

## NCD NOTE



# INDOSTAR CAPITAL FINANCE LIMITED

Public Issue of Secured Redeemable Non-Convertible Debentures

### Issue Highlights

Issue opens:	<b>Friday, September 06, 2024</b>
Issue closes	<b>Thursday, September 19, 2024***</b>
Allotment:	<b>First Come First Serve Basis***</b>
Face Value:	<b>Rs.1,000 per NCD</b>
Nature of Instrument	<b>Secured, Rated, Listed, Redeemable, Non-Convertible Debentures</b>
Minimum Application:	<b>10 NCDs (Rs.10, 000) &amp; in multiple of 1NCD thereafter</b>
Listing:	<b>BSE</b>
Rating:	"The NCDs proposed to be issued under the Issue have been rated "CARE AA-/Stable" (Pronounced as CARE Double A Minus; Outlook: Stable) by CARE Ratings Limited for an amount of ₹ 50,000 Lakh by CARE Ratings Limited vide their rating letter dated January 24, 2024, revalidated vide letter dated February 15, 2024, and further revalidated vide letters dated April 22, 2024 and June 19, 2024, with a rating rationale dated January 25, 2024.
Registrar:	<b>Link Intime India Private Limited</b>

#### Issue Size:

Public issue by Indostar Capital Finance Ltd (the "Company"/ "Issuer") of secured redeemable non-convertible debentures of face value of ₹1,000 each ("NCDs") for an amount up to ₹15000 Lakhs ("Base Issue Size") with a green shoe option of ₹15000 Lakhs aggregating up to ₹30000 Lakhs

#### Issue Break up:

Category	Allocation	₹ Amount in Lakhs.)	
		Base Issue	Issue
<b>Institutional Investors</b>	10%	1500	<b>3000</b>
<b>Non Institutional Investors</b>	30%	4500	<b>9000</b>
<b>HNI</b>	30%	4500	<b>9000</b>
<b>Retail Individual Investors</b>	30%	4500	<b>9000</b>
<b>Total</b>	100%	15000	<b>30000</b>

\* Persons resident outside India and other foreign entities are not allowed

\*\*The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Company or the Debt - Public Issue Committee thereof, subject to compliance with Regulation 33A of the SEBI NCS Regulations.

## Yield (p.a.)

Options	I	II	III*	IV	V
Nature	Secured	Secured	Secured	Secured	Secured
Tenure	24 Months	24 Months	36 Months	36 Months	60 Months
Frequency of Interest Payment	Annual	Cumulative	Quarterly	Annual	Annual
Minimum Application	₹ 10,000 (10 NCDs)				
In multiples, of	1 NCD after minimum application				
Face Value of NCDs (₹ /NCD)	₹ 1,000 (1 NCD)				
Issue Price (₹ /NCD)	₹ 1,000 (1 NCD)				
Mode of Interest Payment/ Redemption	Through various options available				
Yield	10.50%	10.50%	10.70%	10.70%	10.49%
Coupon (%) per annum for Debenture Holders in Category I, II, III and IV*	10.50%	NA	10.30%	10.70%	10.50%
Coupon Type	Fixed				
Redemption Amount (₹ /NCD) for Debenture Holders in Category I, II, III and IV**	1,000	1,221.03	1,000	1,000	1,000
Maturity/Redemption Date (from the Deemed Date of Allotment)	24 Months	24 Months	36 Months	36 Months	60 Months
Put and Call Option	Not Applicable				

\*The Company would allot the Option III of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Option of NCDs

\*\*Subject to applicable tax deducted at source, if any.

1. With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.
2. With respect to Series where interest is to be paid on quarterly basis, the first interest payment will be due at the end of three months from the deemed date of allotment. Subsequently, interest payment will be due at the end of every three months thereafter.
3. Subject to applicable tax deducted at source, if any.

