

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This letter of offer ("Letter of Offer") is sent to you as an Equity Shareholder of IIFL Holdings Limited (the "Target Company"). If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer / the Registrar to the Offer. In case you have recently sold your Equity Shares in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

FIH MAURITIUS INVESTMENTS LTD

("Acquirer")

A private company limited by shares incorporated under the (Mauritius) Companies Act, 2001

Regd. Office: Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius (Tel: +2304643040/3031, Fax: +2304681930)

ALONG WITH

HWIC ASIA FUND (CLASS A SHARES) ("PAC 1")

HWIC Asia Fund is a public limited company incorporated under the (Mauritius) Companies Act, 2001

Regd. Office: Level 1, Maeva Tower, CyberCity, Ebene, Mauritius (Tel: +2304643044/3393, Fax: +2304681936)

AND

I INVESTMENTS LIMITED

("PAC 2")

A private company incorporated under the (Mauritius) Companies Act, 2001

Regd. Office: Level 1, Maeva Tower, CyberCity, Ebene, Mauritius (Tel: +2304643044/3393, Fax: +2304681936)

AND

FIH PRIVATE INVESTMENTS LTD

("PAC 3")

A private company incorporated under the (Mauritius) Companies Act, 2001

Regd. Office: Level 1, Maeva Tower, Cybercity, Ebene, Mauritius – (Tel: +2304643040/3031, Fax: +2304681930)

(PAC 1, PAC 2 and PAC 3 collectively, the "Persons Acting in Concert" / "PAC")

MAKES A CASH OFFER AT A PRICE OF ₹ 195 (RUPEES ONE HUNDRED AND NINETY FIVE ONLY) ("OFFER PRICE") PER FULLY PAID UP EQUITY SHARES OF ₹ 2 EACH OF THE TARGET COMPANY ("EQUITY SHARES") TO ACQUIRE UP TO 8,31,28,852 EQUITY SHARES REPRESENTING 26% OF THE POST-OFFER EQUITY SHARE CAPITAL OF THE TARGET COMPANY ("OFFER SIZE") AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD ASSUMING FULL EXERCISE OF 85,83,405 OUTSTANDING EMPLOYEE STOCK OPTIONS AND INCLUDES ANY POTENTIAL INCREASES TO THE NUMBER OF OUTSTANDING EQUITY SHARES DURING THE OFFER PERIOD AS CONTEMPLATED AS OF THE DATE OF THE PUBLIC ANNOUNCEMENT ("EMERGING VOTING CAPITAL") (CONSIDERING THE EQUITY SHARE CAPITAL AS ON THE DATE OF THE PUBLIC ANNOUNCEMENT AND THE VESTED OUTSTANDING EMPLOYEE STOCK OPTIONS AS ON MARCH 31, 2015) UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS") FROM THE EQUITY SHAREHOLDERS OF

IIFL HOLDINGS LIMITED ("TARGET COMPANY")

A public limited company incorporated under the Companies Act, 1956

Regd. Office: IIFL House, Sun Infotech Park, Road No.16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane, 400604. (Tel: 022-42499000, Fax: 022-24954313, E Mail ID: gajendra.thakur@indiainfoline.com; Website: www.indiainfoline.com)

- This Offer (as defined hereinafter) is made by the Acquirer and PAC pursuant to, and in compliance with, the provisions of Regulation 3(1) of the SEBI (SAST) Regulations.
- This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- This Offer is subject to receipt of the approval from (i) SEBI (Mutual Funds Division) in relation to India Infoline Asset Management Company Limited to the extent required under the SEBI (Mutual Fund) Regulations, 1996. In this regard, the Acquirer and PAC 2 have submitted the requisite information to SEBI by way of letters dated August 4, 2015 and September 23, 2015 and are currently awaiting feedback on the same; and (ii) approval from the FIPB for direct and indirect foreign investments in the Target Company and its subsidiaries, to the extent required. Pursuant to a press release dated October 7, 2015, issued by the Department of Economic Affairs, we understand that the FIPB has recommended the proposal for consideration of the Cabinet Committee on Economic Affairs. The requisite approval is currently awaited.
Apart from the statutory approval mentioned above, as of the date of this Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals, required by the Acquirer to complete this Offer. However, in case any other statutory approvals are required by the Acquirer at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
The Acquirer shall complete all procedures relating to this Offer within 10 (Ten) Working Days from the date of closure of the Tendering Period to those Equity Shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
In case of delay / non-receipt of any approval, including any statutory approval which may be required by the Acquirer at a later date, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
The Acquirer will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are not granted. In case of such event, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.
- The Acquirer can revise the Offer Price or the Offer Size at any date prior to the commencement of the last three Working Days prior to the opening of the Tendering Period (as defined hereinafter). Any such upward revision would be informed by way of the Offer Opening Public Announcement (as defined hereinafter) in the same newspapers and editions in which the Detailed Public Statement (as defined hereinafter) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable by the Acquirer or PAC 2, as applicable for all the Equity Shares validly tendered during the Tendering Period.
- There has been no competing offer as on the date of this Letter of Offer.**

A copy of the Public Announcement (as defined hereinafter), the Detailed Public Statement and the Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 ICICI Securities Limited SEBI Regn. No. INM000011179 ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra, India Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580 Email ID: iifl.openoffer@icicisecurities.com Contact Person: Mr. Prem D'Cunha / Mr. Anurag Byas	 Link Intime India Private Limited SEBI Regn. No.: INR000004058 C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai 400078 Maharashtra, India Tel: +91 (022) 6171 5400, Fax: +91 (022) 2596 0329 E-mail id: iifl.offer@linkintime.co.in Contact Person: Mr. Ganesh Mahtre

The Schedule of major activities under this Offer is as follows:

Activity	Original Dates	Revised Dates
Date of Public Announcement (PA)	Tuesday, July 14, 2015	Tuesday, July 14, 2015
Date of publication of the Detailed Public Statement (DPS) in the newspapers	Tuesday, July 21, 2015	Tuesday, July 21, 2015
Date of filing the Draft Letter of Offer with SEBI	Tuesday, July 28, 2015	Tuesday, July 28, 2015
Last date for a competitive bid [#]	Tuesday, August 11, 2015	Tuesday, August 11, 2015
Date of receipt of SEBI's observations on the Draft Letter of Offer	Wednesday, August 19, 2015	Monday, October 12, 2015
Identified Date*	Friday, August 21, 2015	Wednesday, October 14, 2015
Letter of Offer to be dispatched to Equity Shareholders	Friday, August 28, 2015	Wednesday, October 21, 2015
Last date for revising the Offer Price/ Size of the Offer	Monday, August 31, 2015	Monday, October 26, 2015
Last date for publishing the recommendation of committee of the independent directors of the Target Company	Tuesday, September 1, 2015	Tuesday, October 27, 2015
Date of publication of Offer Opening Public Announcement	Thursday, September 3, 2015	Wednesday, October 28, 2015
Date of commencement of Tendering Period (Offer Opening Date)	Friday, September 4, 2015	Thursday, October 29, 2015
Date of expiry of Tendering Period (Offer Closing Date)	Friday, September 18, 2015	Friday, November 13, 2015
Date by which all requirements including payment of consideration would be completed.	Tuesday, October 6, 2015	Monday, November 30, 2015
Last date of publication of post-Offer advertisement	Tuesday, October 13, 2015	Monday, December 7, 2015
Last date for submission of final report to SEBI	Tuesday, October 13, 2015	Monday, December 7, 2015

[#] There has been no competing offer as of the date of this Letter of Offer.

* The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the equity shareholders of the Target Company (registered or unregistered) of the Equity Shares (except the Acquirer, PAC and promoter group shareholders of the Target Company) are eligible to participate in this Offer at any time prior to the Offer Closing Date.

RISK FACTORS

Given below are the risk factors relating to the Offer and the probable risks involved in associating with the Acquirer and PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by an Equity Shareholder in this Offer, but are merely indicative. The Equity Shareholders are advised to consult their stockbrokers or legal, financial, tax or investment consultants, if any, for analyzing all the risks with respect to their participation in this Offer and related sale and transfer of Equity Shares of the Target Company For capitalized terms used herein please refer to the Definitions set out on page nos. 6-7 of this Letter of Offer.

A. Risk factors relating to the Offer

1. The Offer is not made pursuant to any transaction.
2. The Offer is subject to the receipt of approvals which to the best of Acquirer's and PAC's knowledge are more particularly set out in paragraph 6.3 of this Letter of Offer. If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.
3. The Offer is an offer to acquire not more than 8,31,28,852 Equity Shares, representing 26% (Twenty Six percent) of the Emerging Voting Capital, from the Equity Shareholders. Where the number of Equity Shares offered for sale by the Equity Shareholders is more than the Equity Shares agreed to be acquired by the Acquirer and the PAC, the Acquirer and the PAC shall accept the offers received from the Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer, in accordance with the SEBI (SAST) Regulations. We can not assure you that all Equity Shares tendered by the Equity Shareholders in the Offer will be accepted, in the event the number of Equity Shares tendered exceeds 26% (Twenty Six percent) of the Emerging Voting Capital of the Target Company.
4. The Offer is subject to the receipt of certain statutory, regulatory and other approvals / no objections described in detail in paragraph 6.3. In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any order of a governmental authority or litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer/PAC from performing its obligations hereunder, or (c) SEBI instructing the Acquirer/PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer or the Offer may even be aborted (if on account of (c) above). Consequently, the payment of consideration to the Equity Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer/PAC may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer/PAC, grant an extension for the purpose of completion of the Offer subject to the Acquirer/PAC agreeing to pay interest to the validly tendering Equity Shareholders.
5. The Acquirer and the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as stated in paragraph 6.3, is refused. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders whose Equity Shares are validly tendered and accepted in this Offer, as well as the return of Equity Shares not validly tendered and accepted in this Offer, may be delayed.
6. The tendered Equity Shares will lie to the credit of a designated escrow depository account to the extent they are in dematerialized form and/or in physical form as the case may be and the documents relating to the tendered Equity Shares would be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the Equity Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. This may restrict the ability of such Equity Shareholders to take advantage of any favourable price movements. Accordingly, the Acquirer and the PAC make no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer. It is understood that the each Equity Shareholder will be solely responsible for its decision regarding its participation in this Offer.

7. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Equity Shareholders during the Tendering Period notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration.
8. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for statements made otherwise than in this Letter of Offer or the Public Announcement or the DPS or in the post Offer advertisement or any corrigendum or in the advertisement or any materials issued by or at the instance of the Acquirer and the PAC (excluding all information pertaining to the Target Company) and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Offer) would be doing so at his/her/their own risk.
9. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis
10. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer; resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
11. The Equity Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PAC do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

B. Risk factors associated with the Acquirer and the PAC

1. The Acquirer and the PAC make no assurance with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company nor do they make any assurance with respect to the market price of the Equity Shares before, during or upon the completion of this Offer. Each of the Acquirer and the PAC disclaim any responsibility with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs."/"INR"/ "₹" are to Indian Rupee(s), the official currency of India. Throughout this Letter of Offer, all figures have been expressed in "million, thousand or lakh" unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

All the data presented in USD in this Letter of Offer have been converted into INR for purpose of convenience translation. The conversion has been assumed at the rate as identified along with such financial information in this Letter of Offer.

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DEFINITIONS/ABBREVIATIONS

S No.	Particulars	Details / Definition
1.	Acquirer	FIH Mauritius Investments Limited, a public company limited by shares under the (Mauritius) Companies Act, 2001 in Mauritius and having its registered office at Level 1, Maeva Tower, Cybercity, Ebene, Mauritius.
2.	Aggregate Fairfax Threshold	Up to 39.97% of the total equity share capital of the Target Company, comprising (a) the actual acceptance of Equity Shares under the Offer, i.e. up to 26% of the Emerging Voting Capital; (b) the current holding of PAC 1 amounting to 8.73% of the Emerging Voting Capital; and (c) the economic interest of USFIC and ORC in the underlying Equity Shares (as on the date of the Draft Letter of Offer), amounting to 5.24% of the total paid up equity share capital of the Target Company.
3.	Beneficial Owner	Beneficial owners of the Equity Shares, whose names appeared as beneficiaries on the records of their respective DP at the close of business hours on the Identified Date or at any time before the closure of the Tendering Period.
4.	BSE	BSE Limited.
5.	CCI	Competition Commission of India.
6.	CDSL	Central Depository Services (India) Limited.
7.	Companies Act	Companies Act, 2013, and/or the Companies Act, 1956 (to the extent applicable and not repealed).
8.	DPS/Detailed Public Statement	The Detailed Public Statement published on behalf of the Acquirer and the PAC in the Newspapers on Tuesday, July 21, 2015 and filed with the BSE and NSE on July 21, 2015, with SEBI on July 21, 2015 and sent to the Target Company on July 14, 2015.
9.	DP	Depository Participant.
10.	Draft Letter of Offer	The draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations.
11.	EBITDA	Earnings Before Interest, Tax and Depreciation.
12.	Emerging Voting Capital	Total post Offer equity share capital of the Target Company (i.e. the equity share capital as on the date of the Public Announcement), assuming exercise of 85,83,405 outstanding employee stock options of the Target Company (i.e. the number of vested outstanding employee stock options as on March 31, 2015) that have vested on or prior to the 10th (tenth) Working Day from the closure of the Tendering Period, and includes any potential increases to the number of outstanding Equity Shares during the Offer Period.
13.	EPS	Earnings Per Equity Share, for the period under reference and annualized.
14.	Equity Shareholders	The equity shareholders of the Target Company, other than the Acquirer and PAC.
15.	Equity Shares	Fully paid up equity shares of the Target Company having a face value of ₹ 2 (Two) each.
16.	Escrow Agent / Escrow Bank	Kotak Mahindra Bank Limited, a banking corporation incorporated under the Companies Act and having one of its branch office at 27 BKC, 2nd Floor, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, India.
17.	FII	Foreign Institutional Investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended.
18.	FIPB	Foreign Investment Promotion Board.
19.	Form of Acceptance-cum-Acknowledgment	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer.
20.	FPI	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, registered with SEBI under applicable laws in India.
21.	FY	Financial year.
22.	GAAP	Generally Accepted Accounting Principles.
23.	Identified Date	Wednesday, October 14, 2015, i.e. the date falling on the 10 th (tenth) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Equity Shareholders to whom the Letter of Offer shall be sent.
24.	Income Tax Act	The Income Tax Act, 1961, as amended.
25.	Letter of Offer/LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement.
26.	Listing Agreement	Equity Listing Agreement with each of the stock exchanges in India, as amended from time to time.
27.	Merchant Banker/ Manager to the Offer/I-Sec	ICICI Securities Limited having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India.

