

PUBLIC NOTICE AND INVITATION FOR COUNTER BIDS FOR SALE OF STRESSED ASSETS OF INDOSTAR CAPITAL FINANCE LIMITED UNDER SWISS CHALLENGE METHOD

1. Assets and details of Primary Offer

- 1.1 IndoStar Capital Finance Limited (“**ICFL**”), intends to sell its used commercial vehicle loans which are classified as stressed assets in the books of ICFL, the total amount outstanding of which is **INR 174,49,67,218/-** (Rupees One Hundred Seventy Four Crores Forty Nine Lakhs Sixty Seven Thousand Two Hundred and Eighteen Only) hereinafter referred to as “**Identified Exposure**”
- 1.2 ICFL has received an offer from an interested party (being an asset reconstruction company registered with the Reserve Bank of India) (“**Base Bidder**”) for acquiring the Identified Exposures (“**Primary Offer**”).
- 1.3 The key terms of the Primary Offer are as set out below:
- (a) The sale of the Identified Exposures shall be completed on an ‘as is where is, as is what is, whatever there is and without recourse basis’.
 - (b) The price offered by the base bidder for the Identified Exposures is an amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) (“**Base Bid Amount**”).
 - (c) The Base Bidder will set up a special purpose trust (“**Securitisation Trust**”) for acquiring the Identified Exposures from ICFL and shall contribute to 15.00% of the security receipts being issued by the Securitisation Trust. The balance 85.00% of the security receipts being issued by the Securitisation Trust shall be issued to ICFL as part consideration for sale of the Identified Exposures.
 - (d) The sale of the Identified Exposures shall be completed on or before December 31, 2024.
 - (e) The Base Bidder has provided a plan to resolve the Identified Exposures and redeem the security receipts issued by the Securitisation Trust within a period of 5 (five) years from acquisition of the Identified Exposures.
 - (f) The cut-off date for the transfer of assets would be November 30, 2024. All realisation/ recoveries in respect of the Identified Exposures made prior to the cut-off date, would be retained by ICFL.

2. Process of Sale

- 2.1 The sale of the Identified Exposures (“**Proposed Sale**”) is proposed to be completed under the ‘Swiss Challenge Method’ and this notice is being issued to invite counter bids or subsequent offers (“**Counter Bid**”) from interested asset reconstruction companies (“**ARCs**”).
- 2.2 Any ARC, who is interested in participating in Proposed Sale needs to furnish: (i) duly signed letter of intent in the form set out under Annexure A herein (“**LoI**”) and the non-disclosure agreement in the form set out under Annexure B herein (“**NDA**”) to ICFL in a sealed envelope to Mr. Swapnil Naik, VP – Corporate Lending at Silver Utopia, Third Floor, Unit No 301-A, Opposite P & G Plaza, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099, and share scanned copies of the same by e-mail to snaik@indostarcapital.com on or before 02.00 PM (IST) on 30th December, 2024; and (ii) an earnest money deposit for an amount of Rs. 1,00,00,000/- (Rupees One Crore only), which is non-refundable in the event that the Base

Bidder fails to complete the acquisition of the Identified Exposures as per the terms of the Offer (assuming that the Offer is accepted by ICFL as per the terms set out herein) (the “**Earnest Money Deposit**” or “**EMD**”) for participating in the Proposed Sale, by way of NEFT/ RTGS/ IMPS, on or before 02.00 PM (IST) on December 30th, 2024, to the following bank account of ICFL:

Beneficiary Name	INDOSTAR CAPITAL FINANCE LIMITED
Name of the bank	IndusInd Bank Limited
Type of Account	Current
A/c no.	200000030971
Branch	Opera House, Mumbai
IFS Code	INDB0000001

