

SERIAL NO.: _____
ADDRESSED TO: _____

Private & Confidential - For Private Circulation Only
Information Memorandum for
Issue of Debentures on a Private Placement basis
Date: May 23, 2012



IndoStar Capital Finance Private Limited

(the "Company" or the "Issuer") was incorporated under the Companies Act, 1956 ("Act")
Registered Office: Room No. 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata – 700 013
Corporate Office: One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound,
Senapati Bapat Marg, Mumbai – 400 013
Tel: +91 22 43157000/7100; **Fax:** +91 22 43157010
Website: www.indostarcapital.com; **Email:** icf.legal@indostarcapital.com
Contact Person & Compliance Officer: Mr. Jitendra Bhati; E-mail: jbhati@indostarcapital.com

ISSUE OF UPTO 1500 AA MINUS RATED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 10 LAC (RUPEES TEN LAC ONLY) EACH, AGGREGATING TO INR 150 CRORE (RUPEES ONE HUNDRED AND FIFTY CRORE ONLY) ("SERIES A NCD") AND 500 AA MINUS RATED SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 10 LAC (RUPEES TEN LAC ONLY) EACH, AGGREGATING TO INR 50 CRORE (RUPEES FIFTY CRORE ONLY) ("SERIES B NCD"), (SERIES A NCDS AND SERIES B NCDS TOGETHER REFERRED TO AS "NCDS" / "DEBENTURES"), FOR CASH AT PAR TO THE FACE VALUE, ON A PRIVATE PLACEMENT BASIS WHICH ARE PROPOSED TO BE LISTED ON THE WHOLESALE DEBT MARKET SEGMENT OF THE BOMBAY STOCK EXCHANGE LIMITED ("ISSUE").

General Risk:

Investment in debt instruments involves a degree of risk and investors should invest any funds in the Issue only after reading Information Memorandum carefully. For taking investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Debentures have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the information contained herein.

Issuer's Absolute Responsibility:

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information 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 this Draft Prospectus is true and correct in all material respects 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 makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Issue Schedule

Issue Opening Date: May 23, 2012

Issue Closing Date: May 23, 2012

*The Issue may be closed earlier or may be extended at the option of the Issuer.

Credit Rating:

CARE has vide its letter dated 4 May 2012 assigned a 'CARE AA-' (pronounced as 'CARE Double A Minus') rating to the Issue of Debentures. Instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The above rating(s) are not a recommendation to buy, sell or hold Debentures and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency on the basis of new information being made available. Each rating should be evaluated independent of any other rating.

Listing:

Debentures offered through this draft Information Memorandum are proposed to be listed on the wholesale debt market segment of the Bombay Stock Exchange Limited (BSE). Application for 'in-principle' listing approval has been made to BSE vide letter dated 16 May 2012. The BSE has given its 'in-principle' listing approval vide letter dated 18 May 2012. For the purpose of the Issue, the designated stock exchange shall be BSE. However, while the Issuer is of the reasonable view that final approval for listing and admitting the Debentures for trading on the BSE will be obtained in ordinary course, the same cannot be guaranteed.



DEBENTURE TRUSTEE	REGISTRAR AND TRANSFER AGENT
 IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai (400 001) Tel: (91 22) 4080 7000 Fax: (91 22) 4080 7080 Email: itsl@idbitrustee.co.in Website: www.idbitrustee.co.in Contact Person: Ms. Brindha Venkatraman	 Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Tel: (91 22) 2596 3838 Fax: (91 22) 2594 6979 Email: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Ganesh Jadhav SEBI Registration No. : INR000004058

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IMPORTANT NOTICE

This information memorandum of private placement of the Debentures (the “**Memorandum**” or the “**Information Memorandum**”) is being provided to potential Investors in relation to the Issue of the Debentures by the Company.

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. This Information Memorandum is intended for private use and should not be construed to be a prospectus and/or an invitation to the public or a section of the public for subscription to the Debentures under any Law for the time being in force.

Apart from this Information Memorandum, no other offer document or prospectus has been prepared in connection with the offering of this Issue nor is such a prospectus required to be registered under applicable Laws. Accordingly, this Information Memorandum has neither been delivered for registration nor is it intended to be registered.

All the information contained in this Information Memorandum has been supplied by or on behalf of the Company and the Company confirms that the Company has taken reasonable care to ensure that the information is true and accurate in all material respects as at the date shown on the cover of this Information Memorandum and does not contain any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein that would be in the light of circumstances under which they are made, and are not misleading. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Company to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The contents of this Information Memorandum are intended to be used only by those potential Investors to whom it is issued. It is not intended for distribution to any other person and should not be distributed or reproduced by any such potential Investor.

Each copy of this Information Memorandum is serially numbered and the recipient of the Memorandum is alone entitled to apply for the Debentures. No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum is being sent. Any application by a person to whom the Information Memorandum and/or the Application Form has not been sent by the Company shall be rejected without assigning any reason. The person in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or in part or make any announcement in public or to any third party regarding its contents, without the prior written consent of the Issuer.

The purpose of this Information Memorandum is to provide general information about the Company and to assist recipients, who are willing and eligible to invest in the Debentures. This Information Memorandum does not purport to contain all the information that any potential Investor may require. This Information Memorandum is not intended to provide the basis of any credit decision or other evaluation and should not be regarded; firstly as a recommendation to any recipient to participate in the Debentures and secondly any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each potential Investor should perform his/ its own independent investigation of the financial condition and affairs of the Company, and his/its own appraisal of the creditworthiness of the Company. Potential Investors should consult their own

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financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and such potential Investors should possess the appropriate resources to analyse such investment and the suitability of such investment to their respective particular circumstances based upon whatever investigations it deems necessary. It is the responsibility of Investors to also ensure that they will sell these Debentures in strict accordance with this Information Memorandum and other applicable Laws, so that the sale does not constitute an offer to the public within the meaning of the Act.

This Information Memorandum is confidential and is made available only to potential Investors of the Debentures on the understanding that it is confidential. Recipients are not entitled to use any of the information contained in this Information Memorandum for any purpose other than in assisting to decide whether or not to participate in the Debentures.

Each person receiving this Information Memorandum acknowledges that:

- such person has been afforded an opportunity to request and to review and has received all additional information considered by an individual to be necessary to verify the accuracy of or to supplement the information herein; and
- such person has not relied on the Arranger and/or its affiliates that may be associated with the Debentures in connection with its investigation of the accuracy of such information or its investment decision.

This Information 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. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum in certain jurisdictions may be restricted by Law. Recipients of this Information Memorandum are required by the Company to inform themselves about and to observe any such restrictions. No liability to any person is accepted by the Company and/or its affiliates in relation to the distribution of this Information Memorandum in any jurisdiction.

The Memorandum is made available to the potential Investors to the Issue on the strict understanding that it is confidential. All Investors and potential Investors are required to comply with the relevant regulations/guidelines applicable to them. The Memorandum is not intended for distribution to any other person and should not be reproduced by the recipient.

The Issuer and its directors have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

CREDIT RATING

CARE (the “Rating Agency”) has assigned a rating of ‘CARE AA-’ (pronounced as ‘CARE Double A Minus’) in respect of this Issue.

The credit rating letter is attached as **Annexure I**.

The rating of any series is not a recommendation to buy, sell or hold securities and potential Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the Rating Agency on the basis of new information. Each rating should be evaluated independently of any other rating. The ratings are subject to revision at any point of time in the future. CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/ instruments.

DISCLAIMER CLAUSE OF SEBI AND THE STOCK EXCHANGE

As required, a copy of the Memorandum for Issue of Debentures on private placement basis has been filed with the Wholesale Debt Market segment of the BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 ("**SEBI Debt Regulations**") amended from time to time and all other provisions of applicable Law.

A copy of this Information Memorandum has not been filed with or submitted to SEBI. It is distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI. SEBI 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 Information Memorandum.

It is to be distinctly understood that submission of the Memorandum to the BSE should not in any way be deemed or construed to mean that the Memorandum has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does it warrant that the Debentures will be listed or will continue to be listed on the BSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

The Board has certified that the disclosures made in this Information Memorandum are adequate and in conformity with SEBI Debt Regulations in force for the time being. This requirement is to facilitate potential Investors to take an informed decision for making investment in the proposed Issue.

DISCLAIMER CLAUSE OF RBI

The Issuer is having a valid certificate of registration dated June 17, 2010 issued by the RBI under section 451A of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representation made or opinions expressed by the Company and for repayment of deposits/ discharge of liability by the Company.

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DEBENTURE DOCUMENTS

Notwithstanding any provision or statement to the contrary but subject to the disclosures made in the Debenture Documents, no statement, provision, information or fact contained in this Information Memorandum shall result in any defence, disclaimer or waiver or excuse of any obligation or liability of the Issuer or any of the obligors under the Debenture Documents.

