

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (“**Draft Letter of Offer**” / “**DLoF**”) is being sent to you as a Public Shareholder (*as defined below*) of IndoStar Capital Finance Limited. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager (*as defined below*) / Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over this DLoF and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

BCP V MULTIPLE HOLDINGS PTE. LTD.

Registered office: Income at Raffles, 16 Collyer, Quay 19-00, Singapore, 049318; Tel: +65 6750 4483; Fax: +65 6532 0149
(hereinafter referred to as the “**Acquirer**”)

ALONGWITH

BROOKFIELD BUSINESS PARTNERS L.P.

Registered office: 73 Front Street, 5th Floor, Hamilton, HM 12, Bermuda; Tel: + 441 294 3309, Fax: NA
(hereinafter referred to as the “**PAC**”)

MAKES A CASH OFFER OF INR 290 (INDIAN RUPEES TWO HUNDRED AND NINETY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF INR 10 EACH, TO ACQUIRE UP TO 37,195,411 (THIRTY SEVEN MILLION ONE HUNDRED NINETY FIVE THOUSAND FOUR HUNDRED AND ELEVEN) EQUITY SHARES REPRESENTING 26% (TWENTY SIX PERCENT) OF THE EXPANDED VOTING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED TO THE PUBLIC SHAREHOLDERS OF



INDOSTAR CAPITAL FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Registered office: One Indiabulls Center, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai-400013, India
(Tel: +91 22 4315 7000, Fax: +91 22 4315 7010) (hereinafter referred to as the “**Target Company**” / “**Target**”)

1. This Offer (*as defined below*) is made pursuant to and in compliance with the provisions of Regulations 3(1), 4 and other applicable regulations of the SEBI (SAST) Regulations (*as defined below*).
2. This Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. NRI (*as defined below*) and OCB (*as defined below*) holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including, without limitation, approval from the RBI (*as defined below*), or any other relevant statutory or regulatory authority, as may be applicable, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit copies of such approvals, along with the Form of Acceptance-cum-Acknowledgement and other documents required in terms of this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FPIs (*as defined below*)) had required any approvals (including from the RBI, the FIPB (*as defined below*) or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable or a non-repatriable basis.
5. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
6. Other than as set out in Part C (*Statutory and other approvals*) of Section VI (*Terms and Conditions of the Offer*), as on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and the PAC, there are no other statutory or regulatory approvals required by the Acquirer and/or the PAC, to acquire the Equity Shares validly tendered by Public Shareholders pursuant to this Offer. However, in case of any other statutory or regulatory approvals being required and/or becoming applicable at a later date before the closing of the Tendering Period (*as defined below*), this Offer would be subject to the receipt of such approvals.
7. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares (*as defined below*), the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
8. The Acquirer and the PAC may withdraw the Offer in accordance with the terms and conditions specified in Part C of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within two Working Days (*as defined below*) of such withdrawal, make a public announcement, in the same newspapers in which the Detailed Public Statement (*as defined below*) was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
9. The Offer Price (*as defined below*) may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PAC at any time prior to 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of acquisition of the Equity Shares by the Acquirer and/or the PAC, during the Open Offer period, whether by subscription or purchase, at a price higher than the Offer Price per equity share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall (i) make corresponding increases to the escrow amounts and/or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. The same price shall be payable by the Acquirer for all the Equity Shares tendered anytime during the Offer.
10. **There has been no competing offer as of the date of this Draft Letter of Offer. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**

A copy of the Public Announcement (*as defined below*), the Detailed Public Statement and this Draft Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 Nomura Financial Advisory and Securities (India) Private Limited Address: Ceejay House, Level-11, Plot F, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai, 400 018 Tel: +91 22 4037 4037 Fax: +91 22 4037 4111 Email: indostaropenoffer@nomura.com Contact Person: Mr. Vishal Kanjani / Sandeep Baid SEBI Registration Number: INM000011419	 Link Intime India Private Limited Address: C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel : + 91 22 4918 6200 Fax: + 91 22 4918 6195 Email: indostar.offer@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058

The schedule of activities under the Offer is as follows:

Activity	Schedule of activities (Day & Date)[#]
Issue of Public Announcement	Friday, January 31, 2020
Publication of the DPS in newspapers	Friday, February 7, 2020
Filing of this Draft Letter of Offer with SEBI	Friday, February 14, 2020
Last date for public announcement for competing offer(s)	Tuesday, March 03, 2020
Last date for receipt of comments from SEBI on this Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Wednesday, March 11, 2020
Identified Date*	Friday, March 13, 2020
Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Friday, March 20, 2020
Last date for upward revision of the Offer Price and/or the Offer Size	Thursday, March 26, 2020
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer	Thursday, March 26, 2020
Date of publication of Offer opening public announcement, in the newspapers in which the DPS has been published	Friday, March 27, 2020
Date of commencement of the Tendering Period (“ Offer Opening Date ”)	Monday, March 30, 2020
Date of closure of the Tendering Period (“ Offer Closing Date ”)	Thursday, April 16, 2020
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Shareholders of the Target Company	Thursday, April 30, 2020
Last date for filing the post Offer report with SEBI	Monday, May 11, 2020
Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	Monday, May 11, 2020

**The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LoF will be dispatched. It is clarified that all Public Shareholders (registered or unregistered) of Equity Shares (except the Acquirer, the PAC, the persons deemed to be acting in concert with the Acquirer and the PAC, the parties to the Underlying Transactions and the persons deemed to be acting in concert with such parties) are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to paragraph 4 of Part C (Statutory and other approvals) of Section VI (Terms and Conditions of the Offer).*

[#] The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various statutory / regulatory authorities and may have to be revised accordingly.

RISK FACTORS

Relating to the transaction:

1. As on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and the PAC, except as mentioned in Part C (*Statutory and other approvals*) of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer, there are no statutory approvals required by the Acquirer and / or the PAC, to complete the Underlying Transactions and this Open Offer.
2. The Underlying Transactions and this Open Offer are also subject to certain conditions precedent in the SSA (*as defined below*) and the SPA (*as defined below*), and if these conditions are not satisfied or waived in accordance with the terms of the SSA and the SPA, or any termination event occurs, the Underlying Transactions may be terminated.
3. In the event that such statutory approvals are refused for any reason, or if the conditions precedent as specified in the SSA and the SPA are not satisfied, for reasons outside the reasonable control of the Acquirer and the PAC, the Acquirer and the PAC, shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.

Relating to the Open Offer:

1. In the event that either: (a) regulatory or statutory approvals, as required, are not received in time; or (b) there is any order of a governmental authority or in a litigation leading to a stay / injunction on the Open Offer or that restricts / restrains the Acquirer along with the PAC from performing its obligations hereunder; or (c) SEBI instructs the Acquirer and/or the PAC not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or failure or neglect on the part of the Acquirer and/or the PAC, grant an extension for the purpose of completion of the Open Offer subject to the Acquirer and the PAC agreeing to pay interest to the validly tendering shareholders at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all the shareholders, the Acquirer along with the PAC will have the option to make payment of the consideration to such shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
2. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including, without limitation, approval from the RBI (*as defined below*), or any other relevant statutory or regulatory authority, as may be applicable, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit copies of such approvals, along with the Form of Acceptance-cum-Acknowledgement and other documents required in terms of this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FPIs) had required any approvals (including from the RBI, the FIPB or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable or a non-repatriable basis.
3. The Acquirer and the PAC may withdraw the Offer in accordance with the terms and conditions specified in Part C of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer and the PAC (through the Manager) shall, within two Working Days of such withdrawal, make a public announcement, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
4. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer and the PAC shall accept those

Equity Shares validly tendered by the Public Shareholders on a proportionate basis as detailed in Section VII (*Procedure for Acceptance and Settlement of the Offer*) below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.

5. The tendered Equity Shares will be held in trust by the Registrar to the Offer until the completion of the Open Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the shareholders will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Acquirer, the PAC and the Manager make no assurance with respect to the market price of the Equity Shares both during the Tendering Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
6. Shareholders who tender the Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptances during the Tendering Period, even if the acceptance of the Equity Shares in this Open Offer and/or dispatch of consideration is delayed.
7. The Acquirer, the PAC and the Manager accept no responsibility for statements made otherwise than in the Draft Letter of Offer, Detailed Public Statement and the Public Announcement; anyone placing reliance on any other sources of information (not released by the Acquirer, the PAC and the Manager) would be doing so at his / her / its own risk.
8. Public Shareholders are advised to consult their respective stockbroker, legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in the Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer. The Acquirer, the PAC and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer, and all shareholders should independently consult their respective tax advisors.
9. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
10. This Offer is subject to completion risks as would be applicable to similar transactions.

Relating to the Acquirer and PAC:

1. The Acquirer and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
2. The Acquirer and the PAC make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.
3. The Acquirer and the PAC make no assurance with respect to the market price of the equity shares of the Target Company before, during or after the Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer.
4. As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transactions, in the event that the public shareholding of the Target Company falls below the minimum public shareholding requirement as per SCRR, and the SEBI (LODR) Regulations (“**MPS Requirement**”), the Acquirer and the PAC undertake to take

necessary steps to bring down the non-public shareholding in the Target Company, in a manner as set out in the SHA (as defined below), to the level specified within the time prescribed in, and in accordance with the SCRR, SEBI (LODR) Regulations, SEBI (SAST) Regulations and other applicable SEBI guidelines / regulations. i.e. to bring down the non-public shareholding to 75% or lower within 12 (twelve) months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time. Any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.

5. The information pertaining to the Target Company and/or the Seller contained in the PA or the DPS or the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Seller, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the PAC or the Manager. The Acquirer, the PAC and the Manager do not accept any responsibility with respect to the information provided by the Target Company and/or the Seller.

The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associated with the Acquirer and the PAC. The risk factors set forth above do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation or otherwise by any Public Shareholder in the Offer. Public Shareholders are advised to consult their respective stockbrokers, legal, financial, tax, investment or other advisors and consultants for an understanding of the further risks associated with their participation in the Offer.

DISCLAIMER FOR U.S. PERSONS:

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:

This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “**Rs.**” / “**INR**” are to Indian Rupee(s), the official currency of India, all references to “**USD**” / “**US\$**” / “**US Dollar**” are to United States Dollars, the official currency of the United States of America, all references to “**SGD**” / “**SG\$**” / “**SG Dollar**” are to Singapore Dollar, the official currency of Singapore. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and / or regrouping.

All financial data presented in USD in this Draft Letter of Offer have been converted into INR for the purpose of convenience translation only.

The conversion has been assumed at the following rate as on the date preceding the PA date (i.e. as on January 30, 2020) (unless otherwise stated in this Draft Letter of Offer):

USD 1 = INR 71.4772 (Source: FBIL reference rate)

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DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer	BCP V Multiple Holdings Pte. Ltd.
Bank Guarantee	An unconditional, irrevocable, and on demand bank guarantee dated February 01, 2020 having bank guarantee number OGT0005200040526 of an amount of INR 1,920,000,000 (Indian Rupees one billion and nine hundred twenty million only) from IndusInd Bank (acting through its branch at, Dr. Gopal Das Bhawan 28, Barakhamba Road, New Delhi – 110 001), issued in favor of the Manager to the Offer
BSE	BSE Limited
Brookfield Group	Brookfield Asset Management Inc. and its affiliates and managed entities
CDSL	Central Depository Services Limited
Depositories	CDSL and NSDL
Detailed Public Statement / DPS	The detailed public statement dated February 6, 2020, published on behalf of the Acquirer and the PAC on February 7, 2020
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated February 14, 2020 filed with the SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Equity Share(s)	Fully paid up equity shares of the Target Company with face value of INR 10 (Indian Rupees Ten Only) each
Expanded Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10th) Working Day from the closure of the Tendering Period. This includes all the 8,550,477 outstanding employee stock options granted to employees of the Target Company and its subsidiary, as on December 31, 2019, and the impact of Subscription Securities which shall be issued pursuant to the SSA
FEMA	Foreign Exchange Management Act, 1999, as amended
FIIIs	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Erstwhile Foreign Investment Promotion Board or the Foreign Investment Facilitation Portal, and which shall include the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and which shall include the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
FPIs	Foreign Portfolio Investor(s), as defined under Regulation 2(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
Identified Date	The date falling on the 10 th Working Day prior to the commencement of the Tendering Period
Income Tax Act / IT Act	The Income Tax Act, 1961, as amended
Letter of Offer / LoF	The Letter of Offer dated [●], which shall be dispatched to the Public Shareholders of the Target Company
Long Stop Date	9 (nine) months from January 31, 2020, or such other date as may be mutually agreed between ICM and Acquirer
Manager / Manager to the Offer	Nomura Financial Advisory and Securities (India) Private Limited

Particulars	Details / Definition
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NOC	No-objection certificate
NRI	Non-resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer and PAC to the Public Shareholders of the Target to acquire up to 37,195,411 Equity Shares, representing 26% of the Expanded Voting Share Capital, at a price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer and the PAC
Offer Price	INR 290 (Indian Rupees two hundred and ninety only) per Equity Share
Offer Shares	37,195,411 Equity Shares, representing 26% of the Expanded Voting Share Capital
Offer Size / Maximum Open Offer Consideration	INR 10,786,669,190 (Indian Rupees ten billion seven hundred eighty six million six hundred sixty nine thousand one hundred and ninety only), being the maximum consideration payable under this Offer assuming full acceptance
Open Offer Escrow Account	The account named “ICFL Open Offer Escrow Account” opened with Open Offer Escrow Agent in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Open Offer Escrow Agent	HDFC Bank (acting through its Mumbai branch at Fort, Mumbai – 400 001)
Open Offer Escrow Agreement	Escrow agreement dated January 31, 2020 entered into by the Acquirer with the Open Offer Escrow Agent and the Manager
Open Offer Escrow Amount	The amount aggregating to INR 120,000,000 (Indian Rupees one hundred and twenty million only) maintained by the Acquirer with the Open Offer Escrow Agent in accordance with the Open Offer Escrow Agreement
Overseas Tax	Tax payable in accordance with the tax laws applicable in the overseas jurisdiction in which the non-resident Public Shareholder is a resident for tax purposes
PAC / Person Acting in Concert	Person acting in concert with the Acquirer for this Offer, i.e. Brookfield Business Partners L.P.
PAN	Permanent Account Number
Promoter(s)	Promoter(s) of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Promoter Group	Promoter Group of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Public Announcement / PA	The public announcement dated January 31, 2020 issued by the Manager on behalf of the Acquirer and the PAC, in connection with the Offer
Public Shareholders / Public Shareholder(s)	All the public shareholders of the Target Company, and for the avoidance of doubt, excluding the promoter and members of the promoter group of the Target Company, the Acquirer, the PAC, the persons deemed to be acting in concert with the Acquirer and the PAC, the parties to the SPA, the SSA and the SHA, and any persons deemed to be acting in concert with the parties to the SPA, the

Particulars	Details / Definition
	SSA and the SHA, pursuant to and in compliance with the SEBI (SAST) Regulations
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	Number of Equity Shares that the Acquirer shall purchase from ICM subject to and in accordance with the terms of the SPA and is the aggregate of: (i) 5,000,000 (five million) Equity Shares held by ICM (“Tranche 1 Shares”); and (ii) such additional number of Equity Shares held by ICM (up to a maximum of 3,000,000 (three million) Equity Shares) which together with the Tranche 1 Shares, the Subscription Securities and the securities acquired from Public Shareholders pursuant to the Open Offer, amount to 40% of the Expanded Voting Share Capital
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEC	Securities and Exchange Commission (United States)
Seller / ICM	Indostar Capital
SHA	The shareholders’ agreement dated January 31, 2020 among the Acquirer, Seller and the Target Company
SPA	The share purchase agreement dated January 31, 2020 between the Acquirer and the Seller
SSA	The share subscription agreement dated January 31, 2020 between the Acquirer, Target Company and the Seller for the subscription by the Acquirer of the Subscription Securities
Stock Exchanges	BSE and NSE
Target / Target Company	IndoStar Capital Finance Limited
Tendering Period	March 30, 2020 to April 16, 2020 (both days inclusive)
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

* All capitalized terms used in this DLoF, but not otherwise defined above, shall have the meanings ascribed to such term in the DLOF or, where no definition has been specified, in the SEBI (SAST) Regulations.

DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 14, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

I. DETAILS OF THE OFFER

A. Background of the Offer

1. This Offer is being made by the Acquirer and the PAC, to the Public Shareholders of the Target Company with an intention to acquire control of the Target Company (with the existing promoter) in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, pursuant to (collectively, “**Underlying Transactions**”):
 - a. the share subscription agreement dated January 31, 2020 amongst the Acquirer, the Target Company and ICM (the “**SSA**”) and approved by the board of directors of the Target Company (“**Board**”) on January 31, 2020, wherein it is agreed that the Target Company shall, by way of preferential allotment, issue to the Acquirer and the Acquirer shall subscribe to:
 - (i) 30,172,414 (thirty million one hundred seventy two thousand four hundred and fourteen) Equity Shares representing 21.09% (twenty one point zero nine percent) of the Expanded Voting Share Capital, at a subscription price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share; and
 - (ii) 12,068,966 (twelve million sixty eight thousand nine hundred and sixty six) compulsorily convertible preference shares (“**CCPS**”) representing 8.44% (eight point four four percent) of the Expanded Voting Share Capital (along with the Equity Shares issued, the “**Subscription Securities**”), at a subscription price of INR 290 (Indian Rupees two hundred and ninety only) per CCPS (“**CCPS Issue Price**”). Each CCPS will carry a dividend of 10% (ten percent) per annum (calculated on CCPS Issue Price) net of any taxes, and will be converted into 1 (one) Equity Share within 18 (eighteen) months from the date of issuance. The CCPS shall rank senior and superior to the current Equity Shares with respect to dividend distribution and repayment, in case of a winding up or repayment of capital. The equity shares issued upon conversion of the CCPS shall rank pari passu with the existing Equity Shares of the Target Company, in all respects, in accordance with applicable law.

The total consideration payable for the Subscription Securities aggregates to INR 12,250,000,200 (Indian Rupees twelve billion two hundred and fifty million and two hundred rupees only) (“**Subscription Amount**”). The Target Company shall utilize the Subscription Amount for onward lending in accordance with the applicable law, for general corporate purposes, for repaying indebtedness of the Target Company or its subsidiaries, business acquisitions in the existing segments or for such other purpose, in accordance with the business plan adopted in accordance with the SHA.

The subscription to the Subscription Securities in accordance with the terms of the SSA, is subject to completion (or waiver) of various conditions precedent to the SSA including (i) obtaining consents/waivers from or making intimations (as required) to creditors / lenders under various financing arrangements of the Target Company, as set out therein; (ii) non-occurrence of a material adverse effect (as defined therein); (iii) procurement of warranty and indemnity insurance (“**W&I Insurance**”) in accordance with terms of the SSA or the parties agreeing to a satisfactory indemnity construct under the SSA in lieu of the W&I Insurance; (iv) completion of conditions precedent to the SPA (including those set out below); (v) obtaining all statutory approvals as set out in Part C of Section VI of this Draft Letter of Offer; (vi) receipt of requisite corporate authorisations from the shareholders of the Target Company for the issuance of the Subscription Securities on the terms set out in the SSA and such issuance taking place in accordance with applicable SEBI guidelines; and (vii) representations and warranties provided to the Acquirer being true and correct at the time of subscription to the Subscription Securities.

The SSA may be terminated (i) by mutual written agreement of the parties thereto; (ii) in case of non-fulfilment of the conditions precedents to the SSA; (iii) upon termination of the SPA; (iv) if completion of the transactions contemplated therein are not completed by the Long Stop Date; and/or (v) at any time prior to the completion by the Acquirer, if (a) any representation and warranties provided to it have been breached by ICM or the Target Company as on date of completion; (b) in case of failure of ICM to procure satisfactory W&I Insurance as set out under

the SSA or failure of the parties to mutually agree to a satisfactory indemnity construct under the SSA in lieu of the W&I Insurance; (c) upon occurrence of an event having a material adverse effect (as defined therein); (d) any material breach of the terms of the SSA or the SPA by ICM and/or the Target Company; (e) upon insolvency of the Target Company, its subsidiaries or ICM ; (f) disclosure of an event that may result in material loss to the Target Company or its subsidiaries for which an indemnity has not been/is not capable of being provided.

- b. the share purchase agreement dated January 31, 2020 between the Acquirer and ICM (the “SPA”), wherein it is agreed that the Acquirer shall purchase (in one or two tranches) from ICM, the Sale Shares, at a price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share

The purchase of the Sale Shares by the Acquirer is subject to fulfilment of conditions precedent set out in the SPA, including: (i) representations and warranties provided to the Acquirer by ICM (including in respect of the title to the Sale Shares) being true and correct at the time of completion of the transactions contemplated therein; (ii) delivery of shareholding statements by ICM to the Acquirer; and (ii) satisfaction (or waiver) of the conditions precedent to the SSA (as set out above).

Subject to the satisfaction of the conditions precedent set out in the SPA, the Acquirer may consummate the sale and purchase of the Sale Shares in one or two tranches (“**Sale Transaction**”). The Sale Transaction may be undertaken either on the floor of the Stock Exchanges as permitted under applicable law, or as an ‘off-market’ transaction.

The Sale Transaction will be completed in a single tranche if it is consummated after the expiry of the offer period under the SEBI (SAST) Regulations.

The Sale Transaction will be consummated in two tranches, if the Acquirer elects to purchase the Tranche 1 Shares prior to the expiry of the offer period under the SEBI (SAST) Regulations. Subsequently, the Acquirer will purchase the Remaining Sale Shares (*as defined below*) from ICM.

The Remaining Sale Shares shall mean such number of Equity Shares (subject to a maximum of 3,000,000 Equity Shares) computed using the following formula: Equity Shares representing 40% (forty percent) of the Expanded Voting Share Capital minus (the aggregate of: (i) the Subscription Securities; (ii) the Tranche 1 Shares; and (iii) the Equity Shares tendered by the Public Shareholders in the Open Offer and purchased by Acquirer in accordance with the SEBI (SAST) Regulations), if positive.

The SPA may be terminated (i) by mutual written agreement of the parties thereto; (ii) automatically, upon termination of the SSA; (iii) in case of non-fulfilment of the conditions precedents thereto; (iv) if the sale and purchase of the Tranche 1 Shares does not occur by the long stop date specified therein; (v) upon material breach of any of the representations and warranties provided by the parties to the SSA or the SPA, (vi) or insolvency of the parties to the SPA or SSA.

- c. the shareholders’ agreement dated January 31, 2020 (“SHA”) amongst the Acquirer, the Target Company and ICM, and approved by the Board on January 31, 2020, recording the terms and conditions governing the management of the Target Company and the inter se rights and obligations between the Acquirer and ICM, in relation to the Target Company.

- (i) The SHA shall only come into force and full effect in its entirety, vis-à-vis each party to the SHA (as applicable) as per the terms of the SHA, on the earlier of: (A) the date on which the later of each of the following has occurred: (x) the Acquirer has deposited 100% (one hundred percent) of the Maximum Open Offer Consideration in Open Offer Escrow Account as per the SEBI (SAST) Regulations, for completion of the sale and purchase of the Tranche 1 Shares prior to the expiry of the offer period under the SEBI (SAST) Regulations; and (y) date of allotment of the Subscription Securities by the Target Company to the Acquirer in accordance with the terms of the SSA; and (B) the

date on which the transactions contemplated under the SSA and the sale and purchase of the Tranche 1 Shares under the SPA have been consummated, in accordance with the terms of the SSA and SPA, respectively (the “Effective Date”).

- (ii) On and from the Effective Date, and provided that the Tranche 1 Sale and issuance of the Subscription Securities by the Target Company to Acquirer in accordance with the terms of the SSA have been completed, the Board shall be re-constituted as follows:
 - (a) 2 (two) non-executive directors nominated by the Acquirer;
 - (b) 2 (two) non-executive directors nominated by ICM and its affiliates (“**ICM Group**”);
 - (c) 3 (three) independent directors appointed in the manner set out in the SHA; and
 - (d) 1 (one) executive director.

The right of the Acquirer and the ICM Group to nominate directors to the Board shall be subject to their respective shareholding in the Target Company, as set out below.

Threshold Shareholding Requirement (% of the Share Capital)	Number of Directors
Equal to or more than 20%	2
Equal to or more than 10% but less than 20%	1
Less than 10%	0

Provided that the Acquirer shall have the right but not the obligation to nominate a total of:

- (i) 3 (three) nominee directors, subject to the Acquirer holding at least 25.1% (twenty five point one percent) of the share capital of the Target Company, in the event that the ICM Group ceases to hold the right to nominate 1 (one) nominee director i.e., the ICM Group ceases to own and hold at least 20% (twenty percent) of the share capital of the Target Company; and
- (ii) 4 (four) nominee directors in the event that the ICM Group falls below 10% (ten percent) of the share capital of the Target Company.

Further, in the event of a change of control of the ICM Group in a manner contemplated in the SHA, the Acquirer shall have the right to nominate a total of 4 (four) nominee directors.

On and from the Effective Date, it is proposed that Mr. Aditya Joshi and Mr. Sridhar Rengan will be appointed to the Board as nominees of the Acquirer. Provided that the Acquirer may nominate 1 (one) director on the Board during the Open Offer period in compliance with the requirements of Regulation 24(1) of the SEBI (SAST) Regulations and the terms of the SHA.

On and from the Effective Date, the Acquirer and the ICM Group shall be classified as ‘promoters’ of the Target Company until they are reclassified in terms of Regulation 31A of the SEBI (LODR) Regulations.

As per the SHA, certain reserved matters as set out in the SHA shall not be approved, acted upon or undertaken by, or in respect of, the Target Company and/or its subsidiaries or their respective boards, shareholders, officers, employees and/or managers (whether at a meeting of the shareholders, meeting of the board of directors, board committees, or by way of resolutions by circulation or otherwise), in a single transaction or a series of transactions, directly or indirectly, without having received the prior written approval of the Acquirer and ICM, in manner set out in the SHA. In the event of a deadlock in relation to certain key reserved matters and matters arising out of or in connection with such reserved matters, as identified in the SHA, the procedure as per the terms of the SHA for resolving such deadlock shall be complied with and in certain instances, the Acquirer’s decision regarding such matters shall prevail.

Under the SHA, the shareholding of the Acquirer (including affiliates) and ICM (including affiliates) shall be at least 51% (fifty one percent) of the share capital of the Target Company for a period of 2 (two) years from the allotment of the Subscription Securities to the Acquirer, in accordance with the terms of the SSA and the transfer of Sale Shares, in accordance with the terms of the SPA.

On and from the Effective Date and until the earlier of: (i) the expiry of 2 (two) years from the Effective Date; and (ii) the ICM Group ceasing to hold at least 10% (ten percent) of the share capital of the Target Company, any disposal of securities by the Acquirer or ICM (and/or their respective affiliates), is subject to a right of first offer in favour of the other party (and/or its affiliates). However, any disposal of securities constituting 1% (one percent) of the share capital of the Target Company or less in one or more transactions shall not be subject to a right of first offer, so long as such disposals, on a cumulative basis, do not exceed 3% (three percent) of the share capital of the Target Company at the time of undertaking such disposal.

If at any time, the Target Company is in breach of the MPS Requirement pursuant to this Open Offer, the Acquirer, ICM and the Target Company have agreed under the SHA that:

- (i) the ICM Group shall, to the extent that they are classified as a part of the promoter and promoter group of the Target Company, sell-down the first 3,000,000 (three million) Equity Shares required to ensure compliance with the MPS Requirement, and thereafter,
- (ii) the Acquirer and the ICM Group shall, to the extent that they are classified as a part of the promoter and promoter group of the Target Company, sell-down an equal number of Equity Shares in the Target Company, to the extent required to ensure compliance with the MPS Requirement.

The Acquirer and its affiliates undertaking private equity business in India and ICM and its affiliates have agreed not to acquire (so long as they hold 20% (twenty percent) or more of the share capital of the Target Company), directly or indirectly, any securities or voting rights in a competitor (as defined in the SHA) which results in such party (or its relevant affiliates) owning or holding, directly or indirectly, more than 20% (twenty percent) of the share capital of such competitor (on a fully diluted basis) and/or acquiring governance rights.

The Acquirer and ICM are also subject to non-solicitation obligation vis-à-vis customers, suppliers and employees of the Target Company and its subsidiaries, for a period of 18 (eighteen) months from the date of termination of the SHA vis-à-vis such party.

On the occurrence of an Event of Default (as defined under the SHA), the non-defaulting party shall among other things, have a call option against the defaulting party in a manner as set out in the SHA.

The SHA may be terminated (i) automatically if completion of the transactions contemplated under the SSA and SPA has not occurred by the Long Stop Date; (ii) if the Target Company is wound-up; (iii) by mutual written agreement of the parties to the SHA; (iv) termination of the SPA/SSA prior to completion of the transactions contemplated therein; and (v) upon the Acquirer or the ICM Group ceasing to hold at least 10% (ten percent) of the share capital of the Target Company.

2. The total consideration for the Underlying Transactions shall be paid in cash by the Acquirer.
3. The Acquirer will have acquired control (jointly with the existing promoter) of the Target Company on the earlier of: (i) the deposit of the Maximum Open Offer Consideration by the Acquirer as per the SEBI (SAST) Regulations in the Open Offer Escrow Account, in order to complete the sale and purchase of the Tranche 1 Shares, in accordance with the SPA (on the floor of the stock exchanges), and the consummation of the transactions contemplated in the SSA; and (ii) the date on which the transactions contemplated in the SSA and the sale and purchase of the Tranche 1 Shares have been consummated. Upon acquisition of control (jointly with the existing promoter), the Acquirer shall become the promoter of the Target Company including in accordance with the provisions of the SEBI (LODR) Regulations. ICM will continue to be in control of the Target Company, and will continue to be classified as a promoter of the Target Company.
4. As of the date of this DLoF, neither the Acquirer nor the PAC hold any shares in the Target

Company. Neither the Acquirer nor the PAC, as on the date of the DLoF, have been prohibited by SEBI from dealing in securities, pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

5. As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the Board of the Target Company is required, upon receipt of the Detailed Public Statement, to constitute a committee of independent directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be published in the same newspapers in which the Detailed Public Statement was published by no later than Thursday, March 26, 2020, and simultaneously a copy of such recommendations is required to be sent to SEBI, the Stock Exchanges and to the Manager.

B. Details of the Offer

1. The Public Announcement in connection with the Offer was filed on January 31, 2020 with the Stock Exchanges, sent to the Target Company on January 31, 2020 and filed with SEBI on February 3, 2020.
2. The Detailed Public Statement was published on February 7, 2020 in all editions of Financial Express (English), all editions of Jansatta (Hindi) and the Mumbai edition of Mumbai Lakshdeep (Marathi). A copy of the PA and the Detailed Public Statement are also available on the website of SEBI (www.sebi.gov.in).
3. This Open Offer is a mandatory offer in compliance with Regulation 3(1), Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the substantial acquisition of shares, voting rights and control of and over the Target Company.
4. This Offer is being made by the Acquirer and the PAC, to acquire up to 37,195,411 (Thirty seven million one hundred ninety five thousand four hundred and eleven) Equity Shares of the Target Company, constituting 26% (twenty six percent) of the Expanded Voting Share Capital of the Target Company, at a price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share, subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer and to be set out in the letter of offer that is proposed to be issued in accordance with the SEBI (SAST) Regulations.
5. The Offer Price has been arrived at in accordance with Regulation 8 of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer, in accordance with the SEBI (SAST) Regulations will be INR 10,786,669,190 (Indian Rupees ten billion seven hundred eighty six million six hundred sixty nine thousand one hundred and ninety only).
6. The Offer Price is payable in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
7. The Target Company does not have any outstanding partly paid-up equity shares as on the date of the DLoF. As on December 31, 2019, there are 8,550,477 outstanding employee stock options granted to employees of the Target Company and its subsidiary.
8. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
9. All the Equity Shares validly tendered by the Public Shareholders in this Open Offer, will be acquired by the Acquirer, fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, and rights to participate in bonus and rights issues declared thereto, and in accordance with the terms and conditions set forth in the

PA, the DPS and this DLoF, and as will be set out in the LoF, and the tendering Public Shareholders shall have obtained all necessary consents for it to sell the Offer Shares on the foregoing basis.

10. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear of all liens, charges and encumbrances. The Acquirer shall only acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Open Offer, together with all rights attached thereto, including all rights to dividend, and rights to participate in bonus and rights issues declared thereto.
11. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, other than as set out in Part VI of this Draft Letter of Offer, there are no statutory or other approvals required by the Acquirer or the PAC to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirer or the PAC at a later date before closure of the tendering period, this Open Offer shall be subject to such statutory approvals and the Acquirer and/or the PAC, shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason, or if the conditions precedent as specified in the SSA and the SPA, are not satisfied, for reasons outside the reasonable control of the Acquirer or the PAC, the Acquirer and the PAC shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
12. If Public Shareholders who are not persons resident in India (including NRI, OCB and FIIs / FPIs), had required any approvals (including from the RBI, or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve their right to reject such Equity Shares tendered in this Open Offer.
13. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
14. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
15. The Acquirer and/or the PAC have not acquired any Equity Shares of the Target Company between the date of the PA, and the date of this Draft Letter of Offer.
16. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
17. The Manager to the Offer shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer period.
18. As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transactions, in the event that the public shareholding of the Target Company falls below MPS Requirement, the Acquirer and the PAC undertake to take necessary steps to bring down the non-public shareholding in the Target Company, in a manner as set out in the SHA, to the level specified within the time prescribed in, and in accordance with the SCRR, SEBI (SAST) Regulations and other applicable SEBI guidelines / regulations. i.e. to bring down the non-public shareholding to 75% or less within 12 (twelve) months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time.

C. Object of the Acquisition / Offer

1. The object and purpose of the acquisition of control (with the existing promoter) in the Target Company is aligned with the Acquirer's strategy to grow the revenue and profit of business portfolio, thereby increasing the consolidated return on equity and further diversifying the consolidated group revenue and profits into the financial services sector.
2. Currently, the Acquirer and the PAC do not have any intention to dispose or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than (a) in the ordinary course of business, or (b) as already agreed, disclosed and/or publicly announced by the Target Company, or (c) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company. If the Acquirer and / or the PAC intend to alienate any material asset of the Target Company or any of its subsidiaries within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the shareholders of the Target Company and its subsidiaries (as required), will be taken, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations before undertaking any such alienation of any material assets.

D. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer and the PAC in the Target Company and the details of their acquisition are as follows:

Details	Acquirer		PAC	
	No.	%	No.	%
Shareholding as on the PA date.	Nil	Nil	Nil	Nil
Shares acquired between the PA date and the date of this DLoF	Nil	Nil	Nil	Nil
Post Offer shareholding calculated on the Expanded Voting Share Capital (assuming full acceptance in the Open Offer and Sale Shares as 5,000,000 Equity Shares).	72,367,825 Equity Shares and 12,068,966 CCPS	50.59% of the Expanded Voting Share Capital and 12,068,966 CCPS, which upon conversion, would constitute 8.44% of the Expanded Voting Share Capital, aggregating to 59.02% of the Expanded Voting Share Capital	Nil	Nil

2. The Acquirer, the PAC and their respective directors do not have any shareholding in the Target Company as on the date of the Public Announcement, the Detailed Public Statement and this Draft Letter of Offer.

II. BACKGROUND OF THE ACQUIRER AND THE PAC

A. ACQUIRER

1. The Acquirer is BCP V Multiple Holdings Pte. Ltd., a private limited company incorporated under the laws of Singapore (Company Registration Number: 201840080G) on November 27, 2018. The name of the Acquirer has not changed since its inception.
2. The Acquirer has its registered office / permanent address at Income at Raffles 16 Collyer, Quay 19-00, Singapore, 049318.
3. The Acquirer currently does not conduct any business activity. It has been incorporated to act as an investment holding company.
4. The Acquirer belongs to the Brookfield Group. The Acquirer is a wholly owned subsidiary of BCP V Holdings Pte. Ltd. (“BCP V Holdings”). BCP V Holdings is ultimately controlled by Brookfield Asset Management Inc. Brookfield Asset Management Inc. is traded on the New York Stock Exchange and the Toronto Stock Exchange. No individual investors / natural persons own 10% (ten percent) or more of Brookfield Asset Management Inc. The PAC indirectly holds stake in the Acquirer.
5. Neither the Acquirer nor any securities issued by it are listed on any stock exchange in India or offshore.
6. As of the date of this DLoF, the Acquirer, its directors and key employees do not have any interest in the Target Company except for the transactions contemplated by the Acquirer in the SPA, SSA, and SHA, as detailed in Part II (Background to the Offer), that have triggered this Open Offer.
7. As of the date of this DLoF, the Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
8. The details of the board of directors of the Acquirer, as on the date of this DLoF, are as follows:

Details	Qualifications and Experience
Name: Zhang Shen DIN: S9179041F (Singapore) Date of appointment: October 25, 2019 Designation: Director	Zhang Shen holds double degrees (Business Administration and Industrial Systems Engineering) from National University of Singapore, Singapore. He is also currently a charter holder of CFA (Chartered Financial Analyst) & CAIA (Chartered Alternative Investment Analyst). Zhang Shen is an Investment Professional at Brookfield Singapore where he manages and supports investments in Brookfield’s funds, investment programs and investment analysis.
Name: Taswinder Kaur Gill DIN: S8843856F (Singapore) Date of appointment: October 25, 2019 Designation: Director	Taswinder holds a degree in commerce from the University of Toronto, Canada, and is a Certified Professional Accountant and Chartered Accountant with CPA Ontario. Taswinder is an Investment Professional at Brookfield Singapore where she manages and supports investments in Brookfield’s funds, investment programs and investment analysis. Prior to joining Brookfield, Taswinder worked in restructuring and has experience in financial and operational restructuring of companies in distressed situations. She was also part of the Assurance and Advisory team at a Big 4 accounting firm in Toronto, Canada.

Details	Qualifications and Experience
<p>Name: Liew Yee Foong</p> <p>DIN: S8779790B (Singapore)</p> <p>Date of appointment: November 27, 2018</p> <p>Designation: Director</p>	<p>Liew Yee Foong holds a Bachelor of Commerce (Accounting and Finance) from Curtin University of Technology. He is also a Certified Public Accountant (CPA) and Chartered Accountant (CA)</p> <p>Liew Yee Foong is Vice President, Finance of Brookfield Singapore. He has over 11 years of work experience for which the initial 4 years were within the audit space auditing fund, private equity, asset management, real estate and logistics companies. This was followed by more than 7 years of commercial experience focusing on fund managers and funds with mandates within real estate, private equity and infrastructure investments.</p>
<p>Name: Ho Yeh Hwa</p> <p>DIN: S7838513H (Singapore)</p> <p>Date of appointment: April 11, 2019</p> <p>Designation: Director</p>	<p>Yeh Hwa holds a Bachelor of Laws from National University of Singapore and was called to the Rolls of Singapore in 2002, and the Rolls of England & Wales in 2006.</p> <p>Yeh Hwa is Director, Legal and Regulatory for Brookfield Singapore and is responsible for running the Legal & Regulatory Compliance functions of Brookfield's fund management activities in Asia. Yeh Hwa has over 18 years of work experience, of which she spent the initial 8 years practicing law in leading legal firms in United Kingdom and Singapore with a focus on corporate law, transactional M&A and private equity. This is followed by more than 10 years of commercial legal experience in-house in fund/asset management in fund managers in both United Kingdom and Singapore as well as a Singapore sovereign wealth fund, focusing on real estate, private equity, infrastructure and renewable energy investments.</p>
<p>Name: Aanandjit Sunderaj</p> <p>DIN: G3395950N (Singapore)</p> <p>Date of appointment: November 27, 2018</p> <p>Designation: Director</p>	<p>Aanandjit holds a degree in Commerce from the University of Madras, Chennai, India. He also holds a Masters in Business Administration from Moravian College PA, USA and Masters in Science, Real Estate from Columbia University, NY, USA.</p> <p>Aanandjit is a Senior Vice President at Brookfield Singapore where he manages and supports investments in Brookfield's funds, investment programs and investment analysis. Prior to joining Brookfield, he was a Managing Partner of a residential real estate investment fund. He previously worked as Chief Executive Officer and as a Senior Director for Investments (Real Estate) in other real estate investment companies in India. He has more than 20 years of work experience.</p>

9. As of the date of this Draft Letter of Offer, none of the directors of the Acquirer are directors on the Board of the Target Company.
10. The key financial information of the Acquirer based on the latest audited financial statements, which have been audited by Deloitte & Touche LLP (Singapore), as of December 31, 2019, and for the period from November 27, 2018 (date of incorporation of the Acquirer) to December 31, 2019, are as follows:

Statement of Comprehensive Income

(In units)

Particulars	For the financial period from November 27, 2018 (Date of Incorporation) to December 31, 2019	
	(In USD)	(In INR)
Income from operations		
Other Income		
Total Income	-	-
Total Expenditure	(431,795)	(30,863,498)
Profit Before Depreciation Interest and Tax	(431,795)	(30,863,498)
Depreciation		
Interest		
Profit/(Loss) Before Tax	(431,795)	(30,863,498)
Provision for Tax		
Profit/(Loss) After Tax	(431,795)	(30,863,498)

Balance Sheet Statement

(In units)

Particulars	For the financial period from November 27, 2018 (Date of Incorporation) to December 31, 2019	
	(In USD)	(In INR)
<i>Sources of funds</i>		
Paid up share capital	1	71
Accumulated Losses	(431,795)	(30,863,498)
Networth	(431,794)	(30,863,426)
Secured loans	-	-
Unsecured loans	-	-
Current liabilities	431,795	30,863,498
Total	1	71
<i>Uses of funds</i>		
Net Fixed Assets	-	-
Investments	-	-
Net current assets	1	71
Total miscellaneous expenditure not written off	-	-
Total	1	71

Other financial data

(In units)

Particulars	For the financial period from November 27, 2018 (Date of Incorporation) to December 31, 2019	
	(In USD)	(In INR)
Dividend (%)	0%	0%
Earnings/(Loss) per share	(431,795)	(30,863,498)

Note 1: Since the financial statements of the Acquirer have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 71.4772 as on January 30, 2020, the date preceding the PA date (Source: FBIL reference rate).

Note 2: The financial information mentioned above is based on the audited standalone financial statements of the Acquirer since incorporation.

Note 3: The financial statements of the Acquirer are prepared under Companies Act (Singapore) and financial reporting standards in Singapore.

- The Acquirer does not have any major contingent liabilities as on December 31, 2019.

B. PAC

- The PAC is Brookfield Business Partners L.P., an exempted limited partnership incorporated under the laws of Bermuda (Company Registration Number: 51099) on January 18, 2016. The partnership deed of Brookfield Business Partners L.P. was amended as on June 16, 2016. The name of the PAC has not changed since its inception.

2. The PAC has its registered office / permanent address at 73 Front Street, 5th Floor, Hamilton, HM 12, Bermuda.
3. The business activity of the PAC is to act as an investment holding company.
4. The PAC belongs to the Brookfield Group. The PAC indirectly holds stake in the Acquirer. The PAC is ultimately controlled by Brookfield Asset Management Inc. Brookfield Asset Management Inc. is traded on the New York Stock Exchange and the Toronto Stock Exchange. No individual investors / natural persons own 10% or more of Brookfield Asset Management Inc.
5. The PAC is listed on the Toronto Stock Exchange and the New York Stock Exchange. The PAC is not listed in India. As on December 31, 2019, Brookfield Asset Management Inc. ultimately owns 62.7% (sixty two decimal seven percent) of the PAC on a fully-diluted basis. No other shareholders own more than 5% of the PAC on a fully-diluted basis.
6. As of the date of this DLoF, the PAC, its directors and key employees do not have any interest in the Target Company, except for any indirect interest by way of the transactions contemplated by the Acquirer in the SPA, SSA, and the SHA, as detailed in Part II (Background to the Offer), that have triggered this Open Offer.
7. As of the date of this DLoF, the PAC has not been prohibited by SEBI from dealing in securities in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
8. The details of the board of directors of the PAC, as on the date of this Draft Letter of Offer, are as follows:

Details	Qualifications and Experience
<p>Name: Jeffrey Blidner</p> <p>DIN: NA</p> <p>Date of appointment: June 16, 2016</p> <p>Designation: Chair of the Board</p>	<p>Jeffrey Blidner received an undergraduate degree from the University of Western Ontario and a graduate degree from Osgoode Hall Law School</p> <p>Jeffrey Blidner is Senior Managing Partner of Brookfield Asset Management responsible for strategic planning as well as fundraising. Mr. Blidner is the Chief Executive Officer of Brookfield's Private Funds Group. He is chairman and a director of Brookfield Renewable Energy Partners LP, and a director of Brookfield Asset Management, Brookfield Property Partners LP, Brookfield Infrastructure Partners LP and Rouse Properties Inc. Prior to joining Brookfield in 2000, Mr. Blidner was a Senior Partner of a Canadian law firm.</p>
<p>Name: David Court</p> <p>DIN: NA</p> <p>Date of appointment: February 08, 2018</p> <p>Designation: Director</p>	<p>Mr. Court holds a BCom from Queen's University and an MBA from Harvard Business School where he was a Baker Scholar.</p> <p>David Court is a Director Emeritus at McKinsey & Company. Mr. Court was previously McKinsey's Global Director of Technology, Digitization and Communications, led McKinsey's global practice in harnessing digital data and advanced analytics from 2011 to 2015, and was a member of the firm's Board of Directors and its Global Operating Committee. Mr. Court is a director of Canadian Tire Corporation and a member of the National Geographic International Council of Advisors and the Advisory Board for both the Queen's University Business School and its Analytics Program.</p>

Details	Qualifications and Experience
<p>Name: Anthony Gardner</p> <p>DIN: NA</p> <p>Date of appointment: August 03, 2017</p> <p>Designation: Director</p>	<p>Mr. Gardner holds a BA in Government from Harvard University, an MPhil in International Relations from Oxford University, a JD from Columbia Law School, and a Masters in Finance from London Business School.</p> <p>Anthony Gardner served as U.S. Ambassador to the European Union from 2014 to 2017. Prior to his appointment, Mr. Gardner was Managing Director for six years at Palamon Capital Partners, a private equity firm based in London. Previously, Mr. Gardner served as an Executive Director in the leveraged finance departments of Bank of America and GE Capital and as a Director in the international acquisitions group of GE International. He has also worked at international law firms in London, Paris, New York, and Brussels.</p>
<p>Name: Stephen Girsky</p> <p>DIN: NA</p> <p>Date of appointment: June 16, 2016</p> <p>Designation: Director</p>	<p>Mr. Girsky received an MBA from Harvard Business School</p> <p>Stephen Girsky is President of S. J. Girsky & Co, an independent advisory firm based in New York, and a Managing Partner of VectoIQ, a leading developer of innovative products and services for the next generation of smart transportation. Mr. Girsky has been a Senior Advisor to General Motors Company since January 2014, and from March 2010 to January 2014, he served as GM Vice Chairman. Mr. Girsky currently serves as a director at US Steel. Mr. Girsky consulted for Brookfield on its acquisition of Clarios, a leading automotive battery company, and serves on the Board and is Chair of the Risk Management Committee for Clarios. In total, Mr. Girsky has more than 25 years of automotive experience, including serving as President of Centerbridge Industrial Partners, as a Managing Director at Morgan Stanley and as Senior Analyst of the Morgan Stanley Global Automotive and Auto Parts Research Team.</p>
<p>Name: David Hamill</p> <p>DIN: NA</p> <p>Date of appointment: June 16, 2016</p> <p>Designation: Director</p>	<p>Dr. Hamill holds a Bachelor of Arts (Honours) from the University of Queensland, a Master of Arts from Oxford University and a Doctorate of Philosophy from University of Queensland. He is a fellow of the Chartered Institute of Transport and the Australian Institute of Company Directors.</p> <p>David Hamill is a professional director and was Treasurer of the State of Queensland in Australia from 1998 to 2001, Minister for Education from 1995 to 1996. Dr. Hamill was Minister for Transport and Minister Assisting the Premier on Economic and Trade Development from 1989 to 1995. Dr. Hamill retired from the Queensland Parliament in February 2001</p>
<p>Name: John Lacey</p> <p>DIN: NA</p> <p>Date of appointment: June 16, 2016</p> <p>Designation: Director</p>	<p>John Lacey received an undergraduate degree from Harvard Business School</p> <p>John Lacey is the Chairman of Doncaster Consolidated Ltd. and a director of Whittington Investments Ltd. Mr. Lacey also serves as a consultant to the Chairman of the Board of George Weston Ltd., a Canadian food processing and distribution company, and Loblaw Companies Limited, a Canadian food retailer. Mr. Lacey was previously the Chairman of the board of directors of Alderwoods Group, Inc., an organization operating funeral cemeteries within North America, until 2006. He is the former President and Chief Executive Officer of The</p>

