

**DRAFT 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](mailto:gajendra.thakur@indiainfoline.com) ; Website: [www.indiainfoline.com](http://www.indiainfoline.com))

1. 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.
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

4. This Offer is subject to receipt of the following statutory / regulatory approvals: (i) Approval of the Competition Commission of India (“**CCI**”), based on the application proposed to be filed by the Acquirer with the CCI, (ii) Approval of the FIPB for direct and indirect foreign investments in the Target Company and its subsidiaries, to the extent required; (iii) 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; (iv) 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; (v) Approval from the BSE, NSE, Multi Commodity Exchange Limited and National Commodities and Derivatives Exchange Limited to the extent required.
- Apart from the statutory approvals mentioned above, as of the date of this Draft 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 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.
- 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.
5. 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.
6. **There has been no competing offer as on the date of this Draft Letter of Offer.**
7. **If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.**
8. 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](http://www.sebi.gov.in)).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p><b>ICICI Securities Limited</b>            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  <b>Contact Person:</b> Mr. Prem D’Cunha/ Mr. Anurag Byas</p>	 <p><b>Link Intime India Private Limited</b>            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  <b>Contact Person:</b> Mr. Ganesh Mahtre</p>

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

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

<sup>#</sup>*There has been no competing offer as of the date of this Draft Letter of Offer.*

<sup>\*</sup>*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 a 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. 7-8 of this Draft 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 Draft 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% 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 cannot 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% 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Draft 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 Draft 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 Draft Letter of Offer, all references to "Rs."/"INR"/ "₹"/"₹" are to Indian Rupee(s), the official currency of India. Throughout this Draft Letter of Offer, all figures have been expressed in "million, thousand or lakh" unless otherwise specifically stated. In this Draft 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 Draft 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 Draft 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.	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
3.	BSE	BSE Limited
4.	CCI	Competition Commission of India
5.	CDSL	Central Depository Services (India) Limited
6.	Companies Act	Companies Act, 2013, and/or the Companies Act, 1956 (to the extent applicable and not repealed)
7.	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
8.	DP	Depository Participant
9.	Draft Letter of Offer	This draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
10.	EBITDA	Earnings Before Interest, Tax and Depreciation
11.	Emerging Voting Capital	Total share capital of the Target Company, assuming exercise of 85,83,405 outstanding employee stock options of the Target Company that have vested on or prior to the 10 <sup>th</sup> (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, as contemplated as of March 31, 2015.
12.	EPS	Earnings Per Equity Share, for the period under reference and annualized
13.	Equity Shareholders	The equity shareholders of the Target Company, other than the Acquirer and PAC.
14.	Equity Shares	Fully paid up equity shares of the Target Company having a face value of ₹ 2 (Two) each
15.	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
16.	FII	Foreign Institutional Investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended
17.	FIPB	Foreign Investment Promotion Board
18.	Form of Acceptance-cum-Acknowledgment	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer
19.	FPI	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, registered with SEBI under applicable laws in India.
20.	FY	Financial year
21.	GAAP	Generally Accepted Accounting Principles
22.	Identified Date	Friday, August 21, 2015, i.e. the date falling on the 10 <sup>th</sup> (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
23.	Income Tax Act	The Income Tax Act, 1961, as amended
24.	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
25.	Listing Agreement	Equity Listing Agreement with each of the stock exchanges in India, as amended from time to time
26.	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.
27.	NEFT	National Electronic Funds Transfer
28.	NSDL	National Securities Depository Limited
29.	NRIs	Non Resident Indians and persons of Indian origin residing abroad
30.	NSE	National Stock Exchange of India Limited

S No.	Particulars	Details / Definition
31.	OCBs	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
32.	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
33.	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
34.	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
35.	Offer Size	8,31,28,852 Equity Shares, representing 26% (Twenty Six percent) of the Emerging Voting Capital
36.	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
37.	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 Draft Letter of Offer.
38.	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.
39.	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.
40.	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.
41.	PAN	Permanent Account Number
42.	PAT	Profit After Tax
43.	RBI	Reserve Bank of India
44.	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
45.	SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, as amended
46.	SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
47.	SEBI	Securities and Exchange Board of India
48.	SEBI Act	SEBI Act, 1992, as amended
49.	Special Depository Account	The special depository escrow account opened pursuant to the Offer with NSDL for receiving Equity Shares tendered pursuant to the Offer
50.	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
51.	Tendering Period	Friday, September 4, 2015 to Friday, September 19, 2015
52.	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 Draft 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% 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 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 shall be published, at least two Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS related to the Offer was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

