

Series – XLIV

**TERM SHEET FOR ISSUE OF NON-
CONVERTIBLE DEBENTURES ON A PRIVATE
PLACEMENT BASIS**



INDOSTAR CAPITAL FINANCE LIMITED

Corporate Identity Number (CIN) – L65100MH2009PLC268160
(the “Company” or the “Issuer”) was incorporated under the Companies Act, 1956
Registered & Corporate Office: One World Center, 20th Floor, Tower 2A, Jupiter Mills Compound,
Senapati Bapat Marg, Mumbai – 400 013
Tel: +91 22 43157000; Fax: +91 22 43157010
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ADDENDUM TO THE SHELF DISCLOSURE DOCUMENT DATED July 26, 2021

ISSUE OF UPTO 1500 Units SERIES XLIV, AA- RATED UNSECURED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 10,00,000 PER DEBENTURE AGGREGATING TO INR 150,00,00,000

This Addendum to Shelf Disclosure Document is issued in terms of and pursuant to the Shelf Disclosure Document dated July 26, 2021. 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.

This Issue Addendum is dated July 27, 2021.

Broad terms of the Issue

Security Name	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Rated, Listed, Taxable Non-Convertible Debentures
Nature of Instrument	Unsecured
Seniority	Unsecured
Mode of Issuance	Private Placement
Eligible Investors / Class / Classes of investors	The following categories of investors may apply for the Debentures: a) Banks and Financial Institutions b) FIIs c) Mutual Funds d) Insurance Companies e) Provident and Pension and Gratuity Funds f) Companies and Bodies Corporate including Public Sector Undertakings g) Individuals and Hindu Undivided Families h) Partnership Firms i) Any other investor authorized to invest in these debentures

IndoStar Capital Finance Limited

Registered Office : One World Centre, 20th Floor, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai - 400013, India
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CIN : L65100MH2009PLC268160

Issuer/ Company	Borrower/	IndoStar Capital Finance Limited
Series / Tranche		Series XLIV
Face Value		INR 10 Lakhs per Debenture
Issue Price		INR 10 Lakhs per Debenture
Option to retain oversubscription (Amount)		N.A.
Allotment Quantity		Up To 1500 NCDS
Issue Size		Up To INR 150.00 Crores (Rupees One Hundred Fifty Crore Only)
Tenor and Maturity		13 months from the Deemed date of Allotment
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)		<p>Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 4 trading days from the Issue Closer Date.</p> <p>In case of delay in listing the Debentures beyond 4 trading days from the date of closure of respective Issue, the Company:</p> <p>(a) shall pay penal interest of 1% p.a. over the Coupon Rate for the period of delay (i.e. from the Deemed Date of Allotment to the date of listing);</p> <p>(b) shall be permitted to utilise the issue proceeds of its subsequent two issuances only after receiving final listing approval.</p>
Rating of the Instrument		"CRISIL AA-/Stable" by Crisil Ratings Limited
Minimum Subscription Amount		1,00,00,000/-
Minimum Application and in multiples of 1 Debt securities thereafter		Minimum 10 Debentures and in multiples of 1 thereafter
Objects of the Issue / details of utilization of Proceeds		<p>The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for onward lending to customers as per RBI guidelines and towards general corporate purpose of the Issuer, in compliance with relevant regulatory guidelines.</p> <p>The proceeds of the issuance shall not be utilised for any purpose which may be in contravention of the Government / RBI / SEBI / Other regulatory guidelines.</p>
Coupon Type		Floating
Coupon Payment Frequency		First coupon after one month from Deemed Date of Allotment and second & final coupon on Maturity
Coupon Rate		For each Coupon Period shall mean the simple average of the Aggregate Rates applicable to each Coupon Determination Period comprised in the relevant Coupon Period
Benchmark Rate		<p>Benchmark Rate shall, in respect of each Coupon Determination Period, mean the average of 3 Month Treasury Bill rate for the 10 business days immediately preceding the commencement of such Coupon Determination Period.</p> <p>For the purposes of determining the 3 Month Treasury Bill rate, the data source will be website of Financial Benchmarks India Private Limited ("FBIL") https://www.fbil.org.in/ and/or FIMMDA http://www.fimmda.org/ on which under section FBIL Rupee Interest</p>

