


(RBI Registered NBFC)

THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED IN ACCORDANCE WITH REGULATION 45 (1), AND SCHEDULE II TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 READ WITH RELEVANT CIRCULARS ISSUED BY SEBI FROM TIME TO TIME.

PLACEMENT MEMORANDUM ISSUED BY FINSTARS CAPITAL LIMITED

PRIVATE PLACEMENT OFFER CUM APPLICATION FORM FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY FINSTARS CAPITAL LIMITED (THE "COMPANY" / "ISSUER") OF 100 NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- EACH AGGREGATING TO RS. 10,00,00,000 /-(THE "ISSUE") UNDER SERIES I.

Dated: 13th October, 2022]

Name of Company	<h1><u>FINSTARS CAPITAL LIMITED</u></h1> 
Registered Office	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
Corporate Office	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
Permanent Account Number	AACCG1893Q
Corporate Identity Number	U65100GJ1989PLC112111
Date of Incorporation	17/02/1989
Place of incorporation	Kolkata
Latest Registration/identification number issued by any regulatory authority which regulates such issuer (viz. Reserve Bank of India, IRDAI etc), if applicable	RBI Registration Number: B.01.00619
Telephone Number	079-40327404/14/15
E-mail	info@finstarscapital.com
Website	http://finstarscapital.com
Name, telephone number, email address of Compliance Officer	Name: Ankit Satyanarayan Somani Mobile number: 9714449717 Email ID: ankitsomani26@rediffmail.com
Name, telephone number, email address of Company Secretary	Name: Ankit Satyanarayan Somani Mobile number: 9714449717 Email ID: ankitsomani26@rediffmail.com
Name, telephone number, email address of Chief Financial Officer	Name: Mitesh Champaneri Address: 701, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar, Ahmedabad-380015 Tel No: 9773411017

Corporate Office:

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Mobile No: 9998001396 Phone No:

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Email Id: info@finstarscapital.com CIN: U65100GJ1989PLC112111

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	Email ID: finance.finstarscapital@gmail.com
Name, telephone number, email address of Promoters	1) Name: BarunMore(Agarwal) Tel No: 079-40327415 Mob No: 9998001396 Email ID: finance.finstarscapital@gmail.com 2) Name: Nisha More(Agarwal) Tel No: 079-40327415 Mob No: 9998001396 Email ID: bm25121979@gmail.com
Credit rating agency to the issue	 <p>Name: Acuite Ratings and Research Limited Address: 708, LodhaSupremus, LodhaiThink Techno Campus,Kanjurmarg (East), Mumbai-400042 Phone: +91-22- 49294000 Email ID: mohit.jain@acuite.in Contact Person: Mohit Jain Website:www.acuite.in</p>
Debenture Trustee for the issue	 <p>Name: Beacon Trusteeship Ltd Address: 4C, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG CricketClub, Mumbai – 400 051 Phone:022-26558759 Email ID:compliance@beacontrustee.co.in Contact Person: Kaustubh Kulkarni Website:www.beacontrustee.co.in</p>
Date of the placement memorandum	13 th October, 2022
Type of placement memorandum.	Private Placement Memorandum
The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	100 numbers of Listed Rated Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each to be issued at par Total Issue Size is Rs. 10 Crores
The aggregate amount proposed to be raised through all the stages of offers of nonconvertible securities made through the shelf placement memorandum;	Rs. 10 Crores (Ten Crores)
Registrar of the issue	 <p>Name: Accurate Securities and Registry Private Limited Address: Shangrila Arcade, 203, above Samsung Showroom, nr. Shyamal Cross Road, Satellite, Ahmedabad, Gujarat 380015 Phone: +91-79-48000319 Fax: N.A. Email ID: investor@accuratesecurities.com Contact Person: Ankur Shah Website: https://www.accuratesecurities.com/</p>

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Description of Company	<p>Finstars Capital Limited is a non-deposit taking systemically important NBFC registered with the Reserve Bank of India (RBI), with its corporate office in Ahmedabad along with branches in Delhi, Kolkata & Mumbai. Previously Finstars Capital Limited was known as Gopalka Motor Finance Limited providing Motor Finance since 1989.</p> <p>Mr. Barun More (Agarwal) is the Managing Director of “Finstars Capital Limited” having experience in the financial market of more than 20 years.</p> <p>The inception of Finstars Capital Limited came with a thought of serving majorly small business enterprises. Early in his career he was intrigued by passion of small business owners who in spite of being credit worthy were not served by existing lenders. Credit decisions in banks take months.</p> <p>The Company has deep domain expertise in banking and financial services, with the senior management team having 20+ years of average experience in financial sector. “FCL” is not only engaged in NBFC activities but its verticals are also spread among all other sectors like dealing in Govt securities, Fund raising activities through Inter corporate deposit, Commercial Papers, Bonds, All kind of Investments product, Equity Market etc.</p>
The Issue Schedule	
(i) date of opening of the issue;	13 th October, 2022
(ii) date of closing of the issue;	13 th October, 2022
(iii) date of earliest closing of the issue, if any	N.A.
Credit rating	Acuite BBB- Stable assigned by Acuite dated August 08, 2022
Cross reference of press release for Credit Rating	https://www.acuite.in/documents/ratings/revise/28922-RR-20220808.pdf
All the ratings obtained for the private placement	Acuite BBB- Stable assigned by Acuite dated August 08, 2022
The name(s) of the stock exchanges where the securities are proposed to be listed	BSE Limited (Bombay Stock Exchange)
The details about eligible investors;	<p>The following categories of investors, when specifically approached are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> All QIBs, and any non-QIB Investors which are eligible to bid / invest / apply for this Issue as mentioned in the Term Sheet. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
Coupon Rate	12.06% p.a.
Coupon payment frequency	Series I - 2022-23-Rs.10 Crores : Annual
Redemption date	Series I - 2022-23-Rs.10 Crores: 13/10/2025
Redemption amount	Principal amount along with interest if any accrued
Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable	Private Placement offer cum application form for Issue by way of Private Placement by Finstars Capital Limited (The “Company” / “Issuer”) of 100 Listed Secured Rated Redeemable Non-Convertible Debentures of face value of Rs.10,00,000/- each aggregating to Rs. 10,00,00,000 /-(The “Issue”) under Series I
Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters	Not Applicable
Compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable	Not Applicable

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Issuer or any of its promoters or directors is a wilful defaulter	Neither issuer nor any of its promoters or directors is a wilful defaulter.
<p>* WE HEREBY CONFIRM THAT PROPOSED NCD ISSUANCE IS NOT AN ISSUANCE OF PERPETUAL DEBT INSTRUMENTS, PERPETUAL NON-CUMULATIVE PREFERENCE SHARES AND INSTRUMENTS OF SIMILAR NATURE FORMING PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) / (ILNCS) REGULATIONS, 2021 AND THEREFORE, THIS ISSUANCE DOES NOT FALL UNDER CHAPTER V OF SEBI NCS REGULATIONS, 2021 ARE NOT APPLICABLE TO THIS ISSUANCE. THE FACE VALUE OF EACH DEBT SECURITY ISSUED ON PRIVATE PLACEMENT BASIS IS INR 10 LAKHS.</p>	
GENERAL RISKS	
<p>Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to "Management's Perception of Risk Factors" contained under Point No. [22] of this Placement Memorandum respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.</p>	
GENERAL DISCLAIMER	
<p>This Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Company. This Placement Memorandum is for the exclusive use of the intended recipient(s) to whom it is addressed and delivered, and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same person / entity shall be deemed to be offered to the same person.</p> <p>Potential investors to Debentures must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt and are able to bear the economic/commercial risk of investing in Debentures. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Debentures. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Debentures under the relevant laws and regulations in force. Potential investors should conduct their own investigation, due diligence and analysis before applying for the Debentures. Nothing in this Placement Memorandum should be construed as advice or recommendation by the Issuer to subscribe to / invest in the Debentures. Potential investors should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Debentures and matters incidental thereto.</p> <p>No person has been authorized to give any information or to make any representation not contained in this Placement Memorandum or in any material made available by the Company to any potential investors pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. This Placement Memorandum is not intended for distribution to any person other than those to whom it is specifically addressed to and should not be reproduced by the recipient. Only the person to whom a copy of this Placement Memorandum Placement Memorandum is sent is entitled to apply for the Debentures. Any application by a person to whom the Placement Memorandum and/or the application form not been sent by the Company shall be rejected.</p> <p>This Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.</p>	
SEBI DISCLAIMER	
<p>It has to be distinctly understood that this Placement Memorandum should not in any way be deemed/construed to have been approved or vetted by SEBI and this issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum</p>	
STOCK EXCHANGE DISCLAIMER CLAUSE	
<p>It is to be distinctly understood that filing of this Placement Memorandum with the Stock Exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the Stock Exchange. The Stock Exchange does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Placement Memorandum.</p>	
DISCLAIMER OF THE ARRANGER	
<p>The Issuer has authorized the Arranger to distribute this placement memorandum in connection with the proposed transaction</p>	

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outlined in it.

Nothing in this Placement Memorandum constitutes an offer of securities for sale in any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation. The Issuer has prepared this Placement Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this Placement Memorandum has been provided by the Issuer or is publicly available information, and such information has not been independently verified by the arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this placement memorandum or any of the information or opinions contained therein, and the arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Placement Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this placement memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Placement Memorandum, you agree that the arranger will not have any such liability.

You should carefully read and retain this Placement Memorandum. However, you are not to construe the contents of this Placement Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

DISCLAIMER OF THE DEBENTURE TRUSTEE

The Debenture Trustee, "ipso facto" does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of hereunder, in favour of debenture trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. The debenture trustee does not make nor deems to have made any representation on the issuer, its operations, the details and projections about the issuer or the Debentures under offer made in this Placement Memorandum. Applicants / investors are advised to read carefully this placement memorandum and make their own enquiry, carry out due diligence and analysis about the issuer, its performance and profitability and details in this Placement Memorandum before taking their investment decision. The debenture trustee shall not be responsible for the investment decision and its consequences.

MEMORANDUM OF PRIVATE PLACEMENT

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure, in the form of a single initial Placement Memorandum, intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. The Issuer however retains the right, at its sole and absolute discretion, to change the GENERAL TERMS AND CONDITIONS.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING AGENCY DISCLAIMER CLAUSE

ACUITE BBB-/Stable by rating has been assigned by ACUITE Ratings Limited for Rs.25 Cr. debentures programme of our Company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The present issue is part of the aforesaid programme of Rs.25 Cr.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. The credit rating and rationale issued by ACUITE Ratings Limited is annexed as 'Annexure [A]' to this placement memorandum.

LISTING

The Debentures to be issued under this placement memorandum are proposed to be listed on the wholesale debt market segment ("WDM") of the BSE Limited ("BSE"), BSE has given its 'in-principle' approval to list the Debentures vide its letter dated 12th October, 2022.

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ISSUE PROGRAMME*	
ISSUE OPENS ON: 13/10/2022	ISSUE CLOSSES ON: 13/10/2022
PAYIN DATE ON: 13/10/2022	DEEMED DATE OF ALLOTMENT: 13/10/2022
*The Company reserves the right to extend or close the Issue earlier from the aforesaid dates or change the Issue schedule including the Deemed Date of Allotment at its sole and absolute discretion, without giving any reasons or prior notice.	

DISCLOSURES AS PER FORM PAS-4
[Pursuant to Section 42 of Companies Act, 2013 and Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant reference in this Placement Memorandum where these disclosures, to the extent applicable, have been provided.