- 2.3 Please note that any ARC who has already been in discussions with ICFL for acquiring these assets and had not submitted a proposal, or submitted a proposal which was less beneficial to ICFL than the Primary Offer, will not be entitled to participate in the bid process and any bids submitted by such ARCs under this process will not be entertained.
- 2.4 The ARCs who have remitted the EMD and submitted the duly signed LoI and NDA within the above stipulated date and not disqualified as per paragraph 2.3 above (hereinafter referred to as the “**Qualified ARCs**”), shall, for conducting the due diligence, be given access to inspect the information and documents available with ICFL of the Identified Exposures through a virtual data room. The relevant details in this regard will be communicated to the Qualified ARCs.
- 2.5 The data room is intended to be kept open till December 30th, 2024 by 2.00 PM (IST) and each Qualified ARC is expected to provide their confirmation on whether they are willing to go ahead with the Proposed Sale by December 30th, 2024 by 2.00 PM (IST). The confirmation is to be provided in the format set out under Annexure C herein (“**Counter Bid Confirmation**”) and the purchase consideration quoted in such Counter Bid shall be at least 10% (Ten Percent) higher than the Base Bid Amount. During the period where the data room access is being made available, the documents which are proposed to be executed for completion of the Proposed Sale will also be made available to the Qualified ARCs and submission of a Counter Bid Confirmation will be treated as acceptance of the format of the said documents.
- 2.6 The Counter Bid should be unconditional, irrevocable and binding in all respects. A Counter Bid once submitted, cannot be withdrawn.
- 2.7 In case no Counter Bid Confirmations are received by 2.00 PM (IST) on December 30th, 2024, then ICFL, in its sole discretion, reserves the right to proceed with the execution of assignment agreement and related documents pursuant to the Primary Offer and undertake the sale of the Identified Exposures anytime on or after 2.00 PM (IST) of December 30th, 2024.
- 2.8 In case one or more Counter Bids are received within the timelines set out above, only the Counter Bid which satisfies the conditions set out herein and offers the highest purchase price shall be considered to be the Challenger Bid and the Base Bidder shall be provided with an opportunity to match the Challenger Bid. In the event that the Base Bidder matches (or provide a higher purchase price than) the Challenger Bid, the Base Bidder will be the successful bidder. In the event that the Base Bidder does not match the Challenger Bid, the bidder who provided the Challenger Bid will be the successful bidder.
- 2.9 Upon identification of the successful bidder as set out above, ICFL, in its sole discretion, reserves the right to proceed with the execution of assignment agreement and related documents pursuant to the bid made provided by the successful bidder and undertake the sale of the Identified Exposures to the successful bidder.

- 2.10 Without prejudice to the above, it is clarified that in case no confirmations are received from any Qualified ARCs under paragraph 2.2 above (and in compliance with the conditions set out herein), then ICFL, in its sole discretion, reserves the right to proceed with the execution of assignment agreement and related documents pursuant to the Primary Offer and undertake the sale of the Identified Exposures anytime on or after December 30th, 2024.
- 2.11 The EMD of the successful bidder(s) shall be retained by ICFL and adjusted towards part consideration for the Proposed Sale, while the EMD of unsuccessful bidders shall be refunded within 7 (Seven) working days of declaration of successful bidder by ICFL pursuant to the swiss challenge process. No interest shall be payable on the EMD. However, if the successful bidder fails to complete the acquisition of the Identified Exposures as per the terms set out herein, for any reason whatsoever, the EMD shall stand forfeited.
- 2.12 Without prejudice to the above, all interested parties acknowledge that the Proposed Sale will be subject to the outcome of the counter bid / swiss challenge process and the final approval by the competent authority of ICFL.

3. **Other terms and conditions**

- 3.1 The successful bidder should ensure completion of all statutory / regulatory & other compliances. Once a successful bidder has been identified and notified, the execution of the relevant document, sale of assets and receipt of purchase consideration should be completed within a maximum period of 1 (One) business day, therefrom, failing which ICFL reserves the right to cancel this process or approach any other bidder for completion of the sale upon the terms provided by the said bidder.
- 3.2 This is not an offer document and ICFL reserves the right to: (i) withdraw all or any of the accounts or assets from the pool being auctioned and the sale process or reject and / or cancel or defer the entire sale process of the assets / bids without assigning any reason; (ii) to add/ modify/ delete any of the terms and conditions and cancel, or modify the terms of the sale process at any stage without assigning any reason and without any liability thereof; (iii) sell the assets at a price below the Base Bid Amount. The decision of ICFL in this regard shall be final and binding.
- 3.3 If any clarifications or queries arise regarding the terms hereof or the terms of the Proposed Sale please contact Mr. Swapnil Naik at 022 4315 7000 or snaik@indostarcapital.com.

Date: December 26th, 2024
Place: Mumbai

Sd/-
Swapnil Naik
VP-Corporate Lending
IndoStar Capital Finance Limited

Annexure A
Format of Letter of Intent
(To be issued on the letterhead of a bidder)

Date: [●]

To,
IndoStar Capital Finance Limited
Silver Utopia, Third Floor, Unit No 301-A,
Opposite P & G Plaza, Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai - 400099.

