

# FUTURE CORPORATE RESOURCES LIMITED: TERM SHEET FOR NCD-SERIES- D

Sr. No.	PARTICULARS	TERMS & CONDITIONS				
1.	Minimum Subscription	Rs 10,00,000/- (Rupees Ten Lakh only) and thereafter in multiples of Rs 10,00,000/- (Rupees Ten Lakh only)				
2.	Rate of Interest and Interest Payment Date	<p>0% per annum (<b>Rate of Interest</b>) payable quarterly in arrears on the aggregate amount of Outstanding Principal Amount on the Debentures (<b>Interest Amount</b>), to be paid by the Company till the date of Redemption of the Debentures.</p> <p>The first date of payment of Rate of Interest for the Debentures shall fall on 31 October 2017 and thereafter, on each of the following dates every year (the following dates being <b>Interest Payment Dates</b>) until the date of Redemption of the Debentures;</p> <table><tr><td>31 January</td></tr><tr><td>30 April</td></tr><tr><td>31 July</td></tr><tr><td>31 October</td></tr></table> <p>The interest shall accrue on day to day basis and year comprising of 365 days. In case the Interest Payment Date(s) falls on a non Business Day, the immediately preceding Business Day shall be the Interest Payment Date.</p>	31 January	30 April	31 July	31 October
31 January						
30 April						
31 July						
31 October						
3.	Redemption Premium	The Company shall also pay, at the time of Redemption of the Debentures, a redemption premium of 16.30% per annum ( <b>Redemption Premium</b> ) compounded quarterly payable on the Outstanding Principal Amount being redeemed on the relevant Redemption Date.				
4.	Default Interest	Upon occurrence of a payment default (pursuant to Clause 7.3.1) under this Deed, the Issuer will be liable to pay default interest of 6.00% compounded quarterly over and above the Redemption Premium on the unpaid amounts in default for the period of default.				
5.	Additional Coupon	The Issuer shall pay the Additional Coupon on the Debentures as detailed in Annexure E of the 2017 Series D DTD. An illustration setting out the manner of calculation of Additional Coupon is set out in Annexure K of the 2017 Series D DTD.				
6.	Return Cap	<p>Notwithstanding anything else in the Debenture Documents, the IRR in respect of the Debentures (considering all payments received by the Debenture Holders but excluding any Default Interest) shall not exceed an IRR of 31.55% (thirty one point five five) (<b>Return Cap</b>).</p> <p>An illustration setting forth certain scenarios and how the return shall</p>				



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		be restricted to the Return Cap under various scenarios is set forth in <u>Annexure I</u> of the 2017 Series D DTD.										
7.	Redemption Schedule/Duration	<p>Unless redeemed earlier in accordance with the provisions of this Deed, the Issuer shall Redeem the Debentures in following installments on the dates set out in the first column (Redemption Date(s)) in the following manner (Redemption Schedule):</p> <table><tr><th>Redemption Dates</th><th>%age of Principal Amount of the Debentures to be redeemed</th></tr><tr><td>30 April, 2021</td><td>30%</td></tr><tr><td>30 April, 2022</td><td>30%</td></tr><tr><td>30 April, 2023</td><td>40%</td></tr><tr><td>Total</td><td>100%</td></tr></table> <p>In the event any part of the Principal Amount on the Debentures is repaid prior to its stated maturity, then the payment on the respective Redemption Date (as specified above) shall be reduced by the amount already paid. As an illustration, assuming that the Principal Amount is INR 250,00,00,000 (Indian Rupees Two Hundred and Fifty Crore) and an amount of INR 40,00,00,000 (Indian Rupees Forty Crore only) has been repaid towards the Principal Amount prior to 30 April 2021, then the amount payable on 30 April 2021 shall be INR 35,00,00,000 (Indian Rupees Thirty Five Crore only) (0.3*250 crore = INR 75 Crore (minus) INR 40 crore, being INR 35 Crore only).</p> <p>It is clarified that on each Redemption Date, in addition to the relevant percentage of Principal Amounts being redeemed, all Amounts Due in respect of the Principal Amounts being redeemed (including without limitation the Interest Amount, Redemption Premium, Additional Coupon Amount (Lock-in Option), Additional Coupon Delay Interest etc.,) shall be payable on such Redemption Date (to the extent that such amounts have not been paid earlier). Provided that the aforementioned sentence shall not in any way derogate from or dilute the obligations of the Issuer to pay such Amounts Due, on their relevant due dates falling prior to such Redemption Date, in accordance with the provisions of this Deed.</p> <p>The Issuer shall deposit in the Designated Account, at least 2 Business Days prior to each Redemption Date, an amount equal to all Amounts Due on such Redemption Date and inform the Debenture Trustee of the same. The Debentures shall be redeemed on a <i>pari passu</i> basis.</p>	Redemption Dates	%age of Principal Amount of the Debentures to be redeemed	30 April, 2021	30%	30 April, 2022	30%	30 April, 2023	40%	Total	100%
Redemption Dates	%age of Principal Amount of the Debentures to be redeemed											
30 April, 2021	30%											
30 April, 2022	30%											
30 April, 2023	40%											
Total	100%											
8.	Security	<p>The Debentures shall be secured by:</p> <p>(i) a first ranking <i>pari passu</i> Security Interest by way of pledge on the Pledged Securities;</p>										



