

**ISSUE DETAILS**

Issuer	<b>Finstars Capital Limited(The “Issuer”)</b>
Security Name	12.06% Finstars Capital Limited 2025
Series	Series I - 2022-23
Type of Instrument	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (NCDs)
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	<p><b>1. QUALIFIED INSTITUTIONAL BUYERS (“QIBS”):</b></p> <p>a. Mutual Funds,  b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;  c. Scheduled Commercial Banks;  d. State Industrial Development Corporations;  e. Insurance Companies registered with the Insurance Regulatory and Development Authority;  f. National Investment Funds 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;  g. Insurance funds set up and managed by army, navy or air force of the Union of India.</p> <p><b>2. NON - QIBS:</b></p> <p>a. Companies and Bodies Corporate authorized to invest in bonds/ debentures;  b. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;  c. Societies authorized to invest in bonds/ debentures;  d. Trusts authorized to invest in bonds/ debentures;  e. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;  h. Resident Individual Investors</p>
Non- Eligible classes of investors	All investors other than those listed as Eligible investors in the Term Sheet
Listing	<p>In terms of the SEBI circular dated August 10, 2021, the debentures would be listed on BSE within 4 working days from the closure of the issue.</p> <p>In the event the debentures are not listed within the above timeline, the issuer shall pay additional interest of 1% p.a. over the coupon</p>

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Mobile No: 9998001396 Phone No:

+91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249

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	rate for the period of such delay from the deemed days of allotment upto the date of listing.
Rating of the Instrument	BBB-/ Stable by Acuite
Issue Size	INR 10 Crores
Minimum subscription	1 debenture in multiples of 1 debenture thereafter
Option to retain oversubscription	Nil
Objects of the Issue	Objects of this issue are to augment the long term resources of the Company. The funds raised through this issue will be utilized for general business purpose of the Company including various financing activities, to repay our existing loans, investments for liquidity and statutory requirements, capital expenditure and working capital requirements
Details of the utilization of the Proceeds	Upto 100% funds will be utilized within the categories mentioned in the objects of the issue
Coupon Rate	12.06% per annum
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual starting from 13 <sup>th</sup> October, 2023 and so on till Maturity
Coupon payment dates	Refer Cash Flow
Coupon Type	Fixed
Coupon Reset Process	N.A.
Day Count Basis	<p>“Actual/ Actual” basis</p> <p>All interest on Refunded Amount, penal interest, interest on application money, delay/ default interest shall be computed on an “actual/actual basis”. Where the period for which such amounts are to be calculated (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis.</p>
Interest on Application Money	Not applicable
Default Interest Rate	<p>a. In the event the security stipulated is not created and perfected within the timelines as stipulated in the column titled ‘Security’, additional interest of 2% (two percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of creation and perfection of the security interest.</p> <p>b. In case of delay in listing beyond 4 (four) Business Days from the Issue Closing Date, the Company will pay additional interest of 1% p.a. over the Coupon Rate to the Debenture Holders from the deemed date of allotment till the listing of Debt Securities. Further, the Company shall be permitted to utilise issue proceeds of its subsequent two privately placed issues only after receiving final listing approval from the Stock Exchange.</p>
Tenor	3 Years
Redemption Date	13 <sup>th</sup> October, 2025
Redemption Amount	Rs. 10,00,000/- per debenture

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Redemption Premium /Discount	N.A.
Issue Price	Rs. 10,00,000/- per debenture
Face Value	Rs. 10,00,000/- per debenture
Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put option Date	N.A.
Put option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Minimum Application and in multiples of Debt securities thereafter	1 Debenture and in multiple of 1 Debenture thereafter
Basis of Allotment (if any)	N.A.
Issuance mode of the Instrument	Demat mode
Trading mode of the Instrument	Demat mode
Settlement mode of the Instrument	Payment of Interest and Redemption Amount of the Debentures shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ ECS/ RTGS/ NEFT or any other online payment mechanism allowed by the Banks
Business Day Convention	<p>Means a day (other than a Sunday and Saturday or a Bank holiday on which banks are open for general business in Mumbai.</p> <ol style="list-style-type: none"> <li>1. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</li> <li>2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures until but excluding the date of such payment.</li> </ol>
Effect of holidays	If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been