Please refer to Annexure D of the Prospectus for details pertaining to the illustrative cash flows of the Company in accordance with the SEBI Master Circular.

## Issuer Overview

**Indostar Capital Finance Limited** is a non-banking finance company ("NBFC") registered with the Reserve Bank of India as a NBFC-ML. They are a professionally managed and institutionally owned company which is primarily engaged in providing secured financing solutions to borrowers across categories: used and new vehicle financing for transporters, affordable home finance solutions to home loan borrowers, loans to SME borrowers and structured term financing solutions to corporates. The Company started its operations in 2011 as an NBFC focused on corporate financing. However, since the incorporation, they have refocused the strategy to become a retail focused NBFC, with 95.86% of their AUM as of June 30, 2024 being in form of retail financing. The Company currently has two wholly owned subsidiaries: Indostar Home Finance Private Limited ("IHFPPL") which provides affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities and Indostar Asset Advisory Private Limited ("IAAPL") which acts as an investment manager, registered with SEBI.

## COMMON TERMS AND CONDITIONS OF THE NCDs

<b>Issuer</b>	<b>Indostar Capital Finance Limited</b>
<b>Type of instrument</b>	Secured, rated, listed, redeemable, non-convertible debentures
<b>Seniority</b>	Senior
<b>Nature of the Instrument</b>	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
<b>Mode of the Issue</b>	Public Issue
<b>Lead Manager</b>	<b>Nuvama Wealth Management Limited</b>
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar</b>	Link Intime India Private Limited
<b>Total Issue Size</b>	₹ 30,000 Lakh
<b>Base Issue Size</b>	₹ 15,000 Lakh
<b>Option to Retain Oversubscription Amount</b>	₹ 15,000 Lakh
<b>Issue</b>	Public issue by the Indostar Capital Finance Limited of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating up to ₹ 15,000 lakh ("Base Issue"), with an option to retain over-subscription up to ₹ 15,000 lakh, aggregating up to ₹ 30,000 lakh, on the terms and in the manner set forth in the Prospectus
<b>Interest type</b>	Fixed
<b>Default Interest rate</b>	The Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. The Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if Company fails to execute the trust deed within such period as prescribed under applicable law.
<b>Face Value</b>	₹ 1,000 per NCD
<b>Issue Price</b>	₹ 1,000 per NCD

<b>Minimum Application size and in multiples of NCD thereafter</b>	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter
<b>Market Lot / Trading Lot</b>	1 NCD
<b>Credit Ratings</b>	The NCDs proposed to be issued under the Issue have been rated “CARE AA-/Stable” (Pronounced as CARE Double A Minus; Outlook: Stable) by CARE Ratings Limited for an amount of ₹ 50,000 Lakh by CARE Ratings Limited vide their rating letter dated January 24, 2024, revalidated vide letter dated February 15, 2024, and further revalidated vide letters dated April 22, 2024 and June 19, 2024, with a rating rationale dated January 25, 2024.
<b>Listing</b>	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure of the Issue. BSE has been appointed as the Designated Stock Exchange..
<b>Depository</b>	NSDL and CDSL
<b>Issuance mode of the Instrument</b>	In dematerialised form only
<b>Trading mode of the instrument</b>	In dematerialised form only
<b>Issue Opening Date</b>	Friday, September 06, 2024
<b>Issue Closing Date**</b>	Thursday, September 19, 2024
<b>Record date</b>	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Company under the Prospectus. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchange will be deemed as the Record Date.
<b>Deemed date of Allotment</b>	The date on which the Board of Directors or the Management Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Management Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Notes:

\* In terms of Regulation 7 of the SEBI NCS Regulations, The Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

\*\* The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Company or the Debt - Public Issue Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, the Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please refer to our section titled “Issue Related Information” on page 258 of the Prospectus

If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.

For the list of documents executed/ to be executed, please see “Material Contracts and Documents for Inspection” on page 401 of the Prospectus.

