



IIFL Holdings Limited CIN No.: L74999MH1995PLC093797

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400604 • Tel: (91-22) 2580 6650 • Fax: (91-22) 2580 6654 • E-mail: mail@indiainfoline.com • Website: www.indiainfoline.com

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Equity Shareholders of IIFL Holdings Limited ("Target Company") by FIH Mauritius Investments Ltd ("Acquirer") along with HWIC Asia Fund (Class A Shares) ("PAC 1"), I Investment Ltd ("PAC 2") and FIH Private Investments Ltd ("PAC 3"), as the persons acting in concert with the Acquirer, ("PACs") under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations")

Date	October 24, 2015												
Name of the Target Company	IIFL Holdings Limited												
Details of the Offer pertaining to Target Company	Open offer made by the Acquirer to acquire, along with the PACs, upto 8,31,28,852 fully paid up equity shares having face value of ₹2/- each at a price of ₹195/- per equity share payable in cash, representing 26% of the fully diluted voting equity share capital of Target Company as per Regulation 3(1) of the Takeover Regulations.												
Name(s) of the Acquirer and PACs with the Acquirer	Acquirer: FIH Mauritius Investments Ltd PACs: HWIC Asia Fund (Class A Shares), I Investment Ltd and FIH Private Investments Ltd.												
Name of the Manager to the offer	ICICI Securities Limited IICICI Centre, HT Pàrekh Marg, Churchgate, Mumbai – 400020 Contact Person: Mr. Prem D'Cunha/Mr. Anurag Byas Tel: +91 22 2288 2460/70 Fax: +91 22 2282 6580 Email: iifl.openoffer@icicisecurities.com Website: www.icicisecurities.com SEBI Registration No.: INM000011179												
Members of the Committee of Independent Directors ("IDC")	Mr. Nilesh Vikamsey, Chairman of IDC Mr. Kranti Sinha, Member Mr. Arun Kumar Purwar, Member												
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/relationship), if any	All the members of the IDC are duly appointed independent directors of the Target Company. The present shareholding of IDC members as on date of this recommendation is as follows: <table><tr><th>Sr. No.</th><th>Name</th><th>Number of shares</th></tr><tr><td>1</td><td>Mr. Nilesh Vikamsey</td><td>1,40,000</td></tr><tr><td>2</td><td>Mr. Arun Kumar Purwar</td><td>50,000</td></tr><tr><td>3</td><td>Mr. Kranti Sinha</td><td>1,02,500</td></tr></table> Other than their position as Director and shareholder of the Target Company and its subsidiaries, none of the members of IDC have any other relationship whatsoever with the Target Company or its other Director's.	Sr. No.	Name	Number of shares	1	Mr. Nilesh Vikamsey	1,40,000	2	Mr. Arun Kumar Purwar	50,000	3	Mr. Kranti Sinha	1,02,500
Sr. No.	Name	Number of shares											
1	Mr. Nilesh Vikamsey	1,40,000											
2	Mr. Arun Kumar Purwar	50,000											
3	Mr. Kranti Sinha	1,02,500											
Trading in the Equity shares/other securities of the Target Company by IDC Members	Details of Equity Shares allotted to IDC members during last twelve months period preceding the date of this recommendation as a result of exercise of options granted under ESOP schemes framed by Target Company under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are as under: <table><tr><th>Date</th><th>Name</th><th>Number of shares</th></tr><tr><td>25.08.2015</td><td>Mr. Nilesh Vikamsey</td><td>25000</td></tr><tr><td>11.09.2015</td><td>Mr. Kranti Sinha</td><td>12500</td></tr><tr><td>24.09.2015</td><td>Mr. Arun Kumar Purwar</td><td>25000</td></tr></table> Except as mentioned above, none of the members of IDC have done any other trading in the Equity Shares /other securities of the Target Company during the twelve months period preceding the date of this recommendation.	Date	Name	Number of shares	25.08.2015	Mr. Nilesh Vikamsey	25000	11.09.2015	Mr. Kranti Sinha	12500	24.09.2015	Mr. Arun Kumar Purwar	25000
Date	Name	Number of shares											
25.08.2015	Mr. Nilesh Vikamsey	25000											
11.09.2015	Mr. Kranti Sinha	12500											
24.09.2015	Mr. Arun Kumar Purwar	25000											
IDC Member's relationship with the Acquirer/PACs (Director, Equity shares owned, any other contract/relationship), if Any	None of the IDC Members hold any equity shares of the Acquirer/PACs and no relationship exists between the IDC Members and the Acquirer/PACs in any manner whatsoever.												
Trading in the Equity shares/other securities of the Acquirer/PACs by IDC Members	None of IDC members have done any trading in the equity shares/other securities of the Acquirer/ PACs since their appointment.												
Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable	The IDC has perused the Letter of Offer and other documents as released and published by ICICI Securities Limited on behalf of the Acquirer and PACs. Deloitte Haskins & Sells ("DHS"), Chartered Accountants have provided an opinion dated October 09, 2015; that the open offer price is above the volume weighted average market price of shares of the Target Company as per clause 8 (2) (d) of Takeover Regulations. Based on the above, the IDC is of the opinion that the open offer Price to the public shareholders of the Target Company is in compliance with the requirement of the Takeover Regulations and to that extent is fair and reasonable. However, IDC would like to draw attention of shareholders on the latest share price being higher than the offer price and a material development of the proposed private equity investment in a subsidiary of the Target Company. The details are given in the 'Summary of reasons for recommendation' below. The shareholders should therefore independently evaluate the offer and take an informed decision.												

