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May 25th, 2018

INDOSTAR

**DRAFT TERMSHEET**

**ADDENDUM TO THE SHELF DISCLOSURE DOCUMENT DATED April 26, 2018**

**ISSUE OF UPTO 1000 SERIES XXVIII AA- RATED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 10,00,000 PER DEBENTURE AGGREGATING TO INR 100,00,00,000**

This Addendum to Shelf Disclosure Document is issued in terms of and pursuant to the Shelf Disclosure Document dated April 26, 2018. All the terms, conditions and information as stipulated in the Shelf Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same. This Addendum to the Shelf Disclosure Document must be read in conjunction with the Shelf Disclosure Document.

**Broad terms of the Issue**

<b>Name of the Instrument</b>	ICFL Series XXVIII Secured redeemable Non-Convertible
<b>Series</b>	Series XXVIII – 15 <sup>th</sup> June 2021
<b>Face Value</b>	INR 10 Lakhs per Debenture
<b>Issue Price</b>	AT Par - INR 10 Lakhs per Debenture
<b>Redemption date</b>	15th June 2021
<b>Allotment Quantity</b>	1000
<b>Security Cover</b>	1.00 time
<b>Value Date</b>	4th June 2018
<b>Tenor</b>	1107 days
<b>Issuer/ Borrower/ Company</b>	IndoStar Capital Finance Limited
<b>Type of Instrument</b>	Rated, Listed, Secured, Non-Convertible Debenture (the "Debentures/ NCDs")
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior (Pari-passu)
<b>Mode of Issuance</b>	Private Placement
<b>Listing ( including name of Stock Exchange(s) where it will be listed and timeline for listing)</b>	Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment. In case of delay in listing of the NCDs beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such NCDs to the Debenture Holder.
<b>Rating of the Instrument</b>	"AA-" by CARE Ltd

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Issue Size	Rs.100 Crores
Option to retain oversubscription (Amount )	N.A.
Objects of the Issue	General Corporate Purposes
Details of the utilization of the Proceeds	General Corporate Purpose
Coupon Rate	9.2000% p.a.
Step Up Coupon Rate	In case of downgrade in external credit rating of the NCDs, the Coupon Rate for the balance period would increase 0.25% p.a. for each notch downgrade in rating and the same will be with effect from the rating downgrade date.  In case of rating from multiple rating agencies, lowest rating available for long-term borrowing shall be considered for the above purpose
Coupon Amount	Accrued Interest on the paid-up value of NCDs payable on Coupon Payment Date
Coupon Payment Frequency	Compounded Annually and Payable at Maturity
Coupon Payment Dates	As mentioned later in "Illustration of Bond Cash flows"
Coupon Type	Fixed Rate
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N.A.
Day Count Basis	Actual/ Actual
Interest on Application Money	9.2000% p.a.
Default Interest Rate	2% p.a. over the Coupon Rate for the defaulting period
Redemption Amount	INR 10 Lakhs(Rupees Ten Lakhs Only) per Debenture, aggregating to INR 100 Crore (Rupees One Hundred Crores Only).
Redemption Premium /Discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Put Option Notice	N.A.
Call Option Date	N.A.
Call Option Price	N.A.

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Call Option Notice	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Early Redemption Clause	<p>At the sole discretion of Debenture holders, the Debentures along with accrued interest shall become due and payable within 15 days upon receipt of written notice from Debenture Trustee of happening of any of the following events</p> <p>1) Change in Shareholding - promoter or promoter group shareholding in Indostar goes below 40% or promoters or promoter group cease to have control over Indostar.</p> <p>2) Rating of the Debentures is downgraded below "A-". In case the NCDs are downgraded to credit rating of below A- or lower by any rating agency, the debenture-holders can exercise the right to demand early redemption of the NCDs.</p> <p>3) Breach of any covenants including but not limited to financial covenants</p>
Minimum Application and in multiples of 1 Debt securities thereafter	10 (Ten) Debenture
Issue Timing	
1. Issue/ Bid Opening Date	1st June 2018
2. Issue/ Bid Closing Date	1st June 2018
3. Pay-in Date	4th June 2018
4. Deemed Date of Allotment	4th June 2018
Issuance mode of the Instrument	Dematerialised only
Trading mode of the Instrument	Dematerialised only
Settlement mode of the Instrument	Cheque(s) / Direct Credit / Electronic Clearing Services / RTGS (Electronic mode) / Fund Transfer
Depository	NSDL & CDSL
Business Day Convention	Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a Saturday, Sunday and/or on a Public Holiday/s in the city of Mumbai and Delhi, the preceding Business Day shall be considered as the effective Business Day