CAUTIONARY NOTE

No person including any employee of the Issuer has been authorized to give any information or to make any representation not contained in this Information Memorandum. Any information or representation not contained herein must not be relied upon as having being authorized by or on behalf of the Issuer. Neither the delivery of this Information Memorandum at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this Information Memorandum. The distribution of this Information Memorandum or the Application Forms and the offer, sale, pledge or disposal of the Debentures may be restricted by law in certain jurisdictions.

1. Executive Summary

1.1. The Transaction

The Company seeks to raise upto INR 200 Crore (Rupees Two Hundred Crore Only), for cash at par to the face value by the Issue of the Debentures. The Debentures will remain open for subscription during the offer period commencing from May 23, 2012 and closing on May 23, 2012.

The Company shall raise the finance by issuance of two series of Debentures. The Debentures shall be classified as “**Series A NCD**” and “**Series B NCD**”.

Series A NCDs will be secured by creating (i) a *pari-passu* first charge on by way of hypothecation on the standard asset portfolio of receivables; and (ii) *pari-passu* first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat (as more specifically described in Annexure II).

Series B NCDs will be secured by creating (i) a *pari-passu* first charge on on by way of hypothecation on the standard asset portfolio of receivables; and (ii) a *pari-passu* first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat (as more specifically described in Annexure II).

2. Information about the Issuer

2.1 Name and address of the registered & corporate office of the Issuer

IndoStar Capital Finance Private Limited

RBI Registration Number: N - 05.06857

Corporate Identification Number: U51909WB2009PTC136998

Registered Office: Room No. 6, 4th Floor, Commerce House, 2A, Ganesh Chandra Avenue, Kolkata – 700 013

Corporate Office: One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013

Tel: +91 22 43157000/7100

Fax: +91 22 43157010

Website: www.indostarcapital.com

Email: icf.legal@indostarcapital.com

2.2 Compliance Officer

Jitendra Bhati
One Indiabulls Center,
17th Floor, Tower 2A,
Jupiter Mills Compound,
Senapati Bapat Marg,
Mumbai – 400 013

Tel: +91 22 43157000/7100

Fax: +91 22 43157010

Email: icf.legal@indostarcapital.com

Investors can contact the Compliance Officer or the Registrar and Transfer Agent in case of any pre-Issue or post-Issue related problems, such as non-receipt of Letter of Allotment, credit of allotted Debentures in the respective beneficiary account, refund orders, etc.

2.3 Registrar & Transfer Agent to the Issue

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West)

Mumbai 400 078

Tel: (91 22) 2596 0320

Fax: (91 22) 2596 0329

Email: ganesh.jadhav@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Jadhav

SEBI Registration No. : INR000004058

2.4 Statutory Auditors

S.R. Batliboi & Co.

Chartered Accountants

6th Floor, Express Towers, Nariman Point

Mumbai – 400 021

Tel: (91 22) 6657 9200

Fax: (91 22) 2287 6401

Website: www.ey.com/india

Contact Person: Mr. Shrawan Jalan

2.5 Credit Rating Agency

Credit Analysis and Research Limited

4th Floor, Godrej Coliseum,

Somaiya Hosiptal Road,

Off Eastern Express Highway,

Sion (East),

Mumbai 400 022

Tel: (91 22) 67543466

Fax: (91 22) 67543457

Contact Person: Mr. Ravi Kumar Dasari

Website: www.careratings.com

Email: care@careratings.com

2.6 Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,

17, R Kamani Marg, Ballard Estate,

Mumbai (400 001)

Tel: (91 22) 4080 7000

Fax: (91 22) 4080 7080

Email: itsl@idbitrustee.co.in

Website: www.idbitrustee.co.in

Contact Person: Ms. Brindha Venkatraman

2.7 Names and addresses of the Directors of the Issuer.

The composition of Board as of the date of filing of this Information Memorandum is as follows:

The Issuer currently has 12 directors, as follows:

Sr. No.	Name of the Director	Designation	Address
1.	Mr. Vimal Bhandari	Managing Director & CEO	Flat No. 164, 16 th Floor, Tower A, Kalpataru Horizon, S K Ahire Marg, Worli, Mumbai – 400026, Maharashtra
2.	Mr. Sandeep Baid	Whole Time Director	Flat No. 601, 6 th Floor, Palazzo Residency, Plot No E-73, 17 th Road, Khar (West), Mumbai – 400052, Maharashtra
3.	Mr. Sanjay G. Hinduja	Whole Time Director	183 – A, Jolly Maker Apt – 1, Cuffe Parade, Mumbai – 400005, Maharashtra
4.	Mr. Dhanpal Jhaveri	Non-Executive Director	2 Sumangal, 13, Ridge Road, Malbar Hill, Mumbai- 400 006, Maharashtra
5.	Mr. Sameer Sain	Non-Executive Director	3, Avinash Apartments, Road No. 3, Union Park, Bandra, Mumbai – 400050, Maharashtra
6.	Mr. Atul Kapur	Non-Executive Director	21 Holland PK, #07-21 Lien Towers, Singapore - 249476
7.	Mr. Deepak I. Shahdadpuri	Non-Executive Director	Flat No. 11, 5 th Floor, Acropolis Building, 58, S.B.S. Road, Colaba, Mumbai – 400005, Maharashtra
8.	Ms. Shweta Bhatia	Non-Executive Director	H No. Q-4/9, DLF Phase 2, Purvi Marg, Gurgaon – 122002, Haryana
9.	Mr. John Michael Lind	Non-Executive Director	515, Via Sinuosa, Santa Barbara, CA 93110, New York 93110, USA
10.	Mr. Alok Oberoi	Non-Executive Director	21 Blomfield Road, London – W91AD, United Kingdom
11.	Mr. Eric Stuart Schwartz	Non-Executive Independent Director	120 East End, AV 17B, New York, 100028, USA
12.	Mr. Bobby K. Parikh	Non-Executive Independent Director	4 th Floor, Seven on the Hill, Pali Hill, Auxilium Convent Road, Bandra (West), Mumbai – 4000050, Maharashtra

2.8 Business/Activities of the Issuer and its line of business.

(a) Overview

The Company was incorporated on July 21, 2009 as a private limited company under the provisions of the Act as R V Vyapaar Private Limited. Subsequently the name of the Company was changed to IndoStar Capital Finance Private Limited with effect from November 15, 2010. The Company is registered with the Reserve Bank of India as systemically important NBFC to carry on the activities of a NBFC under section 45 IA of the RBI Act.

The Company is sponsored by global financial institutions such as Goldman Sachs, Ashmore Group PLC, Everstone Capital, Baer Capital Partners and ACP Investments, amongst others (“Sponsors”). The Sponsors are well reputed global financial institutions and private equity players, who have tremendous expertise and experience in equity and debt/fixed income markets globally. These global institutions have together formed the Company for creating an independent non-banking financial institution in India.

The Company is primarily be engaged in secured wholesale lending business. The Company aims to build up a portfolio of assets which represents a judicious mix of yield, asset class and maturity profile. The Company also intends to actively engage in co-participation opportunities as part of its product portfolio. The Company primarily grants loans fully backed by tangible security to companies with sound management, strong cash flows and robust operating policies and processes.

(b) Operations

The operation framework of the Company consists of the Board, the various committees of the Board and an operating management committee. The Board has set the vision, strategy, direction and the broad operational framework for the Company. The Board has also formed various committees for ensuring adequate supervision and guidance to the Company in its operations.

The management committee comprises of the senior personnel from the Company and is headed by the CEO. The management committee is responsible to implement the direction and framework set out by the Board in achieving the objectives of the Company. The management committee is also responsible for conduct of the operations of the Company and collectively responsible to the Board.

(c) Regulation and Supervision

The Issuer has a valid Certificate of Registration No. N-05.06857 dated June 17, 2010 issued by the RBI under Section 45 IA of the Reserve Bank of India Act, 1934 as a NBFC not accepting public deposits.

In addition to being regulated by the provisions of the Act, as a NBFC, the Issuer is subject to regulatory supervision by the Department of Non-Banking Supervision of the RBI. As part of such surveillance, RBI may carry out inspection of the Issuer. The RBI issues detailed guidelines to NBFCs on Asset Classification, Income Recognition and Provisioning, Capital Adequacy, Asset Liability Management, Resource Raising, etc. from time to time.

2.9 Brief history, activities, and capital structure of the issuer since its incorporation including any reorganization, reconstruction or amalgamation.

The Company was incorporated on July 21, 2009 as a private limited company under the provisions of the Act as R V Vyapaar Private Limited. Subsequently the name of the Company was changed to IndoStar Capital Finance Private Limited with effect from November 15, 2010. A fresh certificate of incorporation consequent to the change of our name to IndoStar Capital Finance Private Limited was granted to the Company on November 15, 2010 by the relevant Registrar of Companies. The Company has obtained a certificate of registration dated 17 June 2010 bearing registration no. N - 05.06857 issued by the RBI to carry on the activities of a non-deposit taking NBFC under section 45 IA of the RBI Act.