IDC has reviewed (a) the public announcement in connection with the offer letter dated July 14, 2015 issued on behalf of the Acquirer and PAC (the "Public Announcement" or "PA"); (B) the detailed public statement in connection with the offer, published on behalf of the Acquirer and the PAC on July 21, 2015 (the "DPS"); (c) the draft Letter of Offer ("DLOF") dated July 28, 2015; and (d) the Letter of Offer ("LOF") dated October 16, 2015.

IDC has taken into consideration the following for making this recommendation:

- i) Deloitte Haskins & Sells ("DHS"), Chartered Accountants appointed by the IDC vide its report dated October 09, 2015 provided an opinion that the volume weighted average market price of shares of the Target Company as per clause 8 (2) (d) of Takeover Regulations is INR 179.50 per share at NSE
- ii) The offer price offered by the Acquirer and PAC is at a premium of 8.63 % to the minimum price payable i.e. INR 179.50 per share in the terms of regulation 8 (2) of the takeover code.
- iii) The offer price represent a premium of 3.56 % to the closing price of the Equity shares at the NSE (₹188.30), on July 13, 2015, i.e. one working day prior to the date on which the PA was issued on behalf of the Acquirer and the PAC.

Based on the above, the IDC is of the opinion that the open offer Price to the public shareholders of the Target Company is in compliance with requirement of the Takeover Regulations and to that extent is fair and reasonable.

We would also like to bring to the attention of the Shareholders that:

1) Latest closing share price of the Target Company

On October 23, 2015, the Closing price of the share of the Target Company on National Stock Exchange of India Limited was ₹206.60 which is 5.95% higher than the Offer Price.

2) Private equity investment in Target Company's subsidiary

On October 24, 2015 the Board of Directors of the Target Company and its wealth management subsidiary namely IIFL Wealth Management Limited (IIFLW) have approved the following, subject to obtaining the necessary regulatory and shareholder approvals:

- a) Proposed issue and allotment of 17,04,449 equity shares of IIFLW at a price of INR 586.70 each for a total consideration of INR 100.00 Crores;
- b) Proposed issue and allotment of 136,35,589 warrants of IIFLW at a floor price of INR 586.70 and a cap price of INR 632.90 each for a total consideration of upto INR 863.00 Crores (INR 215.75 crores to be paid upfront) and
- c) Transfer of upto 27,15,829 equity shares of IIFLW by its employees at a price of INR 586.70 each for a total consideration of upto INR 159.34 Crores,

to General Atlantic Singapore Fund Pte Ltd (GA).

It will entail a proposed aggregate investment upto INR 963 Crores in IIFLW. GA's ownership of IIFLW, including secondary purchase of shares from IIFLW's employees, may go upto 21.61%, on a fully diluted basis considering full conversion of warrants and stock options, over the agreed period upon the terms and conditions set out in the share subscription and share purchase agreements and ESOP schemes of IIFLW.

The details of the above proposed transaction are set out in a separate notice being sent out to all shareholders of the Target Company, for the special resolution through Postal Ballot, as required under regulation 26(2)(c) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011. The same would be available on the Company's website and on the website of the stock exchanges as well.

Accordingly, shareholders should independently evaluate the Open Offer keeping in view all the relevant information including the above and take an informed decision in respect of the Open Offer.

Details of Independent Advisors, if any	Deloitte Haskins & Sells, Chartered Accountants Registration No. 117365W
Any other matter to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the Takeover Regulations.

For IIFL Holdings Ltd

Sd/-

Nilesh Vikamsey

Chairman-Committee of Independent Directors