



**Notice – Extraordinary General Meeting
9 May 2016**

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Members of **IndoStar Capital Finance Limited** will be held on Monday, 9 May 2016 at 11:00 A.M. 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. Re-appointment of Mr. Vimal Bhandari as Managing Director & CEO of the Company

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**“the Act”**) 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 provision of the Memorandum of Association and the Articles of Association of the Company, subject to such other rules, regulations, guidelines and acts applicable from time to time and subject to approval of the Central Government and / or any other authority / regulatory bodies as may be required and subject to conditions as may be prescribed by such authorities or regulatory bodies, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Vimal Bhandari (DIN: 00001318) as Managing Director & CEO of the Company, for a period of 2 (two) years with effect from 1 April 2016, on the terms and conditions including remuneration as per the details set out in the draft of the Employment Agreement to be entered into between the Company and Mr. Vimal Bhandari, a draft of which is placed before the Meeting and in the Explanatory Statement annexed to the Notice convening this Meeting, with specific authority to 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) of the Company, to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Vimal Bhandari.

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the actual amount of remuneration, perquisites, bonus and other benefits payable or to be provided to Mr. Vimal Bhandari and vary or increase the same from time to time, to the extent the Board may consider appropriate and as may be permitted subject to the compliance with the provisions of the Act read with Rules framed thereunder.

RESOLVED FURTHER THAT that in case of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be paid to Mr. Vimal Bhandari as minimum remuneration, subject to the provisions of the Act and the Rules framed thereunder.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

2. IndoStar Employee Stock Option Plan 2016

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 (**“the Act”**) read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force), the provision of the Memorandum of Association and the Articles of Association of the Company, subject to such other rules, regulations, guidelines and acts applicable 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 or bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities, 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 Employee Stock Option Plan 2016”** (**“ESOP 2016”**), 27,00,000 (Twenty Seven Lakhs) stock options convertible into 27,00,000 (Twenty Seven Lakhs) 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) 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 2016 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 aforesaid ESOP 2016 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 that 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 thereto 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 the ESOP 2016 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 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 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 thereto.”

3. IndoStar Employee Stock Option Plan 2016 – 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 (**“the Act”**) read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force), the provision of the Memorandum of Association and the Articles of Association of the Company, subject to such other rules, regulations, guidelines and acts applicable 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 or bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities, 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 Employee Stock Option Plan 2016”** (**“ESOP 2016”**), 27,00,000 (Twenty Seven Lakhs) stock options convertible into 27,00,000 (Twenty Seven Lakhs) 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) 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 2016 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 aforesaid ESOP 2016 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 options is rendered unattractive due to fall in price of the share in the market and that 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 thereto 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 the ESOP 2016 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 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 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 thereto.”

4. Grant of stock options to Mr. Shailesh Shirali, Whole-Time Director, 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 (**“the Act”**) read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provision of the Memorandum of Association and the Articles of Association of the Company, subject to such other rules, regulations, guidelines and acts applicable 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 or bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities, 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 Mr. Shailesh Shirali, Whole-Time Director of the Company, during any one year, stock options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) at the time of grant of option under the “**IndoStar Employee Stock Option Plan 2012**” (“**ESOP 2012**”) and / or “**IndoStar Employee Stock Option Plan 2016**” (“**ESOP 2016**”) 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) 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 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 thereto and to settle all questions, difficulties or doubts that may arise in this regard.”

5. Issue of Non-Convertible Debentures under Private Placement

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 42, 71, 179, 180 and all other applicable provisions of the Companies Act, 2013 (“**the Act**”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges, the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 (as amended from time to time), RBI Notification No. DNBR (PD) CC No. 021/03.10.001/2014-15 dated 20 February 2015 issued by the Reserve Bank of India and subject to such other rules, regulations, guidelines and acts applicable 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 or bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, Reserve Bank of India and subject to such terms and conditions as may be prescribed / imposed by such regulatory authorities, 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 Debenture Committee, for the time being exercising the powers conferred on the Board of Directors by this Resolution) to offer / issue/ allot up to such number of redeemable non-convertible debentures (**NCDs**) under private placement, in one or more modes or combinations thereof and in one or more series or tranches, with or without security and on such terms and conditions as may be determined by the Board including the price at which such NCDs will be issued, such that the aggregate principal amount of such NCDs does not exceed INR 2,500 crore (Rupees Two Thousand Five Hundred Crore only) during the year from the date of passing this Resolution.

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 thereto and to settle all questions, difficulties or doubts that may arise in this regard.”

