

## Indicative Term Sheet

This term sheet is for the financing requirements of Avenue Supermarts Ltd, and it does not constitute a formal commitment on behalf of ICICI Prudential AMC. The Term Sheet is indicative, non-exhaustive and is subject to due diligence, regulatory checks, and mutually acceptable legal documentation. This indicative term-sheet does not constitute an offer to underwrite, or subscribe to, securities whose description is mentioned below. This Indicative Term Sheet is not meant to be, nor should it be construed as a commitment to extend credit and is solely reflective of the current market conditions. Since this Indicative Term Sheet is based on preliminary information available with us, it is, therefore, subject to modification or revocation, at ICICI Prudential AMC's sole discretion. The closing of any financial transaction relating to this Facility would be subject to various conditions precedent, including without limitation, the conditions set forth in this Indicative Term Sheet. The terms and conditions herein are strictly confidential and may not be disclosed by the Borrower to any third party without our prior written consent.

Issuer/Company	Avenue Supermarts Limited
Instrument	Fully Secured, Rated, Un-Listed, Redeemable Non-Convertible Debentures ("NCD" or "Debentures")
Mode of Placement	Private placement to eligible investors
Purpose	Capital Expenditure including but not limited to acquisition/construction of land and building for store outlets; furniture & fixtures, interior work/machinery/equipment for such store outlets and refinancing of existing debt
Credit Rating	CRISIL AA-/Stable
Listed/Unlisted	Unlisted
Face Value	Rs 10,00,000 (Rs Ten Lakhs only) per NCD
Amount	Rs 100 crores
Tenure/Maturity Date	3 years bullet from the Deemed Date of Allotment
Coupon	8.85% p.a.
Coupon Payment Frequency	Annually
Security	First pari-passu charge over specific retail store property(ies), with minimum FACR of 1.25x at all times during the tenure of the Debentures. FACR to be calculated on annual basis based on the following formula: (Market value of the security created)/(outstanding amount of debt against the security)
Rating Downgrade Event	The credit rating of the Debentures being downgraded by Crisil Ratings from the current rating of 'AA-' or a rating below 'AA-' assigned by CRISIL or any other rating agency at any point of time during the tenure of the Debentures to any of the Issuer's debt programme
Rating Downgrade Step-Up	On occurrence of Rating Downgrade Event and the Issuer not exercising the Call Option, the Coupon Rate on the Debentures shall increase / step-up as per the following: <ul style="list-style-type: none"> <li>An increase of 25 bps if any of the Issuer's debt programme is rated 'A+';</li> <li>A further one-time increase of 50 bps if any of the Issuer's debt programme is rated 'A' or below.</li> </ul> No separate notice or communication will be required from the Debenture Holder(s) or the Debenture Trustee to the Issuer and the Coupon Rate will be considered to be stepped up automatically from the date of occurrence of Rating Downgrade Event.
Put Option	Each Debenture Holder(s) will have the right to require the Issuer to redeem the Debentures at par (along with accrued coupon and any other amounts payable) at the end 1 year from Deemed Date of Allotment and

*[Handwritten Signature]*



		annually thereafter by giving a 30 days notice to the Issuer prior to respective Put Option Dates
Put Option Dates		[TBD as per Deemed Date of Allotment]
Call Option		<p>The Issuer shall have the option of redeeming the Debentures outstanding in full on Call Option Exercise Date in following events:</p> <p>1. Upon the occurrence of a Capital Monetization Event the Issuer shall have the option of redeeming in full the Debentures outstanding on Call Option Exercise Date 1 by sending a notice to the Debenture Trustee within 7 business days of occurrence of Capital Monetization Event. It is clarified that redemption of Debentures cannot be done using refinancing / raising of fresh debt by the company and has to necessarily be done using the money raised by way of equity infusion.</p> <p>Call Option Exercise Date 1 will be 30 days from the date of receipt of such notice by the Debenture Trustee but not in any case earlier than 366 days from the Deemed Date of Allotment.</p> <p>"Capital Monetization Event" means infusion of fresh equity into the Company <i>including Premium</i></p> <p>2. Upon occurrence of Rating Downgrade Event, the Issuer shall have the option of redeeming in full the Debentures outstanding on Call Option Exercise Date 2 by sending a notice to the Debenture Trustee within 7 business days of occurrence of Rating Downgrade Event.</p> <p>Call Option Exercise Date 2 will be 20 days from the date of receipt of such notice by the Debenture Trustee</p>
Covenants		<p>The Covenants shall include the following:</p> <ul style="list-style-type: none"> <li>Debt Equity ratio of the Issuer should not exceed 1.0x time at any point of time during the tenure of the Instrument</li> </ul> <p>For the purpose of calculation of Debt Equity ratio,  "Debt" shall mean any Long Term Borrowings availed, Short Term Borrowings availed and Financial Guarantees provided by the Company.</p> <p>"Equity" shall comprise of the amount paid up on the issued share capital of the Issuer and the aggregate of the each of the following:</p> <ol style="list-style-type: none"> <li>The paid up value of all redeemable preference shares which are redeemable only after final maturity date of the Instrument;</li> <li>The debenture redemption reserve;</li> <li>Value standing to the credit of the share option account;</li> <li>The aggregate amount received by the Issuer from forfeited shares;</li> <li>Amalgamation Reserve/Capital Reserve;</li> <li>Share Premium, General Reserve and any other Free Reserves.</li> </ol> <p>Minus any amount in the debit balance to P&amp;L account.  Minus goodwill (if any)  Minus any dividend declared  Plus deferred tax liability  Minus deferred tax asset</p> <ul style="list-style-type: none"> <li>DSCR to be minimum of 1.20x at all times during the tenure of the Instrument.  For each period, <math>DSCR = \frac{[PAT + Depreciation + interest liability + other non-cash expenses including deferred tax]}{total\ debt}</math></li> </ul>