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	<p>postponed earlier because of it having fallen on a holiday.</p> <p>If the Redemption Date and Coupon Payment Date of the Bonds falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>#In terms of the SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August, 2021, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai. If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made on the immediately following Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/ Interest Payment Date.</p> <p>If the Redemption Date of any Series of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment.</p> <p>In the event the Record Date/ Payment Date or Due Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date/ Payment Date or Due Date.</p>
Record Date	15 days prior to Redemption Date or Coupon Payment Date as the case may be.
Depositories	National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”)
Security	The principal amount of the NCDs together with all interest, costs, charges in respect thereof have been secured by way of first pari passu charge <b>to the extent of 1.10 times of Receivables/book debts of the Company.</b>
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	The Principal amount of NCD together with all interest, costs, charges in respect thereof have been secured by way of First Pai Passu Charge to the extent of 1.10 times of Receivables/Book Debts of the Company.

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disclosed in the Offer	
All Covenants of the Issue	<p><b>1. Default in payment:</b> In case of default in payment principal redemption on the due dates, penal interest of at least @ 2% p.a. will be payable by the Issuer for the defaulting period on the defaulted amount.</p> <p><b>2. Security Creation:</b> In case of delay of security creation before making listing application then the Issuer shall refund the subscription amount along with penal interest at the of 2.00% p.a. for period of delay in creation of security beyond such time period.</p> <p><b>3. Listing Delay:</b> In case of delay in listing of the Debentures beyond 4 working days from the Date of Closure of Issue, the Company will pay penal interest @1 % p.a. for the period of delay to the investor (i.e. from the date of allotment to the date of listing).</p> <p>On the happening of any of the event of default, in addition to the rights specified above, the debenture Holders/ debenture Trustees shall have the right as indicated in the SEBI Regulations/ Companies Act 2013 from time to time.</p>
Transaction Documents	<p>The Issuer shall execute the documents including but not limited to the following in connection with the Issue (“Transaction Documents”):</p> <ol style="list-style-type: none"> <li>i. Placement Memorandum</li> <li>ii. Agreement appointing the Debenture Trustee to the Debenture Holders</li> <li>iii. Debenture Trust Deed</li> <li>iv. Other Security Documents</li> <li>v. Tripartite Agreement between the Issuer, Registrar and NSDL and CDSL for issue of Debentures in dematerialized form</li> <li>vi. Letter appointing Registrar</li> <li>vii. Board and shareholders’ resolutions</li> <li>viii. Credit Rating letter and rationale</li> <li>ix. BSE In-principle Approval for Listing</li> <li>x. Due diligence certificates issued by Debenture Trustee</li> <li>xi. Any other document as agreed between the Company and the Debenture Trustee.</li> </ol>
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date;</li> <li>2. The Issuer has obtained in-principle approval of the stock exchange for listing of Debentures Letter from the Trustees conveying their consent to act as Trustees for the</li> </ol>

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	Bondholder(s);
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 Disclosure document:</p> <ol style="list-style-type: none"> <li>1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per Companies Act</li> <li>2. Execution of Debenture Trustee Deed, Security documents.</li> <li>3. the Issuer will ensure listing of Debentures on the BSE within 4 (Four) Business Days from the Deemed Date of Allotment.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Placement Memorandum and in compliance with applicable laws.</p>
Events of Default including cross default	<p>Events of defaults considered appropriate for an Issue of this nature including:</p> <ol style="list-style-type: none"> <li>a. Failure to pay the amounts due under the NCDs by the issuer;</li> <li>b. Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;</li> <li>c. Winding up of the Issuer, including initiation of any proceedings.</li> <li>d. Any material adverse event, as defined in the Transaction Documents and such default is not cured within 30 Business Days.</li> </ol>
Consequences & Remedies of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ol style="list-style-type: none"> <li>a. Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security;</li> <li>b. To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee, 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>c. Enforce its right under the Transaction Documents;</li> </ol>
Creation of Recovery Expenses Fund	<p>The Issuer shall create a recovery expense fund amounting to 0.01% of the issue size subject to a maximum of Rs. 25 lakhs across all listed issuances by the Issuer, in the manner and use it for the purpose as</p>