Sir / Madam,

Sub: Sale of financial assets by IndoStar Capital Finance Limited

1. We refer to the Public Notice Document available on the website of IndoStar Capital Finance Limited (“**ICFL**”) dated December 26th, 2024 (“**PND**”), on the proposed sale of certain stressed financial assets, being the Identified Exposures. Capitalised terms used herein but not defined, shall have the same meaning assigned to the terms under the PND.
2. We hereby confirm our intention to proceed with the Proposed Sale (subject to completion of our due diligence).
3. The following officers have been authorized by us to deal with you in connection with the Proposed Sale and complete all actions required in connection with the Proposed Sale:

Name and Designation	Contact No	Email address

4. In connection therewith:
 - 4.1 We confirm that are eligible to conclude the purchase of the Identified Exposures in accordance with the terms of the PND and the applicable laws and regulations of India.
 - 4.2 Subject to our findings and pursuant to the due diligence review, we confirm that we intend to submit a Counted Bid Confirmation and we have all requisite authorisations (including corporate authorisations such as board and shareholder approvals as relevant) for the same.
 - 4.3 We have furnished the EMD for: an amount of Rs. 100,00,000/- (Rupees One Crore only) by way of RTGS to the bank account of ICFL identified in the PND, vide reference number [--]. We also understand that the EMD of all bidders shall be retained by ICFL and returned / adjusted / forfeited (as per the terms of the PND) only after the conclusion of the bid process.
 - 4.4 Enclosed herewith are: (a) our RBI Registration Certificate; and (b) the Non-Disclosure Agreement duly signed by us.

With regards,

<Authorized Signatory>

Encl.

1. RBI Registration Certificate
2. NDA

Annexure B

Non-Disclosure Agreement
[(To be stamped as an agreement cum Indemnity)]

NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (“this Agreement”) is executed at the place and on the date as specified in the Schedule attached hereto (“**Date of Execution**”) by

THE PERSONS as more particularly described in the Schedule hereunder (hereinafter referred to as “**Receiving Party**” which expression unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the **FIRST PART**;

IN FAVOUR OF

INDOSTAR CAPITAL FINANCE LIMITED, with corporate identity number **L65100MH2009PLC268160** having its registered office address at Silver Utopia, Third Floor, Unit No 301-A, Opposite P & G Plaza, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099, Maharashtra (hereinafter referred to as “**ICFL**” or “**Disclosing Party**” which expression unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the **SECOND PART**;

*(The Disclosing Party and the Receiving Party are hereinafter collectively referred to as “**the Parties**” and individually as “**the Party**”)*

WHEREAS the Parties intend to engage in discussions and negotiations concerning the establishment of a business relationship between themselves arising out of or in respect of purchase of certain identified financial assets as per the guidelines of the Reserve Bank of India. In the course of such discussions and negotiations, it is anticipated that the Disclosing Party may disclose or deliver to the Receiving Party certain or some of its trade secrets or confidential or proprietary information, for the purpose of enabling the other party to evaluate the feasibility of such business relationship (hereinafter referred to as “**the Purpose**”).

AND WHEREAS it is the intention of the Parties that such Confidential Information disclosed should not be disclosed by the Receiving Party to any third parties or to the press or anyone without prior written approval of the Disclosing Party.

AND WHEREAS for the protection of the Confidential Information, the Parties have decided to enter into this Agreement on the terms and conditions as mentioned hereinafter.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The Receiving Party shall use the Confidential Information solely, for and in connection with, the Purpose. For the purposes of this obligation, the terms Confidential Information and Purpose shall have the following meaning:
 - (a) “**Confidential Information**” means all information disclosed / furnished by either of the Parties to the other Party in connection with the business transacted / to be transacted between the Parties. Confidential Information shall include any copy, abstract, sample, note or module thereof.
 - (b) “**Purpose**” shall have the meaning assigned to the term under the Recitals.
2. **Non-disclosure:**