Details	Qualifications and Experience
	Oshawa Group (now part of Sobeys) and a former director of Loblaw Companies and TELUS Corporation.
Name: Don Mackenzie DIN: NA Date of appointment: June 16, 2016 Designation: Director	Don has a Bachelor of Economics from Queens University and an MBA from Schulich School of Business of York University. Don Mackenzie is Chairman and owner of New Venture Holdings, a well-established privately owned holding company with operating company and real estate investments. Current investments include Trunomi (a global privacy solutions provider) and Helix IT (a Canadian technology integrator).
Name: Trish Zuccotti DIN: NA Date of appointment: June 16, 2016 Designation: Director	Ms. Zuccotti is a Certified Public Accountant and received her Master's in Business Administration, majoring in accounting and finance, from the University of Washington and a Bachelor of Arts, majoring in political science, from Trinity College Trish Zuccotti is Director of Brookfield Renewable Partners L.P. and served as Senior Vice President, Chief Accounting Officer and Controller of Expedia, Inc. from October 2005 to September 2011. Prior to joining Expedia, Ms. Zuccotti was the Director, Enterprise Risk Services of Deloitte & Touche LLP from June 2003 until October 2005.

9. As of the date of this Draft Letter of Offer, none of the directors of the PAC are directors on the Board of the Target Company.
10. The key financial information of the PAC is below. This is based on its audited consolidated financial statements, as at and for the financial years ended December 31, 2018, December 31, 2017 and December 31, 2016 audited by Deloitte LLP (Canada), the statutory auditors of the PAC, and the unaudited consolidated limited review financials as at and for the nine month period ended September 30, 2019 are as follows:

Statement of Comprehensive Income

(In millions)

Particulars	As at and for financial year ended December 31, 2016		As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for nine month period ended September 30, 2019	
	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)
Income from operations	7,960	568,959	22,823	1,631,324	37,168	2,656,665	31,712	2,266,685
Other Income ⁽¹⁾	125	8,935	336	24,016	510	36,453	598	42,743
Total Income	8,085	577,893	23,159	1,655,340	37,678	2,693,118	32,310	2,309,428
Total Expenditure ⁽²⁾	(7,927)	(566,600)	(22,363)	(1,598,445)	(35,131)	(2,511,066)	(29,640)	(2,118,584)
Profit Before Depreciation Interest and Tax	158	11,293	796	56,896	2,547	182,052	2,670	190,844
Depreciation and Amortization	(286)	(20,442)	(371)	(26,518)	(748)	(53,465)	(1,286)	(91,920)

Interest income / (expense), net	(90)	(6,433)	(202)	(14,438)	(498)	(35,596)	(886)	(63,329)
Profit/(Loss) Before Tax	(218)	(15,582)	223	15,939	1,301	92,992	498	35,596
Provision for Tax ⁽³⁾	16	1,144	(8)	(572)	(98)	(7,005)	(151)	(10,793)
Profit/(Loss) After Tax	(202)	(14,438)	215	15,368	1,203	85,987	347	24,803

Note: Since the financial statements of the PAC have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 71.4772 as on January 30, 2020, the date preceding the PA date (Source: FBIL reference rate).

⁽¹⁾ Other Income includes Net gain (loss) on acquisitions/dispositions and Net equity accounted income.

⁽²⁾ Total Expenditure includes Direct Operating Costs, General and administrative expenses, Net impairment expense and Net other (expense) income.

⁽³⁾ Provision for Tax includes Current income tax (expense) recovery and Deferred income tax recovery (expense)

Balance Sheet Statement

(In millions)

Particulars	As at and for financial year ended December 31, 2016		As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for nine month period ended September 30, 2019	
	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)
Sources of funds								
Limited partners	1,206	86,202	1,585	113,291	1,548	110,647	2,151	153,747
Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.; and Interest of others in operating subsidiaries	2,832	202,423	4,479	320,146	4,946	353,526	7,273	519,854
Networth	4,038	288,625	6,064	433,438	6,494	464,173	9,424	673,601
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	1,551	110,861	3,265	233,373	10,866	776,671	21,965	1,569,997
Other liabilities ⁽¹⁾	2,604	186,127	6,475	462,815	9,958	711,770	16,459	1,176,443
Total	8,193	585,613	15,804	1,129,626	27,318	1,952,614	47,848	3,420,041
Uses of funds								
Net fixed assets ⁽²⁾	3,619	258,676	7,178	513,063	14,881	1,063,652	30,494	2,179,626
Investments ⁽³⁾	969	69,261	1,407	100,568	1,973	141,025	2,967	212,073
Other assets ⁽⁴⁾	3,605	257,675	7,219	515,994	10,464	747,937	14,387	1,028,342
Total miscellaneous expenditure not written off	-	-	-	-	-	-	-	-
Total	8,193	585,613	15,804	1,129,626	27,318	1,952,614	47,848	3,420,041

Notes:

⁽¹⁾ Other liabilities includes current liabilities, deferred income tax liabilities and liabilities associated with assets for sale

⁽²⁾ Net fixed assets includes Property, plant and equipment, Intangible assets and Goodwill

⁽³⁾ Investments includes Financial assets, Assets held for sale and Equity accounted investments

⁽⁴⁾ Other assets include Cash and cash equivalents, Net accounts receivable, Inventory and other assets and Deferred income tax assets

Note: Since the financial statements of the PAC have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 71.4772 as on January 30, 2020, the date preceding the PA date (Source: FBIL reference rate).

Other financial data

(In units)

Particulars	As at and for financial year ended December 31, 2016		As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for nine month period ended September 30, 2019	
	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)
Dividend (%) ⁽¹⁾	(31%)	(31%)	239%	239%	196%	196%	259%	259%
Basic and diluted earnings (loss) per limited partner unit ^{(2) (3)}	0.06	4	(1.04)	(74)	1.11	79	1.41	101

Notes:

⁽¹⁾ Represents distributions to limited partners and Redemption-Exchange Unitholders, Special Limited Partners, others who have interests in operating subsidiaries and Brookfield Asset Management Inc.

⁽²⁾ Average number of partnership units outstanding on a fully diluted time weighted average basis, assuming the exchange of redemption exchange units held by Brookfield Asset Management Inc. for limited partnership units, for the three months ended December 31, 2018 was 129.3 million and for the three months ended December 31, 2017 was 129.0 million.

⁽³⁾ Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions paid to special limited partnership unitholders during the period.

Note: Since the financial statements of the PAC have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 71.4772 as on January 30, 2020, the date preceding the PA date (Source: FBIL reference rate).

Note: The financial statements of the PAC are prepared in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB).

11. The closing market price of the PAC's shares as on January 30, 2020 is USD 42.34 per share on The New York Stock Exchange. The PAC is in compliance with applicable corporate governance requirements as per Bermuda law. The Corporate Secretary / Compliance Officer of the PAC is Jane Sheere and her business address is Brookfield Business Partners L.P., 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.
12. The major contingent liabilities of the PAC, as mentioned in its unaudited consolidated limited review financial statements as of and for nine months ended September 30, 2019, are as follows:

In the normal course of operations, the PAC’s operating subsidiaries have bank guarantees, insurance bonds and letters of credit outstanding to third parties. As at September 30, 2019, the total outstanding amount was approximately USD1.9 billion. If these letters of credit or bonds are drawn upon, the operating subsidiaries will be obligated to reimburse the issuer of the letter of credit or bonds. The partnership does not conduct its operations, other than those of equity accounted investments, through entities that are not consolidated in the financial statements, and has not guaranteed or otherwise contractually committed to support any material financial obligations not reflected in the financial statements.

The PAC’s construction services business and other operations are called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of controlled entities, associates and related parties of their contractual obligations. Any known losses have been brought into account.

In the normal course of operations, the PAC executes agreements that provide indemnification and guarantees to third parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. The PAC has also agreed to indemnify its directors and a certain number of its officers and employees. The nature of substantially all of the indemnification undertakings prevents the PAC from making a reasonable estimate of the maximum potential amount that could be required to pay third parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the PAC has made no significant payments under such indemnification agreements. In addition, the PAC have also entered into indemnity agreements with Brookfield that relate to certain projects in the Middle East region that were in place or contemplated prior to the spin-off. Under these indemnity agreements, Brookfield Asset Management Inc. (“**Brookfield**”) has agreed to indemnify the PAC or pre-fund, as appropriate, for the receipt of payments relating to such projects.

From time to time, the PAC may be contingently liable with respect to litigation and other claims that arise in the normal course of operations. On July 3, 2017, a customer called on the performance and advance payment bank guarantee associated with a project in the Middle East for an amount of approximately USD32 million. Management successfully contested the claim, which was upheld in local courts. On February 22, 2018, the customer’s appeal of the court’s ruling resulted in the bank guarantee being paid due to the structural form of the guarantee. Management continues to counterclaim through local courts for monies owed to us and not paid under this project, and any loss amount associated with this project cannot be measured and is not probable at this

Financial Instruments — Foreign Currency Hedging Strategy

To the extent that it is economical to do so, the PAC’s strategy is to hedge a portion of its equity investments and/or cash flows exposed to foreign currencies. The PAC’s foreign currency hedging strategy includes leveraging any natural hedges that may exist within the operations, utilizing local currency debt financing to the extent possible, and utilizing derivative contracts to the extent that natural hedges are insufficient.

The following table presents the PAC’s hedged position in foreign currencies as at September 30, 2019:

Net Investment Hedges							
(USD millions)	USD	CAD	AUD	BRL	GBP	EUR	Other
Net Equity	USD 2,259	USD 455	USD 246	USD 428	USD 171	USD 61	USD 234
FX Contracts – USD	839	(450)	(163)	(48)	(33)	(109)	(36)

As at September 30, 2019, the PAC had hedges in place equal to approximately 53% of its net equity investment in foreign currencies. For the three months ended September 30, 2019, the PAC recorded pre-tax net gain of USD152 million in other comprehensive income, related to these contracts.

Contractual Obligations

An integral part of the PAC's strategy is to participate with institutional investors in Brookfield-sponsored private equity funds that target acquisitions that suit Brookfield private equity's profile. In the normal course of business, the PAC has made commitments to Brookfield-sponsored private equity funds to participate in these target acquisitions in the future, if and when identified.

In the ordinary course of business, the PAC enter into contractual arrangements that may require future cash payments. The table below outlines the PAC's contractual obligations as at September 30, 2019:

Payments as at September 30, 2019					
(USD millions)	Total	Less than One Year	One-Two Years	Three-Five Years	Thereafter
Borrowings	22,480	1,642	1,143	4,398	15,297
Lease liabilities	1,253	220	142	344	547
Interest expense	5,642	986	932	2,510	1,214
Decommissioning liabilities	1,191	5	3	45	1,138
Pension obligations	1,109	103	107	347	552
Obligations under agreements	1,012	692	152	63	105
Total	32,687	3,648	2,479	7,707	18,853

III. DETAILS OF THE SELLER

The details of Indostar Capital the Seller under the SPA, are as follows:

1. ICM is a private company limited by shares, incorporated under the laws of Mauritius. The name of ICM has not changed since its inception.
2. ICM has its registered office at 3rd Floor, Standard Chartered Tower, Bank Street, 19, Cybercity, Ebene 72201, Mauritius.
3. ICM is the promoter of the Target Company and has been named as a promoter in the shareholding pattern filed by the Target Company with the Stock Exchanges for the quarter ended on December 31, 2019, along with other members of the promoter group.
4. ICM is a part of the Everstone group.
5. Neither ICM nor any securities issued by it are listed on any stock exchange in India or offshore.
6. ICM's shareholding in the Target Company prior to the Underlying Transactions is 52,594,228 Equity Shares, representing 57.00% (Fifty Seven Percent) of the existing paid up equity share capital of the Target Company.
7. As of the date of this DLoF, ICM has not been prohibited by SEBI from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

IV. BACKGROUND OF THE TARGET COMPANY

1. IndoStar Capital Finance Limited is a public listed company having corporate identification number L65100MH2009PLC268160. The name of the Target Company was changed from "R V Vyapaar Private Limited" to "IndoStar Capital Finance Private Limited", by way of fresh certificate of incorporation issued on November 15, 2010, and was further changed to its present name, by way of fresh certificate of incorporation issued on May 28, 2014, upon conversion into a public limited company. There has been no change in the name of the Target Company in the last three

years.

2. The Target Company has its registered office at One Indiabulls Center, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai 400013, Maharashtra, India.
3. The Equity Shares of the Target Company are listed on the BSE Limited (“BSE”) (Scrip Code: 541336) and the National Stock Exchange of India Limited (“NSE”) (Symbol: INDOSTAR). The ISIN of the Target Company is INE896L01010. The Target Company was listed on BSE and NSE on May 21, 2018.
4. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
5. As of the date of this DLoF, the authorized share capital of the Target Company is INR 1,100,000,000 (Indian Rupees one billion and hundred million only) divided into 110,000,000 (One hundred and ten million) Equity Shares of face value of INR 10 (Indian Rupees Ten Only) each.
6. As of the date of this DLoF, the subscribed and fully paid-up equity share capital of the Target Company is INR 922,674,150 (Indian Rupees nine hundred twenty two million six hundred seventy four thousand one hundred and fifty only) comprising 92,267,415 (ninety two million two hundred sixty seven thousand four hundred and fifteen) Equity Shares.
7. The Target Company does not have partly paid-up equity shares. As on December 31, 2019, there were 8,550,477 (eight million five hundred and fifty thousand four hundred and seventy seven) outstanding employee stock options granted to employees of the Target Company and its subsidiary. The Expanded Voting Share Capital of the Target Company is as follows:

Particulars	No. of shares / voting rights	% of Expanded Voting Share Capital
Existing Share Capital	92,267,415	64.50%
Subscription Securities (including Equity Shares allotted under conversion of CCPS)	42,241,380	29.53%
Employee Stock Options	8,550,477	5.98%
Expanded Voting Share Capital	143,059,272	100.00%

8. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
9. The trading of the Equity Shares of the Target Company is not currently suspended on the Stock Exchanges.
10. 18,933,639 Equity Shares of the Target Company held by the Seller are locked in from 17 May 2018 till 16 May 2021 in accordance with the SEBI (ICDR) Regulations. Other than as stated herein, there are no other locked-in shares of the Target Company.
11. The details of the board of directors of the Target Company as on the date of this Draft Letter of Offer, are as follows:

Name of Director	Director Identification Number (DIN)	Designation	Date of appointment
Mr. Dhanpal Jhaveri	02018124	Chairman & Non-Executive Director	September 2, 2010