S No.	Particulars	Details / Definition
28.	NEFT	National Electronic Funds Transfer.
29.	NSDL	National Securities Depository Limited.
30.	NRIs	Non Resident Indians and persons of Indian origin residing abroad.
31.	NSE	National Stock Exchange of India Limited.
32.	OCBs	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
33.	Offer/Open Offer	Open offer being made by the Acquirer along with the PAC to the Equity Shareholders of the Target Company, to acquire up to 8,31,28,852 Equity Shares at a price of ₹ 2 (Rupees Two only) per Equity Share.
34.	Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period to be made on behalf of the Acquirer and PAC at least one Working Day prior to the commencement of Tendering Period.
35.	Offer Period	Period commencing from July 14, 2015 (the date of the Public Announcement) till the date on which the payment of consideration to the Equity Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
36.	Offer Size	8,31,28,852 Equity Shares, representing 26% (Twenty Six percent) of the Emerging Voting Capital.
37.	ORC	Odyssey Reinsurance Company.
38.	PA/Public Announcement	Announcement of the Offer made on behalf of the Acquirer and the PAC, dated Tuesday, July 14, 2015 and filed with the BSE and NSE on July 14, 2015, with SEBI on July 14, 2015 and sent to the Target Company on July 14, 2015.
39.	PAC	PAC refers to Persons Acting in Concert along with the Acquirer as defined in the SEBI (SAST) Regulations, being PAC 1, PAC 2 and PAC 3 as defined in the PA, the DPS and this Letter of Offer.
40.	PAC 1	HWIC Asia Fund (Class A Shares) is a sub-fund of HWIC Asia Fund which is a public limited company incorporated under the laws of Mauritius, being a person acting in concert with the Acquirer for the purpose of the Offer.
41.	PAC 2	I Investments Limited, a private company incorporated under (Mauritius) Companies Act, 2001, and subsequent amendments and re-enactment thereto, being a person acting in concert with the Acquirer for the purpose of the Offer.
42.	PAC 3	FIH Private Investments Ltd, a private company incorporated under (Mauritius) Companies Act, 2001, and subsequent amendments and re-enactment thereto, being a person acting in concert with the Acquirer for the purpose of the Offer.
43.	PAN	Permanent Account Number.
44.	PAT	Profit After Tax.
45.	RBI	Reserve Bank of India.
46.	Registrar to the Offer	Link Intime India Private Limited having its address at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai 400078.
47.	SEBI (SAST) Regulations/ Takeover Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, as amended.
48.	SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
49.	SEBI	Securities and Exchange Board of India.
50.	SEBI Act	SEBI Act, 1992, as amended.
51.	Special Depository	The special depository escrow account opened pursuant to the Offer with NSDL for receiving Equity Shares tendered pursuant to the Offer.
52.	Target Company	IIFL Holdings Limited, a public limited company incorporated under the Companies Act having its registered office at IIFL House, Sun Infotech Park, Road No.16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane, 400604.
53.	Tendering Period	Thursday, October 29, 2015 to Friday, November 13, 2015 .
54.	USFIC	United States Fire Insurance Company.
55.	Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai.

Note: All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

1 **DISCLAIMER CLAUSE**

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 28, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

2 DETAILS OF THIS OFFER

2.1 Background of this Offer:

- 2.1.1 This Offer is being made by the Acquirer and the PAC to the Equity Shareholders under Regulation 3(1) of the SEBI (SAST) Regulations. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and is being made for the acquisition of 26% (Twenty Six percent) of the Emerging Voting Capital of the Target Company.
- 2.1.2 This Offer is being made pursuant to the decision and intention of the Acquirer and PAC to consolidate their shareholding in the Target Company by acquiring 26% (Twenty Six percent) of the Emerging Voting Capital of the Target Company, which assuming full acceptance, would result in the Acquirers and PAC holding 34.73% (Thirty Four point Seven Three percent) of the Emerging Voting Capital. This Offer does not involve any acquisition of control over the Target Company by the Acquirer and/or the PAC or any change in control of the Target Company. There will be no change in the promoters of the Target Company.
- 2.1.3 The Acquirer and PAC have not entered into and do not have any agreements or arrangements with the Target Company or the promoters of the Target Company.
- 2.1.4 All the Equity Shares validly tendered and accepted in this Offer in accordance with the terms and conditions contained in the PA, DPS, and the Letter of Offer, will be acquired by the Acquirer and PAC 2 only and PAC 1 and PAC 3 will not acquire any Equity Shares being tendered and accepted in this Offer. In case the number of Equity Shares offered for sale by the Equity Shareholders is more than the Equity Shares agreed to be acquired by the Acquirer and the PAC, the Acquirer and the PAC shall accept the offers received from the Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer, in accordance with the SEBI (SAST) Regulations.
- 2.1.5 The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.
- 2.1.6 The Acquirer and PAC do not intend to appoint any additional directors on the board of directors of the Target Company after the Offer.
- 2.1.7 As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Equity Shareholders and such recommendations are required to be published, at least two Working Days before the commencement of the Tendering Period, i.e. on or prior to Tuesday, October 27, 2015 in the same newspapers where the DPS related to the Offer was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations. We understand that the board of directors of the Target Company has, by way of a resolution dated July 29, 2015, constituted a committee of independent directors to provide written recommendations on the Offer.

2.2 Details of the Offer

- 2.2.1 The details pertaining to the publication of the Detailed Public Statement in Newspapers is given below:

Newspaper	Language	Editions	Date of DPS
Financial Express	English	All Editions	Tuesday, July 21, 2015
Jansatta	Hindi	All Editions	Tuesday, July 21, 2015
Navshakti	Marathi	Mumbai	Tuesday, July 21, 2015

The Public Announcement and the Detailed Public Statement are also available at SEBI's website: www.sebi.gov.in.

- 2.2.2 Pursuant to the Offer, the Acquirer will acquire up to 8,31,28,852 Equity Shares of the Target Company constituting 26% (Twenty Six percent) of the Emerging Voting Capital at an Offer Price of ₹ 195 (Rupees One Hundred Ninety Five Only) per Equity Share, free from all lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, for cash to be paid in accordance with the SEBI (SAST) Regulations.
- 2.2.3 Based on the available information, the Emerging Voting Capital has been calculated assuming full exercise of 85,83,405 outstanding employee stock options and includes any potential increases to the number of outstanding equity shares during

the Offer Period as contemplated as of the date of the PA (considering the equity share capital as on the date of the PA and the vested outstanding employee stock options as on March 31, 2015) under the SEBI (SAST) Regulations.

- 2.2.4 There are no partly paid up Equity Shares in the share capital of the Target Company.
- 2.2.5 There is no differential pricing for this Offer.
- 2.2.6 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 2.2.7 This Offer is not subject to any minimum level of acceptance. All Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price in accordance with the terms and conditions contained in the PA, DPS, and the Letter of Offer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof. This Offer is not conditional on any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 2.2.8 The Acquirer and PAC have not acquired any Equity Shares of the Target Company between the date of the PA, being Tuesday, July 14, 2015 and the date of this Letter of Offer.
- 2.2.9 As on the date of this Letter of Offer, there has been no competing offer to this Offer.
- 2.2.10 The Equity Shares of the Target Company are listed on BSE and NSE.

2.3 Object of the acquisition / Offer

- 2.3.1 The Offer to the Equity Shareholders of the Target Company is being made pursuant to Regulation 3(1) of the SEBI (SAST) Regulations involving substantial acquisition of the Equity Shares without any change in control/ management of the Target Company. The Acquirer and PAC do not intend to control the management of the Target Company or induct additional directors representing the Acquirer and/or the PAC on the board of the Target Company. There will be no change in the promoters of the Target Company.
- 2.3.2 The object of the Offer is to acquire additional Equity Shares of the Target Company, in the ordinary course of business of the Acquirer and PAC 2, because the Acquirer and PAC 2 believe that there is great potential for the growth of the Target Company. The Acquirer and PAC 2 believe that under the leadership of its founder promoter, Mr. Nirmal Jain, a first generation entrepreneur, and his management team, the Target Company has shown strong organic growth of assets with a strong, long-term history of profitable growth, which aligns with the Acquirer's strategy for investing in well-managed companies with high integrity and long-term track records in India.
- 2.3.3 The Acquirer and PAC have, by way of a letter dated August 19, 2015, submitted the following to SEBI to set out how the Acquirer and PAC would not acquire 'control' of the Target Company post completion of the Offer:

(i) **No acquisition of 'control' of the Target Company:**

As per the Takeover Regulations, 'control' has been defined to include (a) the right to appoint the majority of directors; and (b) control the management or policy decisions of the company including rights exercisable pursuant to any shareholding, management or voting agreements.

- (a) ***Representation on the board of directors:*** As disclosed in the PA, DPS and LOF, PAC 1 currently holds 2,79,10,000 Equity Shares constituting 8.97% of the total paid up equity share capital of the Target Company and 8.73% of the Emerging Voting Capital. Mr. Chandran Ratnaswami, a director on the board of directors of the Acquirer and PAC, has been acting as a non-executive director on the board of directors of the Target Company since May 15, 2012. Post completion of the Offer, the Acquirer and PAC will not be appointing any additional directors on the board of the Target Company as disclosed under paragraph 2.1.6 of this Letter of Offer. Accordingly, post the Offer, the representation of the Acquirer and PAC on the board of the Target Company will be limited to 1 (one) non-executive director on a board of 9 (nine) directors. Therefore, the Acquirer and PAC will only have limited representation on the board of directors of the Target Company. The Acquirer and PAC do not in any manner have or intend to have majority representation on the board of directors of the Target Company or even the right to appoint the majority of the directors on the board of directors of the Target Company. Please note that, in compliance with the requirements under Regulation 24(4) of the Takeover Regulations, Mr. Chandran Ratnaswami has not participated and will not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Offer, in his capacity as a non-executive director on the board of directors of the Target Company. The Acquirer or the PAC, individually or collectively do not have any intention of appointing any key managerial personnel as the officers of the Target Company.
- (b) ***Controlling the management or policy decisions of the Target Company:*** To be able to control management and policy decisions, the Acquirer and/or PAC would need to have one of the following: (A) majority nominee directors on the board of directors of the Target Company, (B) majority votes as shareholders of the Target Company, (C) shareholders agreements or voting agreements granting such powers, or (D) *de facto* control. The

Acquirer and PAC do not have any of the foregoing.

- (A) *Majority nominee directors on the board of directors of the Target Company:* As mentioned hereinabove, Mr. Chandran Ratnaswami, who is acting as a director on the board of directors of the Acquirer and the PAC, has been appointed as a non-executive director on the board of directors of the Target Company since May 15, 2012 and the Acquirer and PAC do not intend to nominate any additional directors representing the Acquirer and/or PAC on the board of directors of the Target Company. Further, Mr. Chandran Ratnaswami does not have any special veto rights in respect of the decisions of the board of directors of the Target Company. Mr. Chandran Ratnaswami is a non-executive director and is not involved in the day-to-day functioning of the Target Company. Therefore, the Acquirer and PAC do not have majority nominee directors on the board of the directors of the Target Company.
- (B) *Majority votes as shareholders of the Target Company:* Even after assuming full acceptances in the Offer, the Acquirer and PAC will not have majority of the shareholding i.e. more than 50% shareholding in the Target Company. Therefore, on account of the post Offer shareholding (assuming full acceptances in the Offer), the Acquirer and PAC would not be able to independently pass ordinary resolutions (being matters which require simple majority) or special resolutions (being matters which require 3/4th majority of the shareholders of the Target Company). Therefore, neither will the Acquirer and PAC have the ability to pass any shareholder resolutions nor will they have majority shareholding in the Target Company.
- (C) *Shareholders agreements or voting agreements:* The Acquirer and PAC do not have any shareholder's, voting or other agreements with the Target Company or the promoters / promoter group of the Target Company.
- (D) *De facto control:* The Acquirer and/or PAC do not hold and will not hold any management positions in the Target Company. Further, as a matter of fact, the Acquirer and PAC would not be in *de facto* control of the Target Company because the current promoters (Mr. Nirmal Bhanwarlal Jain, Mr. Venkatarama Rajamani and others) would continue to be in *de facto* control of the Target Company. Therefore, it cannot be said that the Acquirer and/or PAC control the management and policy decisions of the Target Company.
- (c) ***No shareholder or voting arrangements:*** The Offer has been made with a view to acquire additional shares in the Target Company for the purposes of consolidation of holdings and not for acquisition of control over the Target Company. Accordingly, the Offer has been made in compliance with Regulation 3(1) of the Takeover Regulations. Further, the Offer is not as a result of any transaction which has triggered the open offer obligations under the Takeover Regulations. The Acquirer and PAC have not entered into any agreement or any other voting arrangement with the existing promoters of the Target Company. Therefore, there are no underlying arrangements and agreements with the existing promoters / promoter group of the Target Company which provide the Acquirer and/or PAC with any rights to control the Target Company.

(ii) **No change in the promoters / promoter group of the Target Company**

At present, the promoters of the Target Company are Mr. Nirmal Bhanwarlal Jain, Mr. Venkatarama Rajamani, Ms. Madhu Jain, Ardent Impex Private Ltd., Orpheus Trading Pvt. Ltd. and Ms. Aditi Athavankar. The present shareholding of the promoter group as on June 30, 2015 is 29.74% (Twenty Nine point Seven Four percent). Further, Mr. Bharat H Parajia, who is a member of the core management team of the Target Company (as per the Annual Report of the Target Company for the financial year ended March 31, 2015), holds 5.06% (Five point Zero Six percent) of the total paid up equity share capital of the Target Company. The aggregate shareholding of the promoter group along with Mr. Bharat H. Parajia in the Target Company as on June 30, 2015 is 34.8% (Thirty Four point Eight percent).

The Target Company has been under the management of the main promoters, Mr. Nirmal Jain, who is also the Executive Chairman, and Mr. R. Venkatraman, who is the Managing Director. Mr. Nirmal Jain and Mr. R. Venkataraman are also whole time directors of the Company, and there are no other whole time directors in the Target Company. There will be no change to the aforesaid promoter group, pursuant to the Offer, and the Acquirer and/or PAC will not be a part of the promoter group post the Offer. Further, the powers and responsibilities of Mr. Nirmal Jain and Mr. Venkatraman as the Executive Chairman and Managing Director respectively, will remain unchanged and they will continue to be in control of the management, policy decisions and day to day affairs of the Target Company.

The Acquirer and the PAC will not constitute as promoters of the Target Company since they as such have no 'control' over the Target Company, are not instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to the public and have not been named in any offer document as promoters.

Further, it must be noted that as per the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2009, financial institutions are as such not deemed to be the promoters of the company merely by virtue of their shareholding in the company being more than 10% of the equity share capital of the company. Therefore, the Acquirer and PAC cannot be considered promoters of the Target Company merely on account of holding approximately 34.73% (Thirty Four point Seven Three percent) of the Emerging Voting Capital.

(iii) **No special rights to the Acquirer and/or PAC**

Assuming complete acceptance in the Offer, the Acquirer and PAC will hold approximately 34.73% (Thirty Four point Seven Three percent) of the Emerging Voting Capital in the Target Company, which is less than 50% (Fifty percent) of the share capital of the Target Company. Accordingly, the Acquirer and/or PAC will not have the ability to independently pass resolutions at the shareholder level. The Acquirer and/or PAC only have those rights accorded to them as shareholders under the Companies Act, 2013, and no special or additional rights have been provided to the Acquirers and/or PAC.

(iv) **Object of the Offer**

As stated in paragraphs 2.3.1, 2.3.2 and 2.3.7 of the Letter of Offer, the object of the Offer is to acquire additional equity shares of the Target Company, in the ordinary course of business of the Acquirer and PAC 2, since the Acquirer and PAC 2 believe that there is great potential of the growth of the Target Company under the leadership of its founding promoter, Mr. Nirmal Jain, Mr. R. Venkataraman and the current management team of the Target Company. Mr. Nirmal Jain has publicly stated that Fairfax group will not be involved in the management of the Target Company or have control over the Target Company. As mentioned by Mr. Prem Watsa, present Chairman and Chief Executive Officer of Fairfax Financial Holdings Limited in the press release to the Toronto Stock Exchange dated July 14, 2015, the Offer by the Acquirer and PAC to acquire additional shares in the Target Company was made as part of the strategy of the Acquirer and PAC to invest in well-managed companies with high integrity and long-term track records in India. Further, Mr. Prem Watsa has also publicly stated that the Fairfax group does not intend to run the Target Company and that the decisions in respect of the Target Company will be taken by its present management. The Acquirer and PAC do not intend to acquire 'control' over the Target Company and the Target Company will continue its business and operations under its present management, as it has done in the past.

2.3.4 Further, the Acquirer and PAC have provided the following undertakings to SEBI (separately referred to as "**Undertaking**" and jointly as "**Undertakings**") in respect of the Offer by way of letter dated October 01, 2015 ("**Reply Letter**"):

- (i) The Acquirer and PAC shall not exercise voting rights on resolutions placed before Equity Shareholders of the Target Company in relation to such number of Equity Shares held by the Acquirer and the PACs that represent more than 25% (Twenty Five percent) of the paid up equity share capital of the Target Company at the time of voting on the relevant resolution; and
- (ii) The Acquirer and PAC shall not acquire additional Equity Shares after the completion of the Offer to exceed the Aggregate Fairfax Threshold, including by way of a creeping acquisition of upto 5% (Five percent) of the equity share capital under Regulation 3(2) of the SEBI (SAST) Regulations, unless the Acquirer and PAC make an open offer or obtain the prior consent of SEBI for such acquisition.

