

IIFL HOLDINGS LIMITED

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane - 400604
Tel.: 022-4249 9000, Fax: 022-2495 4313

OPEN OFFER FOR ACQUISITION OF 8,31,28,852 EQUITY SHARES CONSTITUTING 26% OF THE EMERGING VOTING CAPITAL FROM THE EQUITY SHAREHOLDERS OF IIFL HOLDINGS LIMITED ("TARGET COMPANY") BY FIH MAURITIUS INVESTMENTS LTD ("ACQUIRER") WITH HWIC ASIA FUND (CLASS A SHARES), I INVESTMENTS LIMITED AND FIH PRIVATE INVESTMENTS LTD AS THE PERSONS ACTING IN CONCERT WITH THE ACQUIRER (COLLECTIVELY, "PERSONS ACTING IN CONCERT"/"PAC").

PRE-OFFER ADVERTISEMENT

This advertisement ("Pre-Offer Advertisement") is being issued by ICICI Securities Limited ("Manager to the Offer") in respect of the open offer ("Offer") on behalf of FIH Mauritius Investments Ltd ("Acquirer"), with HWIC Asia Fund (Class A Shares) ("PAC 1"), I Investments Limited ("PAC 2"), and FIH Private Investments Ltd ("PAC 3") as the persons acting in concert with the Acquirer ("Persons Acting in Concert"/"PAC") pursuant to Regulation 18(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations") for the acquisition of 8,31,28,852 equity shares of ₹ 2 (Rupees Two) each ("Equity Shares") from the equity shareholders of the Target Company ("Equity Shareholders"), constituting 26% of the Emerging Voting Capital.

This Pre-Offer Advertisement should be read in continuation of, and in conjunction with the Public Announcement dated July 14, 2015 ("PA"), the Detailed Public Statement published on July 21, 2015 ("DPS"), the Letter of Offer dated October 16, 2015 ("LOF/Letter of Offer") and First Corrigendum and First Addendum dated October 26, 2015.

The DPS with respect to the Offer was published in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Navshakti	Marathi	Mumbai

This Pre-Offer Advertisement is being issued in all the newspapers in which the DPS was published.

- The Offer is being made at a price of ₹ 195/- (Rupees One Hundred and Ninety Five Only) per Equity Share ("Offer Price") payable in cash. There was no revision in the Offer Price since the Offer was made. 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).
- A committee of Independent Directors of the Target Company (hereinafter referred to as "IDC") published its recommendation on October 25, 2015, in which it opined that the Offer Price is in compliance with the SEBI (SAST) Regulations and, to that extent, is fair and reasonable based on an opinion dated October 9, 2015 from Deloitte Haskins & Sells, chartered accountants. Further, the IDC has also drawn the attention of the shareholders to the fact of the latest share price as on October 23, 2015 being higher than the Offer Price and a material development of a private equity investment in a subsidiary of the Target Company. The IDC's recommendation was published in Financial Express (English-All Editions), Jansatta (Hindi-All Editions) and Navshakti (Marathi - Mumbai Edition).
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there has been no competitive bid to this Offer.
- The Letter of Offer has been dispatched by October 21, 2015, to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form or physical form (except the Acquirer and the PAC) whose names appear in the register of members of the Target Company as on the Identified Date, i.e. October 14, 2015.
- Please note that a copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is also available on SEBI's website (<http://www.sebi.gov.in>) during the Offer Period and shareholders can also apply by downloading such forms from the website. Further, in case of non-receipt/non-availability of the Form of Acceptance-cum-Acknowledgment, the application can be made on plain paper along with the following details:
 - In case of physical shares:** Name(s) & address(es) of the first holder or joint holder(s) if any, number of shares held, number of shares offered, distinctive numbers, folio number, original share certificate(s), valid share transfer form(s). In case of unregistered shareholders, along with the above document, broker contract note would also be required & details of the Acquirers to be kept blank, failing which; the same will be invalid under the Offer.
 - In case of dematerialized shares:** Name(s), address, number of Equity Shares held, number of Equity Shares tendered, DP Name, DP ID, beneficiary account no. and a photocopy or counterfoil of the delivery instructions in "Off-Market" mode duly acknowledged by the DP in favour of Special Depository Account.
- 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 Participant Name	Ventura Securities Limited
DP ID	IN303116
Client ID	11726974
Account Name	LIPL IIFL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	National Securities Depository Ltd. (NSDL)

It is the sole responsibility of the Equity Shareholder to ensure credit of Equity Shares in the Special Depository Account, on or before 5 pm on Friday, November 13, 2015, i.e. Closure of the Tendering Period. The Equity Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Special Depository Account with NSDL. The Form of Acceptance-cum-Acknowledgment 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-Acknowledgment. The Registrar to the Offer is not bound to accept those acceptances for which corresponding Equity Shares have not been credited to the Special Depository Account.