Sr. No	Particulars	Reference
Part - A	PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER:	
1.	GENERAL INFORMATION:	
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	Finstars Capital Limited 701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
	Name	Finstars Capital Limited
	Address	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
	Tele No	079-40327415
	Fax No	40303249
	Email	info@finstarscapital.com
	Website	http://finstarscapital.com
ii.	Date of incorporation of the company;	17/02/1989
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	<p>Finstars Capital Limited is a <u>non-deposit taking systemically important</u> NBFC registered with the Reserve Bank of India (RBI), with its corporate office in Ahmedabad along with branches in Delhi, Kolkata & Mumbai. Previously Finstars Capital Limited was known as Gopalka Motor Finance Limited providing Motor Finance since 1989.</p> <p>Mr. Barun More (Agarwal) is the Managing Director of "Finstars Capital Limited" having experience in the financial market of more than 20 years.</p> <p>The inception of Finstars Capital Limited came with a thought of serving majorly small business enterprises. Early in his career he was intrigued by passion of small business owners who in spite of being credit worthy were not served by existing lenders. Credit decisions in banks take months. The Company has deep domain expertise in banking and financial services, with the senior management team having 20+ years of average experience in financial sector.</p> <p>"FCL" is not only engaged in NBFC activities but its verticals are also spread among all other sectors like dealing in Govt securities, Fund raising activities through Inter corporate deposit, Commercial Papers, Bonds, All kind of Investments</p>

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		product, Equity Market etc.					
iv.	Brief particulars of the management of the company;			<p>Mr. Barun More (Agarwal) is the Managing Director of "Finstars Capital Limited" having experience in the financial market of more than 20 years.</p> <p>Mrs. Nisha More (Agarwal) is the Director of "Finstars Capital Limited" having experience of more than 15 years in the Indian Financial Market with a deep Financial market insights enables Finstars Capital Limited to foresee the future market trends and take initiatives to leverage the market opportunities which is beneficial for the Company for its growth till now and also for near future.</p>			
v.	Names, addresses ,DIN and occupations of the directors;			As mentioned below:			
	SL No.	Name, Designation and DIN	Age	Address	Occupation	Director of the Company since	Details of other directorship
	1	Barun More (Agarwal) Director, DIN: 07505258	42	D/5, East Ebony, Sindhu Bhavan Road, Near GTPL Office, Thaltej, Ahmedabad-380059	Business	26/04/2017	Barun More (Agarwal) is not a Director in any other Company except Finstars Capital Limited
	2	Nisha More (Agarwal) Director, DIN: 02878931	38	D/5, East Ebony, Sindhu Bhavan Road, Near GTPL Office, Thaltej, Ahmedabad-380059	Business	26/04/2017	Nisha More (Agarwal) is not a Director in any other Company except Finstars Capital Limited
vi.	Management's perception for risk factors;			<p>1. Competition Risk: In a scenario where the industry has major growth prospects, the Company faces the risk of stiff competition. Hence, cost efficiencies will have to be maintained without compromising on quality of service.</p> <p>Mitigation: With a strong focus on research and development, the Company constantly strives to upgrade its extensive portfolio of services. Continuous upgradation in services, lending processes and quality will help the Company to carve a winning position in industry.</p> <p>2. Brand Recognition Risk: Brand recall is a strong link between the company and its customers. Generally, weak brand recall results in loss of customers and market share.</p> <p>Mitigation: The business has increased the brand spend and intends to spend on brand building to remain competitive.</p> <p>3. Substitution Risk: In case customers find tile substitutes</p>			

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		feasible, this may pose a significant risk to the business. Mitigation: The Company's vision to expand service portfolio, to develop innovative quality services of lending and its processes to meet dynamic customer preferences helps to mitigate risks associated with lending service substitution. 4. Operational Risk: In order to remain competitive, it is important for the Company to ensure high operational and cost efficiencies. Mitigation – Internal Control Systems: The Company's internal control systems are designed keeping in mind the size and nature of business complexity. The team closely supervises internal processes and ensures strict compliance with regulatory standards. These actions enable the Company to operate at high efficiency. 5. Distribution Risk: In case the Company is unable to make available its services in markets where there is demand, it stands at a risk to lose market share. Mitigation: The Company continuously focuses on expanding its distribution network. It has increased its family of sales team in the whole Gujarat and also plan to increase it to the best. 8. Geographical Risk: High dependency on one geographic area for sales could affect sales and profits of the Company if consumer interest drops in that region. Mitigation: The Company has a State wise presence with The revenue share from different regions in the State is fairly distributed with domestic revenue earnings from West, from South, from North and from East. The Company plans to double its lending volume and revenue in upcoming years.			
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of– i) statutory dues; ii) debentures and interest thereon; iii) deposits and interest thereon; iv) loan from any bank or financial institution and interest thereon.	N.A. i) statutory dues; - NIL ii) debentures and interest thereon; - NIL iii) deposits and interest thereon; - NIL iv) Loan from any bank or financial institution and interest thereon. - NIL			
viii.	Names, designation, address and phone number, email ID of the nodal/compliance officer of the company, if any, for the private placement offer process;	As mentioned below			
	Sr. No.	Name	Address	Designation	Phone number and Email ID
	1	Ankit Satyanarayan Somani	Vikas Nagar, 1-J-3, Vikas Nagar Bundi, Bundi, Rajasthan- 323001	Company Secretary	Mobile No: 9714449717 and Email ID: ankitsomani26@rediffmail.com
ix.	Any Default in Annual filing of the Company under the Companies Act, 2013, or the rules made there under.	There is no default in the Annual Filing of the Company under the Companies Act, 2013 or the rules made there under.			

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2		PARTICULARS OF THE OFFER:			
i.	Financial position of the Company for the last 3 financial years;	Particulars	F.Y 2019-20 (Rs. In Lacs)	F.Y 2020-21 (Rs. In Lacs)	F.Y 2021-22 (Rs. In Lacs)
		Revenue from Operation	108.72	230.86	463.78
		Other Financial Income	199.94	395.81	403.13
		Total Income	308.66	626.67	866.91
		Total Expense	126.97	204.50	470.36
		PBT	181.69	422.17	396.54
		Tax	(48.67)	(116.01)	(112.70)
		PAT	133.01	306.17	283.85
ii.	Date of passing of board resolution;	26/08/2022			
iii.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	01/01/2018			
iv.	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	Secured, Rated, Listed, Redeemable Non-Convertible Debentures			
v.	Price at which the security is being offered including the premium, if any, along with justification of the price;	At Par			
vi.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;	Not Applicable			
vii.	Relevant date with reference to which the price has been arrived at;				
viii.	The class or classes of persons to whom the allotment is proposed to be made;	1. QUALIFIED INSTITUTIONAL BUYERS ("QIBS"): 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.			

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		<p>2. NON - QIBS:</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; f. Resident Individual Investors</p>
ix.	Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer);	Promoters, Directors or KMP are not intended to subscribe the said offer.
x.	The proposed time within which the allotment shall be completed;	By the EOD of 13 th October, 2022
xi.	The names of the proposed allottees and the percentage of post private placement capital that may be held by them;	[•]
xii.	The change in control, if any, in the company that would occur consequent to the private placement;	The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.
xiii.	The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price;	No allotment during the year is made as a result of preferential basis / private placement / rights issue
xiv.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer;	N.A.
Xvi.	Amount which the Company intends to raise by way of proposed offer of securities;	The Company intends to raise Rs. 10,00,00,000/- (Rupees Ten Crores) by way of proposed offer. Series I - 2022-23 -Rs.10 Cr
Xvii.	Terms of raising of securities: (a) duration; if applicable (b) rate of dividend; (c) rate of interest; (d) mode of payment; and (e) repayment.	For Series I-2022-23 -Rs. 10 Cr: (a) Duration: 3 years (b) Rate of Dividend: N.A. (c) Rate of interest: 12.06% p.a. (d) Mode of payment: Cheque; or Demand Draft; or Other Banking Channels. (e) Repayment: Annual interest payment Starting From 13 th October 2023 and So On Till Maturity and principal amount on maturity
Xviii.	Proposed time schedule for	Please refer to the term sheet

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	which the private placement offer cum application form is valid;	
Xix.	Purposes and objects of the Issue;	The structure envisages borrowing/investment of up to Rs. 10 Crores in the form of NCDs from investor which will be Secured. >>> Objects of the Issue: The amount raised will be utilized for: 1.To fund long term capital requirements for future growth of the company; 2. To meet working capital requirement and 3. To meet General Corporate Purpose.
Xx.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	No Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.
Xxi.	Principle terms of assets charged as security, if applicable;	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 to the extent of 1.10 times of Receivables/book debts of the Company.
Xxii.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations;	No kind of any significant and material orders passed by the Regulations, courts and tribunals impacting going concern status of the Company and its future prospects.
Xxiii.	The pre-issue and post-issue shareholding pattern of the Company;	As below

Sr. No.	Category	Pre-issue		Post-Issue	
		No of shares held	% of share holding	No of shares held	% of share holding
A	Promoter holding				
1	Indian	3053086	99.99	3053086	99.99
	Bodies Corporate	-	-	-	-
	Sub-total	3053086	99.99	3053086	99.99
2	Foreign promoter	-	-	-	-
	Sub-total (A)	3053086	99.99	3053086	99.99
B	Non-Promoter holding's	-	-	-	-
1	Institutional Investor	-	-	-	-
2	Non-Institutional Investor	-	-	-	-
	Private Corporate bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	50	0.001	50	0.001
	Other [Including Non-resident Indians (NRIs)]	-	-	-	-

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	Sub-Total (B)	50	0.001	50	0.001
	Grand Total	3053136	100	3653136	100

3	MODE OF PAYMENT FOR SUBSCRIPTION:	Any of the below modes except in cash.
	<ul style="list-style-type: none"> • Cheque; or • Demand Draft; or • Other Banking Channels. 	<ol style="list-style-type: none"> 1. Cheque in favor of FINSTARS CAPITAL LIMITED PRIVATE PLACEMENT 2. Demand Draft in favor of FINSTARS CAPITAL LIMITED PRIVATE PLACEMENT 3. Other banking channels

4	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC:	
i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	None of the Directors/Key Managerial Personnel of the Company/ their relatives are in, anyway, concerned or interested in the offer.
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the issue of the private placement offer cum application form and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	No kind of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of private placement offer cum application letter and no kind of any direction issued by such Ministry or Department or statutory authority.
iii.	Remuneration of directors (during the current year and last three financial years);	As mentioned below:
	Year	Remuneration to Directors Amount (Rs. In Lacs)
	F.Y 2019-20	34.80
	F.Y 2020-21	34.80
	F.Y 2021-22	34.80
	F.Y 2022-23 (Provisional from 01-04-2022 to 30-09-2022)	17.4
		Remuneration to other directors (fees for attending Board/Committee meeting) Amount (Rs. In Lacs)
	F.Y 2019-20	0.72
	F.Y 2020-21	0.72
	F.Y 2021-22	0.72
	F.Y 2022-23 (Provisional from 01-04-2022 to 30-09-2022)	0.12
iv.	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application form including with regard to loans made or, guarantees given or securities provided;	As below

Particulars	Directors and/or their relatives having Significant Influence and others			Enterprise on which management personnel and their relatives have significant influence		
	F.Y 2019-20 (Rs. In Lacs)	F.Y 2020-21 (Rs. In Lacs)	F.Y 2021-22 (Rs. In Lacs)	F.Y 2019-20 (Rs. In Lacs)	F.Y 2020-21 (Rs. In Lacs)	F.Y 2021-22 (Rs. In Lacs)
Sitting Fees	0.72	0.72	0.72	-	-	-
Loan Received	-	359.50	50	-	3804.50	-
Loan Paid	-	317.00	117.50	-	3877.00	-

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Expenses incurred	-	-	8.32	-	8.02	-
Remuneration	34.80	34.80	34.80	-	-	-
Outstanding Salary	4.95	-	-	-	-	-
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application form and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark;		There is no any kind of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter.			
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application form in the case of Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application form and if so, section-wise details thereof for the Company and all of its subsidiaries;		There is no any kind of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of company.			
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.		There is no any kind of any acts of material frauds committed against the company in the last three years, if any.			

