

**Mr. Barun More**

**Managing Director**

**Finstars Capital Limited**

701, 7th Floor, Pinnacle Business Park,

Auda Garden, Corporate Rd,

Prahlad Nagar, Ahmedabad,

Gujarat - 380015

29<sup>th</sup> Sept. 2025

Dear Sir,

### **Credit rating for NCDs**

After taking into account all the relevant recent developments including operational and financial performance of your company for FY24 (A) & FY25 (A) and your acceptance dated 29<sup>th</sup> Sept. 2025,

1. Our Rating Committee has reviewed the following ratings:

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>
Non-Convertible Debentures (NCDs)	50.00	IVR BBB- / Negative (IVR Triple B Minus with Negative Outlook)	IVR BBB- / Negative (IVR Triple B Minus with Negative Outlook)	<b>Rating reaffirmed</b>
Proposed Non- Convertible Debentures	15.00	IVR BBB- / Negative (IVR Triple B Minus with Negative Outlook)	--	<b>Rating assigned</b>
<b>Total</b>	<b>65.00 (Rupees Sixty Five Crore only)</b>			

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.

3. The press release for the rating(s) will be communicated to you shortly.



4. The above rating is normally valid for a period of one year from the date of the rating committee (that is. **Sept. 25, 2026**).
5. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.
6. INFOMERICS reserves the right to undertake a surveillance/review of the rating(s) from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.
8. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to [nds@Infomerics.com](mailto:nds@Infomerics.com) and to the mail id of the undersigned.
9. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**
10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance based on best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.

A handwritten signature in blue ink, appearing to read 'M. Man', is located in the bottom right corner of the page.



11. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
12. Users of this rating may kindly refer our website [www.infomerics.com](http://www.infomerics.com) for latest update on the outstanding rating.
13. Further, this is to mention that all the clauses mention in the initial rating letter **dated June 27, 2024** are also stands applicable. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

**Manthan Mulveparab**  
Rating Analyst  
[manthan.mulveparab@infomerics.com](mailto:manthan.mulveparab@infomerics.com)

**Amey Joshi**  
Director-Ratings  
[amey.joshi@infomerics.com](mailto:amey.joshi@infomerics.com)

Encl.: As above

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



## Annexure I

### Rated Instruments Details:

Name of instrument	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status
NCD – I	INE08XA07011	13 <sup>th</sup> Oct 2022	12.06%	13 <sup>th</sup> Oct 2025	10.00	Listed
NCD – II	INE08XA07029	13 <sup>th</sup> Oct 2022	12.06%	13 <sup>th</sup> Oct 2027	15.00	Listed
NCD -III	INE08XA07037	30th Aug, 2024	12.06%	30th Aug, 2027	10.00	Listed
NCD -IV	INE08XA07045	30th Aug, 2024	12.06%	30th Aug, 2029	15.00	Listed
Proposed NCDs	--	--	11.52%	--	15.00	Proposed to be listed

## Annexure II

### Credit Rating – Long Term Rating Scale

*Long term: Original maturity exceeding one year*

Rating Symbol	Rating Definition
IVR AAA	Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
IVR AA	Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.
IVR A	Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.
IVR BBB	Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk.
IVR BB	Securities with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
IVR B	Securities with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
IVR C	Securities with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
IVR D	Securities 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 AA to C. The modifiers reflect the comparative standing within the category.*

The above rating scale also applies to rating of bank loans, fixed deposits and other instruments.



## Press Release

### Finstars Capital Limited

**Oct 01, 2025**

#### **Ratings**

<b>Instrument Facility /</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Non-Convertible Debentures (NCDs)	50.00	IVR BBB- / Negative (IVR Triple B Minus with Negative Outlook)	IVR BBB- / Negative (IVR Triple B Minus with Negative Outlook)	Rating reaffirmed	<a href="#"><u>Simple</u></a>
Proposed Non-Convertible Debentures (NCDs)	15.00	IVR BBB- / Negative (IVR Triple B Minus with Negative Outlook)	--	Rating assigned	<a href="#"><u>Simple</u></a>
<b>Total</b>	<b>65.00</b> <b>(Rupees Sixty Five crore only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### **Detailed Rationale:**

Infomerics Ratings has reaffirmed / assigned its ratings to the NCDs of Finstars Capital Limited (FCL) which continues to derive strength from moderate earnings profile, adequate capitalisation levels and established presence with support from the Sunrise Group. The ratings are however partially constrained by moderate AUM levels given the geographical concentration, poor asset quality and intense competition & susceptibility to regulatory changes.

