



31 January 2018

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001 Tel No.: 22721233 Fax No.: 22723719/22723121/22722037/ BSE Scrip Code: 532636	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051 Tel No.: 2659 8235 Fax No.: 26598237 NSE Symbol: IIFL
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Dear Sir/ Madam,

SUB: Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

REF: Composite Scheme of Arrangement amongst the Company, India Infoline Media and Research Services Limited ("IIFL M&R"), India Infoline Limited ("India Infoline"), IIFL Wealth Management Limited ("IIFL Wealth"), India Infoline Finance Limited ("IIFL Finance"), IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform the stock exchanges that the board of directors of the Company ("Board") at its meeting held on, 31 January 2018 have, *inter alia*, approved the draft Scheme.

The Scheme, *inter alia*, provides for the following:

- (i) amalgamation of IIFL M&R with the Company;
- (ii) demerger of the Securities Business Undertaking (*as defined in the Scheme*) of the Company into India Infoline;
- (iii) demerger of the Wealth Business Undertaking (*as defined in the Scheme*) of the Company into IIFL Wealth;
- (iv) amalgamation of IIFL Finance with the Company; and
- (v) transfer of the Broking and Depository Participant Business Undertaking (*as defined in the Scheme*) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution, on a *going-concern* basis.



IIFL Holdings Limited (Formerly "India Infoline Limited")

Corporate Identity Number: **L74999MH1995PLC093797**

Corporate Office: IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 • Tel: (91-22) 4249 9000 • Fax: (91-22) 4060 9049

Regd. Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604

• Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654 • E-mail: mail@indiainfoline.com • Website: www.indiainfoline.com



Post effectiveness of the Scheme:

- (i) the equity shares of India Infoline shall be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with mirror shareholding with that of the Company;
- (ii) the equity shares of IIFL Wealth shall be listed on BSE and NSE; and
- (iii) the equity shares of the Company to be issued to the shareholders of IIFL Finance, shall be listed on BSE and NSE.

The Scheme as aforesaid is subject to necessary approvals by the stock exchanges, Securities and Exchange Board of India, shareholders and creditors of the company(ies), as may be applicable, Mumbai Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

The Scheme as approved by the Board would be available on the website of the Company at www.iifl.com post submitting the same to the stock exchanges.

In terms of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015, we are furnishing herewith the details of the Scheme as Annexure I and Annexure II.

Thanking you,

Yours faithfully,

For IIFL Holdings Limited

Gajendra Thakur

Company Secretary



Annexure I – Amalgamation/ Merger

a) Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as size, turnover etc	1. <u>IIFL Holdings Limited ("Company") – Standalone</u> Total assets – INR 1,492.01 crores Net worth – INR 1,472.75 crores Turnover – INR 110.94 crores (9 Months) as on 31 December 2017 2. <u>India Infoline Media and Research Services Limited ("IIFL M&R") - Standalone</u> Total assets – INR 26.17 crores Net worth – INR 23.05 crores Turnover – INR 15.07 crores (9 Months) as on 31 December 2017 3. <u>India Infoline Finance Limited ("IIFL Finance") - Standalone</u> Total assets – INR 17,242 crores Net worth – INR 3,487.22 crores Turnover – INR 1,860.70 crores (9 Months) as on 31 December 2017
b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	The Scheme is proposed between the Company and its subsidiaries and hence the same would fall within the ambit of related party transaction <u>Amalgamation of IIFL M&R with the Company</u> IIFL M&R is a wholly owned subsidiary of the Company. Upon amalgamation of IIFL M&R with the Company, the entire investment of the Company in IIFL M&R shall be cancelled and no shares shall be issued, pursuant to the Scheme. Therefore, question of the transaction



being done at “arm’s length” does not arise.

