



**Notice – Extraordinary General Meeting
28 April 2017**

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the Members of **IndoStar Capital Finance Limited** will be held on Friday, 28 April 2017 at 11.00 a.m. at shorter notice at the Registered Office of the Company at One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013, to transact the following businesses:

- 1. Appointment of Mr. Ramachandran Sridhar (DIN:00136697) as a Whole-Time Director designated as Executive Vice-Chairman and Chief Executive Officer (EVC & CEO) of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ramachandran Sridhar (DIN: 00136697), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s), thereof for the time being in force) (**“the Act”**); provisions of the Memorandum of Association and the Articles of Association of the Company; Policy on Selection Criteria / **“Fit & Proper”** Person Criteria of the Company; the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (**“RBI Directions”**); and other applicable laws, acts, rules, regulations and guidelines, if any, and subject to the approval of the Central Government and / or any other authorities / regulatory bodies, as may be required and subject to conditions as may be prescribed by such authorities / regulatory bodies, the approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Ramachandran Sridhar (DIN: 00136697) as a Whole-Time Director of the Company designated as Executive Vice-Chairman & Chief Executive Officer (EVC & CEO) of the Company for a period of 5 (five) years with effect from 18 April 2017, on the terms and conditions, including remuneration as detailed in the Letter of Appointment / Employment presented at the meeting (**“Letter Agreement”**) and in the Explanatory Statement annexed to the Notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee thereof, including the Nomination & Remuneration Committee, for the time being exercising the powers conferred on the Board of Directors by this Resolution) be and is hereby authorised to modify / alter / vary the terms and conditions, including remuneration contained in the Letter Agreement, as may be deemed fit and acceptable to Mr. Ramachandran Sridhar, decide the increment in remuneration, including by way of salary, perquisites, bonus, incentive or otherwise and other benefits payable or to be provided to Mr. Ramachandran Sridhar, from time to time, to the extent the Board may consider appropriate as per policies of the Company and subject to the provisions of the Act and Rules framed thereunder and to do all such acts, deeds matters and things in relation to the Letter Agreement;

RESOLVED FURTHER THAT in case of absence or inadequacy of profits in any financial year, the remuneration, details of which are contained in the Letter Agreement and in the Explanatory Statement annexed to the Notice convening this meeting, shall be paid to Mr. Ramachandran Sridhar as minimum remuneration;

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements, as may be required, to settle any doubts / queries / difficulties in connection with the aforesaid resolution and to do all such acts, deeds and things, as may be required, to give full effect to the aforesaid resolution.”

2. IndoStar ESOP Plan 2017 (ESOP 2017)

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (**“the Act”**); the Memorandum of Association and the Articles of Association of the Company; such other rules, regulations, guidelines and laws applicable in this regard, from time to time and subject to the approval(s) / consent(s) / permission(s) / sanction(s), as may be required from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, the Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities / institutions / bodies, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee, for the time being exercising the powers conferred on the Board of Directors by this Resolution) to create, issue, offer and allot to the present and / or future permanent employees of the

Company working in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the Company and any other individuals / entities as allowed under applicable laws (hereinafter referred to as “employees” or “said employees”) under the “IndoStar ESOP Plan 2017” (“ESOP 2017”), 20,00,000 (Twenty Lakh) stock options convertible into 20,00,000 (Twenty Lakh) equity shares of the Company (or such adjusted numbers for any bonus, stock, splits or consolidation or other re-organisation of the capital structure of the Company) having face value of INR 10/- (Rupees Ten only) per equity share, on such terms and conditions and in such tranches, as may be decided by the Board in its absolute discretion;

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms mentioned in the Explanatory Statement annexed to the Notice convening this Meeting, which are hereby approved by the Members, the Board be and is hereby authorised to institute and implement the ESOP 2017 as per the draft submitted to this Meeting for approval, which draft is hereby specifically approved by the Members;

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the exercise of options granted under ESOP 2017 shall in all respects rank *pari passu* inter se and shall also in all respects rank *pari passu* with the then existing equity shares of the Company;

RESOLVED FURTHER THAT as is required, the Company shall conform to the accounting policies as applicable to the Company, from time to time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to re-price the options as it deems fit, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation to ESOP 2017 including taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, as and when required;

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of ESOP 2017 and to the issuance of the shares (including to amend or modify any of the terms thereof) issued herein without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts, to execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid resolution.”