- (a) The Receiving Party shall not commercially use or disclose any Confidential Information, or any materials derived therefrom to any other person or entity other than persons in the direct employment of the Receiving Party who need to have access to and knowledge of the Confidential Information solely for the Purpose authorised above. The Receiving Party may disclose Confidential Information to consultants only if the consultant has executed a non-disclosure agreement with the Receiving Party that contains terms and conditions which are at minimum, as restrictive as the ones set out in this Agreement. The Receiving Party shall take appropriate measures by instruction and written agreement prior to disclosure to such employees to assure against unauthorised use or disclosure.
 - (b) The Receiving Party agrees to notify the Disclosing Party immediately, if it learns of any use or disclosure of the Disclosing Party's Confidential Information by any person or entity, which is in violation of the terms of this Agreement. Further, any breach of non-disclosure obligations by employees or consultants of the Receiving Party shall be deemed to be a breach of this Agreement by the Receiving Party and the Receiving Party shall accordingly be liable for such breach, in terms hereof.
 - (c) Provided that the Receiving Party may disclose Confidential Information required to be disclosed under law, under the order of any court, Tribunal or government, Statutory or Regulatory authorities, or Governmental agency as so required by such order, provided that the Receiving Party shall, first notify the Disclosing Party of such order and afford the Disclosing Party the opportunity to seek appropriate protective orders relating to such disclosure.
3. **Publications:** Neither party shall make news releases, public announcements, give interviews, issue or publish advertisements or publicize in any other manner whatsoever in connection with this Agreement, the contents/ provisions thereof, other information relating to this Agreement, the Purpose, the Confidential Information or other matter of this Agreement, without the prior written approval of the other party.
4. **Unpublished Price Sensitive Information:** The Receiving Party agrees and acknowledges that securities issued by the Disclosing Party are listed/may be listed from time to time on various stock exchanges and the Confidential Information may include unpublished price sensitive information in relation to Disclosing Party and that the use of such information may be regulated or prohibited by applicable legislation relating to insider trading. The Receiving Party undertakes not to use any Confidential Information for any unlawful purpose including for trading in the securities of Disclosing Party while in possession of such Confidential Information.
5. **Term:** This Agreement shall be effective from the Date of Execution and shall terminate on the expiry date, being earlier of:
- (a) the date falling one month from the Date of Execution, and
 - (b) the consummation of the transaction contemplated herein.

Upon expiration or termination as contemplated herein the Receiving Party shall immediately cease any and all disclosures or uses of Confidential Information; and at the request of the Disclosing Party, the Receiving Party shall promptly return or destroy all written, graphic or other tangible forms of the Confidential information and all copies, abstracts, extracts, samples, notes or modules thereof received by it. The Receiving Party is obliged to keep the Confidential Information received by it confidential even after expiry or termination of this Agreement.

6. **Title and Proprietary Rights:** Notwithstanding the disclosure of any Confidential Information by the Disclosing Party to the Receiving Party, the Disclosing Party shall retain title and all intellectual property and proprietary rights in the Confidential Information. No license under any trademark, patent or copyright, or application for same, which are now or thereafter may be obtained by such party is either granted or implied by the conveying of Confidential Information. The Receiving Party shall not conceal, alter, obliterate, mutilate, deface or otherwise interfere with any trademark, trademark notice, copyright notice, confidentiality notice or any notice of any other proprietary right of the Disclosing Party on any copy of the Confidential Information, and shall reproduce any such mark or notice on all copies of such Confidential Information. Likewise, the Receiving Party shall not add or emboss its own or any other any mark, symbol or logo on such Confidential Information. Likewise, the Receiving Party shall not add or emboss its own or any other any mark, symbol or logo on such Confidential Information.
7. **Return of Confidential Information:** Upon written demand of the Disclosing Party, the Receiving Party shall (i) cease using the Confidential Information, (ii) return the Confidential Information and all copies, abstract, extracts, samples, notes or modules thereof to the Disclosing Party within seven (7) days after receipt of notice, and (iii) upon request of the disclosing party, certify in writing that the Receiving Party has complied with the obligations, set forth in this paragraph.
8. **Indemnity:** The Receiving Party promises to indemnify the Disclosing Party against any loss, liability, claims, damages caused, and expenses suffered or incurred by the Disclosing Party as a result of any act or omission or negligence or misrepresentation of the Receiving Party or its employees/agents in pursuance of this Agreement.
9. **Remedies:** The Receiving Party acknowledges that if the Receiving Party fails to comply with any of its obligations hereunder, the Disclosing Party may suffer immediate, irreparable harm for which monetary damages may not be adequate. The Receiving Party agrees that, in addition to all other remedies provided at law or in equity, the Disclosing Party shall be entitled to injunctive relief hereunder.
10. **Entire Agreement, Amendment, Assignment:** This Agreement constitutes the entire agreement between the parties relating to the matters discussed herein and supersedes any and all prior oral discussions and/or written correspondence or agreements between the parties. This agreement may be amended or modified only with the mutual written consent of the parties. Neither this agreement nor any right granted hereunder shall be assignable or otherwise transferable.
11. **Notices:** Any notice or other communication under this Agreement shall be in writing and shall be delivered personally, or sent by pre-paid first-class post or recorded delivery or by commercial courier or by electronic mail, to the party at its address as set out below:

Disclosing Party:

Name: IndoStar Capital Finance Limited
Address: Silver Utopia, Third Floor, Unit No 301-A, Opposite P & G Plaza,
Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099.
Attention: Mr. Swapnil Naik
Email: snaik@indostarcapital.com

The address of the Receiving Party is as stipulated in the Schedule hereunder.