5	FINANCIAL POSITION OF THE COMPANY:		
A	The capital structure of the company in the following manner in a tabular form- a. the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); b. size of the present offer; c. Paid-up capital (i) after the offer (ii) after conversion of convertible instruments (if applicable) d. share premium account (before and after the offer)	As mentioned below:	
	Particulars	Number of Securities	Description
			Aggregate Nominal Value (in Rs. Lacs)
	Authorized Capital	50,00,000	-
	Issued Capital	30,53,136	-
	Subscribed Capital	30,53,136	-
	Paid up Capital	30,53,136	-
	Paid up Capital (after offer)	30,53,136	-
	Paid up Capital (after conversion of convertible instruments-if applicable)#	-	-
	Share Premium Account	-	-

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Money Received against Share Warrant	-	-	-
b. Size of the present offer- 100 Debentures of Rs. 10,00,000 each			
c. Paid Up Capital: Rs. 3,05,31,360			
i. after the offer;. Rs. 3,05,31,360			
ii. after conversion of convertible instruments (if applicable): N.A.			
d.Share Premium Account (before and after the offer) : N.A.			
B	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	As mentioned below	

Details of existing share capital of company						
Sr No.	Date of Allotment	Name of the Shareholder	No. of shares allotted	Face Value of Shares Allotted	Price at which shares are allotted	Form of Consideration
1.	13-06-2018	BarunMore(Agarwal)	43,327	10	10	Cash
2.	13-06-2018	Nisha More(Agarwal)	3,09,993	10	10	Cash
3.	13-06-2018	BarunMore(Agarwal)	2,71,700	10	10	Cash
4.	13-06-2018	Ashwin pagi	10	10	10	Cash
5.	13-06-2018	Udaysinghpagi	10	10	10	Cash
6.	13-06-2018	MaheshkumarPagi	10	10	10	Cash
7.	13-06-2018	TinabhaiPagi	10	10	10	Cash
8.	13-06-2018	RitabenPagi	10	10	10	Cash
9.	13-06-2018	BarunMore(Agarwal)	1,50,023	10	10	Cash
10.	13-06-2018	BarunMore(Agarwal)	4,50,900	10	10	Cash
11.	13-06-2018	Nisha More(Agarwal)	3,00,600	10	10	Cash
12.	30-09-2019	BarunMore(Agarwal)	9,15,950	10	10	Cash
13.	30-09-2019	Nisha More(Agarwal)	6,10,593	10	10	Cash
		Total	30,53,136	10	10	Cash

C	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application form;	As mentioned below	
Sr. No.	Years	Net Profit before provision of tax	Net Profit after provision of tax (Rs. Lacs)
1	2019-20	181.69	133.01
2	2020-21	422.17	306.17
3	2021-22	396.54	283.85
D	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	No dividend has been declared by the Company in respect of the said three financial years	
Year	Dividend	Interest Coverage Ratio	
N.A.	N.A.	N.A.	

E	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of	As mentioned below
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private placement offer cum application form;	
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Particulars	As at	As at	As at
	March 31,2020	March 31, 2021	March 31, 2022
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	305.31	305.31	305.31
Other Equity	374.39	680.55	964.40
LIABILITIES			
Non-Current Liabilities			
Long term borrowings	36.66	441.12	1604.07
Other Liabilities	-	-	2.80
Deferred Tax Liabilities (Net)	0.09160	-	-
Current Liabilities			
Short term Borrowings	-	67.50	-
Trade Payables	6.78	9.62	7.35
Other Current Liabilities	7.83	98.14	21.88
Provisions	48.92	118.77	122.34
Total Equity and Liabilities	779.98	1721.02	3028.16
ASSETS			
Non-current Assets			
Property, Plant and Equipment	18.00	67.38	132.74
Non Current Investment	-	-	2.50
Long term Loans and Advances	720.85	1524.33	2742.73
Current Assets			
Short term investment	-	0.10	-
(i) Trade Receivables	-	-	0.67
(ii) Cash and Cash Equivalents	3.14	7.92	12.40
(iii) Short term Loans and Advances	9.77	18.24	33.44
Other Current Assets	28.21	103.04	103.68
Total Assets	779.98	1721.02	3028.16

F	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application form;	As mentioned below:
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Particulars		Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Cash Flow From Operating Activities				
Profit Before Tax		181.68	422.17	396.54
Net Cash Generated From Operating Activities	(A)	(322.63)	(393.31)	(915.85)
Cash Flow From Investing Activities :				
Net Cash Used In Investing Activities	(B)	(17.79)	(64.05)	(88.87)
Cash Flow From Financing Activities :				
Net Cash Used In Financing Activities	(C)	303.04	462.14	1009.20
Net Increase/(Decrease) in cash and cash equivalents during the year	(A + B + C)	(37.38)	4.78	4.48
Add: Cash and cash equivalents at the beginning for the year		40.52	3.14	7.92

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Cash and cash equivalents at the end for the year		3.14	7.92	12.40
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G	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	NIL
Part – B	Application Form	
6.	A DECLARATION BY THE DIRECTORS	<p>a. The company has complied with the provisions of the Act and the rules made there under;</p> <p>b. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;</p> <p>c. The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;</p>

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Sr. No.	Particulars
1.	Definitions and Abbreviations
2.	Regulatory Reference
3.	Details of Promoters of the Issuer Company
4.	Details of credit rating along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue
5.	Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).
6.	Issue Schedule
7.	Issuer Information
8.	Brief Summary of the Business/Activities of the Issuer and its Subsidiaries with the details of branches or units, if any and its line of business
9.	Financial Information
10.	Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability
11.	Brief history of the Issuer
12.	Details of the Shareholding Pattern of the Company
13.	Brief particulars of the management of the Company
14.	Details of Auditors of the Company
15.	Details of Liabilities of the Company
16.	Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past three years including the current financial year
17.	Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities
18.	Corporate Guarantee or Letter of Comfort or any other document/letter with same intent
19.	Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention
20.	Disclosures pertaining to wilful defaulter
21.	Undertaking by the Issuer
22.	Management's Perception of Risk Factors
23.	Other Details
24.	Due Diligence by Debenture Trustee
25.	Summary Term Sheet
26.	Illustration of Cashflows
27.	Declaration and attestation
28.	List of Annexures

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	Annexure A: The credit rating and rationale issued by ACUITE Ratings Limited
	Annexure B: Copy of Consent letter of Debenture trustee
	Annexure C: Cash flows
	Annexure D: Audited Financials of last 3 years and for Quarter ended 30.06.2022 along with Audit Report
	Annexure E: Due Diligence certificate issued by the Debenture Trustee
	Annexure F: Details of Assets and Liabilities as on 30.06.2022

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1. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Term	Description
“Finstars Capital Limited” or “FCL” or the “Company” or the “Issuer”	Finstars Capital Limited, a unlisted public limited company incorporated under the Companies Act, 1956/ 2013 and having its Registered Office at 701, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015.
Articles of Association	Articles of Association of the Company, as amended from time to time.
Board of Directors/Board	The Board of Directors of the Company and includes committee thereof.
Memorandum of Association	The Memorandum of Association of the Company, as amended from time to time.
Promoter(s)/Holding Company	Mr. Barun More (Agarwal) and/or Nisha More (Agarwal)
Placement Memorandum	Offer Document / Placement Memorandum / Private Placement Offer cum application Form/ Offer Letter as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013, Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI regulations.

Issue Related Terms

Term	Description
Affiliate (s)	Affiliate (s) shall mean with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under direct, indirect or common Control with, such person.
AGM	Annual General Meeting
Application Form	The form in which an investor can apply for subscription to the Debentures.
Stock Exchange	BSE Limited and/ or NSE Limited
Bankers to the Issue	The banker to the Issue, in this case being [•], as the case may be.
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 2013 and amendments made thereunder.
Credit Rating Agency	Acuité Ratings & Research Limited
Events of Default	The occurrence of any one of the events as mentioned in the Debenture Trust Deed shall constitute an Event of Default.
Debentures	Secured, Rated, Listed Redeemable Non-Convertible Debentures (“NCDS”)
Debenture Holders	Persons who are for the time being holders of the Debentures and whose names are last mentioned in the Debentures / Debenture Register and shall include Beneficiaries.
Debenture Trust Deed	Debenture Trust Deed between the Company and [•] Limited (the Debenture Trustees)
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time, in this case being NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Placement Memorandum	This Placement Memorandum /Private Placement Offer cum application letter through which the Debentures are offered on private placement basis
DP-ID	Depository Participant Identification Number.
EGM	Extra -ordinary General Meeting

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Equity Shares	Equity shares of the Company of face value of Rs. [•]each.
INR / Rs. / Rupees	Currency of Republic of India
Investors	Persons who fall under the category of eligibility to whom this Placement Memorandum may be sent with a view to offering the Debentures on Private Placement basis.
ISIN	International Securities Identification Number
NPA	Non-Performing Asset
NEFT	National Electronic Fund Transfer
NLD	Nifty Linked Debenture
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number.
Preference Shares	Preference shares of the Company of face value of Rs. 10 each.
Private Placement	Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a Company (other than by way of public offer) through issue of a Private Placement Offer cum application form and which satisfies the conditions specified in the Section 42 of the Companies Act, 2013 read with Rules framed thereunder
PAS	Prospectus and Allotment of Securities
RBI	Reserve Bank of India
Registered Debenture Holder	The Debenture holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date, which shall be maintained at the Corporate Office.
Redemption Date	Series I - 2022-23-Rs.10 Crores : 13/10/2025
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Security Documents	Security documents entered into for creation of security for the benefit of the Debenture Holders.
Working Days	All days except Saturday, Sunday and any public holiday.
Wilful Defaulter	Wilful defaulter means an Issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an Issuer whose director or promoter is categorized as such.
WDM	Wholesale debt market

2. Regulatory Reference

Disclosures as per Form no.PAS-4 pursuant to section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and SEBI (Issue And Listing Of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021 and SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 and SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 and SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 and SEBI Circular bearing reference no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 and SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 and any other applicable SEBI circulars, each as may be amended from time to time.

3. Details of Promoters of the Issuer Company:

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Sr. No	Name of the Promoter	Barun More (Agarwal)	Nisha More(Agarwal)
1	Date of Birth/ Date of Incorporation	25/12/1979	08/11/1983
2	Age	42	38
3	Registered Office Address	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
4	Educational Qualifications	B.COM	B.COM
5	Experience in the business or employment	Mr. Barun More (Agarwal) is the Managing Director of “ Finstars Capital Limited ” having an experience in the financial market for more than 20 years with an ambition to growth of Finstars Capital Limited in such a manner that it can serve finance to every needy person more specifically to major small enterprises and every needy person can access to it. He has the expert knowledge in the Finance sector from approx. 20 years. He also played a vital role as a leader to help the Company to reach at one of the top position in the current scenario.	Mrs. Nisha More (Agarwal) is the Director of “ Finstars Capital Limited ” having experience of more than 15 years in the Indian Financial market with a deep Financial market insights enables Finstars Capital Limited to foresee the future market trends and take initiatives to leverage the market opportunities which is beneficial for the Company for its growth till now and also for near future.
6	Positions/posts held in the past	Barun More (Agarwal) is not a Director in any other Company except Finstars Capital Limited	Nisha More (Agarwal) is not a Director in any other Company except Finstars Capital Limited
7	Directorships held	1	1
8	Other ventures of each promoter	No	No
9	Special Achievements	-	-
10	Business and Financial activities	NBFC and trading in fixed income securities	NBFC and trading in fixed income securities
11	Photograph		
12	Permanent Account Number	AHOPM0707D	ADYPA1960G

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters as applicable and Permanent Account Number of

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directors have been submitted to the stock exchanges on which the non- convertible securities are proposed to be listed, at the time of filing the draft offer document:

We confirm that the requisite details for promoters and directors have been submitted to stock exchange at the time of seeking in-principle approval.

4. Details of credit rating along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue

'ACUITE BBB-' by Acuite Ratings & Research Limited vide credit rating letter dated August 08, 2022.

The Issuer hereby declares that this rating is valid as on the date of issuance of these Debentures and shall be valid as on the date of listing of Debentures.

The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted is attached as Annexure [A] and the link for press release for the same is as below:

<https://www.acuite.in/documents/ratings/revised/28922-RR-20220808.pdf>

5. Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).

The non-convertible debentures are proposed to be listed on BSE Limited. The Company has designated BSE Limited as designated stock exchange and has maintained/ shall maintain Recovery Expense Fund with the same.