3. IndoStar ESOP Plan 2017 – Holding Company and / or Subsidiary Company(ies)

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (**“the Act”**); the Memorandum of Association and the Articles of Association of the Company; such other rules, regulations, guidelines and laws applicable in this regard, from time to time and subject to the approval(s) / consent(s) / permission(s) / sanction(s), as may be required from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, the Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities / institutions / bodies, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee, for the time being exercising the powers conferred on the Board of Directors by this Resolution) to create, issue, offer and allot to the present and / or future permanent employees of the subsidiary companies of the Company working in India or abroad and / or present and / or future permanent employees of the holding company of the Company and / or directors (including whole-time directors but excluding non-executive independent directors) of the subsidiary companies of the Company in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the holding company of the Company and any other individuals / entities as allowed under applicable laws (hereinafter referred to as **“employees”** or **“said employees”**) under the **“IndoStar ESOP Plan 2017”** (**“ESOP 2017”**), 20,00,000 (Twenty Lakh) stock options convertible into 20,00,000 (Twenty Lakh) equity shares of the Company (or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company) having face value of INR 10/- (Rupees Ten only) per equity share, on such terms and conditions and in such tranches, as may be decided by the Board in its absolute discretion;

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms mentioned in the Explanatory Statement annexed to the Notice convening this Meeting, which are hereby approved by the Members, the Board be and is hereby authorised to institute and implement the ESOP 2017 as per the draft submitted to this Meeting for approval, which draft is hereby specifically approved by the Members;

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the exercise of options granted under ESOP 2017 shall in all respects rank *pari passu* inter se and shall also in all respects rank *pari passu* with the then existing equity shares of the Company;

RESOLVED FURTHER THAT as is required, the Company shall conform to the accounting policies as applicable to the Company, from time to time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to re-price the options as it deems fit, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation to ESOP 2017 including taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, as and when required;

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of ESOP 2017 and to the issuance of the shares (including to amend or modify any of the terms thereof) issued herein without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts, to execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid resolution.”

4. Grant of stock options to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant of option

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (**“the Act”**); provisions of the Memorandum of Association and the Articles of Association of the Company; such other rules, regulations, guidelines and laws applicable in this regard, from time to time and subject to the approval(s) / consent(s) / permission(s) / sanction(s), as may be required from the regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, the Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities / institutions / bodies, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any

Committee thereof, including the Nomination and Remuneration Committee, for the time being exercising the powers conferred on the Board of Directors by this Resolution) to issue, offer and allot to Mr. Ramachandran Sridhar, Whole-Time Director designated as Executive Vice-Chairman and Chief Executive Officer and Mr. Prashant Joshi, Managing Director, Head – SME & Retail, respectively, during any one year, stock options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options under the “IndoStar ESOP Plan 2012” (“ESOP 2012”) and / or “IndoStar ESOP Plan 2016” (“ESOP 2016”) and / or “IndoStar ESOP Plan 2016-II” (“ESOP 2016-II”) and / or IndoStar ESOP Plan 2017” (“ESOP 2017”) and / or any other employee stock option scheme(s) introduced / implemented by the Company, convertible into equal number of equity shares of the Company (or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company) having face value of INR 10/- (Rupees Ten only) per equity share, on such terms and conditions and in such tranches, as may be decided by the Board in its absolute discretion;

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts in connection with the aforesaid resolution, to execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary and to do all such acts, deeds, matters and things, as may be required to give full effect to the aforesaid resolution.”