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	Should the Deemed Date of Allotment or any Coupon Payment Date fall on a Saturday, Sunday and/or on a Public Holiday/s in the city of Mumbai and Delhi, the immediately succeeding Business Day shall be considered as the effective Business Day however the calculation of the of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed.
<b>Record Date</b>	15 days prior to each Coupon Payment / Redemption Date
<b>Security (where applicable)</b>  (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	To be created in favor of the Debenture Trustee, as follows: <ul style="list-style-type: none"> <li>· first pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) charge on by way of hypothecation on the standard asset portfolio of receivables of the Issuer; and</li> <li>· first pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat</li> </ul> Security Cover: 1.00 times the value of the principal and coupon amounts outstanding under this information memorandum
<b>Security Creation</b>	The Issuer undertakes to create security within 3 months from the deemed date of allotment. Any delay in security creation would attract penal interest of 2% p.a. over and above the coupon rate for the delayed period till such conditions are complied with, at the option of the debenture holders.
<b>Transaction Documents</b>	Debenture Trust Deed and/or any other documents as may be considered necessary by the Company, the Debenture Trustee and/or the Debenture Holders.
<b>Conditions Precedent to Disbursement</b>	As per Debenture Trust Deed
<b>Condition Subsequent to Disbursement</b>	As per Debenture Trust Deed
<b>Financial Covenants</b>	<ol style="list-style-type: none"> <li>1) The Net Debt/Equity ratio (gearing) of the Company shall be capped at 4x during the tenor of the debentures and the same shall be tested on quarterly basis i.e. June 30, September 30, December 31 and March 31 every year.</li> <li>2) Gross NPA should not cross more than 4% of the total advances</li> </ol> On the breach of financial covenant, Debenture holders will have the option to either ask for early redemption of

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	debentures (along with interest and any other dues) or increase the coupon rate by 0.25% p.a. during the period for which the breach is continuing & the option will be available to debenture holders at each testing date.
<b>Events of Default</b>	Events of default as stated in the NCD Documentation, including but not limited to the following:
	<ul style="list-style-type: none"> <li>• Failure to pay amounts due under the Issue on the relevant due date by the Issuer;</li> <li>• Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;</li> <li>• Cross default / acceleration under agreements (subject to relevant cure periods, if any, provided in the respective agreements) for indebtedness of the Issuer;</li> <li>• Illegality, cessation of business of the Issuer;</li> <li>• Security in jeopardy;</li> <li>• Bankruptcy, CDR proceedings filed with respect to the Issuer;</li> <li>• Breach of any of the terms of the Transaction Documents by the Issuer;</li> <li>• Breach of any covenants;</li> <li>• Breach of any Representations and Warranties;</li> <li>• Nationalization or expropriation of any of a substantial part of the assets of the Issuer;</li> <li>• Unlawfulness or moratorium;</li> </ul>
<b>Consequences of Event of Default</b>	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security;</li> <li>• To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer;</li> <li>• Enforce its right under the Transaction Documents;</li> <li>• Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue;</li> </ul>

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	<ul style="list-style-type: none"><li>• Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists</li><li>• Any cost incurred on any of the above shall be borne by Issuer</li></ul>
<b>Provisions related to Cross Default Clause</b>	Any financial indebtedness of the Company is not paid when due and the applicable cure period has lapsed without the Company making payment of the overdue amount in full.
<b>Role and Responsibilities of Debenture Trustee</b>	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents
<b>Governing Law and Jurisdiction</b>	The Debenture Documents shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.
<b>Taxation</b>	All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.
<b>Validity of the Information Memorandum</b>	This Information Memorandum is valid until the Issue Closing Date
<b>As this issue is through Electronic Book Mechanism, the participants should complete the funds pay in as per SEBI circular 'SEBI/HO/DDHS/CIR/P/2018/05' dated January 5, 2018 including any amendment thereof and 'Updated Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism' of BSE (Ref. BSE Notice No - 20180425-7) including any amendment thereof.</b>	



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### Illustration of Bond Cash Flows per Debenture for Series XXVIII

Cash Flows	Date	No of Days in coupon period/Principal Period	Amount (in Rupees)
First & Final Coupon	15 <sup>th</sup> June 2021	1107	3,05,781.09
Principal	15 <sup>th</sup> June 2021	1107	10,00,000.00
<b>Total</b>			<b>13,05,781.09</b>

**Note:** The total interest payment on maturity would be rounded off to the nearest rupee

### Final Cash Flow for Series XXVIII

Cash Flows	Date	No of Days in coupon period/Principal Period	Amount (in Rupees)
First & Final Coupon	15 <sup>th</sup> June 2021	1107	30,57,81,090.00
Principal	15 <sup>th</sup> June 2021	1107	100,00,00,000.00
<b>Total</b>			<b>130,57,81,090.00</b>

For IndoStar Capital Finance Limited

4-5-21  
Shailesh Shirali  
MD Corporate Lending & Markets



Accepted  
For

Authorized Signatory

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