Name of Director	Director Identification Number (DIN)	Designation	Date of appointment
Mr. R. Sridhar	00136697	Executive Vice-Chairman & CEO	April 18, 2017
Mr. Alok Oberoi	01779655	Non-Executive Director	April 28, 2011
Mr. Shailesh Shirali	06525626	Whole-Time Director	June 26, 2019
Mr. Bobby Parikh	00019437	Non-Executive Independent Director	March 5, 2015
Mr. Dinesh Kumar Mehrotra	00142711	Non-Executive Independent Director	February 5, 2018
Mr. Hemant Kaul	00551588	Non-Executive Independent Director	February 5, 2018
Ms. Naina Krishna Murthy	01216114	Non-Executive Independent Director	February 5, 2018

12. The Target Company has not been party to any scheme of amalgamation, restructuring, merger / demerger and spin off during the last three years.
13. The key financial information of the Target Company, as submitted by the Target Company to the Stock Exchanges and based on its audited consolidated financial statements, which has been audited by the Target Company's Statutory Auditor S. R. Batliboi & Co. LLP, as at and for the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 and the interim unaudited consolidated financial results, which have been subjected to limited review by the Target Company's Statutory Auditor, S. R. Batliboi & Co. LLP, as at and for the 6 (six) month period ended on September 30, 2019, are as follows:

(In INR lakhs)

Profit & Loss Statement	For the year ended and as of March 31, 2017 (Indian GAAP) (Audited)	For the year ended and as of March 31, 2018 (Indian GAAP) (Audited)	For the year ended and as of March 31, 2019 (Ind-AS) (Audited)	For the six month period ended and as at September 30, 2019 (Ind-AS) (Unaudited Limited reviewed)
Income from operations	71,930	82,201	1,20,563	84,298
Other Income	61	1,196	-	-
Total Income	71,992	83,398	1,20,563	84,298
Total Expenditure (excluding Depreciation and Interest)	8,315	15,515	24,465	27,157
Profit Before Depreciation, Interest and Tax	63,677	67,883	96,098	57,141
Depreciation & Amortization	188	471	1,823	1,454
Interest	31,185	32,443	56,359	43,088
Profit before tax	32,304	34,969	37,915	12,599
Provision for tax	11,224	12,532	13,836	2,949
Profit after tax	21,080	22,437	24,079	9,650

(In INR lakhs)

Balance Sheet	For the year ended and as of March 31, 2017 (Indian GAAP) (Audited)	For the year ended and as of March 31, 2018 (Indian GAAP) (Audited)	For the year ended and as of March 31, 2019 (Ind-AS) (Audited)	For the six month period ended and as at September 30, 2019 (Ind-AS)*
<i>Sources of funds</i>				
Paid up share capital	7,836	7,868	9,226	9,227
Reserves and Surplus (excluding revaluation reserves)	1,82,439	2,05,845	2,91,403	300,997
Net worth	1,90,275	2,13,713	3,00,628	310,223
Secured loans	2,00,536	2,50,692	6,60,909	700,287
Unsecured loans	69,180	1,34,811	2,32,665	62,171
Total Borrowings	2,69,716	3,85,503	8,93,574	762,459
Other Liabilities	88,885	1,30,420	35,814	21,424
Total Sources of Funds	5,48,877	7,29,635	12,30,015	1,094,106
<i>Uses of funds</i>				
Loans	5,16,063	6,04,033	10,36,367	905,902
Net fixed assets	880	6,415	37,040	38,767
Investments	18,697	98,909	30,086	47,657
Other assets	13,237	20,278	1,26,523	101,781
Total miscellaneous expenditure not written off	-	-	-	-
Total Application of Funds	5,48,877	7,29,635	12,30,015	1,094,106

* As disclosed by the Target Company to the Stock Exchanges in accordance with Regulation 33 of the SEBI (LODR) Regulations

(In INR lakhs, except per share data and %s)

Other financial data	For the year ended and as of March 31, 2017 (Indian GAAP) (Audited)	For the year ended and as of March 31, 2018 (Indian GAAP) (Audited)	For the year ended and as of March 31, 2019 (Ind-AS) (Audited)	For the six month period ended and as at September 30, 2019 (Ind-AS) (Unaudited Limited reviewed)⁽²⁾
Dividend (%)	NA	NA	20%	10%*
Earnings Per Share (Basic)	28.69	28.53	26.63	10.46
Earnings Per Share (Diluted)	26.31	25.74	26.07	10.31
Return on Net worth (%) ⁽¹⁾	11.1%	10.5%	8.0%	3.1%*
Book Value Per Share	242.82	271.63	325.86	336.22*

⁽¹⁾ Return on Net worth (%) is calculated as Profit after tax / Net worth

⁽²⁾ Earnings Per Share and Return on Net worth (%) are not annualized

* Certified

14. Shareholding pattern of the Target Company pre and post Offer is provided below:

Shareholders' category	Shareholding & voting rights prior to agreement / acquisition and Offer (A)		Shareholding & voting rights to be acquired which triggered the SEBI (SAST) Regulations (B)		Shares / voting rights to be acquired in the Offer (assuming full acceptance) (C)		Shareholding / voting rights after the acquisition and Offer	
	No.	% ⁽⁴⁾	No.	% ⁽⁵⁾	No.	% ⁽⁵⁾	No.	% ⁽⁵⁾
(1) Promoter group								
(a) Parties to the agreement								
(i) ICM	52,594,228	52.17%	(5,000,000)	(3.50)%	-	-	47,594,228	33.27%
(b) Promoters other than (a) above	3,448,005	3.42%	-	-	-	-	3,448,005	2.41%
Total 1(a+b)	56,042,233	55.59%	(5,000,000)	(3.50)%	-	-	51,042,233	35.68%
(2) Acquirer and PAC								
(a) BCP V Multiple Holdings Pte. Ltd. (Acquirer)	-	-	47,241,380	33.02%	37,195,411	26.00%	84,436,791	59.02%
(b) Brookfield Business Partners L.P. (PAC)	-	-	-	-	-	-	-	-
Total 2(a+b)	-	-	47,241,380	33.02%	37,195,411	26.00%	84,436,791	59.02%
(3) Parties to the agreement other than 1(a) and 2	-	-	-	-	-	-	-	-
(4) Public shareholders (other than parties to agreement, Acquirer and PAC)⁽¹⁾								
(a) Institutions ⁽²⁾	22,623,048	22.44%	-	-	-	-	Will depend upon response from each category	
(b) Others (assuming conversion of outstanding ESOPs) ⁽³⁾	22,152,611	21.97%	-	-	-	-		
Total 4(a+b)	44,775,659	44.41%	-	-	-	-	7,580,248	5.30%
Grand total (1+2+3+4)	100,817,892	100.00%	42,241,380	29.53%	37,195,411	26.00%	143,059,272	100.00%

Notes:

- (1) Number of Shareholders under Public category as on December 31, 2019 is 101,623 (Source: www.bseindia.com)
- (2) Includes Mutual Funds, Financial Institutions / Banks, Insurance Companies, Foreign Portfolio Investors and Alternative Investment Funds as of December 31, 2019 (Source: www.bseindia.com)
- (3) Includes Bodies Corporate, Non-resident Indians, Trusts, Foreign Companies, HUF, Clearing Members, and Individuals as of December 31, 2019 (Source: www.bseindia.com)
- (4) %s calculated assuming conversion of all the 8,550,477 employee stock options outstanding, as on December 31, 2019
- (5) %s calculated on the Expanded Voting Share Capital

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

1. All the Equity Shares of the Target Company are listed on the Stock Exchanges.
2. The trading turnover of the Equity Shares on the Stock Exchanges from January 2019 to December 2019, both months included (“**Relevant Period**”) (12 (twelve) calendar months preceding the calendar month in which the PA is made) is set forth below:

Stock Exchange	No. of Equity Shares of the Target Company traded during the Relevant Period (A)	Total No. of Equity Shares of the Target Company during the Relevant Period (B)*	Traded turnover percentage (A/B)
BSE	2,666,345	92,261,360	2.89%
NSE	13,201,988	92,261,360	14.31%

* Note: The total number of Equity Shares of the Target Company during the Relevant Period, has been calculated as the weighted average of the total number of Equity Shares, since the share capital of the Target Company has changed during the Relevant Period.

Based on the above, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, and the certificate dated January 31, 2020 issued by M/s. SSPA & Co., Chartered Accountants (Firm Registration No. 128851W), the Equity Shares of the Target Company are frequently traded.

3. The Offer Price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of:

a.	The highest negotiated price per Equity Share of the Target Company for any acquisition under the agreements attracting the obligation to make a public announcement of this Open Offer.	INR 290.00
b.	The volume-weighted average price paid or payable for acquisitions, by the Acquirer and / or the PAC, during the 52 (fifty two) weeks immediately preceding the date of the Public Announcement.	N.A.
c.	The highest price paid or payable for any acquisition, by the Acquirer and / or the PAC, during the 26 (twenty six) weeks immediately preceding the date of the Public Announcement.	N.A.
d.	The volume-weighted average market price of the Equity Shares, for a period of 60 (sixty) trading days immediately preceding the date of the Public Announcement as traded on the NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company has been recorded during such period, and such shares are frequently traded.	INR 211.26
e.	Where the shares are not frequently traded, the price determined by the Acquirer, the PAC and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	N.A.
f.	The per equity share value computed under regulation 8(5), if applicable	N.A.#

#Not applicable since this is not an indirect acquisition.

4. In view of the parameters considered and presented in the table in paragraph 3 above, the Offer Price under Regulation 8(2) of the SEBI (SAST) Regulations is INR 290 per Equity Share, and the same has been certified by M/s. SSPA & Co., Chartered Accountants (Firm Registration No. 128851W), vide their certificate dated January 31, 2020. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
5. Since the date of the PA, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus issues, rights issues, stock splits, etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of Tendering Period.

6. As on date of this Draft Letter of Offer, there is no revision in Offer Price or Offer Size. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PAC, at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, (i) the Acquirer shall make corresponding increases to the escrow amounts and / or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
7. In the event of acquisition of the Equity Shares by the Acquirer and / or the PAC, during the Open Offer period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts and / or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer and / or the PAC shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 1 (One) working day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
8. If the Acquirer or the PAC acquires Equity Shares of the Target Company during the period of 26 (Twenty Six) weeks after the Tendering Period at a price higher than the Offer Price per equity share, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

B. Financial Arrangements

1. The total funding requirement for this Offer is INR 10,786,669,190 (Indian Rupees ten billion seven hundred eighty six million six hundred sixty nine thousand one hundred and ninety only) assuming full acceptance of this Offer i.e. the Maximum Open Offer Consideration.
2. The Acquirer has confirmed that it has made firm financial arrangements for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer. The Acquirer has received an equity commitment letter from the PAC stating that necessary funds required for the Open Offer and the Underlying Transactions will be provided by the PAC or any of its affiliates to fulfil the financial arrangements in connection with the Open Offer, and the PAC has access to undrawn credit facilities from banks for this purpose. The source of funds is foreign funds.
3. In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and HDFC Bank Limited (*the Open Offer Escrow Agent*), having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West) Mumbai, 400 013 and acting through its Mumbai branch at Fort, Mumbai – 400 001, have entered into an escrow agreement dated January 31, 2020 (*the Open Offer Escrow Agreement*). Pursuant to the Open Offer Escrow Agreement, the Acquirer has opened an escrow account under the name and title of “ICFL Open Offer Escrow Account” bearing account number 57500000243104 (*the Open Offer Escrow Account*) with the Open Offer Escrow Agent and has made a cash deposit of INR 120,000,000 (Indian Rupees one hundred and twenty million only) in the Open Offer Escrow Account in accordance with the Regulation 17(5) of the SEBI (SAST) Regulations. This cash deposit is in excess of 1% of the Maximum Open Offer Consideration, and has been confirmed vide a

confirmation letter dated February 03, 2020 issued by the Open Offer Escrow Agent. The Manager to the Offer has been solely authorised by the Acquirer to operate and realise the monies lying to the credit of the Open Offer Escrow Account, in terms of the SEBI (SAST) Regulations.

4. The Acquirer has also furnished an unconditional, irrevocable, and on demand bank guarantee dated February 01, 2020, having bank guarantee number OGT0005200040526 for an amount of INR 1,920,000,000 (Indian Rupees one billion and nine hundred twenty million only) from IndusInd Bank Limited (*the Bank Guarantee*), in favour of the Manager to the Offer. The Bank Guarantee is valid up to July 29, 2020. The Manager to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer and the PAC undertake that in case the Open Offer is not completed within the validity of the Bank Guarantee, then the Bank Guarantee will be further extended at least up to the 30th day from the date of completion of payment of the shares validly tendered in the Open Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, the PAC or the Target Company.
5. M/s. SSPA & Co., Chartered Accountants with Firm Registration No. 128851W having its office at 1st Floor, “Arjun”, Plot No. 6 A, V. P. Road, Andheri (W), Mumbai – 400 058, India (Telephone Number: +91 22 2670 4376 / + 91 22 2670 3682), by its certificate dated January 31, 2020, has certified that the Acquirer and the PAC, have made firm financial arrangements to meet its financial obligations under the Open Offer.
6. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PAC to fulfil their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
7. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Open Offer Escrow Account and / or the amount of the Bank Guarantee, shall be increased by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. TERMS AND CONDITIONS OF THE OFFER

A. Operational Terms and Conditions

1. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on Monday, March 30, 2020 and close on Thursday, April 16, 2020.
2. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
3. The locked-in Equity Shares, if any, may be transferred to the Acquirer subject to the continuation of the residual lock -in period in the hands of the Acquirer, as may be permitted under applicable law. It is the sole responsibility of the Public Shareholder tendering their Equity Shares, to ensure that the locked-in Equity Shares are free from lock-in before such transfer to Acquirer. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.
4. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
5. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
6. The Identified Date for this Offer as per the schedule of activities is March 13, 2020.
7. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
8. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
9. Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.
10. All the Equity Shares validly tendered under this Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer.

B. Eligibility for accepting the Offer

1. The Draft Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of the Target Company on the Identified Date.
2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer (subject to Section V (*Terms and Conditions of the Offer*) below).
3. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI's website.
4. The acceptance of this Offer by Public Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

5. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
6. None of the Acquirer, the PAC, the Manager or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
7. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.
8. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PAC, at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts and/or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer will pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Draft Letter of Offer.
9. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.
10. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations, and SEBI PR 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. April 1, 2019. Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer can do so only after the Equity Shares are dematerialized. Such Public Shareholders are advised to approach any depository participant to have their equity shares dematerialized.

C. Statutory and Other approvals

1. To the best of the knowledge of the Acquirer and the PAC, the regulatory / statutory approvals required to complete the Underlying Transactions and the Open Offer as on the date of this DLoF are (collectively, the “**Requisite Regulatory Approvals**”):
 - Approval of the Competition Commission of India for the consummation of the Underlying Transactions and the Open Offer;
 - Approval from the Reserve Bank of India (RBI) for the Underlying Transactions and the Open Offer, followed by the expiry of 30 (thirty) calendar days from the date of issuance of a public notice issued pursuant to the aforesaid approval (unless waived by Department of Supervision, RBI) and no objection having been received or any objection if received, such objection being duly resolved;
 - Approval from the National Housing Board (“**NHB**”) or the RBI (as required under applicable law on the date of receipt of such approval) for indirect change in control of IndoStar Home Finance Private Limited (“**IHFPL**”), a wholly owned subsidiary of the Target Company, followed by the expiry of 30 (thirty) calendar days from the date of issuance of a public notice issued pursuant to the aforesaid approval (unless waived by NHB/RBI (whichever is the relevant authority as on such date)) and no objection having been received or any objection if received, such objection being duly resolved; and
 - In-principle approval from the Stock Exchanges for the issue and allotment of the Subscription Securities

The Target Company and IHFPL have made applications to the Reserve Bank of India (RBI) and the National Housing Board (NHB), respectively, to obtain their approval as mentioned above, on

February 11, 2020. The Target Company shall also apply for the in-principle approval of the Stock Exchanges for the issue and allotment of the Subscription Securities. The Acquirer shall be making an application to the Competition Commission of India for its approval for the consummation of the Underlying Transactions and the Open Offer.