Amalgamation of IIFL Finance with the Company

IIFL Finance is a subsidiary of the Company. Upon amalgamation of IIFL Finance with the Company, fresh equity shares of the Company will be issued to the shareholders of IIFL Finance as per the swap ratio mentioned in para (e) below. The transaction is being done at arm’s length.

c) Area of business of the entity(ies)

1. IIFL Holdings Limited – The Company is engaged, *inter alia*, in 1) Securities Business comprising the investment banking business. The Company’s investment banking business works closely with companies across their lifestyle offering a gamut of services ranging from equity capital markets, private equity, and M&A advisory services. The investment banking division works closely with companies to identify their funding needs and enables its clients to raise funds effectively through a variety of products such as IPOs, qualified institutions placements/preferential allotment, rights issues, FPOs and private/public placement of debt. The Company also advises unlisted companies in raising capital through private equity advisory services and strategic advisory services which involves placements, deal structuring and closure. The Securities Business also includes insurance broking, securities and commodities broking, real estate broking and advisory and portfolio management services business carried on through various subsidiaries; 2) Wealth Business includes the investment advisory business of the Company of providing investment advice to clients or other persons or group of persons relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products and also includes wealth management services provided to high net worth individuals and corporate clients and media content advisory carried on through its subsidiaries; and 3) Loan and mortgage Business carried on through its subsidiaries.



	2. <u>IIFL M&R</u> – IIFL M&R is a wholly owned subsidiary of the Company and is engaged in the business of online distribution of media content. It also provides media content advisory support to the broking, commodities, mutual fund and portfolio management services business of the Group. 3. <u>IIFL Finance</u> – IIFL Finance is a subsidiary of the Company and is registered with the Reserve Bank of India as a Systemically Important Non-Banking Financial Company not accepting public deposits (NBFC -ND-SI). IIFL Finance offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities, commercial vehicle loan, loans to small and medium enterprise and healthcare finance to retail and corporate clients. IIFL Finance is engaged in housing finance and microfinance business through its subsidiaries.
d) Rationale for amalgamation/ merger	(i) Over the course of time, Company has grown into a diversified financial conglomerate with interests in loans & mortgages, wealth management services, distribution of financial products and capital market services. Each of the core businesses have acquired critical mass, requiring flexibility and independence to grow faster in the fast changing technology and innovation driven environment. (ii) Each core business has a differentiated strategy, different industry specific risks and operate <i>inter alia</i> under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. (iii) Accordingly, the Company proposes to re-organize and segregate, by way of a composite scheme of arrangement, its businesses and undertakings into three different listed verticals dealing in loans & mortgages business, wealth management services and capital market business. These listed entities will be subject to public, media, analysts and regulatory review. A clean corporate structure with no cross holdings will ensure transparency, accountability, highest standards of corporate governance and compliance. It also enhances operational flexibility and helps quick response to



	competitive or environmental challenges. (iv) The proposed reorganisation pursuant to this Scheme is expected, <i>inter alia</i>, to result in the following benefits: a) unlocking of value and create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of all the stakeholders; and b) creation of listed loans & mortgages business, wealth management services and capital market business with ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital; (v) Further, each listed company can separately attract and motivate its key people with stock options such that their rewards are strongly correlated with their own and their business's performance and connect to the IIFL Group's philosophy of 'owner mindset', which believes in shared ownership and shared accountability by all team members.
e) In case of cash consideration – amount or otherwise share exchange ratio	The Scheme does not involve payment of any cash consideration. <u>For amalgamation of IIFL M&R with the Company:</u> No shares shall be issued by the Company as IIFL M&R is a wholly owned subsidiary of the Company. <u>For amalgamation of IIFL Finance with the Company:</u> In terms of the share entitlement ratio enshrined in the Scheme, the Company shall issue and allot to each shareholder of IIFL Finance, whose name is recorded in the register of members on the Record Date (<i>as defined in the Scheme</i>), equity shares in the following ratio:



	For every 100 (One hundred) fully paid equity shares of INR 10 each held in IIFL Finance; 135 (One Hundred and Thirty Five) fully paid equity shares of INR 2 each of the Company.
	For every 100 (One hundred) fully paid compulsorily convertible preference shares of INR 10 each held in IIFL Finance; 135 (One Hundred and Thirty Five) fully paid equity shares of INR 2 each of the Company.
f) Brief details of change in shareholding pattern (if any) of listed entity	<u>For amalgamation of IIFL M&R with the Company:</u> Since no shares are being issued pursuant to the amalgamation, there shall be no change in shareholding of the Company. <u>For amalgamation of IIFL Finance with the Company:</u> The shareholders of IIFL Finance shall be issued equity shares of the Company and IIFL Finance shall be dissolved without being wound up. Considering the fully diluted shareholding pattern (including stock options) of the Company and IIFL Finance as on 31 January 2018, the post amalgamation shareholding pattern of the Company is as under:



Particulars	IIFL Holdings Limited Pre-amalgamation		IIFL Holdings Limited Post-amalgamation	
	No of shares	%	No of shares	%
Promoters	92,361,432	28.84%	92,361,432	23.40%
Public	226,039,124	70.60%	284,843,842	72.17%
Others*	14,278,699	0.56%	17,493,646	4.43%
Total	320,189,438	100%	394,698,920	100%

*Others include shares held by employee welfare trust and stock options



Annexure II – Demerger

a)	Brief details of the division to be demerged
<u>Securities Business Undertaking</u> Securities Business Undertaking comprises the investment banking business. The Company's investment banking business works closely with companies across their lifestyle offering a gamut of services ranging from equity capital markets, private equity, and M&A advisory services. The investment banking division works closely with companies to identify their funding needs and enables its clients to raise funds effectively through a variety of products such as IPOs, qualified institutions placements/preferential allotment, rights issues, FPOs and private/public placement of debt. The Company also advises unlisted companies in raising capital through private equity advisory services and strategic advisory services which involves placements, deal structuring and closure. The Securities Business also includes insurance broking, securities and commodities broking, real estate advisory and portfolio management services business carried on through subsidiaries <u>Wealth Business Undertaking</u> Wealth Business Undertaking includes the investment advisory business of the Company of providing investment advice to clients or other persons or group of persons relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products and media research business providing media content advisory support to the broking, commodities, mutual fund and portfolio management services business of the Group. It also includes wealth management services provided to high net worth individuals and corporate clients through its subsidiary.	



b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<u>For the Securities Business Undertaking</u> Turnover of the Securities Business Undertaking as on 31 March 2017 was INR 88.13 crores. The turnover of the Securities Business Undertaking consisted of 45.82% to the total turnover of the Company in the financial year ending 31 March 2017. <u>For the Wealth Business Undertaking</u> Turnover of the Wealth Business Undertaking as on 31 March 2017 was INR 27 crores. The turnover of the Wealth Business Undertaking consisted of 14.04% to the total turnover of the Company in the financial year ending 31 March 2017. Please refer Part d) of Annexure I above
c)	Rationale for demerger	
d)	Brief details of change in shareholding pattern (if any) of all entities	<u>IIFL Holdings Limited</u> There will be no change in the shareholding pattern of the Company pursuant to the demerger of the Securities Business Undertaking to India Infoline and Wealth Business Undertaking to IIFL Wealth <u>India Infoline</u> Considering the fully diluted shareholding pattern (including stock options) of the Company as on 31 January 2018, the post demerger shareholding pattern of India Infoline is as under: <u>Pre-demerger</u> Pre demerger, India Infoline is a wholly owned subsidiary of the Company



Post demerger

Particulars	Post-demerger	
	No of shares	%
Promoters	92,361,432	28.84%
Public	226,039,124	70.60%
Others*	14,278,699	0.56%
Total	320,189,438	100%

*Others include shares held by employee welfare trust and stock options

The shareholding of India Infoline will mirror the shareholding of the Company on the Record Date.

IIFL Wealth

Considering the fully diluted shareholding pattern (including stock options held by employees) of the Company and IIFL Wealth as on 31 January 2018, the post demerger shareholding pattern of IIFL Wealth is as under:



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		<u>For the demerger of the Wealth Business Undertaking</u> In terms of the share entitlement ratio enshrined in the Scheme, in consideration, IIFL Wealth shall issue and allot to each shareholder of the Company, whose name is recorded in the register of members on the Record Date, equity shares in the following ratio: For every 7 (Seven) fully paid equity share of INR 2 each held in the Company; 1 (One) fully paid equity share of INR 2 each of IIFL Wealth. Yes. The equity shares of IIFL Wealth and India Infoline shall be listed on BSE and NSE
f)	Whether listing would be sought for the resulting entity	