	Rate Benchmarks one distinct 3 Month T-Bill rate is published for 3 months T-Bill. If FBIL data is not available for calculation of Benchmark Rate, the data source would be 3 Month Treasury Bill closing yield published on Bloomberg Terminal Ticker "FBTB3M Index". In case the Benchmark data referred above is discontinued to be published by FBIL/FIMMDA/Bloomberg then a mutually agreeable Benchmark rate to be determined between majority debenture holders and Issuer.										
Spread	309 bps, subject to step up & step down clause & covenant w.r.t. breach of Gross NPA stated in this term sheet										
Aggregate Rate	Aggregate Rate shall mean for each Coupon Determination Period, the aggregate of the Benchmark Rate for such Coupon Determination Period and the Spread, provided that the Aggregate Rate for the 1st Coupon Determination Period shall be 6.50%.										
Coupon Determination Period	<p>1st Coupon payment Date will be 30th August 2021 First coupon, determination period will be from 7th July 2021 to 20th July 2021</p> <p>2nd Coupon payment date will be 30th August 2022 For Second coupon, determination period shall be as follows</p> <table border="1"> <thead> <tr> <th>Reset Dates</th><th>Coupon Determination Period</th></tr> </thead> <tbody> <tr> <td>30th August 2021</td><td>10 business days before 30th August 2021</td></tr> <tr> <td>30th November 2021</td><td>10 business days before 30th November 2021</td></tr> <tr> <td>28th February 2022</td><td>10 business days before 28th February 2022</td></tr> <tr> <td>30th May 2022</td><td>10 business days before 30th May 2022</td></tr> </tbody> </table>	Reset Dates	Coupon Determination Period	30 th August 2021	10 business days before 30th August 2021	30 th November 2021	10 business days before 30th November 2021	28 th February 2022	10 business days before 28 th February 2022	30 th May 2022	10 business days before 30 th May 2022
Reset Dates	Coupon Determination Period										
30 th August 2021	10 business days before 30th August 2021										
30 th November 2021	10 business days before 30th November 2021										
28 th February 2022	10 business days before 28 th February 2022										
30 th May 2022	10 business days before 30 th May 2022										
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	<p>The Spread shall remain fixed throughout the tenor of the Debentures, subject to Coupon Step up & step-down clause and covenant wrt breach of Gross NPA stated in this term sheet</p> <p>The Benchmark Rate and the corresponding Aggregate Rate shall be computed for each Coupon Determination Period in the manner set out in the rows titled 'Benchmark Rate' and 'Aggregate Rate' above. Basis the Aggregate Rates so determined, the Coupon Rate for such Coupon Period shall be determined basis the computation specified in the row titled 'Coupon Rate' above.</p>										
Coupon Payment Dates	<p>1st Coupon on 30-August-2021 2nd Coupon on 30-August-2022</p>										
Coupon Amount	Accrued Interest on the paid-up value of Debentures payable on Coupon Payment Date										
Day Count Basis	Actual/ Actual										
Interest on Application Money	At coupon rate from the date of realization of the cheque/receipt of funds in case of RTGS till one day prior to Deemed Date of Allotment										
Redemption	INR 10 Lakh (Rupees Ten Lakh Only) per Debenture										

Redemption Date	August 30, 2022
Redemption Premium / Discount	NA
Security Cover	Not applicable as no security is being provided or proposed to be provided for securing the Debentures.
Value Date/Deemed Date of Allotment	July 30, 2021
Maturity Date	August 30, 2022
Tenor	13 Months from the Deemed Date of Allotment
Default Coupon Rate / Redemption Rate	2% (Two percent) over and above the Coupon Rate per annum, for the defaulting period, in the event the Issuer fails to make any payments of Interest and/or principal redemption to the Debenture Holders on their respective due dates.
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Redemption Amount	INR 10 Lakh (Rupees Ten Lakh Only) per Debenture
Allotment Date	30-July-2021
Put Option	None
Put Option Price	Not Applicable
Put Option Date	Not Applicable
Put Option Notice	Not Applicable
Call Option	None
Call Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Notice	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Step Up & Step Down Coupon Rate	<p>In case downgrade of rating of any long term debt facilities/ NCDs of the Company to "A+", Spread in Coupon Rate will be increased by 25 basis points from the date of such downgrade. Spread in Coupon Rate will further increase by 25 basis points for every subsequent notch of downgrade.</p> <p>It is expressly clarified that (a) a change in outlook shall not be construed as a downgrade for the purposes of this provision; and (b) any such step-up of Spread in Coupon Rate will be reversed to the extent that the rating is subsequently upgraded e.g. if the Spread in Coupon Rate is stepped up by 50 bps as a result of the rating fall to 'A', it will be stepped down by 25 bps if the rating is upgraded to 'A+' and a further 25 bps once the rating is upgraded to 'AA-' or above.</p>
Issuance mode of the Instrument	In Demat mode only
Trading mode of the Instrument	In Demat mode only
Settlement mode of the Instrument	Cheque(s) / Direct Credit / Electronic Clearing Services / RTGS (Electronic mode) / Fund Transfer

