

IndoStar Home Finance Private Ltd.

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Joint Public Notice

This notice is being issued jointly by IndoStar Home Finance Private Limited (the "Company"), IndoStar Capital Finance Limited ("ICFL"), BCP V Multiple Holdings Pte Ltd. (the "Acquirer") and Indostar Capital (the "Seller"/ "ICM"), pursuant to paragraph 5 of the Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016 dated 9 February 2017 bearing reference no. NHB(ND)/DRS/REG/MC-06/2019, issued by the National Housing Bank ("NHB") and amended and updated from time to time ("NHB Directions").

Background

The Company is registered with NHB as a non-deposit taking housing finance company ("HFC") in terms of certificate of registration dated August 26, 2016 bearing reference number 08.0141.16.

The Company is a wholly owned subsidiary of ICFL, which is a non-deposit taking systemically important non-banking financial company ("NBFC-ND-SI"), registered with the RBI in terms of the certificate of registration dated January 20, 2016 bearing reference number N-13.02109, and having its registered office at One Indiabulls Center, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai 400 013.

The Acquirer is a company incorporated on November 27, 2018 under the laws of Singapore with registration number 201840080G and having its registered office at Income at Raffles 16 Collyer, Quay 19-00, Singapore, 049318. The Acquirer is an affiliate of certain private equity funds managed by Brookfield Asset Management, Inc.

The Seller is a promoter shareholder of ICFL, and as on date, holds 5,25,94,228 equity shares of ICFL of face value of INR 10 each ("Equity Shares"), which represents 56.89% of the paid-up share capital of ICFL.

Proposed Transaction and Reason for Proposed Transaction

The Acquirer seeks to acquire a stake of 40% (forty percent) of the paid-up share capital of ICFL on a fully diluted basis, subject to the actual tendering of Equity Shares by the public shareholders of ICFL in the mandatory open offer made by the Acquirer pursuant to the public announcement dated January 31, 2020 ("Tender Offer") in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, through a combination of:

- preferential issue by ICFL, for cash consideration aggregating to approximately INR 1,225,00,00,000, of the following securities to the Acquirer: (i) 3,01,72,414 Equity Shares, at a price of INR 290 per Equity Share; and (ii) 1,20,68,966 compulsorily convertible preference shares of face value of INR 10 each ("Preference Shares"), at a price of INR 290 per Preference Share, wherein each Preference Share will carry a dividend of 10% per annum (calculated on issue price) net of any taxes and shall be convertible into 1 Equity Share within 18 months from the date of issuance;
- acquisition of up to 3,71,95,411 Equity Shares of ICFL by the Acquirer from the public shareholders of ICFL pursuant to the Tender Offer; and
- purchase from ICM (in one or two tranches) of (i) 50,00,000 Equity Shares held by ICM; and (ii) such additional number of Equity Shares held by ICM (up to a maximum of 30,00,000 Equity Shares) that, together with the securities acquired by the Acquirer under (a), (b) and c(i) above, represent 40% (forty percent) of the paid-up share capital of ICFL on a fully diluted basis;

(together referred to as the "Proposed Transaction").

The Proposed Transaction involves (i) the proposed acquisition of control of ICFL by the Acquirer resulting in acquisition of indirect control of the Company by the Acquirer; (ii) consequential changes in the management of the Company.

Upon consummation of the Proposed Transaction, (i) the Acquirer shall acquire control of ICFL and shall also be classified as a 'promoter' of ICFL in accordance with applicable law, (ii) ICFL will continue to be in direct control of the Company and the Company will continue to be a wholly owned subsidiary of ICFL, and (iii) ICM will continue to be in control of ICFL and be classified as the promoter of ICFL.

The Proposed Transaction will enable the Company and ICFL to leverage the Acquirer's expertise in the financial services domain globally to facilitate the raising of external finance, introduce operational improvements and continue to scale the business. The Proposed Transaction will further support the continued growth of their businesses and the Acquirer's ownership brings with it global reputation and global best practices in terms of corporate governance.

Regulatory Approval

The Company has sought prior approval from RBI, under Paragraph 3 of the NHB Directions, in relation to the Proposed Transaction for (i) the proposed acquisition of indirect control of the Company by the Acquirer; and (ii) consequential changes in the management of the Company. The Proposed Transaction will be effected after fulfilment of various conditions including receipt of the statutory and regulatory approvals (including the approval from RBI) and the expiry of 30 (thirty) days from the date of publication of this notice in accordance with Paragraph 5 of the NHB Directions.

RBI, vide e-mail dated April 23, 2020, has permitted the issuance of this notice prior to the receipt of the approval from RBI. This notice is issued pending the approval from RBI in relation to the above and is intended to provide to the public a notice of the proposed change in indirect control of the Company and consequent change in its management, as a result of the Proposed Transaction.

Any clarifications and/or objections in this regard may be sent to the Company within 30 (thirty) days from the date of this notice, addressed to Mr. Prashant Joshi, Director, at the registered office address of the Company or email at: ihf.legal@indostarcapital.com

A copy of this notice is also available on the Company's website at www.indostarhfc.com.

SD/-

IndoStar Home Finance Private Limited

SD/-

IndoStar Capital Finance Limited

SD/-

BCP V Multiple Holdings Pte Ltd.

SD/-

Place : Mumbai

Date : April 23, 2020

Indostar Capital