2.3.5 However, the Undertakings shall not apply to the following:

- (i) Any inter-se transfer of the Equity Shares within the Fairfax group, subject to the aggregate shareholding percentage of the Fairfax group in the Target Company not exceeding the Aggregate Fairfax Threshold and subject to compliance with other applicable laws;
- (ii) The purchase by any entity in the Fairfax group of the underlying Equity Shares (representing 5.24% (Five point Two Four percent) of the total paid up equity share capital of the Target Company, on the date of the Draft Letter of Offer and as disclosed in paragraphs 2(h) and 3.2.6 of the DPS and this Letter of Offer, respectively) in relation to the cash settled offshore instruments held by USFIC and ORC subject to the aggregate shareholding percentage of the Fairfax group in the Target Company not exceeding the Aggregate Fairfax Threshold and subject to compliance with other applicable laws; and
- (iii) Any acquisition of Equity Shares by the Acquirer and/or PAC pursuant to a rights issue up to their entitlement and/or any offering of Equity Shares of the Target Company on a public offer basis subject to the aggregate shareholding percentage of the Fairfax group in the Target Company not exceeding the Aggregate Fairfax Threshold.

It has been further clarified in the Reply Letter that any entity in the Fairfax group may sell Equity Shares of the Target Company that they own and the subsequent purchaser of such Equity Shares shall not be subject to the Undertakings if such subsequent purchaser is not an entity within the Fairfax group. Further, if the aggregate shareholding of the Fairfax group falls below 25% (Twenty Five percent) of the equity share capital of the Target Company, any subsequent acquisition of Equity Shares such that the aggregate shareholding is less than 25% (Twenty Five percent) will not require SEBI approval and/or an open offer as per the SEBI (SAST) Regulations.

2.3.6 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not currently have any intention to alienate, restructure, dispose off or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding two years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by the Target Company. Notwithstanding anything contained herein and except with the

prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot, the Acquirer undertakes that it will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than in the ordinary course of business.

- 2.3.7 The Acquirer and PAC are financial investors and do not intend to acquire control of the Target Company and appoint any additional directors on the board of directors of the Target Company. The Target Company will continue its business operations under its present management as it has done in the past, and the acquisition of the Equity Shares by the Acquirer and PAC 2 will not have any repercussions on the employment and Target Company's place of business.

3 BACKGROUND OF THE ACQUIRER AND PAC

3.1 FIH MAURITIUS INVESTMENTS LTD (ACQUIRER)

- 3.1.1 The Acquirer, FIH Mauritius Investments Ltd, is a private company limited by shares, incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the (Mauritius) Companies Act, 2001 and the subsequent amendments and re-enactment thereto. The Acquirer holds a Category 1 Global Business License issued by the Financial Services Commission, Mauritius ("FSC"). The Acquirer was incorporated as FIH Mauritius Investments Ltd and the same has not been changed post incorporation. Ms. Amy Tan Sze Ping is the compliance officer of the Acquirer.
- 3.1.2 The registered office of the Acquirer is located at Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius. (Tel: +2304643040/3031, Fax: +2304681930, E mail: info@fihmauritius.com).
- 3.1.3 The Acquirer and PAC 1, i.e. HWIC Asia Fund (Class A Shares) belong to the Fairfax group. PAC 2, i.e. I Investments Limited is a wholly owned subsidiary of HWIC Asia Fund which is ultimately promoted by FFHL (as defined below). PAC 3, i.e. FIH Private Investments Ltd is a wholly owned subsidiary of the Acquirer. PAC 2 and PAC 3 also belong to the Fairfax group.
- 3.1.4 The Acquirer was established for the purpose of making foreign direct investments ("FDI") in India in accordance with applicable Indian law, and has been registered as an investment holding company with the FSC. The Acquirer is engaged in making investments in Indian equity and debt securities either directly or through its wholly owned subsidiary i.e. PAC 3.
- 3.1.5 The Acquirer belongs to the Fairfax group and is a wholly-owned subsidiary of Fairfax India Holdings Corporation ("FIHC"). FIHC is listed on the Toronto Stock Exchange under the symbol "FIH.U" and has a market capitalization of approximately ₹ 80,64,35,28,000 (Rupees Eight Thousand and Sixty Four Crores Thirty Five Lakhs Twenty Eight Thousand only) (USD 1,260,000,000 (United States Dollars One Billion Two Hundred and Sixty Million only)) calculated as per the exchange rate prescribed by the RBI on July 27, 2015. FIHC was incorporated under the Canada Business Corporations Act on November 25, 2014 with its registered office located in Canada. FIHC was established with a view to achieve long-term capital appreciation by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India. Fairfax Financial Holdings Limited ("FFHL") holds multiple voting shares of FIHC which collectively represents 95.6% (Ninety Five point Six percent) of the voting rights of FIHC and 30.7% (Thirty point Seven percent) of the equity interest of FIHC. FFHL is listed on the Toronto Stock Exchange under the symbol "FFH" and has a market capitalization of approximately ₹ 7,03,54,50,00,000 (Rupees Seventy Thousand Three Hundred and Fifty Four Crores and Fifty Lakhs only) (USD 10,992,410,000 (United States Dollars Ten Billion Nine Hundred and Ninety Two Million Four Hundred and Ten Thousand only)) calculated as per the exchange rate prescribed by the RBI on July 27, 2015. FFHL is promoted by Mr. V. Prem Watsa.
- 3.1.6 The Acquirer does not hold any Equity Shares in the Target Company. Hence, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.
- 3.1.7 The shareholding pattern of the Acquirer based on the latest available data as on September 30, 2015 is as under:

Sl. No	Name of the Shareholder	Number of equity Shares	% age of Shareholding
1.	Promoters (Fairfax India Holdings Corporation)	22,005,965	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A.	N.A.
	Total	22,005,965	100%

- 3.1.8 The details of the directors of the Acquirer as on the date of this Letter of Offer are as follows and none of them are on the board of directors of the Target Company as a representative/nominee of the Acquirer.

Name	Director Identification Number	Date of appointment	Qualification	Experience
Chandran Ratnaswami	00109215	November 17, 2014	MBA from the University of Toronto, Canada	Mr. Ratnaswami is currently the Managing Director at Fairfax' in-house investment manager entity and is responsible for portfolio investments in Asia. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge, and has been a director of ZoomerMedia Ltd. since November 4, 2010. He has been a director of Ridley Inc. since December 15, 2008. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.
Kapil Dev Joory	N.A	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales Associate member of the Society of Trust and Estate Practitioners.	Mr. Joory is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, Mr. Joory joined Price Waterhouse, Paris, working primarily on audit of multinational corporations operating in Northern and Western African countries. Mr. Joory subsequently specialized in international tax at Touche Ross, London in 1975 and then at Arthur Young in 1983. Mr. Joory was a Senior Tax Executive at Ernst & Young, London office until 1993. Mr. Joory has over 20 years of experience in international tax planning and business structuring, with areas of specialization covering international banking and financial services, including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr. Joory also serves as a director of numerous offshore funds and companies. Mr. Joory is a resident of the Republic of Mauritius.
Amy Tan Sze Ping	N.A	November 12, 2014	Fellow Association of Chartered Certified Accountants	Ms. Tan joined HWIC Asia Fund in January 2013 as Chief Financial Officer and was appointed as a director in March 2014. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities.

Name	Director Identification Number	Date of appointment	Qualification	Experience
Couldip Basanta Lala	N.A	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales	Mr. Lala is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and was previously a partner at one of the "big four" accounting firms. During Mr. Lala's time in audit practice, he led audit assignments of world bank financed projects in countries in East and West Africa. Throughout his career. Mr. Lala has been a corporate affairs consultant and adviser, focusing primarily in the structuring of international private equity and hedge funds. Mr. Lala has been appointed to numerous boards of companies in Mauritius, with diverse interests, ranging from financial institutions, private equity and hedge funds, tourism, and general trade business. Mr. Lala is a resident of the Republic of Mauritius.
Gopalakrishnan Soundarajan	05242795	January 28, 2015	Graduate of Institute of Chartered Accountants of India. Qualified Chartered Financial Analyst & Member of the CFA Institute in USA.	Mr. Gopalakrishnan is the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. Mr. Gopalakrishnan has held the position of head of investments at ICICI Lombard since 2001 and is a member of the investment committee. Mr. Gopalakrishnan serves on the board of directors of Primary Real Estate Investment Fund.

3.1.9 The brief standalone financial information of the Acquirer, as derived from its audited standalone financial statements as at and for the period from November 12, 2014 to December 31, 2014, and from its reviewed standalone financial information for the quarter ended March 31, 2015, as certified by PricewaterhouseCoopers, are as under:

(in ₹ except EPS)

	Limited Review	Audited	Audited	Audited
Particulars	Quarter ended 31 Mar 2015	Period ended 12 Nov 2014 to 31 Dec 2014	Year ended 31 Dec 2013	Year ended 31 Dec 2012
Profit & Loss Statement				
Income from Operations	19,744,796	-	N.A.	N.A.
Other Income	-	-	N.A.	N.A.
Total Income	19,744,796	-	N.A.	N.A.
Total Expenditure	8,682,798	549,427	N.A.	N.A.
Profit/(Loss) Before Depreciation Interest	11,061,998	(549,427)	N.A.	N.A.

Depreciation and Amortization	-	-	N.A.	N.A.
Interest Expense/(Income)	-	-	N.A.	N.A.
Profit/(Loss) Before Tax	11,061,998	(549,427)	N.A.	N.A.
Provision for Taxation	-	-	N.A.	N.A.
Profit After Tax (Before Minority Interest)	11,061,998	(549,427)	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.
Profit/(Loss) After Tax (After Minority	11,061,998	(549,427)	N.A.	N.A.
Balance Sheet Statement				
Sources of Funds				
Paid Up Share Capital (incl Equity and Preference Share Capital)	1,239,076,562	376,526	N.A.	N.A.
Reserves and Surplus (excluding revaluation reserves)	45,274,922,629	(549,427)	N.A.	N.A.
Net worth	46,513,999,191	(172,901)	N.A.	N.A.
Secured Loans	-	-	N.A.	N.A.
Unsecured Loans	-	-	N.A.	N.A.
Long-term Provisions	-	-	N.A.	N.A.
Other Non Current Liabilities	-	-	N.A.	N.A.
Deferred Tax Liabilities (Net)	-	-	N.A.	N.A.
Total	46,513,999,191	(172,901)	N.A.	N.A.
Uses of Funds				
Net Fixed Assets	-	-	N.A.	N.A.
Investments	46,398,126,597	-	N.A.	N.A.
Long-term Loans and Advances	-	-	N.A.	N.A.
Other Non- Current Assets	-	-	N.A.	N.A.
Current Investments	-	-	N.A.	N.A.
Net Current Assets (Liabilities)	115,872,594	(172,901)	N.A.	N.A.
Total	46,513,999,191	(172,901)	N.A.	N.A.
Other Financial Data				
Dividend (%)	-	-	N.A.	N.A.
Earnings Per Share	0.55	(92.11)	N.A.	N.A.
Number of shares	20,005,965	5,965	N.A.	N.A.

Note: The Acquirer was incorporated on November 12, 2014. Accordingly, the Acquirer's first audited financial statement was for the period from November 12, 2014 to December 31, 2014.

- 3.1.10 There were no major contingent liabilities at each of the period end dates of March 31, 2015 and December 31, 2014.
- 3.1.11 The shares of the Acquirer are not listed on any stock exchange.

3.2 HWIC Asia Fund (Class A Shares) (PAC 1)

- 3.2.1 HWIC Asia Fund is a public limited company, incorporated on January 20, 2000 under the laws of Republic of Mauritius and holds a Category 1 Global Business License issued by the FSC. PAC 1, HWIC Asia Fund (Class A Shares) is a sub-fund of HWIC Asia Fund. HWIC Asia Fund operates as a Collective Investment Scheme (an authorisation issued by the FSC under section 97 of the (Mauritius) Securities Act, 2005) and as an expert fund under regulation 79 of the (Mauritius) Securities (Collective Investment Schemes and Closed End Fund) Regulations. HWIC Asia Fund was incorporated as ORCASIA Limited, which was changed to HWIC Asia Fund on July 11, 2003. Paul Rivett is the compliance officer of PAC 1.
- 3.2.2 The registered office of PAC 1 is located at Level 1, Maeva Tower, CyberCity, Ebene, Mauritius. (Tel: 2304643044/3393, Fax: +2304681936, E mail:info@hwicasia.com).
- 3.2.3 HWIC Asia Fund, the Acquirer, PAC 2 and PAC 3 belong to the Fairfax group.
- 3.2.4 HWIC Asia Fund is a multi-class investment company. The principal activity of PAC 1 is to invest directly or indirectly in a diversified portfolio of listed and unlisted equity and equity-related securities of Asian companies to seek long term capital appreciation. PAC 1 is registered with SEBI as a foreign institutional investor ("FII") sub-account having the sub-account number 2000800, under FII SEBI registration number IN-CA-FA-0229-94.
- 3.2.5 As on September 30, 2015, USFIC and ORC, which are ultimately owned by FFHL, hold 63.03% (Sixty Three point zero three percent) of the voting share capital in PAC 1 and 25.41% (Twenty five point four one percent) of the share capital in HWIC Asia Fund respectively. PAC 1 also is ultimately majority owned by FFHL.
- 3.2.6 PAC 1 holds 2,79,10,000 (Two Crores Seventy Nine Lakhs and Ten Thousand only) Equity Shares in the Target Company constituting 8.97% (Eight Point Nine Seven percent) of the equity share capital of the Target Company and 8.73% (Eight point Seven Three percent) of the Emerging Voting Capital assuming full acceptances in the Offer. Further, USFIC and ORC have an economic interest in the underlying Equity Shares, representing 5.24% (Five point Two Four percent) of the total paid up equity share capital of the Target Company as on the date of the Draft Letter of Offer, through cash-settled offshore derivative instruments. USFIC and ORC do not have or exercise any voting rights in relation to the underlying Equity Shares.
- 3.2.7 PAC 1 has made all the applicable disclosures under Chapter V of the SEBI (SAST) Regulations, for the last 10 (Ten) years, within the time specified in the SEBI (SAST) Regulations with respect to the Equity Shares held by PAC 1 in the Target Company, as set out in paragraph 3.2.6 above and there has been no delay or non-compliance by PAC 1 in this regard.
- 3.2.8 The shareholding pattern of PAC 1 based on the latest available data as on September 30, 2015 is as under:

Sl. No	Name of the Shareholder*	Number of equity Shares	% age of Shareholding
1.	Promoters [#]	913,626.11*	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A	N.A
3.	Other Public Shareholders	N.A	N.A
	Total	913,626.11	100%

[#]**Note:** The equity shares of PAC 1 are ultimately owned by FFHL. The shareholders of PAC 1 belong to the Fairfax group and are accordingly classified as promoter entities and are per se not classified as promoters under Mauritius law or any other laws applicable to PAC 1.

^{*}**Note:** Fractional shares are recognised under the laws of Republic of Mauritius.

3.2.9 The details of the directors of PAC 1 as on the date of this Letter of Offer are as follows:

Name	Director Identification Number	Date of appointment	Qualification	Experience
Chandran Ratnaswami	00109215	January 20, 2000	MBA from the University of Toronto, Canada	Mr. Ratnaswami is currently the Managing Director at Fairfax' in-house investment manager entity and is responsible for portfolio investments in Asia. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge, and has been a director of ZoomerMedia Ltd. since November 4, 2010. He has been a director of Ridley Inc. since December 15, 2008. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.
Kapil Dev Joory	N.A	January 20, 2000	Fellow of Institute of Chartered Accountants in England and Wales Associate member of the Society of Trust and Estate Practitioners.	Mr. Joory is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, Mr. Joory joined Price Waterhouse, Paris, working primarily on audit of multinational corporations operating in Northern and Western African countries. Mr. Joory subsequently specialized in international tax at Touche Ross, London in 1975 and then at Arthur Young in 1983. Mr. Joory was a Senior Tax Executive at Ernst & Young, London office until 1993. Mr. Joory has over 20 years of experience in international tax planning and business structuring, with areas of specialization covering international banking and financial services, including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr. Joory also serves as a director of numerous offshore funds and companies. Mr. Joory is a resident of the Republic of Mauritius.
Amy Tan Sze Ping	N.A	March 11, 2014	Fellow Association of Chartered Certified Accountants	Ms. Tan joined HWIC Asia Fund in January 2013 as Chief Financial Officer and was appointed as a director in March 2014. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities.

