



December 06, 2022

BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001 Security code: 540776	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C-1, Block G Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip code: 5PAISA
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Dear Sir/Madam,

Sub: Press Release/Media Release

We would like to inform you that, in view of the approval of the Board of Directors of Spaisa Capital Limited (“**Company**”) to the proposed Scheme of Arrangement between IIFL Securities Limited and the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Scheme**”), We enclose herewith the press release/media release.

Thanking You,

Yours faithfully,

For and on behalf of **Spaisa Capital Limited**

Namita Godbole
Company Secretary & Compliance Officer
Membership No. A21056

Spaisa Capital Limited

Corporate Identity Number: L67190MH2007PLC289249

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5paise Capital Limited/IIFL Securities Limited

Press Release

For immediate publication

Mumbai, India

December 6, 2022

5paise Capital and IIFL Securities reorganize businesses to focus on Online Retail and Affluent Customers respectively

The boards of **5paise Capital Ltd** and **IIFL Securities Ltd** today approved the transfer of IIFL Securities' Online Retail Trading Business to 5paise Capital, subject to statutory and regulatory approvals. The reorganization between the two IIFL Group entities aims to consolidate the Online Retail Trading businesses under one single entity.

IIFL Securities, one of the leading capital market players in the financial services space with assets under management and custody of ₹1.18 trillion, today, operates in four distinct Strategic Business Units (SBUs) catering to the following business segments –

- a) Online Retail Trading (OLRT)
- b) Private Client Group (earlier known as Premia)
- c) Institutional Equities and Investment Banking
- d) Franchisee (B2B)

5paise Capital is a leading discount broker with more than 3.2 million customers and average daily turnover of ₹1.8 trillion (November 2022) with end-to-end digital offering for retail customers and/or primarily millennials. IIFL Securities has been servicing Online Retail Trading Customers same as 5paise Capital creating overlap in the target segment.

The merger of IIFL Securities' Online Retail Trading Business with 5paise Capital will

- a) Mitigate the overlap, improve efficiencies and sharpen focus
- b) Facilitate focussed management teams with conducive culture for respective businesses
- c) Help the two companies achieve scale and strive for leadership in their focus growth areas
- d) More efficient utilization of capital for growth of the consolidated business in separate entities



- e) Investors can have superior visibility on performance, prospects and strategy for their investment

Consequent to the transaction, approx 1.5 million customers of IIFL Securities undertaking Online Trading Business will be hived-off to 5paisa Capital. 5paisa Capital's customer base is likely to increase by over 40% to over 4.7 million customers. Also, 5paisa Capital will have strategic advantages in terms of increased customer base, revenues, including cross sell and profitability.

At the same time, IIFL Securities will sharpen its focus on Private Client Group (PCG), primarily targeting clients with financial assets above ₹10 million. IIFL Securities also plans to expand and digitally empower its base of franchisee / sub-brokers to target and service clients with ₹1 - ₹10 million worth of financial assets and looking for personalized services. Clients with less than ₹1 million of financial assets are best served by digital and online offerings of 5paisa Capital.

In lieu of this transfer, IIFL Securities shareholders will receive 1 share of ₹10 paid up of 5paisa Capital for every 50 shares of ₹2 paid up of IIFL Securities held by them as on the record date.

Commenting on the reorganization, **Mr R Venkataraman, Chairman and Managing Director of IIFL Securities** said, "With this reorganization, the group serves all segments of customers for their varied and specific requirements, with distinct brand and corporate entities. We expect significant cost savings by removing the overlap in the group businesses as well."

Mr Prakarsh Gagdani, CEO, 5paisa Capital said, "We are excited to acquire Online Retail Trading Business of IIFL Securities. With an increased customer base, we will be able to significantly boost revenue potential with less incremental cost. We are committed to offer the best digital experience to our customers with focus on profitable growth through customer centricity."

Khaitan & Co. and **V. Sankar Aiyar & Co.** were legal advisors and auditors respectively for both the companies. **GT Valuation Advisors Private Limited** and **Bansi S. Mehta Valuers LLP** served as valuers for IIFL Securities and 5paisa Capital respectively. **ICICI Securities Limited** and **Keynote Financial Services Limited**, merchant bankers, gave their fairness opinion for IIFL Securities and 5paisa Capital respectively.



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About IIFL Securities Limited

IIFL Securities Ltd (NSE: IIFLSEC, BSE: 542773) is one of the key capital market players in the Indian financial services space. IIFL Securities along with its subsidiaries offers advisory and broking services, financial products distribution, institutional research and investment banking services.

IIFL Securities has established itself through a combination of leading-edge technology, diverse product offerings, management expertise, and a wide network of branches across India. The Company has developed long-term relationships with its customers with sustained high quality performance and continues to be their preferred investment partner.

About 5paisa Capital Limited

5paisa Capital Limited (NSE: 5PAISA, BSE: 540776) is one of the India's fastest growing discount broker and first Publicly Listed online broking company. 5paisa Capital ranks among the top 10 discount broking firms of the country. 5paisa Capital has a seamless Do It Yourself (DIY) platform which offers all the investors with various financial services such as trading in equity, commodity and currency, investment in mutual funds and the option to explore various products like diversified portfolio advisory and research products.

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