



IIFL WEALTH

IIFL WEALTH MANAGEMENT LIMITED (“COMPANY”)

CIN:U74140MH2008PLC177884

Regd. Office – IIFL Centre, Kamala City, Senapati Bapat Marg,

Lower Parel (West), Mumbai (MH) – 400 013

Tel: (91-22) 48765600. Fax: (91-22) 46464706

E-mail: secretarial@iiflw.com, Website: www.iiflwealth.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rule, 2014]

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (“**the Act**”) read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“**Management Rules**”) and all other applicable provisions, if any, of the Act, including any statutory modification or re-enactment thereof for the time being in force, to the shareholders of the Company to consider, and if thought fit, to pass, with or without modification/s, the resolutions appended below by way of postal ballot.

The explanatory statement pursuant to Section 102 of the Act and other applicable provisions, pertaining to the resolution setting out the material facts concerning the resolutions and the rationale thereof along with the Postal Ballot Form (“**Form**”) are enclosed with this Postal Ballot Notice for your consideration.

The Board of directors of the Company at its meeting held on November 15, 2019 has appointed Mr. Nilesh Shah, Practicing Company Secretary (Membership No. FCS No. 4554 and C.P. No. 2631), as the scrutinizer (“**Scrutinizer**”) to conduct the Postal Ballot voting and e-voting process in a fair and transparent manner. You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the original duly completed and signed Form, in the enclosed postage prepaid self-addressed business reply envelope (“**BRE Envelope**”), so as to reach the Scrutinizer on or before 5:00 p.m. (IST) on December 27, 2019

In accordance with Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), Sections 108 and 110 of the Act read with Rules 20 and 22 of the Management Rules, the Company is pleased to offer facility of voting by electronic means (“**Remote E-Voting**”) to all its members to enable them to cast their votes electronically, instead of returning duly filled Form in physical form.

Members of the Company (“**Members**”) are requested to follow the procedure as stated in the notes forming part of this Postal Ballot Notice for casting of votes by Remote E-Voting. The Company has engaged the services of Central Depository Services (India) Limited for the purpose of providing e-voting facility to all its Members. The Members are requested to follow the procedure as stated in the notes and instructions for casting of votes by Remote E-Voting, in case they wish to exercise the option of Remote E-Voting.

Upon completion of scrutiny of the Forms and votes casted through Remote E-Voting in a fair and transparent manner, the Scrutinizer will submit his consolidated report, along with scrutinizer register and other related papers, to the Chairman of the Company or in his absence to any Director of the Company. The results of the Postal Ballot will be announced by the Chairman of the Company or in his absence any Director of the Company not later than 48 hours of conclusion of the voting through postal ballot and will be communicated to BSE Limited and National Stock Exchange of India Limited (jointly, the “**Stock Exchanges**”) where the equity shares of the Company are listed. The results of the Postal Ballot will also be displayed on the Company's website (www.iiflwealth.com) and communicated to the depositories and share transfer agent of the Company.

Special Business:

Item No. 1: Alteration of the Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, permissions and sanctions of the Registrar of Companies, appropriate authorities, departments or bodies as and to the extent necessary, consent of the members of the Company be and is hereby accorded to effect the following alterations in the existing Object Clause of the memorandum of association of the Company (the **“MOA”**) by adding the following new clause 5 in the following manner and re-number the existing clauses thereafter:-

“5. To act as merchant banker, underwriter, sub-underwriter, adviser, structuring consultant for capital issues or corporate structuring and to make project evaluation, feasibility studies, project reports, forecasts and surveys, to enable the Company in giving expert advice on means of improving organizational structure of its clients whether by further issue of capital, restructuring, amalgamations, mergers, demergers or any other corporate action and to act as lead manager, co-manager and underwriter to issue of securities and to undertake project financing and promoter funding.”