Share Capital

Share capital as at the date of filing of the Information Memorandum with the BSE is set forth below:

	Amount (INR)
Authorised Share Capital	
80,000,000 Equity Shares of INR10/- Each	800,000,000
Total	800,000,000
Issued and Subscribed Share Capital	
77,658,197 equity shares of INR10/- each	776,581,970
Total	776,581,970
Paid-Up Share Capital	
68,619,947 Equity shares of INR 10/- each fully paid up	686,199,470
9,038,250 Equity shares of INR 10/- each, INR 0.01/- per share paid up	90,382.50
Total	686,289,852.50

(a) Changes in the authorised share capital

Date	Authorized Share Capital
3 September 2010	The authorised share capital of the Company was increased from INR 2,500,000 divided into 250,000 Equity Shares of INR 10 each to INR 20,000,000 divided into 2,000,000 Equity Shares of INR 10 each.
9 November 2010	The authorised share capital of the Company was further increased from INR 20,000,000 divided into 2,000,000 Equity Shares of INR 10 each to

	INR 300,000,000 divided into 30,000,000 Equity Shares of INR 10 each.
15 March 2010	The authorised share capital of the Company was further increased from INR 300,000,000 divided into 30,000,000 Equity Shares of INR 10 each to INR 750,000,000 divided into 75,000,000 Equity Shares of INR 10 each.
25 July 2011	The authorised share capital of the Company was further increased from INR 750,000,000 divided into 75,000,000 Equity Shares of INR 10 each to INR 800,000,000 divided into 80,000,000 Equity Shares of INR 10 each.

(b) Share Capital History of the Issuer:

Date of Allotment	Particulars
On Incorporation	The Company issued and allotted 10,000 equity shares of INR10/- each.
15 September 2009	Further issued and allotted 202,180 equity shares of INR 10/- each.
31 March 2011	Further issue and allotment of 60,042,819 equity shares of INR 10/- each.
13 June 2011	Further issue and allotment of 8,498,384 equity shares of INR 10/- each.
25 July 2011	Further issue and allotment of 8,904,814 equity shares of INR 10/- each.

(c) Brief History of Borrowings:

List of Commercial Papers that have been redeemed by the Company

Year ended March 31,	Type of Borrowing	Issue Size (INR crore)	Particulars
2012	Commercial Paper	200	Redeemed

List of Commercial Paper holders of face value Rs. 0.05 crore per instrument of the Company issued on 09 May 2012

Name and Address of the holders	No. of Instruments held	Aggregate Amount (INR in crore)
Templeton India Corporate Bond Opportunities Fund Franklin Templeton Mutual Fund 13th Floor, Tower 2, India Bulls Finance Centre, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013	2000	100
Templeton India Income Opportunities Fund, Franklin Templeton Mutual Fund	1000	50

Name and Address of the holders	No. of Instruments held	Aggregate Amount (INR in crore)
13th Floor, Tower 2, India Bulls Finance Centre, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013		
Templeton India short Term Income Plan Franklin Templeton Mutual Fund 13th Floor, Tower 2, India Bulls Finance Centre, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013	1000	50

(d) Reorganisation, Reconstruction or amalgamation

The Company has not effected any re-organisation, re-construction or amalgamation as of the date of this Information Memorandum

(e) Material Documents:

1. Memorandum and Articles of Association, as amended from time to time.
2. Certificate of Incorporation of the Company dated July 21, 2009.
3. Fresh Certificate of Incorporation consequent to the change of name to IndoStar Capital Finance Private Limited dated November 15, 2010.
4. NBFC registration certificate issued by the Reserve Bank of India dated June 17, 2010.
5. Board resolution dated May 11, 2012 in relation to the issue of non-convertible debentures upto INR 400 crore.
6. Debenture committee resolution dated May 11, 2012 in relation to the borrowings proposed under the present Issue and Series.
7. Annual reports of the Company for the last two years.
8. Credit rating assigned to the Issue by CARE dated May 4, 2012.
9. Copies of letter agreement dated May 7, 2012 between the Issuer and the Registrar and Transfer Agent.
10. Copies of the tripartite agreement dated February 3, 2012 between the Issuer, National Securities Depository Limited (NSDL) and Link Intime India Private Limited

2.10 Details of outstanding borrowings as of 9 May 2012:

Description	Amount in INR crore
Secured	
Nil	-
Interest accrued but not due	-
Unsecured	
Commercial Papers	200
Loans from Directors	-

2.11 Particulars of the debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

- (a) The Issuer has not issued any debt securities for consideration other than cash, whether in whole or part.
- (b) The Issuer has not issued any debt securities at a discount or premium.
- (c) The Issuer has not issued any debt securities in pursuance of an option.

2.12 Highest ten holders of each class or kind of securities of the Issuer as of date of application:

The shareholding pattern of the Company, as of 31 March 2012 is as below.

Name & Address of Shareholder	No. of Shares	% holding
Indostar Capital, Mauritius C/o. International Financial Services Private Limited, IFS Court, TwentyEight, Cybercity, Ebene, Mauritius	68,035,332	87.61
Indostar Trust FCH House, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai- 400013	450,450	0.58
Others (employees of the Company)	9,172,415	11.81
TOTAL	77,658,197	100.00

2.13 Issuer's debt-to-equity ratio

Debt-to-equity ratio as of March 31, 2012	0.11
Debt –to – equity ratio as on the Deemed Date of Allotment assuming all Debentures have been subscribed	0.21

2.14 Servicing behaviour on existing term loans and debt securities

The Issuer is regular in servicing the interest on all term loans and debentures (if any) outstanding as of the date of this Information Memorandum. The Issuer has paid all amounts due under all outstanding term loans and debentures (if any) and has not defaulted on any such payments.

2.15 Material events, developments, and disclosures that may affect the Issue or the Investor(s) decision to invest or continue to invest in the debt securities

In the opinion of the Issuer, there have been no events or developments at the time of this Issuer or will be subsequent to the Issue, which would materially and adversely affect, or would be likely to affect, the potential Investors' decision to invest in the Issue.

2.16 Confirmation of prior creditors' consent for creation of pari passu charge in favor of the Debenture Trustee to the Issue

The Company has not availed of any secured borrowings and hence has not created a charge over any of its assets to secure any of loans extended to it by any of its creditors

2.17 Confirmation of Debenture Trustees' consent for appointment under Regulation 4 (4) of SEBI Debt Regulations

IDBI Trusteeship Services Limited (ITSL) has given its consent to act as Debenture Trustee to the Debenture Holders vide letter dated May 10, 2012. This will be mentioned in all subsequent periodical communications sent to the holders of Debentures.

2.18 Issuer's undertaking to use a common form of transfer

The Issuer confirms that the forms of transfer as set out under the heading 'Mode of Transfer' in this Information Memorandum are common forms of transfer as applicable to all debentures issued by the Issuer.

2.19 Details of the debt securities issued and sought to be listed

Please refer to the **Terms and Conditions** section of this Information Memorandum.

2.20 Utilization of the issue proceeds

The proceeds of the Issue shall be used to augment the medium and long term resources of the Company and for onward lending. The "Main Object Clause" of the Memorandum of Association enables it to undertake the activities for which the funds are being raised through the Issue, and also, the activities which the Issuer has been currently carrying out.

2.21 Credit Ratings and Rating Rationale

Please see the in principle Rating Letter appended as **Annexure I**.

2.22 Stock exchanges where securities are proposed to be listed and approval status

The Debentures are proposed to be listed on the Wholesale Debt Market segment of Bombay Stock Exchange Limited ("BSE"). For the purpose of the Issue, the designated stock exchange shall be the BSE.

BSE has vide its letter dated [___] given its in-principle approval for the listing of the Debentures.

3. Terms and Conditions of the Issue

The Company is offering the Debentures for subscription on a private placement basis as described under the following sections:

PURPOSE OF THE ISSUE

The proceeds of the Debentures will be used to augment the medium and long term resources of the Company, and for onward lending.