	<p>obligations (interest + principal due)</p> <ul style="list-style-type: none"> <li>The issuing Company's promoter Mr. Radhakishan Damani and Mr. Gopikishan Damani along with family members and associate companies and firms jointly called as "Promoters" to hold at least 51% ownership and management control of the Issuer during the tenure of the Instrument. Definition of Management Control to be decided jointly with the Issuer.</li> </ul> <p>Any other covenants as agreed to between the Issuer, Investors and the Debenture Trustee.</p>
Early Redemption Option	<p>Upon occurrence of the following events, the Debenture Holder(s) will have the right to require the Issuer to redeem the Debentures at par (along with accrued coupon and any other amounts payable):</p> <ul style="list-style-type: none"> <li>In the event the credit rating of the Debentures is downgraded to A- or below by CRISIL or any other rating agency at any point of time during the tenure of the Debentures;</li> <li>In the event Mr. Radhakishan Damani and Mr. Gopikishan Damani along with family and associates jointly called as "Promoters" cease to maintain management control or cease to hold at least 51% ownership of the Issuer. Definition of "Management Control" to be decided jointly with the Issuer;</li> <li>In the event, Fixed Asset Coverage Ratio (FACR) as determined by the Debenture Trustee falls below 1.25x, the Company shall endeavour to create charge over additional assets and in the event the Company is unable to create such charge for any reason whatsoever within 30 days from the date of determination of such event then the Debenture Holder(s) shall have an option to recall the NCDs within 15 days from expiry of aforesaid 30 days ("Top up of Security").</li> </ul> <p>The Company will make the payment to the Debenture Holders within 30 days without prepayment penalty, or otherwise specified, from the date of exercise of Early Redemption Option</p>
Submission of Quarterly/Annual Financial Statements	<p>The Company will submit quarterly/annual financial statements to the Debenture Trustee as per the schedule given below:</p> <ul style="list-style-type: none"> <li>Quarterly financial results to be submitted within 45 days from the end of each quarter</li> <li>Annual financial statements: <ul style="list-style-type: none"> <li>Provisional results within 90 days of the financial year-end</li> <li>Audited results within 180 days of the financial year-end</li> </ul> </li> </ul>
Expenses	<p>All expenses associated with this transaction (including without limitation, legal, printing, auditor's fees, agency fees and trustee fees) will be for the account of the Issuer. In addition, the Issuer will pay for all expenses incurred by the Arranger, including legal fees and all out-of-pocket expenses, whether or not the Debentures are issued.</p>
Issue Schedule	
Issue Opens On	[TBD]
Issue Closes On	[TBD]
Pay-in Date	[TBD]
Deemed Date of Allotment	[TBD]
Mode of issuance	Dematerialized
Issue of Debentures	<p>The Issuer will issue the Debentures/Letters of Allotment in dematerialized form within 2 business days from the Deemed Date of Allotment</p>