3.2.10 Mr. Chandran Ratnaswami, a director on the board of directors of HWIC Asia Fund, has been appointed as a non-executive director on the board of directors of the Target Company since May 15, 2012. Mr. Chandran Ratnaswami has not participated and will not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Offer, in his capacity as a non-executive director on the board of directors of the Target Company in accordance with Regulation 24(4) of the SEBI (SAST) Regulations.

3.2.11 The brief standalone financial information of PAC 1, as derived from its audited standalone financial statements as at and for the FY ended December 31, 2014, 2013 and 2012 and its reviewed standalone financial information as at and for the quarter ended March 31, 2015, as certified by PricewaterhouseCoopers, are as under:

(In Million except for EPS)

Particulars	Limited Review	Limited Review	Audited	Audited	Audited	Audited	Audited	Audited
	Quarter ended 31 Mar 2015	Quarter ended 31 Mar 2015	Year ended 31 Dec 2014	Year ended 31 Dec 2014	Year ended 31 Dec 2013	Year ended 31 Dec 2013	Year ended 31 Dec 2012	Year ended 31 Dec 2012
	USD	INR	USD	INR	USD	INR	USD	INR
Profit & Loss Statement								
Income from Operations	29.78	1,853.58	131.75	8,038.86	(46.26)	(2,870.30)	107.55	5,749.50
Other Income	-	-	-	-	-	-	-	-
Total Income	29.78	1,853.58	131.75	8,038.86	(46.26)	(2,870.30)	107.55	5,749.50
Total Expenditure	(1.47)	(91.67)	(3.78)	(230.57)	(1.74)	(107.74)	(1.31)	(69.78)
Profit/(Loss) Before Depreciation Interest and Tax	28.31	1,761.91	127.98	7,808.30	(48.00)	(2,978.04)	106.25	5,679.71
Depreciation and Amortization	-	-	-	-	-	-	-	-
Interest Expense/(Income)	-	-	-	-	-	-	-	-
Profit/(Loss) Before Tax	28.31	1,761.91	127.98	7,808.30	(48.00)	(2,978.04)	106.25	5,679.71
Provision for Taxation	(0.92)	(57.57)	(2.70)	(164.44)	(0.24)	(15.04)	(0.23)	(12.48)
Profit After Tax (Before Minority Interest)	27.38	1,704.34	125.28	7,643.85	(48.24)	(2,993.08)	106.01	5,667.24
Minority Interest	N.A	N.A						
Profit/(Loss) After Tax (After Minority Interest)	27.38	1,704.34	125.28	7,643.85	(48.24)	(2,993.08)	106.01	5,667.24
Balance Sheet Statement								
Sources of Funds								
Paid Up Share Capital (incl Equity and Preference Share Capital)	1,383.93	86,608.00	1,393.33	87,950.40	414.53	25,640.69	375.36	20,066.14
Reserves and Surplus	255.36	15,980.96	224.62	14,178.71	99.34	6,144.78	152.79	8,168.21
Net worth	1,639.29	102,588.97	1,617.95	102,129.11	513.87	31,785.47	528.15	28,234.34
Minority Interest	-	-	-	-	-	-	-	-
Secured Loans	-	-	-	-	-	-	-	-
Unsecured Loans	-	-	-	-	-	-	-	-
Long-term Provisions	-	-	-	-	-	-	-	-
Other Non Current Liabilities	-	-	-	-	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-	-	-	-	-
Total	1,639.29	102,588.97	1,617.95	102,129.11	513.87	31,785.47	528.15	28,234.34
Uses of Funds								
Net Fixed Assets	-	-	-	-	-	-	-	-
Investments	1,578.51	98,785.24	1,291.42	81,517.40	251.20	15,538.12	286.82	15,333.16
Long-term Loans and Advances	-	-	-	-	-	-	-	-
Other Non- Current Assets	-	-	-	-	-	-	-	-
Current Investments	-	-	-	-	-	-	-	-
Net Current Assets (Liabilities)	60.78	3,803.72	326.54	20,611.71	262.67	16,247.35	241.33	12,901.19
Total	1,639.29	102,588.97	1,617.95	102,129.11	513.87	31,785.47	528.15	28,234.34
Other Financial Data								
Dividend (%)	-	-	-	-	-	-	-	-
Earnings Per Share	1.67	103.86	7.57	461.70	(7.53)	(467.12)	17.89	956.46

Notes:

- (1) The Balance Sheet INR figures for the quarter ended 31 March 2015 have been translated using the spot rate on 31 March 2015, i.e. INR 62.58 to USD 1.
- (2) The Balance Sheet INR figures for the year ended 31 December 2014 have been translated using the spot rate on 31 December 2014, i.e. INR 63.12 to USD 1.
- (3) The Balance Sheet INR figures for the year ended 31 December 2013 have been translated using the spot rate on 31 December

2013, i.e. INR 61.85 to USD 1.

(4) The Balance Sheet INR figures for the year ended 31 December 2012 have been translated using the spot rate on 31 December 2012, i.e. INR 53.46 to USD 1.

(5) The Profit & Loss Statement INR figures for the quarter ended 31 March 2015 have been translated using the average rate for the period, i.e. INR 62.24 to USD 1.

(6) The Profit & Loss Statement INR figures for the year ended 31 December 2014 have been translated using the average rate for the year 2014, i.e. INR 61.01 to USD 1.

(7) The Profit & Loss Statement INR figures for the year ended 31 December 2013 have been translated using the average rate for the year 2013, i.e. INR 62.04 to USD 1.

(8) The Profit & Loss Statement INR figures for the year ended 31 December 2012 have been translated using the average rate for the year 2012, i.e. INR 53.46 to USD 1.

3.2.12 There were no major contingent liabilities at each of the period end and year-end dates of 31 March 2015, 31 December 2014, 2013, 2012.

3.2.13 The shares of the PAC 1 are not listed on any stock exchange.

3.3 I INVESTMENTS LIMITED (PAC 2)

3.3.1 PAC 2, I Investments Limited, is a private company limited by shares, incorporated on March 19, 2015 under the laws of Republic of Mauritius, pursuant to the (Mauritius) Companies Act, 2001 and the subsequent amendments and re-enactment thereto. PAC 2 holds a Category 1 Global Business License issued by the FSC. PAC 2 was incorporated as I Investments Limited, and there has been no change in the name of PAC 2 post incorporation. Ms. Amy Tan Sze Ping is the compliance officer of PAC 2.

3.3.2 The registered office of PAC 2 is located at Level 1, Maeva Tower, CyberCity, Ebene, Mauritius. (Tel: +2304643044/3393, Fax: +2304681936, E mail: info@hwicasia.com).

3.3.3 PAC 2, the Acquirer, PAC 1 and PAC 3 belong to the Fairfax group.

3.3.4 PAC 2 was incorporated as an investment holding company with the objective of making investments in India.

3.3.5 PAC 2 is a wholly owned subsidiary of HWIC Asia Fund, which is ultimately promoted and wholly owned by FFHL. PAC 2 belongs to the Fairfax group.

3.3.6 PAC 2 does not hold any shares in the Target Company. Hence, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.3.7 The equity shares of PAC 2 are not listed and/ or traded on any stock exchange.

3.3.8 The shareholding pattern of PAC 2 based on the latest available data as on September 30, 2015 is as under:

Sl. No	Name of the Shareholder	Number of equity Shares	% age of Shareholding
1.	Promoters (HWIC Asia Fund) [#]	73.75*	100%
2.	FII/ Mutual Funds/ Fls/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A.	N.A.
	Total	73.75	100%

[#]**Note:** The equity shares of PAC 2 are ultimately owned by FFHL. The shareholders of PAC 2 belong to the Fairfax group and are accordingly classified as promoter entities and are per se not classified as promoters under Mauritius law or any other laws applicable to PAC 2.

^{*}**Note:** Fractional shares are recognised under the laws of Republic of Mauritius.

3.3.9 The details of the directors of the PAC 2 as on the date of this Letter of Offer are as follows and none of them are on the board of directors of the Target Company as a representative/nominee of PAC 2.

Name	Director Identification Number	Date of appointment	Qualification	Experience
Chandran Ratnaswami	00109215	March 19, 2015	MBA from the University of Toronto, Canada	Mr. Ratnaswami is currently the Managing Director at Fairfax' in-house investment manager entity and is responsible for portfolio investments in Asia. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge, and has been a director of ZoomerMedia Ltd. since November 4, 2010. He has been a director of Ridley Inc. since December 15, 2008. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.
Kapil Dev Joory	N.A	March 19, 2015	Fellow of Institute of Chartered Accountants in England and Wales Associate member of the Society of Trust and Estate Practitioners.	Mr. Joory is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, Mr. Joory joined Price Waterhouse, Paris, working primarily on audit of multinational corporations operating in Northern and Western African countries. Mr. Joory subsequently specialized in international tax at Touche Ross, London in 1975 and then at Arthur Young in 1983. Mr. Joory was a Senior Tax Executive at Ernst & Young, London office until 1993. Mr. Joory has over 20 years of experience in international tax planning and business structuring, with areas of specialization covering international banking and financial services, including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr. Joory also serves as a director of numerous offshore funds and companies. Mr. Joory is a resident of the Republic of Mauritius.

Amy Tan Sze Ping	N.A	March 19, 2015	Fellow Association of Chartered Certified Accountants	Ms. Tan joined HWIC Asia Fund in January 2013 as Chief Financial Officer and was appointed as a director in March 2014. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities.
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3.3.10 The brief standalone financial information of PAC 2, as derived from its audited standalone financial information as at and for the period ended March 31, 2015, as certified by PricewaterhouseCoopers, are as under:

Particulars	Audited Review	Audited Review	Audited	Audited	Audited	Audited	Audited	Audited
	Quarter ended 31 Mar 2015	Quarter ended 31 Mar 2015	Year ended 31 Dec 2014	Year ended 31 Dec 2014	Year ended 31 Dec 2013	Year ended 31 Dec 2013	Year ended 31 Dec 2012	Year ended 31 Dec 2012
	USD	INR	USD	INR	USD	INR	USD	INR
Profit & Loss Statement								
Income from Operations	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Income	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Income	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Expenditure	(8,141)	(506,728)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Profit/(Loss) Before Depreciation Interest and Tax	(8,141)	(506,728)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Depreciation and Amortization	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Interest Expense/(Income)	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Profit/(Loss) Before Tax	(8,141)	(506,728)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Provision for Taxation	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Profit After Tax (Before Minority Interest)	(8,141)	(506,728)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Profit/(Loss) After Tax (After Minority Interest)	(8,141)	(506,728)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Balance Sheet Statement	N.A	N.A	N.A					
Sources of Funds			N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Paid Up Share Capital (incl Equity and Preference Share Capital)	100	6258	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reserves and Surplus	(8,141)	(506,727)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net worth	(8,041)	(503,216)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Secured Loans	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Unsecured Loans	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Long-term Provisions	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Non Current Liabilities	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Deferred Tax Liabilities (Net)	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	(8,041)	(503,216)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Uses of Funds								
Net Fixed Assets	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Investments	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Long-term Loans and Advances	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Other Non- Current Assets	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Current Investments	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Current Assets (Liabilities)	(8,041)	(503,216)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	(8,041)	(503,216)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Financial Data								
Dividend (%)	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Earnings Per Share	(8,141)	(506,728)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:

1) The Company was incorporated on 19 March 2015. Accordingly, the Company's first financial statement would be for the period from 19 to 31 March 2015.

2) There were no major contingent liabilities at the period end date of 31 March 2015.

3) The Balance Sheet INR figures for the quarter ended 31 March 2015 have been translated using the spot rate on 31 March 2015, i.e. INR 62.58 to USD 1.

4) The Profit & Loss Statement INR figures for the quarter ended 31 March 2015 have been translated using the average rate for the period, i.e. INR 62.24 to USD 1.

3.3.11 There were no major contingent liabilities at the period end date of 31 March 2015.

3.3.12 The shares of PAC 2 are not listed on any stock exchange.

3.4 FIH PRIVATE INVESTMENTS LTD (PAC 3)

3.4.1 PAC 3, FIH Private Investments Ltd, is a private company limited by shares, incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the (Mauritius) Companies Act, 2001 and the subsequent amendments and re-enactment thereto. PAC 3 holds a Category 1 Global Business License issued by the FSC. PAC 3 was incorporated as FIH Private Investments Ltd, and there has been no change in the name of PAC 3 post incorporation. Ms. Amy Tan Sze Ping is the compliance officer of PAC 3.

3.4.2 The registered office of PAC 3 is located at Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius. (Tel: +2304643040/3031, Fax: +2304681930, E mail: info@fihmauritius.com).

3.4.3 The Acquirer holds 100% (One Hundred percent) of the total equity share capital of PAC 3. PAC 3, PAC 1 and PAC 2 are also a part of the Fairfax group.

3.4.4 PAC 3 is engaged in making investments in India, in accordance with applicable law, and is registered with SEBI as a Foreign Portfolio Investor ("FPI") bearing registration number INMUFP041315. PAC 3 was set up as an investment holding company for making investments in securities listed on recognized stock exchanges in India and for making investments in debt securities subject to its investment criteria.

3.4.5 PAC 3 is a wholly owned subsidiary of the Acquirer, which is ultimately promoted and wholly owned by FIHC.

3.4.6 PAC 3 does not hold any shares in the Target Company. Hence, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.4.7 The shareholding pattern of PAC 3 based on the latest available data as on September 30, 2015 is as under:

Sl. No	Name of the Shareholder	Number of equity Shares	% age of Shareholding
1.	Promoters (FIH Mauritius Investments Limited)#	10,05,965	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A	N.A
	Total	10,05,965	100%

#Note: The equity shares of PAC 3 are ultimately owned by FFHL. The shareholders of PAC 3 belong to the Fairfax group and are accordingly classified as promoter entities and are per se not classified as promoters under Mauritius law or any other laws applicable to PAC 3.

3.4.8 The details of the directors of the PAC 3 as on the date of this Letter of Offer are as follows and none of them are on the board of directors of the Target Company as a representative/nominee of PAC 3.

Name	Director Identification Number	Date of appointment	Qualification	Experience
Chandran Ratnaswami	00109215	November 17, 2014	MBA from the University of Toronto, Canada	Mr. Ratnaswami is currently the Managing Director at Fairfax' in-house investment manager entity and is responsible for portfolio investments in Asia. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge, and has been a director of ZoomerMedia Ltd. since November 4, 2010. He has been a director of Ridley Inc. since December 15, 2008. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.
Kapil Dev Joory	N.A.	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales Associate member of the Society of Trust and Estate Practitioners.	Mr. Joory is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, Mr. Joory joined Price Waterhouse, Paris, working primarily on audit of multinational corporations operating in Northern and Western African countries. Mr. Joory subsequently specialized in international tax at Touche Ross, London in 1975 and then at Arthur Young in 1983. Mr. Joory was a Senior Tax Executive at Ernst & Young, London office until 1993. Mr. Joory has over 20 years of experience in international tax planning and business structuring, with areas of specialization covering international banking and financial services, including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr. Joory also serves as a director of numerous offshore funds and companies. Mr. Joory is a resident of the Republic of Mauritius.
Amy Tan Sze Ping	N.A.	November 12, 2014	Fellow Association of Chartered Certified Accountants	Ms. Tan joined HWIC Asia Fund in January 2013 as chief financial officer and was appointed as a director in March 2014. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities.