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	maybe specified by SEBI or designated Stock Exchange from time to time.
Provisions related to Cross Default Clause	Not Applicable
Conditions for breach of covenants	Conditions amounting to breach of covenants, their cure period, breaches which constitute Events of Default and their consequences shall be as mentioned in the Debenture Trust Deed
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 complied with the provisions of all applicable laws provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Companies Act 2013, SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021, SEBI (Debenture Trustees) Regulations, the Debenture Trusteeship Agreement, Placement Memorandum and all other related transaction documents with due care, diligence and loyalty.
Risk factors	Please refer "Risk Factors" section of this Placement Memorandum
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 exclusive jurisdiction of the courts of Mumbai & Ahmedabad
Debenture Trustee	BEACON TRUSTEESHIP LIMITED
Registrar	ACCURATE SECURITIES & REGISTRY P. LTD.
<b>* ISSUE TIMING *</b>	
Issue Opening Date	13/10/2022
Issue Closing Date	13/10/2022
Pay-in Date	13/10/2022
Deemed Date of Allotment	13/10/2022
Payment Mode	The remittance of Application Money can be made by through electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:
Collection Banker:	FEDERAL BANK LIMITED
Beneficiary A/c Name	FINSTARS CAPITAL LIMITED PRIVATE PLACEMENT
Beneficiary A/c Number	10990200092351
IFSC Code	FDRL0001099
Bank Branch Name	FORT BRANCH, MUMBAI

*\* Subject to deduction of tax at source as applicable. If there is any change in Coupon Rate rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.*

Note:

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

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**(X) DISCLOSURE OF CASH FLOWS: as per SEBI Circular No: SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021**

<b>Company</b>	<b>Finstars Capital Limited(The "Issuer")</b>
<b>Series</b>	Series I - 2022-23
<b>Tenure</b>	3 Years
<b>Face Value (per security)</b>	Rs. 10,00,000/- per debenture
<b>Date of Allotment</b>	13/10/2022
<b>Final Redemption Date</b>	13/10/2025
<b>Coupon Rate</b>	12.06%
<b>Frequency of the interest payment with specified dates</b>	Annually starting from 13 <sup>th</sup> October, 2023 and so on till Maturity
<b>Day count Convention</b>	Actual/Actual

**Cash Flows:**

<b>CASH FLOWS</b>	<b>ORIGINAL PAYMENT DATE</b>	<b>MODIFIED PAYMENT DATES</b>	<b>NO. OF DAYS IN COUPON PERIOD</b>	<b>AMOUNT (IN RS.)</b>
<b>1st Coupon</b>	<b>Friday, October 13, 2023</b>	<b>Friday, October 13, 2023</b>	<b>365</b>	<b>1,20,600.00</b>
<b>2nd Coupon</b>	<b>Sunday, October 13, 2024</b>	<b>Monday, October 14, 2024</b>	<b>366</b>	<b>1,20,600.00</b>
<b>3rd Coupon</b>	<b>Monday, October 13, 2025</b>	<b>Monday, October 13, 2025</b>	<b>365</b>	<b>1,20,600.00</b>
<b>PRINCIPAL</b>	<b>Monday, October 13, 2025</b>	<b>Monday, October 13, 2025</b>		<b>10,00,000.00</b>

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