DEFINITIONS

Act	The Companies Act, 1956 (1 of 1956).
Applicant	Those individuals, institutions or corporations to whom a copy of the Information Memorandum may be sent, specifically addressed to such persons, with a view to offering the Debentures.
Application Form	Means the form used by the Investor to apply for subscription to the Debentures offered pursuant to this Issue.
Beneficial Owner	The owner of the Debentures in electronic (dematerialized) form held through a Depository and whose name is so recorded by the Depository in the register maintained by it for this purpose.
Board	Board of Directors of the Issuer.
BSE	Bombay Stock Exchange Limited.
Business Day	a day on which banks are normally open for business in Mumbai.
Coupon Amount	Shall be used to collectively refer to Series A Coupon Amount and Series B Coupon Amount, or each one of them, as the case may be.
Rating Agency	Credit Analysis and Research Limited (CARE) or any other agency, as may be appointed from time to time.
CDSL	Central Depository Services (India) Limited.
CEO	Chief-executive-officer of the Issuer.
Company/Issuer	IndoStar Capital Finance Private Limited.
Debenture Certificate	Certificate issued in registered form by the Issuer to the Debenture Holder in terms of the Debenture Trust Deed.
Debenture Documents	Shall mean the following documents: (i) the Debenture Trust Deed, (ii) Deed of Hypothecation (iii) Debenture Trustee Agreement and (iii) any other document as determined by the Debenture Trustee.
Debenture Holder/ Investor	A person who is for the time being a holder of the Debentures and whose name is last mentioned in the Debentures Certificates / Debenture Register and shall include a Beneficial Owner of the Debentures.
Debenture Register	The register of Debenture Holders.
Debenture Trustee	IDBI Trusteeship Services Limited.
Debenture Trust Deed	Means a debenture trust deed to be entered into between the Issuer and the Debenture Trustee in relation to the Issue.
Deed of Hypothecation	Means the deed of hypothecation to be entered into by the

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	<p>Issuer in favour of the Debenture Trustee dated on or about the date of the Debenture Trust Deed and creating the following security interests:</p> <p>(a) pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) first charge on by way of hypothecation on the standard asset portfolio of receivables.</p>
Depository(ies)	A depository registered with the SEBI in accordance with the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, and in this case being NSDL and CDSL.
Depositories Act	Means the Depositories Act, 1996, as amended from time to time.
DP/Depository Participant	Means a depository participant as defined in the Depositories Act.
DP-ID	Depository Participant identification number.
Eligible Bank Finance Assets	Means any and all assets of the Issuer against which financing may be extended by scheduled commercial banks in accordance with applicable Law.
Exchange Business Day/ Trading Day	Means a day on which the Bombay Stock Exchange Limited is open for trading.
FIIs	Foreign Institutional Investors.
Final Settlement Date	Means the date on which all Outstanding Amounts payable by the Issuer under the Debenture Documents and all obligations of the Issuer under the Debenture Documents have been irrevocably and unconditionally discharged in full, to the satisfaction of the Issuer.
FY	Means Financial Year ending March 31 of the relevant financial year, unless specified otherwise.
Governmental Authority	Means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other Law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
Information Memorandum	This information memorandum of private placement of the Debentures.
INR/Rs./Rupees	The lawful currency of the Republic of India.
Law	Means all applicable laws, bye-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any Governmental Authority or Person acting under the authority of any Governmental Authority and/ or of any statutory authority in India
Letter of Allotment	a letter of allotment evidencing the title to the Debentures to be issued immediately to the Investors after verification of the Application Form, the accompanying documents and realization of application money.

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Memorandum and Articles of Association	Means the memorandum and articles of association of the Issuer.
NBFC	Means a non-banking financial company incorporated in accordance with the provisions of the Act, and registered with the RBI in accordance with Section 45-IA of the RBI Act.
NSDL	National Securities Depository Limited.
Other Assets	Means any and all assets of the Issuer other than Eligible Bank Finance Assets.
Outstanding Amounts	Shall be used to collectively refer to Series A Outstanding Amounts and Series B Outstanding Amounts, or each one of them, as the case may be.
Principal Amount	Shall be used to collectively refer to Series A Principal Amount and Series B Principal Amount, or each one of them, as the case may be.
Public Holiday	Any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai, India.
RTA/ Registrar and Transfer Agent	Link Intime India Private Limited
RTGS	Real Time Gross Settlement System
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
Redemption Amount	Shall be used to collectively refer to Series A Redemption Amount and Series B Redemption Amount, or each one of them, as the case may be.
Redemption Date	Shall be used to collectively refer to Series A Redemption Date and Series B Redemption Date, or each one of them, as the case may be.
SEBI	Securities and Exchange Board of India

TERMS OF THE ISSUE FOR “SERIES A NCDs”:

Private Placement:	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures to be issued on a private placement basis, in dematerialized form to the Investors to be listed on the Bombay Stock Exchange.
Series A Issue /Issue Size	Up to INR 150 Crore (Rupees One Hundred and Fifty Crore Only) of NCDs on Private Placement basis.
Series A Outstanding Amount:	The aggregate of the outstanding amount at any point of time on the Series A NCDs and any other amounts due and payable under the Debenture Trust Deed and as more specifically defined in the Debenture Trust Deed.
Series A Record Date	The Record Date will be the date falling 15 (fifteen) days prior to an applicable date.
Series A Principal Amount	INR 150 Crore (Rupees One Hundred and Fifty Crore Only) comprising of 1500 Series A NCDs of the Face Value being INR 10 Lac (Rupees Ten Lac Only) per Series A NCDs.
Series A Face Value and Number of NCDs:	Each NCD shall have a face value of INR 10 Lac (Rupees Ten Lac Only). Total number of NCDs proposed to be issued are 1500 NCDs.
Series A NCD Issuance Date:	The same date as the Deemed Date of Allotment.
Series A Issue Opening Date	May 23, 2012
Series A Issue Closing Date	May 23, 2012
Series A Deemed Date of Allotment	The Deemed Date of Allotment shall be the last date on which the subscription amounts for Series A NCDs are received by the Issuer from all Investors.
Credit Rating	‘CARE AA-’ (pronounced ‘CARE Double A Minus’) by CARE
Issuer:	IndoStar Capital Finance Private Limited.
Series A Purpose:	The Debenture proceeds shall be used to augment the medium and long term resources of the Company and for onward lending.
Debenture Trustee:	IDBI Trusteeship Services Limited
Listing:	The Series A NCDs are proposed to be listed on the Bombay Stock Exchange.
Form of Issuance	The Series A NCDs shall be issued only in dematerialised form.
Series A Coupon:	12.25 % p.a., calculated from Series A Deemed Date of Allotment to Maturity date, payable annually.
Series A Default Interest	2%
Series A Coupon Amount	Means the amount computed as per the Series A Coupon payable to Investors on the Series A NCDs on the Series A

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	Coupon Payment Date.
Series A Yield to Maturity	12.25%
Day Count	Actual/365 days.
Series A Maturity /Tenor/Redemption Date:	The tenor of the Series A NCDs is 48 months from the Series A Deemed Date of Allotment. The Series A Maturity shall be date falling 48 (forty eight) months from the Series A Deemed Date of Allotment.
Series A Redemption Amount	INR 10 Lac (Rupees Ten Lac Only) per Debenture, aggregating to INR 150 Crore (Rupees One Hundred and Fifty Crore Only).
Series A Coupon Payment Date	The Series A Coupon shall be paid on the outstanding amounts in relation to Series A NCDs and shall be payable at yearly rests from the Series A Deemed Date of Allotment till the Series A Redemption Date or the Series A Final Settlement Date, as the case may be.
Series A Put Option Date	Means Series A Put Option One Date, Series A Put Option Two Date or Series A Put Option Three Date, as the context may require.
Series A Put Option	<p>(i) Series A Put Option One: The Investors at the end of the 22nd month from the Series A Deemed Date of Allotment (Series A Put Option One Date) shall have the right but not the obligation to require the Issuer to have their Debentures not exceeding amount aggregating upto INR 35 Crore (Rupees Thirty Five Crores) to be redeemed or bought back, on a <i>pro-rata</i> basis, by the Issuer (as may be determined by the Issuer), provided the Investor issues a Series A Put Option Notice to the Issuer.</p> <p>(ii) Series A Put Option Two: The Investors at the end of 23rd month from the Series A Deemed Date of Allotment (Series A Put Option Two Date) shall have the right but not the obligation to require the Issuer to have their Debentures not exceeding an amount upto INR 35 Crore, (Rupees Thirty Five Crores) to be redeemed or bought back, on a <i>pro-rata</i> basis, by the Issuer, provided the Investor issues a Series A Put Option Notice to the Issuer.</p> <p>(iii) Series A Put Option Three: The Investors at the end of 24th month from the Series A Deemed Date of Allotment (Series A Put Option Three Date) shall have the right but not the obligation to require the Issuer to have their Debentures not exceeding an amount upto INR 80 Crore, (Rupees Eighty Crores) to be redeemed or bought back, on a <i>pro-rata</i> basis, by the Issuer, provided the Investor issues a Series A Put Option Notice to the Issuer.</p>
Series A Put Option Notice	A notice issued by the Debenture Trustee (on behalf of the Investors) to the Issuer 15 (fifteen) days prior to a Series A

	Put Option Date informing the Issuer that the Investors shall exercise the Series A Put Option for Series A NCDs in accordance with terms and conditions specified in the Debenture Trust Deed.
Series A Security:	To be created in favour of the Debenture Trustee, as follows: <ul style="list-style-type: none"> (i) pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) first charge on by way of hypothecation on the standard asset portfolio of receivables; and (ii) pari-passu first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat (as more specifically described in Annexure II).
Series A Security Cover:	A security cover equivalent to 1.25 times (one decimal point twenty five) the Series A Security shall be maintained. The Series A Security Cover shall be calculated in the following manner: value of the Series A Security/ Series A Outstanding Amounts.
Creation of Series A Security	The Security shall be created in 90 days from the Deemed Date of Allotment of Series A NCDs.
Other Covenants	<ul style="list-style-type: none"> (i) In the event the Put Options do not get exercised, the Series A NCDs would be redeemed at Maturity. (ii) After the receipt of the application monies, the Issuer shall immediately issue documentary evidence of the receipt of such application monies and the entitlement of the Investor to be allotted the Debentures. (iii) Within 15 days of the receipt of the application money: <ul style="list-style-type: none"> (a) the Debenture Trust Deed shall be executed and duly registered; and (b) Issuer shall credit the relevant Debentures into the depository participant accounts of each of the Investors, upon the due and valid execution and registration of the Debenture Trust Deed.
Event of Default	In the event of failure to repay any amount in accordance with the provisions in the Debenture Trust Deed, the Debenture Trustee may enforce the security in accordance with and in the manner prescribed under the Debenture Trust Deed, the Deed of Hypothecation and other Debenture Documents.
Transferability:	The Investors reserve their right to transfer the Debentures at any time subject to applicable Laws.
Documentation	Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation and/or any other documents as may

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	be considered necessary by the Company, the Debenture Trustee and/or the Debenture Holders.
Governing Law & Jurisdiction	The Debenture Documents will be governed by the laws of India. The Courts in Mumbai will have jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.