Depositories	NSDL / CDSL
Registrar	Link intime India Pvt. Ltd
Debt Equity Ratio (Including Current Issue)	1.61 : 1
Creation of recovery expense fund	The Company has created a recovery expense fund as required in accordance with regulations issued by the Securities and Exchange Board of India from time to time. The recovery expenses fund may be utilized in accordance with requirement of Applicable Laws.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	<p>If the rating of the company falls to A- or below then the debenture holder shall have right to seek accelerated redemption of Debentures by serving a written notice of at least 07 Business Days to the Company (the “Accelerated Redemption Notice”) and consequently, all the Debentures held by such Debenture Holder only shall be compulsorily redeemed by the Company within a period of 15 working days from the date receipt of Accelerated Redemption Notice by the Company.</p> <p>Provided such right can be exercised only during the period of such rating of A- or below continues. Subsequently, when the rating is upgraded above A-, the breach of covenant will not be applicable.</p>
Provisions related to Cross Default	Not Applicable
Risk Factors pertaining to the Issue	Please refer Section II of Shelf Disclosure Document
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	Not Applicable as no security is being provided or proposed to be provided for securing the Debentures.
Security Creation	Not Applicable as no security is being provided or proposed to be provided for securing the Debentures.
Non – maintenance of security cover	Not Applicable
Record Date/ Shut Period	15 days prior to each Coupon Payment / Redemption Date
Business Day Convention	<ul style="list-style-type: none"> Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a day that is not a Business Day,

	<p>then immediately preceding Business Day shall be considered as the effective Business Day.</p> <ul style="list-style-type: none"> • Should the Deemed Date of Allotment or any Coupon Payment Date fall on a day that is not a Business Day, then immediately succeeding Business Day shall be considered as the effective Business Day. However, the calculation 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. • “Business Day” shall be a day on which Money Market is functioning in Mumbai, however shall exclude Saturday, Sunday or any other day on which banks are closed in Mumbai.
Conditions Precedent to Disbursement	Nil
All Covenants of the issue (including side letters, accelerated payment clause, etc.	<ol style="list-style-type: none"> 1. Capital Adequacy shall be maintained at minimum 20% during the tenure of Debentures. in case it falls below 20% then accelerated redemption at the option of majority debenture holders 2. Reported Gross NPA shall not exceed 5% (as per quarterly financials finalized & disclosed by company) during the tenure of the NCD's, in case GNPA goes above 5% then the Spread shall be increased by 5 Bps, in case GNPA goes above 6% then spread shall be further increased by 5 Bps and in case GNPA goes above 7% then accelerated redemption at the option of majority debenture holders . 3. No Change in Name of the Issuer during the tenure of the NCD's, without prior intimation to the majority debenture holders. 4. Accelerated Redemption at the option of debenture holders in case of rating Downgrade to A- or below. 5. Debt to Equity Ratio to be maintained at 4 or below, in case it exceeds 4 then accelerated redemption at the option of majority debenture holders . 6. Existing promoter group comprising Brookfield & Everstone to maintain promoter status jointly / severally, accelerated redemption at the option of majority debenture holders in case the covenant not observed.
Condition Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Term Sheet:</p> <ol style="list-style-type: none"> 1. Ensuring that the payment made for subscription to the Debentures is received from the bank account of the person/ entity subscribing to the Debentures and keep record of the bank accounts from where payments for subscriptions have been received. In case of subscription to the Debentures to be held by joint holders, application monies are received from the bank account of the person whose name appears first in the Application Form; 2. Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with return of allotment in Form PAS-3 with the concerned Registrar of Companies, with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and;

	<p>3. Filing a return of allotment of Debentures with complete list of all Debenture holders in Form PAS-3 under section 42 of the Companies Act, 2013, with the concerned Registrar of Companies, on the Deemed Date of Allotment along with fee as provided under the Companies Act, 2013</p> <p>4. Credit of demat account(s) of the allottee(s) by number of Debentures allotted within Two working days from the Deemed Date of Allotment;</p> <p>5. Making listing application to BSE within 4 trading days from the date of Issue closure;</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Term Sheet.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> (i) Failure to pay amounts due under the Issue on the relevant due date by the Issuer; (ii) Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; (iii) Illegality, cessation of business of the Issuer; (iv) Bankruptcy, CDR proceedings filed with respect to the Issuer; (v) Breach of any of the terms of the Transaction Documents by the Issuer; (vi) Breach of any covenants; (vii) Breach of any Representations and Warranties; (viii) Nationalization or expropriation of any of a substantial part of the assets of the Issuer; (ix) Unlawfulness or moratorium (x) In case of event of default, the manner of voting / conditions of joining Inter Creditor Agreement, shall be in accordance with regulations issued by the Securities and Exchange Board of India in this regard, from time to time and as mentioned in Debenture Trust Deed
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"> • Acceleration of all outstanding dues, cancellation of total Issue; • Enforce its right under the Transaction Documents; • 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; <p>Any cost incurred on any of the above shall be borne by the Issuer.</p>
Transaction Documents	<ol style="list-style-type: none"> 1. Debenture Trustee Agreement; 2. Shelf Disclosure Document 3. Debenture Trust Deed, 4. Such other documents as agreed between the Issuer and the Debenture Trustee.
Validity of the Shelf Disclosure Document	180 days from the date of filing of Shelf Disclosure Document