While the NCDs are secured to the tune of minimum 100% of the outstanding principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

## WHO CAN APPLY

Categories	Category I	Category II	Category III	Category IV
	Institutional Portion	Non Institutional Investors	HNI	Retail
Allocation Ratio	10% of Overall Issue Size	30% of Overall Issue Size	30% of Overall Issue Size	30% of Overall Issue Size
	Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds each with a minimum corpus of ₹2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Resident Venture Capital Funds registered with SEBI; Insurance companies registered with the IRDAI; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; Systemically Important Non-Banking Financial Company registered with the RBI; National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Mutual funds registered with SEBI.	Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment: which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; and Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). Association of Persons; and Any other incorporated and/ or unincorporated body of persons.	High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue	Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in this Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

### India Bond Private Limited

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CIN: U67100MH2008PTC178990 | SEBI Registration No.: INZ000311637 | Company Website: [www.indiabonds.com](http://www.indiabonds.com)

Investments in debt securities/ municipal debt securities/ securitised debt instruments are subject to risks including delay and/ or default in payment. Read all the offer related documents carefully.

## Disclaimer:

Investments in debt securities, municipal debt securities, and securitised debt instruments are subject to risks, including potential delays and/or defaults in payment. Investors are advised to read all the offer-related documents carefully before making any investment decisions.

India Bond Private Limited is acting as a Distributor/Mobilizer for the Secured Redeemable Non-Convertible Debentures issued by INDOSTAR CAPITAL FINANCE LIMITED. This product note has been issued and prepared by Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Ltd.), a Consortium Member to the issue. India Bond Private Limited does not guarantee the authenticity, correctness, or completeness of the content provided. India Bond Private Limited will source applications only for the permitted categories as outlined in the Offer Documents. Investors are encouraged to make investment decisions based solely on the Offer Documents. All investment decisions should be made based on the investor's own analysis and consultation with financial advisors, and India Bond Private Limited and its representatives assumes no responsibility for any losses or damages resulting from investment decisions.

### DISCLAIMERS

\*For further details refer to section titled "Issue Related Information" on page 258 of the Prospectus dated August 29, 2024

\*\*\*Allotment in the public issue of debt securities should be made on the basis of date of upload of each application into the electronic book of the stock exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

\*\* The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Company or the Debt - Public Issue Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, the Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 258 of the Prospectus

### DISCLAIMER

Indostar Capital Finance Limited ("Company"), subject to market conditions, and other considerations, is proposing a public issue of secured redeemable non-convertible debentures ("NCDs") and has filed a prospectus dated August 29, 2024 ("Prospectus") with the Registrar of Companies, Maharashtra at Mumbai ("RoC"), BSE Limited ("BSE") and Securities and Exchange Board of India ("SEBI"). The Prospectus is available on the website of the Company at [www.indostarcapital.com](http://www.indostarcapital.com), on the website of BSE at [www.bseindia.com](http://www.bseindia.com), on the website of the lead manager at [www.nuvama.com](http://www.nuvama.com) and on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in). Investors proposing to participate in the Issue should invest only on the basis of the information contained in the Prospectus. Investors should note that investment in the NCDs involves a high degree of risk and for details in relation to the same, refer to the Prospectus, including the section titled "Risk Factors" and "Material Developments" beginning on page 19 and 199 respectively of the Prospectus.

Capitalised terms not defined herein shall have the same meaning as assigned to such terms in the Prospectus.

DISCLAIMER: Investors proposing to participate in the Issue should note that investment in the NCDs involves a high degree of risk and for details in relation to the same, refer to the Prospectus dated August 29, 2024, including the sections titled "Risk Factors" and "Material Developments" beginning on pages 19 and 199 respectively of the Prospectus. The Issuer and the Lead Manager accept no responsibility for statements made otherwise than in the Prospectus or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

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### DISCLAIMER STATEMENT OF CARE

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