TERMS OF THE ISSUE FOR “SERIES B NCDs”:

Private Placement:	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (“ Series B NCD ”) to be issued on a private placement basis, in dematerialized form to the Investors to be listed on the Bombay Stock Exchange.
Series B Issue /Issue Size	Up to INR 50 Crore (Rupees Fifty Crore Only) of NCDs on Private Placement basis.
Series B Outstanding Amount:	The aggregate of the outstanding amount at any point of time on the Series B NCDs and any other amounts due and payable under the Debenture Trust Deed and as more specifically defined in the Debenture Trust Deed.
Series B Record Date	The Record Date will be the date falling 15 (fifteen) Business Days prior to the Series B Coupon Payment Date and the Series B Redemption Date.
Series B Principal Amount	INR 50 Crore (Rupees Fifty Crore Only) comprising of 500 Series B NCDs of the Face Value being INR 10 Lac (Rupees Ten Lac Only) per Series B NCD.
Series B Face Value and Number of NCDs:	Each NCD shall have a face value of INR 10 Lac (Rupees Ten Lac Only) Total number of NCDs proposed to be issued are 500 NCDs
Series B NCD Issuance Date:	The same date as the Series B Deemed Date of Allotment.
Series B Issue Opening Date	May 23, 2012
Series B Issue Closing Date	May 23, 2012
Series B Deemed Date of Allotment	The Series B Deemed Date of Allotment shall be the last date on which the subscription amounts for Series B NCDs are received by the Issuer from all Investors.
Credit Rating	‘CARE AA-’ (pronounced as ‘CARE Double A Minus’) by CARE
Issuer:	IndoStar Capital Finance Private Limited.
Series B Purpose:	The Debenture proceeds shall be used to augment the medium and long term resources of the Company and for onward lending.
Debenture Trustee:	IDBI Trusteeship Services Limited
Listing:	The Series B NCDs are proposed to be listed on the Bombay Stock Exchange.
Series B Form of Issuance	The Series B NCDs shall be issued only in dematerialized form.
Series B Coupon:	12.25 (twelve decimal point twenty five) % p.a., calculated from Series B Deemed Date of Allotment to Series B Maturity date, payable annually.
Series B Default Interest	2%

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Series B Coupon Amount	Means the amount computed as per the Series B Coupon payable to Investors on the Series B NCDs on the Series B Coupon Payment Date.
Day Count	Actual/365 days
Series B Maturity /Tenor/Redemption Date:	The tenor of the Series B NCD is 48 (forty eight) months from the Series B Deemed Date of Allotment. The Series B Maturity shall be date failing 48 (forty eight) months from the Series B Deemed Date of Allotment.
Series B Yield to Maturity	12.25%
Series B Redemption Amount	INR 10 Lac (Rupees Ten Lac Only) per Debenture, aggregating to INR 50 Crore (Rupees Fifty Crore Only).
Series B Coupon Payment Date	The Series B Coupon shall be paid on the outstanding amounts in relation to Series B NCDs and shall be payable at yearly rests from the Series B Deemed Date of Allotment.
Series B Put Option Date	Means Series B Put Option One Date, Series B Put Option Two Date or Series B Put Option Three Date, as the context may require.
Series B Put Option	<p>(i) Series B Put Option One: The Investors at the end of the 22nd month from the Series B Deemed Date of Allotment (Series B Put Option One Date) shall have the right but not the obligation to require the Issuer to have their Debentures not exceeding an amount aggregating to INR 15 Crore (Indian Rupees Fifteen Crores) to be redeemed or bought-back, on a <i>pro-rata</i> basis, by the Issuer (as may be determined by the Issuer), provided the Investor issues a Series B Put Option Notice to the Issuer.</p> <p>(ii) Series B Put Option Two: The Investors at the end of the 23rd month from the Series B Deemed Date of Allotment (Series B Put Option Two Date) shall have the right but not the obligation to require the Issuer to have their Debentures not exceeding an amount aggregating to INR 15 Crore (Indian Rupees Fifteen Crores) to be redeemed or bought-back, on a <i>pro-rata</i> basis, by the Issuer (as may be determined by the Issuer) provided the Investor issues a Series B Put Option Notice to the Issuer.</p> <p>(iii) Series B Put Option Three: The Investors at the end of the 24th month from the Series B Deemed Date of Allotment (Series B Put Option Three Date) shall have the right but not the obligation to require the Issuer to have their Debentures not exceeding an amount aggregating to INR 20 Crore (Indian Rupees Twenty Crores) to be redeemed or bought-back, on a <i>pro-rata</i> basis, by the Issuer (as may be determined by the Issuer), provided the Investor issues a Series B Put Option Notice to the</p>

	Issuer.
Series B Put Option Notice	A notice issued by the Debenture Trustee to the Issuer 15 (fifteen) days prior to a Series B Put Option Date informing the Issuer that the Investor shall exercise Series B Put Option for Series B NCDs in accordance with terms and conditions specified in the Debenture Trust Deed.
Series B Security:	To be created in favour of the Debenture Trustee, as follows: <ul style="list-style-type: none"> (i) pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) first charge on by way of hypothecation on the standard asset portfolio of receivables; (ii) pari-passu first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat (as more specifically described in Annexure II).
Series B Security Cover:	A security cover equivalent to 1.25 (one decimal point twenty five) times the Series B Security shall be maintained. The Series B Security Cover shall be calculated in the following manner: value of the Series B Security/ Series B Outstanding Amounts.
Creation Of Series B Security	The Series B Security shall be created in 90 days from the Series B Deemed Date of Allotment of Series B NCD.
Other Covenants	<ul style="list-style-type: none"> (i) In the event the Series B Put-Options do not exercised, the Series B NCDs would be redeemed at Maturity. (ii) After the receipt of the application monies, the Issuer shall immediately issue documentary evidence of the receipt of such application monies and the entitlement of the Investor to be allotted the Debentures. (iii) Within 15 days of the receipt of the application money: <ul style="list-style-type: none"> (a) the Debenture Trust Deed shall be executed and duly registered; and (b) Issuer shall credit the relevant Debentures into the depository participant accounts of each of the Investors, upon the due and valid execution and registration of the Debenture Trust Deed.
Event of Default	In the event of failure to repay any amount in accordance with the provisions in the Debenture Trust Deed, the Debenture Trustee may enforce the security in accordance with and in the manner prescribed under the Debenture Trust Deed, the Deed of Hypothecation and the other Debenture Documents.
Transferability:	The Investors reserve their right to transfer the Debentures at any time subject to applicable Laws.

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Documentation	Debenture Trust Deed, Deed of Hypothecation, Debenture Trustee Agreement and/or any other documents as may be considered necessary by the Company, the Debenture Trustee and/or the Debenture Holders.
Governing Law & Jurisdiction	The Debenture Documents will be governed by the laws of India. The Courts in Mumbai will have jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.

DEBENTURE TRUSTEE

The Company has appointed ITSL having its office at Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 to act as the Debenture Trustee for the Debenture Holders and ITSL has accepted such appointment. IDBI Trusteeship Services Limited has given its written consent for its appointment as Debenture Trustee to the Issue by a letter dated May 10, 2012.

The Debenture Holders shall, without any further act or deed, be deemed to have irrevocably given their consent to the appointment of the Debenture Trustee by the Company. The Debenture Holders shall, without further act or deed, also be deemed to have already given their consent to and to have authorised the Debenture Trustee, or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or required to be done in the interest of the Debenture Holders or otherwise provided for and/or referred to in this Information Memorandum. All rights and remedies under the Debenture Trust Deed shall vest in and be exercised by the Debenture Trustee only and unless, otherwise expressly provided for, without having it referred to the Debenture Holders.

OTHER TERMS OF THE ISSUE

SPECIFIC TERMS APPLICABLE TO HOLDERS OF DEBENTURE CERTIFICATES IN PHYSICAL FORM

COUPON AMOUNT CALCULATION

Coupon Amount will be calculated as set out above under the heading “**Terms of the Issue**”.