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		(ii) the Guarantees provided by the Guarantors; Demand Promissory Note.
9.	Market Value	On any calculation date, the market value of the shares of the relevant Security Companies ( <b>Market Value</b> ) shall be calculated on the basis of the stock price which is the lower of: (i) the closing price of equity shares on the NSE of the relevant Pledged Security on the Trading Day immediately prior to the day on which the calculation is made; or (ii) the VWAP over the last 3 months on the NSE.
10.	Required Security Cover	<p><b>Definitions</b></p> <p><b>FRL Lock in Expiry Date</b> means 11 September 2019, i.e., the date on which the equity shares of FRL representing 39.29% of the equity share capital of FRL held by the Promoter Group of FRL as on the Closing Date are released from lock-in under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.</p> <p><b>Security Cover</b> on any given day = Market Value of Pledged Securities / ((A + B) - C)</p> <p>where, A= aggregate of: (i) Principal Amount of the Debentures outstanding; (ii) Interest Amount (if any); (iii) the Redemption Premium; (iv) Additional Coupon Amount (Lock-in Option)(if any); (v) Default Interest (if any); (vi) Additional Coupon Delay Interest (if any); (collectively, <b>Amounts Due</b> for calculating the Security Cover);</p> <p>B = total amounts due on any financial borrowings which is also secured by the Pledged Securities; and</p> <p>C = aggregate of the cash balance in the Designated Account and any other cash collateral acceptable to the Debenture Trustee;</p> <p><b>Required Security Cover</b> means as the context may require or permit, the Required Security Cover (FRL Lock in Expiry Date) or the Required Security Cover (Final Maturity Date).</p> <p><b>Required Security Cover (FRL Lock in Expiry Date)</b> shall mean the Security Cover equivalent to 1.25.</p> <p><b>Required Security Cover (Final Maturity Date)</b> shall mean the Security Cover equivalent to 1.67.</p> <p><b>Interpretation:</b> All calculations of Security Cover on any date shall be rounded off to two decimal places.</p> <p><b>Mechanics</b></p> <ul style="list-style-type: none"> <li>• <b>Maintenance of Required Security Cover:</b></li> </ul>



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		<p>(ii) Subject to the provisions of this paragraph, the Issuer shall maintain: (a) the Required Security Cover (FRL Lock in Expiry Date) at all times till the FRL Lock in Expiry Date; and (b) after the FRL Lock in Expiry Date, the Required Security Cover (Final Maturity Date) at all times till the Final Maturity Date.</p> <p><b>Top-up Event prior to the FRL Lock-in Expiry Date:</b></p> <p>If, at any time prior to the FRL Lock-in Expiry Date, the Required Security Cover on any day falls below 1.15 (Top Up Event), the Issuer shall within 3 (three) Business Days of occurrence of the Top Up Event:</p> <ul style="list-style-type: none"> <li>(i) provide additional Security acceptable to the Debenture Trustee;</li> <li>(ii) subject to Applicable Law, partly prepay the Amounts Due under the Debentures pro-rata; and/or</li> <li>(iii) deposit cash in the Designated Account or provide any other cash collateral acceptable to the Debenture Trustee.</li> </ul> <p>such that the Security Cover is restored above the Required Security Cover (FRL Lock-in Expiry Date) in accordance with the provisions below.</p> <p>If the Issuer provides additional security in the form of shares of the Security Companies to the Debenture Trustee upon non-maintenance of the Required Security Cover (FRL Lock in Expiry Date) then the following provisions shall be followed:</p> <ul style="list-style-type: none"> <li>(i) The value/quantum of shares to be pledged by the Issuer in favour of the Debenture Trustee by the following formula:</li> </ul> <p style="padding-left: 40px;"><b>value of shares to be pledged = 1.33 x the Market Value of the relevant additional shares of the Security Companies required to be pledged to restore Security Cover to Required Security Cover (FRL Lock-in Expiry Date).</b></p> <p><b>Top-up Event Post the FRL Lock-in Expiry Date:</b></p> <p>If, at any time after the expiry of the FRL Lock-in Expiry Date, the Required Security Cover on any day falls below Security Cover of 1.5 (Top Up Event), the Issuer shall within 3 (three) Business Days of occurrence of the Top Up Event:</p>



