

**Term Sheet NCD XVIII - C**

1.	Security Name	Secured Rated, Listed, Redeemable Non-Convertible Debentures (NCDs)
2.	Issuer	Future Enterprises Limited (formerly known as - Future Retail Limited)
3.	Type of Instrument	Secured, Rated, Listed, Non-Convertible, Redeemable Taxable Debentures ("NCDs" / "Debentures")
4.	Nature of Instrument	Secured
5.	Seniority	Senior
5.	Issue Amount	22 Crs.
6.	Mode of Issue	Private placement to subscribers not exceeding limit as prescribed under Companies Act, 2013
7.	Eligible Investors	<ul style="list-style-type: none"> <li>• Scheduled Commercial Banks;</li> <li>• Financial Institutions;</li> <li>• Insurance Companies</li> <li>• Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);</li> <li>• Regional Rural Banks;</li> <li>• Mutual Funds;</li> <li>• Provident, Gratuity, Superannuation and Pension Funds;</li> <li>• Companies, Bodies Corporate authorized to invest in Debentures;</li> <li>• Trusts inclusive of public charitable trust subject to their investment guidelines;</li> <li>• Any other eligible investors registered under the applicable laws in India and which are duly authorized to invest in debentures.</li> </ul> <p>Applications can only be made by the applicants / Institutions to whom this offer is addressed.</p>
8.	Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the BSE Limited (BSE).
9.	Rating of the Instrument	<p><b>"BWR AA(SO)" &amp; "SMERA AA+(SO)"</b></p> <p><i>The Issuer reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.</i></p>
10.	Rating Covenant	The Coupon rate shall be increased by 25 bps from the date of every notch of downgrade in the Long-term (LT) credit rating of the instrument from any rating agency
11.	Objects of the Issue	The proceeds of Proposed NCDs shall be used by the Company for replacement of its current or near term maturity debts as well as some of high cost debts in order to rationalize its debt maturity profile while ensuring reduction in overall finance cost and improving debt service coverage ratio and to improve its balance sheet and credit profile resulting in improved credit rating and hence capability to obtain credit facilities at better terms and reduced rate of interest. Further funds will also be utilized for expansion /capex programme for the coming year.

Future Enterprises Ltd. (formerly-Future Retail Limited). CIN L52399MH1987PLC044954

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		The Company also propose to borrow for certain general corporate purpose such as (a) acquiring retail infrastructure assets as well as other capex requirements and (b) meeting any expenses incurred in ordinary course of business of our company, including salary, rent, administration expenses, insurance related expenses and payment of taxes and duties and such other expenses as may be approved by the Board.
12.	Details of utilization of the Proceeds	Please refer caption "Objects of the Issue" for details.
13.	Step Up/ Step Down Coupon Rate	In the event of the Credit rating of the NCDs of the Issuer is downgraded below the current rating from any rating agency(s), the coupon shall be increased by 0.25% for every notch of rating downgrade.
14.	Face Value	Rs 10,00,000 per Debenture
15.	Issue Price	Rs 10,00,000 per Debenture
16.	Coupon Rate	8.91% p.a.
17.	Coupon Type	Fixed
18.	Coupon Payment Frequency	Annual
19.	Coupon Reset Process	NA
20.	Tenor	7 Years
21.	Redemption	13 October 2024
22.	Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture
23.	Call Option date	At Par, at the end of 4th, 5th and 6th year from the Deemed date of allotment
24.	Call Option Price	At par
25.	Call Notification Time	7 days
26.	Put option date	NA
27.	Put Option Price	NA
28.	Put Notification Time	NA
29.	Day Count Basis	Actual/ Actual
30.	Interest on Application Money	At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid
31.	Discount at which security is issued and the effective yield as a result of such discount	Debentures will be issued at par without any discount and hence there will be no change in the effective yield.
32.	Security	The Company will be maintaining overall minimum <b>asset cover/security cover of 1.25 times on gross block of Fixed Assets</b> (Minimum Asset Cover) on all amounts outstanding on the debentures, to be maintained at all times during the tenor of the Debentures based