5. Further issue of equity shares on preferential basis

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(c), Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any re-enactment(s) or modification(s), thereof for the time being in force) (**“the Act”**); the Memorandum of Association and the Articles of Association of the Company; such other rules, regulations, guidelines, laws and acts as applicable in this regard; and subject to the approval(s) / consent(s) / permission(s) / sanction(s), as may be required from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, the Securities and Exchange Board of India (**“SEBI”**), the Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities / institutions / bodies and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any Committee thereof constituted by the Board of Directors for the time being to exercise the powers conferred on the Board of Directors by this resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, from time to time, in one or more tranches, up to 3,17,500 (Three lakh Seventeen Thousand Five Hundred) fully paid-up equity shares of face value of INR 10/- (Rupees Ten only) per equity share, for cash, at a premium of

INR 305/- (Rupees Three Hundred and Five only) per equity share, which is not less than the fair market value of such share determined on the basis of valuation report by a SEBI Registered Category – I Merchant Banker, aggregating up to INR 10,00,12,500/- (Rupees Ten Crore Twelve Thousand Five Hundred only), to Mr. Ramachandran Sridhar (hereinafter referred to as the “**Proposed Allottee**”) by way of preferential offer (“**Issue**”), on such terms and conditions as the Board may, in its absolute discretion, think fit;

RESOLVED FURTHER THAT subject to the provisions of the Articles of Association of the Company, the equity shares to be allotted pursuant to the Issue shall rank *pari pasu* with the existing equity shares of the Company in all respects;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution(s) the Board be and is hereby authorised on behalf of the Company to take all such actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for such purpose (including sub-delegating its powers to any Committee / officials of the Company), without being required to seek any fresh approval of the Members of the Company, including but not limited to (i) finalising the terms of Issue, to modify, accept and give effect to any modifications to the terms of the Issue; (ii) to approve the appointment of depositories, intermediaries, consultants, attorneys, lawyers and such other agencies; (iii) to execute deeds, documents, writings, papers, agreements, applications and forms on behalf of the Company; (iv) to settle all questions, difficulties or doubts that may arise in connection with the Issue including pricing, allotment of equity shares, utilization of the subscription amount and other matters; (v) to take all other steps which may be incidental, consequential, relevant or ancillary in connection with the Issue; (vi) to effect any modification to the foregoing and the decision of the Board shall be final and conclusive; and (vii) to provide Certified True Copy of this resolution(s) to any entity / regulator;

RESOLVED FURTHER THAT all actions taken by the Board / Committee(s), or any person duly authorized by the Board / Committee(s), for the purpose of the Issue or in connection with any matter(s) referred to or contemplated in the foregoing resolution(s) be and are hereby approved, ratified and confirmed in all respects.”

Registered & Corporate Office:
One Indiabulls Center, 17th Floor,
Tower 2A, Jupiter Mills Compound,
Senapati Bapat Marg, Mumbai – 400 013
CIN: U51909MH2009PLC268160
Website: www.indostarcapital.com
e-mail: icf.legal@indostarcapital.com
Tel: +91 22 43157000; Fax: +91 22 43157010

By the Order of the Board of Directors
For **IndoStar Capital Finance Limited**

Jitendra Bhati
VP – Compliance & Secretarial
Membership No.: FCS 8937

Place: Mumbai
Date: 25 April 2017

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business as set out in the Notice of Extraordinary General Meeting (“**EGM Notice**”) is annexed hereto and forms part of the EGM Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The form of proxy to be valid should be duly completed, stamped and signed and must be deposited with the Company at least 48 hours before the time scheduled for the Meeting.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. Members are requested to register the changes, from time to time, in their email-address with the Company to enable the Company to service various notice(s), reports, documents, etc. in the electronic mode.
5. Corporate Members intending to send their authorised representative(s) to attend the Extraordinary General Meeting are requested to send a certified copy of the board resolution authorising their representative(s) to attend and vote on their behalf at the Extraordinary General Meeting pursuant to the provisions of Section 113 of the Companies Act, 2013.
6. All relevant documents referred to in the EGM Notice and the Explanatory Statement will be available for inspection by the Members at the Registered & Corporate Office of the Company during normal business hours on all working days (except Saturday(s), Sunday(s) and Public Holiday(s) up to the date of the Extraordinary General Meeting and during the continuance of the Extraordinary General Meeting.
7. Members / Proxies / Authorised Representative(s) of the Corporate Members are requested to bring the Attendance Slip duly filled in.
8. EGM Notice along with the Attendance Slip and Proxy Form is being sent by electronic mail to all the Members whose email addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy of the same.
9. EGM Notice will also be available on the website of the Company www.indostarcapital.com.

