



June 12, 2019

<p>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001. Tel no.: 22721233 BSE Scrip Code: 532636</p>	<p>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 NSE Symbol: IIFL</p>
---	--

**Sub: Composite Scheme of Arrangement - Apportionment of the Cost of Acquisition of Equity Shares.**

Dear Sir / Madam,

Please find attached the communication being issued for providing general guidance to the shareholders of IIFL Finance Limited (formerly known as IIFL Holdings Limited) ("IIFL Finance") pertaining to the method of calculation and apportionment of the cost of acquisition of the equity shares of IIFL Finance between the equity shares of IIFL Finance Limited, IIFL Wealth Management Limited and IIFL Securities Limited in terms of the provisions of the Income Tax Act, 1961.

The same is also being uploaded on the website of the Company i.e. [www.iifl.com](http://www.iifl.com)

We request you to take this on record and oblige.

Thanking You,  
Yours faithfully,

**For IIFL Finance Limited (formerly known as IIFL Holdings Limited)**

Gajendra Thakur  
Company Secretary



IIFL Finance Limited (formerly known as IIFL Holdings Limited)  
CIN No.: L67100MH1995PLC093797

Corporate Office – IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Tel: (91-22) 4249 9000 .Fax: (91-22) 40609049  
Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 25806650. Fax: (91-22) 25806654 E-mail: [csteam@iifl.com](mailto:csteam@iifl.com) Website: [www.iifl.com](http://www.iifl.com)



Dear Shareholders,

**Sub: Computation of Cost of Acquisition per share of IIFL Finance Limited (“The Company or IIFL Finance”), IIFL Securities Limited (“ISL”) and IIFL Wealth Management Limited (“IWML”).**

The National Company Law Tribunal, Mumbai Bench (“NCLT”) has by its order passed on March 07, 2019 sanctioned the Composite scheme of arrangement amongst IIFL Finance Limited (Formerly known as IIFL Holdings Limited), India Infoline Media & Research Services Limited, IIFL Securities Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, IIFL Distribution Services Limited, and their respective shareholders (“Scheme”).

As per the Scheme, the assets and liabilities relatable to the Securities Business Undertaking and Wealth Business Undertaking have been transferred to ISL and IWML respectively at values as appearing in the books of accounts of IIFL Finance as on the appointed date i.e. April 1, 2018. The aforesaid demerger became effective on May 13, 2019.

On June 06, 2019, ISL has allotted 1 (One) fully paid up Equity Share of Rs. 2/- each of ISL for every 1 (one) fully paid up Equity Shares of Rs. 2/- each held by shareholders of IIFL Finance and IWML has allotted 1(one) fully paid up Equity Shares of Rs. 2/- each of IWML for every 7 (Seven) fully paid up Equity Shares of Rs. 2/- each held by the shareholders of IIFL Finance, whose name is recorded in the register of members and records of the depository as Members of IIFL Finance, on the Record Date i.e. May 31, 2019. The fractional entitlements arising, if any, to the eligible shareholders of IIFL Finance will be remitted in due course as per the Scheme.

IIFL Finance is issuing this communication for providing general guidance to the shareholders of IIFL Finance in relation to the method of calculation and apportionment of the cost of acquisition of the Equity Shares of IIFL Finance between the shares of IIFL Finance, ISL and IWML in terms of the provisions of the Income-tax Act, 1961 (‘the Act’).

The cost of acquisition of shares in the resulting companies (ISL and IWML) shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the demerged Company (IIFL Finance) in the same proportion as the net book value of assets transferred in a demerger bears to the net-worth of the demerged company (IIFL Finance) immediately before such demerger.

Further, as per the provisions of section 49(2D) of the Act, cost of acquisition of the original shares held by the shareholder in the demerged company (IIFL Finance) shall be deemed to have been reduced by the cost of acquisition of the shares in the resulting companies (ISL and IWML) computed as per sec 49(2C) of the Act.



**IIFL Finance Limited (formerly known as IIFL Holdings Limited)**  
**CIN No.: L67100MH1995PLC093797**

Corporate Office – IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Tel: (91-22) 4249 9000 .Fax: (91-22) 40609049  
Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 25806650. Fax: (91-22) 25806654 E-mail: csteam@iifl.com Website: www.iifl.com



The ratio for the purpose of determining the cost of acquisition is determined as below:

Name of Company	% of cost of acquisition of IIFL Finance's Equity Shares
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	71.78
IIFL Securities Limited	26.11
IIFL Wealth Management Limited	2.11
<b>Total</b>	<b>100.00</b>

Accordingly, the cost of acquisition of equity shares allotted in ISL will be 26.11% of the total cost of acquisition of the equity shares held in IIFL Finance prior to the demerger. Hence, the actual cost of 1 (One) equity share of ISL will be 26.11% of the acquisition cost of 1 (one) equity share of IIFL Finance. Further, the cost of acquisition of equity shares allotted in IWML will be 2.11% of the total cost of acquisition of the equity shares held in IIFL Finance prior to the demerger. Hence, the actual cost of 1 (One) equity share of IWML will be 2.11% of the acquisition cost of 7 (seven) equity share of IIFL Finance.

In terms of the provisions of section 47(vi)(d) of the Income Tax Act, 1961, the issue of shares by ISL and IWML to the equity shareholders of IIFL Finance is pursuant to the Scheme and in consideration of Demerger of the Securities Business Undertaking and Wealth Business Undertaking of IIFL Finance in terms of the Scheme and accordingly the same shall not be considered as a transfer. In view of above, please note that the date of acquisition of shares of IIFL Finance will be deemed to be the date of acquisition for the shares of ISL and IWML also.

*Kindly note that if there is any change, including change having a retrospective effect in Statutory Laws or Regulations, the comments expressed in this communication would necessarily have to be re- evaluated in the light of changes. IIFL Finance does not take the responsibility of updating this communication at any time in future.*

*Further, please note that this communication related with computation of cost of acquisition is meant only for the purpose of providing general guidance to the shareholders of IIFL Finance and hence this should not be considered as a substitute for any Independent opinion that the shareholder may obtain. It may also be noted that the concerned Statutory/Regulatory/Judicial Authority, including any Assessing Officer/Appropriate Appellate Authority, may take a different view in relation to the aforesaid computation. IIFL Finance takes no express or implied liability in relation to this guidance.*

**Mumbai, June 12, 2019**



**IIFL Finance Limited (formerly known as IIFL Holdings Limited)**  
**CIN No.: L67100MH1995PLC093797**

Corporate Office – IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Tel: (91-22) 4249 9000 .Fax: (91-22) 40609049  
Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22) 25806650. Fax: (91-22) 25806654 E-mail: csteam@iifl.com Website: www.iifl.com