### 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](http://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 Draft Letter of Offer.
- 2.2.9 As on the date of this Draft 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 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.
- 2.3.4 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 June 30, 2015 is as under:

Sl. No	Name of the Shareholder	Number of equity Shares	% age of Shareholding
1.	Promoters (Fairfax India Holdings Corporation)	20,005,965	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A.	N.A.
	<b>Total</b>	<b>20,005,965</b>	<b>100%</b>

- 3.1.8 The details of the directors of the Acquirer as on the date of this Draft 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.
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.
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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
<b>Profit &amp; Loss Statement</b>				
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 Interest)	11,061,998	(549,427)	N.A.	N.A.
<b>Balance Sheet Statement</b>				
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.
<b>Uses of Funds</b>				
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.
<b>Total</b>	<b>46,513,999,191</b>	<b>(172,901)</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Other Financial Data</b>				
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](mailto: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 USFIC and ORC, which are ultimately owned by FFHL, hold 70.29% (Seventy point Two Nine percent) of the voting share capital in PAC 1 and 25.51% (Twenty five point five 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, 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 June 30, 2015 is as under:

Sl. No	Name of the Shareholder*	Number of equity Shares	% age of Shareholding
1.	Promoters#	852,140.62*	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A	N.A
3.	Other Public Shareholders	N.A	N.A
	<b>Total</b>	<b>852,140.62</b>	<b>100%</b>

#**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.

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

Name	Director Identification Number	Date of appointment	Qualification	Experience
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Chandran Ratsnaswami	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.

3.2.9 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.

3.2.10 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
<b>Profit &amp; Loss Statement</b>								
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)	N.A	N.A						
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
<b>Balance Sheet Statement</b>								
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
<b>Uses of Funds</b>								
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
<b>Other Financial Data</b>								
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.

3.2.11 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.

3.2.12 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](mailto: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 June 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/ FIs/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A	N.A
	<b>Total</b>	<b>73.75</b>	<b>100%</b>

\*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 Draft 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 Zoomer Media 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.

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
<b>Profit &amp; Loss Statement</b>								
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)	-	-	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.
<b>Balance Sheet Statement</b>	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.
<b>Uses of Funds</b>								
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.
<b>Total</b>	(8,041)	(503,216)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Other Financial Data</b>								
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](mailto: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 INMUF041315. 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 June 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
	<b>Total</b>	<b>10,05,965</b>	<b>100%</b>

- 3.4.8 The details of the directors of the PAC 3 as on the date of this Draft 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 Institute of Chartered Accountants 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.
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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
<b>Profit &amp; Loss Statement</b>				
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)	N.A.	N.A.	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.
<b>Balance Sheet Statement</b>				
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.
<b>Uses of Funds</b>				
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.
<b>Total</b>	<b>43,501,578,830</b>	<b>(77,609)</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Other Financial Data</b>				
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 08, 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](mailto:gajendra.thakur@indiainfoline.com); Website: [www.indiainfoline.com](http://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:

<b>Paid Up Equity Shares of the Target Company</b>	<b>No. of Equity Shares / voting rights as on the date of this Draft Letter of Offer</b>	<b>% of Equity Shares / voting rights as on the date of this Draft Letter of Offer</b>
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 Draft 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 Other than the vested outstanding employee stock options as on March 31, 2015, as on the date of this Draft Letter of Offer, there are no outstanding instruments (warrants/FCD's/PCDs) etc. convertible into Equity Shares. (Source: Target Company Annual Report 2014 -2015)

4.8 As of this date of this Draft Letter of Offer, all the Equity Shares of the Target Company are listed on the stock exchanges. .

4.9 As on the date of this Draft Letter of Offer, 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 3,10,53,3948 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 Draft 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 Draft Letter of Offer.

4.12 Mr. Gajendra Thakur is the company secretary and the compliance officer of the Target Company, who will be available at the Registered Office of the Target Company 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](mailto:gajendra.thakur@indiainfoline.com); Website: [www.indiainfoline.com](http://www.indiainfoline.com).) and attends to all investor grievances of the Target Company. The corporate office of the Target Company is situated at IIFL Centre, Kamala City, Lower Parel (West), Mumbai – 400 013.

