

**PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1) AND 4 READ WITH
REGULATIONS 13(1) AND 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF
INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS,
2011, AS AMENDED**

**FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF INDOSTAR CAPITAL
FINANCE LIMITED**

Open offer for acquisition of up to 37,195,411 (Thirty seven million one hundred ninety five thousand four hundred and eleven) fully paid up equity shares of face value of INR 10 (Indian Rupees Ten) each (“Equity Shares”) of IndoStar Capital Finance Limited (“Target Company”), representing 26% (twenty six percent) of the Expanded Voting Share Capital (*as defined below*), from the Public Shareholders (*as defined below*) of the Target Company, by BCP V Multiple Holdings Pte. Ltd. (“Acquirer”), together with Brookfield Business Partners L.P. (“PAC”) in its capacity as a person acting in concert with the Acquirer (“Open Offer” or “Offer”).

This public announcement (“**Public Announcement**” or “**PA**”) is being issued by Nomura Financial Advisory and Securities (India) Private Limited, the manager to the Offer (the “**Manager**”), for and on behalf of the Acquirer and the PAC, to the Public Shareholders (*as defined below*) of the Target Company, pursuant to and in compliance with Regulation 3(1), Regulation 4 and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).

For the purposes of this Public Announcement, the following terms shall have the meanings assigned to them below:

- a) “**Public Shareholders**” shall mean all the public shareholders of the Target Company, and for the avoidance of doubt, excluding the promoter and members of the promoter group of the Target Company, the Acquirer, the PAC, the persons deemed to be acting in concert with the Acquirer and the PAC, the parties to the SPA (*as defined below*), the SSA (*as defined below*) and the SHA (*as defined below*), and any persons deemed to be acting in concert with the parties to the SPA, the SSA and the SHA, pursuant to and in compliance with the SEBI (SAST) Regulations;
- b) “**Stock Exchanges**” means BSE Limited and National Stock Exchange of India Limited;
- c) “**Expanded Voting Share Capital**” means the total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10th) working day from the closure of the tendering period of the Open Offer. This includes all the 8,550,477 outstanding employee stock options granted to employees of the Target Company and its subsidiary, as on December 31, 2019, and the impact of Subscription Securities (*as defined below*) which shall be issued pursuant to the SSA (*as defined below*); and
- d) “**Sale Shares**” means the number of Equity Shares that the Acquirer shall purchase from Indostar Capital (“**ICM**”) subject to and in accordance with the terms of the SPA and is the aggregate of: (i) 5,000,000 (five million) Equity Shares held by ICM (“**Tranche 1 Shares**”); and (ii) such additional number of Equity Shares held by ICM (up to a maximum of 3,000,000 (three million) Equity Shares) which together with the Tranche 1 Shares, the Subscription Securities and the securities acquired from Public Shareholders pursuant to the Open Offer, amount to 40% (forty percent) of the Expanded Voting Share Capital.

1. **Offer Details**

- 1.1. **Open Offer Size:** Up to 37,195,411 (Thirty seven million one hundred ninety five thousand four hundred and eleven) Equity Shares of the Target Company ("**Offer Shares**"), constituting 26% (twenty six percent) of the Expanded Voting Share Capital, subject to the terms and conditions mentioned in this Public Announcement, and to be set out in the detailed public statement ("**DPS**") and the letter of offer ("**LoF**") that are proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 1.2. **Offer Price / Consideration:** The Offer is made at a price of INR 290 (Indian Rupees two hundred and ninety only) per Offer Share (the "**Offer Price**"), that will be offered to the Public Shareholders who validly tender their Equity Shares in the Open Offer. The Offer Price is arrived at in accordance with Regulation 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer in accordance with the SEBI (SAST) Regulations will be INR 10,786,669,190 (Indian Rupees ten billion seven hundred eighty six million six hundred sixty nine thousand one hundred and ninety only).
- 1.3. **Mode of Payment:** The Offer Price is payable in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 1.4. **Type of Offer:** This Open Offer is a mandatory offer in compliance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, pursuant to the substantial acquisition of shares, voting rights and control of and over the Target Company.