ANNEXURE TO THE EGM NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013
("THE ACT")

Item No. 1

Members are requested to note that pursuant to the resignation of Mr. Vimal Bhandari from the office of Managing Director & CEO of the Company and considering rich experience and expertise of Mr. Ramachandran Sridhar in the financial services industry, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on 18 April 2017 approved the appointment of Mr. Ramachandran Sridhar as an Additional Director of the Company to hold office up to the date of the ensuing Annual General Meeting of the Company. The Board also appointed Mr. Ramachandran Sridhar as Whole-Time Director designated as Executive Vice-Chairman and Chief Executive Officer (EVC & CEO) of the Company for a period of 5 (five) years effective from 18 April 2017, subject to the approval of the Members of the Company.

Members are requested to note that Mr. Ramachandran Sridhar holds a Bachelor's Degree in Science and is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Ramachandran Sridhar has extensive experience in the financial services industry and was associated with the Shriram Group since 1985. Mr. Ramachandran Sridhar held the office of Managing Director & CEO of Shriram Transport Finance Company Limited (STFC) for over a decade since the year 2000. Under his leadership STFC became the largest asset financing Non-Banking Financial Company in India. Most recently, Mr. Ramachandran Sridhar was the 'Senior Adviser' to TPG Capital.

Mr. Ramachandran Sridhar has held senior positions in various industry forums including Finance Industry Development Council (FIDC), a self-regulatory organisation for NBFC-AFCs, where he served as a Chairman for 5 years, Member of Corporate Bond and Securitisation Advisory Committee constituted by the Securities and Exchange Board of India and Advisory Group on NBFCs constituted by Ministry of Finance, Government of India.

Brief profile of Mr. Ramachandran Sridhar is given in the annexure to this EGM Notice.

Mr. Ramachandran Sridhar shall be paid a remuneration of INR 3 Crore per year. Members are requested to note that the terms & conditions including remuneration relating to the appointment of Mr. Ramachandran Sridhar as a Whole-Time Director designated as EVC & CEO of the Company are as set out in the Letter of Appointment / Employment (Letter Agreement) approved by the Board of Directors of the Company. A copy of the Letter Agreement shall be open for inspection by the Members at the Registered & Corporate Office of the Company during normal business hours on all working days up to the date of the EGM and shall also be placed at the venue of the Meeting.

Members are requested to note that in addition to the remuneration mentioned above, Mr. Ramachandran Sridhar will also be entitled to perquisites as detailed in the Letter Agreement.

Members are requested to note that any increment in the remuneration by way of salary, perquisites, allowances, bonus, incentive, performance linked incentive or otherwise and other benefits payable or to be provided to Mr. Ramachandran Sridhar, as may be determined by the Board of Directors and / or the Nomination & Remuneration Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration. It is clarified that employees stock options to be granted to Mr. Ramachandran Sridhar, from time to time, shall not be considered as perquisites and are not to be included for the purpose of computation of the overall ceiling of remuneration.

Members are requested to note that the Company has received declarations and confirmations from Mr. Ramachandran Sridhar stating that he satisfies all the conditions set out in Part-I of Schedule V to the Act and sub-section (3) of Section 196 of the Act in relation to his appointment as Whole-Time Director of the Company and that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Act.

Members are requested to note that in terms of Section 178 of the Act, Chapter XI (Corporate Governance) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (RBI Directions) and Policy on Selection Criteria / "Fit & Proper" Person Criteria of the Company (Policy), the Nomination & Remuneration Committee, at their meeting held on 18 April 2017 assessed and confirmed the eligibility and 'fit & proper' person status of Mr. Ramachandran Sridhar, based on information, declarations, disclosures, undertakings provided by Mr. Ramachandran Sridhar.