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
Email: icf.legal@indostarcapital.com
Tel: 022 43157000 Fax: 022 43157010

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

**Sd/-
Jitendra Bhati
AVP – Compliance & Secretarial
Membership No.: ACS 23307**

Place: Mumbai
Date: 15 April 2016

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses as contained in the Notice is annexed hereto and forms part of this 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 at the Registered Office of 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 their e-mail address, including changes therein from time to time, with the Company to enable the Company to service various notice, reports, documents etc. in electronic mode.
5. Brief profile of Mr. Vimal Bhandari, proposed to be re-appointed as Managing Director & CEO of the Company is annexed hereto.
6. Corporate Members intended to send their authorised representatives to attend the 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 meeting pursuant to the provisions of Section 113 of the Companies Act, 2013.
7. All relevant documents referred to in the accompanying Notice and Explanatory Statement are 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 Meeting.
8. Members / Proxies are requested to bring the Attendance Slip duly filled in.
9. The Notice of the Extraordinary General Meeting along with the Attendance Slip and Proxy Form is being sent by electronic mail to all Members whose email addresses are registered with the Company / Depository Participant(s) unless a Member has requested for a hard copy of the same.
10. The Notice of the Extraordinary General Meeting is also available on the website of the Company www.indostarcapital.com.

ANNEXURE TO THE NOTICE

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

Item No. 1

Members are requested to note that Mr. Vimal Bhandari was appointed as Managing Director & CEO of the Company for a period of 5 years and his Employment Agreement expired on 31 March 2016.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held 11 April 2016 has, subject to the approval of the Members, considered and approved re-appointment of Mr. Vimal Bhandari as Managing Director & CEO of the Company for a period of 2 years effective from 1 April 2016 and accordingly also approved the Employment Agreement (containing the terms and conditions of re-appointment including remuneration) to be executed between the Company and Mr. Vimal Bhandari.

Brief profile of Mr. Vimal Bhandari is given in the annexure to this Notice.

The terms & conditions and remuneration relating to Mr. Bhandari's re-appointment as Managing Director & CEO of the Company are as set out in the Employment Agreement, a copy whereof 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 Meeting and shall also be placed at the venue of the Meeting. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Vimal Bhandari are as under:

Particulars	(All figures in Rupees)
Monthly payments	
Basic	5,72,917
HRA	3,43,750
Special Allowance	12,72,442
Monthly reimbursements	
Medical reimbursement	1,250
Gross Compensation per month	21,90,360
Gross Compensation per year	2,62,84,315
Leave Travel Allowance	50,000
Annual fixed guaranteed cash compensation	2,63,34,315
Gratuity @ 4.81% of Annual Basic	3,30,688
Provident Fund	8,25,000
Total Compensation	2,75,00,000

In addition to the Remuneration detailed above, Mr. Vimal Bhandari will also be entitled to the following perquisites:

- Telephones:** One mobile telephone connection and one land line connection at the residence and the Company will pay rental and usage charges for all official calls.
- Medical:** Entitled to reimbursement of medical bills up to a sum of INR 15,000/- (Rupees Fifteen Thousand) per year, which is included in the Compensation detailed above. In addition, the Company will provide the Employee the benefit of medical insurance, in line with the Policies.
- Club expenses:** Company will reimburse monthly club expenses, for any one leisure / social club in Mumbai, on an actual basis.
- Corporate Club:** Company will provide the benefit of corporate membership of the Taj Chambers or Oberoi Belvedere.
- Vehicles:** Company will provide with use of two cars along with drivers, for official and reasonable personal use. All operating costs related to these cars (drivers salary, fuel, repairs, insurance etc.) will be paid by the Company.

For the purpose of determining liability for income tax, the operating costs for one car will be treated as a perquisite, valued as per income tax rules, and added to Compensation. For the second car, all operating costs paid by the Company, will be treated as additional Compensation.

Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable or otherwise to Mr. Vimal Bhandari, as may be determined by the Board 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 granted / to be granted to Mr. Vimal Bhandari, 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.

The overall remuneration payable every year to the Managing Director & CEO and the Whole-time Director by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. shall not exceed in aggregate ten percent of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

Mr. Vimal Bhandari satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Members are requested to note that in terms of Section 196 of the Companies Act, 2013, the re-appointment of Mr. Vimal Bhandari as Managing Director & CEO 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 Notice to the Members for their consideration and approval by way of Ordinary Resolution.

Except Mr. Vimal Bhandari, 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 Ordinary Resolution set out at Item No. 1 of this Notice.

Item No 2, 3 & 4

Success of the Company's objectives is largely determined by the quality of its work force and their commitment to the 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 that of the Company.