6. Issue Schedule]

Particulars	Date
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

7. ISSUER INFORMATION

Date of incorporation of the company	17/02/1989
Registered Office	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
Corporate Office	701, 7 th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015
Website	http://finstarscapital.com
Compliance Officer	Name: Ankit Satyanarayan Somani Address: Vikas Nagar, 1-J-3, Vikas nagar, Bundi, Bundi, Rajasthan - 323001 Email ID: ankitsomani26@rediffmail.com Phone: 9714449717
Chief Financial Officer	Name: Mitesh Champaneri Address: 701, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar, Ahmedabad-380015 Tel No: 9773411017 Email ID: finance.finstarscapital@gmail.com
Debenture Trustee of the Issue	BEACON Name: Beacon Trusteeship Ltd Address: 4C, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG CricketClub, Mumbai – 400 051 Phone:022-26558759 Email ID: compliance@beacontrustee.co.in

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	Contact Person: Kaustubh Kulkarni Website: www.beacontrustee.co.in
Credit Rating Agency of the Issue	 <p>Name: Acuite Ratings and Research Limited Address: 708, LodhaSupremus, Lodha, iThink Techno Campus, Kanjurmarg (East), Mumbai-400042 Phone: +91-22- 49294000 Email ID: mohit.jain@acuite.in Contact Person: Mohit Jain Website: www.acuite.in</p>
Registrar of the Issue	 <p>Name: Accurate Securities and Registry Private Limited Address: Shangrila Arcade, 203, above Samsung Showroom, nr. Shyamal Cross Road, Satellite, Ahmedabad, Gujarat 380015 Phone: +91-79-48000319 Fax: [•] Email ID: investor@accuratesecurities.com Contact Person: Ankur Shah Website: https://www.accuratesecurities.com/</p>
Statutory Auditors of the Issuer	 <p>Name: KPSJ & Associates LLP Address: 708, Samruddhi, Opp. Sakar - III, Nr. Income Tax Circle, P.O Navjeevan, Ahmedabad-14 Email ID: kpsjgroup@gmail.com Phone: 079-40092023 Fax: - Website: www.kpsjca.com Contact Person: CA ShriramLaddha: Mob No: 9426011185</p>
Legal Counsel of the Issue	Not Applicable
Guarantor of the Issue	Not Applicable
Arranger of the Issue	Not Applicable

8. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS SUBSIDIARIES, IF ANY, WITH THE DETAILS OF BRANCHES OR UNITS, IF ANY AND ITS LINE OF BUSINESS

(a) A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

i. Overview of the business of the Issuer:

Finstars Capital Limited is a non-deposit taking systemically important NBFC registered with the Reserve Bank of India (RBI), with its corporate office in Ahmedabad along with branches in Delhi, Kolkata & Mumbai. Previously Finstars Capital Limited was known as Gopalka Motor Finance Limited providing Motor Finance since 1989.

Mr. Barun More is the **Managing Director** of “**Finstars Capital Limited**” having experience in the financial market of more than 20 years.

The inception of Finstars Capital Limited came with a thought of serving majorly small business enterprises. Early in his career he was intrigued by passion of small business owners who in spite of being credit worthy were not served by existing lenders. Credit decisions in banks take months.

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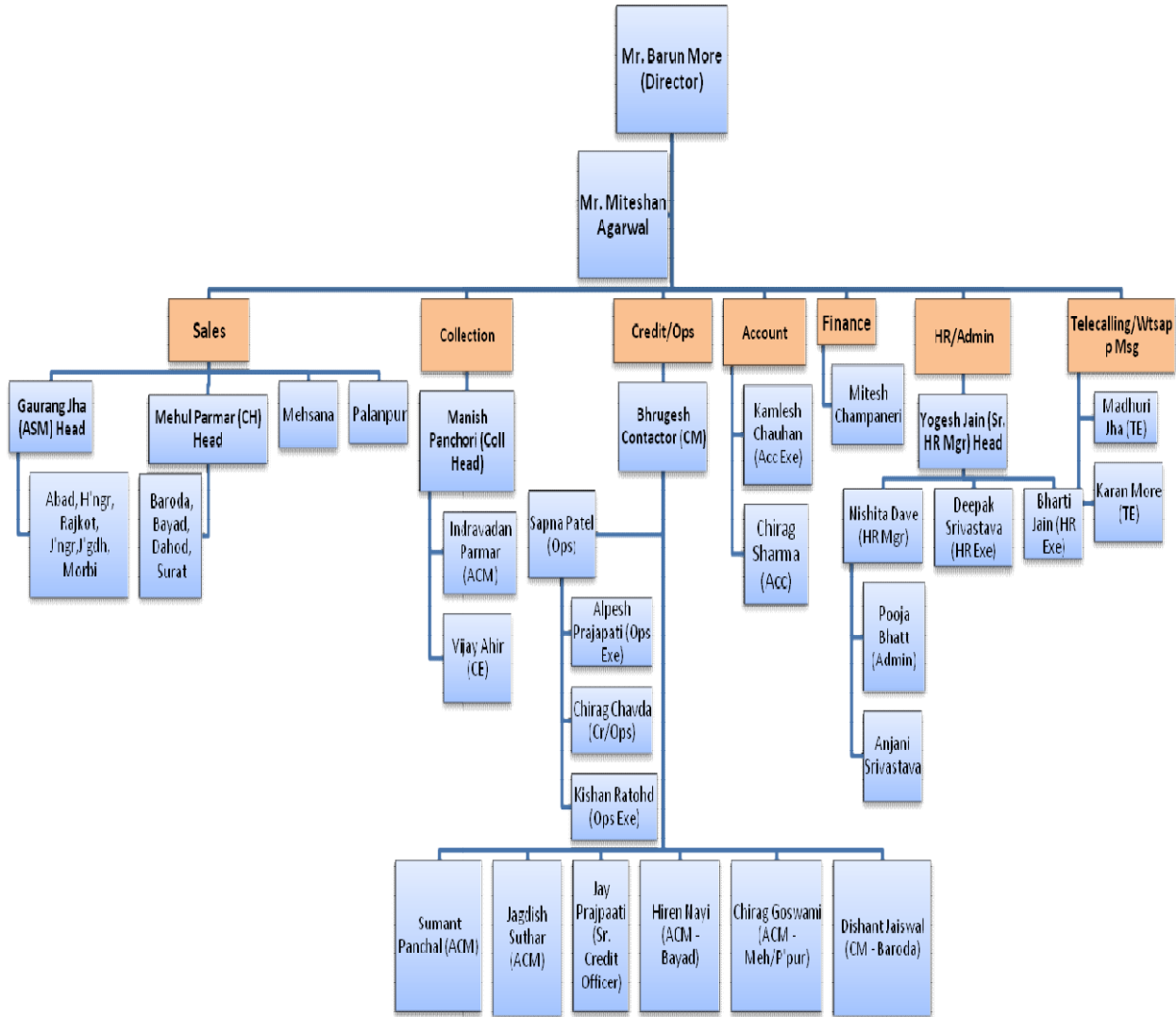
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The Company has deep domain expertise in banking and financial services, with the senior management team having 15+ years of average experience in financial sector.

“FCL” is not only engaged in NBFC activities but its verticals are also spread among all other sectors like dealing in Govt securities , Fund raising activities through Inter corporate deposit, Commercial Papers, Bonds, All kind of Investments product, Equity Market etc.

(b) Corporate Structure:



(c) Project Cost and means of financing, in case of funding of new projects: N.A.

9. Financial Information

a. Audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years

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Columnar representation of the audited standalone financial statements for FY 2019-20, FY 2020-21 and FY 2021-22 is as mentioned in below table::

BALANCE SHEET:

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
(a) Share Capital	305.31	305.31	305.31
(b) Reserves and Surplus	964.40	680.55	374.39
Non Current liabilities			
(a) Long term Borrowings	1,604.07	441.12	36.66
(b) Other Liabilities	2.80	-	-
(c) Deferred Tax Provision	-	-	0.09160
Current liabilities			
(a) Short Term Borrowings	-	67.50	-
(b) Trade Payables	7.35	9.62	6.78
(c) Other Current Liabilities	21.88	98.14	7.83
(d) Short-term provisions	122.34	118.77	48.92
TOTAL	3,028.16	1,721.017	779.98
<u>ASSETS</u>			
Non-current assets			
(a) Property , Plant & Equipments	132.74	67.38	18.00
(b) Non Currents Investment	2.50	1.07500	
(c) Long term Loans & Advances	2,742.73	1,524.33	720.85
Current assets			
(a) Trade Receivable	0.67094	0.15547	-
(b) Cash and cash equivalents	12.40324	7.91894	3.14
(c) Short term Loans and Advances	33.43788	18.24311	9.77
(d) Other Current Assets	103.67531	101.91364	28.21
TOTAL	3,028.16	1,721.02	779.98

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PROFIT AND LOSS STATEMENT:

	Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
1	Revenue From Operation	463.78	230.86	108.72
2	Other Financial Income	403.13	395.81	199.94
	(A) Total Income	866.91	626.67	308.66
3	Expenses			
	(a) Direct Expense	42.30	27.85	13.96
	(b) Employee Benefits Expense	208.46	115.29	73.59
	(c) Depreciation Expense	24.88	14.73	1.91
	(d) Financial Expenses	86.25	9.82	0.15
	(e) Other expenses	108.47	36.81	37.35
	(B) Total expenses	470.36	204.50	126.97
4	Profit/ (Loss) before Tax(A-B)	396.54	422.17	181.69
5	Provisions			
	Provision for Standard Assets(Exp)	6.74	6.10	0
	Provision for NPA Assets(Exp)	4.57	0	0
6	Tax expense:			
	Current Income Tax Expense for the year	101.29	110	48.45
	Provision for Defferred Tax Exp Reverse	0	-0.09	0.07904
	Add: Prior Period Tax Adjustment	0.09	0	0.13892
	Total (5+6)	112.70	116.01	48.67
7	Profit / (Loss) for the year (4 - 5 -6)	283.85	306.17	133.01
8	Earnings per share (of Rs.10/- each):			
	(a) Basic	9.30	10.03	4.36
	(b) Diluted	9.30	10.03	5.80

CASH FLOW STATEMENT:

-	Particulars	As at 31st March, 2022 (Rs. In Lacs)	As at 31st March, 2021 (Rs. In Lacs)	As at 31st March, 2020 (Rs. In Lacs)
A	Cash Flows From Operating Activities			
-	Net Profit before Tax	396.54	422.17	181.68
-	Adjustments for :			

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-	Depreciation & Amortiation	24.88	14.73	1.91
-	Financial cost	86.25	9.82	0.15104
-	Interest Income	0.00	(0.16)	(0.43638)
-	Short Term Capital Gain on Sale of Assets	-	(0.01)	-
-	Operating Profit before Working Capital Changes	507.68	446.56	183.31
-	Movement in Working Capital :			
-	(Increase)/Decrease in Long Term Loan & Advances	(1218.40)	(803.48)	(506.04)
-	(Increase)/Decrease in Short Term Loans and Advances	(15.19)	(8.47)	16.21
-	(Increase)/Decrease in Trade Receivable	(0.52)	-	-
-	Increase/(Decrease) in Trade Payables	(2.27)	2.84	5.97
-	Increase/(Decrease) in Other Current Liabilities	(76.25)	90.30	7.39
-	Increase/(Decrease) in Other Current Assets	(1.76)	(74.83)	(24.28)
-	Increase/(Decrease) in Short Term Provisions	0.96	2.22	(0.18826)
-	Cash generated from/(used in) operations	(805.76)	(344.86)	(317.63)
-	Direct taxes paid	(110.09)	(48.46)	(4.99734)
-	Net cash flow from/(used in) operating activities (A)	(915.85)	(393.32)	(322.63)
B	Cash Flows From Investments Activities			
-	Purchase Of Fixed Assets	(90.24)	(64.65)	(18.23)
-	Advance for Capital Goods	2.80	-	-
-	Purchase of Investment	(1.42)	(0.10)	-
-	Sale Of Fixed Assets	-	0.55	-
-	Interest Received	0.00	0.16	0.44
-	Net cash flow from/(used in) investing activities (B)	(88.87)	(64.05)	(17.79)
-				
C	Cash Flows From Financing Activities			
-	Proceeds from increase of Share Capital	-	-	272.53
-	Proceeds from Long Term Borrowings	1162.95	404.46	30.66
-	Proceeds from Short Term Borrowings	(67.50)	67.50	-
-	Finance Cost	(86.25)	(9.82)	(0.15104)
-	Net cash generated/ (used in) financing activities (C)	1009.20	462.14	303.04
-				
-	Net increase/(decrease) in cash and cash equivalents (A+B+C)	4.48	4.78	(37.38)
-	Cash and cash equivalents at beginning of the year	7.92	3.14	40.53
-	Cash and cash equivalents at end of the year	12.40	7.92	3.14

Audit report: Please refer Annexure D for Detailed Audit Report of last 3 Financial Years

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b. Audited Financial Results for the Quarter ended 30th June, 2022 along with Audit report.