Members are requested to note that in terms of the provisions of the Articles of Association of the Company and Section 161 of the Act, Mr. Ramachandran Sridhar holds office as an Additional Director upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing in terms of the provisions of Section 160 of the Act from a Member proposing the candidature of Mr. Ramachandran Sridhar as a Director on the Board of the Company

Members are further requested to note that in terms of Section 196 of the Act, the appointment of Mr. Ramachandran Sridhar as Whole-Time Director of the Company and remuneration payable to him requires the approval of the shareholders of the Company.

The Board recommends the resolution set out at Item No. 1 of this EGM Notice to the Members for their consideration and approval by way of Special Resolution.

Except Mr. Ramachandran Sridhar, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 1 of this EGM Notice.

Item Nos. 2, 3 & 4

Members are requested to note that success of the Company's objectives is largely determined by the quality of its work force and their commitment to achieve Company's objectives. It is recognized that not only good employment opportunities but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company.

Members are requested to note that in recognition of the aforesaid objective, the Company had approved and implemented the following employee stock options plans, from time to time:

- (i) IndoStar ESOP Plan – 2012 (ESOP 2012);
- (ii) IndoStar ESOP Plan – 2016 (ESOP 2016); and
- (iii) IndoStar ESOP Plan – 2016 - II (ESOP 2016 - II)

Members are requested to note that the Company had, from time to time, granted, cancelled and reallocated stock options to the eligible employees from amongst the aforesaid employee stock options plans and the details of pool, stock options granted and stock options available for grant under ESOP 2012, ESOP 2016 and ESOP 2016 - II are as under:

Plan(s)	Pool	*Granted	No. of Stock Options Available
ESOP 2012	15,00,000	14,94,854	5,146
ESOP 2016	27,00,000	24,00,777	2,99,223
ESOP 2016 - II	30,00,000	27,47,000	2,53,000
Total	72,00,000	6,642,631	5,57,369

**Net of cancellations and reallocations*

Members are requested to note that in light of (i) Company's pace of growth; (ii) increase in scope of business volume and business verticals / financial products of the Company / its subsidiaries, within the financial services sector; (iii) commitment made to new senior / middle level hires undertaken / to be undertaken by the Company; and (iv) considering the fact that in aggregate only 5,57,369 stock options are available for further grant, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on 18 April 2017 approved introduction of new employee stock option scheme titled as "IndoStar ESOP Plan - 2017" (ESOP 2017), largely in line with the existing ESOP Plans of the Company, to create and grant stock options not exceeding

20,00,000 (Twenty Lakh) stock options, each convertible into 1 equity share of the Company having Face Value of INR 10/- (Rupee Ten only) per equity share, with an objective to attract, retain, motivate and incentivize employees.

Members are further requested to note that your Board of Directors consider it appropriate to extend the proposed ESOP 2017 to the employees / directors of the holding / subsidiary company(ies), as may be decided by the Board of Directors or Nomination and Remuneration Committee thereof, to motivate and retain the best talent.

The broad features of the ESOP 2017 are as under:

Total number of stock options to be granted	A maximum of 20,00,000 (Twenty Lakh) options, subject to adjustments as may be required due to any corporate action. Each stock option is exercisable into 1 (one) equity share of the Company.
Identification of classes of employees entitled to participate in the ESOP 2017	To be decided by the Nomination & Remuneration Committee from time to time, in accordance with the ESOP 2017.
Appraisal process for determining the eligibility of employees to the ESOP 2017	As may be deemed fit by the Nomination & Remuneration Committee from time to time in accordance with the ESOP 2017.
Requirements of vesting and vesting period	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2017. Provided that there shall be a minimum period of one year between the grant of options and vesting of options.
Maximum period within which the options shall be vested	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2017.
Exercise price or the formula for arriving at the exercise price	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2017.
Exercise period and Exercise Process	As per the ESOP 2017.
Lock-in period	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2017. Shares issued under ESOP 2017 shall be subject to transfer restrictions as provided in the Articles of Association of the Company and such

	lock-in restrictions, if required under Applicable Laws and / or if determined by the Nomination and Remuneration Committee from the date of allotment of Shares under the ESOP 2017.
Maximum number of options to be granted per employee and in aggregate	Such number as may be decided by the Board or the Nomination and Remuneration Committee thereof in accordance with the ESOP 2017.
Method which the company shall use to value its options	As per the ESOP 2017.
Conditions under which options vested in employee(s) may lapse	As per the ESOP 2017.
Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	As per the ESOP 2017.
Implementation and administration of ESOP 2017	The Company shall directly implement and administer the ESOP 2017 through the Board / the Nomination & Remuneration Committee.
Issue of new shares or secondary acquisition	Company shall issue new shares on exercise of stock options under the ESOP 2017.