Couldip Basanta Lala	N.A.	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales	Mr. Lala is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and was previously a partner at one of the "big four" accounting firms. During Mr. Lala's time in audit practice, he led audit assignments of world bank financed projects in countries in East and West Africa. Throughout his career, Mr. Lala has been a corporate affairs consultant and adviser, focusing primarily in the structuring of international private equity and hedge funds. Mr. Lala has been appointed to numerous boards of companies in Mauritius, with diverse interests, ranging from financial institutions, private equity and hedge funds, tourism, and general trade business. Mr. Lala is a resident of the Republic of Mauritius.
Gopalakrishnan Soundarajan	05242795	January 28, 2015	Graduate of Institute of Chartered Accountants of India. Qualified Chartered Financial Analyst & Member of the CFA Institute in USA.	Mr. Gopalakrishnan is the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. Mr. Gopalakrishnan has held the position of head of investments at ICICI Lombard since 2001 and is a member of the investment committee. Mr. Gopalakrishnan serves on the board of directors of Primary Real Estate Investment Fund.

3.4.9 The brief standalone financial information of PAC 3, as derived from its audited standalone financial statements as at and for the period from November 12, 2014 to December 31, 2014 and from its reviewed standalone financial information as at and for the quarter ended March 31, 2015, as certified by PricewaterhouseCoopers, are as under:

(in ₹ except EPS)

	Limited Review	Audited	Audited	Audited
Particulars	Quarter ended 31 Mar 2015	Period ended 12 Nov 2014 to 31 Dec 2014	Year ended 31 Dec 2013	Year ended 31 Dec 2012
Profit & Loss Statement				
Income from Operations	241,198,816	-	N.A.	N.A.
Other Income	-	-	N.A.	N.A.
Total Income	241,198,816	-	N.A.	N.A.
Total Expenditure	(22,032,376)	(454,136)	N.A.	N.A.
Profit/(Loss) Before Depreciation Interest and Tax	219,166,440	(454,136)	N.A.	N.A.
Depreciation and Amortization	-	-	N.A.	N.A.
Interest Expense/(Income)	-	-	N.A.	N.A.
Profit/(Loss) Before Tax	219,166,440	(454,136)	N.A.	N.A.
Provision for Taxation	-	-	N.A.	N.A.
Profit After Tax (Before Minority Interest)	219,166,440	(454,136)	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.
Profit/(Loss) After Tax (After Minority Interest)	219,166,440	(454,136)	N.A.	N.A.
Balance Sheet Statement				
Sources of Funds				

Paid Up Share Capital (incl Equity and Preference Share Capital)	62,311,528	376,526	N.A.	N.A.
Reserves and Surplus	43,439,267,302	(454,135)	N.A.	N.A.
Net worth	43,501,578,830	(77,609)	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.
Secured Loans	-	-	N.A.	N.A.
Unsecured Loans	-	-	N.A.	N.A.
Long-term Provisions	-	-	N.A.	N.A.
Other Non Current Liabilities	-	-	N.A.	N.A.
Deferred Tax Liabilities (Net)	-	-	N.A.	N.A.
Total	43,501,578,830	(77,609)	N.A.	N.A.
Uses of Funds				
Net Fixed Assets	-	-	N.A.	N.A.
Investments	41,157,505,870	-	N.A.	N.A.
Long-term Loans and Advances	-	-	N.A.	N.A.
Other Non- Current Assets	-	-	N.A.	N.A.
Current Investments	-	-	N.A.	N.A.
Net Current Assets (Liabilities)	2,344,072,960	(77,609)	N.A.	N.A.
Total	43,501,578,830	(77,609)	N.A.	N.A.
Other Financial Data				
Dividend (%)	-	-	N.A.	N.A.
Earnings Per Share	10.96	(76.13)	N.A.	N.A.

Note:

1) The Company was incorporated on November 12, 2014. Accordingly, the Company's first audited financial statements were for the period from November 12, 2014 to December 31, 2014.

3.4.10 There were no major contingent liabilities at each of the period end dates of March 31, 2015 and December 31, 2014.

3.4.11 The shares of PAC 3 are not listed on any stock exchange.

4 BACKGROUND OF THE TARGET COMPANY, AS CONFIRMED BY THE TARGET COMPANY

4.1 IIFL Holdings Limited was incorporated on October 18, 1995 under the Companies Act, 1956 in India as 'Probity Research and Services Private Limited'. The name of the Target Company was changed from 'India Infoline Limited' to 'IIFL Holdings Limited' on February 18, 2014.

4.2 The registered office of the Target Company is situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604. (Tel: 022-42499000, Fax: 022-24954313, Email Id: gajendra.thakur@indiainfoline.com; Website: www.indiainfoline.com). The CIN of the Target Company is L74999MH1995PLC093797.

4.3 IIFL Holdings Limited is engaged in merchant banking and investment advisory services and is the holding company of the entire IIFL group, which is a leading financial services company in India. The group has a diversified business model that includes credit and finance, wealth management, financial product distribution, asset management, broking, capital market advisory and investment banking.

4.4 The share capital structure of the Target Company as on June 30, 2015 is set forth below:

Paid Up Equity Shares of the Target Company	No. of Equity Shares / voting rights as on the date of this Letter of Offer	% of Equity Shares / voting rights as on the date of this Letter of Offer
Fully Paid Up Equity Shares	31,05,33,948	100
Partly Paid Up Equity Shares	-	-
Total Paid Up Equity Shares	31,05,33,948	100
Total Voting Rights in the Target Company	31,05,33,948	100

4.5 The Equity Shares of the Target Company are currently listed on BSE (Scrip Code: 532636) and NSE (Symbol: IIFL) (Source: BSE and NSE websites) and are currently not suspended from trading on BSE or NSE. The Equity Shares are traded on both BSE and NSE and are frequently traded on NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.) The Target Company is not in breach of the provisions of the Listing Agreement as on the date of this Letter of Offer and no punitive action

has been initiated against the Target Company by the stock exchanges where the Equity Shares are listed. The entire issued, subscribed and paid up share capital of the Target Company is listed on the BSE and NSE.

- 4.6** The trading of Equity Shares of the Target Company has not been suspended on any of the stock exchanges where such Equity Shares are listed.
- 4.7** As of March 31, 2015, the Target Company had 85,83,405 outstanding stock options (*Source: Target Company Annual Report 2014-2015*). The same has been considered for calculating the Emerging Voting Capital.
- 4.8** As of the date of this Letter of Offer, all the Equity Shares of the Target Company are listed on the stock exchanges.
- 4.9** As on June 30, 2015, the Target Company has a paid up capital of ₹ 62,10,67,896 (Rupees Sixty Two Crores Ten Lakhs Sixty Seven Thousand Eight Hundred and Ninety Six) divided into 31,05,33,948 Equity Shares of the face value of ₹ 2 (Rupees Two only) each.
- 4.10** There are no partly paid-up shares in the Company.
- 4.11** The board of directors of the Target Company as on the date of this Letter of Offer is as under:

Name	Designation	Date of appointment
Mr. Nirmal Bhanwarlal Jain	Chairman	October 18, 1995
Mr. R. Venkataraman	Managing Director	July 5, 1999
Mr. Kranti Sinha	Independent Director	January 27, 2005
Mr. Nilesh Vikamsey	Independent Director	February 11, 2005
Mr. Arun Kumar Purwar	Independent Director	March 10, 2008
Mr. Sunil Kaul	Non Executive Director	November 5, 2011
Mr. Chandran Ratnaswami*	Non Executive Director	May 15, 2012
Dr. S Narayan	Independent Director	August 1, 2012
Ms. Geeta Mathur	Independent Director	September 18, 2014

***Note:** Except Mr. Chandran Ratnaswami, none of the above directors are representatives of the Acquirer or the PAC as on the date of the PA, DPS and this Letter of Offer.

- 4.12** The registered office of the Target Company is IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604 (Tel: 022-42499000, Fax: 022-24954313, Email Id: gajendra.thakur@indiainfoline.com; Website: www.indiainfoline.com). Mr. Gajendra Thakur is the company secretary and the compliance officer of the Target Company who will be available at the corporate office of the Target Company situated at IIFL Centre, Kamala City, Lower Parel (West), Mumbai – 400013, and attends to all investor grievances of the Target Company.
- 4.13** The brief consolidated financial information of the Target Company, as derived from its audited consolidated financial statements as at and for the FY ended March 31, 2015, 2014 and 2013, are as under:

Particulars (in ₹ Crs.)	As at and for the financial year ended March 31, 2013	As at and for the financial year ended March 31, 2014	As at and for the financial year ended March 31, 2015
Profit & Loss Statement			
Income from Operations	2,658.11	2,821.90	3,653.69
Other Income	7.15	15.39	12.66
Total Income	2,665.26	2,837.29	3,666.35
Total Expenditure	2,264.83	2,417.48	2,942.49
Exceptional Items	-	-	-
Profit/(Loss) Before Depreciation Interest and Tax	1,353.60	1,640.93	2,216.85
Depreciation	83.93	67.89	59.16
Interest Expense/(Income)	869.25	1,153.23	1,433.82
Profit/(Loss) Before Tax	400.43	419.81	723.86

Particulars (in ₹ Crs.)	As at and for the financial year ended March 31, 2013	As at and for the financial year ended March 31, 2014	As at and for the financial year ended March 31, 2015
Provision for Taxation	121.09	128.43	247.50
Profit/(Loss) After Tax	279.34	291.38	476.36
Less : Share of Minority Interest	7.14	13.30	29.04
Net consolidate Profit for the year	272.20	278.08	447.32
Balance Sheet Statement			
Sources of Funds			
Paid Up Equity Share Capital	59.05	59.24	62.05
Money Received against Share Warrants	-	-	-
Reserves and Surplus (Excluding Revaluation Reserves)	1,899.63	2,092.60	2,495.64
Net worth	1,958.68	2,151.84	2,557.69
Revaluation Reserve	-	-	-
Secured Loans	3,889.92	5,810.41	9,051.99
Unsecured Loan	4,245.15	3,018.09	4,171.00
Other Non Current Liabilities	86.14	44.82	71.53
Total	10,179.89	11,025.17	15,852.20
Uses of Funds			
Net Fixed Assets	478.73	495.93	509.99
Investments(At Cost)	1,128.58	1,011.56	1,283.44
Other Non- Current Assets	3,500.49	4,188.57	5,420.18
Net Current Assets (Liabilities)	5,072.08	5,329.10	8,638.60
Total	10,179.89	11,025.17	15,852.20
Other Financial Data			
Dividend (%)	150	150	150
Earning Per Share (Basic)	9.37	9.41	14.76
Earning Per Share (Diluted)	9.22	9.14	14.36

(Source: The financial information has been extracted from the audited financial statements of the Target Company for the financial years ended March 31, 2015, 2014 and 2013.)

4.14 Other than as disclosed in this Letter of Offer, as on March 31, 2015, there are no equity-linked instruments, which are outstanding in the Target Company. It is being clarified that the options vested could be exercised by the employees during the Tendering Period and have hence been considered for the purpose of determining the Offer Size.

4.15 Pre and post Offer Shareholding pattern of the Target Company as on June 30, 2015, is as follows:

Shareholders Category	Shareholding and voting rights prior to the offer		Shares/voting rights agreed to be acquired which triggered the Takeover Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptance)		Shareholding/ voting rights after the offer	
	(A)		(B)		(C)		(A) + (B) + (C) = (D)	
	Number	%*	Number	%*	Number	%*	Number	%*
1. Promoters Group								
a. Parties to the	NA	NA	NA	NA	NA	NA	NA	NA

Shareholders Category	Shareholding and voting rights prior to the offer		Shares/voting rights agreed to be acquired which triggered the Takeover Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptance)		Shareholding/ voting rights after the offer	
	(A)		(B)		(C)		(A) + (B) + (C) = (D)	
	Number	%*	Number	%*	Number	%*	Number	%*
agreement, if any								
b. Promoters other than (a) above	92,361,432	28.89	-	-	-	-	92,361,432	28.89
Total 1(a+b)	92,361,432	28.89	-	-	-	-	92,361,432	28.89
2. Acquirers								
a. Main Acquirer and PAC 2	-	-	-	-	83,128,852	26.00	83,128,852	26.00
b. PAC 1 and PAC 3	27,910,000	8.73	-	-	-	-	27,910,000	8.73
Total 2(a+b)	27,910,000	8.73	NA	NA	83,128,852	26.00	111,038,852	34.73
3. Parties to the agreement other than (1)(a) and (2)	NA	NA	NA	NA	NA	NA	NA	NA
4. Public (other than parties to the agreement, acquirers & PACs)								
a. Fls/MFs/FILs/Banks/SFIs (Indicate Names)	122,572,762	38.34			Will depend on response from each category	Will depend on response from each category		
b. Others	67,689,754	21.17						
Total (4)(a+b)	190,262,516	59.51	NA	NA	(83,128,852)	(0.26)	107,133,664	33.51
Grand Total (1+2+3+4)	310,533,948	97.12	NA	NA			310,533,948	97.12

*The percentage holdings in the above table have been calculated on the basis of the Emerging Voting Capital.

- 4.16** With a view to achieve simplified business structure facilitating dedicated management structure for core businesses, the Target Company had approved transfer of its broking, depository participant, portfolio management, mutual fund distribution and investment banking businesses (financial services undertaking) to a wholly owned subsidiary, India Infoline Distribution Company Limited through a scheme of arrangement in terms of Sections 391 to 394 of the Companies Act, 1956 and other regulatory approvals in April, 2013. The name of India Infoline Distribution Company Limited was changed to India Infoline Limited on February 27, 2014. In this regard, Hon'ble High Court of Bombay vide its order dated December 20, 2013, issued on January 16, 2014 approved the scheme of arrangement and the same is effected with the filing of the aforesaid order with the Registrar of Companies on February 13, 2014 and other regulatory approvals.
- 4.17** The acquisition of 26% (Twenty Six percent) of the Emerging Voting Capital of the Target Company pursuant to this Offer, will not result in the public shareholding in the Target Company falling below the level required for continued listing.
- 4.18** The Target Company and each of its promoters has, for the last 10 (Ten) years, complied with the provisions of Chapter II of the erstwhile SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the provisions of Chapter V of the SEBI (SAST) Regulations and there has been no delay or non-compliance by the Target Company and any of its promoters in this regard.

5 OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer price

- 5.1.1 The purpose of the Offer is to acquire additional Equity Shares of the Target Company, in the ordinary course of business of the Acquirer and PAC 2, because the Acquirer and PAC 2 believe that there is great potential for growth of the Target Company. The Acquirer and PAC 2 believe that the Target Company has over the years demonstrated significant profitable growth under the able leadership of its founder promoter, Mr. Nirmal Jain, a first generation entrepreneur, and his management team. The Target Company has shown strong organic growth of assets with a strong, long-term history of profitable growth, which aligns with the Acquirer's strategy for investing in well-managed companies with high integrity and long-term track records in India.
- 5.1.2 The Equity Shares of the Target Company are listed and traded on the BSE and the NSE. The total number of Equity Shares traded on BSE and NSE for a period of 12 (Twelve) calendar months preceding the calendar month in which the PA was made (July 1, 2014 to June 30, 2015, both days included) are as given below:

Stock Exchange	No. of Equity Shares traded	Total No. of Equity Shares of Target Company	Traded shares (as a % of Total Equity Shares)
NSE	4,72,09,961	31,05,33,948	15.20%
BSE	1,43,53,890	31,05,33,948	4.62%

Source: www.nseindia.com and www.bseindia.com

- 5.1.3 The Equity Shares of the Target Company are frequently traded, within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, on NSE, during the 12 (Twelve) months preceding the date on which the PA was made.
- 5.1.4 Since the Equity Shares of the Target Company have been frequently traded on NSE where the Equity Shares are listed, during the 12 (Twelve) calendar months preceding the month in which the PA has been issued, and since the maximum volume of trading is recorded at NSE during the preceding 60 (Sixty) trading days from the date of the PA, the Offer Price is justified, taking into account the following parameters, as set out under Regulation 8(2) of the SEBI (SAST) Regulations:

A	The highest negotiated price per Equity Share (as per the share purchase agreement) attracting the obligation to make this Offer	N.A.
B	The volume weighted average price paid by the Acquirer during the fifty two weeks immediately preceding the date of the PA	N.A.
C	The highest price paid for any acquisition by the Acquirer in the twenty six weeks preceding the date of the PA	N.A.
D	The volume-weighted average market price of Equity Shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA as traded on NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, the shares being frequently traded	179.50
E	Where the shares are not frequently traded, the price determined by the Acquirer and the manager to the open offer taking into account valuation in parameters including book value, comparable trading multiples and such other parameters as are customary for the valuation of shares of such companies	N.A.

