

M Siroya and Company
Company Secretaries

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066
Tel.:+91 22 28706523/24; 28546523(D); Cel.:+91 9324310151; **E-mail:** siroyam@gmail.com; www.msiroya.com

Secretarial Compliance Report of IndoStar Capital Finance Limited
for the year ended on March 31, 2022

To,
IndoStar Capital Finance Limited

I, Mukesh Siroya, M Siroya and Company, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **IndoStar Capital Finance Limited** ("the Listed Entity / Company"),
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, includes: -

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018,

and based on the above examination, I hereby report that, during the Review Period:

- (a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

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Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Maintenance of Minimum Public Shareholding of at least 25% pursuant to Rule 19(2) and 19A of the Securities Contract (Regulations) Rules, 1957 read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")	Post completion of Open Offer of BCP V Multiple Holdings Pte. Ltd. ("Brookfield") and acquisition of equity shares pursuant to Share Purchase Agreement on 9 July 2020, the promoter shareholding increased to 94.30%(on fully diluted basis) thereby, reducing the public shareholding to 5.70% i.e. below the minimum public shareholding ("MPS") requirement of 25%.	<p>Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding back to 25% within a maximum period of 12 months from the date of such fall, in the manner specified by SEBI.</p> <p>It may be noted that the Company had made an application to SEBI on May 13, 2021 seeking its permission to allow the transaction proposed therein as a method under clause (ix) of the annexure to the SEBI Circular No. CFD/CMD/CIR/P/43/2018 dated February 22, 2018, to be considered towards meeting the MPS obligations of the Company. However, the request of the Company was not acceded to by SEBI which was conveyed to the Company by SEBI vide its letter dated June 24, 2021.</p> <p>Post the aforesaid letter, Indostar Capital, one of the Promoter of the Company ("ICM"), in an attempt to reduce the Promoter shareholding, offered 1,23,79,474 equity shares (including 61,89,737 equity shares as an Oversubscription Option) to</p>

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		<p>public shareholders through offer for sale. The public subscribed to 61,26,645 equity shares, reducing the Promoter shareholding by 4.51% (on fully diluted basis)</p> <p>In the instant case, the Company was required to restore the public shareholding to 25% by or before July 8, 2021, i.e. within 12 months of July 9, 2020. The same has not been restored as yet and, as on March 31, 2022, the Company continues to be non-compliant with the requirement of 25 % MPS. However, the Promoter shareholding had been decreased to 89.21% on fully diluted basis since the quarter ended 30 September 2021 from initial 94.30%</p>
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- (b) The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the Listed Entity/~~its promoters/ directors/ material subsidiaries~~ either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Limited ("BSE") and National Stock Exchange of	Non-maintenance of minimum public shareholding of at	1. BSE and NSE levied a penalty of Rs. 4,25,000 each	Pursuant to SEBI Circular No. CFD/CMD/CIR/P /2017/115 dated

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	India Limited ("NSE")	<p>least 25%.</p> <p>The last date to comply with the above requirement was July 8, 2021.</p>	<p>excluding applicable GST for the quarter ended September 30, 2021.</p> <p>2. BSE and NSE levied a penalty of Rs. 4,60,000 each excluding applicable GST for the quarter ended December 31, 2021.</p> <p>3. BSE and NSE levied a penalty of Rs. 4,50,000 each excluding applicable GST for the quarter ended March 31, 2022.</p> <p>4. As a consequence of the non-compliance with the MPS obligation, the listing application filed by the Company on 26 November 2021 and 27 November 2021, with the BSE and NSE, respectively, for listing of 1,20,68,966 Equity Shares</p>	<p>October 10, 2017, the recognized stock exchanges are mandated to take following actions:</p> <p>a. In cases where the non-compliance continues for a period upto 1 year:</p> <p>(i) The recognized stock exchange shall impose a fine of ₹5,000/- per day of non-compliance on the listed entity and such fine shall continue to be imposed till the date of compliance by such listed entity.</p> <p>(ii) The recognized stock exchange shall intimate the depositories to freeze entire shareholding of the promoter and promoter group till the date of compliance by such entity. The above restriction shall not be an impediment for the entity with respect to compliance with the minimum public shareholding norms through the methods specified/approved by SEBI.</p> <p>(iii) The promoters, promoter group and</p>
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					<p>allotted to directors of the Brookfield on listed entity shall 26 November not hold any new 2021 pursuant position as director to conversion in any other listed of entity till the date of Compulsory compliance by such Convertible entity. An Preference intimation to this Shares of the effect shall be Company provided to the ("CCPS") listed entity by the have been recognized stock kept on hold exchange and the by the BSE listed entity shall and NSE and subsequently informed the intimate the same to Company that its promoters, they would promoter group and not process directors. the application b. In cases the non-compliance until the compliance Company continues for a meets its MPS period more than 1 obligations. year:</p> <p>i) The recognized stock exchange shall impose an increased fine of ₹10,000/- per day of non-compliance on the listed entity and such fine shall continue to be imposed till the date of compliance by such listed entity.</p> <p>(ii) The recognized stock exchange shall intimate the depositories to freeze all the securities held in the</p>
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				<p>Demat account of the promoter and promoter group till the date of compliance by such entity.</p> <p>The above restriction shall not be an impediment for the entity with respect to compliance with the minimum public shareholding norms through the methods specified/approved by SEBI.</p> <p>(iii) The promoters, promoter group and directors of the listed entity shall not hold any new position as director in any other listed entity till the date of compliance by such entity. Intimation to this effect shall be provided to the listed entity by the recognized stock exchange and the listed entity shall subsequently intimate the same to its promoters, promoter group and directors.</p>
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(d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
None				

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682D000424925

Date: May 30, 2022
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

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Annexure A'

To,
IndoStar Capital Finance Limited

Our report of even date is to be read along with this letter.

1. Maintenance of record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of SEBI laws, rules, regulations, circulars and guidelines is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
5. As regards the books, papers, forms, reports and returns filed by the Company under these regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682D000424925

Date: May 30, 2022
Place: Mumbai