EBP Process	<p>Issue and Payment Procedure</p> <p>• Bidding Process</p> <p>All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Shelf Disclosure Document. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.</p> <p>• Manner of settlement</p> <p>Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on 'Payment Mechanism' of this Addendum to The Shelf Disclosure Document.</p> <p>• Provisional or Final Allocation</p> <p>Allotment to the bidders shall be done on yield-time priority basis.</p> <table border="1" data-bbox="548 913 1469 1125"> <tr> <th>Bidding Scenario</th><th>Allotment</th></tr> <tr> <td>First case scenario</td><td>Yield priority</td></tr> <tr> <td>Where two or more bids are at the same yield</td><td>Time-priority basis</td></tr> <tr> <td>Where two or more bids have the same yield and time</td><td>Pro-rata basis</td></tr> </table> <p>Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.</p> <p>• Method of Allotment</p> <p>The allotment will be done on Uniform Yield basis in line with EBP Guidelines.</p> <p>• Settlement cycle</p> <p>The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Bidding day. For further, details, please see below section named 'Settlement Process'.</p> <p>• Payment Mechanism</p> <p>Payment of subscription money for the Debentures should be made by the Identified Investors as notified by the Issuer.</p>	Bidding Scenario	Allotment	First case scenario	Yield priority	Where two or more bids are at the same yield	Time-priority basis	Where two or more bids have the same yield and time	Pro-rata basis
Bidding Scenario	Allotment								
First case scenario	Yield priority								
Where two or more bids are at the same yield	Time-priority basis								
Where two or more bids have the same yield and time	Pro-rata basis								

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).

List of Designated Banks is as under:

	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	RTGS	RTGS	RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“**Pay-in Time**”). Identified Investors should ensure to make payment of the subscription amount for the Debentures from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Debentures to such Identified Investors.

• Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Debentures to the demat account of the successful bidder.

The Company shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Debentures in the demat account(s) of the successful bidder(s).

Manner of Bidding

Open Bidding

Bid Timing

10.00 a.m. to 11.00 am

Mode of Allotment /Allocation Option (Uniform Yield Allotment / Multiple Yield Allotment)	Uniform Yield
Mode of Settlement	RTGS
Depository	NSDL & CDSL
Settlement Through	ICCL & BSE
Settlement Cycle	T+1
Indemnification	The Issuer will indemnify and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Debenture Trustee to the Issue	IDBI Trusteeship Services Limited
Role and Responsibilities of Debenture Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Securities And Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trustee Agreement, Shelf Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.
Approvals	The Issuer agrees to comply with all applicable rules and regulations in respect of the transaction. The Issuer will be responsible for taking all necessary authorization and / or approvals internal, external regulatory, statutory or otherwise
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai, Maharashtra
Taxation	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.
Arrangers, if any, of the instrument	InCred Capital Wealth Portfolio Managers Pvt. Ltd.
Issue Timing	
Issue / Bid Opening date	July 29, 2021
Issue / Bid Closing Date	July 29, 2021
Pay in Date	July 30, 2021
Deemed Date of Allotment	July 30, 2021

Illustration of Debenture Cash Flows per Debenture

Face Value	Rs. 10,00,000				
Coupon Rate	First coupon rate 6.50% p.a. Second Coupon rate for illustration purpose 6.50% p.a. (to be determined based on mechanism mentioned in termsheet above)				
Event	Event Date	From Date	To Date	No of Days	Amount (in Rupees)
Disbursement	30-07-2021				10,00,000.00
First Coupon	30-08-2021	30-07-2021	30-08-2021	31	5520.5479
Second Coupon	30-08-2022	30-08-2021	30-08-2022	365	65,000.00
Redemption	30-08-2022				10,00,000.00

For Indostar Capital Finance Limited

Authorized Signatory

Name: Amol Joshi

Designation: CFO