- 5.1.5 Calculation of the volume – weighted average market price of the Equity Shares for a period of sixty (60) trading days immediately preceding the date of PA i.e. July 14, 2015 as traded on NSE as per Regulation 8 (2) (d) of the SEBI (SAST) Regulations is as follows:

S. No.	Date	Total traded equity shares	Total Turnover (` Lacs)
1	April 20, 2015	97,467	173.57
2	April 21, 2015	75,161	133.57
3	April 22, 2015	23,719	41.75
4	April 23, 2015	16,978	30.12
5	April 24, 2015	16,950	29.97
6	April 27, 2015	54,416	93.68
7	April 28, 2015	30,323	52.95
8	April 29, 2015	44,365	77.37
9	April 30, 2015	37,678	65.77
10	May 4, 2015	41,415	71.72
11	May 5, 2015	43,201	76.12
12	May 6, 2015	36,557	63.71
13	May 7, 2015	378,051	677.86
14	May 8, 2015	108,773	200.71
15	May 11, 2015	25,344	46.59
16	May 12, 2015	25,814	46.41
17	May 13, 2015	45,105	80.05
18	May 14, 2015	27,034	47.73
19	May 15, 2015	30,540	53.45
20	May 18, 2015	12,660	22.41
21	May 19, 2015	17,993	31.9
22	May 20, 2015	26,975	47.33
23	May 21, 2015	13,793	24.02
24	May 22, 2015	14,654	25.67
25	May 25, 2015	29,177	51.69
26	May 26, 2015	15,137	26.85
27	May 27, 2015	54,134	96.94
28	May 28, 2015	25,416	45.73
29	May 29, 2015	1,080,930	1991.66

S. No.	Date	Total traded equity shares	Total Turnover (` Lacs)
30	June 1, 2015	37,227	69.64
31	June 2, 2015	42,167	77.25
32	June 3, 2015	47,557	84.45
33	June 4, 2015	148,957	272.16
34	June 5, 2015	134,577	254.24
35	June 8, 2015	29,670	54.08
36	June 9, 2015	20,710	37.38
37	June 10, 2015	145,821	253.95
38	June 11, 2015	41,154	72.86
39	June 12, 2015	23,881	42.71
40	June 15, 2015	19,849	35.13
41	June 16, 2015	26,937	47.48
42	June 17, 2015	55,571	97.23
43	June 18, 2015	36,818	64.42
44	June 19, 2015	144,438	250.72
45	June 22, 2015	37,425	65.45
46	June 23, 2015	45,811	79.58
47	June 24, 2015	68,503	120.55
48	June 25, 2015	10,908	19.09
49	June 26, 2015	12,243	21.46
50	June 29, 2015	70,077	118.93
51	June 30, 2015	57,672	98.76
52	July 1, 2015	97,132	171.24
53	July 2, 2015	87,528	155.94
54	July 3, 2015	1,165,031	2065.91
55	July 6, 2015	49,982	91.87
56	July 7, 2015	52,560	98.23
57	July 8, 2015	99,438	183.02
58	July 9, 2015	62,952	117.34

S. No.	Date	Total traded equity shares	Total Turnover (` Lacs)
59	July 10, 2015	20,340	37.74
60	July 13, 2015	47,869	90.01
Total		5,390,565	9676.12
Volume Weighted Average Price (Total Turnover divided by Total Traded Equity Shares) (INR)			179.50

5.1.6 In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 195 (Rupees One Hundred and Ninety Five) per Equity Share, being greater than the highest of the prices mentioned above, is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

5.1.7 There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (Source: www.bseindia.com and www.nseindia.com)

5.1.8 There has been no revision in the Offer Price or to the Offer Size as on the date of this Letter of Offer. An upward revision in the Offer Price or the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (Three) working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph 5.2.2 of this Letter of Offer; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE, NSE and the Target Company at its registered office of such revision.

5.2 Financial arrangements:

5.2.1 Assuming full acceptance, the total funds requirements to implement this Offer is ₹ 16,21,01,26,140 (Rupees Sixteen Hundred and Twenty one crores one lakh twenty six thousand one hundred and forty only) ("**Maximum Consideration**"). The source of funds for the purposes of acquisition of Equity Shares pursuant to this Offer is foreign funds.

5.2.2 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened a "**Cash Escrow Account**" in the name and style as "**IIFL-OPEN OFFER ESCROW ACCOUNT**" bearing Account No. 3711617956 ("**Escrow Account**") with Kotak Mahindra Bank Limited, a banking corporation incorporated under the Companies Act and having one of its branch office at 27BKC, 2nd Floor, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, India and has made a cash deposit of ₹ 2,37,11,00,000 (Rupees Two Hundred and Thirty Seven Crores and Eleven Lakhs only) in the Escrow Account in accordance with the Regulation 17(1) read with 17(3)(a) of the SEBI (SAST) Regulations which represents 14.63% (Fourteen point Six Three percent) of the total consideration payable to the Equity Shareholders. The cash deposit has been confirmed vide a confirmation letter dated July 16, 2015 issued by the Escrow Bank. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.3 In case of any upward revision in the Offer Price or the Offer Size, the value in cash of the escrow amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded via the Escrow Account by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

5.2.4 The Acquirer and PAC 2 have adequate resources to meet the funds requirements/obligations under this Offer. The Acquirer has made a cash deposit of ₹ 2,37,11,00,000 (Rupees Two Hundred and Thirty Seven Crores and Eleven Lakhs only) which represents 14.63% (Fourteen point Six Three percent) of the total consideration payable to the Equity Shareholders. The cash deposit has been confirmed vide a confirmation letter dated July 16, 2015 issued by the Escrow Bank.

5.2.5 As per certificate dated July 14, 2015 from Kirit Sheth (Membership No. 37824), proprietor of M/s K.J. Sheth & Associates (Chartered Accountants), 2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001 (Tel. No. 022-22671618; E-mail ID: kirit.sheth@kjsa.org), the Acquirer and PAC 2 have adequate liquid resources to meet the funds requirements/obligations under this Offer.

5.2.6 The Acquirer has authorized ICICI Securities Limited, Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.7 Based on the above, ICICI Securities Limited, Manager to the Offer, certify and confirm that firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

6 TERMS AND CONDITIONS OF THE OFFER

6.1 Operational Terms and Conditions

- 6.1.1 The Tendering Period will commence on Thursday, October, 29, 2015 and will close on Friday, November 13, 2015.
- 6.1.2 The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, all rights of dividends, bonuses or rights from now on and declared hereafter.
- 6.1.3 This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
- 6.1.4 The Identified Date for this Offer as per the schedule of activity is Wednesday, October 14, 2015.
- 6.1.5 The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one only).
- 6.1.6 There are no lock-in restrictions on the Equity Shares of the Target Company.
- 6.1.7 Pursuant to Regulation 23 of the SEBI (SAST) Regulations, this Offer shall be withdrawn if any of the statutory approvals set out in paragraph 6.3 of this Letter of Offer have not been received or have been refused ("**Refusal of Statutory Approvals**").
- 6.1.8 Accordingly, this Offer shall stand withdrawn in the event of Refusal of Statutory Approvals or in the event of a binding order of a court or governmental authority of competent jurisdiction directing the withdrawal of this Offer.
- 6.1.9 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

6.2 Eligibility for accepting the Offer

- 6.2.1 The Letter of Offer shall be sent to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form or physical form (except the Acquirer, the PAC) whose names appear in register of Target Company as on the Identified Date.
- 6.2.2 This Offer is also open to persons who own Equity Shares in the Target Company but are not registered Shareholders as on the Identified Date.
- 6.2.3 All Equity Shareholders/Beneficial Owners who own Equity Shares of the Target Company and are able to tender such Equity Shares in this Offer at anytime before the closure of the Offer, are eligible to participate in this Offer.
- 6.2.4 The Equity Shareholders who wish to tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer to Link Intime India Private Limited acting as the registrar to the offer ("**Registrar to the Offer**") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Applicants who cannot hand deliver their documents at the collection centers, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its address mentioned in this Letter of Offer.
- 6.2.5 The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance cum Acknowledgement from the SEBI's website for applying in the Offer.
- 6.2.6 Those Equity Shareholders who have not received this Letter of Offer and those who apply in plain paper will not be required to provide any indemnity. They must follow the same procedure mentioned above for registered Equity Shareholders.
- 6.2.7 The acceptance of this Offer by the Equity Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 6.2.8 NRIs and OCBs, being holders of the Equity Shares, must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.

- 6.2.9 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s) /Beneficial owner(s) of the Target Company.
- 6.2.10 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 6.2.11 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 6.2.12 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.
- 6.2.13 The Manager to the Offer shall submit a final report to SEBI within 15 (Fifteen) Working Days from the expiry of the Tendering Period in accordance with Regulation 27(7) of the SEBI (SAST) Regulations confirming status of completion of various Offer Requirements.
- 6.2.14 For any assistance please contact ICICI Securities Limited, Manager to the Offer or the Acquirer or the Registrar to the Offer.

6.3 Statutory Approvals:

The acquisition of the Equity Shares of the Target Company under this Offer is subject to receipt of the following statutory / regulatory approvals. The current status of the approvals is as follows:

- 6.3.1 The Acquirer had applied to the Competition Commission of India (“**CCI**”) for the purposes of this Offer and CCI has pursuant to an order dated August 31, 2015 approved the same.
- 6.3.2 Approval of the FIPB for direct and indirect foreign investments in the Target Company and its subsidiaries, to the extent required. Pursuant to a press release dated October 7, 2015, issued by the Department of Economic Affairs, we understand that the FIPB has recommended the proposal for consideration of the Cabinet Committee on Economic Affairs. The requisite approval is currently awaited.
- 6.3.3 Approval from SEBI (Mutual Funds Division) in relation to India Infoline Asset Management Company Limited to the extent required under the SEBI (Mutual Fund) Regulations, 1996. The Acquirer and PAC 2 have submitted the requisite information to SEBI by way of letters dated August 4, 2015 and September 23, 2015 and are currently awaiting feedback on the same.
- 6.3.4 Approval from the RBI pursuant to the RBI Notification No. DNBS.(PD) 029/CGM(CDS)-2015 dated July 09, 2015 for change in (indirect) shareholding of India Infoline Finance Limited, the subsidiary of the Target Company registered as a non-banking financial company, if required. The Target Company has, by way of a letter dated July 30, 2015, informed the RBI of the Offer.
- 6.3.5 Approval from the BSE, NSE, Multi Commodity Exchange Limited and National Commodities and Derivatives Exchange Limited to the extent required. By way of letters dated July 30, 2015, IIFL Capital Limited and India Infoline Limited have informed the BSE and NSE respectively, and India Infoline Commodities Limited has informed the Multi Commodity Exchange Limited and National Commodities and Derivatives Exchange Limited of the Offer.
- 6.3.6 Apart from the statutory approvals mentioned in paragraphs 6.3.2 and 6.3.3 above, as of the date of this Letter of Offer, to the best knowledge of the Acquirer, there are no other statutory approvals, required by the Acquirer to complete this Offer. However, in case any other statutory approvals are required by the Acquirer at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
- 6.3.7 The Acquirer shall complete all procedures relating to this Offer within 10 (Ten) Working Days from the date of closure of the Tendering Period with respect to those Equity Shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
- 6.3.8 In case of delay / non-receipt of any approval, including any statutory approval which may be required by the Acquirer at a later date, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 6.3.9 The Acquirer will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated at paragraphs 6.3.2 and 6.3.3 above are not granted. In case of such event, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.

7 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

7.1 ACCEPTANCE OF THE OFFER

- 7.1.1 Name and Address of the persons (Registrar to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent.
- 7.1.2 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Equity Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on Wednesday, October 14, 2015, i.e. the Identified Date.
- 7.1.3 The Equity Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in or obtain it from the Registrar to the Offer, and send in their acceptances to the Registrar to the Offer by filling the same.
- 7.1.4 The Equity Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below so as to reach the Registrar to the Offer during business hours on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period, in accordance with the procedure as set out in this Letter of Offer.

Collection Centers and Address	Mode of Delivery	Phone No.	Fax No.	Email Address
Mumbai Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai - 400078. Contact Person: Ganesh Mhatre	Hand Delivery & Registered Post	022-61715400	022-25960329	Email: iifl.offer@linkintime.co.in

- 7.1.5 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.
- 7.1.6 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Limited, Unit : IIFL Holdings Limited - Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078 so as to reach the Registrar to the Offer on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period.
- 7.1.7 **Equity Shareholders who are holding Equity Shares in physical form:**

The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Equity Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum- Acknowledgement along with self attested copy of PAN Card of all the transferors are required to be submitted.

Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

For Equity Shares held in physical mode by resident Equity Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

7.1.8 Equity Shareholders who are holding Equity Shares in dematerialized form:

Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Special Depository Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Equity Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

The Registrar to the Offer has opened a Special Depository Account with Ventura Securities Limited called "**LIPL IIFL OPEN OFFER ESCROW DEMAT ACCOUNT**". The Equity Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Special Depository Account:

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	LIPL IIFL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository Participant ("DP") Name	Ventura Securities Limited
DP ID Number	IN303116
Beneficiary Account Number	11726974
ISIN	INE530B01024
Market	Off Market
Date of Credit	On or before Friday, November 13, 2015

It is the sole responsibility of the Equity Shareholder to ensure credit of its Equity Shares in the Special Depository Account, on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period.

The Equity Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Special Depository Account with NSDL.

The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Special Depository Account before the Closure of the Tendering Period is liable to be rejected.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

For Equity Shares held in dematerialized form by resident Equity Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement/ photocopy of the delivery instruction/ other documents required, but receipt of the Equity Shares in the Special Depository Account prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

7.1.9 Equity Shareholders who have sent their Equity Shares for dematerialization:

The Equity Shareholders who have sent their Equity Shares for dematerialization who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Equity Shareholder's depository participant, in accordance with the instructions mentioned in the Letter of Offer. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Equity Shareholder(s) whose name appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company.

Such Equity Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Special Depository Account, to be received on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Equity Shareholder's depository participant, the Equity Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in the Letter of Offer.

Unregistered Equity Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received

on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period. Valid share transfer deeds, as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Equity Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Equity Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Equity Shareholders should ensure that the Equity Share certificate(s) and above documents reach the designated collection centre on or before 5 pm on Friday, November 13, 2015 i.e. Closure of the Tendering Period.

The Equity Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate/probate/letter of administration (in case of single Equity Shareholder) if the original Equity Shareholder is no more;
- duly attested power of attorney if any person apart from the Equity Shareholder has signed the application form and/or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
- banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
- any other relevant documents.

In case of non-receipt of this Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Special Depository Account, so as to reach the Registrar to the Offer, on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Equity Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Equity Shareholders who have sent their Equity Shares for dematerialization/ rematerialization need to ensure that the process of getting Equity Shares dematerialized/ rematerialized is completed well in time so that the credit in the Special Depository Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period, else their application would be rejected.

NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

In case of delay in receipt of any statutory approvals, which may be required by the Acquirer and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Equity Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Equity Shareholders, the Acquirer and

the PAC will have the option to pay consideration to such Equity Shareholders for whom statutory approvals are not required in order to complete this Offer.

Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Equity Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. This Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities

The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Special Depository Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Equity Shareholders whose Equity Shares have been validly tendered and accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

If the aggregate valid responses to this Offer by the Equity Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Equity Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (one) Equity Share.

Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Equity Shareholders'/unregistered Equity Shareholders' sole risk to the sole/first Equity Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Equity Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Equity Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the de-mat account is maintained till the completion of the Offer formalities.