FINSTARS CAPITAL LIMITED			
Cash Flow Statement for the year Period 01/04/2022 to 30/06/2022			
(Amount in Lacs Rs.)			
	Particulars	Quarter ended	Year ended
		June 30,2022	March 31,2022
A	Cash Flows From Operating Activities		
	Net Profit before Tax	12.86	396.55
	Adjustments for :		
	Depreciation & Amortiation	6.22	24.88
	Financial cost	39.17	86.25
	Interest Income	-	-
	Short Term Capital Gain on Sale of Assets	-	-
	Operating Profit before Working Capital Changes	58.25	507.68
	Movement in Working Capital :		
	(Increase)/Decrease in Long Term Loan & Advances	(263.36)	(1,218.40)
	(Increase)/Decrease in Short Term Loans and Advances	31.43	(15.19)
	(Increase)/Decrease in Trade Receivable	0.40	(0.52)
	Increase/(Decrease) in Trade Payables	1.39	<u>(2.27)</u>
	Increase/(Decrease) in Other Current Liabilities	(1.36)	(76.25)
	Increase/(Decrease) in Other Non Current Liabilities	(2.80)	-
	Increase/(Decrease) in Other Current Assets	59.11	(1.76)
	Increase/(Decrease) in Short Term Provisions	(61.12)	0.96
	Cash generated from/(used in) operations	(178.07)	(805.76)
	Direct taxes paid	-	(110.09)
	Net cash flow from/(used in) operating activities (A)	(178.07)	(915.85)
B	Cash Flows From Investments Activities		
	Purchase Of Fixed Assets	(3.65)	(90.24)
	Advance for Capital Goods	-	2.80
	Purchase of Investment	1.40	(1.42)
	Sale Of Fixed Assets	-	-
	Interest Received	-	-
	Net cash flow from/(used in) investing activities (B)	(2.25)	(88.87)
C	Cash Flows From Financing Activities		

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	Proceeds from increase of Share Capital		-	-
	Proceeds from Long Term Borrowings		(28.26)	1,162.95
	Proceeds from Short Term Borrowings		251.55	(67.50)
	Finance Cost		(39.17)	(86.25)
	Net cash generated/ (used in) financing activities	(C)	184.12	1,009.20
	Net increase/(decrease) in cash and cash equivalents	(A+B+C)	3.80	4.48
	Cash and cash equivalents at beginning of the year		12.40	7.92
	Cash and cash equivalents at end of the year		16.20	12.40
Notes:				
(i)	The cash flow statement has been prepared under indirect method as set out in Accounting Standard -3 "Cash Flow Statement" specified u/s 133 of The Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.			
(ii)	Figures in brackets represent outflows. Previous year figures have been recast/restated wherever necessary. As per our report of even date			

FINSTARS CAPITAL LIMITED

Balance Sheet As on 30/06/2022

		(Amount in Lacs)	
Particulars		As at 30th June, 2022	As at 31st March, 2022
		Rs.	Rs.
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share Capital	305.31	305.31
	(b) Reserves and Surplus	974.03	964.40
2	Non Current liabilities		
	(a) Long term Borrowings	1,575.81	1,604.07
	(b) Other Liabilities	-	2.80
	(c) Deferred Tax Provision	-	-
3	Current liabilities		
	(a) Short Term Borrowings	251.55	-
	(b) Trade Payables	8.74	7.35
	(c) Other Current Liabilities	20.52	21.88
	(d) Short-term provisions	64.45	122.34
	TOTAL	3,200.41	3,028.16
B	ASSETS		

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1	Non-current assets		
	(a) Property , Plant & Equipments	130.17	132.74
	(b) Non Currents Investment	1.10	2.50
	(c) Long term Loans & Advances	3,006.09	2,742.73
2	Current assets		
	(a) Trade Receivable	0.27	0.67
	(b) Cash and cash equivalents	16.20	12.40
	(c) Short term Loans and Advances	2.01	33.44
	(d) Other Current Assets	44.57	103.68
	TOTAL	3,200.41	3,028.16

FINSTARS CAPITAL LIMITED

Statement of Profit & Loss For the Period 01/04/2022 to 30/06/2022

		(Amount in Lacs)	
Particulars		For the year quarter 30 June, 2022	For the year ended 31 March, 2022
		Rs.	Rs.
1	Revenue From Operation	169.13	463.78
2	Other Financial Income	1.58	403.13
	(A) Total Income	170.71	866.91
3	Expenses		
	(a) Direct Expense	10.27	42.30
	(b) Employee Benefits Expense	60.59	208.46
	(c) Depreciation Expense	6.22	24.88
	(d) Financial Expenses	39.17	86.25
	(e) Other expenses	41.59	108.47
	(B) Total expenses	157.85	470.36
4	Profit/ (Loss) before Tax(A-B)	12.86	396.55
5	Provisions		
	Provision for Standard Assets(Exp)	0.00	6.74
	Provision for NPA Assets(Exp)	0.00	4.57

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6	Tax expense:		
	Current Income Tax Expense for the year	3.23	101.29
	Provision for Defferred Tax Exp Reverse	0.00	0.00
	Add: Prior Period Tax Adjustment	0.00	0.09
	Total (5+6)	3.23	112.70
7	Profit / (Loss) for the year (4 - 5 -6)	9.63	283.85
8	Earnings per share (of Rs.10/- each):		
	(a) Basic	0.32	9.30
	(b) Diluted	0.32	9.30

Audit report: **Please refer Annexure D for Audit Report of the quarter ended 30.06.2022 and of last 3 Financial Years.**

c. Key Operational and Financial Parameters on Standalone Basis for the last three audited years and quarter ended June 30 2022:

Standalone

(In lakhs)

Balance Sheet	Quarter ended	Year ended	Year ended	Year ended
	June-22	2021-22	2020-21	2019-20
	Audited	Audited	Audited	Audited
For Financial sector Entities (retain as applicable)				
Net Fixed Assets	130.17	132.74	67.38	18.00
Current Assets	63.05	150.19	128.23	41.12
Non-current assets	3137.36	2745.23	1525.41	720.85
Total assets	3200.41	3028.16	1721.02	779.98
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	1575.81	1606.87	441.12	36.75
Financial (borrowings, trade payables, and other financial liabilities)				
Provisions				
Deferred tax liabilities (net)				
Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings)	345.26	151.57	294.03	63.51
Financial (borrowings, trade payables, and other financial liabilities)				
Provisions				
Current tax liabilities (net)				
Other current liabilities				
Total liabilities	1921.07	1758.44	1426.98	100.26
Equity (equity and other equity)	1279.34	1269.72	985.86	679.69
Total Equity and Liabilities	3200.41	3028.16	1721.02	779.98

Profit and Loss	Quarter ended	Year ended	Year ended	Year ended
	Jun-2022	2021-22	2020-21	2019-20
	Audited	Audited	Audited	Audited
Total revenue	170.71	866.91	626.67	308.65
From operations	169.13	463.78	230.86	108.71
Other Income	1.58	403.13	395.81	199.93
Total Expenses	157.85	470.36	204.50	126.96

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Total Comprehensive Profit	12.86	396.54	422.17	181.68
Profit /Loss				
Other Comprehensive Income				
Profit/loss after tax	9.63	283.85	306.17	133.01
Earnings per equity share: (a) basic; and	0.32	9.30	4.36	4.36
(b) diluted Continuing operations	0.32	9.30	5.80	5.80
Discontinued operations Total Continuing and discontinued operations				

Cash Flow	Quarter ended	Year ended	Year ended	Year ended
	Jun-2022	2021-22	2020-21	2019-20
	Audited	Audited	Audited	Audited
Net cash generated from operating activities	(178.07)	(915.85)	(393.32)	(322.62)
Net cash used in / generated from investing activities	(2.25)	(88.87)	(64.05)	(17.79)
Net cash used in financing activities	184.12	1009.20	462.14	303.03
Cash and Cash Equivalents at the beginning of the year	16.20	12.40	7.92	3.14
Balance as per statement of cash flows	•	•	•	•

Standalone	Amount in lakhs			
Additional information	Quarter ended	Year ended	Year ended	Year ended
	Jun-2022	2021-22	2020-21	2019-20
	Audited	Audited	Audited	Audited
Net worth	1279.34	1269.72	985.86	679.69
Cash and Cash Equivalents	16.20	12.40	7.92	3.14
Current Investments	0.00	0.00	0.00	0.00
Assets Under Management	3006.09	2742.74	1524.33	720.85
Off Balance Sheet Assets	0.00	0.00	0.00	0.00
Total Debts to Total assets	57.09%	52.97%	25.63%	4.69%
Debt Service Coverage Ratios	1.64	8.43	NA	NA
Interest Income	169.13	463.78	230.86	108.71
Interest Expense	39.17	86.25	9.82	0.15
Interest service coverage ratio	1.49	5.88	23.32	1224.86
Provisioning & Write-offs	17.31	11.31	0.0	0.00
Bad debts to Account receivable ratio	0.00	0.00	0.00	0.00
Gross NPA (%)	1.87	1.66	0.00	0.00
Net NPA (%)	1.29	1.50	0.00	0.00

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Tier I Capital Adequacy Ratio (%)	42.54%	46.29%	64.67%	94.29%
Tier II Capital Adequacy Ratio (%)	8.34%	14.78%	1.64%	0.83%

Debt Equity Ratio	
Before the Issue (as on 30.09.2022)	2.00
After the Issue*	2.73

*Considering the entire amount proposed to be issued is subscribed

10. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability: N.A.

11. A BRIEF HISTORY OF THE ISSUER

a. History:

Finstars Capital Limited is a non-deposit taking systemically important NBFC registered with the Reserve Bank of India (RBI), with its corporate office in Ahmedabad along with branches in Delhi, Kolkata & Mumbai. Previously Finstars Capital Limited was known as Gopalka Motor Finance Limited providing Motor Finance since 1989.

Mr. Barun More (Agarwal) is the **Managing Director** of “**Finstars Capital Limited**” having experience in the financial market of more than 20 years.

The inception of Finstars Capital Limited came with a thought of serving majorly small business enterprises. Early in his career he was intrigued by passion of small business owners who in spite of being credit worthy were not served by existing lenders. Credit decisions in banks take months.

The Company has deep domain expertise in banking and financial services, with the senior management team having 20+ years of average experience in financial sector.

“**FCL**” is not only engaged in NBFC activities but its verticals are also spread among all other sectors like dealing in Govt securities , Fund raising activities through Inter corporate deposit, Commercial Papers, Bonds, All kind of Investments product, Equity Market etc.

b. Details of Share Capital of the Company as on 30th September, 2022:

Share Capital

Particulars	Amount (in Lacs)
A. Authorised Capital	
50,00,000 Shares of Rs. [10] each	500
Total	
B. Issued, Subscribed and Paid-up Capital	
30,53,136 Shares of Rs. 10 each	305.31
Total	
Paid up capital (A) After the offer; (B) after conversion of convertible instruments (if applicable) (d) share premium account (before and after the offer)	305.31

c. Change in capital structure as of 30th September, 2022 and for the last 3 years: N.A.

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i. Authorized Share Capital and the changes therein: N.A.