The Negative Outlook reflects deterioration in asset quality during FY25 along with moderation of profitability.



## Press Release

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Substantial and sustained scaling up its operations by diversifying its loan portfolio geographically, while maintaining healthy asset quality, adequate capital position, liquidity and profitability.

#### **Downward Factors**

- Substantial deterioration in operations impacting capital position, liquidity, and profitability.
- Adverse movements in collection efficiency impacting FCL's asset quality.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths:**

##### **Moderate earnings profile:**

FCL's earnings profile is moderate marked by total income which has grown y-o-y modestly by ~3% to Rs. 18.76 crore in FY25 (refers to period 1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025) driven by lower treasury income. As on 30<sup>th</sup> June 2025, total income stood at Rs. 5.70 crore. Additionally, net interest margin (NIM) declined to 7.48% in FY25 from 9.84% in FY24 on back of lower interest spread. PAT in absolute terms declined to Rs. 1.71 crore in FY25 from Rs. 2.99 crore on account of higher interest expenses. However, as on 30<sup>th</sup> June 2025, PAT stood at Rs. 1.36 crore driven by rationalisation in operating costs coupled with lower credit costs. Going forward, FCL's ability to improve its earnings profile will remain key rating monitorable.

##### **Adequate Capitalization levels:**

FCL's capital to risk weighted assets ratio (CRAR) stood adequate at 23.53% as on 30<sup>th</sup> June 2025 (31<sup>st</sup> March 2025: 19.38%) which is above the minimum regulatory requirement. The capitalisation levels are supported by regular equity infusion from the promoters. As 30<sup>th</sup> June 2025, FCL's adjusted tangible net worth stood at Rs. 51.13 crore supported by equity infusion from the promoters in the form of primary capital and subordinated unsecured loans.



## Press Release

Infomerics Ratings expects FCL's capitalization levels to remain adequate in FY26 on back of continued support from the promoters.

### **Established presence with support from the group company:**

Sunrise Gilts and Securities Private Limited (SGSPL rated IVR A- / Stable & IVR A1 vide PR dated Sept 17, 2025) is a prominent player in India's fixed income market and is registered with SEBI as a dealer in fixed income securities. The group companies share common shareholders, directors, and management, operate from the same corporate office, and manage funds collectively. Over the years, SGSPL has provided financial support to FCL in the form of inter corporate deposits (ICDs) / unsecured loans (Rs. FY24: ~Rs. 43 crore; FY25: ~Rs. 34 crore). As per the management, the group infuses and withdraws funds regularly over the years to facilitate security transactions as well as to meet any short-term liquidity mismatch.

### **Key Rating Weaknesses:**

#### **Moderate AUM levels given the geographical concentration:**

FCL's total AUM (inclusive of direct assignment) continues to remain moderate despite y-o-y growth of ~29% to Rs. 129.56 crore in FY25 driven by the growth in the wholesale lending segment. However, as on 30<sup>th</sup> June 2025, FCL's AUM has declined to Rs. 100.07 crore due to conservative approach adopted by the company on account of higher delinquencies in its loan book. Going forward, FCL's ability to scale up its AUM levels will remain key rating monitorable. Additionally, FCL's operations are primarily concentrated in the state of Gujarat leading to high geographical concentration risk. Any change in the regulatory and microeconomic environment in the state of Gujarat may negatively impact the operating profile of FCL.





## Press Release

### **Poor Asset Quality:**

FCL's asset quality is poor marked by gross non-performing asset (GNPA) and net non-performing asset (NNPA) of 5.46% & 4.68% for FY25 respectively (FY24: 2.23% & 1.98%). Asset quality further deteriorated during during 1QFY26 with GNPA and stood at 7.12% and 5.76% respectively. The deterioration in asset quality is on on back of higher delinquencies among its rural borrower segment in Gujarat particularly in the LAP segment due to lack of credit discipline coupled with delinquencies in its microfinance portfolio of Rs 0.48 crore. FCL has already provided 100% provisioning for its microfinance portfolio which was purchased from Jigyasa Livelihood Promotions Micro Finance Foundation under a contractual arrangement that requires Jigyasa to compensate FCL for any losses arising from overdue or defaulted customers. Furthermore, the NPAs in its secured portfolio is primarily in the LAP segment which carries collateral coverage of ~220%. The ability of FCL to improve its asset quality amidst stress in loan book will be a key rating monitorable