	<p>on written down value of the assets.</p> <p>The Debentures, interest thereon, Trustee's remuneration and all other monies relating thereto shall be secured by pari-passu 1st charge on immovable properties (excluding specific properties) and tangible movable fixed assets of the Company, having minimum Asset Cover/Security Cover as provided above during the tenure of the debentures.</p> <p>The Company shall execute a Debenture Trust Deed in Form No. SH.12 or as near thereto as possible, in favor of the Debenture Trustee within three months of closure of the issue or such other period as may be prescribed by law.</p> <p>The Company shall at all times in consultation of the trustees maintain a minimum security cover of 1.25 times on Gross Block of Fixed Assets for the value of the outstanding Debentures proposed to be issued by the Company under the current Disclosure Document. However during the tenor of the debentures at all time, the written down value of the assets offered as security shall always be atleast equal to the outstanding amount due on the debentures.</p> <p>In the event, security cover falls below the minimum security cover of 1.25 times, the Issuer shall create charge over additional assets within 30 calendar days (top up of Security) to the extent required to ensure that the security cover of 1.25 times is maintained on the remaining outstanding amount. If the company is unable to top up security within 30 calendar days, the company shall refund such shortfall amount within 5 calendar days.</p> <p>The Company shall have option for providing additional /replacement of security at any time during the tenure of the debentures to ensure the Minimum Asset Cover as provided hereinabove in consultation with Debenture Trustee.</p> <p>The Security shall be created by the Company as aforesaid in favor of the Trustee for which the Company shall obtain, the requisite consents and permissions applicable under law or in accordance with conditions of holding of such assets for creating the above mentioned charge. The creation of such security shall be sufficient compliance of the Company's obligation to create security.</p> <p>Further the Company shall have option, in consultation with the Debenture Trustee for removing certain assets given as charge, in event of any demerger of business undertaking from the Company and assets together with liabilities pertaining to the said undertaking.</p> <p>Book Value for the above assets offered as security shall be tested on a half-yearly basis, on March 31st and September 30th each year. The</p>
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		<p>Company shall, within 60 days from the end of the respective half-year period, procure and provide to the Debenture Trustee a certificate from its statutory auditors / chartered accountant providing the book value of the above assets and the extent of security cover.</p> <p>In consultation with the Debenture Trustee the Company shall have option to create charge on the assets of the Company for securing credit facilities of the any businesses merging into the Company and also providing the additional Asset Cover/Security Cover to the existing charge holders on the assets acquired as part of the merger process.</p> <p>In case of delay in execution of Trust Deed and creation of Charge, the Company will refund the subscription with agreed rate of interest or will pay penal interest of 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.</p> <p>Non Maintenance of minimum security cover as mentioned above will attract 2% p.a. penalty for the period of non-maintenance of cover.</p> <p><b><u>Details of the Moveable and Immovable Properties offered as security ("Mortgaged Moveable and Immovable Properties")</u></b></p> <p><b>A. Description of the Immoveable Property :</b></p> <ul style="list-style-type: none"> <li>• Undivided 65% of the piece and parcel of land situate in Plot No. 5-B, Majas Village, Jogeshwari, Mumbai, Maharashtra, having 2 Survey Nos. viz. Survey No. 53, CTS No. 24 and Survey No. 55, Hissa No. 3, CTS No. 27 total admeasuring about 2214.55 Square meters, together with buildings, godowns, erections, structures constructed thereon and identified as owned by Company (Entire Basement Area, A wing –Ground Floor and First Floor; B wing – Whole First Floor &amp; part Second Floor) and fixed plant and machinery, installed or erected thereon and anything attached to earth or anything permanently fastened to anything attached to earth in the constructed area as identified here inadvertent.</li> <li>• Immovable Property admeasuring 69.88 sq. mtrs. Unit No. 101 in building known as Ostwal Empire standing on land bearing survey no 121/112/2, 112/1, 111/A/1/2, 111/1/1, 111/A/1/2A situated at Boisar, Tal. Palghar, Dist Thane, Maharashtra State.</li> </ul> <p><u>The immovable properties as mentioned above excludes the following specific immovable properties</u></p> <ul style="list-style-type: none"> <li>• Leasehold land admeasuring 19,863 sq. mtr. at Palghar (Tarapur)-</li> <li>• Shop no. 2 &amp; 3 admeasuring in aggregate 800 sq. ft. With 800 sq. ft. Of basement property and 80 sq. ft. of land at City Centre Shops</li> </ul>
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33.	Debt Service Reserve	During the tenure of NCDs Company to maintain one year interest