Date Of Change (EGM/ AGM)	Amount (Rs. in [•])	Particulars
[•]	[•]	[•]

ii. Equity Share Capital History of the Company, for the last 3 years:

Date of Allotment	No. of equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature for Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (Rs. in Crores)	Cumulative Share Premium (Rs. in Crores)	Remarks
13-06-2018	43,327	10	10	Cash	Equity Shares	43,327			
13-06-2018	3,09,993	10	10	Cash	Equity Shares	3,53,320			
13-06-2018	2,71,700	10	10	Cash	Equity Shares	6,25,020			
13-06-2018	10	10	10	Cash	Equity Shares	6,25,030			
13-06-2018	10	10	10	Cash	Equity Shares	6,25,040			
13-06-2018	10	10	10	Cash	Equity Shares	6,25,050			
13-06-2018	10	10	10	Cash	Equity Shares	6,25,060			
13-06-2018	10	10	10	Cash	Equity Shares	6,25,070			
13-06-2018	1,50,023	10	10	Cash	Equity Shares	7,75,093			
13-06-2018	4,50,900	10	10	Cash	Equity Shares	12,25,093			
13-06-2018	3,00,600	10	10	Cash	Equity Shares	15,26,693			
30-09-2019	9,15,950	10	10	Cash	Equity Shares	24,42,643			
30-09-2019	6,10,593	10	10	Cash	Equity Shares	30,53,236			
Total	30,53,136	10	10						

(d) Details of any acquisitions or amalgamation in the last one year:N.A.

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(e) Details of any reorganization or reconstruction in the last one year: N.A.

Type of the Event	Date of Announcement	Date of Completion	Details
N.A.	N.A.	N.A.	N.A.

12. Details of the Shareholding Pattern as on 30/09/2022, as per the format specified under listing regulations:

a) Equity Share holding pattern of the Company as on 30/09/2022:

Table I - Summary Statement holding of specified securities as on 30/09/2022

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares under Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)	No. of Voting Rights	Class	Class	Total	Total as a % of (A+B+C)	No. of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C 2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialized form (XIV)	
																No.	As a % of total shares held (b)		As a % of total shares held (b)	As a % of total shares held (b)
(A)	Promoter & Promoter group	2	3053086	0	3053086	3053086	99.99%													

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(B)	Public	5	50	0	0	50	0.001%											
(C)	Non Promoter - Non Public																	
(C1)	Shares underlying DRs																	
(C2)	Shares held by Employee Trusts																	
	Total	7	3053136	0	3053086	3053136	100%											

Table II - Statement Showing shareholding pattern of the Promoter and Promoter Group as on 30/09/2022

Category & Name of the Shareholder (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding % calculated as per SCR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights	Class	Total			No.	As a % of total shares held (b)		

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									As a % of A+B +C2)										
1	Indian																		
A	Individuals/Hindu undivided Family																		
	Individual	AHO PM0 707D	1	18,31,900	0	18,31,900	18,31,900	60%											
	Individual	ADY PA19 60G	1	12,21,186	0	12,21,186	12,21,186	39.99%											
b	Central Government/State Government(s)																		
c	Financial Institutions/Banks																		
d	Any Other (specify)																		
	Bodies Corporate																		
	Sub Total = (A1)		2	12,21,186	0	12,21,186	12,21,186	99.99%											
2	Foreign																		
a	Individuals (Non-Resident Individual)																		

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a	Individuals/Foreign Individuals)																
b	Government																
c	Institutions																
d	Foreign Portfolio Investor																
e	Any Other (specify)																
Sub Total = (A2)																	
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		2	12,21,186	0	12,21,186	12,21,186	99.9%										

Table III - Statement Showing shareholding pattern of Public Shareholders as on 30/09/2022

Category & Name of the Shareholders	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held	Partly paid up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding % calculated as per SCR. 1957) As	Number of Voting Rights held in each class of securities (IX)		No of shares Underlying outstanding convertible securities	Shareholding as a % of summing	Number of Locked in shares (XII)	Number of shares pledged or otherwise encumbered (XIII)	Number of equity shares held
								No of Voting Rights	Total					

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(I)			d (IV)	d (V)	(VI)		a % of (A+ B+C 2) (VIII)	Clas s x	Clas s y	To tal	as a % of Tot al Vo tin g rig hts	rities (incl udin g Warr ants) (X)	ful l con ver sion of con vert ible se cu rities (as a perc enta ge of dil uted share cap ital) (XI) =(VII) + (X) As a % of A+ B+ C2)	No. (a)	As a % of total share held (b)	No. (Not appli cable) (a)	As a % of total share held (Not applicable) (b)	in de ma ter iali ze d for m (XI V)	
1	Inst ituti ons																		
a	Mu tual Fu nds / UTI																		
b	Ve ntu re																		

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Ca pi t a l F u n d s																				
c Alt ern ate Inv est me nt F u n d s																				
d For eig n Ve ntu re Ca pi t a l Inv est ors																				
e For eig n Por tfoli o Inv est ors																				
f Fin anc ial Inst ituti ons / Ba nks																				
g Ins ura nce Co mp ani es																				
h Pro vid ent Fu n d s / Pe n si on																				

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	Funds																		
i	Any Other (specify)																		
	Sub Total = (B1)																		
2	Central Government / State Government (s) / President of India																		
3	Non-Institutions																		
a	Individuals-																		
	i. Individual shareholders holding no																		

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minimal share capital upto Rs. 2 lakhs																			
	BHP PP1 399 N	1	10	0	0	10	0.00 1%												
	AZV PP9 974 A	1	10	0	0	10	0.00 1%												
	BJB PP2 686 Q	1	10	0	0	10	0.00 1%												
	CAI PP8 690 R	1	10	0	0	10	0.00 1%												
	CUU PP4 228 D	1	10	0	0	10	0.00 1%												
ii. Individual shareholders holding no minimal share capital in excess of Rs. 2 lakhs																			
b) NBFC																			

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s reg iste red wit h RB I																				
c Em plo yee Tru sts																				
d Ov ers eas De pos itori es (ho ldin g DR s) (ba lan cin g figu re)																				
e Oth ers - Bo die s Cor por ate																				
Su b Tot al = (B2)																				
Tot al Pu bli c Sh are hol din g (B) =(B) (1)		5	50	0	0	50	0.00 1%													

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+(B)
(2)

**Table IV - Statement Showing shareholding pattern of the Non-Promoter & Non Public shareholder as on 30/09/2022:
N.A.**

Category & Name of the Shareholders (I)	PAN (II)	No of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding % calculated as per SCR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares held (X)	Total Shareholding as a % of Total Voting rights (XI) = (VII) + (X) As a	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights	Total as a % of Total Voting rights	Total			No. (a)	As a % of total shares held (b)		

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Director Name	About Director
Mr. Barun More (Agarwal)	Mr. Barun More (Agarwal) is the Managing Director of “ Finstars Capital Limited ” having an experience in the financial market for more than 20 years with an ambition to growth of Finstars Capital Limited in such a manner that it can serve finance to every needy person more specifically to major small enterprises and every needy person can access to it. He has the expert knowledge in the Finance sector from approx. 20 years. He also played a vital role as a leader to help the Company to reach at one of the top position in the current scenario.
Mrs. Nisha More (Agarwal)	Mrs. Nisha More (Agarwal) is the Director of “ Finstars Capital Limited ” having experience of more than 15 years in the Indian Financial Market with a deep Financial market insights enables Finstars Capital Limited to foresee the future market trends and take initiatives to leverage the market opportunities which is beneficial for the Company for its growth till now and also for near future.

b) NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON 30/09/2022 :

Sr. No.	Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships	Whether wilful defaulter (Yes/No)
1.	Barun More (Agarwal) Director, DIN: 07505258 Occupation: Business Address: D/5, East Ebony, Sindhu Bhavan Road, Ahmedabad-380059	42	26/04/2017	Barun More (Agarwal) is not a Director in any other Company except Finstars Capital Limited	No
2.	Nisha More (Agarwal) Director, DIN: 02878931 Occupation: Business Address: D/5, East Ebony, Sindhu Bhavan Road, Ahmedabad-380059	38	26/04/2017	Nisha More (Agarwal) is not a Director in any other Company except Finstars Capital Limited	No

c) Details of Change in Directors since last three years (i.e.2020,2021,2022)

Name, Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Remarks
ASHISHKUMAR RAJMALBHAI PANCHOLI INDEPENDENT DIRECTOR	<u>08000199</u>	23/03/2019	N.A.	

Debenture holding of Directors: N.A

14. DETAILS OF AUDITORS OF THE COMPANY

i. Details of the auditor of the Company

Name	Address	Auditor since
KPSJ & Associates LLP	708, Samruddhi, Opp. Sakar - III, Nr. Income Tax Circle, P.O Navjeevan, Ahmedabad-14 Email ID: kpsjgroup@gmail.com Phone: 079-40092023 Website: www.kpsjca.com Contact Person: CA ShriramLaddha: Mob No: 9426011185	Last 5 years approx

ii. Details of changes in auditors since last three years: N.A.

Name	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
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15. DETAILS OF LIABILITIES OF THE COMPANY AS ON 30/09/2022

a) Details of Outstanding Secured Loan Facilities as on 30/09/2022:

Lender's name	Type of facility	Amount Sanctioned (in Rs. 109735000)	Principal amount outstanding as on 30/09/2022 (in Rs 93291541)	Repayment Date / Schedule	Security
ECLEAR LEASING & FINANCE PVT LTD	Term Loan	20000000	12358146	5th	Receivable
ICICI BANK LTD (CAR LOAN) LAABD00041527551	Car Loan	1155000	212337	1 st	Vehicle
ICICI BANK LTD (CAR LOAN) LAABD00042257576	Car Loan	1150000	437417	15 th	Vehicle
ICICI BANK LTD (CAR LOAN) LAABD00043258025	Car Loan	1750000	914895	1 st	Vehicle
ICICI BANK LTD (CAR LOAN) LAABD00045437554 VADODA	Car Loan	680000	583594	1 st	Vehicle
GROW MONEY CAPITAL PVT LTD	Term Loan	20000000	19757000	22 nd	Receivables
ELECTRONICA FINANCE LTD	Term Loan	15000000	14119652	5 th	Receivables
MAS FINANCIAL SERVICES LTD-TL-1	Term Loan	50000000	49975000	25 th	Receivables
Total		109735000	98291541		

b) Details of Outstanding Unsecured Loan Facilities as on 30/09/2022:

Lender's name	Type of facility	Amount Sanctioned (Rs. in [•])	Principal amount outstanding (Rs)	Repayment Date / Schedule
All Trade Consultant Pvt Ltd	Unsecured Loan	NA	175633846	NA
Sunrise Gilts & Securities Pvt Ltd	Unsecured Loan	NA	1100000	NA
Total			176733846	

c) Details of Outstanding Non-Convertible Securities: N.A.

Series of NCS	Tenor/ Period of Maturity	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security

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d) List of Top 10 holders of Non-Convertible Securities in terms of value (in cumulative basis) as on 30/09/2022: N.A.

SR No.	NAME	Amount in (Crs.)	% of total Non-Convertible Debenture Outstanding

e) Details of outstanding Commercial Paper as at the end of the last quarter as on 30/09/2022: N.A.

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding
			[e]

f) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 30/09/2022 :: N.A.

Name of Party (in case of facility)/ Name of Instrument	Type of facility/ Instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security

g) Details of outstanding borrowings taken/debt securities issued for consideration other than cash, whether such borrowing/debt securities have been take/issued (a)in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option or not : N.A.

As on 30th September, 2022, the Issuer has not issued following debt securities and has the following outstanding borrowings in consideration other than cash (a)in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option or not:

16. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities loans from any bank or financial institutions, deposits, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past three years including the current financial year: N.A.

17. (a) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities. :N.A.

(b) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.:N.A.

(c) Details of default and non-payment of statutory dues:N.A.

(d) Debenture Trustee

The Company has appointed **Beacon Trusteeship Limited** as the Debenture Trustee to the Issue.