RESOLVED FURTHER THAT necessary revision in numbering the clauses of the MOA be carried out.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the board of directors of the Company (hereinafter referred to as the **“Board”**, which term shall deem to include any of its duly constituted committees) or any officer/executive/representative and/or any other person so authorized by the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as may be deemed proper, necessary, expedient, or incidental to giving effect to the above resolutions, including filing the requisite forms with, or making disclosures or representations to, or procuring approvals from, any governmental authority and to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution, as may be suggested by any governmental authority, arising from or incidental to the said amendment, without being required to seek any further clarification, consent or approval of the members of the Company.”

Item No. 2: Transfer of distribution business of the Company to its wholly owned subsidiary, IIFL Wealth Finance Limited

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) (**“Act”**), the provisions of the memorandum of association and articles of association of the Company, the provisions of the listing agreement entered into by the Company with the relevant stock exchanges where the shares of the Company are listed, and such other approvals, consents and permissions from the appropriate authorities to the extent applicable and necessary, the consent of the members of the Company, be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred as the **“Board”** which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to transfer / hive-off, on a 'slump sale' basis, the distribution business of the Company together with its employees, assets (including tangible and intangible assets), liabilities (including contingent liabilities), working capital pertaining thereto, licenses, rights, regulatory approvals, records, permits and contracts (including customer and client contracts), as identified by the Board (collectively, **“Undertaking”**), as a going concern, to IIFL Wealth Finance Limited (**“IIFLW Finance”**), a wholly owned subsidiary of the Company, for a lump sum consideration which shall not be less than the net book value (subject to necessary adjustment of working capital) of the Undertaking, upon such other terms and conditions as may be determined by the Board, and with effect from such date, as the Board may deem fit in the interest of the Company, without being required to seek any further clarification, consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine all terms and conditions in relation to the transfer of the Undertaking to IIFLW Finance (including, finalizing, varying and settling the terms and conditions to transfer the Undertaking to IIFLW Finance), settle all questions, difficulties or doubts that may arise in this regard, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, expedient, or incidental to giving effect to the above resolutions, including (i) executing all such deeds, documents, undertakings and agreements (including, deeds of assignment, business transfer agreement, agreement to sell and/or transition service agreements, as may be necessary); and (ii) filing the requisite forms with, or making disclosures or representations to, or procuring approvals from, any, any concerned authority, institutions or bodies (such as, courts, municipal authorities, Registrar of Companies, custom authorities, excise authorities, income-tax authorities and goods and service tax authorities) and), and to settle any questions, difficulties or doubts that may arise in this regard, in each case, without being required to seek any further clarification, consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to one or more directors of the Company with power to delegate to any officer of the Company, with authorities as required, and as it may deem fit.”

Item No. 3: Holding Office or Place of Profit by Mr. Varun Bhagat

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act 2013, read with the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, consent of the members of the Company, be and is hereby accorded to Mr. Varun Bhagat (brother of Mr. Karan Bhagat, Managing Director of the Company), to hold an office and place of profit in the Company or any of its subsidiaries, with effect from January 1, 2020, on the terms and conditions as set out in the statement annexed to the Postal Ballot Notice.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, expedient, or incidental to giving effect to the above resolutions, including filing the requisite forms with, or making disclosures or representations to, or procuring approvals from, any governmental authority and to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution, as may be suggested by any governmental authority, arising from or incidental to the said amendment, without being required to seek any further clarification, consent or approval of the members of the Company.”

Date : November 20, 2019

Place: Mumbai

Registered Office:
IIFL Centre, Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai (MH) – 400 013

By order of the Board
For IIFL Wealth Management Limited

Ashutosh Naik
Company Secretary

Notes:

1. An explanatory statement pursuant to Section 102 read with Section 110 of the Act and rules made thereunder is annexed hereto.
2. The Board has appointed Mr. Nilesh Shah, Practicing Company Secretary (Membership No. FCS 4554; C.P No.2631), as the Scrutinizer to conduct the Postal Ballot voting and e-voting process in a fair and transparent manner.
3. This Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members of the Company or the list of beneficial owners of the Company, as received from the National Securities Depository Limited (“NSDL”) and/or Central Depository Services (India) Limited (“CDSL”) as on November 15, 2019 (“**Cut-Off Date**”). A person, whose name is recorded in the Register of Members or in the list of beneficial owners maintained by NSDL and/or CDSL as on the Cut-Off Date only shall be entitled to avail the facility of Remote E-Voting as well as voting through ballot paper.
4. The postage will be borne by the Company for the BRE Envelope. If a Form from any Member is received after 5:00 p.m. (IST) on December 27, 2019, it will be considered that no reply from such Member has been received and such reply will be treated as invalid. Additionally, please note that the Form shall be considered invalid if (i) it is not possible to determine without any doubt the assent or dissent of the Member; (ii) a competent authority has given directions in writing to the Company to freeze the voting rights of the Member; (iii) it is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and/ or (iv) the Member has made any amendment to the resolution set out herein or imposed any condition while exercising his/her vote and/or the Form is not signed or for any justifiable reason as determined by the Scrutinizer.
5. In compliance with the provisions of Section 110 of the Act read with Rule 22 of the Management Rules and Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of remote e- voting to its Members as an alternative to enable them to cast their votes electronically instead of voting by Postal Ballot. For this purpose, the Company has entered into an agreement with CDSL to facilitate the option to its Members by voting through Remote E-Voting. In case a Member has voted through Remote E-Voting and also sends his/her vote through fully filled Form, the vote cast through Remote E- Voting shall be considered and the voting through physical Postal Ballot shall not be considered by the Scrutinizer. Members desiring to opt for Remote E-Voting are requested to read the instructions provided below.
6. This Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company or with their depository participants. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form through post. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical mode may download the Form from the link www.evotingindia.com or from the 'Investor Relations' section on the Company's website www.iiflwealth.com.
7. The resolutions approved / voted by the Members through Postal Ballot/ Remote E-Voting are deemed to have been passed as if they have been passed at a general meeting of the Members. The date of declaration of results of the Postal Ballot/ Remote E-Voting shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
8. Members who wish to cast their votes through physical mode are requested to carefully read the instructions printed in the Form and return the Form duly completed along with assent (for) or dissent (against) for each resolution, in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before 5:00 p.m. (IST) on December 27, 2019, to be eligible for being considered, failing which it will be strictly treated as if no reply has been received from such member. The relevant documents referred to in this Postal Ballot Notice will be available for inspection by the Members at the registered office of the Company from the date of dispatch of the Postal Ballot Notice till the last date for receipt of votes by Postal Ballot / Remote E-Voting, i.e. December 27, 2019 between 09.00 a.m. (IST) to 05.00 p.m. (IST) on all working days (except Saturdays, Sundays and public holidays).

9. The instructions for Members voting electronically are as under:

- (i) The voting period begins on November 28, 2019 and ends on December 27, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date, may cast their vote electronically. The Remote E-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com. (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for shareholders holding shares both in physical and dematerialized forms) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in dematerialized form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Postal Ballot Notice.
- (xi) Click on the EVSN for the relevant IIFL Wealth Management Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Act to the accompanying Postal Ballot Notice dated November 20, 2019

Item No. 1: Alteration of the Object Clause of the Memorandum of Association of the Company

Considering the need of clients of the Company and with a view to be engaged in the business of merchant banking, including corporate advisory and issue management, either by making arrangements regarding selling, buying or subscribing to securities or acting as, a manager, consultant, or an advisor, the Board considered and approved the commencement of merchant banking business by the Company, by engaging into the business of issue management, portfolio or project counselling, loan syndication, advising and determining suitable financial structure for its clients, project or promoter financing arrangements and tie-up with financiers.

The Board recommends the resolution set out in Item No. 1 for approval of the Members by way of special resolution.

None of the directors, key managerial personnel of the Company and their respective relatives are concerned or interested in resolution set out in Item No. 1.

Item No. 2: Transfer of distribution business of the Company to its wholly owned subsidiary, IIFLW Finance

As part of organizational restructuring, the board of directors of the Company considered the proposal to transfer the distribution business of the Company to its wholly owned subsidiary, IIFLW Finance, as it would enable the Company to:

- (i) streamline its business with a view to achieve a leaner organizational structure and operational synergies;
- (ii) achieve greater flexibility in pursuing long-term growth plans; and
- (iii) allocate capital and resources more efficiently and to achieve overall cost optimization.