### **Intense competition and susceptibility to regulatory changes:**

FCL is exposed to intense competition within the financial services sector, often contending with traditional banks as well as emerging fintech companies vying for market share and customer loyalty. Additionally, NBFCs in India are highly susceptible to changes in the regulatory environment. Government policies, regulatory reforms, and compliance requirements can directly impact their operations, liquidity management, and profitability. Therefore, navigating these competitive pressures and regulatory dynamics is crucial for FCL to sustain growth and maintain stability.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Financial Institutions/NBFCs](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Criteria on assigning rating outlook](#)





## Press Release

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments](#)

### **Liquidity –Adequate**

Considering its asset size, FCL's CRAR stood adequate at 23.53% as on 30<sup>th</sup> June 2025 (31<sup>st</sup> March 2025: 19.38%) which is above the minimum regulatory requirement. Also, it has adequately matched asset liability profile as on March 31, 2025, across all the buckets. Moreover, Cash and cash equivalent stood at Rs. 1.58 crore as on 31 March 2025.

### **About the Company**

FCL was incorporated in 1989, as Gopalka Motor Finance limited and was involved in providing Motor Finance. In 2017, the promoters of Sunrise Group took over control of the company and changed the name of Finstars Capital Limited. FCL is a registered NBFC with Reserve Bank of India and also operates as a market facilitator and principal book runner for government securities (G-Secs), state development loans (SDLs), government-guaranteed debt and highly rated corporate bonds on a matched principal basis.

### **Financials (Standalone):**

	<b>(Rs. crore)</b>	
<b>For the year ended* / As on</b>	<b>31-03-2024</b>	<b>31-03-2025</b>
	<b>Audited</b>	<b>Audited</b>
Total Income	18.25	18.76
PAT	3.01	1.71
Adjusted Tangible Net worth	61.05	49.76
Total Loan Assets	100.66	118.63
<b>Ratios</b>		
NIM (%)	9.84	7.48
ROTA (%)	3.76	1.54
Interest Coverage (times)	1.69	1.31
Total CRAR (%)	60.82	19.38
Gross NPA [Stage III] (%)	2.23	5.46
Net NPA [Stage III] (%)	1.98	4.68

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA: None**

**Any other information: None**



## Press Release

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				-	-	-	-
1.	NCD - I	Long Term	10.00	IVR BBB- / Negative (June 26, 2025) IVR BBB- / Negative (Oct 01, 2025)	IVR BBB- / Stable (July 01, 2024) IVR BBB- / Stable (Jan 24, 2025)	-	-
2.	NCD - II	Long Term	15.00	IVR BBB- / Negative (June 26, 2025) IVR BBB- / Negative (Oct 01, 2025)	IVR BBB- / Stable (July 01, 2024) IVR BBB- / Stable (Jan 24, 2025)	-	-
3.	NCD- III	Long Term	10.00	IVR BBB- / Negative (June 26, 2025) IVR BBB- / Negative (Oct 01, 2025)	IVR BBB- / Stable (July 01, 2024) IVR BBB- / Stable (Jan 24, 2025)	-	-



## Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				-	-	-	-
4.	NCD- IV	Long Term	15.00	IVR BBB- / Negative (June 26, 2025) IVR BBB- / Negative (Oct 01, 2025)	IVR BBB- / Stable (July 01, 2024) IVR BBB- / Stable (Jan 24, 2025)		
5.	Proposed NCDs	Long Term	15.00	IVR BBB- / Negative (Oct 01, 2025)			

### Analytical Contacts:

Name : Sree Harsha Tel: (022) 62396023 Email: <a href="mailto:sree.harsha@infomerics.com">sree.harsha@infomerics.com</a>	Name : Amey Joshi Tel: (022) 62396023 Email: <a href="mailto:amey.joshi@infomerics.com">amey.joshi@infomerics.com</a>
--------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------

### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



## Press Release

ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Instrument/Facility Details

Name of instrument	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
NCD – I	INE08X A07011	13 <sup>th</sup> Oct 2022	12.06%	13 <sup>th</sup> Oct 2025	10.00	Listed	IVR BBB- / Negative
NCD – II	INE08X A07029	13 <sup>th</sup> Oct 2022	12.06%	13 <sup>th</sup> Oct 2027	15.00	Listed	IVR BBB- / Negative
NCD -III	INE08X A07037	30 <sup>th</sup> Aug, 2024	12.06%	30 <sup>th</sup> Aug, 2027	10.00	Listed	IVR BBB- / Negative
NCD -IV	INE08X A07045	30 <sup>th</sup> Aug, 2024	12.06%	30 <sup>th</sup> Aug, 2029	15.00	Listed	IVR BBB- / Negative





## Press Release

Proposed NCDs	--	--	11.52%	--	15.00	Proposed to be listed	IVR BBB- / Negative
---------------	----	----	--------	----	-------	-----------------------	---------------------

**Annexure 2: Facility wise lender details: Not Applicable**

**Annexure 3: Detailed explanation of covenants of the rated instruments:**

ISIN No.	INE08XA07011
Issue Date	13 <sup>th</sup> Oct 2022
Issuer	Finstars Capital Limited(The "Issuer")
Security Name	12.06% Finstars Capital Limited 2025
Series	Series I - 2022-23
Type of Instrument	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (NCDs)
Mode of Issue	Private Placement
Issue Size	Rs. 10.00 crores
Coupon Rate	12.06%
Redemption Date	13 <sup>th</sup> Oct 2025
All Covenants of the Issue	1. Default in payment: In case of default in payment principal redemption on the due dates, penal interest of at least @ 2% p.a. will be payable by the Issuer for the defaulting period on the defaulted amount. 2. Security Creation: In case of delay of security creation before making listing application then the Issuer shall refund the subscription amount along with penal interest at the of 2.00% p.a. for period of delay in creation of security beyond such time period. 3. Listing Delay: In case of delay in listing of the Debentures beyond 4 working days from the Date of Closure of Issue, the



## Press Release

	Company will pay penal interest @1 % p.a. for the period of delay to the investor (i.e. from the date of allotment to the date of listing). On the happening of any of the event of default, in addition to the rights specified above, the debenture Holders/ debenture Trustees shall have the right as indicated in the SEBI Regulations/ Companies Act 2013 from time to time.
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>ISIN No.</b>	INE08XA07029
<b>Issue Date</b>	13 <sup>th</sup> Oct 2022
<b>Issuer</b>	Finstars Capital Limited(The "Issuer")
<b>Security Name</b>	12.06% Finstars Capital Limited 2027
<b>Series</b>	Series II - 2022-23
<b>Type of Instrument</b>	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 15.00 crores
<b>Coupon Rate</b>	12.06%
<b>Redemption Date</b>	13 <sup>th</sup> October 2027
<b>All Covenants of the Issue</b>	<p>1. Default in payment: In case of default in payment principal redemption on the due dates, penal interest of at least @ 2% p.a. will be payable by the Issuer for the defaulting period on the defaulted amount.</p> <p>2. Security Creation: In case of delay of security creation before making listing application then the Issuer shall refund the subscription amount along with penal</p>



## Press Release

	interest at the of 2.00% p.a. for period of delay in creation of security beyond such time period. 3. Listing Delay: In case of delay in listing of the Debentures beyond 4 working days from the Date of Closure of Issue, the Company will pay penal interest @1 % p.a. for the period of delay to the investor (i.e. from the date of allotment to the date of listing). On the happening of any of the event of default, in addition to the rights specified above, the debenture Holders/ debenture Trustees shall have the right as indicated in the SEBI Regulations/ Companies Act 2013 from time to time.
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>ISIN No.</b>	INE08XA07037
<b>Issue Date</b>	30th Aug, 2024
<b>Issuer</b>	Finstars Capital Limited(The "Issuer")
<b>Security Name</b>	12.06% Finstars Capital Limited 2027
<b>Series</b>	Series I - 2024-25
<b>Type of Instrument</b>	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 10 crores
<b>Coupon Rate</b>	12.06%
<b>Tenure</b>	3 years from date of issue
<b>Covenants of the issue</b>	Affirmative Covenants, To utilise the proceeds of this issue in accordance with applicable laws and regulations; To comply



## Press Release

	<p>with corporate governance, fair practices code prescribed by the RBI and SEBI; c. Notification of any potential Event of Default or Event of Default; d. Obtain, comply with and maintain all licenses / authorizations; e. Provide details of any material litigation, arbitration or administrative proceedings (more than 10% of the net worth); f. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes; g. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them; h. Comply with any monitoring and/or servicing requests from Debenture Holders. , Negative Covenants, The Issuer shall not without the prior written permission/intimation of the majority Debenture Holders and Debenture Trustee, do or undertake to do any of the following: a. Change in management control or change in control or related change in composition of the Board without prior intimation to the Debenture Holders; Mergers, restructuring, amalgamation without approval of majority Debenture Holders; c. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------