REDEMPTION

The Debentures, unless previously extinguished (pursuant to Put Option) by the Issuer, will be fully redeemed at the Redemption Amount (including payment of any outstanding Coupon Amount) on the relevant Redemption Date. The Debentures will be redeemed only against the surrender of the Debenture Certificate(s), duly discharged, by the Debenture Holder(s) (if held in physical form).

The liability of the Issuer towards all the rights of the Debenture Holders shall cease and stand extinguished from the relevant Redemption Date in all events on the Issuer and/or any person on behalf of the Issuer having fully discharged the payment of the Coupon Amount, if any due, and the Redemption Amount. Further, in all such cases, the Issuer will not be liable to pay any coupon or compensation from the relevant Redemption Date.

LETTER OF ALLOTMENT AND DEBENTURE CERTIFICATE

After the receipt of the application monies, the Issuer shall immediately issue documentary evidence of the receipt of such application monies and the entitlement of the Investor to be allotted the Debentures. Further, within 15 (fifteen) days of the Deemed Date of Allotment and the execution and registration of the Debenture Trust Deed, Issuer shall credit the relevant Debentures into the depository participant accounts of each of the Investors.

DENOMINATION OF THE DEBENTURE CERTIFICATES

The Issuer is issuing and allotting the Debentures in electronic form and will therefore issue a consolidated Debenture Certificate for the Debentures.

MODE OF TRANSFER

All transfers of Debentures held in physical form shall be effected by physical delivery of the Debenture Certificate(s) along with the duly executed transfer deed. All requests for transfer should be submitted to the Company at its registered address or such other persons at such addresses as may be notified by the Issuer from time to time prior to the Record Date for payment of Coupon Amounts and/or Principal Amounts. The transferee shall also furnish its name, address and specimen signature(s). The Company after examining and being satisfied regarding the adequacy and correctness of the documentation shall register the transfer of the Debentures.

Transfer of Debentures in dematerialized form would be in accordance with the Depositories Act, 1996, the regulations made thereunder and the rules, regulations and bylaws of NSDL or CDSL as the case may be.

ISSUE OF DUPLICATE DEBENTURE CERTIFICATES

If any Debenture Certificate(s) is/are mutilated or defaced, then, upon production of such Debenture Certificates, the Issuer shall cancel the same and issue a new Debenture Certificate in lieu thereof. If any Debenture Certificate is lost, stolen or destroyed then, upon production of proof thereof to the satisfaction of the Issuer and upon furnishing such indemnity, as the Issuer may deem adequate and upon payment of any expenses incurred by the Issuer in connection thereof new Debenture Certificate(s) shall be issued.

SPECIFIC TERMS APPLICABLE TO HOLDERS OF DEBENTURES IN DEMATERIALISED FORM

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Issuer has made depository arrangements with NSDL and CDSL for issue of the Debentures in dematerialised form. The Investors holding the Debentures in dematerialised form will have to hold and deal with the same as per the provisions of the Depositories Act, 1996, the regulations made thereunder and the rules, regulations and bye-laws of NSDL or CDSL as the case may be.

The Applicants are requested to mention their depository participant's name (along with the relevant identification details) and beneficiary account number in the appropriate place in the application form. The Issuer shall take necessary steps to credit the depository account of the allottee(s) with the amount of Debentures allotted. The initial credit in the depository account will be akin to the Letter of Allotment. On the completion of all statutory formalities, such

credit will be substituted with the number of Debentures allotted to each Investor or the Debenture Certificates shall accordingly be issued.

COUPON AMOUNT CALCULATION

Coupon Amount will be calculated as mentioned in the Terms of the Issue.

REDEMPTION

Debentures in dematerialised form, unless previously extinguished by the Issuer (as per the terms of the Debenture Documents), will be fully redeemed at the relevant Redemption Amount (including payment of Coupon Amount) on the relevant Redemption Date, if applicable, of the Debentures to the Debenture Holders registered in the Debenture Register. On such payment being made, the Issuer will inform the Depository and the accounts of the Debenture Holders will be adjusted accordingly.

The liability of the Issuer towards all the rights of the Debenture Holders shall cease and stand extinguished when the Issuer and/or any person on behalf of the Issuer has fully discharged the payment of Coupon Amount, if any due, and the Redemption Amount. Provided that such payment of Coupon Amount and the Redemption Amount has been made, the Issuer will not be liable to pay any coupon or compensation from the relevant Redemption Date.

GENERAL TERMS APPLICABLE TO DEBENTURE HOLDERS**PAYMENT OF COUPON AMOUNT**

Payment of Coupon Amount on the Debenture(s) will be made to those of the Debenture Holders whose name(s) appear in the Debenture Register (or to the first holder in case of joint holders) as on the Record Date fixed by the Issuer for this purpose and /or as per the list provided by NSDL/CDSL to the Issuer of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive Coupon Amount. Payment will be made by the Issuer after verifying the bank details of the allottees by way of direct credit through RTGS and where such facilities are not available the Issuer shall make payment of all such amounts by way of cheque(s)/demand draft(s), which will be dispatched to the Debenture Holder(s) by registered post/ speed post/ courier or hand delivery on or before the Coupon Payment Date.

In case of Debentures held in physical form, in the event of the Issuer not receiving any notice of transfer along with the original Debenture Certificates by the Record Date, the transferee(s) for the Debentures shall not have any claim against the Issuer in respect of the Coupon Amount so paid to the Debenture Holder(s). Wherever the signature(s) of such transferor(s) in the intimation sent to the Issuer is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the Issuer, all payments of remaining interest on such Debenture(s) will be kept in abeyance by the Issuer until such time as the Issuer is satisfied in this regard.

Coupon Amount and Redemption Amount would be payable on the relevant Redemption Date to the Beneficiaries as per the beneficiary list provided by the Depository as on the Record Date. The Coupon shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except in case of a leap year where the year will comprise of 366 days. The day count shall be on an actual/actual basis.

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TRANSFERABILITY

The Debenture issued under the Information Memorandum shall be transferable freely amongst the class of Investors who are eligible to apply. The Debenture(s) shall be transferred and / or transmitted in accordance with the applicable provisions of the applicable Law (including but not limited to the Act. In respect of the Debentures held in certificate form, a suitable instrument of transfer as may be prescribed by the Company may be used for the same. It is clarified that the Debentures shall be traded on the floor of the designated stock exchange in accordance with applicable Law.

STATUS OF THE DEBENTURES

The Debentures constitute direct, unsubordinated, unconditional and secured obligations of the Issuer ranking *pari passu* among themselves. The Debentures shall also rank *pari passu* with the bonds/ debentures/ instruments issued by the Issuer which are also/may also be secured by the security as set out in the “**Terms of the Issue**” in favour of the Debenture Trustee vide the Debenture Trust Deed under which the Debentures shall be issued.

TAX DEDUCTION AT SOURCE

Payment of Coupon Amount and Redemption Amount and any other amounts due to the Investors shall be payable without any deduction for any taxes, levies etc. whatsoever, except withholding tax under the Indian Income Tax Act, 1961. In respect of any withholding taxes payable for payments to the Investors the Company will deduct the applicable tax and pay the taxes in time and forward to the Debenture Trust Deed, official tax receipts or other reasonably acceptable evidence in respect of such taxes within 30 days of the respective due dates.

EFFECT OF HOLIDAYS

Should any of the dates set out above or elsewhere in this Information Memorandum, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday and/or on a Public Holiday/s in the city of Mumbai and Delhi the next Business Day shall be considered as the effective date(s). As regards payments relating to Coupon Amounts and/or Principal Amounts, the amount shall not be adjusted to reflect such deferral of the date of payment.

RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Issuer is entitled at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason whatsoever.

SUCCESSION

In the event of demise of the first named holder in the Debenture Register of the Debentures, the Issuer will recognise the executor or administrator of the deceased Debenture Holder, or the holder of the succession certificate or other legal representative as having title to the Debentures. The Issuer shall not be bound to recognise such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder 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. The directors of the Issuer may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the Debentures standing

in the name of the deceased Debenture Holder on production of sufficient documentary proof or indemnity.

RIGHTS OF THE DEBENTURE HOLDERS

The Debenture Holders will not be entitled to any rights and privileges available to the shareholders of the Issuer and shall not be entitled to any rights and privileges other than those available to them under statutory provisions of the Act, applicable Law and the Terms of the Issue. The Debentures shall not confer upon the Debenture Holders the right to receive notice or to attend and vote at the general meetings of shareholders of the Issuer. The Principal Amounts and Coupon Amounts, if any, on the Debentures will be paid to the Debenture Holder whose name appears in the Debenture Register/list of Beneficial Owners only, or in the case of joint holders, to the one whose name stands first.

MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent of all the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures if the same are not acceptable to the Issuer.