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		<p>(i) provide additional Security acceptable to the Debenture Trustee;</p> <p>(ii) subject to Applicable Law, partly prepay the Amounts Due under the Debentures pro-rata; and/or</p> <p>(iii) deposit cash in the Designated Account or provide any other cash collateral acceptable to the Debenture Trustee.</p> <p>such that the Security Cover is restored to the Required Security Cover (FRL Final Maturity Date)</p> <p><u>Top-down mechanism</u></p> <p>A <b>Security Cover Release Event</b> shall occur if the Security Cover exceeds 2.00; and (i) such situation continues at least for 6 (six) consecutive months; and (ii) no Event of Default has occurred which has not been cured within the relevant Cure Period (if applicable) upon service of a Default Notice; the Debenture Trustee may at the request of the Issuer release such number of the Pledged Securities such that after such release, the Required Security Cover (FRL Final Maturity Date) is maintained.</p> <p><b>Mix of Pledged Securities</b></p> <p>The Issuer shall ensure that as of the Closing Date, the mix of Pledged Securities meets the criteria set out in the table below:</p> <table border="1"> <thead> <tr> <th>Sr No.</th><th>Pledged Securities</th><th>Criteria</th></tr> </thead> <tbody> <tr> <td>1</td><td>In respect of the Market Value of FCL's shares:</td><td>Not more than 46.5% of Market Value of the Pledged Securities</td></tr> <tr> <td>2</td><td>In respect of the Market Value of FEL's shares</td><td>Not more than 13.4% of Market Value of the Pledged Securities</td></tr> <tr> <td>3</td><td>In respect of the Market Value of FRL's shares</td><td>Not less than 13.4 % of Market Value of the Pledged Securities</td></tr> <tr> <td>4</td><td>In respect of the Market Value of FLFL's shares</td><td>Not less than 26.7% of Market Value of the Pledged Securities</td></tr> </tbody> </table> <p>Pursuant to a Top Up Event, the Issuer shall provide (a) shares of FCL or FEL, provided that the criteria set out in Sr. Nos. 1 and 2 above</p>	Sr No.	Pledged Securities	Criteria	1	In respect of the Market Value of FCL's shares:	Not more than 46.5% of Market Value of the Pledged Securities	2	In respect of the Market Value of FEL's shares	Not more than 13.4% of Market Value of the Pledged Securities	3	In respect of the Market Value of FRL's shares	Not less than 13.4 % of Market Value of the Pledged Securities	4	In respect of the Market Value of FLFL's shares	Not less than 26.7% of Market Value of the Pledged Securities
Sr No.	Pledged Securities	Criteria															
1	In respect of the Market Value of FCL's shares:	Not more than 46.5% of Market Value of the Pledged Securities															
2	In respect of the Market Value of FEL's shares	Not more than 13.4% of Market Value of the Pledged Securities															
3	In respect of the Market Value of FRL's shares	Not less than 13.4 % of Market Value of the Pledged Securities															
4	In respect of the Market Value of FLFL's shares	Not less than 26.7% of Market Value of the Pledged Securities															