2. **Transactions which have triggered the Open Offer obligations (Underlying Transactions)**

2.1. The Acquirer has entered into:

- 2.1.1. a share subscription agreement dated January 31, 2020 with the Target Company and ICM (the "**SSA**"), wherein it is agreed that the Target Company shall, by way of preferential allotment, issue to the Acquirer and the Acquirer shall subscribe to: (i) 30,172,414 (thirty million one hundred seventy two thousand four hundred and fourteen) Equity Shares representing 21.09% (twenty one point zero nine percent) of the Expanded Voting Share Capital, at a subscription price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share; and (b) 12,068,966 (twelve million sixty eight thousand nine hundred and sixty six) compulsorily convertible preference shares ("**CCPS**") representing 8.44% (eight point four four percent) of the Expanded Voting Share Capital (collectively, "**Subscription Securities**"), at a subscription price of INR 290 (Indian Rupees two hundred and ninety only) per CCPS, and each CCPS will carry a dividend of 10% (ten percent) per annum (calculated on issue price) net of any taxes, and can be converted into 1 (one) Equity Share within 18 (eighteen) months from the date of issuance. The total subscription amount aggregates to INR 12,250,000,200 (Indian Rupees twelve billion two hundred and fifty million and two hundred rupees only);
- 2.1.2. a share purchase agreement dated January 31, 2020 with ICM (the "**SPA**"), wherein it is agreed that the Acquirer shall purchase (in one or two tranches) from ICM, the Sale Shares, at a price of INR 290 (Indian Rupees two hundred and ninety only) per Equity Share; and
- 2.1.3. a shareholders' agreement (SHA) dated January 31, 2020 ("**SHA**") with the Target Company and ICM, recording the terms and conditions governing the management of the Target Company and the *inter se* rights and obligations between the Acquirer and ICM, in relation to the Target Company.

(collectively, "**Underlying Transactions**")

2.2. Given below are the details of the Underlying Transactions:

Type of transaction (direct / indirect)	Mode of transaction (Agreement / Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total consideration for shares/ voting rights acquired (INR in Million)	Mode of payment	Regulation which has triggered
		Number	% vis-à-vis total Equity/ Expanded Voting Share Capital			
Direct	Agreement-Execution of the SPA for the purchase of the Sale Shares from ICM, subject to and in accordance with the terms of the SPA.	Minimum of 5,000,000 Equity Shares and Maximum of up to 8,000,000 Equity Shares	Minimum of 3.50% and Maximum of up to 5.59%	Minimum of INR 1,450 million and Maximum of up to INR 2,320 million	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations
	Agreement-Execution of the SSA, for the subscription to the Subscription Securities, subject to and in accordance with the terms of the SSA.	30,172,414 Equity Shares and 12,068,966 CCPS (each CCPS will carry a dividend of 10% (ten percent) per annum (calculated on issue price) net of any taxes, and can be converted into 1 Equity Share within 18 months from the date of issuance)	29.53%	INR 12,250 million	Cash	
	Agreement - Execution of the SHA, defining the mutual rights and obligations;	-	-	-	-	Regulation 4 of the SEBI (SAST) Regulations

Type of transaction (direct / indirect)	Mode of transaction (Agreement / Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total consideration for shares/ voting rights acquired (INR in Million)	Mode of payment	Regulation which has triggered
		Number	% vis-à-vis total Equity/ Expanded Voting Share Capital			
	and set out the terms and conditions governing the relationship between the Acquirer and ICM, <i>inter-se</i> as well as with the Company.					

- 2.3. Given the intent of the Acquirer to acquire and exercise control (along with the existing promoters) of the Target Company pursuant to the SPA, SHA and the SSA, and given that the shareholding of the Acquirer in the Target Company shall increase by more than 25% (twenty five percent) of the Expanded Voting Share Capital upon the acquisition of the Sale Shares and the Subscription Securities, this mandatory Open Offer is being made by the Acquirer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. Pursuant to the Offer, and consummation of the Underlying Transactions, the Acquirer will have control over the Target Company (along with the existing promoters) and the Acquirer shall become the promoter of the Target Company including in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3. Details of the Acquirer / PAC

Details	Acquirer	PAC	Total
Name	BCP V Multiple Holdings Pte. Ltd.	Brookfield Business Partners L.P.	-
Address	Income at Raffles 16 Collyer, Quay 19-00, Singapore, 049318	73 Front Street, 5th Floor, Hamilton, HM 12, Bermuda	-
Name(s) of persons in control/promoters of Acquirer where Acquirer is a Company	BCP V Multiple Holdings Pte. Ltd. is 100% owned by BCP V Holdings Pte.	Professionally managed and does not have any identifiable	-