7.2 Settlement / Payment of Consideration

- 7.2.1 The Acquirer and PAC 2 being non-resident entities are not permitted to acquire the Equity Shares of the Target Company on the floor of the recognized stock exchanges in India as per the existing exchange control regulations in India. Therefore, in accordance with paragraph 3(c) of the SEBI circular on 'Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting' dated April 13, 2015, the Offer will follow the existing 'tender offer method' as prescribed by SEBI.
- 7.2.2 The Acquirer shall arrange to pay the consideration payable to the Equity Shareholders whose Equity Shares have been accepted on or before Friday, November 13, 2015 subject to the terms of this Letter of Offer.
- 7.2.3 Equity Shareholders tendering their Equity Shares electronically are advised to immediately update with their DP, their bank account details, i.e. nine digit Magnetic Ink Character Recognition Code {MICR} as appearing on their cheque leaf as also their bank's Indian Financial System Code {IFSC}, which will get linked to their bank branch. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Equity Shareholder's sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate such Equity Shareholder for any losses caused due to any such delay or any interest for such delay.
- 7.2.4 Payment of consideration to the Equity Shareholders would be done through various modes in the following order of preference:
- (a) **Real Time Gross Settlement ("RTGS") / National Electronic Clearing Service ("NECS") / National Electronic Fund Transfer ("NEFT")** - Payment shall be undertaken through any of the above modes wherever the Equity Shareholder's bank has been assigned the IFSC, which can be linked to an MICR, if any, available to that particular bank branch or wherever the Equity Shareholders have registered their nine digit MICR number and their bank account number with their DP.
 - (b) **Direct Credit** – Equity Shareholders having bank accounts with the Escrow Bank, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.
 - (c) For all other Equity Shareholders, including Equity Shareholders holding Equity Shares in physical form and those who have not updated their bank particulars with the MICR code, the payments will be dispatched through speed post / registered post. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centre will be payable by the Equity Shareholders.

Applicants to whom payments are made through electronic transfer of funds will be sent a letter (Payment advice) through ordinary post intimating them about the mode of credit / payment. The Registrar to the Offer shall ensure dispatch of consideration, if any, by RTGS / NECS / NEFT / Direct Credit / Cheques / Payorders / Demand Drafts only in the name of the sole or first Equity Shareholder and all communication will be addressed to the person whose name appears on Acceptance cum Acknowledgement Form within 10 Working Days of the date of closure of the Tendering Period and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirer. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

- 7.2.5 As of the date of this Letter of Offer, the statutory approvals referred to in paragraphs 6.3.2 and 6.3.3 above, are awaited. In case of any delay in receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment of the consideration to those Equity Shareholders, whose Equity Shares are accepted in this Offer in terms of Regulation 18(11) of the SEBI (SAST) Regulations, subject to the Acquirer and/or the PAC agreeing to pay interest to such Equity Shareholders for the delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all Equity Shareholders, the Acquirer and/or the PAC have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete the Offer.

8 COMPLIANCE WITH TAX REQUIREMENTS:

8.1 General

- 8.1.1 As per the provisions of Section 195(1) / Section 196D of the Income Tax Act, 1961 ("**Income Tax Act**"), any person responsible for paying to a non-resident, other than to an Foreign Institutional Investor ("**FII**") (including its sub – account) or an Foreign Portfolio Investor ("**FPI**") registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as consideration for acquisition of shares, any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rates in force. Since the consideration payable to the Equity Shareholders whose Equity Shares are validly accepted in this Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer / PAC are required to deduct taxes at source (including surcharge and education cess) at the applicable rates to such non-resident Equity Shareholders (other than to an FII (including its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014).
- 8.1.2 In case of delay in receipt of statutory approvals, as provided in paragraph 6.3 herein, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Equity Shareholders for delay beyond 10 (Ten) Working Days at such rate, as may be specified by SEBI from time to time.
- 8.1.3 As per the provisions of Section 194A and 195 of the Income Tax Act, read with the Finance Act, 2015, a body corporate responsible for paying to residents and non-residents (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Equity Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax, the Acquirer / PAC will be required to deduct tax at source under section 194A or 195 of the Income Tax Act (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.
- 8.1.4 Each resident and non-resident Equity Shareholder (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity). In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer / PAC, it would be assumed that the Equity Shareholder is a non-resident Equity Shareholder and taxes shall be deducted at the maximum rate, as may be applicable to the relevant category to which the Equity Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Equity Shareholder.
- 8.1.5 Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.
- 8.1.6 In the case of non – resident Equity Shareholders, the rate of deduction of tax and the quantum of amount on which tax rate is to be applied is dependent on several factors. Since the Acquirer / PAC do not have in-house information in respect of various non-resident Equity Shareholders, such Shareholders must specify the details requested in the Form of Acceptance-cum-Acknowledgement, including but not limited to the following information: (i) Residential status of the Equity Shareholder; (ii) Category to which the non-resident Equity Shareholder belongs i.e., Non Resident Indian, Overseas Corporate Body, Non-domestic company, FII being a company, FII other than a company, FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 or any other non-resident; (iii) Date of acquisition of Equity Shares (to be supported by evidence); (iv) Cost of acquisition (to be supported by evidence); (v) Whether any concession in the matter of tax deduction is claimed based on certificate u/s. 195 / 197 (to be supported by evidence); and (vi) Whether any concession in the matter of tax deduction is claimed under any Double Taxation Avoidance Agreement ("**DTAA**") (to be supported by evidence).

Further, for the purpose of determining whether the capital gains are short-term or long-term, the Acquirer / PAC shall, if required, cross verify the details provided by the Equity Shareholder with the information obtained from the Target Company.

- 8.1.7 Any non – resident Equity Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish 'Tax Residency Certificate' provided to him / it by the income tax authority of such other foreign country of which he / it claims to be a tax resident. In addition, such non-resident Equity Shareholder is required to provide a duly signed Form no.10F containing the prescribed information such as (i) Legal status (individual, company, firm, etc.), (ii) Permanent Account Number, if allotted; (iii) nationality in case of an individual; (iv) country of Incorporation / registration in case of any Equity Shareholder other than an individual; (v) Tax identification number / unique number by which the Equity Shareholder is identified in the country of his / its residence; (vi) period for which the Tax Residency Certificate is issued; and (vii) Address of the shareholder for the period for which Tax Residency Certificate is issued, if any of these information is not contained in the 'Tax Residency Certificate'.

Further, a non-resident tax payer is required to keep and maintain all documents substantiating the aforesaid information and furnish the same when required by the Indian tax authorities.

- 8.1.8 Any non-resident Equity Shareholder claiming benefit under DTAA should submit along with the TRC, a certificate for deduction of tax at lower or nil rate from the income tax authorities and taxes would be deducted by the Acquirer in

accordance with such certificate. In the absence of TRC and a certificate for deduction of tax at lower or nil rate obtained from income tax authorities, the taxes would be deducted at the rates (including surcharge and education cess as applicable) as dealt with in Paragraph 8 (Compliance with Tax Requirements) – paragraphs 8.2 and 8.3, below, for each category of the non-resident Equity Shareholder.

- 8.1.9 All Equity Shareholder are required to submit their PAN along with self attested copy of the PAN card for income-tax purposes. If not, the Acquirer will arrange to deduct tax at the rate of 20% (Twenty percent) as per Section 206AA of the Income Tax Act or at such tax rate as dealt with in Paragraph 8 (Compliance with Tax Requirements)– paragraphs 8.2, 8.3 and 8.4 below, for each category of Equity Shareholders, whichever is higher (including surcharge and education cess as applicable) on the entire consideration amount payable.
- 8.1.10 The Acquirer will not accept any request from any Equity Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any, and tax payable thereon

8.2 For all non – resident Equity Shareholders except (i) FII and (ii) FPI:

- 8.2.1 **For the purpose of remittance of funds on tendering of Equity Shares under the Open Offer**, NRIs, OCBs, and other non-resident Equity Shareholders (excluding FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)) will be required to submit a Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such Certificate for Deduction of Tax at Nil/Lower Rate. In an event of non-submission of Certificate for Deduction of Tax at Nil/Lower Rate, tax will be deducted at the rate as may be applicable on the entire consideration amount payable to the non-resident Equity Shareholders. However, where the non-resident Equity Shareholder provides following documents, then tax will be deducted at the applicable rate, taking these documents into consideration:
- (a) Document evidencing the date on which the Equity Shares were acquired e.g. broker invoice / contract note
 - (b) Declaration certifying the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares; and
 - (c) Declaration certifying the nature of its income (i.e. whether capital gains or business income) on the sale of the Equity Shares.
- 8.2.2 The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the non-resident Equity Shareholder for deducting a lower amount of tax at source.
- 8.2.3 In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, if any, the NRIs, OCBs, and other non-resident Equity Shareholders (excluding FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)) will be required to submit a Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such Certificate for Deduction of Tax at Nil/Lower Rate. In an event of non-submission of Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the applicable rate as may be applicable under the Income Tax Act (without having regard to the provisions of any DTAA) on the entire amount payable as interest to such non-resident Equity Shareholder.
- 8.2.4 All NRIs, OCBs and other non-resident Equity Shareholders (excluding FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)) are required to submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the non-resident Equity Shareholder, the Acquirer will deduct tax at the rate of 20% (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the non-resident Equity Shareholder under the Income Tax Act, whichever is higher (including surcharge and education cess) as may be applicable on the entire consideration amount payable.
- 8.2.5 In addition to the above, any NRIs, OCBs and other non-resident Equity Shareholders (excluding FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)) covered under any DTAA between India and any other foreign country should furnish the ‘Tax Residence Certificate’ provided to him/it by the Government of such other foreign country of which it claims to be a tax resident and a self-declaration stating that it does not have a business connection in India as defined in Explanation 2 to section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of its tax residence and their/its place of effective management is not in India. Further, the Equity Shareholder will be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in Paragraph 8 (Compliance with Tax Requirements) – paragraph 8.1.8 of this Letter of Offer.

8.3 For (i) FII and (ii) FPI:

- 8.3.1 In view of the recent change in the definition of 'Capital Asset' provided in section 2 (14) of the Income Tax Act, shares held by all FII (and their sub – account) or FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 are to be treated as 'Capital Asset'. As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII (and their sub – account) or FPI. The Acquirer would not deduct tax at source on the payments to FII or FPI, subject to provision of the copy of the registration certificate issued by SEBI (including for sub-account of FII, if any).
- 8.3.2 If the copy of the registration certificate issued by SEBI (including for sub-account of FII, if any) is not provided, the Acquirer shall deduct tax at the maximum tax rate applicable under the Income Tax Act (without having regard to the provisions of any DTAA) on the gross consideration payable to the FII or FPI.
- 8.3.3 Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the applicable tax rate applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on category of the Equity Shareholder. However, if the FII or FPI provides a certificate for deduction of tax at nil/lower rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.
- 8.3.4 All FIIs or FPIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Equity Shareholder, the Acquirer and/or the PAC will arrange to deduct tax at the rate of 20% (as provided in Section 206-AA of the Income Tax Act) or at the rate in force or at the rate, as may be applicable to the category of the FII or FPI Shareholder under the Income Tax Act, whichever is higher, (including surcharge and cess) on the entire consideration amount payable to such FII or FPI.
- 8.3.5 In addition to the above, any FII or FPI claiming benefit under any DTAA between India and any other foreign country should furnish a TRC provided to it by the Government of such other foreign country of which it claims to be a tax resident and a self-declaration stating that the FII or FPI does not have a business connection in India as defined in Section 9(1)(i) of the Income Tax Act or a permanent establishment in India, in terms of the DTAA and the FII or FPI is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence. Further, the FII or FPI will also be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in paragraph 8.1.8 of this Letter of Offer.

8.4 Tax to be deducted in case of resident Shareholders

- 8.4.1 In absence of any specific provision under the Income Tax Act, the Acquirer / PAC will not deduct tax on the consideration payable to resident Equity Shareholders for acquisition of Equity Shares. Such resident Equity Shareholder will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.
- 8.4.2 With respect to interest payment, all resident Equity Shareholders will be required to submit a Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration for interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, if any. The Acquirer will deduct taxes at source in accordance with such Certificate for Deduction of Tax at Nil/Lower Rate.

In an event of non-submission of Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the rates prescribed under section 194A of the Income Tax Act as may be applicable on the entire consideration payable as interest to such Equity Shareholder.

- 8.4.3 All resident Equity Shareholders shall submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Equity Shareholder, Acquirer will deduct tax at the rate of 20% (Twenty percent) (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Equity Shareholder under the Income Tax Act, whichever is higher (including surcharge and cess) on the entire consideration payable as interest to such Equity Shareholder
- 8.4.4 Notwithstanding anything contained in paragraphs 8.4.1 to 8.4.3 above, no deduction of tax shall be made at source by the Acquirer where:
- (i) The total amount of interest payable, if any, to a resident Equity Shareholder does not exceed INR 5,000 (Rupees Five Thousand only); or
 - (ii) In the case of resident Equity Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H, as may be applicable, and duly executed has been furnished to the Acquirer. The self declaration in Form 15G or Form

15H would not be valid unless the Equity Shareholder furnishes PAN in such declaration.

- (iii) SEBI Registration Certificate as a mutual fund since no tax is to be deducted on interest amount in the case of resident Equity Shareholder being a mutual fund as per Section 10(23D) of the Income Tax Act.
- (iv) Documentary evidence in support of the claim that no tax should be deducted at source on interest payable if the Equity Shareholder bank or entity are covered by exception provided in Section 194A(3)(iii) of the Income Tax Act.
- (v) SEBI Registration Certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction at source on the basis of any notification that may be issued under section 197A (1F) of the Income Tax Act.

8.5 Issue of tax deduction at source certificate

- 8.5.1 The Acquirer / PAC will issue a certificate in the prescribed form to the Equity Shareholders (resident and non- resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

8.6 Withholding taxes in respect of overseas jurisdictions

- 8.6.1 Apart from the above, the Acquirer / PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdictions where the non-resident Equity Shareholder is a resident for tax purposes ("**Overseas Tax**").

For this purpose, the non-resident Equity Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Equity Shareholder is a tax resident and the Acquirer / PAC will be entitled to rely on this representation at their/its sole discretion.

- 8.6.2 In accordance with Notification No.86/2013 F.No.504/05/2003-FTD-IJ/So 3307(E) read with Press Release dated 1-11-2013 issued under section 94A of the Income Tax Act, the payments made by the Acquirer to non-resident Equity Shareholders resident of Cyprus would be subjected to deduction of tax at source at the rate of 30% (Thirty percent) or the rates prescribed under the Act, whichever is higher (including surcharge and education cess).
- 8.6.3 Equity Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

The Acquirer / PAC will be statutorily required to apply the rates and other provisions related to tax deduction at source as applicable at the time of acceptance of shares under open offer / payment to shareholders.

Taxes once deducted will not be refunded under any circumstances.

9 DOCUMENTS FOR INSPECTION

- 9.1 Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra, India (Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580). The documents can be inspected during normal business hours (11.00 AM to 4.00 PM) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of expiry of the Tendering Period.
- 9.1.1 Certificate of incorporation, memorandum of association and articles of association of the Acquirer and PAC.
- 9.1.2 Copy of certificate dated July 14, 2015 from Kirit Sheth (Membership No. 37824), proprietor of M/s K.J. Sheth & Associates (Chartered Accountants), 2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001 (Tel. No. 022-22671618; E-mail ID: kirit.sheth@kjsa.org), certifying that the Acquirer and the PAC collectively have adequate resources to fulfill its financial obligations under this Offer.
- 9.1.3 Copies of the annual reports for the Target Company for the FY ended March 31, 2015, 2014 and 2013.
- 9.1.4 Copies of the audited annual report of PAC 1 for the FY ended December 31, 2015, 2014 and 2013.
- 9.1.5 Escrow agreement dated July 17, 2015, between the Acquirer, Kotak Mahindra Bank Limited and the Manager to the Offer.
- 9.1.6 Letter from Kotak Mahindra Bank dated July 16, 2015 confirming the amount kept in the Escrow Account.
- 9.1.7 A copy of the Public Announcement submitted to BSE and NSE on July 14, 2015
- 9.1.8 Published copy of the Detailed Public Statement, published on behalf of the Acquirer and PAC on July 21, 2015.
- 9.1.9 A copy of the agreement entered into with the DP for opening the Special Depository Account.
- 9.1.10 A copy of the recommendation made by the board of directors of the Target Company.
- 9.1.11 A copy of the SEBI observation letter No. CFD/DCR/AT/PA/28834/2015 dated October 12, 2015 on the Draft Letter of Offer.