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		<p>respectively are complied with; or (b) shares of FLFL or FRL as additional shares to be pledged.</p> <p>Pursuant to a Top Down Event, the Issuer may request a release of Pledged Securities provided that, the criteria set out in Sr. Nos. 1 to 4 respectively are complied with immediately after such release.</p> <p>An illustration of a Top Up Event is set out in Annexure L of the 2017 Series D DTD.</p>
11.	Mandatory Prepayment	<p>Upon occurrence of a Mandatory Prepayment Event, the Debenture Trustee shall have the right (but not the obligation) to require the Issuer to redeem the Debentures in full or in part, subject to the Debenture Trustee providing the Issuer with a prior written notice of 10 Business Days.</p> <p>Upon receipt of such notice, the Issuer shall promptly but in any event within 2 days from the date of the notice and subject to the provisions of the Debenture Documents, prepay any Amounts Due. It is further clarified that any payment of Amounts Due on the Debentures under the Debenture Documents prior to their stated maturity shall be subject to provisions of Applicable Law (including the 2015 Circulars).</p> <p>It is clarified that any payments of Redemption Premium, Additional Coupon Amount (Lock-in Option) and Additional Coupon Delay Interest under this paragraph 11 shall be subject to the Return Cap.</p> <p>For the purpose of this paragraph,</p> <p><b>Mandatory Prepayment Event</b> shall mean occurrence of any one or all of the following events:</p> <p>(a) 40% drop in the share price of FCL from the Strike Price (FCL);</p> <p>(b) any of FRL, FLFL, FCL and /or FEL shares are delisted or proposed or proposing to be delisted from either the BSE or the NSE;</p> <p>the Promoter Group: (i) losing control of FCL or FRL; or (ii) its ownership (either directly or indirectly) falling below 35% in FCL or FRL.</p>
12.	Voluntary Prepayment Option	<p>The Borrower shall be eligible to prepay the Debentures within the periods provided in the table below (each, an <b>Eligibility Period</b>). During the Eligibility Period, the Borrower may issue a prior written notice of 45 days (<b>Voluntary Prepayment Notice</b>) to the Debenture Trustee undertaking to prepay the relevant Debentures (as set out against the Eligibility Period below) on the date specified in the notice (<b>Voluntary Prepayment Payment Date</b>).</p>



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		Sr. No.	Amount of the Debentures	Months from the Closing Date
		1.	Not exceeding 25% of the Principal Amount	Between 37 and 49 months
		2.	Not exceeding 50% of the Principal Amount as reduced by Redemptions of Principal Amount made before the commencement of the 49 <sup>th</sup> month from the Closing Date	Between 49 months and 61 months
		3.	The Outstanding Principal Amount	From 61 months to Final Maturity Date
		<p>[Provided that any Outstanding Principal Amounts prepaid under this Clause on <i>pari passu</i> basis with the 2017 Series B Debentures shall be subject to: (a) the Borrower proportionately prepaying the total principal amount outstanding under the 2017 Series A Debentures and 2017 Series C on a <i>pari passu</i> basis; and (b) making payments of all Amounts Due on the Principal Amount being redeemed]</p>		
		<p>Any prepayment of the Debentures under this paragraph shall be subject to provisions of Applicable Law (including the 2015 Circulars).</p>		
		<p><b>Definitions</b></p>		
		<p><b>Voluntary Prepayment Principal Amount</b> shall mean the Principal Amount in respect of which the Issuer is exercising the voluntary prepayment option under this paragraph.</p>		
		<p><b>Voluntary Prepayment Notice Date</b> means the date on which the Issuer issues the Voluntary Prepayment Notice to the Debenture Trustee under this paragraph.</p>		
13.	Put Option	<p>The Debenture Trustee shall have the right (but not the obligation) to give a prior written notice of a minimum of 4 calendar months (<b>Put Option Notice</b>) to the Issuer requiring the Issuer to redeem all the Debentures any time on or after 30 April 2022 (<b>Put Option Payment Date</b>).</p> <p>Upon receipt of the Put Option Notice, the Issuer shall pay the Amounts Due on the Put Option Payment Date.</p>		