2. Except as mentioned above, as on the date of this DLoF, to the best knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and / or the PAC, to complete the Underlying Transactions and this Open Offer. However, in case of any further statutory approvals being required by the Acquirer and / or the PAC at a later date, this Open Offer shall be subject to such approvals and the Acquirer and / or the PAC shall make the necessary applications for such approvals.
3. In case of delay / non receipt of any statutory approvals which may be required by the Acquirer or the PAC, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders of the Target Company (who validly tender their shares in the Open Offer) at such rate as may be specified by SEBI. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer shall have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Open Offer.
4. If Public Shareholders who are not persons resident in India (including NRI, OCB and FIIs/ FPIs) had required any approvals (including from the RBI, or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve their right to reject such Equity Shares tendered in this Open Offer.
5. The Acquirer and the PAC will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals whether relating to the acquisition under the Underlying Transactions or this Open Offer are not received or are refused for any reason, or if the conditions precedent as specified in the SSA, SPA and the SHA, are not satisfied, for reasons outside the reasonable control of the Acquirer and the PAC. In the event of withdrawal of this Open Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. The Acquirer is not a person resident in India under applicable foreign exchange control regulations in India. If the Acquirer does not have control over the Target Company at the time of acquiring the Equity Shares tendered by the Public Shareholders under the Offer (“Offer Shares”), the Acquirer will not be permitted to acquire the Equity Shares of the Target Company on the floor of the recognized stock exchanges in India, as per applicable foreign exchange control regulations in India. Therefore, the Acquirer will acquire the Offer Shares in accordance with the ‘tender offer method’ prescribed by SEBI, in accordance with paragraph (c) of the SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended by SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
2. The eligible Public Shareholders of the Target Company, who wish to avail of and accept the Offer, can deliver duly filled and signed Form of Acceptance-cum-Acknowledgement along with all the relevant documents at the collection centers mentioned below in accordance with the procedure as set out in the Draft Letter of Offer between opening of the Tendering Period (i.e. Monday, March 30, 2020) and before the closure of Tendering Period (i.e., on or before Thursday, April 16, 2020).

No	City	Contact person	Address	Tel. No.	Fax No.	E-mail id	Mode of delivery
1.	Mumbai	Sumeet Deshpande	Link Intime India Pvt Limited, C- 101, 247 park, 1 st floor, L.B.S. Marg, Vikhroli west, Mumbai – 400083	022-49186200	022-49186195	indostar.offer@linkintime.co.in	Hand Delivery / Courier / Registered Post
2.	Ahmedabad	Chandrasekher	Link Intime India Pvt Limited, 5th Floor, 506-508, Amarnath Business centre -1 (ABC -1) Beside Gala Business Centre , Near ST. Xavier's College Corner , Off C G Road , Ellis bridge , Ahmedabad - 380006	079-26465179	-	indostar.offer@linkintime.co.in	Hand Delivery
3.	Vadodara	Alpesh Gandhi	Link Intime India Pvt Limited, B-102 &103 Shangrila Complex ,First Floor ,Opp. HDFC Bank Near Radhakrishna Char Rasta, Akota , Vadodara – 390020	0265-2356794	-	indostar.offer@linkintime.co.in	Hand Delivery
4.	Kolkata	Kuntal Mustafi	Link Intime India Pvt Limited, Room Nos. 502 & 503 , 5th Floor , Vaishno Chamber , 6 Brabourne Road , Kolkata - West Bengal -700001	033-40049728	-	indostar.offer@linkintime.co.in	Hand Delivery
5.	New Delhi	V.M. Joshi /Bharat	Link Intime India Pvt Limited, Noble Heights , 1st Floor,Plot NH2,C-1 Block LSC ,Near Savitri Market , Janakpuri , New Delhi -110058	011-41410592/93/94	-	indostar.offer@linkintime.co.in	Hand Delivery
6.	Pune	Ashok Gupta	Link Intime India Pvt Limited, Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off: Dhole Patil Road, Pune - 411 001	020-26160084	-	indostar.offer@linkintime.co.in	Hand Delivery
7.	Chennai	Banu Priya	Link Intime India Pvt. Ltd., C/o SAS Partners Corporate Advisors Private Limited, #12, 3rd Floor, RMS Apartments, Gopalakrishna Street, Pondy Bazar, T Nagar, Chennai-17	044 – 43523066 / 044 – 28152673	-	indostar.offer@linkintime.co.in	Hand Delivery
8.	Bangalore	Nagendra D. Rao	Link Intime India Pvt Limited, No. 543/A, 7th Main, 3rd Cross, S.L. Bhyrappa Road, Hanumanthanagar, Bangalore - 560 019	080 - 26509004	-	indostar.offer@linkintime.co.in	Hand Delivery

Note: For hand delivery, the collection centres timings will be all Working Days anytime from Monday to Friday, between 10am to 1pm and 2pm to 5pm, except Saturdays, Sundays and public holidays.

3. Applicants who cannot hand deliver their documents at the collection centers referred to as above, may send the same by registered post with due acknowledgement or by courier only, at their own risk and cost, to the Registrar to the Offer at its address M/s. Link Intime India Private Limited, Unit – Indostar Capital – Open Offer, (Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, India; Telephone number:+91 22 49186200; Fax number: +91 22 49186195; Email: indostar.offer@linkintime.co.in; Contact Person: Mr. Sumeet Deshpande), on or before the last date of the Tendering Period.
4. In case of non-receipt of the Draft Letter of Offer, an unregistered shareholder may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer.
5. The Equity Shares should not be submitted / tendered to the Manager to the Offer, the Acquirer, the PAC or the Target Company.
6. Shareholders who wish to tender their Equity Shares in dematerialized form only under this Offer should enclose the following documents duly completed:
 - i. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective Depositories.
 - ii. Photocopy of the delivery instruction slip in ‘Off-market’ mode or counterfoil of the delivery instruction in ‘Off- market’ mode, duly acknowledged by the DP, in favour of the Open Offer Escrow Demat Account (*please see below*) before the close of the business hours, on or prior to the last date of the Tendering Period.
 - iii. The Registrar to the Offer is not bound to accept those acceptances from the Public Shareholders, for which the (i) corresponding Equity Shares have not been credited to the Open Offer Escrow Demat Account; or (ii) Equity Shares that are credited in the Open Offer Escrow Demat Account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Tendering Period.
7. For the shareholders holding shares in dematerialized form, the Registrar to the Offer has opened the Open Offer Escrow Demat Account with Ventura Securities Limited as the depository participant in NSDL called, “LIPL INDOSTAR CAPITAL ESCROW DEMAT ACCOUNT”. Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Open Offer Escrow Demat Account:

DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID	13035388
ISIN No.	INE896L01010
Depository	Off-market

Shareholders having their beneficiary account with CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Open Offer Escrow Demat Account opened with NSDL.

Form of Acceptance-cum-Acknowledgement of dematerialized Equity Shares not credited to the above Open Offer Escrow Demat Account on or before the closure of Tendering Period is liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least 2 (two) Working Days prior to the date of closing of the Tendering Period. For each delivery

instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

AS PER THE PROVISIONS OF REGULATION 40(1) OF THE SEBI (LODR) REGULATIONS AND SEBI PR 51/2018 DATED DECEMBER 3, 2018, REQUESTS FOR TRANSFER OF SECURITIES SHALL NOT BE PROCESSED UNLESS THE SECURITIES ARE HELD IN DEMATERIALIZED FORM WITH A DEPOSITORY W.E.F. APRIL 1, 2019. ACCORDINGLY, THE PUBLIC SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM AND ARE DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE OFFER CAN DO SO ONLY AFTER THE EQUITY SHARES ARE DEMATERIALIZED. SUCH PUBLIC SHAREHOLDERS ARE ADVISED TO APPROACH ANY DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED.

8. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
 - a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
 - b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
 - c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
 - d) In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).
 - e) Any other relevant documents.
9. Unregistered Public Shareholders who have acquired the Equity Shares but whose names do not appear in the records of the Depositories on the Identified Date or those, who have not received the Letter of Offer, may send their application, to the Registrar to the Offer, on a plain paper stating their name, address, number of shares held, demat account number, number of shares offered along with the documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Tendering Period. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum-Acknowledgement in relation to this Offer that will be annexed to the Draft Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or from the Registrar to the Offer. The application is to be sent to the Registrar to the Offer at any of the collection centers that are mentioned in the Draft Letter of Offer, so as to reach the Registrar to the Offer during business hours on or before 5:00 p.m. on the date of closure of the Tendering Period. No indemnity is required from the unregistered owners. In case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in favour of the Open Offer Escrow Demat Account, so as to reach the Registrar to the Offer, on or before 5:00 p.m. on the date of the closure of the Tendering Period.
10. Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
11. Public Shareholders holding Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Public Shareholders should ensure that their depository account is maintained until all formalities pertaining to the Offer are completed.

12. Equity Shares that are subject to any charge, lien or any other form of encumbrance are liable to be rejected in the Offer.
13. Applications in respect of Equity Shares that are the subject matter of litigation wherein the Public Shareholders of the Target Company may be prohibited from transferring such Equity Shares during the pendency of the said litigation are liable to be rejected if the directions/orders regarding such Equity Shares are not received together with the Equity Shares tendered under the Offer.
14. The application should be signed by all the shareholders as per the registration details available with the Target Company and should be sent to the Registrar to the Offer in an envelope clearly marked 'IndoStar Capital Finance Limited - Open Offer'.
15. The Draft Letter of Offer along with the Form of Acceptance-cum-Acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such form from the said website.
16. If the shares tendered in this Offer by the shareholders of the Target Company are more than the Equity Shares agreed to be acquired under the Offer, the Acquirer and the PAC shall accept the offers received from the shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The minimum marketable lot for the purposes of acceptance of Equity Shares of the Target Company would be 1 (One) Equity Share.
17. In case of delay in receipt of any statutory approval(s), as required, SEBI has the power to grant extension of time to the Acquirer and the PAC for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer and the PAC agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default, failure or neglect by the Acquirer and the PAC in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Open Offer Escrow Account shall become liable to forfeiture.
18. Unaccepted documents, if any, will be returned by registered post or ordinary post, at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
19. Payment to those Public Shareholders whose tendered Equity Shares are found valid and in order and are approved by the Acquirer, will be done by obtaining the bank account details from the beneficiary position download to be provided by the depositories and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. The decision regarding (i) the acquisition (in part or full), of the Equity Shares tendered pursuant to the Offer, or (ii) rejection of the Equity Shares tendered pursuant to the Offer along with any corresponding payment for the acquired Equity Shares will be dispatched to the Public Shareholders by registered post or by ordinary post or courier as the case may be, at the Public Shareholder's sole risk. Equity Shares held in dematerialized form to the extent not acquired will be credited back to the respective beneficiary account with their respective Depository Participants as per the details furnished by the Beneficial Owners in the Form of Acceptance-cum-Acknowledgment.
20. For Public Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through DC/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post or by ordinary post or courier at the Public Shareholder's sole risk. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s).

21. The Registrar to the Offer will hold in trust the Form of Acceptance-cum-Acknowledgement and Equity Shares lying in credit of the Open Offer Escrow Demat Account and/or other documents on behalf of the Public Shareholders of Target Company who have accepted the Offer, until the cheques/ drafts or payment made through electronic mode for the consideration and/ or the unaccepted Equity Shares and/or other documents are dispatched/ returned/credited.
22. While tendering the Equity Shares under the Offer, NRIs/OCBs/foreign shareholders will be required to submit the previous approvals from RBI or other regulatory authorities (specific or general) that they would have been required to submit to acquire the Equity Shares of the Target Company under the Offer. In case the previous RBI approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable basis or a non-repatriable basis. While tendering the shares under the Offer, NRIs/OCBs/foreign shareholders will also be required to submit a certificate for deduction of tax at lower or nil rate from the Indian income tax authorities (“**TDC**”), indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration. In case the aforesaid TDC is not submitted, the Acquirer will deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.
23. If the Acquirer has control over the Target Company at the time of acquiring the Offer Shares, the Open Offer will be implemented by the Acquirer through the stock exchange settlement mechanism made available by stock exchanges in the form of a separate window, as provided under the SEBI (SAST) Regulations and SEBI circulars CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and BSE notice no. 20170202-34 dated February 02, 2017, in each case as amended from time to time. Further details regarding the same will be provided to the Public Shareholders at the appropriate time.

VIII. COMPLIANCE WITH TAX REQUIREMENTS

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED BY WAY OF AN OFF-MARKET TRANSACTION (I.E. NOT THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016 AND BSE NOTICE NO. 20170202-34 DATED FEBRUARY 02, 2017, IN EACH CASE AS AMENDED FROM TIME TO TIME). HOWEVER, IF THE ACQUIRER HAS CONTROL OVER THE TARGET COMPANY AT THE TIME OF ACQUIRING THE OFFER SHARES, THE OPEN OFFER WILL BE IMPLEMENTED BY THE ACQUIRER THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM (I.E. ON-MARKET TRANSACTION). THE TAX IMPLICATIONS MENTIONED HEREIN COULD BE SUBJECT TO CHANGE IF THE OPEN OFFER IS COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM (I.E. ON-MARKET TRANSACTION).

THE ACQUIRER AND THE PAC DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. General:

- 1.1 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31.
- 1.2 A person who is an Indian tax resident is typically liable to income-tax in India on such person's worldwide income, subject to certain tax exemptions, which are provided under the Income-tax Act, 1961 ("**IT Act**").
- 1.3 A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or

deemed to accrue or arise in India) and on income received or deemed to be received by such person in India. In case of shares of a company, the source of income from sale of shares depends on the “situs” of such shares. Based upon the judicial pronouncements, the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred.

- 1.4 Since the Target Company is incorporated in India and its shares (being in dematerialized form) can be transferred only in India, the Target Company’s shares should be deemed to be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- 1.5 Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement (“**DTAA**”) between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed, and non-applicability of General Anti-Avoidance Rule (“**GAAR**”) and providing and maintaining necessary information and documents as prescribed under the IT Act.
- 1.6 The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder, nature of the income earned and mode of acquisition etc.
- 1.7 In case of delay in receipt of any statutory approvals as may be required as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time.
- 1.8 The summary of income-tax implications of tendering of listed equity shares is set out below. Securities transaction tax (“**STT**”) will not be applicable to the listed Equity Shares accepted in this Offer, unless the stock exchange settlement mechanism is utilized by the Acquirer. All references to equity shares herein refer to listed equity shares unless stated otherwise.

2. Classification of shareholders:

Shareholders can be broadly classified under the following categories:

- 2.1 Resident shareholders being:
 - a. Individuals, Hindu Undivided Family (“**HUF**”), Association of Persons (“**AOP**”), and Body of Individuals (“**BOI**”)
 - b. Others such as Company, Firm etc.
- 2.2 Non-resident shareholders being:
 - a. Non-Resident Indians (“**NRIs**”),
 - b. Foreign Portfolio Investors (“**FPIs**”)/ erstwhile Foreign Institutional Investors (“**FIIs**”)
 - c. Others
 - Company
 - Other than company

3. Classification of Income:

Shares can be classified under the following two categories:

- 3.1 Shares held as investment (Income from transfer taxable under the head “**Capital Gains**”);
- 3.2 Shares held as stock-in-trade (Income from transfer taxable under the head “**Profits and Gains from Business or Profession**”).

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or as stock-in-trade.

4. Income from Sale of shares classified as Investment:

As per the provisions of the IT Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Additionally, securities held by FIIs/ FPIs are treated as capital assets under Section 2(14) of the IT Act (whether or not such asset is being held as a capital asset). Therefore, gains arising out of securities held by FPIs will be taxable in India as capital gains. Capital Gains in the hands of shareholders is computed as per provisions of Section 48 of the IT Act.

4.1 **Period of holding:** Depending on the period for which the shares are held, the gain is taxable as “short- term capital gain” or “long-term capital gain”:

- a. In respect of listed equity shares held for a period less than or equal to 12 (twelve) months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“STCG”).
- b. Similarly, where listed equity shares are held for a period more than 12 (twelve) months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“LTCG”).