10 DECLARATION BY THE ACQUIRER AND PACs

Unless stated otherwise, the Acquirer and PAC accept full responsibility for the information contained in the Letter of Offer other than such information as has been obtained from public sources or provided or confirmed by the Target Company (as specified in this Letter of Offer).

Each of the Acquirer and PAC shall be jointly and severally responsible for ensuring compliance with the SEBI (SAST) Regulations.

The persons signing this Letter of Offer on behalf of the Acquirer and PAC have been duly and legally authorized by the respective boards of directors to sign this Letter of Offer.

For and on behalf of the Acquirer

Sd/-

Authorised signatory)

For and on behalf of PAC 1

Sd/-

(Authorised signatory)

For and on behalf of PAC 2

Sd/-

(Authorised signatory)

For and on behalf of PAC 3

Sd/-

(Authorised signatory)

Place: Mauritius

Date: October 16, 2015

INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PAC, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.
2. The Form of Acceptance-cum-Acknowledgement should be filled-up in English only.
3. Please read the Letter of Offer accompanying this Form of Acceptance-cum-Acknowledgement carefully before filling up this Form of Acceptance-cum-Acknowledgement.
4. The acceptance of the Offer is entirely up to the discretion of the Shareholders. Each Shareholder to whom this Offer is being made is free to offer his/ her Equity Shares in whole or in part while accepting the Offer.
5. In the case of dematerialized Equity Shares, the Shareholders are advised to ensure that their Equity Shares are credited in favour of the Depository Escrow Account, before the closure of the Tendering Period i.e. **Friday, November 13, 2015**. The Form of Acceptance-cum-Acknowledgement of such dematerialized Equity Shares not credited in favour of the Depository Escrow Account, before the closure of the Tendering Period will be rejected.
6. Shareholders should enclose the following:

a. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ("DP").
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
- Photocopy of the Inter-Depository Delivery Instruction Slip if the beneficiary holders have an account with Central Depository Services Ltd.
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
- For each Delivery Instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by such Shareholder in case of a resident Shareholder

b. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
- Original share certificate(s)
- Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required
- A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
- Valid share transfer deed(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with IIFL Holdings Limited and duly witnessed at the appropriate place. A blank share transfer deed is enclosed along with the Letter of Offer.
 - Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and Membership No. or a manager of the transferor's bank.
 - The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid share transfer deed from a registered Shareholder, then the Acquirer may deem the Offer to have been accepted by such Shareholders in case of a resident Shareholder.

Unregistered owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s)
- Original broker contract note
- Valid share transfer deed(s) as received from the market leaving details of buyer blank. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same

being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. If the same is filled in then the Equity Share(s) are liable to be rejected

- Owners of Equity Shares who have sent their Equity Shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to IIFL Holdings Limited for transfer of Equity Shares and valid share transfer deed(s).
 - Self attested copy of PAN card.
 - Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and Membership No. or a manager of the transferor's bank.
 - In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form of Acceptance-cum-Acknowledgement shall be accompanied by the acknowledgment of lodgement with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).
7. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the transfer deed(s) as the order in which they hold Equity Shares in IIFL Holdings Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
8. All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) in case the original Shareholder is dead.
 - Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance-cum-Acknowledgement and / or transfer deed(s).
9. All the Shareholders are advised to refer to paragraph 8- **Compliance with tax requirements** in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration / interest component to be received by them.
10. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.
11. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.
12. While tendering the Equity Shares under the Offer, NRIs/ OCBs/ foreign Shareholders will be required to submit the RBI and / or FIPB approvals (specific or general) that they would have obtained for acquiring the Equity Shares of the Target Company. If the Equity Shares are held pursuant to a general permission of RBI, the Non-Resident Shareholder should submit a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.
- NRIs tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis** (in which case the consideration can be remitted abroad) should provide (i) copies of the requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity); (ii) relevant proof of such holding on a repatriable basis, viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from a Non-resident (External) ("NRE") bank account or by way of foreign inward remittance; and (iii) details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.
- NRIs tendering their Equity Shares in the Offer and holding such Equity Shares on a non-repatriable basis** should, in addition to the requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity), provide details of their Non-Resident (Ordinary) ("NRO") bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of an NRO bank account are not furnished, the Equity Shares tendered by such NRIs would be rejected. Alternatively, if such an NRI wishes to receive the consideration in an NRE bank account, such NRI should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRIs would be rejected.
13. Fills/FPIs are requested to enclose the SEBI Registration Certificate. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / FII / FPI / OCB should furnish necessary authorization documents along with Specimen Signatures of Authorised Signatories.
14. Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. Equity Shares held in dematerialised form to the extent not accepted will be credited back to the same account from which they were tendered. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. All documents / remittances sent by or to Shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.
15. Neither the Acquirer, the PAC, the Manager to the Offer nor the Registrar to the Offer will be liable for any delay / loss in transit resulting in delayed receipt / non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for

the failure to deposit your Equity Shares to the Depository Escrow Account or submission of original physical Share certificates with inaccurate / incomplete particulars / instructions on your part, or for any other reason.

16. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of **Link Intime India Private Limited** as mentioned below.
17. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach any of the collection centres of the Registrar to the Offer, mentioned below on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10:30 to 17:00) on or before Friday, November 13, 2015, i.e. closure of the Tendering Period.
18. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
19. In case the Acquirer / PAC is of the view that the information / documents provided by the Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum applicable marginal rate on the entire consideration paid to the Shareholders.
20. Payment of Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the sole risk of the Shareholders and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any loss caused to the Shareholders due to any such delay or liable to pay any interest for such delay. Physical Shareholders are requested to fill up their bank account details in the 'Form of Acceptance-cum-Acknowledgement'.

The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC, the Manager to the Offer and the Registrar to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. 17:00 HOURS ON FRIDAY, NOVEMBER 13, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE WILL BE REJECTED.

Collection Centres

S. No.	City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1.	Mumbai	Mr. Ganesh Mhatre	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	022-61715400	022-25960329	iifl.offer@linkintime.co.in	Hand Delivery & Registered Post

All of the centers mentioned above will be open as follows:

Business Hours: Monday to Friday: 10:30 to 17:00 (except on Saturdays, Sundays and Public Holidays)

Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Limited, Unit : IIFL Holdings Limited - Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078 so as to reach the Registrar to the Offer on or before 5 pm on November 13, 2015, i.e. Closure of the Tendering Period.

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this form with enclosures to Link Intime India Private Limited at any of the collection centres mentioned in the Letter of Offer)

Name:
Address:

TENDERING PERIOD FOR THE OFFER	
OPENS ON	THURSDAY, OCTOBER 29, 2015
CLOSES ON	FRIDAY, NOVEMBER 13, 2015

Tel No.: Fax No.: Email:

To, The Acquirer – FIH MAURITIUS INVESTMENTS LTD Unit: IIFL Holdings Limited – Open Offer C/o Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078. Contact Person: Ganesh Mhatre Tel No: 022-61715400, Fax: 022-25960329 E Mail ID: iifl.offer@linkintime.co.in	Status of the Shareholder (Please tick whichever is applicable)			
	<input type="checkbox"/> Individual	<input type="checkbox"/> Domestic Company	<input type="checkbox"/> Banks	<input type="checkbox"/> FVCI
	<input type="checkbox"/> Partnership / Proprietorship firm / LLP	<input type="checkbox"/> Private Equity Fund	<input type="checkbox"/> Pension/ Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund
	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs / PIOs	<input type="checkbox"/> Insurance Company
	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII (constituted as a company)	<input type="checkbox"/> FII (constituted as a trust)	<input type="checkbox"/> Mutual Fund (referred in section 10 (23D) of Income Tax Act
	<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Others _____	

Dear Sir/Madam,

Sub: Open Offer ("Offer") for acquisition of up to 8,31,28,852 equity shares from the equity shareholders of IIFL Holdings Limited, ("Target Company") by FIH Mauritius Investments Ltd ("Acquirer") with HWIC Asia Fund (Class A Shares), I Investments Limited and FIH Private Investments Ltd as the persons acting in concert with the Acquirer (collectively, "Persons Acting in Concert" / "PAC") at a price of Rs.195 per Equity Share payable in cash.

I/We refer to the Letter of Offer dated October 16, 2015 for acquiring the Equity Shares held by me/us in **IIFL Holdings Limited**.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement, the Revised Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, holding the Equity Shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed share transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
Total No. of Equity Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

FOR EQUITY SHARES HELD IN DEMAT FORM

I/We, holding the Equity Shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below : **(ISIN of IIFL Holdings Limited: INE530B01024)**

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I/We have executed an off-market transaction for crediting the Equity Shares to the Depository Escrow Account with Stock Holding Corporation Of India Limited as the DP in NSDL styled "LIPL IIFL OPEN OFFER ESCROW DEMAT ACCOUNT" whose particulars are:

DP Name: Ventura Securities Limited	DP ID: IN303116	Client ID: 11726974
--------------------------------------------	------------------------	----------------------------

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.

I/We confirm that the Equity Shares of IIFL Holdings Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I / We confirm that there are no tax or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961. I / We are not debarred from dealing in Equity Shares.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer and the PAC for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and the PAC with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/We note and understand that the Equity Shares would lie in the Depository Escrow Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s) in respect of and/or credit my/our demat account with, the Equity Shares, in respect of which the Offer is not found valid/not accepted.

I/We authorize the Acquirer to split / consolidate the share certificates comprising the Equity Shares that are not acquired and are to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.
SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER, i.e. 17:00 HOURS ON FRIDAY, NOVEMBER 13, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE WILL BE REJECTED.

So as to avoid fraudulent encashment in transit, Shareholder(s) holding **Equity Shares in physical form** and those who wish to receive payment of consideration through ECS should provide details of bank account along with a cancelled copy of the cheque of the first/sole Shareholder and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

Name of the Bank _____	Branch _____	City _____
MICR Code (9 Digits) _____	IFSC _____	
Account Number (CBS Account): _____ Account Type (CA/SB/NRE/NRO/others) (please specify): _____		
Non Resident Shareholders are requested to state their NRO/NRE Bank Account Number as applicable based on the status of their account in which they hold Equity Shares, failing which the Acquirer / PAC has a right to reject their application.		

For Equity Shares that are tendered in electronic form, the bank account details as obtained from the beneficiary position provided by the depository will be considered, and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

For all Shareholders

I/We, confirm that our residential status for the purposes of tax is:

Resident Non-resident, If yes, please state country of tax residency _____

I/We, confirm that our status is:

Individual HUF Firm Company Association of persons / body of individuals Trust

Any other - please specify _____

I/We, have enclosed the following all documents:

- Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required
- Self attested copy of PAN card
- Duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or transfer deed(s)
- Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories
- Death Certificate/ Succession Certificate if the original Shareholder is deceased

Additional confirmations and enclosures for resident Shareholders (applicable only for interest payment)

I/We, have enclosed the following documents:

- Self declaration form in Form 15G / Form 15H, if applicable, to be obtained in duplicate copy in case of individuals or any other person not being a company or a firm where the payment exceeds Rs. 5,000
- Certificate u/s. 197, if any, for company and firms where the payment exceeds Rs. 5,000
- For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification
- SEBI Registration Certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction at source on the basis of any notification that may be issued under section 197A (1F) of the Income Tax Act.

If the interest payment amount exceeds Rs. 5,000, TDS will be deducted on the same at applicable rates

Additional confirmations and enclosures for FI / FPI Shareholders

I/We, have enclosed self attested copies of the following documents (select whichever is applicable):

- SEBI Registration Certificate for FIs (including sub – account) / FPIs RBI approval for acquiring Equity Shares of IIFL Holdings Limited tendered herein, if applicable
- Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961), if any (applicable for interest payment)
- Declaration as contained in Form 10 F to the Income Tax Rules, 1962 to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate, if any (applicable for interest payment)
- Certificate u/s. 197, for deduction of tax at a lower or nil rate, if any (applicable for interest payment)

Additional confirmations and enclosures for other Non-resident Shareholders (except FIs / FPIs)

I/We, confirm that the Equity Shares tendered by me / us are held on (select whichever is applicable):

Repatriable basis Non-repatriable basis

I/We, confirm that the tax on account of Equity Shares of Target Company held by me / us is to be deducted on (select whichever is applicable):

Long Term Capital Gains (held for more than twelve months) Short Term Capital Gains (held for twelve months or less)

Trade Account Any other (please specify) _____

- I/We do not have any business connection / Permanent Establishment in India (in case the nature of gains arising from the sale of Equity Shares is not Capital Gains)
- Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961), if any (applicable for interest payment)
- Declaration as contained in Form 10 F to the Income Tax Rules, 1962 to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate, if any (applicable for interest payment)
- Certificate u/s. 197, for deduction of tax at a lower or nil rate, if any (applicable for interest payment)

In case the gains arising from the sale of Equity Shares are not in the nature of capital gains, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961, specifying the rate at which tax shall be deducted. In the absence of the above certificate, tax would be deducted at the maximum marginal rate on the entire consideration paid.

The Shareholders are also required to disclose all relevant details (like amount of deduction, manner of deduction and depositing tax etc.) in the event there is any other withholding tax obligation on the Acquirer in any other country on the Sale of Equity Shares by the Shareholders.

Declaration for treaty benefits (please tick the box if applicable):

I/We confirm that there I / we is / are tax resident/s of _____ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable)

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation in terms of the DTAA entered into between India and your country of residence, along with Form No: 10F duly filled with information on (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any Eligible Shareholder other than an individual (iii) Tax identification number / unique number by which the Eligible Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the Eligible Shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I / We, have enclosed the following documents (select whichever is applicable):

- Document evidencing price at which shares were acquired e.g. broker invoice / contract note
- Document evidencing the date on which the shares were acquired e.g. broker invoice / contract note
- Document in the form of either (a) extract of relevant pages of demat account or (b) bank certificate evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange, applicable in the case of an individual Eligible Shareholder, who is either an Indian Citizen or a Person of Indian Origin, and claiming concessional rate of TDS u/s. 115E
- Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act, 1961)
- Declaration as contained in Form 10 F to the Income Tax Rules, 1962, to the extent the information prescribed therein is not mentioned in the Tax Residency Certificate
- Certificate u/s. 197 for deduction of tax at a lower or nil rate, if any.
- Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, i.e. repatriable or non-repatriable basis, if applicable
- Copy of RBI approval for NRIs / OCBs tendering their Equity Shares in the Offer
- Copy of RBI approval (For NRIs tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to an NRE bank account

I / we confirm that in case the Acquirer / PAC is of the view that the information /documents provided by the shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum marginal rate on the entire consideration paid to the shareholders.

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: _____ Date: _____

-----Tear along this line -----

Acknowledgement Slip (To be filled in by the shareholder)

IIFL Holdings Limited – Open Offer

Sr. No. _____

Received from

Mr./Ms./M/s. _____

Address

Physical shares: Folio No. _____ / Demat shares: DP ID _____; Client ID _____

Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):

- Physical shares: No. of shares _____; No. of certificates enclosed _____; Share Transfer Form
- Demat shares: Copy of delivery instruction for _____ shares enclosed; and copy of inter-depository delivery slip (for beneficiary holders maintaining an account with CDSL).

Date of Receipt _____ Signature of Official _____

Collection Centre Stamp

----- Tear along this line -----

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Unit: IIFL Holdings Limited – Open Offer
C/o Link Intime India Pvt. Ltd,
C-13, Panalal Silk Mills Compound,
L B S Marg, Bhandup (W), Mumbai -400078.
Contact Person: Ganesh Mhatre
Tel No: 022-61715400, Fax: 022-25960329
E Mail ID: iifl.offer@linkintime.co.in

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