

# INDUSIND INTERNATIONAL HOLDINGS LTD.

19 CHURCH STREET,  
PORT LOUIS,  
MAURITIUS



Dear Shareholders,

December 28, 2017

## **Happy and Prosperous 2018**

The Board of Directors of your Company have great pleasure in wishing you and your family a happy and prosperous New Year 2018.

Remittances of 6% dividend to all the shareholders for 2016-17 and the last instalment of bonus bond payable to the existing pre-Rights Issue shareholders which together would give a dollar-based return of 18.5% have been effected.

We now thought of apprising you of certain positive developments in your Company since last Diwali towards realizing the vision of the Founders in making your Company a vibrant supranational financial institution.

In our last communication, we had mentioned about our flagship investee company IndusInd Bank Ltd. acquiring the No. 1 micro-finance company, Bharat Financial Inclusion Ltd. from the appointed date of 1<sup>st</sup> January 2018 subject to approval of shareholders and Regulators.

The combination brings together the two illustrious entities with significant complementary strengths and huge synergetic advantages, making it a win-win proposition for all stakeholders from inception.

The acquisition of the micro finance company by the Bank is expected to be completed by May-June 2018 with the combined net worth of Rs. 22,684 Crore and market capitalization of Rs. 1,15,000 Crore or US\$ 18 Bn.

As per the agreed terms of acquisition, IIHL as promoter will be issued preferential warrants at a price determined by the SEBI formula which is Rs. 1,715 per share of the Bank so that the Company can maintain its stake at 15%. IIHL will have to subscribe to only 25% of the value of the warrants upfront which will be approximately US\$ 100 Mn and the balance 75% or US\$ 300 Mn should be paid at the end of 18 months from the date of issue of the warrants, say by December 2019.

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Your Company is also conducting due diligence exercise on a commercial bank and an insurance group doing life and general insurance in Mauritius for acquisition with the object of the Company becoming an operating entity before listing and the exercise is likely to be completed by mid-January 2018. Subject to the viability of the target companies, the acquisition process will be completed by June 2018.

The fund requirement is expected to be met through second tranche of Rights Issue in September 2018 and IPO after listing in September/October 2019.

The Shareholders will be happy to know that IIHL's investments in Hinduja Leyland Finance Ltd and Media Company have grown from INR 1011.62 Crore (US\$ 158 Mn) to INR 2132.62 Crore (US\$ 333 Mn) in value.

Strengthening of the Company's organizational set-up in Mauritius under the leadership of Mr. Mayank Malik is going apace to meet the challenges of growth.

Developments with regards to IIHL are getting posted in the website of the Company <http://indusindholdings.com/> regularly and the shareholders are requested to look at them and send their suggestions, if any, for improving the website.

We shall continue to share the journey of growth in future and wish you once again a Happy New Year.

Yours faithfully,  
**For Board of Directors of IIHL**

**Ashok P. Hinduja**  
Chairman