4.2 The Finance Act, 2018 (“Finance Act”), vide Section 112A, has imposed an income tax on long term capital gains exceeding one lakh rupees at the rate of 10% on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 (Twelve) months and have been subject to securities transaction tax (“STT”) upon both acquisition and sale. However, since STT will not be applicable to the Equity Shares transferred pursuant to this Offer, unless the stock exchange settlement mechanism is utilized by the Acquirer, the provisions of Section 112A of the IT Act shall not be applicable.

4.3 Where LTCG arising from tendering of Equity Shares in the Offer does not fall under the provisions of Section 112A, such LTCG shall be subject to tax as follows:

- a. LTCG will be chargeable to tax at the rate of up to 20% (plus applicable surcharge and cess) in the case of a non-resident shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.
- b. In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and cess) in accordance with provisions of section 115AD of the IT Act.
- c. For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and cess) under Section 115E of the IT Act.
- d. For a resident shareholder, LTCG is payable at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and cess) without indexation.

4.4 Section 111A of the IT Act provides for taxation of STCG arising on sale of listed shares at the rate of 15% (plus applicable surcharge and cess) provided STT is paid on the transaction. However, since STT will not be applicable to the Equity Shares transferred in this Offer, unless the stock exchange settlement mechanism is utilized by the Acquirer, the provisions of Section 111A of the IT Act shall not be applicable. Accordingly, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less will be subject to short term capital gains tax and shall be leviable to tax at the rates prescribed in First Schedule to the Finance Act (i.e. normal tax rates applicable to different categories of persons). In case of FIIs/ FPIs, STCG would be taxable at the rate of 30% (plus applicable surcharge and cess).

- 4.5 Minimum alternate tax (“MAT”) implications may get triggered for certain companies resident in India and should be assessed by each of such shareholder. Foreign companies will not be subject to MAT if the country of residence of such foreign company has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. Likewise for non-company shareholders, applicability of the provisions of Minimum Alternate Tax will also have to be analysed depending upon the facts of the each case.
- 4.6 Taxability of capital gains arising to a non-resident in India from the transfer of equity shares shall be determined on the basis of the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions, and non-applicability of GAAR and maintaining and providing necessary documents prescribed under the IT Act.

5. Income from Sale of shares classified as Business Income:

5.1 Income from sale of shares may also be classified as Income from “Profits and Gains from Business and Profession” (i.e. Business Income). Such characterization of Income from sale of shares is dependent on the facts of each case.

a. Resident shareholders:

Profits of:

- i. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
- ii. Domestic companies will be taxed at applicable tax rates (i.e. upto 30%).
- iii. For persons other than stated in (i) and (ii) above, profits will be taxable at 30%.

No benefit of indexation by virtue of period of holding will be available in any case.

b. Non-resident shareholders:

- i. They can avail beneficial provisions of the applicable DTAA entered into by India with the country of which the non-resident seller is resident but subject to fulfilling relevant conditions, and non-applicability of GAAR and maintaining and providing necessary documents prescribed under the IT Act.
- ii. Where DTAA provisions are not applicable:
 - a. For non-resident individuals, HUF, AOP and BOI, profits will be taxable at applicable slab rates.
 - b. For foreign companies, profits will be taxed in India at 40%.
 - c. For other non-resident shareholders, such as foreign firms, profits will be taxed in India at 30%.

In addition to the above, applicable surcharge and cess are leviable for both resident and non-resident shareholders for tax rates mentioned above.

5.2 Additionally, certain clarifications have also been issued by tax authorities with respect to classification of income from sale of shares as Business Income and the same also needs to be analysed in the light of the facts of each case.

6. Tax Deduction at Source:

6.1 In case of Resident shareholders

- a. In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to resident shareholders, in respect of the transfer of Equity Shares pursuant to the said Offer.
- b. All resident shareholders will be required to submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act (“TDC”), indicating the amount of tax to be deducted by the Acquirer before remitting the consideration for interest payments, if any, by the Acquirer for delay in payment of offer consideration or a part thereof, if any. The Acquirer will deduct taxes at source in accordance with such TDC.
- c. In an event of non-submission of TDC, the Acquirer will deduct tax at the rates prescribed under section 194A of the IT Act as may be applicable to the relevant category to which the shareholder belongs under the IT Act on the consideration payable as interest to such shareholder.
- d. All resident shareholders shall submit a self-attested copy of their Permanent Account Number (“PAN”) card for income tax purposes. In case, the self-attested copy of the PAN card is not submitted or is invalid or does not belong to the shareholder, the Acquirer will deduct tax at the rate of 20.00% (Twenty percent) (including surcharge and cess) (as provided under section 206AA of the IT Act) or the rate, as may be applicable to the category of the shareholder under the IT Act, whichever is higher.

6.2 In case of Non-resident shareholders

a. In case of FIIs / FPIs:

- i. Section 196D of the IT Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs / FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs / FPIs. The Acquirer would not deduct tax at source on the payments to FIIs / FPIs, subject to the following conditions:
 - o FIIs / FPIs furnishing the copy of the valid registration certificate issued by SEBI (including for subaccount of FII / FPI, if any);
 - o FIIs / FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations. Such FIIs / FPIs will be liable to pay tax on their income as per the provisions of the IT Act.
- ii. If the above conditions are not satisfied, FIIs / FPIs may submit a valid and effective TDC, along with the Form of Acceptance cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.
- iii. If conditions in points (i) and (ii) above are not satisfied, the Acquirer will arrange to deduct tax at the maximum marginal tax rate as may be applicable under the IT Act, on the gross consideration for acquisition of Equity Shares, payable to such FIIs/ FPIs under the Offer.
- iv. Interest payments by the Acquirer for delay in payment of the consideration, if any, would also be subjected to deduction of tax at source at the maximum marginal tax rate applicable under the IT Act on the gross interest payable to FIIs/ FPIs, depending on category of the shareholder. However, if the FII/ FPI provides a TDC indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.
- v. All FPIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the shareholder, the Acquirer will arrange to deduct tax at least at the rate of 20.00% (Twenty percent) (including surcharge and cess) (as

provided in Section 206-AA of the IT Act) regardless of a lower rate applicable otherwise on the entire consideration amount payable to such shareholder.

- b. In case of other non-resident shareholders (other than FIIs / FPIs) holding Equity Shares of the Target Company:
- i. Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). This tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA, if applicable for payments made to non-resident. Accordingly, each non-resident shareholder is required to obtain and submit TDC along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted on gross consideration by the Acquirer before remitting the consideration. In such a case, the Acquirer shall deduct tax in accordance with such TDC.
 - ii. In case TDC requiring lower withholding of tax by non-resident shareholders (other than FIIs / FPIs) including NRIs / foreign shareholders, is not submitted, or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons plus applicable surcharge and cess), on the gross consideration for acquisition of shares, payable to such shareholder under the Offer.
 - iii. In case of interest payments, if any, by the Acquirer for delay in payment of consideration or a part thereof, if any, the NRIs, OCBs, and other non-resident shareholders (excluding FPIs) will be required to submit a TDC indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such TDC.
 - iv. In an event of non-submission of TDC, the Acquirer will deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act on the entire amount payable as interest to such shareholder.
 - v. The non-resident shareholders undertake to indemnify the Acquirer and the PAC if any tax demand is raised on the Acquirer and the PAC on account of gains arising to the non-resident shareholders pursuant to this Offer or due to non-furnishing of tax clearance certificate. The non-resident shareholders also undertake to provide the Acquirer and the PAC, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.
 - vi. The responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident shareholder. The non-resident shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident shareholders also need to file their tax return in India inter alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

Computation of applicable tax rates shall also include surcharge and cess (depending upon the facts of the case).

7. Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

7.1 Surcharge

- a. In case of domestic companies: Surcharge at 12% is leviable where the total income exceeds Rs.10 crore and at 7% where the total income exceeds Rs. 1 crore but is less than Rs.10 crore.
- b. In case of companies other than domestic companies: Surcharge at 5% is leviable where the total income exceeds Rs.10 crore and at 2% where the total income exceeds Rs.1 crore but is less than Rs.10 crore.
- c. In case of individuals, HUF, AOP, BOI:
 - i. Surcharge at the rate of 10% is leviable where the total income exceeds INR 50 lakh but does not exceed INR 1 crore.
 - ii. Surcharge at the rate of 15% is leviable where the total income exceeds INR 1 crore but does not exceed INR 2 crore.
 - iii. Surcharge at the rate of 25% is leviable where the total income exceeds INR 2 crore but does not exceed INR 5 crore.
 - iv. Surcharge at the rate of 37% is leviable where the total income exceeds INR 5 crore.
- d. In case of Firm and Local Authority: Surcharge at 12% is leviable where the total income exceeds Rs.1 crore.

7.2 Cess

Health and Education Cess at 4% is currently leviable in all cases

8. Other Matters:

8.1 Submission of PAN and other details

- a. All non-resident shareholders are required to submit their PAN details along with self-attested copy of the PAN card for income-tax purposes. In absence of PAN for non-resident shareholders, as per Notification No. 53 /2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details:
 - i. Name, email id, contact number;
 - ii. Address in the country of residence;
 - iii. Tax Residency Certificate (“TRC”) from the government of the country of residence, if the law of such country provides for issuance of such certificate; and
 - iv. Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.
- b. If PAN is not furnished, or in case of non-resident shareholders not having a PAN the aforesaid details are not furnished, the Acquirer will arrange to deduct tax at least at the rate of 20% as per provisions of Section 206AA of the IT Act or at such rate as applicable and provided above for each category of the shareholders, whichever is higher. The provisions of Section 206AA of the IT Act would apply only where there is an obligation to deduct tax at source.

8.2 Other points for consideration:

- a. Shareholders who wish to tender their Equity Shares must submit the information / documents, as applicable, all at once along with the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirer and/or the PAC. The documents submitted by the shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further / delayed submission of additional documents, unless specifically requested by the Acquirer and/or the PAC, may not be accepted.
- b. Based on the documents and information submitted by the shareholder, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer and the PAC. In case of Non-resident, if TDC is not furnished or the furnished TDC is not valid or effective as on the date of deduction then the tax will be deducted at the maximum marginal rate (plus surcharge and cess) on the gross value of consideration.
- c. Taxes once deducted will not be refunded by the Acquirer under any circumstances. Taxes deducted by Acquirer will be deposited with the Government Treasury.
- d. The Acquirer shall deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such shareholders will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Acquirer and the PAC with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.
- e. The tax deducted by the Acquirer while making the payment to a shareholder under this Offer may not be the final liability of such shareholders and shall in no way discharge the obligation of the shareholders to appropriately disclose the amount received by it, pursuant to this Offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws prevailing as on the date of this Draft Letter of Offer. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.
- f. All shareholders are advised to consult their tax advisors for the treatment under the IT Act and that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.
- g. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDER SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

APPLICABILITY OF OTHER RELEVANT LAWS IN INDIA (SUCH AS STAMP DUTY ETC.) SHALL DEPEND ON FACTS OF EACH CASE AND SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN ADVISORS FOR THE SAME.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Manager to the Offer, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays, Sundays and public holidays) during the period from the date of commencement of the Tendering Period (Monday, March 30, 2020) until the date of closure of the Tendering Period (Thursday, April 16, 2020).

1. Copies of the constitutional documents and certificate of incorporation of the Acquirer;
2. Copies of the constitutional documents and certificate of incorporation of the PAC;
3. Certificate dated January 31, 2020 issued by M/s. SSPA & Co., Chartered Accountants (Firm Registration No. 128851W), having its office at 1st Floor, "Arjun", Plot No. 6 A, V. P. Road, Andheri (W), Mumbai – 400 058, India (Telephone Number: +91 22 2670 4376 / + 91 22 2670 3682), certifying that the Acquirer has adequate financial resources to fulfill its obligations under this Offer;
4. Copy of audited financial statements of the Acquirer as of December 31, 2019, and for the period from November 27, 2018 (date of incorporation of the Acquirer) to December 31, 2019;
5. Copies of annual reports of the PAC for the financial years ended December 31, 2018, December 31, 2017 and December 31, 2016 (including the audited consolidated financial statements), and the unaudited consolidated limited review financials as at and for the nine month period ended September 30, 2019;
6. Copies of the annual reports of IndoStar Capital Finance Limited for the three financial years ended March 31, 2017, March 31, 2018, March 31, 2019 and the unaudited consolidated limited review financial results as at and for the six month period ended September 30, 2019;
7. Copy of the Open Offer Escrow Agreement dated January 31, 2020 between the Acquirer, the Manager and the Open Offer Escrow Agent;
8. Copy of the Letter from the Open Offer Escrow Agent confirming the receipt of the Open Offer Escrow Amount and stating that the Open Offer Escrow Account shall be operated in terms of the Open Offer Escrow Agreement;
9. Copy of the SSA;
10. Copy of the SPA;
11. Copy of the SHA;
12. Copy of the Public Announcement submitted to the Stock Exchanges on January 31, 2020;
13. Copy of the Detailed Public Statement (including corrigendum, if any) published by the Manager on behalf of the Acquirer and the PAC on February 7, 2020;
14. Copy of the Offer Opening Public Announcement to be published by the Manager on behalf of the Acquirer and the PAC on [●];
15. Copy of the published recommendation made by the committee of independent directors of the Target Company in relation to the Offer;
16. Copy of the SEBI observation letter no. [●] dated [●] on the Draft Letter of Offer; and
17. Copy of the memorandum of understanding entered between the Acquirer, the Manager and the Registrar to the Offer.

X. DECLARATION BY THE ACQUIRER AND THE PAC

1. The Acquirer, the PAC and their respective directors accept full responsibility for the information contained in this DLoF including the Form of Acceptance-cum-Acknowledgement (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company and/or the Seller), and undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations.
2. The information pertaining to the Target Company and/or the Seller contained in the PA or the DPS or the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Seller, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the PAC or the Manager. The Acquirer, the PAC and the Manager do not accept any responsibility with respect to the information provided by the Target Company and/or the Seller.
3. The persons signing this Draft Letter of Offer, are duly and legally authorized by the Acquirer and the PAC, as applicable, to sign this Draft Letter of Offer.

For and on behalf of the Acquirer and the PAC

BCP V Multiple Holdings Pte. Ltd.

Sd/-

Authorized Signatory

Brookfield Business Partners L.P.

Sd/-

Authorized Signatory

Place: Mumbai

Date: February 14, 2020

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Link Intime India Private Limited, the Registrar to the Offer, at any of the collection centres mentioned in the Letter of Offer)

(Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the Letter of Offer)

TENDERING PERIOD FOR THE OFFER	
OPENS ON	[●]
CLOSES ON	[●]

To,

The Acquirer and the PAC

C/o Link Intime India Private Limited

Unit: IndoStar Capital – Open Offer

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai 400 083, India

Contact Person: Mr. Sumeet Deshpande

Tel: +91 22 4918 6200,

Fax: +91 22 4918 6195

Email: indostar.offer@linkintime.co.in

Dear Sir / Madam,

Sub: OPEN OFFER FOR ACQUISITION OF UP TO 37,195,411 EQUITY SHARES OF INDOSTAR CAPITAL FINANCE LIMITED, REPRESENTING 26% OF THE EXPANDED VOTING SHARE CAPITAL, FROM THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY, BY BCP V MULTIPLE HOLDINGS PTE. LTD. (“ACQUIRER”), TOGETHER WITH BROOKFIELD BUSINESS PARTNERS L.P. (“PAC”) IN ITS CAPACITY AS A PERSON ACTING IN CONCERT WITH THE ACQUIRER (“OPEN OFFER” OR “OFFER”)

I / We refer to the Letter of Offer dated [●] (“**Letter of Offer**”) for acquiring the Equity Shares held by me / us in IndoStar Capital Finance Limited.

I / We, the undersigned, have read the Public Announcement, the DPS and the Letter of Offer and understood its contents, terms and conditions, and unconditionally accept these terms and conditions.