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		Any prepayment of the Debentures under this paragraph shall be subject to provisions of Applicable Law (including the 2015 Circulars).
14.	Prepayment Trigger Events	<p>Upon the occurrence of a Prepayment Trigger Event, the Issuer shall promptly provide a notice of such event to the Debenture Trustee.</p> <p>Upon receipt of notice from the Issuer or if the Debenture Trustee becomes aware of the occurrence of a Prepayment Trigger Event, the Debenture Trustee shall have the right (but not the obligation) to provide a notice to the Issuer requiring it to pay the Prepayment Trigger Amount on the expiry of 45 days (Forty Five days) from the date (Prepayment Trigger Payment Date) of such notice (Prepayment Trigger Payment Notice).</p> <p>Upon receipt of such notice, the Issuer shall promptly but in any event on the Prepayment Trigger Payment Date and subject to the provisions of the Debenture Documents, ensure that the Prepayment Trigger Amount is paid to the Debenture Holders.</p> <p><u>Definitions</u></p> <p>For the purpose of this paragraph,</p> <p><b>Prepayment Trigger Amount</b> means, as the context may require or permit, Prepayment Trigger Amount 1 or Prepayment Trigger Amount 2.</p> <p><b>Prepayment Trigger Event</b> means, as the context may require or permit, Prepayment Trigger Event 1 or Prepayment Trigger Event 2.</p> <p><b>Prepayment Trigger Amount 1</b> means lower of (a) Amounts Due minus Outstanding Principal Amount of the Debentures as on the date of Prepayment Trigger Notice; and (b) Share of Sale Proceeds.</p> <p><b>Prepayment Trigger Event 1</b> means an event occurring upon (a) the sale of Mumbai Property; and / or (b) stakes held in general and life insurance companies (to the extent not held in Future Enterprises Ltd); and / or (c) any sale of the shares of the Security Companies.</p> <p><b>Share of Sale Proceeds</b> means <math>((A1-B1) \times CI) - DI</math></p> <p>Where:</p> <p>A1 = Aggregate proceeds, net of expenses, received from (a) the sale of Mumbai Property; and / or (b) stakes held in general and life insurance companies (to the extent not held in Future Enterprises Ltd);</p>





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		<p>and / or (c) any sale of the shares of the Security Companies, whether such sales are made singly or in aggregate.</p> <p>B1 = INR 750,00,00,000 (Indian Rupees Seven Hundred and Fifty Crores only)</p> <p>C1 = 25%</p> <p>D1 = any payments made to the Debenture Holders pursuant to this Clause prior to this Prepayment Trigger Event 1.</p> <p><b>Prepayment Trigger Amount 2</b> means Amounts Due minus Outstanding Principal Amount of the Debentures as on the date of Prepayment Trigger Notice.</p> <p><b>Prepayment Trigger Event 2</b> means the first event when the weighted average percentage increase in price of shares of the Security Companies from the price of these shares on the NSE on the Closing Date of the NCDs is more than 50% and such increase (in excess of 50%) has sustained for a continuous period of 3 months.</p> <p>For determining the Prepayment Trigger Event 2 under this Clause, the following weights are to be applied (FRL – 49%, FLFL - 23%, FCL – 23%, FEL – 5%) (Prepayment Trigger Event 2).</p> <p>It is clarified that:</p> <ul style="list-style-type: none"> <li>a) Prepayment Trigger Event 2 is only a one time occurrence;</li> <li>b) Prepayment Trigger Event 1 can occur multiple times from the Closing Date; and</li> <li>c) A1 refers to gross amounts received by the respective seller without netting of any associated debt or liabilities (other than transaction expenses).</li> </ul> <p>An illustration of a Prepayment Trigger Event is set out in Annexure N of the 2017 Series D DTD.</p>
15.	Purpose and object	<p>The funds raised by the issue of the Debentures shall be utilized by the Company solely towards the following purposes (<b>Purposes</b>):</p> <ul style="list-style-type: none"> <li>3.2.1 repayment of existing indebtedness in accordance with Applicable Law;</li> <li>3.2.2 general corporate purposes; and</li> <li>3.2.3 the balance sums for payment of fees, cost, charges and expenses pertaining to the Issue including but not limited to the advocate fees, Debenture Trustee fees, depository participant charges etc.</li> </ul> <p>The Company shall ensure that the funds raised from the issuance of</p>



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		the Debentures are not utilized for any of the end-uses specified in A.P. (DIR Series) Circular No. 19 issued by the RBI on 17 November 2016 and in the SEBI circular bearing reference number SEBI/HO/IMD/FPIC/CIR/P/2017/16 issued by the SEBI on 28 February 2017
16.	Name and address of the valuer who performed the valuation of the Security	Not Applicable
17.	Mode of payment and repayment	Payments to Debenture Holders shall be made to the registered Debenture Holders and in case of joint holders to the one whose name stands first in the register or similar record used to ascertain Debenture Holders as on the Record Date using RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer). Provided that if so called upon by the Debenture Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Debenture Trustee and such payment shall be deemed to be in pro tanto satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holders.
18.	Price at which the Debentures are being offered (including the premium, if any), along with justification of the price	The Debentures are proposed to be issued at face value of INR 10,00,000/- (Rupees ten lakhs only) each.  Justification of the price – Not applicable as the Debentures are being issued at par value.
19.	Issue Opening Date	August 9, 2017
20.	Issue Closing Date	August 9 2017

