

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” beginning on page 269.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	Indostar Capital Finance Limited
Seniority	Senior Secured
Type of instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Lead Manager(s)	Nuvama Wealth Management Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar to the Issue	Link Intime India Private Limited
Issue	Public issue 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 herein
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e. ₹ 11,250 lakh
Issue Size	₹ 30,000 lakh
Base Issue Size	₹ 15,000 lakh
Option to Retain Oversubscription (Amount)	Up to ₹ 15,000 lakh
Eligible Investors	Please see “ <i>Issue Procedure – Who can apply?</i> ” on page 290.
Objects of the Issue / Purpose for which there is requirement of funds	Please see “ <i>Object of the Issue</i> ” on page 78.
Details of Utilization of the Proceeds	Please see “ <i>Objects of the Issue</i> ” on page 78.
Coupon rate	See “ <i>Issue Procedure – Terms of NCDs</i> ” on page 262
Coupon Payment Date	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Coupon Type	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Coupon reset process	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Interest Rate on each category of investor	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Step up/ Step Down Coupon rates	Not Applicable
Coupon payment frequency	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Day count basis	Actual / Actual
Interest on application money	Not Applicable
Default Interest rate	Our 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. Our 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 our

	Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Redemption Date	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Redemption Amount	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
Redemption Premium/ Discount	Not Applicable
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Premium/ Discount at which security is redeemed and effective yield as a result of such premium/ discount	Not Applicable
Transaction Documents	Transaction Documents shall mean the Draft Prospectus, this Prospectus, the Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, the letters issued by the Rating Agencies, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager(s) and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, “ <i>Material Contracts and Document for Inspection</i> ” on page 401.
Put option date	Not Applicable
Put option price	Not Applicable
Call option date	Not Applicable
Call option price	Not Applicable
Put notification time	Not Applicable
Call notification time	Not Applicable
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.
Market Lot / Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application
Credit Ratings / Rating of the instrument	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 <i>vide</i> their rating letter dated January 24, 2024, revalidated <i>vide</i> letter dated February 15, 2024, and further revalidated <i>vide</i> letters dated April 22, 2024 and June 19, 2024, with a rating rationale dated January 25, 2024.
Stock Exchange proposed for listing of the NCDs	BSE
Listing and timeline for listing	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. For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 238.
Modes of payment	Please see “ <i>Issue Structure – Terms of Payment</i> ” on page 280.
Issue opening date	Friday, September 06, 2024
Issue closing date**	Thursday, September 19, 2024
Issue Schedule	Issue opening date - Friday, September 06, 2024 Issue closing date - Thursday, September 19, 2024
Date of earliest closing	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 our Company or the Stock Allotment Committee,

	subject to compliance with Regulation 33A of the SEBI NCS Regulations and receipt of necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in in all the newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given on or before such earlier or extended 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 BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date
Record date	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 our Company to the Stock Exchange will be deemed as the Record Date.
Settlement mode of instrument	Please refer to the chapter titled “ <i>Terms of Issue – Payment on Redemption</i> ” on page 284.
Disclosure of interest / redemption dates	Please see “ <i>Issue Structure - Specific Terms of NCDs</i> ” on page 263
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As specified in the chapter titled “ <i>Issue Structure- Key covenants to the Issue</i> ” on page 265 and the Debenture Trust Deed. Any covenants later added shall be disclosed on the websites of the Stock Exchange, where the NCDs are proposed to be listed.
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 of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Prospectus	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of a charge on a first ranking pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation over standard asset portfolio of receivables of the Issuer and / or cash / cash equivalent / liquid investments of the Company and / or such other asset, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the Maturity Date. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Prospectus and the Debenture Trust Deed, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange. For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see “<i>Terms of the Issue – Security</i>” on page 269.
Security Cover	Our Company shall maintain a minimum security cover of 100% of the outstanding balance of the NCDs plus accrued interest thereon.
Condition precedent to the Issue	The Issuer shall provide/ confirm to the Debenture Trustee: 1. A certified true copy of the latest charter documents of the Issuer, certified as correct, complete and in full force and effect by the appropriate officer; 2. A certified true copies of relevant board resolutions; 3. The Company shall have obtained the Debenture Trustee consent letter

	from the Debenture Trustee; 4. The Issuer shall have obtained in-principle approval from the Stock Exchange for listing of the Debentures; and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations.
Condition subsequent to the Issue	The Issuer shall provide/ confirm to the Debenture Trustee: 1. An end-use certificate from an independent Chartered Accountant certifying he heads under which funds have been utilized in accordance with Offer Documents, within 60 (sixty) days of the Deemed Date of Allotment for the Debentures; 2. Obtaining the final listing approval from the Stock Exchange in respect of the Issue; and such other conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.
Events of default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 270.
Creation of recovery expense fund	Our Company has created a recovery expense fund in the manner as specified by the SEBI Master Circular for Debenture Trustees and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the term sheet and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, if and as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of Default. The Debenture Trustee may, acting upon the prior written instructions of the Debenture Holders at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please see “<i>Terms of the Issue - Events of default</i>” on page 271.
Deemed date of Allotment	The date on which the Board of Directors or Debt – Public issue Committee approves the Allotment of the NCDs for Issue or such date as may be determined by the Board of Directors or Debt – Public issue Committee thereof and notified to the 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.
Roles and responsibilities of the Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI Debenture Trustee Master Circular, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Companies Act, the Listing Agreement, and the Debenture Trust Deed, each as amended from time to time. Please see section titled “ <i>Terms of the Issue- Trustees for the NCD Holders</i> ” on page 270.
Risk factors pertaining to the Issue	Please see section titled “ <i>Risk Factors</i> ” on page 19.
Provisions relating to Cross Default	As per the Debenture Trust Deed to be executed in accordance with applicable law.
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working day convention / Day count convention / Effect of holidays on payment	Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the

	“Effective Date”), however the dates of the future interest payments would continue to be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
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Notes:

* In terms of Regulation 7 of the SEBI NCS Regulations, our 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 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the Prospectus. Our Company may, in consultation with the Lead Manager(s), consider closing the Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of ten working days from the date of opening of the issue and subject to not exceeding thirty days from filing prospectus with ROC including any extensions), as may be decided by the Board of Directors or Debt – Public issue Committee of our Company, subject to approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of the 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 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) 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 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details please refer to the section titled “General Information” on page 57.

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.

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.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, please see “Issue Procedure” on page 289.

Terms of the NCDs

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)				