NOTICES

All notices to be given by the Debenture Holder(s) shall be first sent by electronic mail or facsimile transmission to the Debenture Trustee and thereafter by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter(s) of Allotment / Debenture(s), etc., requests for issue of duplicate debentures, etc. and/or any other notices / correspondence by the Debenture Trustee or the Debenture Holder(s) to the Issuer with regard to this Issue should be first sent by electronic mail or facsimile transmission and thereafter be sent by registered post or by hand delivery to the Company or to such other person(s) at such address(es) as may be notified by the Issuer from time to time.

CONFIDENTIALITY

The information and data contained herein is submitted to each recipient of this Information Memorandum on a strictly private and confidential basis. By accepting a copy of this Information Memorandum, each recipient agrees that neither it nor any of its employees/ associates or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Information Memorandum must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Information Memorandum breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

POWER OF COMPANY TO EXERCISE RIGHT TO RE-PURCHASE AND/OR RE-ISSUE THE DEBENTURES

The Issuer shall have the power, exercisable at its sole and absolute discretion from time to time, to re-purchase or issue, a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Maturity, subject to applicable Law (including the Act) and in accordance with the prevailing guidelines/regulations issued by the RBI, the SEBI and other authorities. 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, in respect of such repurchased/re-deemed Debentures, the Issuer 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.

WHO CAN APPLY

Only the persons who are specifically addressed through a communication by or on behalf of the Company directly are eligible to apply for the Debentures.* An application made by any other person will be deemed as an invalid application and rejected.

DISCLAIMER: PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THIS INFORMATION MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS / INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

* This Information Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Company. The categories of investors eligible to invest in the Debentures, when addressed directly, include banks, financial institutions including development financial institutions, companies and bodies corporate, insurance companies, Mutual Funds and such other category of investor as expressly authorised to invest in the Debentures. Furthermore, FIIs, non-resident Indians, overseas corporate bodies, and other persons resident outside India are not eligible to apply for the Debentures. Subject to Applicable Law, FIIs and any other permitted non resident entity may purchase the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

HOW TO APPLY

The Issue will open on the Issue Opening Date and close on the Issue Closing Date (both days inclusive). Investors who wish to invest are requested to submit an application with all the accompanying documents and the application money at any time starting from the Issue Opening Date and upto the Issue Closing Date. On the Issuing Closing Date, the cut-off time for submitting the application alongwith the accompanying documents and the application money is 10:00 a.m. if application money is paid through high-value cheques/ demand draft or 2:00 pm, if application money is credited through RTGS.

Application(s) for the Debentures must be made in the enclosed form, and must be completed in block letters in English.

Application form(s) must be accompanied by either a demand draft or cheque, drawn or made payable at par in Mumbai in favour of IndoStar Capital Finance Private Limited and crossed Account Payee only.

The applications must be accompanied by certified true copies of (i) a letter of authorisation, and (ii) specimen signatures of authorised signatories.

INSTRUCTIONS FOR APPLICATION

- (1) Application must be completed in **BLOCK LETTERS IN ENGLISH**. A blank must be left between two or more parts of the name.
- (2) Signatures should be made in English.
- (3) Minimum application shall be for 1 Debentures and in multiples of 1 thereafter.
- (4) The Debentures are being issued at face value. The amount to be paid on application should be the total face value of the Debentures applied for. Applications for incorrect amounts are liable to be rejected.
- (5) Cheques/drafts must be made in the favour of IndoStar Capital Finance Private Limited and crossed “**Account Payee only**” payable at par in Mumbai. Money orders or postal orders will not be accepted.
- (6) In case the payment is made in RTGS, the funds must be credited to the Issuer’s current account, the details of which are given below:

Name of Bank	ICICI Bank Ltd.
Branch	Sion
Address of Bank	Shop No. 9, 10, Mary Land Corner, Sion Mumbai – 22
IFSC Code	ICIC0000740
Account number	074005000359
Type of Account	Current
Name of beneficiary	IndoStar Capital Finance Private Limited

- (7) No cash will be accepted.

- (8) The Applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ward/District details.
- (9) The Issuer is entitled at its sole and absolute discretion to accept or reject any application, which is not complete in any respect.
- (10) Unless otherwise specified, the Applicants shall be deemed to have applied for the Debentures in electronic, i.e., dematerialised form. Applicants who are desirous of availing this facility should mention their Depository Participant's name, DP-IP and beneficiary account number in the Application Form. In case of any discrepancy in the information of Depository/Beneficiary Account, the Issuer shall be entitled at its sole option to issue the Debentures to the Applicant in the physical form or to reject the application.

APPLICATIONS UNDER POWER OF ATTORNEY/RELEVANT AUTHORITY

In case of an application made under a Power of Attorney or resolution or authority to make the application, a certified true copy of such Power of Attorney or resolution or authority to make the application and the memorandum and articles of association of the Investor must be attached to the application form at the time of making the application, failing which, the Company reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

The applications should be submitted during normal banking hours at the office mentioned below:

Mumbai: IndoStar Capital Finance Private Limited.

Address: One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013

The applications would be scrutinised and accepted as per the terms and conditions specified in this Information Memorandum.

Applicants residing or situated at places other than in Mumbai, may send their application along with cheques or demand drafts to the centre mentioned above. The demand drafts must be payable at par at Mumbai. The demand draft charges will have to be borne by the Applicant.

The Applicant is requested to contact the office of the Company as mentioned above for any clarifications.

Other Relevant Information

Authority for the issue and details of the resolutions passed for the issue.

The present Issue of Debentures is being made pursuant to the resolutions passed by the Board and debenture committee on May 11, 2012, respectively, and subject to the

provisions of the Act and the Memorandum and Articles of Association. The above mentioned resolutions severally authorizes Mr. Dhanpal Jhaveri, Director, Mr. Vimal Bhandari, Managing Director & CEO, Mr. Sanjay Hinduja, Whole Time Director, Mr. Sandeep Baid, Whole Time Director and Mr. Pankaj Thapar, Chief Financial Officer, severally to finalise the Information Memorandum, and do other things necessary for the same.

Filing of the Information Memorandum

This Information Memorandum has been filed with BSE in terms of the SEBI Debt Regulations as the Debentures are being privately placed and listed on BSE. This Information Memorandum is not required to be filed with any other regulatory authority as per the provisions of the SEBI Debt Regulations.

Issue of Debentures in dematerialised form

The Investor shall be deemed to have opted to subscribe to the Debentures in dematerialised form unless otherwise specified. The Issuer has made arrangements with the Depository(ies) for the issue of the Debentures in dematerialized form. Investors will accordingly hold the Debentures in dematerialised form as per the provisions of Depositories Act, 1996 and rules as notified by NSDL and CDSL from time to time. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the application form. The Issuer shall take necessary steps to credit the Debentures allotted to the Depository Account of the Investor.

Risk Factors

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations in respect of the Debentures issued under this Information Memorandum. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Debentures issued under this Information Memorandum, but the inability of the Issuer, as the case may be, to pay coupon, principal or other amounts on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive.

Investors should consider the following risk factors carefully for evaluating the Issuer and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Issuer only.

(a) **The secondary market for the Debentures may be illiquid**

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Any such Debenture so purchased may be required to be held or resold or surrendered for cancellation, to the extent that an issue of Debentures becomes illiquid. An Investor may have to hold the Debenture until redemption to realize value.

(b) **No debenture redemption reserve**

No debenture redemption reserve is being created for the present since pursuant to the General Circular No. 9/2002 No. 6/3/20001-CL.V dated April 18, 2002 issued by the Ministry of Company Affairs, Government of India, companies which are registered as NBFCs with the RBI are not required to create a debenture redemption reserve as contemplated under the Act for any private placement of debentures.

(c) **Tax Considerations and Legal Considerations**

Special tax, accounting and legal considerations may apply to certain types of Investors. Prospective Investors are urged to consult with their own tax and legal advisors to determine any tax and legal implications of this investment.

(d) **Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations**

The Issuer is subject generally to changes in Indian Law, as well as to changes in government regulations, changes made in the regulations by applicable regulators in India and policies and accounting principles. Any changes in the regulatory framework affecting NBFCs or companies in general, could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

DECLARATION:

We, the officers of the Issuer, declare that all the relevant provisions of the Act and the guidelines issued by the Government and any regulatory authority including the SEBI and the RBI, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Act, rules, guidelines and circulars issued thereunder.

SIGNED THROUGH THE HANDS OF MR. VIMAL BHANDARI PURSUANT TO THE AUTHORITY VESTED BY THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS AND DEBENTURE COMMITTEE ON MAY 11, 2012, RESPECTIVELY.