In recognition of this objective, the Company had implemented the "IndoStar Employee Stock Option Plan 2012" ("ESOP 2012"). Out of the aggregate pool of 15,00,000 stock options available under the ESOP 2012, the position as regards, issued, vested and exercised stock options are as under:

Size of Plan (in terms of number of Options)	Options issued under the Plan	Options cancelled	Options Vested	Options Exercised	Options Outstanding	Balance available
15,00,000	9,99,000	1,03,700	81,900	0	813,400	6,04,700

In the light of the pace of the growth of the Company, the increase in the scope of the business volume, business verticals / financial products of the Company within the financial services sector and Company's commitment to grant stock options to senior hires undertaken by the Company in the past few months, it was felt necessary that the Company undertakes further employee stock option scheme in line with the existing ESOP 2012 and in a manner which will enable the Company to attract, retain, motivate and incentivise the employees of the Company.

Members are requested to note that in view of the above and considering the fact that out of the pool of 15,00,000 stock options under ESOP 2012 only 6,04,700 stock options are available for further grant, the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, approved the introduction of a new employee stock option scheme titled as the "IndoStar Employee Stock Option Plan 2016" ("ESOP 2016") with the objective of rewarding the employees / directors for building up the value of the Company and for providing to the employees / directors a sense of ownership and participation in the Company and also to provide them with an opportunity to share in the gains of its business. Your Board of Directors consider it appropriate to extend the ESOP 2016 to the employees/ directors of the Company and also the Company's holding / subsidiary company(ies), as may be decided by the Board of Directors or Nomination & Remuneration Committee thereof, to motivate and retain the best talent.

Members are requested to note that considering the important contribution made by Mr. Shailesh Shirali, Whole-Time Director of the Company, in the growth of the Company, the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, approved the grant to Mr. Shailesh Shirali, Whole Time Director, during any one year, stock options 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 proposed ESOP 2016 and / or ESOP 2012 and / or any other employee stock option scheme(s) introduced / implemented by the Company.

The equity shares arising out of the exercise of stock options would be approximately 5.4% of the fully diluted paid-up equity share capital of the Company (considering the full grant and conversion of options under ESOP 2012 and ESOP 2016).

The broad features of ESOP 2016 are as under:

Total number of stock options to be granted	A maximum of 27,00,000 (Twenty Seven Lakhs) options, subject to adjustments as may be required due to any corporate action. Each option is convertible into / or equal to 1 (one) equity share of the Company.
Identification of classes of employees entitled to participate in the ESOP 2016	To be decided by the Nomination & Remuneration Committee from time to time, in accordance with the ESOP 2016.
Appraisal process for determining the eligibility of employees to ESOP 2016	As may be deemed fit by the Nomination & Remuneration Committee from time to time in accordance with the ESOP 2016.
Requirements of vesting and vesting period	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2016. Provided that there shall be a minimum period of one year between the grant of options and vesting of options.
Maximum period within the options shall be vested	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2016.
Exercise price or the formula for arriving at the exercise price	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2016.
Exercise period and Exercise Process	As per ESOP 2016
Lock-in period	As determined by the Nomination & Remuneration Committee in accordance with the ESOP 2016. Shares issued under ESOP 2016 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 ESOP 2016.
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 2016.
Method which the company shall use to value its options	As per the Guidance Note on Accounting for employee share-based Payments' (Guidance Note) of Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI).
Conditions under which options vested in employee(s) may lapse	As per ESOP 2016
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 ESOP 2016

Implementation and administration of ESOP 2016	The Company shall directly implement and administer the ESOP 2016 through the Board / the Nomination & Remuneration Committee.
Issue of new shares or secondary acquisition	Company shall issue new shares under the ESOP 2016.

The Company shall conform to the Accounting Policies as applicable to the Company, from time to time.

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 Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

Members are requested to note that the draft ESOP 2016 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 Meeting and shall also be placed at the venue of the Meeting.

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

Except Mr. Shailesh Shirali, Whole-Time Director, 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. 2 to 4 of this Notice, except to the extent of the options / equity shares that may be granted / offered to them under ESOP 2016.

Item No. 5

Members of the Company are requested to note that pursuant to Section 180(1)(c) of the Act, the Members at its meeting held on 27 September 2013, accorded their approval to the Board of Directors, to borrow any sum or sums of monies, from time to time, in any form including but not limited to by way of loans, including credit facilities, by issue of debentures, other convertible or non-convertible instruments, or in any other form, upon such terms and conditions as to interest, repayment, or otherwise and with or without security, as the Board may think fit for the purposes of the Company's business notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed at any point in time (excluding any interest on such borrowings) a sum equivalent to INR 4000 Crore (Rupees Four Thousand Crore only) over and above the aggregate, of the paid-up share capital and free reserves of the Company.

