will be mailed to all the shareholders, except the parties to the SPA, whose names appear on the register of members of the Target Company at the close of business hours on the Identified Date, being registered equity shareholders as per the records of National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Limited ("CDSL"), and registered shareholders holding Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual letter of offer would be dispatched to each of the shareholders of the Target Company is July 18, 2012.
89. There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
90. This Offer is made to all shareholders (other than the parties to the SPA) as on the Identified Date, and also to persons who acquire Shares before the closure of the Offer and tender these Shares into the Offer in accordance with this DPS, save and except for the parties to the SPA. Persons who have acquired Shares of the Target Company (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Identified Date are also eligible to participate in this Offer.
91. The shareholders who wish to tender their Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer to Link Intime India Private Limited acting as the Registrar to the Offer ("Registrar to the Offer") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Applicants who cannot hand deliver their documents at the collection centers, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its address mentioned in paragraph 98. In case of non-receipt of the Letter of Offer, the eligible shareholders may (i) download the same from the SEBI website, (http://www.sebi.gov.in) (ii) obtain a copy of the same by writing to the Manager to the Offer or the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, distinctive numbers, folio number, number of Shares offered along with documents as mentioned below so as to reach the Registrar to the Offer on or before the closure of the tendering period , i.e., no later than August 7, 2012, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the tendering period, i.e., no later than August 7, 2012
    a) In respect of dematerialised Shares, shareholders must ensure that the credit for the Shares tendered is received in the special depository account as specified below on or before August 7, 2012. If the shareholders hold their Shares through CDSL, their depository participant instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their Shares in favour of the special depository account with NSDL as mentioned below.

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	LIIPL FCH Open Offer Escrow Demat Account
DP Name	Kotak Mahindra Bank Limited
DP ID Number	IN303173
Beneficiary Account Number	20004190
ISIN	INE688I01017
Market	Off-Market
Date of Credit	On or before August 7, 2012

    It is the sole responsibility of the shareholders to ensure credit of their Shares in the depository account above, prior to the closure of the Offer.
    b) Shareholders who are holding the Shares in physical form and who wish to tender the Shares in the Offer are required to submit the Form of Acceptance-cum-Acknowledgment together with the original share certificate(s), valid transfer deed(s), and such other documents as may be specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment, duly signed and addressed to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, so as to reach the Registrar to the Offer on or before the closure of the tendering period, i.e., no later than August 7, 2012 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment.
92. Shareholders who have acquired Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer, so as to reach the Registrar to the Offer on or before the closure of the tendering periodi.e., no later than August 7, 2012. This is to be sent to the Registrar to the Offer together with:
    a. In case of shareholders holding Shares in dematerialized form, the name, address, number of Shares held, number of Shares offered, Depository ("DP") Participant name, DP ID number, beneficiary account number along with a photocopy of the delivery instruction in "off-market" mode, duly acknowledged by the DP in favour of LIIPL FCH Open Offer Escrow Demat Account, as per instructions mentioned above.
    b. In case of shareholders holding Shares in physical form, the relevant share certificate(s) and transfer deeds, and the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired wherever applicable.
93. No indemnity would be required from unregistered shareholders regarding the title to the Shares.
94. **Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirer and PAC or the Target Company**.
95. A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

The detailed procedure for tendering Shares in this Offer will be available in the Letter of Offer.

OTHER INFORMATION

96. For the purpose of disclosures in this DPS relating to the Target Company and the Sellers, the Acquirer and the PAC have relied on the information provided by the Target Company and/ or the Sellers and have not independently verified the accuracy of details of the Target Company and/ or the Sellers. Subject to the aforesaid, the Acquirer, directors of the Acquirer and the PAC accept full responsibility for the information contained in this DPS and also accept responsibility for the obligations of the Acquirer and the PAC as laid down in the **SEBI (SAST) Regulations**. The Acquirer and the PAC shall be severally and jointly responsible for ensuring compliance with the **SEBI (SAST) Regulations**.
97. Pursuant to regulation 12 of the SEBI (SAST) Regulations, the Acquirer and PAC have appointed Kotak Mahindra Capital Company Limited (Address: Bakhtawar 1st Floor, 229 Nariman Point, Mumbai – 400 021; Tel: +91 22 66341100; Fax: +91 22 22840492; email: project.fchl@kotak.com; Contact Person: Ganesh Rane) as the Manager to the Offer.
98. The Acquirer has appointed Link Intime India Private Limited as the Registrar to the Offer (Address: C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078; Tel: +91 22 25967878; Fax: +91 22 25960329; email: fch.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare).
99. This DPS is expected to be available on the SEBI website at http://www.sebi.gov.in.

Issued by the Manager to the Offer, for and on behalf of the Acquirer and the PAC

kotak® Investment Banking

Kotak Mahindra Capital Company Limited
Bakhtawar 1st Floor, 229 Nariman Point,
Mumbai - 400 021
Tel. No.: +91 22 6634 1100; Fax No.: +91 22 22840492
Email: project.fchl@kotak.com
Contact Person: Ganesh Rane

Dated: June 11, 2012
Place: Mumbai

PRESSMAN