

**INDUSIND INTERNATIONAL HOLDINGS LIMITED**  
19 Church Street  
Port Louis  
Mauritius

October 17, 2017

Dear Shareholders,

**Happy Diwali**

The Board of Directors of your Company have great pleasure in wishing you and your family a Happy Diwali and prosperous New Year (Vikram Samvat 2074).

On this auspicious occasion, we thought of sharing with you the present level of growth of your Company and its potential for further growth.

As you are aware, the Company commenced its operations with a capital of about US\$ 36 Mn provided by you in 1994 which was used to establish the first private sector banking institution, IndusInd Bank in the liberalized economy of India. With the outstanding performance of IndusInd Bank and other investments of the Company, the shareholder equity has grown to US\$ 2.4 Bn at present.

The market capitalization of IndusInd Bank in which your Company has equity stake of 15% is now about US\$ 16 Bn and the Bank is adjudged as the Best Mid-Sized Bank in the Indian Banking Industry.

The Bank has now announced acquisition of Bharat Financial Inclusion Ltd., the number one micro-finance company based in Hyderabad from the appointed date of 1<sup>st</sup> January 2018 subject to approval of shareholders and Regulators. The acquisition will be accretive from day one to the Bank's interest margin, Return on Assets, Return on Equity and capital to the Bank.

The analysts like J.P. Morgan and IDFC Securities have acknowledged the acquisition as an accretive deal for the Bank with a target price of about Rs. 2,100 for its share against the present price of around Rs. 1,700 in the market.

Your Company is also looking into opportunities for acquisition/investment in the financial sector in Mauritius for becoming a more vibrant organization and listing on the Stock Exchange of Mauritius.

We thank the shareholders for the enthusiastic response to the first tranche of Rights Issue of the Company and request your support for the second tranche of Rights Issue which is likely to happen in the calendar year 2018.

Need for the Company's own organizational set-up in Mauritius was keenly felt to successfully steer the Company in its journey to realize its growth potential. We have, therefore, appointed

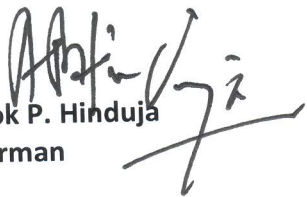
Mr. Mayank Malik as President of the Company to be stationed in Mauritius for the purpose. He brings with him a 30+ years of experience as an established banker with Citibank where he has ably built businesses in the Middle East, African sub-continent, Jordan, Iraq and the Levant region. He will be joining the Company from the 1<sup>st</sup> November 2017.

We shall continue to share the growth journey of the Company in future and wish you all the best.

Yours faithfully,

**For IndusInd International Holdings Ltd.**

Ashok P. Hinduja  
Chairman

A handwritten signature in black ink, appearing to read 'Ashok P. Hinduja', with a large, stylized flourish extending from the bottom right.