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:

(in ₹ Crs.)Particulars	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
<b>Profit &amp; Loss Statement</b>			
Income from Operations	2,658.11	2,821.90	3,653.69
Other Income	7.15	15.39	12.66
<b>Total Income</b>	<b>2,665.26</b>	<b>2,837.29</b>	<b>3,666.35</b>
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
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
<b>Balance Sheet Statement</b>			
<b>Sources of Funds</b>			
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

(in ₹ Crs.)Particulars	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
Other Non Current Liabilities	86.14	44.82	71.53
<b>Total</b>	10,179.89	11,025.17	15,852.20
<b>Uses of Funds</b>			
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
<b>Total</b>	10,179.89	11,025.17	15,852.20
<b>Other Financial Data</b>			
Dividend (%)	150	150	150
Earnings 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 the above, there are no equity-linked instruments, which are outstanding in the Target Company as on the date of this Draft Letter of Offer. 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 based on latest available data for beneficiary position as on the date of this Draft Letter of Offer:

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	%
<b>1. Promoters Group</b>								
a. Parties to the agreement, if any	NA	NA	NA	NA	NA	NA	NA	NA
b. Promoters other than (a) above	92,361,432	28.89	-	-	-	-	92,361,432	28.89
<b>Total 1(a+b)</b>	92,361,432	28.89	-	-	-	-	92,361,432	28.89
<b>2. Acquirers</b>								
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
<b>Total 2(a+b)</b>	27,910,000	8.73	NA	NA	83,128,852	26.00	111,038,852	35.73
<b>3. Parties to the agreement other than (1)(a) and (2)</b>	NA	NA	NA	NA	NA	NA	NA	NA
<b>4. Public (other than parties to the agreement, acquirers)</b>								

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	%
<b>&amp; PACs)</b>								
a. FIs/MFs/FIIs/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						
<b>Total (4)(a+b)</b>	190,262,516	59.51	NA	NA	(83,128,852)	(0.26)	107,133,664	33.51
<b>Grand Total (1+2+3+4)</b>	310,533,948	97.12	NA	NA			319,726,353*	100.00

\*Being the Emerging Voting Capital as defined in this Draft Letter of Offer

- 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)
<b>NSE</b>	4,72,09,961	31,05,33,948	15.20%
<b>BSE</b>	1,43,53,890	31,05,33,948	4.62%

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://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
<b>Volume Weighted Average Price (Total Turnover divided by Total Traded Equity Shares) (INR)</b>			<b>179.50</b>

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](http://www.bseindia.com) and [www.nseindia.com](http://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 Draft 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 Draft 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](mailto: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 Friday, September 4, 2015 and will close on Friday, September 18, 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 tentative schedule of activity is Friday, August 21, 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 Draft 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 on page 2 of this Draft 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](http://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 Draft 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 Acquirer and PAC are in the process of obtaining the statutory approvals to the extent required and applicable.

- 6.3.1 Approval of the Competition Commission of India (“**CCI**”), based on the application proposed to be filed by the Acquirer with the CCI.
- 6.3.2 Approval of the FIPB for direct and indirect foreign investments in the Target Company and its subsidiaries, to the extent required.
- 6.3.3 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.
- 6.3.4 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.
- 6.3.5 Approval from the BSE, NSE, Multi Commodity Exchange Limited and National Commodities and Derivatives Exchange Limited to the extent required.
- 6.3.6 Apart from the statutory approvals mentioned in paragraphs 6.3.1 to 6.3.5 above, as of the date of this Draft 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 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 6.3.1 to 6.3.5 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 August 21, 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](http://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 September 18, 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: <a href="mailto:iifl.offer@linkintime.co.in">iifl.offer@linkintime.co.in</a>

- 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 September 18, 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 September 18, 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 September 18, 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 September 18, 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 September 18, 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 September 18, 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 September 18, 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 September 18, 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 September 18, 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, September 18, 2015 subject to the terms of this Draft 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 Draft Letter of Offer, the statutory approvals referred to in paragraphs 6.3.1 to 6.3.5 above, are currently 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 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 Double Taxation Avoidance Agreement ("**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% 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 the non-resident Equity Shareholder, 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 (in respect of the consideration payable under the Offer):**
- 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 an No Objection Certificate (“**NOC**”) or 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 NOC or Certificate for Deduction of Tax at Nil/Lower Rate. In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, tax will be deducted at the maximum 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 on the entire 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 tax deduction shall be in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.
- 8.2.3 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.
- 8.2.4 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 NOC or 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 NOC or Certificate for Deduction of Tax at Nil/Lower Rate. In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the maximum rate as may be applicable on the entire amount payable as interest to such non-resident Equity Shareholder.
- 8.2.5 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.
- 8.2.6 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 Draft Letter of Offer.

**8.3 For (i) FII and (ii) FPI in respect of the consideration payable under the Open Offer):**

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 following documents:

- (a) Copy of the registration certificate issued by SEBI (including for sub-account of FII, if any);
- (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.

8.3.2 If the above documents are not provided, the Acquirer shall deduct tax at the maximum tax rate applicable under the Income Tax Act on the gross consideration payable to the FII or FPI.