Additionally, proposed transfer of distribution business of the Company would not have any adverse impact on the overall financial position of the Company on a consolidated basis since IIFLW Finance is a wholly owned subsidiary of the Company.

Considering the above, in the view of the management, the proposed transfer of the Undertaking to IIFLW Finance would be in the best interest of the shareholders, creditors, employees and all other stakeholders of the Company.

The proposed transaction between the Company and IIFLW Finance being a 'related party transaction' shall be in compliance with the provisions of the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	IIFL Wealth Finance Limited
Name of the directors who are related	Mr. Yatin Shah, Mr. Shantanu Rastogi and Dr. S. Narayan are common directors
Nature of relationship	Wholly owned subsidiary
Nature, material terms, monetary value and particulars of the contract or arrangement	Transfer of Undertaking (ie, distribution business of the Company), as a going concern, to IIFL Wealth Finance Limited through a slump sale, for a lumpsum consideration which shall not be less than the net book value (subject to necessary adjustment of the working capital) of the Undertaking
Any other information relevant or important for the Members to take a decision on the proposed transaction	For financial year 2018-19, the total income of the distribution business of the Company was INR 477.31 crore, which constituted 30.3% of the consolidated total income of the Company for financial year 2018-19

Pursuant to section 180(1)(a) of the Act, the board of directors of a company cannot, except with the consent of its members by way of a special resolution, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of such company. Explanation (i) to Section 180(1)(a) of the Act provides that the expression "undertaking" shall mean an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

Since the proposed transfer of Undertaking to IIFLW Finance exceeds the specified limits mentioned above, the Board recommends the resolution set out in Item No. 2 for approval of Members by way of special resolution.

None of the directors, key managerial personnel of the Company and their respective relatives are concerned or interested in resolution set out in Item No. 2.

Item No. 3: Holding office and place of profit by Mr. Varun Bhagat

It is proposed that Mr. Varun Bhagat, brother of Mr. Karan Bhagat, would hold the position of Senior Vice President or such other position as per terms of employment / appraisal (an office and place of profit) of the Company, with effect from January 1, 2020.

The other related information as required under the Companies (Meetings of Board and its Powers) Rules, 2014 for holding the said office, is as under:

#	Particulars	Details
1.	Name of Related Party	Mr. Varun Bhagat Brief Profile: Varun Bhagat aged 40 Yrs. holds a bachelor's degree in commerce from Calcutta University. He has 17 years of experience in the fields of Manufacturing, Logistics, Commercial & Finance. He has previously worked as Snr. Vice President with Essar Steel Limited where he was responsible for Logistics (Freight Movement) & Commercials. He was also associated with Ispat Ferro Alloys & Electro Steel Steels Limited.
2.	Nature of Relationship	Mr. Varun Bhagat is the brother of Mr. Karan Bhagat (Managing Director)
3.	The nature, material terms, monetary value and particulars of contract or arrangement	As a Senior Vice President, Mr. Varun Bhagat will draw a remuneration of INR 31,71,060 per annum. The other terms of his employment will be similar to those applicable to all other employees of the Company holding similar positions / functions. For avoidance of doubt, Mr. Varun Bhagat will be eligible for appraisals, increase in remuneration, bonus, incentives and allowances, as per normal appraisal processes of the Company.
4.	Any other information relevant or important for the members to take a decision on proposed resolution	None

The Board recommends the resolution set out in Item No. 3 for approval of Members by way of an ordinary resolution.

None of the directors, key managerial personnel of the Company and their respective relatives, except Mr. Karan Bhagat and Mr. Varun Bhagat, are concerned or interested in resolution set out in Item No. 3.

Date : November 20, 2019

Place: Mumbai

By order of the Board
For IIFL Wealth Management Limited

Registered Office:

IIFL Centre, Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai (MH) – 400 013

Ashutosh Naik
Company Secretary

Encl:

1. Postal Ballot Form
2. Self-addressed and prepaid postage envelop