(Signature)

Place: Mumbai

Date: 23 May 2012

INFORMATION MEMORANDUM

FIRST/SOLE APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT

I/WE ARE () COMPANY _____

I/WE CONFIRM RESIDENTIAL STATUS AS INDIAN

TAX STATUS NON EXEMPT () EXEMPT () (IF EXEMPT PLEASE SPECIFY)

(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I/We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Information Memorandum and have considered these in making our decision to apply. I/We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders. The provisions of the Debenture Documents are incorporated herein by reference and both the Debenture Holders and the Company are bound by the provisions of the Debenture Documents and the Terms and Conditions set out herein. In the event of any inconsistency between the Terms and Conditions set out herein and the Debenture Documents, the Debenture Documents shall prevail. I/We confirm that any transferee who purchases the Debentures shall similarly understand the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Information Memorandum and be bound by these Terms and Conditions.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

Name of the Authorised Signatory(ies)	Designation	Signature

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

In case the Applicant(s) desires to hold Debenture(s) in dematerialised form, the following particulars are required to be filled up.

INFORMATION MEMORANDUM

I/We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

Sole/First Applicant's	Second Applicant's	Third Applicant's
Signature	Signature	Signature

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

ACKNOWLEDGMENT SLIP

<i>(To be filled in by Applicant)</i>	SERIAL NO.								
---------------------------------------	-------------------	--	--	--	--	--	--	--	--

Received from _____

Address _____
Cheque/Draft # _____ Drawn on _____ for Rs. _____ on account of application of _____ Debentures.

Annexure I: Rating Letter



**CREDIT ANALYSIS &
RESEARCH LTD.**

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022, INDIA.
☎ : 67543456 Fax : (022) 67543457
E-mail : care@careratings.com
www.careratings.com

Shri.Pankaj Thapar,
Chief Financial Officer,
Indostar Capital Finance Pvt Ltd,
One Indiabulls Center, 17th Floor, Tower 2A,
Jupiter Mills Compound, Senapati Bapat Marg,
Mumbai- 400013

May 04, 2012

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs.200 crore of your company.

2. Our Rating Committee has assigned a 'CARE AA-' [Double A Minus] rating to the aforesaid NCD issue. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. (Rating symbols and explanatory notes thereon are annexed)
3. The rationale and press release for the rating will be communicated to you separately.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is May 04, 2012).
5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.

PT

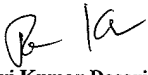


7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


[Ravi Kumar Dasari]
Sr. Manager


[Vishal Sanghavi]
Manager

Encl : As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

"Credit Analysis and Research Limited proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus ("DRHP") with the Securities and Exchange Board of India (the "SEBI"). The DRHP is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the



Book Running Lead Managers at www.investmentbank.kotak.com, www.dspml.com, www.edelcap.com, www.icicisecurities.com, www.idbicapital.com, and www.sbicaps.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" of the DRHP."

["This press release is not for publication or distribution to persons in the United States, and is not an offer for sale within the United States of any equity shares or any other security of Credit Analysis and Research Limited. Securities of Credit Analysis and Research Limited, including its equity shares, may not be offered or sold in the United States absent registration under U.S. securities laws or unless exempt from registration under such laws.





Annexure
Long /Medium -term instruments (NCD/FD/SO/CPS/RPS)

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.



Annexure II
Description of Property

All that piece or parcel of non-agricultural freehold land admeasuring 433.28 Sq. Mtrs. forming part of the said Land described in the First Schedule made up of plot land known as Plot No.24 admeasuring 240.00 Sq. Mtrs. or thereabouts inclusive of parking area and with permissible construction up to buildable area as per sanctioned plan a copy where of is enclosed herewith (forming part of amalgamated Survey No.255 of Mouje Maharajpura of Kadi Taluka in the Registration District Mehsana and Sub-District of Kadi and also togetherwith 1/50th (One-Fiftieth) undivided impartible joint ownership right, share and interest and use in the Nalia Road widening land, common plot and internal approach road land also forming part of the said land bearing amalgamated Survey No.255 described in the First Schedule which undivided impartible right, share and interest comes to 193.28 Sq. Mtrs. and Western and Northern borders of the said land bearing amalgamated Survey No.255 is abutting on the Maharajpura Kayada Nalia Road connecting Ahmedabad Kalol-Mehsana Highway Road through Maharajpura-Kadi-Kalol State MDR Road and together with permanent easement of right of way and other rights on the internal approach road land and further together with the rights in common with the other holders of other Plots in or upon or under the said internal approach road land and open space in amalgamated Survey No.255 with equal responsibility for the preservation and maintenance of the said internal approach road land and common open space and the said Private Plot No.24 is bounded as follows, i.e. to say :-

On or towards East by : Internal Road

On or towards West by : Private Plot No. 7

On or towards North by : Common Plot

On or towards South by : Private Plot No. 23

**Annexure III
Trustee
Consent**

IDBI Trusteeship Services Ltd.

Date: May 10, 2012

No. 1064/ITSL/OPR/CL/12-13/DEB/70

IndoStar Capital Finance Private Limited
One Indiabulls Center, 17th floor, Tower 2A,
Jupiter Mills Compound,
S. 3. Marg, Lower Parcel, Mumbai - 400013



Regd. Office :
Asian Building, Ground Floor,
17, R. K. Karmali Marg, Ballard Estate,
Mumbai - 400 001.

Kind Attn: Mr. Kind Attn: Mr. Pankaj Thapar, Chief Financial Officer

Dear Sir,

Consent to act as Debenture Trustee for Secured Listed & Rated NCD's aggregating upto Rs. 200 Crores

This has reference to our discussion regarding the appointment of IDBI Trusteeship Services Ltd. (ITSL) as Debenture Trustee for the Company's proposed issue of Secured Listed & Rated NCD's aggregating upto Rs. 200 Crores. In this connection, we confirm our acceptance to act as Debenture Trustee for the same, subject to the Company agreeing the conditions set out below:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of closure of the issue.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SCBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SCBI Circular No. SEBI/IMD/DOF 1/BOND/Cir-5/2009 dated the 26th November, 2009, the Companies Act, 1956 and other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis.
5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII).

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Ours faithfully,
for IDBI Trusteeship Services Limited.

For IndoStar Capital Finance Private Limited


Authorised Signatory

Authorised Signatory

Please feel free to contact us for query. For information on our services, visit website www.idbitrustee.co.in

**Annexure III
NOC for change in security clause**



Franklin Templeton Asset Management (India) Pvt. Ltd.
Registered Office:
Indiabulls Finance Center, Tower 2, 12th and 13th Floor,
Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013.
Tel.: (91-22) 6751 9100 Fax: (91-22) 6639 1282

Date: June 28, 2012

IDBI Trusteeship Services Limited
Asian Building, Ballard Estate
Mumbai – 400 001

Indostar Capital Finance Private Limited
One Indiabulls Centre, Tower 2A
17th Floor, S B Marg
Mumbai – 400 063

Re : 'No Objection Letter' for change in security clause for NCDs of Rs. 2000.0 million.

Dear Sir,

In connection with the letter dated June 22, 2012 by Indostar Capital Finance Private Limited ("Company") requesting proposing changes in the existing security terms of placement of NCDs of Rs. 2,000.0 million (Series A – Rs. 1500.0 million and Series B – Rs. 500.0 million)

In this regard, we confirm that we give our consent for proposed change in the security clause

Sl. No.	NCDs Series	Existing terms	Proposed terms
1	Series A – Rs. 1,500.0 million	<p>To be created in favour of the Debenture Trustee, as follows:</p> <p>pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) first charge on present and future receivables from Eligible Bank Finance Assets; and</p> <p>pari-passu first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.</p> <p>A security cover equivalent to 1.25 times (one decimal point twenty five) the Series A Security shall be maintained. The Series A Security Cover shall be calculated in the</p>	<p>To be created in favour of the Debenture Trustee, as follows:</p> <p>pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) first charge on by way of hypothecation on the standard asset portfolio of receivable of the borrower and</p> <p>pari-passu first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.</p> <p>A security cover equivalent to 1.25 times (one decimal point twenty five) the Series A Security shall be maintained. The Series A Security Cover shall be calculated in the</p>



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		following manner: value of the Series A Security/ Series A Outstanding Amounts.	following manner: value of the Series A Security/ Series A Outstanding Amounts.
2	Series B – Rs. 500.0 million	<p>To be created in favour of the Debenture Trustee, as follows:</p> <p>pari-passu first charge on present and future receivables from Other Assets;</p> <p>second charge on present and future receivables from Eligible Bank Finance Assets;</p> <p>pari-passu first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.</p> <p>A security cover equivalent to 2.00 (two) times the Series B Security shall be maintained. The Series B Security Cover shall be calculated in the following manner: value of the Series B Security/ Series B Outstanding Amounts.</p>	<p>To be created in favour of the Debenture Trustee, as follows:</p> <p>pari-passu (with banks and financial institutions which provide credit facilities to the Issuer) first charge on by way of hypothecation on the standard asset portfolio of receivable of the borrower and</p> <p>pari-passu first charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.</p> <p>A security cover equivalent to 1.25 times (one decimal point twenty five) the Series B Security shall be maintained. The Series B Security Cover shall be calculated in the following manner: value of the Series B Security/ Series B Outstanding Amounts.</p>

We do hereby give our consent to act accordingly in this regard.

Thanking You

Yours Faithfully
 for Franklin Templeton Asset Management (I) Pvt Ltd



Santosh Kamath
 Authorised Signatory