I/We acknowledge and confirm that all the particulars/statements given by me / us, herein are true and correct.

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account)	Sole / First		
	Second		
	Third		
Contact Number(s) of the First Holder	Tel No. (with ISD / STD Code):		Mobile No.:
Full Address of the First Holder (with pin code)			
Email address of the First Holder			

I / We, are holding the Equity Shares in dematerialized form, and accept the Offer and enclose a photocopy of the Delivery Instruction in “**Off-market**” mode, duly acknowledged by my / our DP in respect of my / our Equity Shares as detailed below:

Depository	DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I / We have executed an off-market transaction for crediting the Equity Shares to the Open Offer Escrow Demat Account with “**Ventura Securities Limited**” as the DP in NSDL styled as “**LIPL INDOSTAR CAPITAL ESCROW DEMAT ACCOUNT**” whose particulars are:

DP Name: Ventura Securities Limited	DP ID: IN303116	Client ID: 13035388
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Public Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account with NSDL.

FOR ALL PUBLIC SHAREHOLDERS:

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer, are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I / We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.

My / Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us and are sold and transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer and the PAC, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares.

I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.

I / We also note and understand that the obligation on the Acquirer to accept the Equity Shares tendered by me/us and pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders, and subject to the adherence of the aforementioned Instructions. I / We undertake to return to the Acquirer any purchase consideration wrongfully received by me / us.

I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.

I / We confirm that I / We am/ are not persons acting in concert with the Acquirer and the PAC.

I / We give my/our consent to the Acquirer and/or the PAC, to file any statutory documents, if any, on my/our behalf in relation to accepting the Offer Shares in this Open Offer.

I / We confirm that I / we am/ are in compliance with the terms of the Open Offer set out in the Public Announcement, the DPS, and the Letter of Offer.

I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer and/or the PAC, to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

I / We am / are not debarred from dealing in shares or securities.

I / We confirm that there are no tax or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the Income-tax Act, 1961 (including but not limited to Section 281 of the Income Tax Act). I / We confirm that no notice has been issued by the Income-tax authorities impacting the rights to transfer the shares.

I / We confirm that in case the Acquirer is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire gross consideration paid to the Public Shareholders.

I / We confirm that in case of interest payments, if any, by the Acquirer for delay in payment of the Offer Consideration or a part

thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any consequent interest and penalty) on the income arising from tendering of the Offer Shares, I / We will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I/we confirm that the sale and transfer of the relevant Equity Shares will be complete on the date of the remittance of the purchase consideration by the Acquirer to me/us. Any delay in the receipt of the purchase consideration by me/us will not make the sale and transfer of the Equity Shares void or voidable.

I/We note and understand that the Equity Shares will be held in the credit of the Depository Escrow Account by the Registrar to the Offer on behalf of the Shareholders who have accepted this Offer, till completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the Letter of Offer.

I/We authorize the Acquirer and/or the PAC to acquire all the Equity Shares so tendered by me / us or such lesser number of Equity Shares, which it / they may decide to accept, in consultation with the Manager to the Offer, and in terms of the Letter of Offer;

I/We authorize the Acquirer and/or the PAC, and the Registrar to the Offer to:

- make payment to me/us in respect of the validly tendered Shares, which are being accepted in the Offer, by electronic transfer of funds in full and final settlement due to me / us, by obtaining the bank account details from the beneficiary position download provided by the depositories, or send across the crossed account payee cheque, demand draft, or pay order, in full and final settlement due to me / us, by registered post or ordinary post, at my/our sole risk,
- return to me/us by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof;
- credit such number of Equity Shares to the same demat account from which they were tendered, to the extent that the Equity Shares tendered by me/us are not found valid / accepted, in each case at my/our sole risk, without specifying the reasons thereof;

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. [●] SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

I. For all Public Shareholders:

I / We, confirm that our residential status for the purposes of tax is: *(Please tick the appropriate box)*

Resident Non-resident

If Non-resident, please state country of tax residency: _____

(If none of the above box is ticked, the residential status of the Public Shareholder will be considered as non-resident, for withholding tax purposes)

Status of the Public Shareholder (Please tick whichever is applicable)				
<input type="checkbox"/> Individual	<input type="checkbox"/> Domestic Company	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII / FPI - Corporate	<input type="checkbox"/> FII / FPI - Others
<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI	<input type="checkbox"/> Partnership / Proprietorship firm / LLP	<input type="checkbox"/> Private Equity Fund / AIF	<input type="checkbox"/> Pension / Provident Fund
<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs / PIOs - repatriable	<input type="checkbox"/> NRIs / PIOs - non-repatriable
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person / Body of Individual
<input type="checkbox"/> Any others, please specify:	_____			

I / We, have enclosed the following documents:

- Self-attested copy of PAN card
- Photocopy or counterfoil of the delivery instructions in “off market” mode duly acknowledged by the Shareholders’ DP, in favour of the Open Offer Escrow Demat Account

- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum-Acknowledgement
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- No objection certificate / Tax clearance certificate from income tax authorities for deduction of tax at lower rate/ NIL rate, wherever applicable
- Other relevant documents (please specify) _____

II. Additional confirmations and enclosures for Resident Public Shareholders:

I / We, have enclosed the following documents:

- Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify)
- Self-declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
- For Mutual funds / Banks / Notified Institutions under Section 194A (3)(iii) of the Income-tax Act, 1961, attested copy of relevant registration or notification (applicable only for interest payment, if any)
- No objection certificate / Tax clearance certificate from income tax authorities for deduction of tax at lower rate/ NIL rate (applicable only for interest payment, if any)

(Note: All Resident Public Shareholders are advised to refer to the Section VIII (Compliance with Tax Requirements) of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section VIII, as referred to above, are indicative and for guidance purposes only)

III. Additional confirmations and enclosures for FII / FPI Public Shareholders:

I / We, confirm that the Equity Shares of the Target Company are held by me / us on *(select whichever is applicable)*:

- Investment / Capital Account and income arising from sale of shares is in the nature of capital gain
- Trade Account and the income arising from sale of shares is in the nature of business income
- Any other (please specify) _____

(Note: For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note.)

Declaration for treaty benefits: *(Please tick the box if applicable)*

- I / We confirm that I / we am / are tax resident/s of _____ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such FII / FPI belongs)

Additionally, in order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted, failing which tax will be deducted at the maximum marginal rate.

I / We confirm that: *(select whichever is applicable)*

- No RBI, FIPB, or any other regulatory or other approval, was required by me / us for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me/us for holding Equity Shares that have been tendered in this Offer are enclosed herewith

I / We, have enclosed the self-attested copies of the following documents:

- Self attested copy of PAN card
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be

submitted by FIIs/FPIs. If this is not furnished then tax will be deducted at the maximum marginal tax rate as may be applicable under the IT Act, on the gross consideration for acquisition of shares, payable to such FIIs/ FPIs under the Offer).

- SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs. If this is not furnished then tax will be deducted at the maximum marginal tax rate as may be applicable under the IT Act, on the gross consideration for acquisition of shares, payable to such FIIs/ FPIs under the Offer).
- RBI approval for acquiring Equity Shares tendered herein, if applicable
- FII / FPI Certificate (self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or business income)
- Tax residency certificate from Government of the Country or Specified Territory of which I/ we are tax resident
- No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable
- Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act
- Proof for period of holding of Equity shares such as demat account statement or brokers note
- Other relevant documents (please specify) _____

IV. Additional confirmations and enclosures for other Non-resident Public Shareholders (except FIIs / FPIs):

I / We, confirm that the Equity Shares tendered by me / us are held on: *(select whichever is applicable)*

- Repatriable basis Non-repatriable basis

I / We, confirm that the tax deduction on account of Equity Shares of Target Company held by me / us is to be deducted on:

- Long-term capital gains (Equity Shares are held by me / us for more than 12 (twelve) months)
- Short-term capital gains (Equity Shares are held by me / us for 12 (twelve) months or less)
- Trade Account
- Any other (please specify) _____

(Note: For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note. Kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, specifying the rate at which tax shall be deducted. In the absence of such a certificate, tax will be deducted at the applicable tax rate, applicable to the category to which such non-resident shareholders other than FII / FPI belongs, on the entire consideration payable)

Declaration for treaty benefits: *(Please tick the box if applicable)*

- I / We confirm that I / we am / are tax resident/s of and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s. Further, I/ we hereby enclose a valid and effective certificate for deduction of tax at a nil or lower rate (as the case may be) issued by the income tax authorities under the Income Tax Act (“TDC”)

(Note: If this box is not ticked and a valid and effective TDC is not furnished, then tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such Public Shareholder belongs.)

Additionally, in order to avail benefit of lower rate of tax deduction under the DTAA on interest income, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the applicable tax rate.

I / We confirm that: *(select whichever is applicable)*

- No RBI, FIPB or any other regulatory or other approval, was required by me / us for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me/us for holding Equity Shares that have been tendered in this Offer are enclosed herewith

I / We, have enclosed the self-attested copies of the following documents:

- Self attested copy of PAN card or, alternatively a) name, email id, contact number; b) address in the country of residence; c) Tax Residency Certificate; and d) tax identification number in the country of residence
- Self-declaration for no permanent establishment in India or no business connection in India
- Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, i.e. repatriable or non-repatriable basis, if applicable
- Copy of RBI approval (For NRI Public Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to a NRE bank account
- Copy of RBI approval for OCBs tendering their Equity Shares in the Offer. Also mention the source of funds for initial acquisition of Equity Shares and the nature of the holding of Equity Shares (repatriable / non-repatriable basis)
- Tax Residency Certificate from Government of the Country or Specified Territory of which I/ we are tax resident
- No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable
- Such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act
- Proof for period of holding of Equity shares such as demat account statement or brokers note
- Other relevant documents (please specify) _____

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed, and certified copies of the necessary Board resolutions / Corporate authorizations should be attached.

Place: _____ Date: _____

-----Tear along this line -----

Acknowledgement Slip – IndoStar Capital Finance Limited Open Offer

Sr. No. _____

Received from Mr. / Ms. / M/s. _____

Address: _____

Number of Equity Shares: _____; DP ID _____; Client ID _____

Form of Acceptance-cum-Acknowledgement along with Copy of delivery instruction for shares enclosed, (and copy of inter-depository delivery slip, for beneficiary holders maintaining an account with CDSL).

Signature of Official	Stamp of Collection Centre	Date of Receipt

INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated [●].

1. **PLEASE NOTE THAT THE FORMS OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT OR ANY OTHER DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE PAC, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.**
2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.
3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
4. **AS PER THE PROVISIONS OF REGULATION 40 (1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND SEBI PR 51/2018 DATED DECEMBER 3, 2018, REQUESTS FOR TRANSFER OF SECURITIES SHALL NOT BE PROCESSED UNLESS THE SECURITIES ARE HELD IN DEMATERIALIZED FORM WITH A DEPOSITORY W.E.F. APRIL 1, 2019. ACCORDINGLY, THE PUBLIC SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM AND ARE DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE OFFER CAN DO SO ONLY AFTER THE EQUITY SHARES ARE DEMATERIALIZED. SUCH PUBLIC SHAREHOLDERS ARE ADVISED TO APPROACH ANY DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED.**
5. The Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Open Offer Escrow Demat Account, before the closure of the Tendering Period i.e. [●], 2020. The Form of Acceptance-cum- Acknowledgement of such dematerialized Equity Shares not credited in favour of the Escrow Demat Account, before the closure of the Tendering Period will be rejected.
6. Public Shareholders should enclose all documents/ annexures required to be provided with the Form of Acceptance- cum-Acknowledgement above, including the following:
 - Form of Acceptance-cum-Acknowledgement (in the form attached herewith) duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ('DP')
 - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer
 - Photocopy of the inter-depository delivery instruction slip, if the beneficiary holders have an account with CDSL
 - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signatures of authorized signatories) and tax clearance certificate from income tax authorities, as applicable

Please note the following:

- For each delivery instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement
- The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Escrow Demat Account or for Equity Shares that are credited in the Open Offer Escrow Demat Account but the corresponding Form of Acceptance-cum- Acknowledgment has not been received as on the date of closure of the Offer.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Open Offer Escrow Demat Account, the Acquirer and the PAC may (at its sole discretion) deem the Offer to have been accepted by the Public Shareholder in case of a resident Public Shareholder.

7. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance- cum-Acknowledgement as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
8. If the Offer Shares tendered are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
9. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer in Section VII (*Procedure for Acceptance and Settlement of the Offer*).
10. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer.
11. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Public Shareholder) in case the original Public Shareholder is dead.
 - Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form of Acceptance-cum-Acknowledgement.

12. All the Public Shareholders are advised to refer to Section VIII (*Compliance with Tax Requirements*) in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section VIII, as referred to above, are indicative and for guidance purposes only
13. The Form of Acceptance-cum-Acknowledgement should be sent only to, the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.
14. Public Shareholders having their beneficiary account in CDSL have to use “inter depository delivery instruction slip” for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account with NSDL.
15. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI, if applicable) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FPIs) had required any approvals (including from the RBI, the FIPB or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.

NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis (in which case the consideration can be remitted abroad) should (i) provide relevant proof of such holding on a repatriable basis viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from a Non-Resident External (“NRE”) bank account or by way of foreign inward remittance; and (ii) furnish details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.

NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a non- repatriable basis should provide details of their Non-Resident (Ordinary) (“NRO”) bank account, based on which the cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of a NRO bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be rejected. Alternatively, if such a NRI Public Shareholder wishes to receive the consideration in a NRE bank account, such NRI Public Shareholder should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be liable for rejection.

16. Non-Resident Public Shareholders should enclose no objection certificate / certificate for deduction of tax at a lower rate from the income tax authorities under the Income-tax Act, 1961 indicating the tax to be deducted if any by the Acquirer before remittance of consideration. Otherwise tax will be deducted at the applicable maximum marginal rate as may be applicable to the category and status of the Public Shareholder (as registered with the depositories / Target Company) on the full consideration payable by the Acquirer.
17. Erstwhile FIIs, and FPIs are requested to enclose their respective valid registration certificates with SEBI. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / erstwhile FII / FPI / erstwhile OCB should furnish necessary authorization documents along with specimen signatures of authorised signatories.
18. All documents / remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard. Equity Shares to the extent not accepted will be credited back to the beneficial owners’ depository account with the respective depository participant as per the details received from the depositories, furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
19. Neither the Acquirer, the PAC, the Manager, the Registrar nor the Target Company, will be liable for any delay / loss in transit resulting in delayed receipt / non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit the Equity Shares in the Open Offer Escrow Demat Account or for any other reason.
20. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of **Link Intime India Private Limited**, the Registrar to the Offer, as mentioned in the Letter of Offer.
21. The Form of Acceptance-cum-Acknowledgement along with enclosures should be sent only to the Registrar to the Offer, so as to reach the Registrar, on or before the date of closure of the Tendering Period at the collection centres mentioned in the Letter of Offer, on all Working Days (excluding Saturdays, Sundays and Public holidays) during the business hours. For hand delivery, the collections centre timings will be all Working Days anytime between Monday to Friday 10am to 1pm and 2pm to 5pm, except Saturdays, Sundays and public holidays.
22. All the Public Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
23. In case the Acquirer is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholders.
24. Payment of Consideration: Public Shareholders must note that on the basis of name of the Public Shareholders, Depository Participant’s name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance- cum-Acknowledgement,

the Registrar to the Offer will obtain from the Depositories, the Public Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Public Shareholders. Hence Public Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholders sole risk and neither the Acquirer, the PAC, the Manager to the Offer, the Registrar to the Offer, the Target Company, nor the Escrow Agent shall be liable to compensate the Public Shareholders for any loss caused to the Public Shareholders due to any such delay or liable to pay any interest for such delay.

The tax deducted under this Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC, the Manager to the Offer and the Registrar to the Offer, do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

Applicants who cannot hand deliver their documents at the Collection centres, may send their documents only by Registered Post / Courier, at their own risk, to the Registrar to the Offer at the Collection centre situated at Mumbai so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. [●].

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES, THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. [●] SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.