## Press Release

	<p>organization, scheme of arrangement (except within the group) or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures;. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the majority Debenture Holders' prior written consent; e. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee Unless mandated by law, Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee; Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the majority debenture holder, The issuer shall not declare dividend or do buy back of equity shares if an Event of Default has occurred and is subsisting, h. The issuer shall not undertake any new</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



## Press Release

	major new business outside financial services or any diversification of its business outside financial services, without approval of majority NCD holders.
--	------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>ISIN No.</b>	INE08XA07045
<b>Issue Date</b>	30th Aug, 2024
<b>Issuer</b>	Finstars Capital Limited (The "Issuer")
<b>Security Name</b>	12.06% Finstars Capital Limited 2029
<b>Series</b>	Series II - 2024-25
<b>Type of Instrument</b>	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 15 crores
<b>Coupon Rate</b>	12.06%
<b>Tenure</b>	5 years from date of issue
<b>Covenants of the issue</b>	Affirmative Covenants, To utilise the proceeds of this issue in accordance with applicable laws and regulations; To comply with corporate governance, fair practices code prescribed by the RBI and SEBI; c. Notification of any potential Event of Default or Event of Default; d. Obtain, comply with and maintain all licenses / authorizations; e. Provide details of any material litigation, arbitration or administrative proceedings (more than 10% of the net worth); f. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being



## Press Release

	<p>used for money laundering or illegal purposes; g. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them; h. Comply with any monitoring and/or servicing requests from Debenture Holders. , Negative Covenants, The Issuer shall not without the prior written permission/intimation of the majority Debenture Holders and Debenture Trustee, do or undertake to do any of the following: a. Change in management control or change in control or related change in composition of the Board without prior intimation to the Debenture Holders; Mergers, restructuring, amalgamation without approval of majority Debenture Holders; c. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement (except within the group) or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures;. The Issuer will not purchase or redeem any of its issued shares or reduce its share</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



## Press Release

	<p>capital without the majority Debenture Holders' prior written consent; e. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee Unless mandated by law, Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee; Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the majority debenture holder, The issuer shall not declare dividend or do buy back of equity shares if an Event of Default has occurred and is subsisting, h. The issuer shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of majority NCD holders.</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>ISIN No.</b>	--
<b>Issue Date</b>	--
<b>Issuer</b>	Finstars Capital Limited
<b>Security Name</b>	11.52% Finstars Capital Limited 2030
<b>Series</b>	Series -1 2025-26





## Press Release

<b>Type of Instrument</b>	Listed, Rated, Secured, Redeemable, Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Dematerialized, Private Placement
<b>Issue Size</b>	15.00
<b>Coupon Rate</b>	11.52%
<b>Tenure</b>	TBD
<b>Covenants of the issue</b>	<p>To utilise the proceeds of this issue in accordance with applicable laws and regulations; To comply with corporate governance, fair practices code prescribed by the RBI and SEBI; Notification of any potential Event of Default or Event of Default;</p> <p>Obtain, comply with and maintain all licenses / authorizations; Provide details of any material litigation, arbitration or administrative proceedings (more than 10% of the net worth); Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes; Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them; Comply with any monitoring and/or servicing requests from Debenture Holders. ,</p> <p>The Issuer shall not without the prior written permission/intimation of the majority Debenture Holders and Debenture Trustee, do or undertake to do any of the following: Change in management control or change in control or related change in composition of the Board without prior intimation to the Debenture Holders; Mergers, restructuring, amalgamation without approval of majority Debenture Holders; The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re- organization, scheme of arrangement (except within the group) or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided</p>



## Press Release

	<p>however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures; The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the majority Debenture Holders' prior written consent;</p> <p>Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee</p> <p>Unless mandated by law, Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee; Any sale of assets/business/division that has the effect of exiting the business or restructuring of the existing business, to be with the prior consent of the majority debenture holder;</p> <p>The issuer shall not declare dividend or do buy back of equity shares if an Event of Default has occurred and is subsisting;</p> <p>The issuer shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of majority NCD holders.</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).