Details	Acquirer	PAC	Total
	Ltd., which is a part of the Brookfield Group, which is professionally managed and does not have any identifiable promoters or promoter group.	promoters or promoter group	
Name of the Group, if any, to which the Acquirer / PAC belongs to	Brookfield Group	Brookfield Group	-
Pre-transaction shareholding - Number % of total share capital	Nil	Nil	Nil
Proposed shareholding after the acquisition of shares (including Offer Shares) which triggered the Open Offer *	72,367,825 Equity Shares constituting 50.59% of the Expanded Voting Share Capital and 12,068,966 CCPS, which upon conversion, would constitute 8.44% of the Expanded Voting Share Capital, aggregating to 59.02% of the Expanded Voting Share Capital	Nil	72,367,825 Equity Shares constituting 50.59% of the Expanded Voting Share Capital and 12,068,966 CCPS, which upon conversion, would constitute 8.44% of the Expanded Voting Share Capital, aggregating to 59.02% of the Expanded Voting Share Capital
Any other interest in the Target Company	None	None	None

* Assuming full acceptance in the Offer and Sale Shares as 5,000,000.

4. **Details of the Seller (i.e. selling shareholder under the SPA):**

Name	Part of promoter group (Yes/ No)	Details of shares/ voting rights held by the selling shareholders			
		Pre Transaction		Post Transaction*	
		Number of Equity Shares	% vis-à-vis Expanded Voting Share Capital	Number of Equity Shares*	% vis-à-vis Expanded Voting Share Capital*
ICM	Yes	52,594,228	36.76%	47,594,228	33.27%
Total		52,594,228	36.76%	47,594,228	33.27%

* Assuming full acceptance in the Offer and Sale Shares as 5,000,000.

5. **Target Company**

Name: IndoStar Capital Finance Limited

CIN: L65100MH2009PLC268160

Registered Office: One Indiabulls Center, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai 400 013, Maharashtra, India

Exchanges where listed: The Equity Shares of the Target Company are listed on the following exchanges:

(i) BSE Limited, Scrip ID: INDOSTAR, Scrip Code: 541336

(ii) National Stock Exchange of India Limited, Symbol: INDOSTAR

The ISIN of the Target Company is INE896L01010.

6. **Other Details regarding the Offer**

- 6.1. The DPS to be issued under the SEBI (SAST) Regulations shall be published in newspapers, within five working days of this public announcement, in accordance with Regulation 13(4) of the SEBI (SAST) Regulations. The DPS shall, *inter alia*, contain details of the Open Offer including detailed information on the Offer Price, the Acquirer, the PAC, the Target Company, ICM, the background to the Offer, the statutory approvals required (including for the Offer), relevant conditions (including the conditions precedent) as specified under the SPA and the SSA, details of financial arrangements, other terms of the Open Offer and the conditions to the Open Offer.
- 6.2. The Open Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19(1) of the SEBI (SAST) Regulations. This Public Announcement is not being issued pursuant to a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.3. The Acquirer, PAC and their respective directors, accept full responsibility for the information contained in this PA, and undertake that they are aware of and will comply with the obligations under the SEBI (SAST) Regulations. The Acquirer has adequate financial resources to meet its obligations under the Offer and has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.

- 6.4. This Offer and the Underlying Transactions are subject to the satisfaction of certain conditions precedent (including receipt of certain statutory and regulatory approvals) as specified under the SPA and the SSA. This Offer is also subject to the other terms and conditions mentioned in this Public Announcement, and as will be set out in the DPS and the LoF, proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 6.5. All the information pertaining to the Target Company has been obtained from publicly available sources (except the number of outstanding employee stock options as on December 31, 2019, which has been provided by the Target Company), and the accuracy thereof has not been independently verified by the Manager to the Open Offer.
- 6.6. In this Public Announcement, all references to “**Re.**” and “**Rs.**” and “**INR**” are references to Indian Rupees.

Issued by the Manager to the Offer:

NOMURA

Nomura Financial Advisory and Securities (India) Private Limited

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Email: indostaropenoffer@nomura.com
Contact Person: Vishal Kanjani / Sandeep Baid
SEBI Registration Number: INM000011419

For and on behalf of the Acquirer and the PAC

Acquirer:

Sd/-

Authorized Signatory
BCP V Multiple Holdings Pte. Ltd.

PAC:

Sd/-

Authorized Signatory
Brookfield Business Partners L.P.

Place: Mumbai

Date: January 31, 2020