

18th May, 2018

Below is a Term sheet purely as an indication of interest and for discussion purposes only. This Term sheet is not intended to be, and does not constitute or give rise to any binding or non-binding commitment of any party whatsoever. No individual or entity will have any rights or obligations of any kind whatsoever relating to the transactions contemplated herein unless and until definitive agreements with respect thereto are executed and delivered. Nothing contained herein shall be construed to be an offer, agreement or decision to offer or acquire any instruments or control. The issuance of the Debentures (as defined hereinafter) is subject to the either party obtaining final approvals, or execution of Definitive Agreements.

Broad terms of the Issue

Name of the Instrument	ICFL Series XXVI Unsecured Redeemable Non-Convertible Debentures
Series	Series XXVI – 24 June 2019
Face Value	INR 1 Crore per Debenture
Issue Price	INR 1 Crore per Debenture
Redemption date	24 th June 2019
Allotment Quantity	50
Issue Size	INR 50.00 Crs
Value Date	25 th May 2018
Tenor	395 Days
Issuer/ Borrower/ Company	IndoStar Capital Finance Limited
Type of Instrument	Rated, Unlisted, Unsecured, Non-Convertible Debenture (the "Debentures/ NCDs")
Nature of Instrument	Unsecured
Seniority	Senior (Pari-passu)
Mode of Issuance	Private Placement
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	Unlisted
Rating of the Instrument	" AA-" by CARE Ltd
Issue Size	INR 50.00 Crore (Rupees Fifty Crores Only)
Minimum Subscription Amount	INR 50.00 Crore (Rupees Fifty Crores Only)
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue	General Corporate Purposes
Details of the utilization of the Proceeds	General Corporate Purpose

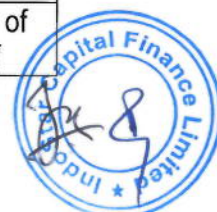
**IndoStar Capital Finance Limited**

Registered Office : One Indiabulls Centre, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai - 400013, India
T +91 22 4315 7000 | F +91 22 4315 7010 | contact@indostarcapital.com | www.indostarcapital.com
CIN : U65100MH2009PLC268160

Coupon Rate	9.17%
Step Up/Step Down Coupon Rate	N.A.
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	24 th June 2019 (along with redemption)
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	9.17% p.a.
Default Interest Rate	2% p.a. over the Coupon Rate on defaulted amounts for the defaulting period
Redemption Date	24 th June 2019
Redemption Amount	INR 1 Crore (Rupees One Crore Only) per Debenture, aggregating to INR 50 Crore (Rupees Fifty Crores Only).
Redemption Premium /Discount	N.A.
Face Value	INR 1,00,00,000 per Debenture
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.
Call Option Notice	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Minimum Application and in multiples of 1 Debt securities thereafter	1 (One) Debenture
Issue Timing	
1. Issue Opening Date	25 th May 2018
2. Issue Closing Date	25 th May 2018
3. Pay-in Date	25 th May 2018



4.Deemed Date of Allotment	25 th May 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	<p>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</p> <p>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.</p>
Record Date	15 days prior to each Coupon Payment / Redemption Date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	Unsecured
Transaction Documents	Debenture Trust Deed and/or any other documents as may be considered necessary by the Company, the Debenture Trustee and/or the Debenture Holders.
Conditions Precedent to Disbursement	As per Debenture Trust Deed
Condition Subsequent to Disbursement	As per Debenture Trust Deed
Events of Default	Events of default as stated in the NCD Documentation, including but not limited to the following:
	• Failure to pay amounts due under the Issue on the relevant due date by the Issuer;
	• Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of



	<p>business by the Issuer;</p> <ul style="list-style-type: none"> • Illegality, cessation of business of the Issuer; • Initiation of Bankruptcy, CDR proceedings with respect to the Issuer which is not set aside within 30 days from the date thereof; • Breach of any of the terms of the Transaction Documents by the Issuer; • Breach of any covenants; • Breach of any Representations and Warranties; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer; • Unlawfulness or moratorium;
Consequences of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> • Enforce its right under the Transaction Documents; • Charge Default Interest on defaulted amounts. 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 • Any cost incurred on any of the above shall be borne by Issuer
Role and Responsibilities of Debenture Trustee	<p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents</p>
Governing Law and Jurisdiction	<p>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.</p>
Taxation	<p>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.</p>
Validity of the Information Memorandum	<p>This Information Memorandum is valid until the Issue Closing Date</p>
Issuer's Current Account where the funds can be Credited	<p>Name of the Bank: Kotak Mahindra Bank Ltd. Branch: 5C/II, Ground Floor, Mittal Court, 224, Nariman Point, Mumbai – 400021 IFSC Code: KKBK0000958 KKBK0000958: 9711744739 Type of Account: Current Name of beneficiary: IndoStar Capital Finance Limited</p>



Strictly private and confidential



Illustration of Bond Cash Flows per Debenture for Series

Cash Flows	Date	No of Days in coupon period/Principal Period	Amount (in Rupees)
First and Final Coupon	24-June-2019	395	9,99,281.28
Principal	24-June-2019		1,00,00,000.00

Illustration of Bond Cash Flows for Series

Cash Flows	Date	No of Days in coupon period/Principal Period	Amount (in Rupees)
First and Final Coupon	24-June-2019	395	4,99,64,063.97
Principal	24-June-2019		50,00,00,000.00

For IndoStar Capital Finance Limited

Pankaj Thapar

Pankaj Thapar
Chief Financial Officer



Accepted
For

Authorized Signatory

[Signature]