8.3.3 If it is certified by the FII or FPI that Equity Shares are held on trade account, the FII or FPI should obtain a NOC or certificate for deduction of tax at nil/lower rate from the appropriate income tax authorities indicating the amount of income on which tax should be deducted and the applicable rate of tax. If such a certificate is provided, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

8.3.4 Notwithstanding anything contained in paragraphs 8.3.1 to 8.3.3 above, in case FII or FPI furnishes a NOC or certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities the Acquirer will arrange to deduct taxes at source in accordance with such certificate.

8.3.5 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 maximum 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 NOC or 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.

8.3.6 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.

8.3.7 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 Draft 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 NOC or 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 NOC or Certificate for Deduction of Tax at Nil/Lower Rate.

In an event of non-submission of NOC or 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% (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 Equity Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

1. Documents required from non-resident Equity Shareholders (except FII (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):
  - a. Self attested copy of PAN card;
  - b. Document evidencing the date on which the Equity Shares were acquired e.g. broker invoice / contract note;
  - c. NOC/ Certificate from the income tax authorities for nil/lower deduction of tax along with TRC and Form 10F and self-declaration stating that the non-resident Equity Shareholder does not have a business connection in India as defined in Section 9(1)(i) of the Income Tax Act or place of effective management in India or a permanent establishment in India, in terms of the DTAA and the non-resident Equity Shareholder is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence;
  - d. Self-attested declaration in respect of residential status, status of Equity Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
  - e. Declaration certifying the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares;
  - f. Declaration certifying the nature of income (i.e. whether capital gains or business income) on the sale of the Equity Shares; and
  - g. RBI and other approval(s) obtained for acquiring the Equity Shares, if applicable.
2. Documents required from FIIs (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors)

Regulations, 2014):

- a. Self Attested copy of PAN Card
- b. Self Attested copy of SEBI registration certificate as FII (including sub-account of FII) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014]
- c. NOC/ Certificate from the income tax authorities for no/lower deduction of tax along with TRC and Form 10F and self-declaration stating that the non-resident Equity Shareholder 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 non-resident Equity Shareholder is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence.
- d. Self-attested declaration in respect of residential status, status of Equity Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
- e. 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
- f. Declaration certifying the nature of income (i.e. whether capital gains or business income) on the sale of the Equity Shares. RBI and other approval(s) obtained for acquiring the Equity Shares, if applicable.

3. Documents required from resident Equity Shareholders:

- a. Self attested copy of PAN card;
- b. Self-attested declaration in respect of residential status, status of Equity Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
- c. NOC /Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax;
- d. If applicable, self declaration forms in Form 15G Form 15H (in duplicate) (applicable only for interest payment, if any);
- e. SEBI registration certificate as a mutual fund (applicable only for the interest payment, if any);
- f. Documentary evidence in support of the claim that no tax should be deducted at source on interest payable if the shareholder bank or entity are covered by exception provided in Section 194A(3)(iii) of the Income Tax Act (applicable only for the interest payment, if any); and
- g. SEBI registration certificate issued as Category I or Category II Alternative Investment Fund (applicable only for the interest payment, if any).

8.6.3 In accordance with Notification No.86/2013 F.No.504/05/2003-FTD-I]/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% or the rates prescribed under the Act, whichever is higher (including surcharge and education cess).

8.6.4 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 Draft 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](mailto: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 Escrow agreement dated July 17, 2015, between the Acquirer, Kotak Mahindra Bank Limited and the Manager to the Offer.
- 9.1.5 Letter from Kotak Mahindra Bank dated July 16, 2015 confirming the amount kept in the Escrow Account.
- 9.1.6 A copy of the Public Announcement submitted to BSE and NSE on July 14, 2015
- 9.1.7 Published copy of the Detailed Public Statement, published on behalf of the Acquirer and PAC on July 21, 2015.
- 9.1.8 A copy of the agreement entered into with the DP for opening the Special Depository Account.

**10 DECLARATION BY THE ACQUIRER AND PAC**

Unless stated otherwise, the Acquirer and PAC accept full responsibility for the information contained in the Draft 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 Draft 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 Draft 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 Draft Letter of Offer.

**For and on behalf of the Acquirer**

**Sd/-**

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**Authorised signatory)**

**For and on behalf of PAC 1**

**Sd/-**

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**(Authorised signatory)**

**For and on behalf of PAC 2**

**Sd/-**

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**(Authorised signatory)**

**For and on behalf of PAC 3**

**Sd/-**

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**(Authorised signatory)**

Place: Mumbai

Date: July 28, 2015