Members are requested to note that the Company shall conform to the Accounting Policies as applicable to the Company, from time to time.

Members are requested to note that in case the Company calculates the employees compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Annual Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Annual Report.

Members are requested to note that considering the rich experience and track record of Mr. Ramachandran Sridhar joining the Board of Directors as a Whole Time Director designated as Executive Vice-Chairman & Chief Executive Officer of the Company and Mr. Prashant Joshi, Managing Director, Head – SME & Retail, and in order to appropriately reward and incentivise them, members are requested to approve grant of stock options to Mr. Ramachandran Sridhar and Mr. Prashant Joshi, respectively, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant of options, under the under ESOP 2012 and / or ESOP 2016

and / or ESOP 2016-II and / or ESOP 2017 and / or any other employee stock option scheme introduced / implemented by the Company.

Members are requested to note that the draft of the ESOP 2017 shall be open for inspection by the Members at the Registered & Corporate Office of the Company during normal business hours on all working days (i.e., except Saturday(s), Sunday(s) and Public Holiday(s) up to the date of the Extraordinary General Meeting and during the continuance of the Extraordinary General Meeting.

Members are requested to note that it is proposed to seek the approval of the Members of the Company in terms of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 for the introduction and implementation of the ESOP 2017 and grant of stock options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant of options to Mr. Ramachandran Sridhar and Mr. Prashant Joshi, respectively.

The Board recommends the resolution(s) set out at Item No. 2, Item No. 3 and Item No. 4 of this EGM Notice to the Members for their consideration and approval, by way of Special Resolution(s).

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution(s) set out at Item No. 2 and Item No. 3 of this EGM Notice, except to the extent of the options / equity shares that may be granted / offered to them under the ESOP 2017.

Except for Mr. Ramachandran Sridhar, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of this EGM Notice.

Item No. 5

Members are requested to note that Mr. Ramachandran Sridhar, Executive Vice-Chairman and Chief Executive Officer of the Company, has expressed his intent and agreed to invest in the equity share capital of the Company.

Members are further requested to note that in view of the above, the Board of Directors of the Company at their meeting held on Tuesday, 18 April 2017, accorded their approval for the issue of up to 3,17,500 fully paid-up equity shares of INR 10/- per equity share at a premium of INR 305/- per equity share aggregating up to INR 10,00,12,500/- to Mr. Ramachandran Sridhar by way of preferential offer, subject to the approval of the Members of the Company.

Members are requested to note that in terms of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014, a company, if it is authorised by a special resolution from its members, can offer shares to any persons, whether or not those persons include the existing members of the Company, for cash or for a consideration other than cash, if the price of such shares is determined by a valuation report by an independent Merchant Banker registered with Securities and Exchange Board of India (SEBI) or an independent Chartered Accountant in practice having a minimum experience of 10 years.

Members are further requested to note that pursuant to Article 8 of the Articles of Association of the Company, any further issue of equity shares proposed to be issued by the Company shall be first offered to the existing shareholders in the proportion of fully paid-up equity shares held by them unless otherwise decided by the shareholders holding not less than 75% of the paid-up share capital of the Company.

Members are requested to note that the proposed further issue of equity shares on preferential basis will not amount to acquisition or change in control in terms of Paragraph 64 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and hence, shall not require prior approval of the Reserve Bank of India.