- In terms of Regulation 16(1) of the SEBI (SAST) Regulations, the Draft Letter of Offer was submitted to SEBI on July 28, 2015. We have received SEBI's final observations, in terms of Regulation 16(4) of the SEBI (SAST) Regulations from SEBI dated October 12, 2015, which have been incorporated in the Letter of Offer.
- There have been no material changes in relation to the Offer since the date of the Public Announcement, save as otherwise disclosed in the DPS, the Letter of Offer, First Corrigendum and First Addendum dated October 26, 2015 and herein.
- The acquisition of the Equity Shares of the Target Company under this Offer is subject to receipt of the following statutory/regulatory approvals. The current status of the approvals is as follows:
 - The Acquirer had applied to the Competition Commission of India ("CCI") for the purposes of this Offer and CCI has pursuant to an order dated August 31, 2015 approved the same.
 - Approval of the FIPB for direct and indirect foreign investments in the Target Company and its subsidiaries, to the extent required. Pursuant to a press release dated October 7, 2015, issued by the Department of Economic Affairs, we understand that the FIPB has recommended the proposal for consideration of the Cabinet Committee on Economic Affairs. Furthermore, based on the notice of the meeting of the FIPB dated October 26, 2015, we understand that this proposal is on the agenda for the aforesaid meeting scheduled for October 30, 2015. The requisite approval is currently awaited.

- c. 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. By way of a letter dated August 4, 2015, India Infoline Asset Management Company Limited informed SEBI about the proposed change in shareholding of the Target Company which is the ultimate holding company of India Infoline Asset Management Company Limited. Further, the Acquirer and PAC 2 submitted the requisite information to SEBI by way of letters dated August 4, 2015 and September 23, 2015, and are currently awaiting feedback on the same. Further, as advised by SEBI, a draft of the exit option letter to the unit holders of IIFL Mutual Fund was submitted to SEBI. Based on the comments received from SEBI, relevant changes have been incorporated in the draft of the exit option letter and confirmed to SEBI on October 15, 2015. The said exit option letter will be sent to the unit holders of IIFL Mutual Fund in due course.
- d. Approval from the RBI pursuant to the RBI Notification No. DNBS.(PD) 029/CGM(CDS)-2015 dated July 09, 2015 for change in (indirect) shareholding of India Infoline Finance Limited, the subsidiary of the Target Company registered as a non-banking financial company, if required. The Target Company has, by way of a letter dated July 30, 2015, informed the RBI of the Offer.
- e. Approval from the BSE, NSE, Multi Commodity Exchange Limited and National Commodities and Derivatives Exchange Limited to the extent required. By way of letters dated July 30, 2015, IIFL Capital Limited and India Infoline Limited have informed the BSE and NSE respectively, and India Infoline Commodities Limited has informed the Multi Commodity Exchange Limited and National Commodities and Derivatives Exchange Limited of the Offer.
10. Apart from the statutory approvals mentioned in paragraphs 9(b) and 9(c) above, as of the date of this Pre-Offer Advertisement, 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.
11. In terms of the tentative schedule of activity communicated by way of paragraph VII to the DPS, the Equity Shareholders of the Target Company are requested to note the following revisions related to the schedule of activity based on the observations received from SEBI on October 12, 2015:

SCHEDULE OF ACTIVITIES

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

*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 of the Target Company (except the Acquirer and PAC) are eligible to participate in this Offer at any time prior to the closure of this Offer.

Terms used but not defined in this Pre-Offer Advertisement shall have the meanings assigned to such terms in the PA, the DPS, the Letter of Offer and First Corrigendum and First Addendum dated October 26, 2015.

The Acquirer and PAC, and their respective directors, jointly and severally, accept full responsibility for the information contained in this Pre-Offer Advertisement and also accept responsibility for the obligations of the Acquirer and PAC laid down in the SEBI (SAST) Regulations.

This Pre-Offer Advertisement is expected to be available on the SEBI website at <http://www.sebi.gov.in>

**ISSUED ON BEHALF OF THE ACQUIRER AND PAC
BY THE MANAGER TO THE OFFER**

 **ICICI Securities**

ICICI SECURITIES LIMITED

SEBI Regn. No.: INM000011179

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400020, Maharashtra, India

Tel.: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580

Email ID: iifl.openoffer@icicisecurities.com

Contact Person: Mr. Prem D'Cunha/Mr. Anurag Byas