Beacon Trusteeship Limited has given consent to act as the Debenture Trustee on behalf of the Debenture holders.

A copy of the consent letter is enclosed as Annexure [B].

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If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.
N.A.

18. Corporate guarantee or Letter of Comfort or any other document/letter with same intent: N.A.

19. Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

a. Day count convention - Actual/Actual

b. Procedure and time schedule for allotment and issue of securities should be disclosed

The allotment of debt securities issued on a private placement basis shall be credited to the demat account of the investors within such time as may be specified by the applicable laws, rules and regulations.

c. Cash flows emanating from the non-convertible securities -As specified in Annexure C]

20. Disclosures pertaining to wilful defaulter

None of the Directors or Promoter of the Issuer or the Issuer have been declared as a wilful defaulter

a. Name of the bank declaring the entity as a wilful defaulter: N.A.

b. The year in which the entity is declared as a wilful defaulter: N.A.

c. Outstanding amount when the entity is declared as a wilful defaulter: N.A.

d. Name of the entity declared as a wilful defaulter: N.A.

e. Steps taken, if any, for the removal from the list of wilful defaulters: N.A.

f. other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: N.A.

g. Any other disclosure as specified by the Board: N.A.

21. Undertaking by the Issuer

- (i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the 'Management's Perception of Risk Factors under Point No. [•].
- (ii) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- (iii) The issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.
- (iv) The Issuer hereby covenants and undertakes that the assets on which the charge is or will be created to secure the Debentures are free from any encumbrances and if they are already charged such charge shall be released and the permission or the consent to create a charge on such assets of the Issuer shall be obtained from the existing charge holder or the creditor or Debenture Trustee as required before creation of charge to secured Debentures.

22. MANAGEMENT'S PERCEPTION OF RISK FACTORS

Potential investors should consider carefully all the risk factors in this Placement Memorandum for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the following stated risks actually occurs, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Issuer's Debentures could decline

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1. Competition Risk: In a scenario where the industry has major growth prospects, the Company faces the risk of stiff competition. Hence, cost efficiencies will have to be maintained without comprising on quality of service.

Mitigation: With a strong focus on research and development, the Company constantly strives to upgrade its extensive portfolio of services. Continuous upgradation in services, lending processes and quality will help the Company to carve a winning position in industry.

2. Brand Recognition Risk: Brand recall is a strong link between the company and its customers. Generally, weak brand recall results in loss of customers and market share.

Mitigation: The business has increased the brand spend and intends to spend on brand building to remain competitive.

3. Substitution Risk: In case customers find tile substitutes feasible, this may pose a significant risk to the business.

Mitigation: The Company's vision to expand service portfolio, to develop innovative quality services of lending and its processes to meet dynamic customer preferences helps to mitigate risks associated with lending service substitution.

4. Operational Risk: In order to remain competitive, it is important for the Company to ensure high operational and cost efficiencies.

Mitigation – Internal Control Systems: The Company's internal control systems are designed keeping in mind the size and nature of business complexity. The team closely supervises internal processes and ensures strict compliance with regulatory standards. These actions enable the Company to operate at high efficiency.

5. Distribution Risk: In case the Company is unable to make available its services in markets where there is demand, it stands at a risk to lose market share.

Mitigation: The Company continuously focuses on expanding its distribution network. It has increased its family of sales team in the whole Gujarat and also plan to increase it to the best.

8. Geographical Risk: High dependency on one geographic area for sales could affect sales and profits of the Company if consumer interest drops in that region.

Mitigation: The Company has a State wise presence with The revenue share from different regions in the State is fairly distributed with domestic revenue earnings from West, from South, from North and from East. The Company plans to double its lending volume and revenue in upcoming years.

23. Other details

(a) Debenture Redemption Reserve

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable Rules as amended from time to time

(b) Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc).

- The Companies Act, 2013 and the applicable Rules as amended from time to time;
- SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter;
- SEBI Circular CIR/IMD/DF/17/2013 dated October 22, 2013;
- SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter;
- SEBI Circular SEBI/ HO/ MIRSD/ DOS3/CIR/P/2019/68 dated May 27, 2019;
- SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020;
- SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020;
- SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020;
- SEBI Circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020;
- RBI Notification No. DNBR.(PD) 006 /GM(MSG)-2015 dated February 20, 2015 and amendments thereafter;
- RBI Circular RBI/2013-14/402 IDMD.PCD. 08/14.03.01/2013-14 and RBI Notification No. IDMD.PCD.07/ED(RG) – 2013 dated December 5, 2013 and amendments thereafter;
- SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021;

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- o SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 as may be amended from time to time.

Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any : **N.A.**

(c) Default in Payment

In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Additional Interest, which shall be a rate of 2.0% per annum over and above the Coupon Rate in respect of any amounts which have not been paid on the respective due dates for the period of default or delay.

(d) Delay in Listing

In case of delay in listing of the Bonds beyond 4 (four) trading days from the Issue Closing Date, the Issuer shall pay penal interest of 1% (one percent) per annum over and above the Coupon Rate for the period of delay (i.e. from the date of allotment to the date of listing), to the Bond Holders and the Issuer shall be permitted to utilise the issue proceeds of its two subsequent privately placed issuances of securities only after receiving final listing approval from stock exchanges.

(e) Delay in allotment of securities

In accordance with Paragraph 2 of Chapter VII of the Operational Circular, the allotment shall happen in accordance with applicable laws within 2 Business Days of the Issue Closing Date. In the event of failure to do so, the Issuer shall pay interest for the delayed period as per the provision specified by regulatory authority from time to time.

(f) Issue details

As specified in the Summary Term Sheet

(g) Application Process for the Debentures

How to Apply:

This being a private placement offer cum application letter, investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

(i) The remittance of application money is to be made through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

Name of the Bank	Federal Bank
Beneficiary A/c Name	FINSTARS CAPITAL LIMITED PRIVATE PLACEMENT
Beneficiary A/c Number	10990200092351
IFSC Code	FDRL0001099
Bank Branch Name	Fort Branch, Mumbai

(ii) Cash, money orders, and postal orders shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs. 10 lakh per Debenture is payable on Pay-in date.

(iii) All Application Forms duly completed (along with all necessary documents as detailed in this Placement Memorandum) must be delivered before the closing of the Issue to the Arranger to the Issue. While forwarding the Application Form, Applicants must ensure that the relevant UTR number/ or any other evidence of having

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remitted the application money is obtained. Detailed instructions for filling up the Application Form are provided in Annexure in this Placement Memorandum.

(iv) Applications for the Debentures must be in the prescribed form (Annexure) and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be filled in the Application Form. This is required for the Applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

(v) The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/ her PAN allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the Investor should mention his PAN/GIR No. If the Investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the Applicant shall mention "Applied for" and in case the Applicant is not assessed to income tax, the Applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

(vi) All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments. All Applicants are also requested to tick Investor type {Qualified Institutional Buyers ("QIBs")/ Non-Qualified Institutional Buyers ("Non-QIBs")} in the Application Form. No separate receipts shall be issued for the application money. However, Arranger to the Issue at their designated branch(es) receiving the duly completed Application Form(s) will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the Applicant. Applications shall be deemed to have been received by the Issuer only when submitted to Arranger to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

(vii) If the securities are to be held jointly, the payment is to be made from the account in the name of Applicant whose name appears first in the Application Form.

(viii) For further instructions about how to make an application for applying for the Debentures and procedure for remittance of application money, please refer to the Application Form carefully.

(ix) Bidders to ensure that they have not been debarred from accessing the capital market or have not been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

(x) Successful bidders to whom allocation has been confirmed to ensure that payment remitted by them for subscription to securities has been remitted/transferred from the bank account of the person subscribing to such securities.

Who can Apply

Only the Eligible Investors identified in the term sheet. . An application made by any other person will be deemed as an invalid application and rejected. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.

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Application by Banks/Corporate Bodies/Mutual Funds/FIs/Trusts/Statutory Corporations

The applications must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/bye-laws/trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories; Application made by an Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

Application by FPIs / FIIs / sub accounts of FIIs

The application should be accompanied by all documents required in case of investments to be made by such FPIs / FIIs / sub accounts of FIIs including (i) approval, if any from Reserve Bank of India / SEBI; (ii) self-attested copy of PAN; (iii) SEBI registration certificate (including of the sub-account of FII); FPIs / FIIs / sub accounts of FIIs, (iv) tax residence certificate provided by the Income Tax authority of foreign country of which the FII is a tax resident, wherever applicable/Address Proof, (v) authorized signatories, (vi) Board resolution permitting investment in debentures/structured products, (vi) demat statement, (vii) financials for the past 2 years and (viii) the POA

Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with the submission of the completed Application Form. Further, modifications/additions in the power of attorney or authority should be delivered to the Company at its Office.

PAN

Each of the applicants should mention his/her/their PAN allotted under the IT Act. Applications without this will be considered incomplete and are liable to be rejected.

Basis of Allotment

The Company has the sole and absolute right to allot the Debentures to any applicant.

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company.

Payment of Coupon

Coupon will be paid only to the Debenture holders registered in the Register of Debenture holders or to the Beneficial Owners. Coupon on the Debentures, if any shall be payable on the Redemption Date. The determination of the persons entitled to receive Coupon in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture holders or the Depositories' record) shall be made on the Record Date. In the case of joint holders of Debentures, Coupon shall be payable to the first named Debenture holder.

Redemption

The entire principal amount of the Debentures will be repaid, on or before the Redemption Date.

The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered debentureholders whose name appears in the Register of debentureholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the debentureholders. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

The Company's liability to the debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any Coupon or compensation from the dates of such redemption.

Right to Re-purchase and Re-issue the Debentures

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The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations, if any.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed always to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other debentures in their place.

Further the Company, in respect of such re-purchased/re-deemed Debentures shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

Right to partially/early redeem the Debentures

The Company at its discretion may partially/early redeem the debentures at a request or with the consent of the debentureholder/s, if required, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations, if any.

Right to further issue the Debentures

Company reserves right to make multiple issuances under the same ISIN with reference to Regulation 17 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 09, 2021 and Chapter VIII – Specifications related to ISIN for debt securities of SEBI Operation Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount as the case may be in line with reference to Regulation 17 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 09, 2021 and Chapter VIII – Specifications related to ISIN for debt securities of SEBI Operation Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Place, Currency and Mode of Payment

All obligations of the Company on the Debentures including Coupon, are payable at [•] in Indian rupees only. The payments will be made through cheques or RTGS/NEFT/Fund Transfer mode.

Issue of Debentures in Dematerialised Form

The Debentures will be issued only in dematerialized form. The trading in Debentures will be in dematerialized mode only. The Company has made arrangements with the depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Debentures allotted to the depository account of the investor.

Succession

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised Debenture holder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law. Further, the successor may approach relevant depository participant to get the debenture transferred to its name. Such depository participant may ask for additional documents.

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Notices**

The notices, communications and writings to the Debenture holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post/courier to the Registered Debenture holder(s) at the address of the Debenture holder(s) registered with the Corporate Office.

All notices, communications and writings to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to the Company at its Corporate Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Rights of Debenture holders

The Debenture holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debenture shall not confer upon the holder the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Modifications of Rights

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated upon a Special Request or by a Special Resolution duly passed at the meeting of the Debentureholders convened in accordance with the provisions of the Debenture Trust Deed.

Future Borrowings

Subject to the applicable regulations and maintenance of the requisite security cover, the Company shall be entitled, from time to time, to make further issue of Debentures, other debt securities (whether paripassu or junior to the Debentures) and other instruments and securities to any person or persons including to the public or a section of the public and/or members of the Company and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) without any further approval from or notice to the Debenture holders/Debenture Trustee.

Tax Benefits

A debenture holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

Coupon Cheques/Refund Cheques

Loss of Coupon cheques/refund cheques should be intimated to the Company immediately. Upon receipt of request for issue of duplicate Coupon cheques/refund cheques, the Company shall consider the same and such issue of duplicate cheques shall be governed by applicable law and any other conditions as may be prescribed by the Company.