Members are requested to note that in accordance with Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14(2)(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the broad details of the proposed preferential issue of the equity shares is as under:

1.	The objects of the issue	To mobilize funds for funding current and future activities and / or growth plans of the Company or general corporate purposes.
2.	The total number of shares or other securities to be issued	Up to 3,17,500 equity shares
3.	The price or price band at / within which the allotment is proposed	INR 315/- per equity share
4.	Basis or justification on which price (including premium) has been arrived at along with the report of the registered valuer	<p>The issue price of INR 315/- per equity share is determined based on the valuation report received from a SEBI Registered Category - I Merchant Banker, which is not less than the fair market value per equity share as determined in the valuation report.</p> <p>The valuation report shall be open for inspection by the Members of the Company at the Registered & Corporate Office of the Company during normal business hours on all working days (i.e., except Saturday(s),</p>

		Sunday(s) and Public Holiday(s) up to the date of the Extraordinary General Meeting and during the continuance of the Extraordinary General Meeting.			
5.	Relevant date with reference to which the price has been arrived at	The relevant date for determining the price of the equity shares is 31 March 2017.			
6.	The class or classes of persons to whom the allotment is proposed to be made	Resident Individual (Whole-Time Director designated as Executive Vice-Chairman and Chief Executive Officer of the Company)			
7.	Intention of promoters, directors or key managerial personnel to subscribe to the offer	Except Mr. Ramachandran Sridhar, Whole-Time Director of the Company designated as Executive Vice-Chairman and Chief Executive Officer of the Company, none of the promoters, directors or key managerial personnel intent to subscribe to the offer.			
8.	The proposed time within which the allotment shall be completed	Sixty days from the date of receipt of application money.			
9.	The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Proposed Allottee: Mr. Ramachandran Sridhar No. of shares to be issued: upto 3,17,500 % of post preferential offer capital: 0.40%*			
10.	The change in control, if any, in the Company that would occur consequent to the preferential offer	There will be no change in control pursuant to the proposed further issue of equity shares by way of preferential offer. However, the percentage stake of the Promoter, Indostar Capital, Mauritius, will stand reduced to the extent of shares offered and allotted under the proposed issue.			
11.	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	Sr. No.	Name of the Allottee	No. of shares issued and allotted	Issue Price per equity share (including premium in INR)
		1.	Mission Street Pte. Ltd.	22,65,000	300/-
		2.	Mr. Prashant Prakash Joshi	2,70,000	300/-
		3.	Everstone	11,35,000	300/-

		Capital Partners II LLC		
		4. Mrs. Laxmi Shivanand Mankekar, jointly with Mr. Shivanand Shankar Mankekar, jointly with Mr. Kedar Shivanand Mankekar	13,33,300	300/-
12.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	Not Applicable as the proposed issue and allotment of equity shares on preferential basis is for consideration in cash.		

13. Pre issue and post issue shareholding pattern of the Company:

Sr. No.	Category	Pre Issue		*Post Issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' Holding				
1.	Indian:				
	Individual	--	--	--	--
	Bodies Corporate	--	--	--	--
	Sub-Total	--	--	--	--
2.	Foreign Promoters	7,11,02,635	90.74%	7,11,02,635	90.37%
	Sub-Total (A)	7,11,02,635	90.74%	7,11,02,635	90.37%
B.	Non-Promoters' Holding				
1.	Institutional Investors	--	--	--	--
2.	Non-Institution	--	--	--	--
	Private Corporate Bodies	34,00,000	4.34%	34,00,000	4.32%
	Directors and Relatives	6,95,073	0.88%	10,12,573	1.29%
	Indian Public	31,64,091	4.04%	31,64,091	4.02%
	Others (including NRIs)	--	--		
	Sub-Total (B)	72,59,164	9.26%	75,76,664	9.63%
	GRAND TOTAL	7,83,61,799	100%	7,86,79,299	100%

**The post issue shareholding is based on assumption of subscription and allotment of 3,17,500 equity shares as proposed in the resolution set out at in this EGM Notice. Subject to the approval of the Board, the actual post issue shareholding may vary based on actual subscription and allotment made.*

Members are requested to note that the approval of the Members of the Company is sought in terms of Section 62(1)(c) of the Companies Act, 2013 read with the Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Section 42 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 for the proposed further issue of equity shares by way of preferential offer.

The Board recommends the resolution set out at Item No. 5 in this EGM Notice to the Members for their consideration and approval, by way of a Special Resolution.