Or as otherwise specified by a Party by notice in writing to the other Party.

12. **Governing Law and Jurisdiction:** The provisions of this Agreement shall be governed by the laws of India and the competent courts situated at Mumbai shall have exclusive jurisdiction over any matters arising hereunder.

13. **General:**

(a) All Confidential Information is provided “as is”. In no event shall the Disclosing Party be liable for the inaccuracy or incompleteness of the Confidential Information. None of the Confidential Information disclosed by the parties constitutes any representation, warranty, assurance, guarantee or inducement by either party to the other with respect to the fitness of such Confidential Information for any particular purpose or infringement of trademarks, patents, copyrights or any right of third persons.

(b) The Parties represent and warrant that the persons executing this Agreement are duly authorised to execute this Agreement for and on its behalf.

IN WITNESS WHEREOF, the Receiving Party has executed these presents in favour of the Disclosing Party on the day, month and year as specified in the Schedule attached hereto.

For and on behalf of
[*Name of Receiving Party*]

(Authorized Signatory)
[(Name and designation of Authorised Signatory)]

THE SCHEDULE

Sr. No.	Particulars	Description
1.	Details of the Receiving Party	_____, a company incorporated and registered in India under the Companies Act, 1956/2013 and having its registered office at _____ represented by its authorised signatory, Mr. /Ms. _____ (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);
2.	Date of Execution of Agreement	
3.	Place of execution of Agreement	Mumbai
4.	Notice	Name: Address: Attention: Email:

Annexure C

Format of Counter Bid Confirmation

(To be issued on the letterhead of a bidder)

Date: [●]

To,

IndoStar Capital Finance Limited

Silver Utopia, Third Floor, Unit No 301-A,
Opposite P & G Plaza, Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai - 400099.

Sir / Madam,

Sub: Sale of financial assets by IndoStar Capital Finance Limited

1. We refer to the Public Notice Document available on the website of IndoStar Capital Finance Limited (“**ICFL**”) dated December 26th, 2024 (“**PND**”), on the proposed sale of certain stressed financial assets, being the Identified Exposures and the letter of intent dated [--] issued by us to you (“**LoI**”). Capitalised terms used herein but not defined, shall have the same meaning assigned to the terms under the PND.
2. We hereby confirm that we have completed our diligence process and we are agreeable to acquire the Identified Exposures on the terms set out hereunder:
 - (a) The acquisition of the Identified Exposures shall be completed on an ‘as is where is, as is what is, whatever there is and without recourse basis’.
 - (b) We will set up a special purpose trust (“**Securitisation Trust**”) for acquiring the Identified Exposures from ICFL and shall contribute to 15.00% of the security receipts being issued by the Securitisation Trust. The balance 85.00% of the security receipts being issued by the Securitisation Trust shall be issued to ICFL as part consideration for the sale of the Identified Exposures.
 - (c) The purchase price to be paid by the Securitisation Trust shall be Rs. [--] (“**Counter Bid Amount**”).
 - (d) The acquisition of the Identified Exposures shall be completed on or before December 31st, 2024.
 - (e) We have attached herewith a plan for resolution of the Identified Exposures and redeem the security receipts issued by the Securitisation Trust, and we confirm that this plan envisages redemption within a period of 5 (five) years from acquisition of the Identified Exposures.
 - (f) We understand that the EMD submitted by us is non-refundable in the event we fail to complete the acquisition of the Identified Exposures as per the terms of this offer.
 - (g) We understand that the cut-off date for the transfer of assets would be November 30, 2024 and that all realisation/ recoveries in respect of the Identified Exposures made prior to the cut-off date, would be retained by ICFL.

- (h) We confirm that we are fine with the documents made available in the data room for completion of the sale of the Identified Exposures and are happy to execute the same within the timelines indicated in the PND.
- 3. We confirm that the officers authorized under the LoI continue to be authorized officers and will sign the relevant assignment documents on our behalf.

With regards,

<Authorized Signatory>

Encl.

- 1. Resolution Plan