Debenture Trustee

The Issuer has received the consent of [•] Limited to act as the Trustees on behalf of the Debenture Holders. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to act as their debenture trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed executed between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same.

Anti-Money Laundering

Since these debentures are issued in "compulsory demat mode" and the Company uses depository system for allotment of the debentures, KYC checks conducted by depository participants at the time of accepting the customer or transaction under the prevention of money laundering policy adopted by depositories or depository participant shall be considered adequate irrespective of risk level of the customer or transaction. However, as a matter of a good practice, Company may examine transactions/clients that may fall under "suspicious transactions" category as defined under Prevention of Money Laundering Act, 2002 and seek further information from the clients.

Delay in Execution of Debenture Trust Deed and other security creation document , if any

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Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1) of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed and other security creation documents, if any.

- (h) i. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon – N.A.

ii. Remuneration/Sitting Fees to the Directors during the last three financial years and current financial year

The details of remuneration/sitting fees paid to the Directors during the last three financial years is as under:

Sr. No.	Name of the Director	March 31, 2022 (Rs.)	March 31, 2021(Rs.)	March 31,2020 (Rs.)	March 31, 2019 (Rs.)	Particulars
1.	Barun More	1980000	1980000	1980000	1980000	Remuneration
2.	Nisha More	1500000	1500000	1500000	1500000	Remuneration
3.	Umang Thakkar	36000	36000	36000	36000	Sitting Fee
4.	Ashish Pancholi	36000	36000	36000		Sitting Fee

- iii. Related party transactions entered during the last three financial years immediately preceding the year of circulation of Placement Memorandum including with regard to loans made or, guarantees given or securities provided. : As below:

Particulars	Directors and/or their relatives having Significant Influence and others			Enterprise on which management personnel and their relatives have significant influence		
	F.Y 2019-20 (Rs. In Lacs)	F.Y 2020-21 (Rs. In Lacs)	F.Y 2021-22 (Rs. In Lacs)	F.Y 2019-20 (Rs. In Lacs)	F.Y 2020-21 (Rs. In Lacs)	F.Y 2021-22 (Rs. In Lacs)
Sitting Fees	0.72	0.72	0.72	-	-	-
Loan Received	-	359.50	50	-	3804.50	-
Loan Paid	-	317.00	117.50	-	3877.00	-
Expenses incurred	-	-	8.32	-	8.02	-
Remuneration	34.80	34.80	34.80	-	-	-
Outstanding Salary	4.95	-	-	-	-	-

- iv. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Placement Memorandum and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark. :
- No kind of reservations or qualifications or adverse remarks of auditors given in the last 5 Financial years immediately preceding the year of circulation of Placement Memorandum
- v. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Placement Memorandum in the case of Company and all of its subsidiaries.
- No kind of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Placement Memorandum
- vi. Prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Placement Memorandum and if so, section-wise details thereof for the Company and all of its subsidiaries.

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- No kind of any Prosecutions filed, fines imposed, compounding of offences in the last three years immediately preceding the year of the Placement Memorandum.

- vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company: N.A.
- viii. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of Placement Memorandum:

Particulars	(Rs. In Crores)			
	Quarter ended 30/06/2022	Year ended 31/03/2022	Year ended 31/03/2021	Year ended 31/03/2020
Profit Before Tax	12.86	385.23	416.07	181.69
Tax	3.23	101.38	109.91	48.67
Profit After Tax	9.62	283.85	306.16	133.01

- ix. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):

Particulars	Quarter ended 30/06/2022	Year ended 31/03/2022	Year ended 31/03/2021	Year ended 31/03/2020
Dividend per equity share (in Rs.)	N.A.	N.A.	N.A.	N.A.
Interest coverage ratio	1.48	5.89	45.49	1220.33

- x. Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application form. Refer Annexure [D].
- xi. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:
- No kind of change made in accounting policies during the last three years.
- xii. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project: N.A.
- xiii. Latest Audited/Limited Review Half Yearly consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement and Balance Sheet) and auditor's qualifications, if any. Refer Annexure [D].

24. DUE DILIGENCE BY THE DEBENTURE TRUSTEE

1. The Debentures shall be considered as secured only if the charged asset is registered with the sub-registrar, registrar of companies, CERSAI or depository, as applicable, or is independently verifiable by the Debenture Trustee.
2. Terms and conditions of the debenture trustee agreement including fees charged by the Debenture Trustee, details of the security to be created and the process of due diligence carried out by the Debenture Trustee:

Terms and conditions of the debenture trustee agreement including fees charged by the Debenture Trustee:

The Issuer has entered into a Debenture Trustee Agreement with Beacon Trusteeship Limited on 23rd September, 2022 for appointing Beacon Debenture Trusteeship Limited as the Debenture Trustee for the Issue on such terms as contained therein. The details of agreed fees in this regard is as follows:.

Particulars	Listed /Secured
Acceptance Fee	INR 75,000/-

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Service Charges	INR 1,00,000/-
Due Diligence Fee	At Actuals
Monitoring Fee	At Actuals
Documentation Fee	INR 25,000/- (If applicable)
OPE	At Actuals and with prior approval

Process of due diligence carried out by the Debenture Trustee:

The Debenture Trustee, either through itself or its agents /advisors/consultants, has/ shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Placement Memorandum and the Applicable Laws, has been obtained.

The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third party security provider are registered / disclosed.

3. Due diligence certificate issued by the Debenture Trustee has been provided in **Annexure E** hereto.

25. In case the issuer is a Non-Banking Finance Company (NBFC) or Housing Finance company then following disclosures on Asset Liability management shall be made in the following format:

S.No.	Particulars of disclosure	Details
1	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	NA
2	Details of borrowings made by NBFC	Secured borrowings -100%
3	Details of change in shareholding	There is no kind of any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India
4	Disclosure of Assets under management	Segment wise break up and Type of loans – LAP (Loan against Property)
5	Details of borrowers	Geographical location wise Name of Location – Number of Clients as on 30.06.2022 Ahmedabad -302 Baroda – 268 Palanpur- 109 Mehsana-46 Rajkot -20 Surat-9 Bayad – 66 Jamnagar-24 Himmatnagar – 11 Total -864
6	Details of Gross NPA	Segment wise LAP – Rs. 83,51,530 As on 30.06.2022
7	Details of Assets and Liabilities	Please refer “Annexure F” attached for Details of Assets and Liabilities as on 30.06.2022
8	Additional details of loans made by, Housing Finance Company	NA
9	Disclosure of latest ALM statements to stock exchange	NA

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ISSUE DETAILS

Issuer	Finstars Capital Limited(The "Issuer")
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>1. QUALIFIED INSTITUTIONAL BUYERS ("QIBS"):</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>2. NON - QIBS:</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; f. 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 rate for the period of such delay from the deemed days of allotment upto the date of listing.</p>
Rating of the Instrument	BBB-/ Stable by Acuite
Issue Size	INR 10 Crores

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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 i.e. 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
Coupon Rate	12.06% per annum
Step Up/Step Down Coupon Rate	N.A. N.A.
Coupon Payment Frequency	Annual starting from 13th October, 2023 and so on till Maturity
Coupon payment dates	Refer Cash Flow
Coupon Type	Fixed
Coupon Reset Process	N.A.
Day Count Basis	“Actual/ Actual” basis 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.
Interest on Application Money	Not applicable
Default Interest Rate	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. 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.
Tenor	3 Years
Redemption Date	13 th October, 2025

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Redemption Amount	Rs. 10,00,000/- per debenture
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
Issue Timing	
Issue Opening date	13th day of October 2022
Issue Closing date	13th day of October 2022
Date of earliest closing, if any	N.A.
Pay in date	13th day of October 2022
Deemed date of allotment	13th day of October 2022
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	Means a day (other than a Sunday and Saturday or a Bank holiday on which banks are open for general business in Mumbai. 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. 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.
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 postponed earlier because of it

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	<p>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	For Series I - 2022-23: For Rs. 10 Cr Issue: 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 NCD together with all interest, costs, charges in respect thereof have been secured by way of First Pari-Passu Charge to the extent of 1.10 times of Receivables/Book Debts of the Company.
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	The Principal amount of NCD together with all interest, costs, charges in respect thereof have been secured by way of First Pari Passu Charge to the extent of 1.10 times of Receivables/Book Debts of the Company.
All Covenants of the Issue	<p>1. Default in payment: 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>2. Security Creation: 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</p>

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	<p>creation of security beyond such time period.</p> <p>3. Listing Delay: 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"> i. Placement Memorandum ii. Agreement appointing the Debenture Trustee to the Debenture Holders iii. Debenture Trust Deed iv. Other Security Documents v. Tripartite Agreement between the Issuer, Registrar and NSDL and CDSL for issue of Debentures in dematerialized form vi. Letter appointing Registrar vii. Board and shareholders’ resolutions viii. Credit Rating letter and rationale ix. BSE In-principle Approval for Listing x. Due diligence certificates issued by Debenture Trustee xi. Any other document as agreed between the Company and the Debenture Trustee
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"> 1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date; 2. The Issuer has obtained in-principle approval of the stock exchange for listing of Debentures 3. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);

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<p>Condition Subsequent to Disbursement</p>	<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"> 1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per Companies Act 2. Execution of Debenture Trustee Deed, Security documents. 3. the Issuer will ensure listing of Debentures on the BSE within 4 (Four) Business Days from the Deemed Date of Allotment. <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>
<p>Events of Default including cross default</p>	<p>Events of defaults considered appropriate for an Issue of this nature including:</p> <ol style="list-style-type: none"> a. Failure to pay the amounts due under the NCDs by the issuer; b. Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; c. Winding up of the Issuer, including initiation of any proceedings. d. Any material adverse event, as defined in the Transaction Documents and such default is not cured within 30 Business Days.
<p>Consequences & Remedies of Event of Default</p>	<p>The consequences of default will, include but not be limited to the following:</p> <ol style="list-style-type: none"> a. Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; 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; c. Enforce its right under the Transaction Documents;
<p>Creation of Recovery Expenses Fund</p>	<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 maybe specified by SEBI or designated Stock Exchange from time to time.</p>
<p>Provisions related to Cross Default Clause</p>	<p>Not Applicable</p>

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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 Ahmedabad
Debenture Trustee	BEACON TRUSTEESHIP LIMITED
Registrar	ACCURATE SECURITIES & REGISTRY P. LTD.
* ISSUE TIMING *	
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
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.

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

Company	Finstars Capital Limited(The "Issuer")
Series	Series I - 2022-23
Tenure	3 Years
Face Value (per security)	Rs. 10,00,000/- per debenture

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Date of Allotment	13/10/2022
Final Redemption Date	13/10/2025
Coupon Rate	12.06%
Frequency of the interest payment with specified dates	Annual starting from 13 th October, 2023 and so on till Maturity
Day count Convention	Actual/Actual

Cash Flows:

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

DECLARATION CUM UNDERTAKING:

The directors of the Issuer hereby declare that:

- the Issuer has complied with the provisions of the Companies Act and the rules made thereunder;
- the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorized by the Board of Directors of the company vide resolution number **03 dated 26th August, 2022** to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. General Risks associated with the Issue have been suitably incorporated in required format in this Placement Memorandum. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For

FINSTARS CAPITAL LIMITED,

BARUN MORE

DIRECTOR

Date: _____/2022

Place: AHMEDABAD

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Annexures:

Annexure A: The credit rating and rationale issued by ACUITE Ratings Limited

Annexure B: Copy of Consent letter of Debenture trustee

Annexure C: Cash flows

Annexure D: Audited Financials of last 3 years and for Quarter ended 30.06.2022 along with Audit Report

Annexure E: Due Diligence certificate issued by the Debenture Trustee

Annexure F: Details of Assets and Liabilities as on 30.06.2022

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APPLICANT DETAILS

(To be filed by the Applicant)

1. Name: [●]
2. Father's name: [●]
3. Complete Address including Flat/House Number, Street, Locality, Pin Code: [●]
4. Phone number, if any: [●]
5. Email ID, if any: [●]
6. PAN Number: [●]
7. Bank Account Details: [●]

Signature

(Initial of the officer of the Company designated to keep the record)

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