Except for Mr. Ramachandran Sridhar, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of this EGM Notice.

Registered & Corporate Office:

One Indiabulls Center, 17th Floor,
Tower 2A, Jupiter Mills Compound,
Senapati Bapat Marg, Mumbai – 400 013
CIN: U51909MH2009PLC268160
Website: www.indostarcapital.com
e-mail: icf.legal@indostarcapital.com
Tel: +91 22 43157000; Fax: +91 22 43157010

By the Order of the Board of Directors
For **IndoStar Capital Finance Limited**

Jitendra Bhati

VP – Compliance & Secretarial
Membership No.: FCS 8937

Place: Mumbai

Date: 25 April 2017

ANNEXURE TO THE NOTICE
Brief Profile of Mr. Ramachandran Sridhar

Age	59 years
Date of first Appointment on the Board	18 April 2017
Qualifications	Bachelor's Degree in Science and a Fellow Member of the Institute of Chartered Accountants of India
Experience	As mentioned in the Explanatory Statement
Terms and Conditions of appointment	As contained in the Letter Agreement
Remuneration sought to be paid	As contained in the Letter Agreement and Explanatory Statement
Remuneration last drawn	Not Applicable
Shareholding in the Company	None. Further issue of equity shares on preferential to Mr. Ramachandran Sridhar forms part of the Notice for approval of the Members of the Company
Relationship with other Directors / Managers / Key Managerial Personnel	Not related
No. of Board Meetings attended during the year	Not Applicable
Other Directorships	Tata Motors Finance Limited JR Capital Services Private Limited Shriram Properties Private Limited



IndoStar Capital Finance Limited
(CIN: U51909MH2009PLC268160)

Registered & Corporate Office: One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound,

Senapati Bapat Marg, Mumbai – 400 013

Tel: +91 22 43157000; **Fax:** +91 22 43157010

Website: www.indostarcapital.com; **Email:** icf.legal@indostarcapital.com

ATTENDANCE SLIP

Registered Folio / DP ID and Client ID	
Name and address of the shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I / We hereby record my / our presence at an EXTRAORDINARY GENERAL MEETING of the Company held on Friday, 28 April 2017 at 11:00 a.m. at shorter notice, at One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013.

Member's Folio / DP ID- Client ID No.	Member's / Proxy's / Authorised Representative's name in Block Letters	Member's / Proxy's / Authorised Representative's Signature

NOTE:

Please complete the Folio / DP ID-Client ID No. and name of the Member / Proxy / Authorised Representative, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Extraordinary General Meeting Venue.



IndoStar Capital Finance Limited

(CIN: U51909MH2009PLC268160)

Registered & Corporate Office: One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills
Compound,

Senapati Bapat Marg, Mumbai – 400 013

Tel: +91 22 43157000; **Fax:** +91 22 43157010

Website: www.indostarcapital.com; **Email:** icf.legal@indostarcapital.com

PROXY FORM

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

Name of the member(s):
Registered Address:
E-mail Id:
Folio No./ Client ID No.:
DP ID :

I / We, being the member(s) holding shares of the above named Company,
hereby appoint:

1. Name: Address:.....

E-mail Id: Signature: or failing him:

2. Name: Address:.....

E-mail Id:..... Signature:.....

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Extraordinary General Meeting of the Company to be held on Friday, 28 April 2017 at 11:00 a.m. at shorter notice, at One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400013 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Business
1.	Appointment of Mr. Ramachandran Sridhar as a Whole-Time Director designated as Executive Vice-Chairman and Chief Executive Officer (EVC & CEO) of the Company
2.	IndoStar ESOP Plan 2017 (ESOP 2017)
3.	IndoStar ESOP Plan 2017 – Holding Company and / or Subsidiary Company(ies)
4.	Grant of stock options to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant of option
5.	Further issue of equity shares on preferential basis

Signed this day of 2017

Signature of Shareholder(s): _____

Signature of Proxy holder(s): _____

Affix Revenue Stamp

NOTE:

1. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013 not less than FORTY-EIGHT HOURS (48 hrs) before the commencement of the Meeting.
2. For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the Extraordinary General Meeting.