Members are further requested to note that pursuant to the Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make a private placement of its securities (including Non-Convertible Debentures) unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or

invitations and in case of offer or invitation for NCDs, it shall be sufficient if the Company passes a previous special resolution only once in a year for all offers or invitation for such debentures during the year from the date of passing the shareholders resolution.

In compliance with the above, Members of the Company at their Extraordinary General Meeting held on 22 June 2015 accorded their approval for issue of NCDs, on private placement basis, during a year for an amount not exceeding INR 1200 Crore (Rupees One Thousand Two Hundred Crore only). The said approval of the Members of the Company shall expire on 21 June 2016.

The Board of Directors of the Company at their meeting held on 11 April 2016, subject to the approval of shareholders of the Company by way of special resolution, approved the issue of NCDs, on private placement basis, in one or more series or tranches, such that the aggregate principal amount raised by issue of such NCDs does not exceed INR 2,500 crore (Rupees Two Thousand Five Hundred Crore only) during the year from the date of passing the shareholders resolution.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested except to the extent of any charge / security that may be created by the Company in favour of any entity in which any of the Director(s) or other Key Managerial Personnel of the Company or their relatives may be associated in any capacity, in the Special Resolution set out at Item No. 5 of the 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
Email: icf.legal@indostarcapital.com
Tel: 022 43157000 Fax: 022 43157010

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

**Sd/-
Jitendra Bhati
AVP – Compliance & Secretarial
Membership No.: ACS 23307**

Place: Mumbai
Date: 15 April 2016

ANNEXURE TO THE NOTICE
Brief Profile of Mr. Vimal Bhandari

Age (at 31 March 2016)	57 years and 7 months
Date of first Appointment on the Board	28 April 2011
Qualifications	Bachelor of Commerce from Mumbai University. Chartered Accountant.
Experience	Mr. Bhandari is a proficient and a proven top management professional with over twenty five years of experience in a range of businesses in the financial services industry.
Terms and Conditions of re-appointment	As contained in the Employment Agreement
Remuneration sought to be paid	As mentioned in the Explanatory Statement of Item No. 1 to the Notice and contained in the Employment Agreement
Remuneration last drawn	INR 4.75 Crores
Shareholding in the Company	4,31,458 equity shares
Relationship with other Directors / Managers / KMP	Not related
No. of Board Meetings attended during the year	4
Other Directorships	Kalpataru Power Transmission Limited DCM Shriram Limited Bayer CropScience Limited RBL Bank Limited Piramal Glass Limited JK Tyre & Industries Limited Bharat Forge Limited IndoStar Asset Advisory Private Limited IndoStar Home Finance Private Limited
Membership / Chairmanship of Committees of other Boards	Kalpataru Power Transmission Limited Chairman – Nomination and Compensation Committee Member – Audit Committee Bayer CropScience Limited Chairman – Nomination and Remuneration Committee Member – Audit Committee and CSR Committee RBL Bank Limited Alternate Chairman – Audit Committee Chairman – Board Credit Committee Member – Stakeholders' Relations Committee Risk Management Committee Human Resource and Remuneration Committee Capital Raising Committee Piramal Glass Limited Chairman - Audit Committee Nomination and Remuneration Committee Member - CSR Committee

	JK Tyre & Industries Ltd Member - Nomination and Remuneration Committee
	Bharat Forge Limited Member - Nomination & Remuneration Committee



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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 the **EXTRAORDINARY GENERAL MEETING** of the Company on Monday, 9 May 2016, at 11:00 a.m. 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 name in Block Letters	Member's/Proxy's Signature

NOTE:

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



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(CIN: U51909MH2009PLC268160)

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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 Monday, 9 May 2016, at 11:00 a.m. at One Indiabulls Center, 17th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013 and at any adjournment thereof in respect of the following resolutions as are indicated below:

Resolution No.	Business
1.	Re-appointment of Mr. Vimal Bhandari as Managing Director & CEO of the Company.
2.	IndoStar Employee Stock Option Plan 2016.
3.	IndoStar Employee Stock Option Plan 2016 - Holding Company and / or Subsidiary Company(ies).
4.	Grant of stock options to Mr. Shailesh Shirali, Whole-Time Director, 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.	Issue of Non-Convertible Debentures under Private Placement.

Signed this day of 2016

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 Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Extraordinary General Meeting.