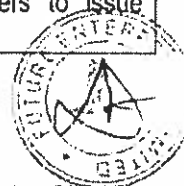
	Account (DSRA)	<p>obligation in a separate Debt Service Reserve Account (DSRA) in the form of liquid Securities/ Fixed Deposit with Bank, Bank Guarantee, 'AAA' rated Liquid bonds in any combination.</p> <p>Such DSRA would be solely utilized for debt servicing shortfall, if any, on the NCDs.</p> <p>The Company shall create the above said DSRA, within 7 days of the respective deemed date of allotment(s) of the issue proceeds.</p> <p>For further details refer the para titled "Debt Service Reserve Account" in this document.</p>
34.	Events of Default	Pls refer the details mentioned under the para titled "EVENT OF DEFAULT" & "OTHER EVENT OF DEFAULT"
35.	Provisions related to Cross Default Clause	<p>Cross default with any other financial indebtedness of the Issuer would qualify as an "Event of Default"</p> <p><b>Consequence of Event of Default</b></p> <p>Upon the happening of any Event of Default or breach of any agreed covenant all outstanding amounts (Principal alongwith accrued interest (both Coupon &amp; Penal, Redemption premium, if any)) on the Instrument shall stand accelerated and the Debenture Trustee will, at the request of the investor, give notice (unless instructed otherwise by the Investors in writing) to the Issuer to pay the outstanding amounts within fifteen Business Days of the happening of any Event of Default except where in case if the Default is made in payment of any interest or principal or any other charges in terms of the Transaction Documents in respect of the NCDs on due date, the payment stands payable immediate</p>
36.	Early Redemption Event	<p>The Credit Rating of the NCDs from any rating agency to remain at <b>minimum of "A (SO)"</b>.</p> <ul style="list-style-type: none"> <li>In the event that the rating of the Debentures, at any point in time until the Final Settlement Date/s of any of the series of Debentures, <b>falls at or below "A- (SO)"</b>, each of the Debenture Holders shall be entitled to ("Early Redemption Option") and would require the Company, by provision of a notice in writing ("Early Redemption Notice"), to repay, the principal amounts outstanding in respect of the Debentures held by them, together with Coupon /Premium / Penalty accrued thereon and all such monies which shall be due and payable to such Debenture Holders.</li> <li>In the event that the Debenture Holders (or any of them) have exercised the Early Redemption Option, as provided for hereinabove, the Company shall be required to make prepayment of all amounts as set out in the Early Redemption Notice, within 15 (Fifteen) calendar days of the date of the Early Redemption Notice. All such payments which are required to be made by the Company upon the exercise of an Early Redemption Notice by any of the Debenture Holder</li> </ul>



37.	Debenture's Holders Consent	During the currency of the Debentures, the Issuer to seek prior written consent of the debenture holders/debenture trustee, of any change on the following: <ul style="list-style-type: none"> <li>the Promoter Group ceasing to be the Promoter of the Company (as defined under SEBI regulations) on account of change in shareholding or otherwise; or</li> <li>change in the Management Control</li> </ul>
38.	Default Rates	<ol style="list-style-type: none"> <li>1. Security Creation: In the event of delay in execution of Debenture Trust Deed and creation of security within three months of closure of the issue or such other period as prescribed by law, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with or refund the subscription along with other monies/accrued interest and any other amounts due on the NCDs due in respect thereof, at the option of the debenture holders;</li> <li>2. Default in Payment: In case of default in payment of interest and/or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid;</li> <li>3. Delay in Listing: The Company shall make listing application to BSE within 15 days from the Deemed Date of Allotment of the Debentures and seek listing permission within 20 days from the Deemed Date of Allotment of Debentures. In case of delay in making of listing application of the Debentures beyond 15 days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Debentures to the debenture holder(s)</li> </ol> <p>The interest rates mentioned in above three covenants are interest rates payable by the company and shall be independent of each other.</p>
39.	Minimum Application and in multiples of debt Securities thereafter	Minimum application of 1 debentures to be subscribed and in multiples of 1 thereof
40.	Issuance mode of the Instrument	In Dematerialised Form
41.	Trading mode of the Instrument	Demat only
42.	Settlement mode of the Instrument	Payment of interest and redemption will be made by way of ECS (Electronic Clearing Services), Direct Credit, credit through RTGS (Real Time Gross Settlement) or NEFT (National Electronic Fund Transfer)
43.	Depository	National Securities Depository Limited and Central Depository Services (India) Limited.
44.	Business Day	The Issuer shall follow the business day convention as per SEBI

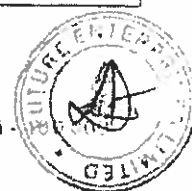


	Convention	<p>Circular "No. CIR/IMD/DF-1/122/2016 dated November 11, 2016</p> <p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
45.	Record Date	The 'Record Date' for the Debentures shall be 15 days prior to each interest payment and/ or principal redemption date. In case of Call/Put option exercised if any, record date shall be reckoned/ understood as date of issuance of notice. The Issuer shall inform the same to BSE at least seven clear Business days before the Record Date.
46.	Debenture Trustee to the issue	Axis Trustee Services Limited
47.	Transaction Documents	<p>A. MATERIAL CONTRACTS</p> <p>a) Letter appointing Link Intime India Private Limited as Registrar and Transfer Agents for the issue;</p> <p>b) Letter appointing Axis Trustee Services Limited Trustee Company Limited as Debenture Trustee to the Debenture holders;</p> <p>B. DOCUMENTS</p> <p>a) The Memorandum and Articles of Association of the Company, as amended from time to time.</p> <p>b) Certificate of Incorporation of Company.</p> <p>c) Credit Rating Letters, for the current Private Placement.</p> <p>d) Board Resolution and consent by shareholders approving the proposed private placement.</p> <p>e) Shareholders' Resolution providing for the Borrowing Powers of the Company.</p> <p>f) DSRA related documents</p> <p>g) Consent letters of the Registrar and the Debenture Trustee to the issue.</p> <p>h) Debenture Trust Deed</p> <p>i) Termsheets / Addendums to the Issue</p> <p>j) Annual Reports of the Company for the last five years.</p> <p>k) Auditor's Report in respect of the Financials of the Company.</p> <p>l) And any Other Document that may be designated as the transaction document by the Debenture Trustee.</p>
48.	Conditions Precedent to Disbursement	<ul style="list-style-type: none"> <li>Authority from Board of Directors and Shareholders to issue debentures;</li> </ul>





		<ul style="list-style-type: none"> <li>• The Company to file the disclosure document with stock exchange in compliance with requirement Securities &amp; Exchange Board of India (Issue &amp; Listing of Debt Securities) Regulations, 2008 and Securities &amp; Exchange Board of India (Issue &amp; Listing of Securities) (Amendment) Regulations, 2012,</li> <li>• Written consent letter from Axis Trustee Services Limited, conveying their consent to act as Trustees for the debenture holders;</li> <li>• Rating Letter;</li> <li>• Written consent letter from Link Intime India Private Limited, conveying their consent to act as Registrar to the issue.</li> </ul>
49.	Condition Subsequent to Disbursement	<ul style="list-style-type: none"> <li>• Credit of demat account(s) of the allottee(s) by number of Debentures allotted within two working days from the Deemed Date of Allotment;</li> <li>• Making listing application to BSE within 15 days from the Deemed Date of Allotment of Debentures and seeking listing permission within 20 days from the Deemed Date of Allotment of Debentures;</li> <li>• Executing the Debenture Trust Deed in favor of the Trustee to the debenture holders and creation of security within three months from the closure date of the issue or such other period as may be prescribed by law</li> <li>• Submission of executed Debenture Trust Deed with BSE within five working days of execution of the same.</li> </ul> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this document.</p>
50.	Role and Responsibilities of Debenture Trustee	Please refer the section titled "Role and responsibilities of Debenture Trustee" in the Disclosure Document.
51.	Governing Law and Jurisdiction	The Debentures offered are subject to provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai, Maharashtra.
52.	Disclosure Clause	In the event of default in the redemption of the principal and/or payment of interest thereon on the due dates, the investors and/or the Reserve Bank of India/SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner



		and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit.
		Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.
53.	Issue Timing Issue Opening Date Issue Closing Date Pay-in Date Deemed Date of Allotment	13-Oct-17 13-Oct-17 13-Oct-17 13-Oct-17

For Future Enterprises Limited

Signature : 

Name : Deepak Tanna

Designation : Company Secretary

Date : October 13, 2017

