ANNEXURE 'A'

Celebrating Two Decades of Analytical Excellence

Mr. Gopal Bihani
CFO
Future Consumer Enterprise Ltd
4th Floor, Tower C,
247 Park, LBS Marg,
Vikhroli West, Mumbai - 83

March 14, 2014

Confidential

Dear Sir,

Credit rating for long-term/short-term bank facilities of Rs.20 crore

Please refer to your request for rating the bank facilities of your company.

2. Our Rating Committee has assigned a **'CARE A-' [Single A Minus]** rating to the long-term facilities of Future Consumer Enterprise Ltd. This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. (Refer **Annexure 1** for details of rated facilities).

3. Further, our Rating Committee has assigned a **'CARE A1' [A One]** rating to the short-term facilities of your company. This rating is applicable to facilities having a tenure upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. (Refer **Annexure 1** for details of rated facilities).

4. Our rating symbols for various ratings for long/medium term and short-term instruments and explanatory notes thereon are given in **Annexure 2.** The rationale for this rating will be communicated to you separately.

5. The above rating is normally valid for a period of one year from the date of our initial communication of rating to you (that is March 3, 2014). CARE reserves the right to undertake a surveillance/review of



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the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

6. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

9. CARE ratings are **not** recommendations to sanction, renew, disburse or recall any bank facilities.

10. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

[Mihir Shah]
Deputy Manager

[Rashmi Shah]
Asst. General Manager

Encl : As above

Disclaimer

Shri V. K. Chopra, Non-Executive Director of Future Retail Ltd (an associate company of Future Consumer Enterprise Ltd) is CARE's Rating Committee Member. To comply with the regulations, the member has not participated in the rating process and in the rating committee meeting.

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CREDIT ANALYSIS & RESEARCH LTD.

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.

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Annexure 1

1. Long /Short term facilities

Fund Based limits **(Rs. crore)**

Sr. No.	Name of Bank	Nature of Facility	Amount
1	Kotak Mahindra Bank*	Bill Discounting	12.00
2	Proposed^	Bill Discounting	8.00
	TOTAL		**20.00**

** fungible with cash credit facility upto Rs.5 crore*
^ fully fungible with cash credit facility

Total long-term/short-term facilities **Rs.20.00 crore**

Total facilities rated **Rs.20.00 crore**

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Annexure 2

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. **The modifiers reflect the comparative standing within the category.**

B. Rating Symbols and Definitions for Short Term Debt Instruments

Symbols	Rating Definition
CARE A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
CARE A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
CARE A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
CARE A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
CARE D	Instruments with this rating are in default or expected to be in default on maturity.

Modifier {"+" (plus)} can be used with the rating symbols for the categories CARE A1 to CARE A4. **The modifier reflects the comparative standing within the category.**