Interest on Application Money	To be paid to investors at Coupon Rate from the date of realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest is payable within seven business days from the Deemed Date of Allotment.
Day Count Basis	Interest payable on Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days as the case may be i.e. Actual/ Actual
Conditions Precedent to Disbursement	<ul style="list-style-type: none"> <li>• Execution of IM, Mandate Letter, Rating Letter, Consent letter from Debenture Trustee;</li> <li>• Appointment of Legal Counsel</li> <li>• The Issuer shall have obtained all necessary board and shareholder resolutions under Section 180, Section 42 and other provisions of the Companies Act, 2013 as are required in relation to the issue of the Debentures, provision of security, appointment of the Debenture Trustee and the execution of necessary documents in connection therewith;</li> <li>• No Event of Default by Issuer;</li> <li>• There is no material adverse effect and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect on the Issuer.</li> </ul>
Depositories	Applications will be made for the Debentures to be deposited with NSDL
Debenture Trustee	To be appointed by the Issuer
Default Interest	In case of default of interest and/ or principal redemption on the due dates, additional interest @2% p.a. over the documented rate will be payable by the Company
Transaction Documents	<ul style="list-style-type: none"> <li>• Information Memorandum ("IM");</li> <li>• Debenture trust deed;</li> <li>• Debenture trustee agreement;</li> <li>• Any security creation documents including hypothecation deed, indenture of mortgage and forms for filing of charge; and</li> <li>• Any other document as agreed between the Issuer and the Debenture Trustee.</li> </ul>
Security Creation	The Security shall be created and the DTD shall be executed within 3 months from the date of disbursement. In the event security is not created and/or the DTD is not executed within 3 months the Debenture Holder(s) shall reserve the right to recall the outstanding principal amount on the aforesaid Debentures along with the amount/ accrued interest due in respect thereof after giving a 3 month notice period. If the security is not created and/or the DTD is not executed within 3 months, Default Interest will be levied till the time of security creation and DTD execution or the time of recall of the Debentures.
Events of default	<p>Usual and customary for transactions of this nature with a cure period of 2 Business Days for technical reasons (except for points a, b &amp; d):</p> <ul style="list-style-type: none"> <li>(a) Non-Payment of interest to Debenture Holders on the scheduled coupon payment dates;</li> <li>(b) Non-Payment of full principal amount of the debentures by scheduled Maturity date;</li> <li>(c) Non-perfection of Security within the stipulated timeframe</li> <li>(d) Any non-payment after the exercise of the Put Option within stipulated timeframe</li> <li>(e) Winding up, liquidation of the Issuer</li> <li>(f) On breach of any of the Covenants</li> <li>(g) Cross-default on any debt secured by the same security as the NCD</li> </ul>
Other Terms and	Customary for facility of this nature including but not limited to Events





Conditions	of Default, Representation & Warranties, Due Diligence, Condition Precedent, Condition Subsequent etc. as set out in the Transaction documents for the issue.
Business Day	Any day of week (excluding Saturday, Sunday and any other day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for general banking business in Mumbai
Documentation	Issuer shall ensure that all documentation customary for facility of this nature, consent(s) and resolution(s) required to Issue such Debentures including but not limited to IM, Board Resolution, Credit Rating Letter, Appointment of Debenture Trustees etc. are in place and are made available to Arranger/ investors at least 1 day prior to the Issue.
Governing Law	The Facility and security documents shall be governed by laws of India and shall remain subject to jurisdiction of Courts of Mumbai.
Cost and Expenses	All expenses viz., Stamp Duty for issuance, legal fees etc., due diligence fees shall be to the account of the Company. The Company will also bear all expenses for consummating the transaction including but not limited to legal, accounting and technical due diligence fees.
Interest taxes, Service tax, levies, & duties	All rates of interest mentioned herein are exclusive of interest tax, service tax and /or any such other levies/duties. Such interest tax, service tax, other levies and duties, if any, applicable, shall be payable by the Company to the investors over and above the rates mentioned herein above.
Force Majeure	The Issuer understands that this term sheet is contingent on the assumption that from the date of the provision of this term sheet to the Deemed Date of Allotment, there is no material adverse change in the financial conditions of the Issuer or in the condition of the Indian credit and debt markets. In case of such material adverse change, the terms may be renegotiated to the mutual satisfaction of the investors and the Issuer.
Information Dissemination	The Issuer undertakes to provide information pertinent to a credit assessment of the Company by the investors in a timely fashion. This information will include, but not be limited to, latest financial information, rating letter, rating rationale, debt-maturity profile, copies of the resolutions authorizing the borrowing, latest company profile, etc. The Issuer shall also extend its full support for convening investor meetings with the senior management of the Issuer.
Clear Market	The Issuer undertakes that it does not commit to or launch any debt issue at least during the 5 days prior to the Deemed Date of Allotment. The Issuer further undertakes that for a period of 30 days from the Deemed Date of Allotment, Issuer will not announce or bring to the market any new NCD issuance at a XIRR of more than 8.85% p.a.
Documentation Conditions	The above provided term sheet is only indicative in nature and is subject to any change in the market conditions. The final offering will include terms which are usual for a transaction of this nature and including but not limited to Undertakings, Conditions Precedent, Restricted Payments, Positive Covenants, Information Covenants, Negative Covenants, Representations and Warranties, Events of Default, Consequences of EOD and conditions subsequent etc.

*[Handwritten Signature]*



Agreed and Accepted by Avenue Supermarts Ltd

*B. Nethi*

Authorised Signatory  
Date:

