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(This Disclosure Document is not a Prospectus)

Serial No. \_\_\_\_\_



### **IIFL WEALTH FINANCE LIMITED**

(Formerly known as Chephis Capital Markets Limited)

A Public Limited Company Incorporated under the Companies Act, 1956, as amended  
Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)

**Registered Office & Corporate Office:** 6<sup>th</sup> Floor, IIFL Centre, Kamala City, Lower Parel,  
Mumbai 400 013, Maharashtra, India

**Tel.:** +91 22 39585600 **Fax:** +91 22 46464706


**Website:** [www.iiflwealthfinance.com](http://www.iiflwealthfinance.com) **Email:** nbfc-compliance@iiflw.com

**CIN No. U65990MH1994PLC080646**

**“DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF PRINCIPAL PROTECTED SECURED REDEEMABLE NON CONVERTIBLE MARKET LINKED DEBENTURES OF THE FACE VALUE RS. 1,00,000 EACH AT PAR (“DEBENTURES” or “NCDs”) OF THE 11<sup>th</sup> TRANCHE OF RS. 30 CRORE AGGREGATING UPTO RS. 1000 CRORE (“BASE ISSUE”)**”

**“SCHEDULE – I AND PAS-4 DISCLOSURES IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND ALSO IN COMPLIANCE WITH SEBI CIRCULAR CIR./IMD/DF/17/2011 DATED SEPTEMBER 28, 2011 TITLED ‘GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/MARKET LINKED DEBENTURES’”**

<b>GENERAL RISK</b>
Investment in debt and debt related securities involve a degree of risk and investors should not invest in any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the Disclosure Document carefully before taking an investment decision in this Issue. For taking an investment decision the investor must rely on his examination of the Issuer and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this document. This Information Memorandum has not been submitted to, cleared or approved by SEBI.
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>
The Issuer confirms that, as of the date hereof, this Disclosure Document contains all information that is material in the context of the Issue and sale of the Debentures; is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading.
<b>CREDIT RATING</b>

<p>“PP-MLD [ICRA] AA with Stable Outlook” rating has been assigned by ICRA Limited for Rs. 2550 crore long term principal protected equity linked debentures programme of our company. Instruments with PP-MLD [ICRA] AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters ‘PP-MLD’ suffixed to a rating symbol stand for ‘Principal Protected Market Linked Debentures’. The present issue is part of the aforesaid programme of Rs.2550 crore. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.</p>	
<b>LISTING</b>	
<p>The Secured, Redeemable, Non-Convertible Market Linked Debentures and the Secured Redeemable Non-Convertible Debentures will be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited (“BSE”).</p>	
<p><b><u>Registrar</u></b></p>       <p>Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083. Telephone : 022-49186000 Fax : 022-49186060 E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>	<p><b><u>Trustee</u></b></p>  <p>Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051 Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 E-mail: <a href="mailto:vaishali@milestonetrustee.in">vaishali@milestonetrustee.in</a></p>
<p>Issue Opens on: As mentioned in the annexed Term Sheet (Annexure A)</p>	<p>Issue Closes on: As mentioned in the annexed Term Sheet (Annexure A)</p>

This Disclosure Document is not a Prospectus under the Companies Act, 2013 (the “**Companies Act**”). This Disclosure Document is prepared in conformity with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time (together “**SEBI Debt Regulations**”); (ii) relevant provisions of the Companies Act and rules made thereunder; and (iii) SEBI circular Cir./IMD/DF/17/2011 dated September 28, 2011 titled ‘Guidelines for Issue and Listing of Structured Products/Market Linked Debentures.

# The Issuer reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Issuer at its sole and absolute discretion.

**The Disclosure Document is dated March 16, 2017**

## DISCLAIMER

### GENERAL DISCLAIMER:

This Memorandum of Private Placement ("**Disclosure Document/ Information Memorandum**") is not a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by IIFL Wealth Finance Limited (the "**Issuer**"). Neither this Disclosure Document nor any other information supplied in connection with the contemplated issue should be construed as legal, tax, accounting or investment advice.

The Issue is proposed to be listed on the BSE and is being made strictly on a private placement basis. This Disclosure Document is not intended to be circulated to more than such number of persons as may be permitted by applicable law for the purposes of a private placement. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general.

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, and SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the Companies act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Disclosure Document also complies with SEBI circular Cir./IMD/DF/17/2011 dated September 28, 2011 titled 'Guidelines for Issue and Listing of Structured Products/Market Linked Debentures'. As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 42(7) of the Companies Act, 2013 shall be applicable and accordingly, a copy of this Disclosure Document will be filed with the RoC within a period of 30 days from the date of circulation of the Disclosure Document.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Disclosure Document acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any

potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

**Each person receiving this Disclosure Document acknowledges that:**

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein. Each such person (i) is a knowledgeable and sophisticated investor; (ii) have the expertise in assessing the credit, market and all the other risks involved in purchasing the Debentures; (iii) has done its own independent assessment and analysis of the Issue; (iv) understands that, by purchase or holding of the Debentures, it is assuming and is capable of bearing the risk of loss that may occur with respect to Debentures, including the possibility that it may lose all or a substantial portion of investment.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document.

Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

All projections and forecast in this Disclosure Document are based on assumptions considered to be reasonable but the actual outcome may be materially affected by changes in economic and other circumstances, which cannot be foreseen. No representation or warranty (express or implied) is made that any projection, forecast, assumption or estimate contained in this Disclosure Document is accurate or will be achieved, and no representation or warranty is made to the future performance or policy of the Issuer and/or its subsidiaries, if any. The reliance that the recipient of this Disclosure Document places upon the projections and forecasts is a matter for its own judgment. The information contained in this Disclosure Document may include results of analyses from a quantitative model which represent potential future events that may or may not be realized, and is not a complete analysis of every material fact representing any product. Any estimates included herein constitute our judgment as of the date hereof and are subject to change without any notice.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Disclosure Document and the applicable laws, and ensure that the same does not constitute an offer to the public.

The information and data contained herein is submitted to each of the recipient of this Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Disclosure Document, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the subscription to the Issue or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

#### **DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. This document should not, in any way, be deemed or construed to have been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures is being made on a private placement basis and, therefore, filing of this document with SEBI is not required, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document.

#### **DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document shall be submitted to the BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER OF THE CREDIT RATING AGENCY**

The ratings of the credit rating agency should not be treated as a recommendation to buy, sell or hold the rated debt instruments. The credit rating agency's ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit credit rating agency's website or contact credit rating agency's office for the latest information on credit rating agency's ratings. All information contained herein has been obtained by the credit rating from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'AS IS' without any warranty of any kind, and the credit rating agency in particular, makes no representation or warranty, express or implied, as to the accuracy, timeline or completeness of any such information. All information contained herein must be construed solely as statements of opinion and credit rating agency shall not be liable for any losses incurred by users from any use of this publication or its contents.

#### **DISCLAIMER OF THE DEBENTURE TRUSTEE**

Debenture trustee or their agents or advisers associated with the Issue does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Disclosure Document or shall not have any responsibility to advise any investor or prospective investor in the Debentures of any information available with or subsequently coming to the attention of the debenture trustee, agents or advisors.

The debenture trustee and their agents or advisers associated with the Issue have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by debenture trustee as to the accuracy or any other information provided by the issuer. Accordingly, debenture trustee associated with the Issue shall have no liability in relation to the information contained in this Disclosure Document or any other information provided by the Issuer in connection with the Issue.

Trustees to the Issue are neither a principal debtor nor a guarantor of the Debentures.

**DISCLAIMER BY THE RESERVE BANK OF INDIA:**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MARCH 18, 1998 BEARING REGISTRATION NO. B-13.00361 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.**

**DISCLAIMER IN RESPECT OF JURISDICTION**

The private placement of Debenture is made in India to Individuals, HUF, Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ bye laws to hold debenture in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Information Memorandum does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Information Memorandum comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Mumbai. All information considered adequate and relevant about the Issuer has been made available in this Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

**FORWARD LOOKING STATEMENTS**

All statements in this Disclosure Document that are not statements of historical fact constitute “forward looking statements”. All statements regarding the Issuer’s expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein

to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

Important factors that could cause actual results to differ materially from our expectations include, but not limited to, the following:

- Any increase in the levels of non-performing assets (“NPA”) on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;
- Any volatility in interest rates which could cause our Gross Spreads to decline and consequently affect our profitability;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates or other rates or prices; the performance of the financial and capital markets in India and globally;
- Changes in political conditions in India;
- the rate of growth of our loan assets;
- the outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- Emergence of new competitors;
- Performance of the Indian debt and equity markets;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- The performance of the financial markets in India and globally;
- Our ability to attract and retain qualified personnel.

**DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE INDEX/ PORTFOLIO PERTAINING TO PRINCIPAL PROTECTED SECURED REDEEMABLE NON CONVERTIBLE MARKET LINKED DEBENTURES**

**Standard Risk Factors related to the Reference Index/Portfolio of the AT1 debt securities:**

<b>Name of Security</b>	<b>Issuer Name</b>	<b>ISIN</b>	<b>Allocation</b>	<b>Call date</b>
IDBI BANK LIMITED 11.09% Perpetual	IDBI Bank	INE008A08V34	0%-60%	30-08-2021
IDBI BANK LIMITED 10.75% Perpetual	IDBI Bank	INE008A08U84		17-10-2024
ANDHRA BANK LIMITED 10.99% Perpetual	Andhra bank	INE434A08067	0%-55%	05-08-2021
ANDHRA BANK LIMITED 9.55% Perpetual	Andhra bank	INE434A09149		05-08-2021
ORIENTAL BANK 10.95% Perpetual	Oriental bank of commerce	INE141A08050		16-09-2021
BANK OF INDIA LIMITED 11% Perpetual	Bank of India	INE084A08052		08-08-2024
SYNDICATE BANK 11.25% Perpetual 2021	Syndicate Bank	INE667A08062		30-03-2021
AXIS BANK 8.25% Perpetual 2021	Axis Bank	INE238A08427	0%-20%	14-12-2021

11.25% Vijaya bank 30-March-21	Vijaya Bank	INE705A08086	0%-55%	30-03-2021
10.49% Vijaya bank 17-Jan-22	Vijaya Bank	INE705A08094		17-01-2022

Name of Security	Issuer Name	ISIN	Allocation	Call date
SBI LIMITED 8.39% Perpetual 2021	SBI Bank	INE062A08140	0%-100%	25-10-2021
SBI LIMITED 9% Perpetual 2021	SBI Bank	INE062A08124	0%-100%	06-09-2021

Risks involved in investing in AT1 bonds are as follows:

**1) Coupon discretion:**

The bank will have full discretion at all times to cancel distributions/payments in order to meet the eligibility criterion for perpetual debt instruments. On cancellation of distributions /payments these payments will be extinguished and the Bank shall have on obligation to make distributions / payments in kinds as well. Cancellation of discretionary payments will not be an event of default. Bank will have full access to cancelled payments, to meet obligations as they fall due. Cancellation of distributions/payments will not impose any restriction on the Bank except in relation to distributions to common stakeholders. Coupon will be paid out of distributable items. In this context, coupon may be paid out of current year profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of sufficient revenue reserves (those which are not created for specific purposes by Bank) and / or credit balance in profit and loss account, if any. However, payment of coupon on PDIs from the revenue reserves is subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important Banks). The coupon on the bonds shall be non-cumulative. If coupon is not paid or paid at a rate lessor than the coupon rate, the unpaid coupon will not be paid in future years. In the event that the Bank determines that it will be cancelling a payment of coupon on the Bonds, the Bank will notify the Trustee not less than 21 calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.

**2) Call risk:**

- a) Issuer Call: The Issuer may at its sole discretion, subject to Conditions for call and repurchase having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Issuer Call (which notice shall specify the date fixed for exercise of the Issuer Call (the "Issuer Call Date"), may exercise a call on the outstanding Bonds. The Issuer Call, which is discretionary, may or may not be exercised on the tenth anniversary from the Deemed Date of Allotment i.e. the tenth Coupon Payment Date or on any Coupon Payment Date thereafter.
- b) Tax Call: If a Tax Event (as described below) has occurred and continuing, then the Issuer may having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Tax Call or Variation (which notice shall specify the date fixed for exercise of the Tax Call or Variation "Tax Call Date"), may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification. A Tax Event has occurred if, as a result of any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) of India or any change in the official application of such laws, regulations or rulings the Issuer will no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds. RBI will permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds.
- c) Regulatory Call or Variation: If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Regulatory Call or Variation (which notice shall specify the date fixed for exercise of the Regulatory Call or Variation (the "Regulatory Call Date")), may exercise a



call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification. A Regulatory Event is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier I Capital of the Issuer. RBI will permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds.

**3) Loss Absorption:**

**a) Permanent principal write down on PONV Trigger Event:**

If a PONV Trigger Event (as described below) occurs, the Issuer shall:

- (i) notify the Trustee;
- (ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date; and
- (iii) without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI ("PONV Write Down Amount") and subject as is otherwise required by the RBI at the relevant time. The Issuer will affect a write-down within thirty days of the PONV Write-Down Amount being determined and agreed with the RBI. A write-down may occur on more than one occasion. Once the principal of the Bonds have been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue

**b) Temporary write down:**

If a CET1 Trigger Event (as described below) occurs, the Issuer shall: (i) notify the Trustee; (ii) cancel any coupon which is accrued and unpaid to as on the write-down date; and (iii) without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide. and in no case such amount shall be less than the amount required to immediately return the Issuer's Common Equity Tier 1 Ratio (as defined below) to above the CET1 Trigger Event Threshold (as defined below) (the "CET1 Write Down Amount"). Notwithstanding the above, if the RBI has agreed with the Issuer prior to the occurrence of the relevant CET1 Trigger Event that a write-down shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the Common Equity Tier 1 Ratio to a level above the CET1 Trigger Event Threshold that the RBI and the Issuer deem, in their absolute discretion, to be adequate at such time, no CET1 Trigger Event in relation thereto shall be deemed to have occurred. CET1 Trigger Event means that the Issuer's or its group's Common Equity Tier 1 Ratio is: (i) if calculated at any time prior to March 31, 2019, at or below 5.5%; or (ii) if calculated at any time from and including March 31, 2019, at or below 6.125%, (the "CET1 Trigger Event Threshold"); Common Equity Tier 1 Ratio means the Common Equity Tier 1 Capital (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as the case may be) expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as applicable);

These are risks specific to Additional Tier 1 bonds and other risks associated to Fixed Income Securities such as Interest rate risk, prepayment risk, settlement risk, credit risk of downgrade will also apply for these securities.

**Risk factors associated with investing in Fixed Income Securities**

The price of the securities will be affected by changes in the general level of interest rates. The price of the securities is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

Investment in Debt instruments are subject to varying degree of credit risk or default risk (i.e. the risk of an issuer's inability to meet interest and principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic and/ or political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.

Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities.

Different types of fixed income securities in which the Securities would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Securities risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds, are comparatively less risky than AA rated bonds.

**Risk Factors:**

*An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this disclosure document, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.*

**Internal Risk Factors**

- 1. Any increase in the levels of non-performing assets (“NPA”) on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations.**

*Consistent with the growth of our branch network and our product portfolio, we expect an increase in our loan assets. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. As of December 31, 2016, the gross value of NPAs on our books of accounts was NIL of our total loan book. While we believe that we have adequately provided for NPAs to cover known or expected losses which may arise in our asset portfolio, any increase in the level of final credit losses shall adversely affect our business and future financial performance.*

- 2. We may be impacted by volatility in interest rates which could cause our Gross Spreads to decline and consequently affect our profitability.**

*We are exposed to interest rate risks as a result of lending to customers at fixed/ floating interest rates and in amounts and for periods which may differ from our funding sources. While we seek to match our interest rate positions to minimise interest rate risk, we are unable to assure you that significant variation in interest rates will not have an effect on our results of operations. Moreover, volatility in interest rates is sensitive to factors which are beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other such considerations. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent*

*as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest -earning assets, our net interest income and net interest margin would be adversely impacted.*

*There can be no assurance that we will be able to adequately manage our interest rate risk in the future and any significant increase in interest rates would adversely affect our business and results of operations.*

**3. We are subjected to supervision and regulation by the RBI as a systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business.**

*Being an NBFC, the operations of the Company are subject to various regulations prescribed the RBI and other statutory authorities including regulations relating to foreign investment in India. Pursuant to the revised regulatory framework for NBFCs issued by RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on March 09, 2017), the Company has been classified as a Systemically Important Non Deposit Accepting NBFC. Pursuant to the aforesaid circular, among other things, NBFCs will be required to consider a term loan inclusive of unpaid interest as non-performing asset if it is overdue for period of 6 months or more or on which interest amount remained overdue for period of 6 months or more and in respect of demand or call loan which remained overdue for period of 6 months or more from the date of demand or call or on which interest amount remained overdue for period of 6 months or more. Provisions for standard assets has been 0.30 per cent of the loans outstanding by the end of March 2016, 0.35 per cent by the end of March 2017 and 0.40 per cent by end of March 2018. The Company is required to maintain a CAR of 15% besides complying with other Prudential Norms, directions and the requirements under the revised regulatory framework. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected. Further, the RBI's may amend regulations/ guidelines applicable to NBFCs in future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.*

*While the RBI has not provided for any restriction on interest rates that can be charged by non -deposit taking NBFCs but there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.*

**4. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs.**

*The RBI in its notification (No. RBI/2006-07/205/DBOD.No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks' exposure limits on any NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks and thereby increasing the cost of our borrowing.*

*This notification has adversely affected our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.*

**5. Our ability to lend against security of shares may be restricted on account of recent guidelines issued by RBI, which may have a negative impact on our business and results of operation.**

*As per RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on March 09, 2017) has restricted 'Loan against Shares' business undertaken by NBFCs. Some of the requirements of such circular are: a. LTV ratio should not exceed 50%, and shall be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share price shall be made within 7 working days, b. In case where lending is done for investment in capital market, only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI, and c. to report on-line to stock exchanges, information on the shares pledged in favor of NBFC, by borrowers for availing loans. At this point, we cannot assure you that this notification and its applicability to us will not have a material and adverse effect on our future financial conditions and results of operations.*

**6. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.**

*Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of borrowings such as term loans and working capital limits from banks and issuance of commercial paper, non-convertible debentures on private placement basis and equity on right issue basis. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.*

*The RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on March 09, 2017) issued certain guidelines to NBFCs with respect to raising of money through private placement by them in the form of non - convertible debentures. These guidelines include restrictions on the minimum subscription amount for a single investor of Rs. 20,000, prohibition on providing loan against the security of its own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis. Such changes in laws of the country applicable to our company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.*

**7. The financing industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively.**

*The sector in which we operate is highly competitive and we face significant competition from banks and other NBFCs. Many of our competitors are larger institutions, which may have much larger customer and funding sources, larger branch networks and more capital than we do. Some of our competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our competitors outside of India may have operational advantages in implementing new technologies and rationalizing branches. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.*

*Unlike commercial banks, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher cost syndicated loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks will depend, to some*

extent, on our ability to raise low -cost sources of funding in the future. If we are unable to compete effectively with other participants in the loan against security/property industry, our business, future financial performance and the trading price of the NCDs may be adversely affected.

- 8. We are dependent on IIFL Wealth Group, for our clientele, goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of IIFL Wealth Group may have a concurrent adverse effect on our business and results of operations.**

We source our clients from IIFL Wealth Group and also significantly benefit from the goodwill that IIFL Wealth Group enjoys in the market. We believe that this goodwill ensures a steady inflow of business. In the event IIFL Wealth Group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. We have entered into formal arrangements for usage of the “IIFL” brand name and logo which is owned by IIFL Holdings Limited. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

- 9. If we are unable to manage our rapid growth effectively, our business and financial results could be adversely affected.**

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

- 10. Our growth will depend on our continued ability to access funds at competitive rates which are dependent on a number of factors including our ability to maintain our credit ratings.**

As we are a “systemically important non-deposit accepting” NBFC and do not have access to deposits, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors including our ability to maintain positive credit ratings. Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, we currently have long term ratings of “PP-MLD (ICRA)AA with stable outlook” from ICRA. In relation to our IPO-Financing and Commercial Paper, we have also received rating of “A1+” from ICRA. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

*Our business depends and will continue to depend on our ability to access diversified funding sources. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business and results of operations.*

**11. We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.**

*We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. Our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.*

**12. We extend margin funding loans, or loans against shares, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.**

*We extend “loans against shares”, or margin funding loans, which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. Recently as per RBI Master Direction NBFC-SI-ND Directions, 2016-RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on March 09, 2017) has restricted ‘Loan against Shares’ business undertaken by NBFCs. Some of the requirements of such circular are: (a) LTV ratio should not exceed 50%, and only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may decrease significantly in value, resulting in LTV to fall below the prescribed limit of 50% and consequential losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. There is little financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.*

**13. We do not own the premises where our branch office(s) is/are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.**

*At present we do not own the premises for our branch office(s). In the event the owner of the premises revokes the consent granted to us or fails to renew the tenancy, we may suffer disruption in our operations.*

**14. We require several licenses and approvals for our business and in the event we are unable to procure or renew them in time or at all, our business may be adversely affected.**

*We require several licenses, approvals and registration in order to undertake our business activities. These registrations include registrations with the RBI as a systemically important non-deposit taking NBFC. We are also*

*required to maintain licenses under various state Shops and Establishment Acts for some of our offices. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.*

**15. A decline in our capital adequacy ratio could restrict our future business growth.**

*Pursuant to the revised regulatory framework for NBFCs issued by RBI, vide its RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on March 09, 2017), all systemically important non-deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items and Tier I capital of 10% by March, 2017. On an unaudited basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 18.14 % as of December 31, 2016, with Tier I capital comprising 17.93% and Tier II Capital comprising of 0.21 %. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.*

**16. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India.**

*We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. Moreover new regulations may be passed that restrict our ability to do business. For example, regulatory restrictions on securitisation may be extended to bilateral assignment transactions, resulting in loss of arbitrage options.*

*We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.*

**17. We are subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.**

*There are restrictive covenants in the agreements we have entered into with our lenders. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.*

**18. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.**

*Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate*

*and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees can be intense. While we have an incentive structure and an ESOP designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.*

**19. We may not be able to successfully sustain our growth plans.**

*In recent years, our growth has been fairly substantial. Our growth plan includes growing our secured lending and expanding our customer base. There can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.*

*We also face a number of operational risks in executing our growth strategy. We have experienced growth in our Mortgage Loans businesses; our branch network has expanded significantly as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of growth of NPAs, fraud risks and regulatory and legal risks.*

*Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.*

**20. Our insurance coverage may not adequately protect us against losses.**

*We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductible s, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.*

*A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co - insurance requirement, could adversely affect our business, financial condition and results of operations.*



**21. Any change in control of our Promoter or our Company may correspondingly adversely affect our operations and profitability.**

**22. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts.**

*We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires among other things, policies and procedures properly to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.*

*Our future success will depend, in part, on our ability to respond to new technological advances and emerging banking and housing finance industry standards and practices on a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will be able to successfully implement new technologies or adapt its transaction processing systems to customer requirements or emerging market standards.*

**23. Our Business is dependent on relationships established through our branch(es) with our clients; any events that harm these relationships including closure of branch(es) or the loss of our key branch personnel may lead to decline in our revenue and profits.**

*Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long -term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no branch manager or operating group of managers contributes a meaningful percentage of the business, the business may suffer materially if a substantial number of branch managers either become ineffective or leave the organization. Such an event could be detrimental to our business and profits.*

**24. Our Company is exposed to many operational risks which could materially impact our business and results of operations.**

*Our Company is exposed to many types of operational risks. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Any failure to mitigate such risks could adversely affect our business and results of operations.*

**25. Our results of operations could be adversely affected by any disputes with employees.**

**26. High levels of customer defaults could adversely affect our business, financial condition and results of operations.**

*We are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.*

**27. Significant fraud, system failure or calamities could adversely impact our business.**

*We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Although we take adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds.*

*We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees and unauthorized transactions by employees. Although we have been careful in recruiting all our employees, we have in the past been held liable for the fraudulent acts committed by our employees adversely impacting our business. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.*

**28. We depend on the accuracy and completeness of information about customers and counterparties which may adversely affect our reputation and business.**

*In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.*

*Moreover, we have implemented KYC norms and other measures, to prevent money laundering. In the event of ineffectiveness of these norms and systems, our reputation, business and results of operations may be adversely affected.*

**29. Inaccurate appraisal of credit may adversely impact our business.**

*We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.*

**30. We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflict of interest.**

*Our Company enters into transactions with the related parties in the ordinary course of business pursuant to the applicable provisions of the Companies Act, 2013. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties.*

**31. Our Group Companies may be subject to certain legal proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business and results of operations may be adversely affected.**

*Our group companies may be subject to a number of legal proceedings. We may incur a substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we shall be successful in any or all of these actions. In the event we suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations*

**External Risk Factors:**

**32. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.**

*Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products, or increase the cost to provide such products.*

*Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.*

**33. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.**

*We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.*

**34. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.**

*Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.*

*India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.*

**35. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.**

*India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon in 2012 affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.*

**36. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.**

*Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.*

**37. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.**

*There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.*

*Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.*

*The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.*

**38. Companies operating in India are subject to a variety of central and state government taxes and surcharges.**

*Tax and other levies imposed/to be imposed by the central and state governments in India that affect our tax liability include: (i) central and state taxes and other levies; (ii) income tax; (iii) value added tax; (iv) turnover tax; (v) service tax; (vi) stamp duty; (vii) GST and (viii) other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a Direct tax code is proposed to be introduced in the Indian Parliament.*

*The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 33.99 %. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.*

**39. Financial instability in other countries could disrupt our business.**

*The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.*

*In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there is any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.*

**40. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.**

*In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Prospectus.*

*Further, as per RBI Circular No. Ref. No: RBI/ 2011-12/423 A.P. DIR Series Circular No 89 dated March 1, 2012 a requirement exists in case of FII investment into "To be Listed" debt securities where, in case the NCDs are not listed within 15 days of issuance to the FII or sub accounts and Eligible QFIs, the FII, Subaccounts of FIIs and/or the QFIs shall immediately dispose of the NCDs either by way of sale to a third party or to the Issuer and Issuer shall immediately redeem/ buyback the said securities from the FII/ sub accounts of FII's/ QFI's in such eventuality. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchange in a timely manner, or at all.*

**41. Foreign Investors, including NRIs, QFIs and FIIs subscribing to the NCDs are subject to risks in connection with (i) exchange control regulations, and, (ii) fluctuations in foreign exchange rates.**

*The NCDs will be denominated in Indian rupees and the payment of interest and Redemption Amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the NCDs held by NRIs, QFIs and FIIs (Exchange Control Regulations). The amounts payable to NRIs, QFIs and FIIs holding the*

*NCDs, on redemption of the NCDs and/or the interest paid/payable in connection with such NCDs would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such NRIs, QFIs and FIIs to convert such amounts into other currencies, in a timely manner or at all.*

*Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realized by NRIs, QFIs and FIIs on redemption or payment of interest on the NCDs by us.*

**42. The offering of NCDs to FIIs, QFIs and NRIs is subject to restrictions imposed by jurisdictions where such investors are resident in and of laws to which they are otherwise subject to.**

*FIIs, QFIs and NRIs who intend to participate in the Issue must comply with the laws, rules and regulations of the jurisdiction they are resident in and laws, rules and regulations to which they are otherwise subject to in connection with the purchase and sale of NCDs. No offer or sale of NCDs, pursuant to this Prospectus or otherwise, is being made in the United States or any other jurisdiction where it is unlawful to do so.*

*The NCDs have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions. The NCDs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. No offers or sales of the NCDs are being made in the United States. Further, any person making or intending to make an offer of the NCDs within the European Economic Area (“EEA”) should only do so in circumstances in which no obligation arises for the Issuer to produce a Prospectus in such jurisdiction for such offer. Such persons shall refer to the specific Disclaimer as displayed in Company’s website in this regard.*

**Product related risk factors:**

**(a) The composition of the securities underlying the Reference Index to which a Debenture may be linked may change over time.**

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Registered Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Registered Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

**(b) Disclaimer in relation to Valuation.**

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent’s computation of the valuation which may in turn be based on several assumptions.

The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will

not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different.

### **Structure Risks**

**PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.**

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the final Redemption Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final Redemption Date. The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the final Redemption Date. Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

### **Model Risk**

Investment in the Debentures is subject to model risk. The Debentures are created on the basis of complex

mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

### **Credit Risk**

While, the repayment of sums due at maturity is provided by the Issuer, Investors should be aware that receipt of any coupon payment and principal amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and Investor may or may not recover all or part of the Principal Amount in case of default by the Issuer. Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

### **Risks relating to Debentures due to linkages to the reference asset**

An investment in any series of Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the foregoing, a “**Reference Value**”) will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula. The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Final Maturity Date.

If so specified, the early redemption amount, if any, may in certain circumstances be determined by the Valuation Agent based upon the market value of the Debentures less any costs associated with unwinding any hedge positions relating to the particular series of Debentures. In the event the terms and conditions do not provide for a minimum redemption amount even in the event of an early redemption, then on such occurrence a holder may receive less than 100.00% of the principal amount. In case of principal/capital protected market linked debentures, the principal amount is subject to the credit risk of the Issuer whereby the Registered Debenture Holder may or may not recover all or part of the funds in case of default by the Issuer. However, if the Debentures are held till the final maturity date, subject to credit risk of the Issuer, the Registered Debenture Holder of the Debenture will receive at least the principal amount.

The Debentures are likely to be less liquid than conventional fixed or floating rate debt instruments. No representation will be made as to the existence of a market for a series of Debentures. While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the



remaining term and outstanding principal amount of the particular series of Debentures, the level of the Reference Value, fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold any series of Debentures for an indefinite period of time or until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

**No Claim against reference asset**

Registered Debenture Holders do not have any interest in or rights to the underlying assets, indices or securities to which Debentures relate.

**DEFINITION/ ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
“Issuer”, “the Company” and “our Company”	IIFL Wealth Finance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934.
Act / Companies Act	The Companies Act, 1956 or the Companies Act, 2013 (such sections which have been notified by the Government) as amended from time to time, whichever is applicable.
AOA / Articles / Articles of Association	Articles of Association of our Company
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof
DIN	Director Identification Number
Equity Shares	Equity shares of face value of Rs.10 each of our Company
IIFL Group	IIFL Holdings Limited and its subsidiaries
MIS	Management Information System of our Company
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-ND-SI	Non-Deposit Accepting / Holding Systemically Important NBFC
NPA	Non-Performing Asset
Promoter	IIFL Wealth Management Limited
` / Rs./ INR / Rupees	Indian Rupees
Statutory Auditors / Auditors	Deloitte Haskins & Sells LLP
“We”, “us” and “our”	Our Company and/or its Subsidiaries, unless the context otherwise requires

I. Issuer Information

<b>Issuer Name</b>	IIFL Wealth Finance Limited
<b>Registered office &amp; Corporate office</b>	6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Tel.: +91 22 3958 5600 Fax: +91 22 4646 4706 Email: nbfc-compliance@iiflw.com Website: <a href="http://www.iiflwealthfinance.com">www.iiflwealthfinance.com</a>
<b>Date of incorporation</b>	August 31, 1994
<b>Compliance Officer for the Issue</b>	Mr. Manoj Gujran 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Email: manoj.gujaran@iiflw.com Tel.: +91 22 3958 5600 Fax: +91 22 4646 4706
<b>President</b>	Mr. Niraj Murarka 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Maharashtra, India E-mail: niraj.murarka@iiflw.com Tel.: +91 22 3958 5600
<b>Chief Financial Officer</b>	Mr. Mihir Nanavati 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India E-mail: Mihir.Nanavati@iiflw.com Tel.: +9122 39585468
<b>Trustee of the Issue</b>	Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (E), Mumbai-400 051. Mumbai - 400 051 Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 Email: <a href="mailto:vaishali@milestonetrustee.in">vaishali@milestonetrustee.in</a> Website: <a href="http://www.milestonetrustee.in">www.milestonetrustee.in</a>
<b>Registrar of the Issue</b>	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli West , Mumbai 400083 Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
<b>Credit Rating Agency of the Issue</b>	<b>ICRA Limited</b> 1802, 18 <sup>th</sup> floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013
<b>Auditors of the Issuer</b>	<b>Deloitte Haskins &amp; Sells LLP</b> Indiabulls Finance Center Tower 3, 31st Floor,

	Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India
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## II. Directors of the Company

### Details of Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Disclosure Document.

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
<b>Mr. Umang Papneja</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07357053 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 610, Samarth Aangan -2, Off Link Road, Oshiwara, Andheri (West), Mumbai – 400 053	40	Appointed as Director on February 13, 2016	NIL
<b>Mr. Shantanu Rastogi</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 06732021 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 3601/02, Tower 2, Planet Godrej, 30 KK Marg, Sastrasta, Jacob Circle, Mahalaxmi, Mumbai - 400011	37	Appointed as Director on July 26, 2016	1. IIFL Wealth Management Limited 2. House of Anita Dongre Limited
<b>Mr. Himanshu Jain</b> <b>Designation:</b> Whole Time Director <b>DIN:</b> 02052409 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat no. 701-702, A- Wing, Julian Alps, Bhakti Park, Sion Wadala Link Road, Wadala, Mumbai-400037	41	Appointed as Director on October 04, 2016	NIL
<b>Mr. Yatin Shah</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 03231090 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 51, Kedia Apts, 29F, Dongarsi Road, Walkeshwar, Mumbai 400006	40	Appointed as Director on October 04, 2016	1. IIFL Wealth Management Limited 2. IIFL Investment Adviser and Trustee Services Limited 3. India Alternatives Investment Advisors Private Limited 4. IIFL Alternate Asset Advisors Limited 5. IIFL Distribution Services Limited 6. Naykia Realty Private Limited 7. Probability Sports LLP
<b>Mr. P. Vijaya Bhaskar</b> <b>Designation:</b> Independent Director <b>DIN:</b> 06629884 <b>Nationality:</b> Indian <b>Occupation:</b> Service	60	Appointed as Independent Director on December 23, 2016	1. Gmr Aero Technic Limited 2. Kakinada Sez Limited 3. Gmr Aerospace Engineering Limited 4. Gmr Hotels And Resorts

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
<b>Address:</b> A-701, Navratan CHS, Mahakali Caves Road, Andheri(East), Mumbai-400093			Limited 5. Gmr Hyderabad International Airport limited 6. Axis Asset Management Company Limited 7. Aditya Birla Health Insurance Co. Limited 8. Metropolitan Clearing Corporation Of India Limited

*Note: None of the above directors appear in the RBI defaulter list and/or ECGC default list.*

#### **Brief profile/particulars of Directors & Key Managerial Personnel of the Company**

**Mr. Umang Papneja, aged 40 years,** is a Non-Executive Director of our Company. He holds a MMS from JBIMS and has more than 14 years of industry experience across multiple asset classes. His core strengths lie in credit research, fixed income, equity research, fund selection and asset allocation.

**Mr. Shantanu Rastogi, aged 37 years,** is a Non-Executive Director of our Company. He works from General Atlantic's Mumbai office where he focuses on investments in the Internet & Technology, Retail & Consumer and Health care sectors in India. He serves on Board of Directors of House of Anita Dongre Limited and IIFL Wealth Management Limited. He has worked as Principal at Apax Partners. He was a Consultant at McKinsey & Co. in Mumbai.

**Mr. Himanshu Jain, aged 41 years,** is a Chief Executive Officer and the Whole time Director of our Company. He comes with over 18 years of rich experience across capital markets, wealth management and lending business. Over the course of his career, he has focused on consistent delivery of new business launch and growth for several MNC banks – particularly in the NBFC space. While Himanshu was most recently with BNP Paribas, he has spent time with Morgan Stanley, Merrill Lynch and Citigroup. Largely, he has been responsible for the setup, launch and scaling of NBFC business.

**Mr. Yatin Shah, aged 40 years,** is a Non-Executive Director of our Company. Yatin is a Founder Director at IIFL Wealth Management Limited and possesses more than 15 years of experience in equity research and private wealth management. As Non-Executive Director, Yatin focuses on the domestic wealth advisory practice. Under Yatin's leadership, IIFL Wealth Management Limited has emerged as a pre-eminent leader in the domestic private wealth management space, advising more than 8,000 ultra-high-net-worth families. He started his career in equity research with Khandwala Securities, after which he was associated with Kotak's wealth management division.

**Mr. P. Vijaya Bhaskar, aged 60 years,** is an Independent Director of our Company. Mr. P. Vijay Bhaskar is an experienced Central Banker with close to 35 years of experience in policy formulation in the Reserve Bank of India with close to 10 years of working at the top management level and having international exposure as a member of important committees on International Finance. His areas of expertise include banking and non-banking regulation and supervision, understanding of dynamics in domestic and international markets, risk management in financial markets.

**Mr. Mihir Nanavati, aged 49 years,** is a Chief Financial Officer of our Company. Mihir is a Chartered Accountant and holds Master's degree in Financial Management from Mumbai University. He has more than 20 years of experience in financial services organizations and will be responsible for entire Finance Function and related areas for Wealth Group of Companies both Domestic and International.

**Mr. Manoj Gujran, aged 38 years**, is the Company Secretary of our Company. He is an Associate Member of the Institute of Company Secretaries of India. He holds a Graduate Degree in Commerce from the Mumbai University. He has over 9 years of experience in various fields such as Legal, Secretarial, Governance, Compliance, NBFCs, FEMA, due diligence, etc.

**Mr. Raghuvir Mukherji, aged 42 years**, is Chief Risk Officer of IIFL Wealth Group. He is Chartered Accountant and Certified Financial Risk Manager (FRM) from the Global Association of Risk Professionals (GARP), USA. He has more than 17 years of experience of identifying, monitoring and mitigating risks across Mutual funds, AIFs, PMS and Pension Funds business. He will be responsible for the Risk Management function for Wealth Group of Companies both Domestic and International.

**Details of change in directors since last three years:-**

Name of Director	Date of Change	Reason
Mr. Dipak Kumar Mehta	February 13, 2016	Resignation
Mrs. Bhanu Mehta	February 13, 2016	Resignation
Ms. Bhairavi Mehta	February 13, 2016	Resignation
Mr. Kunal Mehta	February 13, 2016	Resignation
Mr. Umang Papneja	February 13, 2016	Appointment
Mr. Shantanu Rastogi	July 26, 2016	Appointment
Mr. Himanshu Jain	October 4, 2016	Appointment
Mr. Yatin Shah	October 4, 2016	Appointment
*Mr. Karan Bhagat	October 4, 2016	Resignation
*Mr. Pankaj Fitkariwala	October 4, 2016	Resignation
*Mr. P. Vijaya Bhaskar	December 23, 2016	Appointment

**\*Note:**

- Karan Bhagat was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- Pankaj Fitkariwala was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- P. Vijaya Bhaskar was appointed as Independent Director on December 23, 2016.

**The auditors of the Company:-**

Name	Address	Auditor since
Deloitte Haskins & Sells LLP	Indiabulls Finance Center Tower 3, 31st Floor, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India	March 21, 2016

**A. Details of change in auditor since last three years:**

Deloitte Haskins & Sells LLP, Chartered Accountants, have been appointed as the Statutory Auditors of the Company with effect from March 21, 2016 to fill the casual vacancy caused due to resignation of M/s. H.V.Vora & Co, Chartered Accountants (registration number 111629W).

- Deloitte Haskins & Sells LLP, Chartered Accountants, have been re-appointed as the Statutory Auditors of the Company with effect from 26<sup>th</sup> July, 2016 from the 22<sup>nd</sup> AGM held on 26<sup>th</sup> July, 2016 till the conclusion of 27<sup>th</sup> AGM, subject to ratification passed by shareholders at each AGM.

III. **A Brief Summary of the Business/ Activities of the Issuer and its Line of Business:**

**Overview**

We are a systemically important non-deposit taking NBFC focusing on Capital Market Finance and Mortgage Financing. We are a subsidiary of IIFL Wealth Management Limited, a diversified financial services company. We offer a broad suite of lending and other financial products to our corporate clients. Our lending and other financial products include:

- **Capital Market Finance**, which includes Loans against Securities, Margin Funding, and IPO financing and other structured lending transactions.
- **Mortgage Loans**, which includes Mortgage Loans focusing mainly on Loans against property.

We received a certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 from the Reserve Bank of India for carrying on activities of a Non-Banking Financial Company.

Our Capital Market Finance business is sourced through direct sales, branch network, and wealth teams of IIFL Group.

**Details of default, if any, including therein the amount involved, duration of default and present status in repayment of:**

a) Statutory Dues: As per audited financials, our Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues with the appropriate authorities, where applicable. There are no undisputed statutory dues as on March 31, 2016, which are outstanding for a period exceeding six months from the date they became payable.

b) Debentures and interest thereon – NIL

c) Deposits and interest thereon – NIL

d) Loan from any bank or financial institution and interest thereon – NIL

A summary of our key operational and financial parameters for the last three completed financial years, are as follows:

**Issuer Company's Key Operational and Financial Parameters Consolidated**

*(Rs in Million)*

For Financial Entities	Upto latest H1 ended Sept 2016	FY16	FY 15	FY14
		(Audited)	(Audited)	(Audited)



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Net worth	9,387.41	9018.75	10.34	9.84
Total Debt	25,551.92	-	-	-
of which –				
- Non Current Maturities of Long Term Borrowing	3878.50	-	-	-
- Short Term Borrowings	20657.92	-	-	-
- Current Maturities of long Term Borrowings	1015.50	-	-	-
Net Fixed Assets	3.51	-	0.32	0.38
Non-Current Assets	9052.74	281.00	2.75	2.60
Cash and Cash Equivalents	779.23	541.02	0.58	0.20
Current Investments	7908.99	7192.10	1.86	2.47
Current Assets	17615.06	1009.52	5.60	4.36
Current Liabilities	289.01	4.89	0.71	0.09
Assets Under Management *	22403.76	1007.73	-	-
Off Balance Sheet Assets	-	-	-	-
Interest Income	1136.34	3.04	-	-
Interest Expense	704.94	-	0.00	-
Provisioning & Write-offs	80.37	4.96	-	-
Profit before tax	561.27	38.09	0.53	0.50
Provision for tax	192.61	20.68	0.03	0.04
Profit after tax (PAT)	368.66	17.41	0.51	0.46
Gross NPA (%)	-	-	-	-
Net NPA (%)	-	-	-	-
Tier I Capital Adequacy Ratio (%)	27.36	106.32	-	-
Tier II Capital Adequacy Ratio (%)	0.23	0.04	-	-
Gross Debt: Equity Ratio of the Company:-		FY16	FY15	FY14
As on March 31, 2016	-	0:1	-	-
As on December 31, 2016 #	-	4.68:1	-	-
After the issue of proposed debt securities **	-	5.56:1		
Total Debt after new issue (Rs. In Millions) ***	-	25000.00	-	-
Dividend Declared (standalone basis)	-	-	-	-
Interest coverage ratio	-	-	-	-

# Calculation of Debt Equity ratio after the Issue = (Total Debt as on 31.12.16 + current Issue Size) / Net worth as on 31.12.2016.

\* Assets under Management comprises of only Loan Book.

\*\* Based on the proposed issue of Secured Non-Convertible Debentures of Rs.912.18 Crores.

\*\*\* Total Debt includes the Debt Issue Size of Rs.2500 crore to be raised through issue of Privately Placed Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures specified in this Disclosure Document.

**A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY:<sup>44</sup>**

**Statement of Reformatted Unconsolidated Assets and Liabilities**

***(Rs in Million)***

Particulars	As at March 31 <sup>st</sup> , 2016	As at `March 31 <sup>st</sup> , 2015	As at March 31 <sup>st</sup> , 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2521.16	7.28	7.28
(b) Reserve and Surplus	6497.59	3.07	2.56
<b>(2)Share application money pending allotment</b>	-	-	-
<b>(3)Non-Current Liabilities</b>			
(a)Long-term borrowings	-	-	-
(b)Deferred tax liabilities (Net)	-	0.06	0.07
(c)Other Long-term liabilities	-	-	-
(d)Long-term provisions	-	-	-
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	-	-	-
(b) Trade payables	0.72	0.68	0.03
(c) Other current liabilities			
-Borrowings			
-Others	0.05	-	
(d) Short-term provisions	4.12	0.03	0.06
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>9023.64</b>	<b>11.12</b>	<b>10.00</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	-	0.32	0.38
(ii)Intangible assets	-	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	280.00	2.75	2.60
(c) Deferred tax assets(Net)	1.00	-	-
(d) Long-term loans & advances			
-Loans	-	-	-
-Others	-	-	-
(e) Other non-current assets	-	-	-
<b>(2) Current assets</b>			
(a) Current investments	7192.10	1.86	2.47
(b) Inventories	-	3.67	2.40
(c) Trade receivables	-	1.94	1.94
(d) Cash and Bank balances	541.02	0.58	0.20
(e) Short-term loans & advances			
-Loans	1007.73	-	
-Others	0.17	0.00	0.01
(f) Other current assets	1.62	-	
<b>TOTAL ASSETS</b>	<b>9023.64</b>	<b>11.12</b>	<b>10.00</b>

## Statement of Reformatted Unconsolidated Profit &amp; Losses

*(Rs.in Million)*

Particulars	2015-2016	2014-2015	2013-2014
<b>Revenue</b>			
Revenue from operations	73.68	0.45	0.85
Other Income	0.25	0.36	0.13
<b>Total Revenue</b>	<b>73.93</b>	<b>0.81</b>	<b>0.98</b>
<b>Expenses</b>			
Employee benefit expenses	-	-	-
Finance cost	-	0.00	-
Depreciation & amortization expenses	-	0.06	0.03
Other expenses	35.84	0.22	0.45
<b>Total Expenses</b>	<b>35.84</b>	<b>0.28</b>	<b>0.48</b>
<b>Profit/(Loss) before tax</b>	<b>38.09</b>	<b>0.53</b>	<b>0.50</b>
<b>Tax expenses :</b>			
Current tax expense for current year	21.85	0.03	0.05
Deferred tax	(1.06)	(0.01)	(0.01)
Fringe benefit tax	-	-	-
Current tax expense relating to prior years	(0.11)	0.00	-
<b>Total tax expense</b>	<b>20.68</b>	<b>0.02</b>	<b>0.04</b>
<b>Profit (loss) for the period</b>	<b>17.41</b>	<b>0.51</b>	<b>0.46</b>

## Statement of Reformatted Unconsolidated Cash Flows

(Rs. in Million)

Particulars	2015-2016	2014-2015	2013-2014
Net profit before taxation, and extraordinary item	38.09	0.53	0.50
<b>Adjustments for:</b>			
Depreciation	-	0.06	0.03
Provision for Old Debtors	1.93	-	-
Provision for Standard Loans	3.02	-	-
Profit on Sale of Investments	(7.99)	(0.19)	(0.60)
Dividend Income	(0.12)	(0.36)	(0.13)
<b>Operating profit before working capital changes</b>	<b>34.93</b>	<b>0.03</b>	<b>(0.21)</b>
(Increase)/ Decrease in Current/Non-Current Assets	(1018.87)	(1.30)	(1.61)
Increase/ (Decrease) in Current/Non-Current Liabilities	3.12	0.69	0.04
<b>Cash generated from operations</b>	<b>(980.82)</b>	<b>(0.58)</b>	<b>(1.77)</b>
Tax (Paid) / Refund	(20.68)	(0.04)	(0.04)
<b>Net cash from operating activities [ A ]</b>	<b>(1001.50)</b>	<b>(0.62)</b>	<b>(1.81)</b>
Purchase/(Sale) of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	0.32	-	-
Purchase/Sale of current and Non-Current investments	(7459.50)	0.64	(2.25)
<b>Net cash from investing activities [ B ]</b>	<b>(7459.18)</b>	<b>0.64</b>	<b>(2.25)</b>
Dividend Income	0.12	0.36	0.13
Share issue expenses			
Proceeds of issue of share Capital/Premium	8991.00	-	-
Proceeds from long term borrowings#			
Proceeds from short term borrowings#			
Repayment of short term borrowings#			
<b>Net cash used in financing activities [ C ]</b>	<b>8991.12</b>	<b>0.36</b>	<b>0.13</b>
<b>Net increase in cash and cash equivalents [ A+B+C ]</b>	<b>530.44</b>	<b>0.38</b>	<b>(3.93)</b>
<b>Opening Cash and cash equivalents</b>	<b>0.58</b>	<b>0.20</b>	<b>4.13</b>
<b>Closing Cash and cash equivalents</b>	<b>531.02</b>	<b>0.58</b>	<b>0.20</b>
<b>Add; Earmarked Fixed Deposits</b>	<b>10.00</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>541.02</b>	<b>0.58</b>	<b>0.20</b>

# Represents net amount due to transaction volume

## Please refer to the details mentioned at the foot of this clause

**Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Issuer:**

NIL

## **Our Corporate Structure**

**\*Based on equity share capital holding.**

**A brief history of the Issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.**

**Corporate profile**

Our Company was originally incorporated on August 31, 1994 as a public limited company under the provisions of the Companies Act, 1956 as Chephis Capital Markets Limited. A fresh certificate of incorporation consequent to the change of our name to IIFL Wealth Finance Limited was granted to our Company on March 12, 2016 by the RoC, Maharashtra, Mumbai.

Our Company has obtained a certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act. Based on the revised regulatory framework prescribed by RBI for NBFCs, our Company was classified under the category “**Loan Company-Non Deposit Accepting**” and is a systemically important non-deposit taking NBFC.

**Change in registered office of our Company**

The registered office of our Company was changed from 1<sup>st</sup> floor, Sun Beam Chambers, S7 – C, New Marine Lines, Mumbai - 400020, Maharashtra, India, to 6<sup>th</sup> floor, IIFL Centre, Kamala City, Lower Parel, Mumbai – 400 013, Maharashtra, India with effect from February 13, 2016.

**Main objects of our Company**

The main objects of our Company as contained in our Memorandum of Association are:

- (1) To carry on financing business and perform lending and financing services, both short term and long term, including but not limited to capital market financing, loan against property and factoring, by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities.
- (2) To carry on and transact in India or elsewhere in any manner whatsoever, the business to establish, organize, manage, distribute, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize all kinds of insurance business including but not limited to Life, Non-life, General, indemnity or guarantee business of all kinds, classes, nature and description, fire, marine, aviation, transit, motor vehicles, engineering, accident, including rural, livestock, crop insurance, miscellaneous insurances and all branches of the above classes and also the business of insurance against war, riots, strikes, terrorism, civil commotion, loss of profits, health, other contingencies and insurances covering any liability under any law, convention or agreement and to act as corporate agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to general insurance business.

**CAPITAL STRUCTURE**

**Details of share capital**

*The share capital of our Company as at date of this Disclosure Document is set forth below:*

Share Capital	In Rs.
<b>Authorised Share Capital</b>	
300,000,000 equity shares of Rs. 10 each	3,000,000,000
<b>Total Authorised Share Capital</b>	<b>3,000,000,000</b>
<b>Issued, Subscribed and Paid-up share capital</b>	
26,24,49,733 Equity Shares of Rs. 10 each	2,624,497,330
<b>Total Issued, Subscribed and Paid-up share capital</b>	<b>2,624,497,330</b>

Capital Structure	In Rs.
Paid up capital:	2,624,497,330
After the offer	Unchanged
(ii) After conversion of convertible instruments	N.A
(iii) Share premium account (before and after the offer)	Unchanged

**Note:** Increase in issued, subscribed and paid up share capital is by issue and allotment of 10,333,333 equity shares to IIFL Wealth Management Limited at face value of Rs. 10 per share and having issue price of Rs. 60 per share.

**Changes in the authorized capital of our Company as on December 31, 2016:**

Date of Approval	Authorised Share Capital (in Rs.)	Particulars
-	12,500,000	Authorised Share Capital of our Company on incorporation as mentioned in Clause V of the Memorandum of Association was Rs. 12.50 million divided into 1,250,000 Equity Shares of Rs.10 each.
February 13, 2016 (EGM)	3,000,000,000	Increase of Authorised Share Capital, by creation of 298,750,000 new Equity Shares of Rs.10 each. The revised Authorised Share Capital stood at Rs. 3000 Million comprising of 300,000,000 Equity Shares of Rs. 10 each.

**Equity Share Capital History of our Company as on December 31, 2016:**

Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in Rs.)	Cumulative Equity Share Premium (in Rs.)
August 31, 1994	700	10	10	Cash	Initial subscription to MoA	700	7,000	-
January 31, 1995	745,000	10	10	Cash	Issue of Equity Shares to Dipak Mehta, Bhanu Mehta, Harshada Mehta, Deven Mehta, Bhairavi Mehta, Gunial Mody, Pratap Mody, Deepak Gamanlal (HUF), Kunal Mehta and Gamanlal	745,700	7,457,000	-



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Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in Rs.)	Cumulative Equity Share Premium (in Rs.)
					Prataprai (HUF)			
October 15, 1996	481,878	10	10	Cash	Issue of Equity Shares to Dipak Mehta, Bhanu Mehta, Deven Mehta, Bhairavi Mehta, Gunial Mody, Deepak Gamanlal (HUF) and Kunal Mehta	1,227,578	12,275,780	-
March 8, 2004	2,70,067	10	10	Cash	Buy Back of Equity Shares	9,57,511	95,75,110	-
August 22, 2005	2,30,000	10	10	Cash	Buy Back of Equity Shares	7,27,511	72,75,110	-
February 15, 2016	22,222,222	10	22.5	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	22,949,733	229,497,330	277,777,775
February 25, 2016	140,000,000	10	22.5	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	162,949,733	1,629,497,330	2,027,777,775
March 30, 2016	89,166,667	10	60	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	252,116,400	2,521,164,000	6,486,111,108
December 01, 2016	10,333,333	10	60	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	262,449,733	2,624,497,330	516,666,650

**Notes:****Details of any acquisition, amalgamation, reorganization or reconstruction in the last 1 year.**

There has been no acquisition or amalgamation or reorganization or reconstruction in the last one year with respect to our Company. IIFL Wealth Management Limited has acquired 100% equity share capital of the Company on February 13, 2016.

**V. Shareholding Pattern****Shareholding pattern of Equity Shares of our Company as on December 31, 2016:**

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1	IIFL Wealth Management Limited	262,449,727	262,449,727	100.00	Nil
2	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
3	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
4	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
5	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
6	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
7	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
	<b>Total</b>	<b>262,449,733</b>	<b>262,449,733</b>	<b>100.00</b>	<b>Nil</b>

*Note: No shares are pledged or encumbered by the promoter, i.e., IIFL Wealth Management Limited.*

**Shareholding pattern of Total Equity Share Capital of the Company as on December 31, 2016:**

Sr. No.	Name of the Shareholder	Total number of Equity Shares of face value Rs. 10/-	Total Equity Share Capital (In Rs.)	Number of equity shares held in dematerialized form	Total equity shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Wealth Management Limited	262,449,727	262,449,7270	262,449,727	100.00	Nil
2.	Karan Bhagat (Nominee Shareholder)	1	10	1	0.00	Nil

	of IIFL Wealth Management Limited)					
3.	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
4.	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
5.	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
6.	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
7.	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
<b>Total</b>		<b>262,449,733</b>	<b>2,624,497,330</b>	<b>262,449,733</b>	<b>100.00</b>	<b>Nil</b>

**Top 10 holders of Equity Shares of our Company as on December 31, 2016:**

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Wealth Management Limited	262,449,733	262,449,733	100.00	Nil
	<b>Total</b>	<b>262,449,733</b>	<b>262,449,733</b>	<b>100.00</b>	<b>Nil</b>

**IV. Issue Size:**

Under the purview of current document, the Company intends to raise by way of Debentures, an amount aggregating upto Rs.30 Crore being Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures.

**Details of utilization of the issue proceeds**

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used, subject to applicable statutory and/or regulatory requirements, for various financing activities including onward lending and for the business operations including the general corporate purposes and working capital requirements.

**Project cost and means of financing, in case of funding of new projects:**

Not applicable

**V. Details of Borrowings:****A. Details of borrowings of the Company as on December 31, 2016:-**

(i) Details of Secured Loan Facilities as on December 31, 2016:-

Lenders Name	Type of facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule	Security
HDFC Bank Limited	OD against FD	90 lacs	NIL	Scheduled Annually	Fixed Deposit
ICICI Bank Limited	OD against FD	90 Crores	NIL	Scheduled Annually	Fixed Deposit
Indusind Bank Limited	OD against FD	133 Crores	NIL	Scheduled Annually	Fixed Deposit

(ii) Details of Unsecured Loan Facilities as on December 31, 2016:-

Lenders Name	Type of facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
NIL				

(iii) Details of Secured Non-Convertible Debentures as of December 31, 2016:

Debentures Series	Tenor (months)	Coupon (%)	Amount (Rs. In Crores)	Date of allotment	Redemption date/schedule	Credit Rating
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EWFEC107-190717	14	10.70%	9.85	19-May-16	19-Jul-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1426-201117	18	14.26%	13.00	19-May-16	20-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1434-201117	18	14.34%	15.00	19-May-16	20-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1457-201117	18	14.57%	50.00	19-May-16	20-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-190619	37	32.30%	13.00	19-May-16	19-Jun-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFHR500-211019	41	50%	20.95	19-May-16	21-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107-240717	14	10.70	5.55	24-May-16	24-Jul-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1426-241117	18	14.26	10.00	24-May-16	24-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-240619	37	32.30	14.07	24-May-16	24-Jun-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFHR500-251019	41	50.00	23.45	24-May-16	25-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1072-260717	14	10.72	10.00	26-May-16	26-Jul-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-260619	37	32.30	7.50	26-May-16	26-Jun-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1424-11217	18	14.24	0.75	1-Jun-16	1-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107-20817	14	10.70	33.85	2-Jun-16	2-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-30719	37	32.30	5.00	2-Jun-16	3-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFFC1426-41217	18	14.26	3.75	2-Jun-16	4-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFHR500-41119	41	50.00	11.18	2-Jun-16	4-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107-140817	14	10.70	4.25	14-Jun-16	14-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-150719	37	32.30%	17.15	14-Jun-16	15-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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EWFFC1426-151217	18	14.24	7.43	14-Jun-16	15-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEF1602-160218	20	16.02	25.00	16-Jun-16	16-Feb-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEF1087-7-210817	14	10.88	15.00	21-Jun-16	21-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEF3803-201219	42	38.03	5.00	21-Jun-16	20-Dec-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEF107-230817	14	10.70	4.05	23-Jun-16	23-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEF323-230719	37	32.38	2.90	23-Jun-16	23-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC142-221217	18	14.18	0.30	23-Jun-16	22-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFHR-1500-281119	41	50.00	4.54	28-Jun-16	28-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEF107-300817	14	10.7	7.85	30-Jun-16	30-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC142-291217	18	14.18	3.25	30-Jun-16	29-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEF323-300719	37	32.38	3.00	30-Jun-16	30-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFHR-1500-301119	41	50.00	2.00	30-Jun-16	29-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC2015-160718	24	20.15	20.00	15-Jul-16	16-Jul-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEF1073-220917	14	10.73	3.00	22-Jul-16	22-Sep-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEF3231-220819	37	32.31	1.00	22-Jul-16	22-Aug-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEF985-300817	13	9.85	16.00	28-Jul-16	30-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-20818	24	19.35	15.00	2-Aug-16	2-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1058-40817	14	10.58	11.28	4-Aug-16	4-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-40818	24	19.35	2.00	4-Aug-16	4-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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HEC3175-40919	37	31.75	5.40	4-Aug-16	4-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HWFEC1082-41017	14	10.82	5.00	4-Aug-16	4-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1058-101017	14	10.58	10.00	10-Aug-16	10-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175-110919	37	31.75	10.00	11-Aug-16	11-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1933-170818	24	19.33	1.50	18-Aug-16	17-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175-230919	37	31.75	1.00	23-Aug-16	23-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-230818	24	19.35	5.00	23-Aug-16	23-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175-300919	37	31.75	4.80	30-Aug-16	30-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-300818	24	19.35	8.25	30-Aug-16	30-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC3172-151019	37	31.72	6.30	15-Sep-16	15-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933-140918	24	19.33	3.25	15-Sep-16	14-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933-210918	24	19.33	3.00	22-Sep-16	21-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933-280918	24	19.33	7.00	29-Sep-16	28-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC3172-291019	37	31.72	2.00	29-Sep-16	29-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEC3175-141119	37	31.75	2.75	14-Oct-16	14-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY875-40518	18.5	13.78	45.00	19-Oct-16	4-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY900-40518	18.5	14.19	19.40	19-Oct-16	4-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY900-60518	18.5	14.19	1.50	21-Oct-16	6-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY860-110518	18.5	13.55	1.00	27-Oct-16	11-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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JEY875-110518	18.5	13.76	2.00	27-Oct-16	11-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
KEY860-170518	18.5	13.52	10.00	2-Nov-16	17-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-1	120	128.72	47.00	9-Nov-16	6-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-2	120	128.72	37.00	11-Nov-16	10-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-2A	120	128.72	12.00	11-Nov-16	10-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-3	120	128.55	47.00	16-Nov-16	13-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-3A	120	128.55	20.00	22-Nov-16	20-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-4	120	128.55	138.97	24-Nov-16	23-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-4A	120	128.55	83.00	24-Nov-16	24-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-5	120	128.55	59.00	30-Nov-16	27-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-5A	120	128.55	13.00	30-Nov-16	27-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-6	120	128.55	104.10	2-Dec-16	1-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-7	120	129.8	116.00	6-Dec-16	4-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-8	120	129.8	92.00	7-Dec-16	4-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-9	120	129.8	71.00	9-Dec-16	8-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-10	120	133.62	42.65	14-Dec-16	10-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-1	84	69.09	34.50	16-Dec-16	15-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-11	84	69.09	27.90	20-Dec-16	16-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-2	120	112.35	1.00	20-Dec-16	19-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook



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IFPD-11A	120	132.00	6.00	21-Dec-16	17-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-3	84	69.09	2.00	29-Dec-16	28-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-13	120	133.62	62.65	29-Dec-16	24-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

**Note:** Your Company has issued Secured Redeemable Non-convertible Market Linked Debentures of Rs.1732.52 Crore as on February 10, 2017.

**(iv) Details of Unsecured NCDs as of December 31, 2016:**

Debenture Series	Original Tenor (days)	Coupon / Yield	Amount (In Rs. Million)	Date of Allotment	Redemption Date	Credit Rating
NIL						

**(iv-a) List of Top 10 Debenture holders as on December 31, 2016:-**

Name of Debenture Holders	Amount (Rs. In Lakhs)
Quikr India Private Limited	5500
Jyotiprasad Taparia Huf	5000
Vardhman Textiles Ltd	5000
E C E Industries Ltd	3000
Anjan Kumar Roy	3000
Aruna Taparia	3000
Urmiladevi Taparia	2900
J K Lakshmi Cement Limited	2500
Techpro Ventures LLP	2500
Shringarika Finance And Leasing Pvt Ltd	2200
<b>Total</b>	<b>34600</b>

**(v) Details of Commercial Paper Outstanding as on 31st December 2016:**

The total face value of commercial paper outstanding as on December 31, 2016 and its breakup as per following table:-

Maturity Date	Amount (Rs. in crores)
27-Jan-17	50.00
30-Jan-17	250.00
03-Feb-17	100.00
06-Feb-17	130.00
07-Feb-17	270.00
09-Feb-17	300.00
13-Feb-17	225.00
15-Feb-17	200.00
16-Feb-17	300.00
17-Feb-17	250.00
20-Feb-17	200.00
21-Feb-17	175.00
22-Feb-17	100.00
23-Feb-17	250.00
27-Feb-17	100.00
28-Feb-17	200.00
10-Mar-17	50.00
20-Mar-17	75.00
13-Apr-17	25.00
<b>TOTAL</b>	<b>3,250.00</b>

**Note:** Your Company has issued Commercial Paper (Outstanding) of Rs. 7,325 Crore as on March 14, 2017.

- (vi) Details of Rest of the borrowing (including any hybrid debt like FCCB, Optionally Convertible Debentures, and Preference Shares): Your Company has issued Rs. 150 Crores Perpetual Non-Convertible Debentures as on March 02, 2017.

**B.** Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years: NIL

**C.** Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: NIL

The Company confirms that currently it does not have any outstanding borrowing taken or currently it has not issued debt securities for consideration other than cash, whether in whole or in part; at a premium or discount; or in pursuance of an option.

#### **VI. Details of the Promoter:**

Our Promoter is IIFL Wealth Management Limited. IIFL Wealth Management Limited (“IIFLW”) was originally incorporated on 17<sup>th</sup> January 2008 at Mumbai. It has a net worth of Rs. 11,365.60 million as on March 31, 2016 and PAT of Rs. 1,034.06 million for FY 2015-16. It has a consistent profitability track record over past 7 years. IIFLW is registered as Portfolio Manager with Securities and Exchange Board of India (SEBI) since May 2008 and registered as a Distributor of Mutual Funds with Association of Mutual Funds in India (AMFI) since March 2008. IIFLW provides portfolio management and advisory services and acts as the Wealth Manager to HNIs and corporate clients. IIFLW

also carries on all kinds of distribution services for units of Mutual Funds, Shares, Stocks, Debentures, Bonds, Government Securities, Insurance Products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities & debt instruments. IIFLW has 7 Indian and 8 Overseas Subsidiaries and a strong presence through its subsidiaries in global financial hubs. IIFL Wealth caters to over 8600 families clients through its wealth management platform, advising, distributing and managing Rs. 80,000 Crore assets.

**Details of Promoter Holding in the Company as on December 31, 2016:-**

<b>Name of Promoter</b>	<b>Total Number of Equity Shares</b>	<b>Number of shares in demat form</b>	<b>Total shareholding as % of total no of equity shares</b>	<b>Number of Shares Pledged</b>	<b>% of Shares pledged with respect to shares owned</b>
IIFL Wealth Management Limited	262,449,733	262,449,733	100	NIL	NIL

**VII. Material contract/agreements**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) or documents pertaining to the Issue which are or may be deemed material have been entered or to be entered into by our Company. These contracts or documents which are or may be deemed material have been attached with the listing application and available for inspection at the registered office of our Company.

**Material Contracts:**

1. Agreement with Link Intime India Private Limited appointing it as registrar and transfer agent (RTA).
2. Agreement with Milestone Trusteeship Services Private Limited appointing it as debenture trustee.
3. Debenture Trust Deed to be executed with Milestone Trusteeship Services Private Limited.

**Other Documents:**

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last three years.
3. Certificate of incorporation dated August 31, 1994.
4. Fresh certificate of incorporation dated March 12, 2016 issued by the Registrar of Companies pursuant to change of name of the Company from Chephis Capital Markets Ltd to IIFL Wealth Finance Ltd.
5. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs.10,000 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge passed at the Extra Ordinary General Meeting of the shareholders of the Company held on March 06, 2017. The same has been attached as **Annexure E**.
6. Resolution under Section 42 of the Companies Act, 2013 for offer and issue of Secured Non-Convertible Debentures on private placement basis passed at the Extra Ordinary General Meeting of the shareholders of the Company held on December 01, 2016. The same has been attached as **Annexure F**.
7. Resolution passed by the Debenture Allotment Committee at its meeting held on December 12, 2016 to approve the offer and issue of Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures ("PPMLDs") aggregating to Rs.1000 Crore on private placement basis. The same has been attached as **Annexure G**.
8. Rating letter dated March 15, 2017 and December 05, 2016 from ICRA Limited.
9. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.
10. Consent letter dated December 05, 2016 of Milestone Trusteeship Services Private Limited to act as

Trustee to the Issue.

11. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly/ annual result.

**VIII. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**

To the best of the knowledge and belief of the Company, save and except mentioned hereunder, there has been no material event / development or change having implications on the business of the Issuer at the time of Issue which may affect the Issue or investor's decision to invest or continue to invest in the Issue.

IIFL Holdings Limited (the ultimate holding company of the Promoter of the Issuer Company), wholly owned subsidiary namely India Infoline Commodities Limited ("IICL") is a member of National Spot Exchange Limited ("NSEL") which enabled spot transactions in commodities of behalf of its clients. NSEL as an exchange is responsible for ensuring due settlement of all trades of the clients on the exchange. NSEL vide its circular dated July 31, 2013 had decided to keep on hold the settlement of all outstanding contracts of clients. Ministry of Consumer Affairs, Government of India, vide its gazette notification dated August 6, 2013, had directed that the settlement of all outstanding contracts at NSEL shall be done under the supervision of Forward Market Commission ("FMC") and any order or direction issued by FMC in this regard shall be binding upon NSEL and any person, intermediary or warehouse connected with the NSEL, and for this purpose, the FMC is authorised to take such measures, as deems fit. Subsequently, NSEL had announced a revised settlement schedule vide its circular dated August 14, 2013 for settlement of funds for all outstanding positions of the clients.

The Promoter, IIFL Group or its subsidiary/ies does not have any proprietary positions on NSEL as on July 31, 2013.

In view of engagement of IICL only as a broker enabling clients' transactions on NSEL as well as with the Government of India notifications and FMC communications in this regard, no financial liability may arise on IICL on account of these transactions.

**If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document**

Not Applicable

**IX. Other details of the Issue:**

**I. Undertaking to use a common form of transfer**

The Debentures will be issued in dematerialized form only and there would be no physical holding. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures.

**II. A summary of term sheet including brief information pertaining to the Issue is attached as Annexure A.**

**III. Issue Procedure**

**Listing**

The Debentures of the Company are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE. The Company shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis.

**Minimum Subscription**

As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

**Date of Allotment**

All benefits relating to the Debentures will be available to the investors from the Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Debentures shall be allotted in accordance with the requirements of section 42 of the Companies Act, 2013.

**Underwriting**

The present Issue of Debentures on private placement basis has not been underwritten and no arrangement has been made for the same.

**Interest on Application Money**

Our Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicant to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) whichever is later up to one day prior to the Deemed Date of Allotment, at the rate of at applicable coupon rate per annum. However no interest is to be paid on application amount to the ASBA Applicants.

**Tax Deduction at Source**

Tax as applicable under the provisions of Income Tax Act, 1961, or any other applicable statutory modification or re-enactments thereof will be deducted at source at the time of payment of interest or principal amount.

**Transfer of Debentures**

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) and transferor should take the requisite approvals, including from RBI, as applicable and should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

## **Who can apply**

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures by submitting all the relevant documents along with the application form.

1. Companies and Bodies Corporate (incorporated in India) / Companies / Financial institutions / NBFCs / Statutory Corporations including Public Sector Undertakings
2. Commercial Banks
3. Resident Individuals (including Partnership Firms, and HUF)
4. Regional Rural Banks
5. Insurance Companies
6. Mutual Funds/ Alternative Investment Fund (AIF)
7. SEBI registered Portfolio Managers and foreign institutional investors;
8. Any other investors authorized to invest in these Debentures

In each case, solely in India.

Applications are not to be made by (i) Overseas Corporate Bodies, (ii) Non Resident Indians.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and shall ensure that they are permitted to invest in the Debentures in terms of their constitutional documents.

Although above investors are eligible to apply, only those investors, who are individually addressed through direct communication by the Company are eligible to apply for the Debentures. No other person may apply. Hosting of Disclosure Document on the website of the BSE should not be construed as an offer to public and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

A registered Foreign Institutional Investor (FII) may purchase, on repatriation basis, either directly from the Issuer or through a registered stock broker on a recognized stock exchange in India, the Debentures. In the event of the Debentures issued not being listed within 15 days of issuance, for any reason, then the FII shall immediately dispose of those Debentures either by way of sale to a third party or to the Issuer. Further, the Issuer of the Debentures shall immediately redeem/ buy back the Debentures from the FIIs in such an eventuality.

## **Application by Mutual Funds**

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Debentures in physical form in whole or in part, in either case, without assigning any reason therefor.

### **Applications under Power of Attorney**

A certified true copy of the Memorandum of Association &/ Power of Attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

### **Application by a Portfolio Manager registered with SEBI**

The application should be accompanied by certified true copies of (i) resolution of the Board of Directors, authorizing investment and containing operating instructions, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures along with the authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities

### **Documents to be provided by investors**

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association / Documents governing its constitution
- Resolution authorizing investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the application money.
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- A copy of the Permanent Account Number and registration certificate.
- SEBI registration certificate (for Mutual Funds and FII's).

### **Permanent Account Number**

All Applicants should mention their Permanent Account Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. A copy of the PAN card should be annexed to the application form. Each of the Applicants is required to mention his PAN allotted under the Income Tax Act in the Application Form. The PAN would be the sole identification number for participants transacting in the securities markets, irrespective of the amount of the transaction. Any Application Form without the PAN is liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.

### **Nomination Facility**

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

### **Disputes and Governing law**

The Debentures shall be governed in accordance with the Indian Law. The competent courts at Mumbai alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed/Trustee Agreement.

### Trading of Debentures

The trading of privately placed Debentures would be permitted in standard denomination of Rs. 10 lakhs in the anonymous, order driven system of the Stock Exchange in a separate trading segment. All class of investors would be permitted to trade subject to the standard denomination/marketable lot and further subject to regulatory requirements. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

### Mode of Payment

As set out in Term Sheet.

### Authority for the Placement

The present issue of Debentures is being made pursuant to the resolution of the Shareholders of the Company, passed at its meeting held on December 01, 2016, and the resolution passed by the Debenture Allotment Committee of the Board of Directors of the Company at its meeting held on December 12, 2016. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the Company held on March 06, 2017. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

### Terms of Payment

The full Face Value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) or RTGS or NEFT for the full Face Value of the Debentures applied for.

Face Value Per Debenture	Minimum Application	Amount Payable on Application per Debenture
Rs.100,000	25 debentures and in multiples of 1 debenture	Rs. 25,00,000

### Market Lot

The market lot will be 1 Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

### Payment on Redemption

In case of the Debentures held in demat form, no action is required on the part of the debenture holder(s) at the time of redemption of the Debentures and on the Redemption Date, the redemption proceeds would be paid to those debenture holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The redemption proceeds shall be directly credited through Electronic Clearing Service (ECS), RTGS or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/ demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by the debenture holder(s) or at the address with Depositories' record. Once the redemption proceeds have been credited to the account of the debenture holder(s) or the cheque/demand draft for redemption proceeds



is dispatched to the debenture holder(s) at the addresses provided or available from the Depositories record, the Company's liability to redeem the Debentures on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Debenture(s).

#### **Right to Reissue Debenture(s)**

Where the Company has redeemed or repurchased any Debenture(s), the Company shall have and shall be deemed always to have had the right to keep such Debentures alive without extinguishment for the purpose of resale or reissue and in exercising such right, the Company shall have and be deemed always to have had the power to resell or reissue such Debentures either by reselling or reissuing the same Debentures or by issuing other Debentures in their place. This includes the right to reissue original Debentures.

#### **Transfer/Transmission of Debentures**

The Debentures shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013 as amended. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act, 2013 as amended shall apply, mutatis mutandis, to the extent applicable to Debentures, as well.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories/Company, as the case may be. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with us or Registrar.

#### **List of Beneficial Owners**

The Company shall request the Depository to provide a list of Beneficial Owners as on the Record Date. This list shall be considered for payment of interest or repayment of principal amount, as the case may be.

#### **Debenture Redemption Reserve**

As per the circular of the Ministry of Corporate Affairs No. 04/2013 dated February 11, 2013 and the Companies Act, 2013 and the rules notified thereunder, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank of India under Section 45 IA of the RBI (Amendment) Act 1997.

#### **Notices**

The notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be to the address registered with the Company. All notices to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s), etc., requests for issue of duplicate debentures etc. and/or any other notices / correspondence by the Debenture holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

### **Sharing of Information**

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

### **Registrar**

Link Intime India Private Limited is acting as Registrar and Transfer agents for the Company for the Issue.

### **Trustees for the Debenture holders**

The Company has appointed Milestone Trusteeship Services Private Limited to act as Trustees for the Debenture holders (hereinafter referred to as “Trustees”). A copy of letter from Milestone Trusteeship Services Private Limited conveying their consent to act as Trustees for the Debenture holders is annexed to this Disclosure Document.

1. The Company and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of enforcement of rights of Debenture holders.
3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture holder(s).
4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holder(s).
6. The Debenture Trustee shall ensure disclosure of all material events to the Debenture holders on an ongoing basis.
7. The Trustees will protect the interest of the Debenture holder(s) in the event of ‘Default’ by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.
8. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (Issue and Listing of Debt Security) Regulations, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document, with due care, diligence and loyalty.
9. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same
10. The events of default are set out under the Debenture Trust Deed.

### **Right to Accept or Reject Applications**

The Board of Directors/ Committee of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on Application Money will be paid from the Pay-in Date till one day prior to the Refund Date. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the Minimum Application Size;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic/ dematerialized form not given;
- d. PAN not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;
- f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **How to Apply**

This Disclosure Document is neither a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the investor(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be specifically addressed to the investor(s) by the Issuer.

Only specifically addressed investors may apply for Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Debenture and in multiples of 1 Debenture thereafter. The applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects and should be submitted as instructed. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Unless the Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Application money shall not be accepted in cash. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

### **Debenture holder not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

### **Rights of Debenture holders**

- The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, trustee of holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated

with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.

- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/debenture certificates that will be issued.
- The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders.
- The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of the Company, the terms of this Disclosure Document and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- A register of Debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.
- The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

#### **Trustee for the Issue**

Milestone Trusteeship Services Private Limited  
602, Hallmark Business Plaza,  
Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital  
Bandra (E), Mumbai - 400 051.  
Telephone: +91 22 6716 7080  
Fax: +91 22 6716 7077

#### **Effect of Holidays**

Should any of the dates defined above or elsewhere in this Schedule other than the Deemed Date of Allotment, fall on a Saturday, Sunday or a public holiday, the next Business Day shall be considered as the effective date(s).

1. If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in the city of Mumbai), then the payment of interest will be made on the previous day i.e. a Business Day with interest for the intervening period.

2. In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Mumbai), then the payment due shall be made on previous working day.

**Put / Call Option**

Put/ Call Option will be as set out in the attached Term Sheet.

**Deemed Date of Allotment**

The Deemed Date of Allotment will be as set out in the attached Term Sheet.

**Debentures in dematerialized mode**

The Debentures will be credited in dematerialized form within the statutory time period from the Deemed Date of Allotment.

The Debentures, since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by National Securities Depository Limited (NSDL) and/ or Central Depository Services (India) Limited (CDSL) from time to time and other applicable laws and rules notified in respect thereof.

**Record Date**

Record Date for the Issue will be for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures (PPMLD 15 (fifteen) days prior to the interest payment date/ redemption date on which the determination of the persons entitled to receive coupon/ redemption amount in respect of the Debentures (i.e. the persons whose names are registered in the register of Debenture holders in the NSDL/ CDSL record) shall be made. In case Record Date falls on Sunday / Holiday, the prior Business Day to the said Sunday / Holiday shall be the Record Date.

Interest and/or principal repayment shall be made to the person whose name appears as sole / first in the register of Debenture holders/ beneficiaries on the Record Date. In the event of the Company not receiving any notice of transfer at least 10 days prior to the Maturity Date the transferees for the Debentures shall not have any claim against the Company in respect of interest so paid to the registered Debenture holders.

**Purchase and Sale of Debentures**

The Company may, at any time and from time to time, purchase Debentures at the price available in the Debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

**Future Borrowings**

The Company shall be entitled from time to time to make further issue of debentures or any other instruments to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets, without the consent of or intimation to the Debenture holders or Debenture Trustee.

### **Consents**

Consents in writing of the Registrar to the Issue and Trustees to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of filing this Disclosure Document with the BSE. Such consents have been attached as **Annexure B** and **Annexure C** respectively to this Disclosure Document.

### **Valuation Agent**

The Issuer has appointed ICRA Ltd as the valuation agent. The valuation of these securities will be available on the website of the valuation agent and the Issuer not less than once in a calendar week.

The following fees, in addition to taxes, shall be paid to the Valuation Agent on an annual basis:

(i) Fees: As per term sheet attached (Annexure A).

### **The discount at which such offer is made and the effective price for the investor as a result of such discount.**

The present Issue is not at a discount.

### **Servicing behavior and payment of due interest on due dates on term loans**

As on the date of this Disclosure Document, there has been no default in payment of principal or interest on any existing term loan or debt security issued by the Issuer.

### **Security:**

A Debenture Trust Deed dated December 07, 2016 has been executed between the Issuer and the Debenture Trustee, i.e., Milestone Trusteeship Services Private Limited to create an upfront security to the extent of Rs. 1000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 1000 crore. The said Debenture Trust Deed has been registered with the concerned Registrar. The issuances as per this Disclosure Document to the tune of Rs. 30 crore shall be secured under such debenture trust deed.

**The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities**

The Company has appointed Milestone Trusteeship Services Private Limited as the Trustee for the Issue. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to Milestone Trusteeship Services Private Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Debt Regulations and this Disclosure Documents, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed being entered into between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall duly intimate the Debenture holders on occurrence of any of the following events:

- a) Default by the Company to pay interest on the Debentures or redemption amount; and
- b) Revision of credit rating assigned to the Debentures.

Such information shall also be placed on the websites of the Debentures Trustee, the Company and the Stock Exchange.

Debenture trustee has accorded its consent to act as debenture trustee for the Issue. A copy of such consent has been annexed to this document.

**The rating letter and rating rationale(s) by the rating agencies:**

“PP-MLD[ICRA]AA with Stable Outlook” rating has been assigned by ICRA Limited for Rs.2550 Crore of principal protected equity linked debentures programme of our company. Instruments with PP-MLD [ICRA] AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters ‘PP-MLD’ suffixed to a rating symbol stand for ‘Principal Protected Market Linked Debentures’.

Other than the credit rating mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency (ies) for the debentures offered for subscription under the terms of this Disclosure Document.

The rating provided by ICRA Limited may be suspended, withdrawn or revised at any time by such rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

The rating letter and rating rationale has been attached as **Annexure D** to this Disclosure Document.

**Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.**

The Debentures are proposed to be listed on the BSE Limited and the Company has obtained in principle approval from BSE for the Base Issue of Rs.1000 Crore.

**Scenario Analysis – IFPD-19:**

The following table shows the value of the Debenture at maturity under different market conditions

**Falling Scenario:**

	Coupon	A	IRR
Case 1	Product is knocked out. If Bid NAV is less than predefined Knock out levels on any business day before maturity	0%	0%

**STABLE SCENARIO:**

	Coupon	A	IRR
Case 2	Issuer miss the immediate coupon due and subsequently pay all coupon due till their respective first call dates. All the issuer exercise call option on the first call date	114.25%	7.92%

**RISING SCENARIO:**

	Coupon	A	IRR
Case 3	Issuers pay all coupons due till respective first call dates and exercise call option on respective first call dates	135.81%	8.96%

### Scenario Analysis IFGPD-8:

The following table shows the value of the Debenture at maturity under different market conditions assuming an allocation of 50% each in both securities.

#### Falling Scenario:

		Coupon A	Coupon B	Final Coupon	IRR
Case 1	Product is knocked out. If Bid NAV is less than predefined Knock out levels on any business day before maturity	0%	0%	0%	0%

#### STABLE SCENARIO:

		Coupon A	Coupon B	Final Coupon	IRR
Case 2	Issuer of Bond A & Bond B does not pay first coupon. Issuer pays remaining coupons due till their first Call Date and issuer exercise call option on the first call dates	29.81%	29.47%	59.28%	6.88%

#### RISING SCENARIO:

		Coupon A	Coupon B	Final Coupon	IRR
Case 3	Issuers pay all coupons due till respective first call dates and exercise call option on respective first call dates	36.42%	36.39%	72.82%	8.13%

*This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.*

### Names and designations of officials who have been authorized to issue the offer document:

Mr. Niraj Murarka, President

Mr. Manoj Gujran, Company Secretary and Compliance Officer

Ms. Priya Kiyawat, Treasurer

### Key Regulations & Policies

The following description is a summary of certain laws applicable in India to the business of our Company. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended to provide general overview.

Our Company is engaged in the business of providing loans against collaterals. We are governed by the laws governing service sector enterprises and commercial establishments. We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs (“**NBFC-ND**”).

Taxation statutes such as the Income Tax Act, 1961, the Finance Act, 1994, the Shops and Establishments Act, 1958, labour regulations such as the Employees’ State Insurance Act, 1948 and the Employees’ Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

### Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances,



acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("**Prudential Norms – D**"), the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("**Prudential Norms – ND**"), the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, the revised regulatory framework for NBFCs issued by RBI vide its circular DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and RBI Master Direction NBFC-SI-ND Directions, 2016-RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on March 09, 2017). In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

### **Securities Contract Regulation Act, 1956**

The Securities Contract (Regulation) Act, 1956 as amended till date ("SCRA") seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, derecognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities. The said enactment also provides for appellate mechanism.

The bye-laws inter-alia provide for:

- i. the opening and closing of markets and the regulation of the hours of trade;
- ii. the fixing, altering or postponing of days for settlements;
- iii. the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- iv. the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- v. the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

**Other disclosures in accordance with Section 42 of the Companies Act, 2013 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014**

**1. PARTICULARS OF THE OFFER:**

Date of passing of resolution in the general meeting, authorizing the offer of securities (under section 180(1)(a) and 180(1)(c)	March 06, 2017
Date of passing of resolution in the general meeting, authorizing the offer of securities under Section 42 of the Companies Act, 2013	December 01, 2016
Date of passing of resolution by the Debenture Allotment Committee of the Board of Directors in its meeting, authorizing the offer of securities under the present Issue;	December 12, 2016
Kinds of securities offered (i.e. whether share or debenture) and class of security;	Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures to be listed on Bombay Stock Exchange (BSE).
Price at which the security is being offered including the premium, if any, alongwith justification of the price;	Rs. 1,00,000/- per Debenture
Name and address of the valuer who performed valuation of the security offered;	ICRA Limited, Address:1802, 18 <sup>th</sup> floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013
Amount which the company intends to raise by way of securities;	Upto Rs. 30 crore (11 <sup>TH</sup> Tranche of the base issue)
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	Please refer Annexure A – Term Sheet
Proposed time schedule for which the offer letter is valid;	Please refer Annexure A – Term Sheet
Purposes and objects of the offer;	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes and onward lending.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	No contribution is being made by the directors or promoters of the Issuer
Principle terms of assets charged as security, if applicable;	Debentures shall be secured by:- a) first pari passu mortgage and charge over the Company's Identified Immovable Property; and b) first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.

**2. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

***Directors or promoters or key managerial personnel are not interested in the Issue.***

- ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.

***As on the date of this Disclosure document no such litigation or legal action is pending or taken by any Ministry or Department of the Government or a statutory authority against the promoter of the offeree company.***

- iii. Remuneration of directors (during the current year and last three financial years).

***No remuneration has been paid to the Directors of the Company as on March 31, 2016.***

- iv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.

***Please refer Annexure G for details.***

- v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

***There are no reservations or qualifications or adverse remarks by the auditors in the last five financial years immediately preceding the year of circulation of the disclosure document.***

- vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.

***No inquiry, inspections or investigations were initiated or conducted under the Companies Act, 2013 or any previous company law and no prosecutions were filed, fines were imposed or compounding of offences were carried out in the last three years immediately preceding the year of the offer letter in the case of company or its subsidiary.***

- vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

***There are no acts of material frauds committed against the Company in the last three years.***

## DECLARATION

It is hereby declared that this Disclosure Document contains disclosures in accordance with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time; (ii) the Companies Act, 2013 and rules made thereunder; and (iii) other regulatory requirements.

The Directors of the Issuer declare that:


- (i) the Issuer has complied with the provisions of the Companies Act and the rules made thereunder;
- (ii) the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- (iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter/disclosure document.


I am authorized by the Debenture Allotment Committee of the Board of Directors of the Company vide resolution number 2 dated December 12, 2016 to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

For IIFL Wealth Finance Limited

  
Authorised Signatory



**Annexure A****Term sheet-IFGPD-8**

TERMS & CONDITIONS OF NCD										
Security Name	IIFLWF - Market Linked Debentures									
Product Code	IFGPD-8									
Issuer	IIFL Wealth Finance Limited									
Type of Instrument	Principal Protected – Market Linked Redeemable Non-Convertible Debenture									
Nature of Instrument	Secured									
Seniority	Senior									
Principal Protection	Principal is protected at Maturity									
Underlying/ Reference Index	Portfolio of debt securities:									
		Name of Security		Issuer Name		ISIN		Allocation		Call date
	Bond A	SBI LIMITED 8.39% Perpetual 2021		SBI		INE062A08140		0%-100%		25-10-2021
	Bond B	SBI LIMITED 9% Perpetual 2021		SBI		INE062A08124		0%-100%		06-09-2021
Participation rate/Initial Call dates/Initial Level		Initial Call dates (DATE j)		Participation rate (PR k)			Initial Level j			
		DATE A	25-10-2021	PR A	0%-100%		Initial Level A	Dirty price of bonds at an yield of 8.25% as on trade date		
		DATE B	06-09-2021	PR B	0%-100%		Initial Level B			
		PRA + PRB = 100%								
Mode of Issue	Private Placement									
Issue Size (Rs.)	20 Crores									
Option to Retain Oversubscription	Not Applicable									
Minimum Application Size	25 debenture and in multiples of 1 debenture thereafter									
Face Value	Rs. 100,000/- Per Debenture									
Redemption Value per Debenture	If knock out event has occurred, then face value else Face value *(1+ Coupon 1 + Coupon 2)									
Coupon Schedule	Coupon schedule (date Ki)									
	date A2	25-10-2017	date B2	06-09-2017						
	date A3	25-10-2018	date B3	06-09-2018						
	date A4	25-10-2019	date B4	06-09-2019						
	date A5	25-10-2020	date B5	06-09-2020						
	date A6	25-10-2021	date B6	06-09-2021						
Coupon Amount	Coupon Amount (K)									
	Coupon A2	13.11%	Coupon B2	13.64%						
	Coupon A3	12.14%	Coupon B3	12.63%						
	Coupon A4	11.24%	Coupon B4	11.69%						
	Coupon A5	10.41%	Coupon B5	10.82%						
	Coupon A6	9.64%	Coupon B6	10.02%						
Coupon 1	Σj= A to B PRj Coupon j1 Coupon j1 = (Final Level j/ Initial Level j)-1; Initial Level j – refer ‘Initial Level’ table above Final Level j-									

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	<p>if issuer of Bond j exercises the call option on Bond j on or before DATE j from Initial Call dates (DATE j)</p> <p>Final Level j = <math>FVj1 \cdot (1.08)^{(Nj1/365)}</math>,</p> <p>Where ,</p> <p>FVj1 is price per bond at which issuer of Bond j exercises call option on Bond j;</p> <p>Nj1 is no of days between date on which the call option is exercised and maturity date</p> <p>Else</p> <p>Final Level j = <math>FVj2 \cdot (1.08)^{(Nj2/365)}</math>,</p> <p>FVj2 is 98%-102%*Weighted average price of Bond j on the CBM segment of NSE website on exit date j;</p> <p>exit date j is any working date within 365 days from DATE j from Initial Call dates (DATE j)</p> <p>Nj2 is no of days from exit date j to maturity date.</p>
Coupon 2	<p><math>\Sigma k=A</math> to B <math>\Sigma i=2</math> to 6 PRkki,</p> <p>where ki is as per Coupon Amount (ki) table if issuer of Bond K pays accrued annual discretionary coupon due on 'date ki'; else 0%;</p> <p>where PRi is as per Participation rate (PR) table above</p>
Bid NAV	Face value *(1+ Coupon 1N + Coupon 2N)
Coupon 1N	<p><math>\Sigma j= A</math> to B PRj Coupon j1N</p> <p>Coupon j1N = (Final Level jN/ Initial Level j)-1;</p> <p>Initial Level j – refer 'Initial Level' table above</p> <p>Final Level j-</p> <p>if issuer of Bond j has exercised the call option on Bond j</p> <p>Final Level jN = <math>FVjN1 \cdot (1.08)^{(NjN1/365)}</math>,</p> <p>Where ,</p> <p>FVjN1 is price per bond at which issuer of Bond j exercises call option on Bond j;</p> <p>NjN1 is no of days between date on which the call option is exercised and maturity date</p> <p>Else</p> <p>a) If valuation date is before DATE j</p> <p>Final Level jN is 97%*Weighted average price of Bond j on the CBM segment of NSE website on valuation date; if price of Bond j is not available on valuation date, price will be determined by issuer.</p> <p>b) If valuation date is after DATE j and before exit date j</p> <p>Final Level jN is 97%*Weighted average price of Bond j on the CBM segment of NSE website on valuation date; if price of Bond j is not available on valuation date, price will be determined by issuer.If valuation date is after exit date j</p> <p>c) If valuation date is after exit date j</p> <p>Final Level jN = <math>FVjN2 \cdot (1.08)^{(NjN2/365)}</math>,</p> <p>FVjN is 98%-102%*Weighted average price of Bond j on the CBM segment of NSE website on exit date j; if price of Bond j is not available on exit date j, price will be determined by issuer</p> <p>exit date j is any working date within 365 days from DATE j from Initial Call dates (DATE j)</p> <p>NjN2 is no of days from exit date j to maturity date.</p>
Coupon 2N	<p><math>\Sigma k=A</math> to F <math>\Sigma i=2</math> to 6 PRkki/(1.08)<sup>(NKN3/365)</sup>,</p> <p>where ki is as per Coupon Amount (ki) table if issuer of Bond K pays accrued annual discretionary coupon due on 'date ki' and valuation date is on or after 'date ki' ; else 0%;</p> <p>where PRi is as per Participation rate (PR) table above</p> <p>NjN3 is no of days from valuation date to maturity date.</p>
Face Value	Rs.100,000/- Per Debenture
Issue Price	Rs.100,000/- Per Debenture
Purpose and objects of the Issue	General corporate purposes and onward lending
Details of the Utilization of the proceeds	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes and onward lending.
Tenor In Days	2555 Days from the Deemed Date of Allotment
Issue Opening Date	16-03-2017
Issue Closing Date	16-03-2017
Initial Fixing Date	16-03-2017
Redemption Date	2555 Days from the Deemed Date of Allotment
Premium /Discount at Issue	N.A.
Pay-in-Date	16-03-2017

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Deemed Date of Allotment	16-03-2017
Knock-out event	Knock-Out Event is deemed to have occurred if on any Knock-Out Event Observation Date, Bid NAV is lesser than or equal to the Knock-Out Level. Knock-Out Event Observation Date is any business day from trade date till maturity date
Knock-out level	$100000/((1.08)^{(NKN/365)})$ Where NKN is number of days from date of valuation to maturity.
Step up/Step down coupon rate	Not Applicable.
Eligible Investors	The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures: Resident Individuals, Hindu Undivided Family, Trust, Limited Liability Partnerships, Partnership Firm(s), Portfolio Managers and FIIs registered with SEBI, Association of Persons, Companies and Bodies Corporate including Public Sector Undertakings. Commercial Banks , Regional Rural Banks , Financial Institutions; Insurance Companies; Mutual Funds/ Alternative Investment Fund (AIF); and Any other investor eligible to invest in these Debentures
Day count basis	Not Applicable
Coupon payment frequency	Coupon, if any will be paid on Redemption Date
Coupon payment dates	Coupon, if any will be paid on Redemption Date
Coupon type	Coupon linked to Underlying / Reference Index.
Coupon-Reset Process (including rates, Spread, effective date, interest rate cap and floor etc.)	Not Applicable
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.
Proposed time schedule for which the Disclosure Document is valid	Till redemption
Redemption Premium/Discount	Not Applicable
Put Option	None
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Option	The Issuer will have the option, to elect a Call Date and for the Debentures to be redeemed in full, on the Business Day falling 366 days after the Trade Date.
Call Option Date	The Issuer may, (with seven Business Days prior written notice) elect any Business Day between 366 days after trade date and 30 days prior to the Maturity Date, to be the Call Date
Call Option Price	Call Option shall occur at par or at price which shall take into consideration a) the market value of the Bond A & Bond B b) Coupons received from Bond A & Bond B till unwind date c) Reinvestment income on coupons received from Bond A & Bond B, till unwind date If such price computed , solely by the issuer , is higher than par value
Call Notification Time	Seven days prior to call date
Listing	The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 20 days from the Deemed Date of Allotment.
Issuance mode of Debenture	DEMAT form
Settlement mode of the Instrument	RTGS
Provisions related to Cross Default Clause	N.A.
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL

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Security	Debentures shall be secured by:- a) first pari passu mortgage and charge over the Company’s Identified Immovable Property; and b) first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.											
Rating	PP-MLD[ICRA]AA (pronounced ICRA double A) with stable outlook											
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil											
Business Day Convention	Unless otherwise stated, Modified Following Business Day Convention											
Settlement	<table><tr><td>BRANCH</td><td>FORT BR</td></tr><tr><td>ADDRESS</td><td>MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001</td></tr><tr><td>Bank A/C Name</td><td>IIFL WEALTH FINANCE LIMITED</td></tr><tr><td>Bank A/C No</td><td>00600340080963</td></tr><tr><td>RTGS/NEFT IFSC</td><td>HDFC0000060</td></tr></table>		BRANCH	FORT BR	ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001	Bank A/C Name	IIFL WEALTH FINANCE LIMITED	Bank A/C No	00600340080963	RTGS/NEFT IFSC	HDFC0000060
BRANCH	FORT BR											
ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001											
Bank A/C Name	IIFL WEALTH FINANCE LIMITED											
Bank A/C No	00600340080963											
RTGS/NEFT IFSC	HDFC0000060											
Right to Re-purchase Debentures	The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets at Fair Market Value or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations											
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.											
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures.											
Transaction Documents	<ul style="list-style-type: none"><li>• Memorandum and Articles of Association of the Company.</li><li>• Resolution passed by shareholders in general meeting dated March 06, 2017 for increase in overall borrowings limits of the company.</li><li>• Resolution passed by shareholders in general meeting dated December 01, 2016 for issuance of debentures in private placement basis.</li><li>• Resolution passed by Debenture Allotment Committee of the Board of Directors of the company dated December 12, 2016 for issuance of securities in private placement basis.</li><li>• Consent Letter from Milestone Trusteeship Services Company Private Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.</li><li>• Consent Letter from Link Intime India Private Limited for acting as Registrars to the Issue</li><li>• Letter from ICRA Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto.</li><li>• Debenture Trust deed between Company and Milestone Trusteeship Services Company Private Limited dated Dec 07 2016.</li></ul>											
Conditions Precedent to Disbursement	Nil											
Conditions Subsequent to Disbursement	Nil											
Events of Default	As per Debenture Trust Deed											
Roles and Responsibilities of Debenture Trustee	As per Debenture Trust Deed											
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company’s obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.											
Other Terms	Default in Payment: In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period. Delay in Listing: In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed											



	Date of Allotment till the listing of such Debentures to the investor. The interest rates mentioned in above are independent of each other.
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of 6 bps p.a. to 8 bps p.a. on the face value of the outstanding Debentures.
Valuation Agency	Latest and historical valuation for such securities shall be made available on the websites of issuer and valuer. The valuer will be a credit rating agency appointed by the Issuer.
Risk Factors associated with Market Linked Debentures	The securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.
Premature Exit	At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request. Such Premature Exit shall occur at a price which shall take into consideration: a) the market value of the Bond A & Bond B b) Coupons received from Bond A & Bond B till unwind date c) Reinvestment income on coupons received from Bond A & Bond B till unwind date A request for Premature Exit by an Investor shall not be considered if made within 12 months from the Deemed Date of Allotment.
Distribution Fees	The Issuer will pay the distributor a distribution fee which shall not exceed 2% of the amount collected through them

**Illustration of Cash Flows:**

Company	IIFL WEALTH FINANCE LIMITED (the "Issuer")
Tenure	2555 Days from the Deemed Date of Allotment
Face value( per security)	Rs. 100,000 per Debenture
Date of Allotment	16-03-2017
Redemption	14-03-2024
Coupon Rate	Coupon 1 + Coupon 2
Frequency of the interest payment with specified dates	Coupon if any, will be paid on Redemption Date
Day count Convention	Not Applicable

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	16-03-2017	2555 Days from the Deemed Date of Allotment	Coupon linked to Underlying / Reference Index.

**Term sheet-IFPD-19**

TERMS & CONDITIONS OF NCD																		
Security Name	IIFLWF - Market Linked Debentures																	
Product Code	IFPD 19																	
Issuer	IIFL Wealth Finance Limited																	
Type of Instrument	Principal Protected – Market Linked Redeemable Non-Convertible Debenture																	
Nature of Instrument	Secured																	
Seniority	Senior																	
Principal Protection	Principal is protected at Maturity																	
Underlying/ Reference Index	Portfolio of debt securities:																	
		Name of Security	Issuer Name	ISIN	Allocation	Call date												
	Bond A	IDBI BANK LIMITED 11.09% Perpetual 2021	IDBI Bank Ltd	INE008A08V3 4	100%	30-08-2021												
Participation rate/Initial Call dates/Initial Level	Initial Call dates (DATE j)		Participation rate (PR j)		Initial Level j													
	DATE A	30-08-2021	PR A		Initial Level A	Dirty price of bonds at an YTC of 10.71% as on trade date												
	PRA = 100% PRA*YTCA =10.71%; Where, YTCA is Yield to call for Bond A till Initial Call date of Bond A																	
Mode of Issue	Private Placement																	
Issue Size (Rs.)	10 Crores																	
Option to Retain Oversubscription	Not Applicable																	
Minimum Application Size	25 debenture and in multiples of 1 debenture thereafter																	
Face Value	Rs. 100,000/- Per Debenture																	
Redemption Value per Debenture	If knock out event has occurred, then face value else Face value *(1+ Coupon 1 + Coupon 2)																	
Coupon Schedule (Date Ki)	<table><tr><td>Date</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>A</td><td>30-08-17</td><td>30-08-18</td><td>30-08-19</td><td>30-08-20</td><td>30-08-21</td></tr></table>						Date	1	2	3	4	5	A	30-08-17	30-08-18	30-08-19	30-08-20	30-08-21
Date	1	2	3	4	5													
A	30-08-17	30-08-18	30-08-19	30-08-20	30-08-21													
Coupon Amount ( Ki )	<table><tr><td>Date</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td></tr><tr><td>A</td><td>21.56%</td><td>19.96%</td><td>18.48%</td><td>17.11%</td><td>15.84%</td></tr></table>						Date	2	3	4	5	6	A	21.56%	19.96%	18.48%	17.11%	15.84%
Date	2	3	4	5	6													
A	21.56%	19.96%	18.48%	17.11%	15.84%													
Coupon 1	$\Sigma j= A \text{ to } A \text{ PR}j$ Coupon j1 Coupon j1 = (Final Level j/ Initial Level j)-1; Initial Level j – refer ‘Initial Level’ table above Final Level j- if issuer of Bond j exercises the call option on Bond j on or before DATE j from Initial Call dates (DATE j) table Final Level j = $FVj1*(1.08)^{(Nj1/365)}$ , Where , FVj1 is price per bond at which issuer of Bond j exercises call option on Bond j; Ni1 is no of days between date on which the call option is exercised and maturity date																	

	<p>Else  Final Level <math>j = FVj2 * (1.08)^{(Nj2/365)}</math>,  FVj2 is 98%-102%*Weighted average price of Bond j on the CBM segment of NSE website on exit date j;  exit date j is any working date within 365 days from DATE j from Initial Call dates (DATE j)  Nj2 is no of days from exit date j to maturity date.</p>
Coupon 2	<p><math>\sum_{i=2}^6 PRk_i</math>,  where <math>k_i</math> is as per Coupon Amount (<math>k_i</math>) table if issuer of Bond K pays accrued annual discretionary coupon due on 'date <math>k_i</math>'; else 0%;  where PRj is as per Participation rate (PR) table above</p>
Bid NAV	Face value $*(1 + \text{Coupon 1N} + \text{Coupon 2N})$
Coupon 1N	<p><math>\sum_{j=1}^A PR_j \text{ Coupon } j1N</math>  Coupon <math>j1N = (\text{Final Level } jN / \text{Initial Level } j) - 1</math>;  Initial Level j – refer 'Initial Level' table above  Final Level j-  if issuer of Bond j has exercised the call option on Bond j  Final Level <math>jN = FVjN1 * (1.08)^{(NjN1/365)}</math>,  Where ,  FVjN1 is price per bond at which issuer of Bond j exercises call option on Bond j;  NjN1 is no of days between date on which the call option is exercised and maturity date  Else  If valuation date is before DATE j  Final Level jN is 97%*Weighted average price of Bond j on the CBM segment of NSE website on valuation date; if price of Bond j is not available on valuation date, price will be determined by issuer.  If valuation date is after DATE j and before exit date j  Final Level jN is 97%*Weighted average price of Bond j on the CBM segment of NSE website on valuation date; if price of Bond j is not available on valuation date, price will be determined by issuer.  If valuation date is after exit date j  Final Level <math>jN = FVjN2 * (1.08)^{(NjN2/365)}</math>,  FVjN is 98%-102%*Weighted average price of Bond j on the CBM segment of NSE website on exit date j; if price of Bond j is not available on exit date j, price will be determined by issuer  exit date j is any working date within 365 days from DATE j from Initial Call dates (DATE j)  NjN2 is no of days from exit date j to maturity date.</p>
Coupon 2N	<p><math>\sum_{k=1}^A \sum_{i=2}^6 PRk_i / (1.08)^{(NjN3/365)}</math>,  where <math>k_i</math> is as per Coupon Amount (<math>k_i</math>) table if issuer of Bond K pays accrued annual discretionary coupon due on 'date <math>k_i</math>' and valuation date is on or after 'date <math>k_i</math>'; else 0%;  where PRi is as per Participation rate (PR) table above  NjN3 is no of days from valuation date to maturity date.</p>
Face Value	Rs. 100,000/- Per Debenture
Issue Price	Rs.100,000/- Per Debenture
Purpose and objects of the Issue	General corporate purposes and onward lending
Details of the Utilization of the proceeds	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes and onward lending.
Tenor In Days	3649 Days from the Deemed Date of Allotment
Issue Opening Date	16-03-2017
Issue Closing Date	16-03-2017
Initial Fixing Date	16-03-2017
Redemption Date	3649 Days from the Deemed Date of Allotment
Premium /Discount at Issue	N.A.
Pay-in-Date	16-03-2017
Deemed Date of Allotment	16-03-2017
Knock-out event	Knock-Out Event is deemed to have occurred if on any Knock-Out Event Observation Date, Bid NAV

	is lesser than or equal to the Knock-Out Level. Knock-Out Event Observation Date is any business day from trade date till maturity date
Knock-out level	$100000/((1.08)^{(NKN/365)})$ Where NKN is number of days from date of valuation to maturity.
Step up/Step down coupon rate	Not Applicable.
Eligible Investors	The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures: Resident Individuals, Hindu Undivided Family, Trust, Limited Liability Partnerships, Partnership Firm(s), Portfolio Managers registered with SEBI, Association of Persons, Companies and Bodies Corporate including Public Sector Undertakings. Commercial Banks, Regional Rural Banks, Financial Institutions, Insurance Companies, Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures.
Day count basis	Not Applicable
Coupon payment frequency	Coupon, if any will be paid on Redemption Date
Coupon payment dates	Coupon, if any will be paid on Redemption Date
Coupon type	Coupon linked to Underlying / Reference Index.
Coupon-Reset Process (including rates, Spread, effective date, interest rate cap and floor etc)	Not Applicable
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.
Proposed time schedule for which the Disclosure Document is valid	Till redemption
Redemption Premium/Discount	Not Applicable
Put Option	None
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Option	The Issuer will have the option, to elect a Call Date and for the Debentures to be redeemed in full, on the Business Day falling 366 days after the Trade Date.
Call Option Date	The Issuer may, (with seven Business Days prior written notice) elect any Business Day between 366 days after trade date and 30 days prior to the Maturity Date, to be the Call Date
Call Option Price	Call Option shall occur at par or at price which shall take into consideration the market value of the Bond A, Bond B Coupons received from Bond A, Bond B till unwind date Reinvestment income on coupons received from Bond A, Bond B till unwind date If such price computed, solely by the issuer, is higher than par value
Call Notification Time	Seven days prior to call date
Listing	The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 20 days from the Deemed Date of Allotment.
Issuance mode of Debenture	DEMAT form
Settlement mode of the Instrument	RTGS
Provisions related to Cross Default	N.A.

Clause											
Trading mode of the Debenture	DEMAT form only										
Depository	NSDL and CDSL										
Security	Debentures shall be secured by:- a) first pari passu mortgage and charge over the Company's Identified Immovable Property; and b) first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.										
Rating	PP-MLD[ICRA]AA (pronounced ICRA double A) with stable outlook										
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil										
Business Day Convention	Unless otherwise stated, Modified Following Business Day Convention										
Settlement	<table border="1"> <tr> <td>BRANCH</td><td>FORT BR</td></tr> <tr> <td>ADDRESS</td><td>MANEKJI WADIA BLDG, GROUND FLOOR, NANIK MOTWANI MARG, FORT, MUMBAI-400001</td></tr> <tr> <td>Bank A/C Name</td><td>IIFL WEALTH FINANCE LIMITED</td></tr> <tr> <td>Bank A/C No</td><td>00600340080963</td></tr> <tr> <td>RTGS/NEFT IFSC</td><td>HDFC0000060</td></tr> </table>	BRANCH	FORT BR	ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR, NANIK MOTWANI MARG, FORT, MUMBAI-400001	Bank A/C Name	IIFL WEALTH FINANCE LIMITED	Bank A/C No	00600340080963	RTGS/NEFT IFSC	HDFC0000060
BRANCH	FORT BR										
ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR, NANIK MOTWANI MARG, FORT, MUMBAI-400001										
Bank A/C Name	IIFL WEALTH FINANCE LIMITED										
Bank A/C No	00600340080963										
RTGS/NEFT IFSC	HDFC0000060										
Right to Re-purchase Debentures	The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets at Fair Market Value or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations										
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.										
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures.										
Transaction Documents	<ul style="list-style-type: none"> <li>Memorandum and Articles of Association of the Company.</li> <li>Resolution passed by shareholders in general meeting dated March 06, 2017 for increase in overall borrowings limits of the company.</li> <li>Resolution passed by shareholders in general meeting dated December 01, 2016 for issuance of debentures in private placement basis.</li> <li>Resolution passed by Debenture Allotment Committee of the Board of Directors of the company dated December 12, 2016 for issuance of securities in private placement basis.</li> <li>Consent Letter from Milestone Trusteeship Services Company Private Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.</li> <li>Consent Letter from Link Intime India Private Limited for acting as Registrars to the Issue</li> <li>Letter from ICRA Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto.</li> <li>Debenture Trust deed between Company and Milestone Trusteeship Services Company Private Limited dated Dec 07 2016.</li> </ul>										
Conditions Precedent to Disbursement	Nil										
Conditions Subsequent to Disbursement	Nil										
Events of Default	As per Debenture Trust Deed										
Roles and Responsibilities of Debenture	As per Debenture Trust Deed										

Trustee	
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
Other Terms	<p>Default in Payment: In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p>Delay in Listing: In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @ 1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor. The interest rates mentioned in above are independent of each other.</p>
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of 6 bps p.a. to 8 bps p.a. on the face value of the outstanding Debentures.
Valuation Agency	Latest and historical valuation for such securities shall be made available on the websites of issuer and valuer. The valuer will be a credit rating agency appointed by the Issuer.
Risk Factors associated with Market Linked Debentures	<p>The securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.</p> <p>The principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.</p>
Premature Exit	<p>At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request. Such Premature Exit shall occur at a price which shall take into consideration:</p> <p>the market value of the Bond A, Bond B Coupons received from Bond A, Bond B till unwind date Reinvestment income on coupons received from Bond A, Bond B till unwind date A request for Premature Exit by an Investor shall not be considered if made within 6 months from the Deemed Date of Allotment.</p>
Distribution Fees	The Issuer will pay the distributor a distribution fee which shall not exceed 2% of the amount collected through them

**Illustration of Cash Flows:**

<b>Company</b>	<b>IIFL WEALTH FINANCE LIMITED (the "Issuer")</b>
Tenure	3649 Days from the Deemed Date of Allotment
Face value( per security)	Rs. 100,000 per Debenture
Date of Allotment	16-03-2017
Redemption	13-03-2027
Coupon Rate	Coupon 1 + Coupon 2
Frequency of the interest payment with specified dates	Coupon if any, will be paid on Redemption Date
Day count Convention	Not Applicable

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	16-03-2017	3649 Days from the Deemed Date of Allotment	Coupon linked to Underlying / Reference Index.

Annexure B (Registrar Consent)

**LINK INTIME**

INDIA PVT. LTD.  
REGD. OFFICE  
100-101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

December 07, 2016

To,  
IIFL WEALTH FINANCE LIMITED,  
6<sup>TH</sup> FLOOR, KAMALA CITY,  
SENAPATI BAPAT MARG,  
LOWER PAREL,  
Mumbai - 400013

Dear Sir/Madam,

**Sub.: Consent to act as Registrar to the proposed issue of Principal Protected Secured, Redeemable, Non-Convertible Market Linked Debentures amounting to Rs. 2500 Crores for F.Y. 2016-17**

We refer to the subject issue and hereby accept our appointment as "Registrar" for Electronic Connectivity Provider to issue of "**Principal Protected Secured, Redeemable, Non-Convertible Market Linked Debentures amounting to Rs. 2500 Crores for F.Y. 2016-17**" and given our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Our Permanent SEBI Registration No. : INR000004058.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

Ganesh Jadhav

Asst. Vice President - Depository Operations

**Annexure C (Debenture Trustee Consent)**



December 5, 2016

To,

**IIFL Wealth Finance Limited,**  
IIFL Centre, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013

Dear Sir,

**Sub : Consent for Principally Protected Listed Secured Redeemable Non-Convertible debentures through Private Placement basis aggregating to Rs. 1000 Crore**

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Principally Protected Listed Secured Redeemable Non-Convertible debentures through Private Placement basis aggregating to Rs. 1000 Crore proposed to be issued by the Company subject to the terms and conditions under the transaction documents (Debenture Trust Deed / Debenture Trustee Agreement).

Sincerely,

For Milestone Trusteeship Services Private Limited

  
\_\_\_\_\_  
Authorized Signatory

**Scanned by CamScanner**



Annexure D (Rating Letter and Rating Rationale)



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2016-17/MUMR/1462  
Date: March 15, 2017

Mr. Pankaj Fitkariwala  
IIFL Wealth Finance Limited  
(erstwhile Chephis Capital Markets Limited)  
IIFL Finance Centre,  
Kamla City, Senapati Bapat Marg,  
Lower Parel,  
Mumbai 400 013

Dear Sir,

Re: ICRA rating for Rs. 2,550 crore Principal Protected Market Linked Debenture Programme of IIFL Wealth Finance Limited

This is with reference to your email dated March 14, 2017 for re-validating your rating for the Principal Protected Market Linked Debenture Programme of Rs. 2,550 crore.

We confirm that the "PP-MLD[ICRA]AA" rating with a Stable outlook, assigned to the captioned programme of your company and last communicated to you vide our letters dated September 20, 2016, October 28, 2016, November 30, 2016 and December 05, 2016 stand. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2016-17/MUM/0868 dated September 20, 2016, Ref: 2016-17/MUM/1097 dated October 28, 2016, Ref: 2016-17/MUM/1248 dated November 30, 2016 and Ref: 2016-17/MUM/1262 dated December 05, 2016.

With kind regards,

Yours sincerely,  
For ICRA Limited

SUBRATA RAY  
Senior Group Vice President  
subrata@icraindia.com

KARTHIK SRINIVASAN  
Senior Vice President  
karthiks@icraindia.com

3rd Floor, Electric Mansion,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025.

Tel. : + 91 22 6169 3300 / 301  
Fax : + 91 22 2433 1390  
CIN : L74999DL1991PLC042749

Website : www.icra.in  
email : mumbai@icraindia.com

Registered Office : 1105, Kailash Building, 11th Floor, 28, Kasturba Gandhi Marg, New Delhi - 110 001, Tel.: +(91-11) 23357940-50 Fax : + (91-11) 23357014

RATING • RESEARCH • INFORMATION



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2016-17/MUM/261  
December 05, 2016

Mr. Pankaj Fitkarwala  
IIFL Wealth Finance Limited  
Jeshwant Chophis Capital Markets Limited  
IIFL Finance Center  
Kamla City, Sarapeti Bazar Marg,  
Lower Park,  
Mumbai - 400073

Dear Sir,

Re : ICRA Credit Rating for the Rs. 1,000 crore Long term Principal Protected Market Linked Debenture Programme of IIFL Wealth Finance Limited

Please refer to your rating requisition dated December 01, 2016 seeking rating for the captioned programme.

The Rating Committee of ICRA, after due consideration, has assigned the "PP-MLD(ICRA)AA" (pronounced P P M L D ICRA Double A) rating with stable outlook to the captioned debt Programme. Instruments with (ICRA)AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier ("-"(minus)"/"+"(plus)) reflects the comparative standing within the category. The issuer's PP-MLD prefixed to a rating symbol stand for 'Principal Protected Market Linked Debentures'. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. Company has to ensure that it has necessary regulatory approvals for the issuance of such debentures.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "PP-MLD(ICRA)AA (Stable)". We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as a token of your acceptance and use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Bank/Lending Agency/Government/Authorised/Stock Exchange would constitute use of this rating by you.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you. The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you.

You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instrument(s) borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-scheduling or postponement of the repayment programmes of the direct debts of the company with any lender(s) / investor(s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority has been exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours faithfully,  
For ICRA Limited

KARTHIK SRINIVASAN  
Senior Vice President &  
Co- Head Finance Sector Ratings

KALPESH GADA  
Senior Vice President

3rd Floor, Electric Market,  
Appasaheb Marathe Marg,  
Prathadevi, Mumbai-400 025.

Tel : + 91 22 6189 3302 / 3301  
Fax : + 91 22 2633 1392  
CIN : L72999DL1991PLC042749

Website : www.icra.in  
Email : a.munba@icra.in, id@icra.in

Registered Office : 1st Floor, Keshav Building, 1st Floor, 20, Keshavnagar, New Delhi - 110 001. Tel : (91-11) 2330 0340 Fax : (91-11) 2330 0344

RATING • RESEARCH • INFORMATION

**Annexure E (Shareholder Resolution)**



**CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON MONDAY, MARCH 06, 2017 AT 2.00 P.M. AT 10TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI – 400013**

**To approve increase in the overall borrowing limit of the company upto Rs. 10,000 Crores:**

**"RESOLVED THAT** in supersession of resolution(s) passed at the previous general meeting(s) of the Company, if any, on the matter and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, consent of the members of the Company, be and is hereby accorded to borrow, by way of loans/ inter corporate deposits (ICDs), issue of commercial paper(s), debentures (comprising fully/ partly convertible debentures and/ or Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian Rupees, from time to time, any sum(s) of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from bank(s), financial institution(s) and/ or other person(s), firm(s), body corporate(s), whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up capital of the Company and its free reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of **INR 10000 Crore (Rupees Ten Thousand Crore only)** and the Board (including the Finance Committee or any Committee(s) constituted thereof), be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required;

**RESOLVED FURTHER THAT** in supersession of resolution(s) passed at the previous board meeting(s) of the Company, if any, on the matter and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and the Companies Act, 1956 (including any statutory modification or re-enactment thereof), the consent of the members of the Company, be and is hereby accorded to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and / or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans/ inter corporate deposits (ICDs), issue of commercial paper(s), debentures (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved by the shareholders under Section 180(1)(c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest,

**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

**CORPORATE & REGD. OFFICE:**

6<sup>th</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
LOWER PAREL (W), MUMBAI - 400 013, INDIA  
TEL: (91-22) 3858 5600 | FAX: (91-22) 4646 4706

(An IIFL Wealth & Asset Management Group Company)  
[www.iiflwealthfinance.com](http://www.iiflwealthfinance.com)



CIN: U65909MH1994PLC080648




WEALTH  
FINANCE

accumulated interest, liquidated charges, commitment charges or costs, expenses and, or all other monies payable by the Company, including any increase as a result of devaluation / revaluation/ fluctuation in the rate of exchange, and the Board (including the Finance Committee or any other committee thereof) be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required;

**RESOLVED FURTHER THAT** any Director or the Company Secretary, be and are hereby severally authorised to submit the certified true copy of this resolution to any authority or person(s), as may be required in this connection."

*Certified true copy*

**For IIFL Wealth Finance Limited**

  
Company Secretary  
Manoj Gujran  
Membership No.: ACS 22201



**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

**CORPORATE & REGD. OFFICE:**

6<sup>th</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
LOWER PAREL (W), MUMBAI - 400 013, INDIA  
TEL: (91-22) 3958 5600 | FAX: (91-22) 4646 4706

(An IIFL Wealth & Asset Management Group Company)  
[www.iiflwealthfinance.com](http://www.iiflwealthfinance.com)

CIN: U65900MH1994PLC090546

**Annexure F (Shareholder Resolution)**



**WEALTH  
FINANCE**

**CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON DECEMBER 01, 2016**

**ISSUANCE OF DEBENTURES ON PRIVATE PLACEMENT BASIS:**

"**RESOLVED THAT** in partial modification of the resolution passed at Extra-Ordinary General Meeting held on May 05, 2016 and September 16, 2016 and pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company; and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and subject to compliance with other the applicable law, rules, directions issued by the government or any other regulatory authority, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot Non-Convertible Debentures/ Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Market Linked/Subordinated Debt/Fixed Maturity Debentures of the Company for proposed issue aggregating upto Rs. 2500 Crore (Rupees Two Thousand Five Hundred Crore only) on private placement basis in one or more tranches during the financial year 2016-17 and on such terms and conditions as may be determined by the Board and, or the Debenture Allotment Committee, from time to time;

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing and allotting the Debentures, the Board and, or the Debenture Allotment Committee, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue of the Debentures, settle all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

*Certified true copy*

**For IIFL Wealth Finance Limited**

**Manoj Gujran  
Company Secretary  
Membership No: ACS-22201**



**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

**CORPORATE & REGD. OFFICE:**  
6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
LOWER PAREL, MUMBAI - 400 013, INDIA

TEL: (91-22) 3958 5600 | FAX: (91-22) 4646 4706

(An IIFL Wealth & Asset Management Group Company)

[www.iiflwealthfinance.com](http://www.iiflwealthfinance.com)

CIN: U65990MH1994PLC080646



**Annexure G Debenture Allotment Committee Resolution**



WEALTH  
FINANCE

**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE DEBENTURE ALLOTMENT COMMITTEE ("THE COMMITTEE") OF THE COMPANY AT THEIR MEETING HELD ON DECEMBER 12, 2016 AT 10.00 AM AT 10TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI- 400013**

**Approve the offer and issue of Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures of upto Rs. 1000 Crore through private placement:**

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling board and shareholders resolution(s) and provisions of the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Guidelines for issue and listing of structured products/ market linked debentures vide the circular of the Securities and Exchange Board of India dated September 28, 2011, as amended from time to time, and subject to compliance with the other applicable law, rules, directions issued by the Reserve Bank of India, the Government or any Regulator or Authority, in this regard, the approval of the Committee be and is hereby accorded to offer and issue Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures ("PPMLDs") aggregating to Rs. 1000 Crore (Rupees One Thousand Crore only) on private placement basis;

**FURTHER RESOLVED THAT** any Director, Mr. Manoj Gujran, Company Secretary, Mr. Niraj Murarka-President, Mr. Himanshu Jain, Chief Executive Officer, Mr. Pankaj Fitkariwala, Chief Financial Officer and Mr. Rakesh Chandnani, VP-Operations of the Company, be and are hereby severally authorized on behalf of the Company to enter into and execute all such agreements/ arrangements as may be required for appointing Debenture Trustee, Legal Advisors, Depositories, Custodians, Registrar and Bankers to the Issue, Credit Rating Agency(ies), and such other Intermediaries/ Agencies as may be involved or concerned in such Offer/ Issue of PPMLDs and to remunerate all such Intermediaries/ Agencies, including by the payment of commission, brokerage, fees, etc. as may deem fit;

**FURTHER RESOLVED THAT** any Director and/ or the Company Secretary and/ or any of the Officials of the Company as named above be and is hereby authorized to submit a certified true copy of this Resolution to such persons/ entities as may be deemed fit for the purpose of giving effect to this resolution."

For IIFL Wealth Finance Limited

**Manoj Gujran**  
Company Secretary  
Membership No: ACS-22201  
Date: December 12, 2016  
Place: Mumbai



**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)  
CORPORATE & REGD. OFFICE:  
6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
LOWER PAREL (W), MUMBAI - 400 013, INDIA  
TEL: (91-22) 3958 5600 | FAX: (91-22) 4646 4706  
(An IIFL Wealth & Asset Management Group Company)  
[www.iiflwealthfinance.com](http://www.iiflwealthfinance.com)

CIN: U65090MH1904PLC080646

**Annexure H**

Related Party Transactions for the Financial Year ending 2015-16.

<b>Nature of Transaction</b>	<b>Holding Company/ Ultimate Holding Co.</b>	<b>Fellow Subsidiaries</b>	<b>Group Companies</b>	<b>Total</b>
<b>Share Capital Issued</b>				
IIFL Wealth Management Ltd	2,513.89	-	-	<b>2,513.89</b>
	-	-	-	-
<b>Share Premium</b>				
IIFL Wealth Management Ltd	6,486.11	-	-	<b>6,486.11</b>
	-	-	-	-
<b>ICD Given</b>				
India Infoline Finance Limited	-	-	150.00	<b>150.00</b>
	-	-	-	-
<b>ICD Recd Back</b>				
India Infoline Finance Limited	-	-	150.00	<b>150.00</b>
	-	-	-	-
<b>Interest Income on ICD</b>				
India Infoline Finance Limited	-	-	0.08	<b>0.08</b>
	-	-	-	-
<b><u>Other funds paid</u></b>				
IIFL Wealth Management Ltd	0.02	-	-	<b>0.02</b>
	-	-	-	-
<b><u>Allocation / Reimbursement of expenses Paid</u></b>				
IIFL Wealth Management Ltd	2.27	-	-	<b>2.27</b>
	-	-	-	-

Related Party Transactions for the Financial Year ending 2014-15 – **NIL**Related Party Transactions for the Financial Year ending 2013-14 – **NIL**

(This Disclosure Document is not a Prospectus)

Serial No. \_\_\_\_\_



### IIFL WEALTH FINANCE LIMITED

(Formerly known as Chephis Capital Markets Limited)

A Public Limited Company Incorporated under the Companies Act, 1956, as amended  
Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)

**Registered Office & Corporate Office:** 6<sup>th</sup> Floor, IIFL Centre, Kamala City, Lower Parel,  
Mumbai 400 013, Maharashtra, India

**Tel.:** +91 22 39585600 **Fax:** +91 22 46464706

**Website:** [www.iiflwealthfinance.com](http://www.iiflwealthfinance.com) **Email:** nbfc-compliance@iiflw.com

**CIN No.** U65990MH1994PLC080646

**SHELF DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF PRINCIPAL PROTECTED SECURED REDEEMABLE NON CONVERTIBLE MARKET LINKED DEBENTURES OF THE FACE VALUE RS. 1,00,000 EACH AT PAR ("DEBENTURES" or "NCDs") AGGREGATING UPTO RS. 1000 CRORE ("BASE ISSUE");**

**SCHEDULE – I AND PAS-4 DISCLOSURES IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND ALSO IN COMPLIANCE WITH SEBI CIRCULAR CIR./IMD/DF/17/2011 DATED SEPTEMBER 28, 2011 TITLED 'GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/MARKET LINKED DEBENTURES'.**

GENERAL RISK
Investors are advised to read the Disclosure Document carefully before taking an investment decision in this Issue. For taking an investment decision the investor must rely on his examination of the Issuer and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document.
ISSUER'S ABSOLUTE RESPONSIBILITY
The Issuer confirms that, as of the date hereof, this Disclosure Document contains all information that is material in the context of the Issue and sale of the Debentures; is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading.
CREDIT RATING
"PP-MLD [ICRA] AA with Stable Outlook" rating has been assigned by ICRA Limited for Rs. 1000 crore long term principal protected equity linked debentures programme of our company. Instruments with PP-MLD [ICRA] AA





rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters 'PP-MLD' suffixed to a rating symbol stand for 'Principal Protected Market Linked Debentures'. The present issue is part of the aforesaid programme of Rs.1000 crore.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.

#### **LISTING**

The Secured, Redeemable, Non-Convertible Market Linked Debentures and the Secured Redeemable Non-Convertible Debentures will be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited ("BSE").

<b><u>Registrar</u></b>	<b><u>Trustee</u></b>
 <p>Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078  Tel: +91 22 2596 3838  Fax: +91 22 2594 6969  E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>  Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>	 <p>Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051  Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 E-mail: <a href="mailto:vaishali@milestonetrustee.in">vaishali@milestonetrustee.in</a></p>
Issue Opens on: As mentioned in the annexed Term Sheet (Annexure A)	Issue Closes on: As mentioned in the annexed Term Sheet (Annexure A)

This Disclosure Document is not a Prospectus under the Companies Act, 2013 (the "**Companies Act**"). This Disclosure Document is prepared in conformity with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time (together "**SEBI Debt Regulations**"); (ii) relevant provisions of the Companies Act and rules made thereunder; (iii) SEBI circular Cir./IMD/DF/17/2011 dated September 28, 2011 titled 'Guidelines for Issue and Listing of Structured Products/Market Linked Debentures'.

# The Issuer reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Issuer at its sole and absolute discretion.

**The Disclosure Document is dated \_\_\_\_\_, 2016**

## DISCLAIMER

### GENERAL DISCLAIMER:

This Shelf Memorandum of Private Placement ("**Disclosure Document/ Information Memorandum**") is not a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by IIFL Wealth Finance Limited (the "**Issuer**"). Neither this Disclosure Document nor any other information supplied in connection with the contemplated issue should be construed as legal, tax, accounting or investment advice.

The Issue is proposed to be listed on the BSE and is being made strictly on a private placement basis. This Disclosure Document is not intended to be circulated to more than 49 (forty-nine) persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general.

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, and SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the Companies act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Disclosure Document also complies with SEBI circular Cir./IMD/DF/17/2011 dated September 28, 2011 titled 'Guidelines for Issue and Listing of Structured Products/Market Linked Debentures'. As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 42(7) of the Companies Act, 2013 shall be applicable and accordingly, a copy of this Disclosure Document will be filed with the RoC within a period of 30 days from the date of circulation of the Disclosure Document.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Disclosure Document acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any

potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

**Each person receiving this Disclosure Document acknowledges that:**

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein. Each such person (i) is a knowledgeable and sophisticated investor; (ii) have the expertise in assessing the credit, market and all the other risks involved in purchasing the Debentures; (iii) has done its own independent assessment and analysis of the Issue; (iv) understands that, by purchase or holding of the Debentures, it is assuming and is capable of bearing the risk of loss that may occur with respect to Debentures, including the possibility that it may lose all or a substantial portion of investment.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document.

Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Disclosure Document and the applicable laws, and ensure that the same does not constitute an offer to the public.

The information and data contained herein is submitted to each of the recipient of this Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Disclosure Document, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the subscription to the Issue or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

**DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. This document should not, in any way, be deemed or construed to have been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures is being made on a private placement basis and, therefore, filing of this document with SEBI is not required, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document.

**DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document shall be submitted to the BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**DISCLAIMER BY THE RESERVE BANK OF INDIA:**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MARCH 18, 1998 BEARING REGISTRATION NO. B-13.00361 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.**

**DISCLAIMER IN RESPECT OF JURISDICTION**

The private placement of Debenture is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ bye laws to hold debenture in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Information Memorandum does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Information Memorandum comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Mumbai. All information considered adequate and relevant about the Issuer has been made available in this Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

**FORWARD LOOKING STATEMENTS**

All statements in this Disclosure Document that are not statements of historical fact constitute “forward looking statements”. All statements regarding the Issuer’s expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

**DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE INDEX/ PORTFOLIO PERTAINING TO PRINCIPAL PROTECTED SECURED REDEEMABLE NON CONVERTIBLE MARKET LINKED DEBENTURES**

**Standard Risk Factors related to the Reference Index/Portfolio of the AT1 debt securities:**

	Name of Security	Issuer Name	ISIN	Allocation	Call date
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Risks involved in investing in AT1 bonds are as follows:

**1) Coupon discretion:**

The bank will have full discretion at all times to cancel distributions/payments in order to meet the eligibility criterion for perpetual debt instruments. On cancellation of distributions /payments these payments will be extinguished and the Bank shall have no obligation to make distributions / payments in kinds as well. Cancellation of discretionary payments will not be an event of default. Bank will have full access to cancelled payments, to meet obligations as they fall due. Cancellation of distributions/payments will not impose any restriction on the Bank except in relation to distributions to common stakeholders. Coupon will be paid out of distributable items. In this context, coupon may be paid out of current year profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of sufficient revenue reserves (those which are not created for specific purposes by Bank) and / or credit balance in profit and loss account, if any. However, payment of coupon on PDIs from the revenue reserves is subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important Banks). The coupon on the bonds shall be non-cumulative. If coupon is not paid or paid at a rate lessor than the coupon rate, the unpaid coupon will not be paid in future years. In the event that the Bank determines that it will be cancelling a payment of coupon on the Bonds, the Bank will notify the Trustee not less than 21 calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.

**2) Call risk:**

- a) **Issuer Call:** The Issuer may at its sole discretion, subject to Conditions for call and repurchase having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Issuer Call (which notice shall specify the date fixed for exercise of the Issuer Call (the “Issuer Call Date”), may exercise a call on the outstanding Bonds. The Issuer Call, which is discretionary, may or may not be exercised on the tenth anniversary from the Deemed Date of Allotment i.e. the tenth Coupon Payment Date or on any Coupon Payment Date thereafter.

- b) Tax Call: If a Tax Event (as described below) has occurred and continuing, then the Issuer may having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Tax Call or Variation (which notice shall specify the date fixed for exercise of the Tax Call or Variation “Tax Call Date”), may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification. A Tax Event has occurred if, as a result of any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) of India or any change in the official application of such laws, regulations or rulings the Issuer will no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds. RBI will permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds.
- c) Regulatory Call or Variation: If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may having been satisfied and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Regulatory Call or Variation (which notice shall specify the date fixed for exercise of the Regulatory Call or Variation (the “Regulatory Call Date”)), may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification. A Regulatory Event is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier I Capital of the Issuer. RBI will permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds.

**3) Loss Absorption:**

- a) Permanent principal write down on PONV Trigger Even:  
If a PONV Trigger Event (as described below) occurs, the Issuer shall:
  - (i) notify the Trustee;
  - (ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date; and
  - (iii) without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI (“PONV Write Down Amount”) and subject as is otherwise required by the RBI at the relevant time. The Issuer will affect a write-down within thirty days of the PONV Write-Down Amount being determined and agreed with the RBI. A write-down may occur on more than one occasion. Once the principal of the Bonds have been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue
- b) Temporary write down:  
If a CET1 Trigger Event (as described below) occurs, the Issuer shall: (i) notify the Trustee; (ii) cancel any coupon which is accrued and unpaid to as on the write-down date; and (iii) without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide. and in no case such amount shall be less than the amount required to immediately return the Issuer’s Common Equity Tier 1 Ratio (as defined below) to above the CET1 Trigger Event Threshold (as defined below) (the “CET1 Write Down Amount”). Notwithstanding the above, if the RBI has agreed with the Issuer prior to the occurrence of the relevant CET1 Trigger Event that a write-down shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the Common Equity Tier 1 Ratio to a level above the CET1 Trigger Event Threshold that the RBI and the Issuer deem, in their absolute discretion, to be adequate at such time, no CET1 Trigger Event in relation thereto shall be deemed to have occurred. CET1 Trigger Event means that the Issuer’s or its group’s Common Equity Tier 1 Ratio is: (i) if calculated at any time prior to March 31, 2019, at or below 5.5%; or (ii) if calculated at any time from and including March 31, 2019, at or below 6.125%, (the “CET1 Trigger Event Threshold”); Common Equity Tier 1 Ratio means the Common Equity Tier 1 Capital (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as the case may be) expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as applicable);

These are risks specific to Additional Tier 1 bonds and other risks associated to Fixed Income Securities such as

Interest rate risk, prepayment risk, settlement risk, credit risk of downgrade will also apply for these securities.

### **Risk factors associated with investing in Fixed Income Securities**

The price of the securities will be affected by changes in the general level of interest rates. The price of the securities is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

Investment in Debt instruments are subject to varying degree of credit risk or default risk (i.e. the risk of an issuer's inability to meet interest and principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic and/ or political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.

Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities.

Different types of fixed income securities in which the Securities would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Securities risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds, are comparatively less risky than AA rated bonds.

### **General Risk factors**

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme(s). Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme(s) can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme(s). In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described under "Right to Limit Redemptions" in Section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' mentioned in SID.
- At times, due to the forces and factors affecting the capital market, the Scheme(s) may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme(s). The Scheme(s) may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive returns. This may increase the risk of the portfolio.
- Investment strategy to be adopted by the Scheme(s) may carry the risk of significant variance between the portfolio allocation of the Scheme(s) and the Benchmark particularly over a short to medium term

period.

- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.
- Although the principal value on the debentures is protected on maturity, the investment return on the debentures is linked to the performance of the underlying Nifty 50 Index.
- An investor in the debenture will not be entitled to receiving any interest payments and/or dividends and/or other distributions in the constituent stocks of the Nifty 50 index during the term of the debenture.
- Even though the investment return on the debentures is linked to the Nifty 50 index the return on the debentures may not reflect the return an investor may realize if the investor was to actually own each of the constituent stocks comprising the Nifty 50 index. Further, the debenture holders will have no ownership rights on the constituent stocks of the Nifty 50 index.

**Risk Factors:**

*An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this disclosure document, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.*

- 1. If we are unable to manage our rapid growth effectively, our business and financial results could be adversely affected.**
- 2. We do not own the premises where our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.**
- 3. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.**
- 4. We may not be able to successfully sustain our growth plans.**
- 5. Our Business is dependent on relationships established through our branches with our clients; any events that harm these relationships including closure of branches or the loss of our key branch personnel may lead to decline in our revenue and profits.**
- 6. High levels of customer defaults could adversely affect our business, financial condition and results of operations.**
- 7. Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise**



*further debts.*

- 8. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.*
- 9. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.*
- 10. We may sometime engage in arbitrage and trading opportunities using our own / borrowed capital.*
- 11. Conflicts of interest may arise out of common business objects shared by our Company and certain of our Group Companies. There can be no assurance that such Group Entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.*
- 12. We are exposed to many risks in our operations and we may not have sufficient insurance coverage to cover our economic losses.*
- 13. We may require further funding which may be financed through debt instruments or equity issuance, which may lead to leverage, dilution of equity and may affect the market price of our Equity Shares.*
- 14. We face intense competition in our businesses, which may limit our growth and prospects.*
- 15. Our growth will depend on our ability to develop our brand and failure to do so will negatively impact our ability to effectively compete in this industry.*
- 16. We operate in businesses which are subject to extensive regulatory requirements and any failure to comply with any of the regulations could subject us to penalties or sanctions.*
- 17. Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risk which could adversely affect our business and results of operations.*
- 18. Our business requires us to obtain and renew certain licenses and permits from government and regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.*
- 19. We face reputational risks in respect of the third party products and any non-performance by these products could adversely affect our reputation and our business.*
- 20. Downturns or disruptions in the financial markets could reduce transaction volumes which may adversely affect our results of operations.*
- 21. We face risks attributable to derivatives trading by clients and possible inadequacy of risk management systems and policies which may affect our financial condition.*
- 22. We are exposed to employee misconduct, fraud or errors that are difficult to detect and any such incidences adversely affect our financial condition, results of operations and reputation.*
- 23. Our results of operations could be adversely affected by any disputes with employees.*
- 24. We have entered into a number of related party transactions.*
- 25. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could*

*adversely affect the financial markets and our business.*

**26. Our business requires us to obtain and renew certain licenses and permits from government and regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.**

**27. Our operations are dependent on technology and infrastructure. Our technology and infrastructure may malfunction or fail which may result in financial loss, disruption of our businesses, liability to clients, regulatory intervention or damage to our reputation.**

**Product related risk factors:**

- (a) The composition of the securities underlying the Reference Index to which a Debenture may be linked may change over time**

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Registered Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Registered Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

- (b) Disclaimer in relation to Valuation**

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions.

The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different.

**Structure Risks**

**PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.**

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the final Redemption Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final Redemption Date. The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the final Redemption Date. Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

#### **Model Risk**

**Investment in the Debentures is subject to model risk.** The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

#### **Credit Risk**

While, the repayment of sums due at maturity is provided by the Issuer, Investors should be aware that receipt of any coupon payment and principal amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and Investor may or may not recover all or part of the Principal Amount in case of default by the Issuer. Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

#### **Risks relating to Debentures due to linkages to the reference asset**

An investment in any series of Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the

foregoing, a “**Reference Value**”) will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula. The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Final Maturity Date.

If so specified, the early redemption amount, if any, may in certain circumstances be determined by the Valuation Agent based upon the market value of the Debentures less any costs associated with unwinding any hedge positions relating to the particular series of Debentures. In the event the terms and conditions do not provide for a minimum redemption amount even in the event of an early redemption, then on such occurrence a holder may receive less than 100.00% of the principal amount. In case of principal/capital protected market linked debentures, the principal amount is subject to the credit risk of the Issuer whereby the Registered Debenture Holder may or may not recover all or part of the funds in case of default by the Issuer. However, if the Debentures are held till the final maturity date, subject to credit risk of the Issuer, the Registered Debenture Holder of the Debenture will receive at least the principal amount.

The Debentures are likely to be less liquid than conventional fixed or floating rate debt instruments. No representation will be made as to the existence of a market for a series of Debentures. While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding principal amount of the particular series of Debentures, the level of the Reference Value, fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold any series of Debentures for an indefinite period of time or until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

#### **No Claim against reference asset**

Registered Debenture Holders do not have any interest in or rights to the underlying assets, indices or securities to which Debentures relate.

**DEFINITION/ ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
“Issuer”, “the Company” and “our Company”	IIFL Wealth Finance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934.
Act / Companies Act	The Companies Act, 1956 or the Companies Act, 2013 (such sections which have been notified by the Government) as amended from time to time, whichever is applicable.
AOA / Articles / Articles of Association	Articles of Association of our Company
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof
DIN	Director Identification Number
Equity Shares	Equity shares of face value of Rs.10 each of our Company
IIFL Group	IIFL Holdings Limited and its subsidiaries
MIS	Management Information System of our Company
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-ND-SI	Non-Deposit Accepting / Holding Systemically Important NBFC
NPA	Non-Performing Asset
Promoter	IIFL Wealth Management Limited
` / Rs./ INR / Rupees	Indian Rupees
Statutory Auditors / Auditors	Deloitte Haskins & Sells LLP
“We”, “us” and “our”	Our Company and/or its Subsidiaries, unless the context otherwise requires

**I. Issuer Information**

<b>Issuer Name</b>	IIFL Wealth Finance Limited
<b>Registered office &amp; Corporate office</b>	6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Tel.: +91 22 3958 5600 Fax: +91 22 4646 4706 Email: nbfc-compliance@iiflw.com Website: <a href="http://www.iiflwealthfinance.com">www.iiflwealthfinance.com</a>
<b>Date of incorporation</b>	August 31, 1994
<b>Compliance Officer for the Issue</b>	Mr. Manoj Gujran 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Email: manoj.gujaran@iiflw.com Tel.: +91 22 3958 5600 Fax: +91 22 4646 4706
<b>President</b>	Mr. Niraj Murarka 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Maharashtra, India E-mail: niraj.murarka@iiflw.com Tel.: +91 22 3958 5600
<b>Trustee of the Issue</b>	Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (E), Mumbai-400 051. Mumbai - 400 051 Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 Email: <a href="mailto:vaishali@milestonetrustee.in">vaishali@milestonetrustee.in</a> Website: <a href="http://www.milestonetrustee.in">www.milestonetrustee.in</a>
<b>Registrar of the Issue</b>	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
<b>Credit Rating Agency of the Issue</b>	<b>ICRA Limited</b> 1802, 18 <sup>th</sup> floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013
<b>Auditors of the Issuer</b>	<b>Deloitte Haskins &amp; Sells LLP</b> Indiabulls Finance Center Tower 3, 31st Floor, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India

## II. Directors of the Company

### Details of Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Disclosure Document.

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
<b>Mr. Umang Papneja</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07357053 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 610, Samartha Aangan -2, Off Link Road, Oshiwara, Andheri (West), Mumbai – 400 053	40	Appointed as Director on February 13, 2016	NIL
<b>Mr. Shantanu Rastogi</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 06732021 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 3601/02, Tower 2, Planet Godrej, 30 KK Marg, Saatrasta, Jacob Circle, Mahalaxmi, Mumbai - 400011	37	Appointed as Director on July 26, 2016	1. IIFL Wealth Management Limited 2. House of Anita Dongre Limited
<b>Mr. Himanshu Jain</b> <b>Designation:</b> Whole Time Director <b>DIN:</b> 02052409 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat no. 701-702, A- Wing, Julian Alps, Bhakti Park, Sion Wadala Link Road, Wadala, Mumbai-400037	41	Appointed as Director on October 04, 2016	NIL
<b>Mr. Yatin Shah</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 03231090 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 51, Kedia Apts, 29F, Dongarsi Road, Walkeshwar, Mumbai 400006	40	Appointed as Director on October 04, 2016	1. IIFL Wealth Management Limited 2. IIFL Investment Adviser and Trustee Services Limited 3. India Alternatives Investment Advisors Private Limited 4. IIFL Alternate Asset Advisors Limited 5. IIFL Distribution Services Limited 6. Naykia Realty Private Limited

*Note: None of the above directors appear in the RBI defaulter list and/or ECGC default list.*

### ***Brief profile/particulars of Directors & Key Managerial Personnel of the Company***

**Mr. Himanshu Jain**, aged 41 years, is a Chief Executive Officer and the Whole time Director of our company. He comes with over 18 years of rich experience across capital markets, wealth management and lending business. Over the course of his career, he has focused on consistent delivery of new business launch and growth for several MNC banks – particularly in the NBFC space. While Himanshu was most recently with BNP Paribas, he has spent time with Morgan Stanley, Merrill Lynch and Citigroup. Largely, he has been responsible for the setup, launch and scaling of NBFC Business.

**Mr. Yatin Shah**, aged 40 years, is a Non-Executive Director of our Company. Mr. Yatin is a Founder Director at IIFL Wealth Management Limited ('holding company of IIFL Wealth Finance Ltd') and possesses more than 15 years of experience in equity research and private wealth management. As Non-Executive Director, Yatin focuses on the domestic wealth advisory practice. Under Mr. Yatin's leadership, IIFL Wealth Management Limited ('holding company of IIFL Wealth Finance Ltd') has emerged as a pre-eminent leader in the domestic private wealth management space, advising more than 8,000 ultra-high-net-worth families. He started his career in equity research with Khandwala Securities, after which he was associated with Kotak's wealth management division.

**Mr. Shantanu Rastogi**, aged 37 years, is a Non-Executive Director of our company. He works from General Atlantic's Mumbai office where he focuses on investments in the Internet & Technology, Retail & Consumer and Health care sectors in India. He serves on Board of Directors of House of Anita Dongre Limited and IIFL Wealth Management Limited. He has worked as Principal at Apax Partners. He was a Consultant at McKinsey & co. in Mumbai.

**Mr. Umang Papneja**, aged 40 years, is a Non-Executive Director of our Company. He holds a MMS and JBIMS and has more than 14 years of industry experience across multiple asset classes. His core strengths lie in credit research, fixed income, equity research, fund selection and asset allocation.

**Mr. Pankaj Fitkariwala**, aged 40 years, is a Chief financial Officer of our Company. Pankaj is a Chartered Accountant and is the Chief Operations Officer at IIFL Wealth Management Limited ('holding company of IIFL Wealth Finance Ltd'). He has more than 13 years of experience in handling Operations, Compliance, Client Servicing and Technology in Wealth Management and Financial Services Industry.

**Mr. Manoj Gujran**, aged 38 years, is the Company Secretary of our Company. He is an Associate Member of the Institute of Company Secretaries of India. He holds a Graduate Degree in Commerce from the Mumbai University. He has over 9 years of experience in various fields such as Legal, Secretarial, Governance, Compliance, NBFC's, FEMA, Due Diligence, etc.

**Details of change in directors since last three years:-**

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reason</b>
Mr. Dipak Kumar Mehta	February 13, 2016	Resignation
Mrs. Bhanu Mehta	February 13, 2016	Resignation
Ms. Bhairavi Mehta	February 13, 2016	Resignation
Mr. Kunal Mehta	February 13, 2016	Resignation
Mr. Umang Papneja	February 13, 2016	Appointment
Mr. Shantanu Rastogi	July 26, 2016	Appointment
Mr. Himanshu Jain	October 4, 2016	Appointment
Mr. Yatin Shah	October 4, 2016	Appointment
*Mr. Karan Bhagat	October 4, 2016	Resignation
*Mr. Pankaj Fitkariwala	October 4, 2016	Resignation

**\*Note:**

- (a) Karan Bhagat was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- (b) Pankaj Fitkariwala was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.



**The auditors of the Company:-**

Name	Address	Auditor since
Deloitte Haskins & Sells LLP	Indiabulls Finance Center Tower 3, 31st Floor, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India	March 21, 2016

**A. Details of change in auditor since last three years:**

Deloitte Haskins & Sells LLP, Chartered Accountants, have been appointed as the Statutory Auditors of the Company with effect from March 21, 2016 to fill the casual vacancy caused due to resignation of M/s. H.V.Vora & Co, Chartered Accountants (registration number 111629W).

**B. Deloitte Haskins & Sells LLP, Chartered Accountants, have been re-appointed as the Statutory Auditors of the Company with effect from 26<sup>th</sup> July, 2016 from the 22<sup>nd</sup> AGM held on 26<sup>th</sup> July, 2016 till the conclusion of 27<sup>th</sup> AGM, subject to ratification passed by shareholders at each AGM.****III. A Brief Summary of the Business/ Activities of the Issuer and its Line of Business:****Overview**

We are a systemically important non-deposit taking NBFC focusing on Capital Market Finance and Mortgage Financing. We are a subsidiary of IIFL Wealth Management Limited, a diversified financial services company. We offer a broad suite of lending and other financial products to our corporate clients. Our lending and other financial products include:

- **Capital Market Finance**, which includes Loans against Securities, Margin Funding, IPO financing and other structured lending transactions.
- **Mortgage Loans**, which includes Corporate Mortgage Loans focusing mainly on Loans against property.

We received a certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 from the Reserve Bank of India for carrying on activities of a Non-Banking Financial Company.

Our Capital Market Finance business is sourced through direct sales, branch network, and wealth teams of IIFL Group.

**Details of default, if any, including therein the amount involved, duration of default and present status in repayment of:**

a) Statutory Dues: As per audited financials, our Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues with the appropriate authorities, where applicable. There are no undisputed statutory dues as on March 31, 2016, which are outstanding for a period exceeding six months from the date they became payable.

b) Debentures and interest thereon – NIL

c) Deposits and interest thereon – NIL

d) Loan from any bank or financial institution and interest thereon – NIL

A summary of our key operational and financial parameters for the last three completed financial years, are as follows:

**Issuer Company's Key Operational and Financial Parameters Consolidated**

*(Rs in Million)*

For Financial Entities	FY16	FY 15	FY14
	(Audited)	(Audited)	(Audited)
Net worth	9018.75	10.34	9.84
Total Debt	-	-	-
of which –			
- Non Current Maturities of Long Term Borrowing	-	-	-
- Short Term Borrowings	-	-	-
- Current Maturities of long Term Borrowings	-	-	-
Net Fixed Assets	-	0.32	0.38
Non-Current Assets	281.00	2.75	2.60
Cash and Cash Equivalents	541.02	0.58	0.20
Current Investments	7192.10	1.86	2.47
Current Assets	1009.52	5.60	4.36
Current Liabilities	4.89	0.71	0.09
Assets Under Management *	1007.73	-	-
Off Balance Sheet Assets	-	-	-
Interest Income	3.04	-	-
Interest Expense	-	0.00	-
Provisioning & Write-offs	4.96	-	-
Profit before tax	38.09	0.53	0.50
Provision for tax	20.68	0.03	0.04
Profit after tax (PAT)	17.41	0.51	0.46
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)	106.32	-	-
Tier II Capital Adequacy Ratio (%)	0.04	-	-
Gross Debt: Equity Ratio of the Company:-	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>
As on March 31, 2016	0:1	-	-
As on December 02, 2016 #	3.95:1	-	-
After the issue of proposed debt securities **	5.08:1		
Total Debt after new issue (Rs. In Millions) ***	25000.00	-	-
		-	-
Dividend Declared (standalone basis)	-	-	-
Interest coverage ratio	-	-	-

# Calculation of Debt Equity ratio after the issue = (Total Debt as on 02.12.16 + Current Debt Issue Size) / Net worth as on 30.09.2016

\* Assets under Management comprises of only Loan Book.

\*\* Based on the proposed issue of Secured Non-Convertible Debentures of Rs.10000 Million.

\*\*\* Total Debt includes the Debt Issue Size of Rs.1000 crore to be raised through issue of Privately Placed Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures specified in this Shelf Disclosure Document.

**A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY:##**

**Statement of Reformatted Unconsolidated Assets and Liabilities**

*(Rs in Million)*

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## Please refer to the details mentioned at the foot of this clause

Particulars	As at March 31 <sup>st</sup> , 2016	As at `March 31 <sup>st</sup> , 2015	As at March 31 <sup>st</sup> , 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2521.16	7.28	7.28
(b) Reserve and Surplus	6497.59	3.07	2.56
<b>(2)Share application money pending allotment</b>	-	-	-
<b>(3)Non-Current Liabilities</b>			
(a)Long-term borrowings	-	-	-
(b)Deferred tax liabilities (Net)	-	0.06	0.07
(c)Other Long-term liabilities	-	-	-
(d)Long-term provisions	-	-	-
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	-	-	-
(b) Trade payables	0.72	0.68	0.03
(c) Other current liabilities			
-Borrowings			
-Others	0.05	-	
(d) Short-term provisions	4.12	0.03	0.06
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>9023.64</b>	<b>11.12</b>	<b>10.00</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	-	0.32	0.38
(ii)Intangible assets	-	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	280.00	2.75	2.60
(c) Deferred tax assets(Net)	1.00	-	-
(d) Long-term loans & advances			
-Loans	-	-	-
-Others	-	-	-
(e) Other non-current assets	-	-	-
<b>(2) Current assets</b>			
(a) Current investments	7192.10	1.86	2.47
(b) Inventories	-	3.67	2.40
(c) Trade receivables	-	1.94	1.94
(d) Cash and Bank balances	541.02	0.58	0.20

Particulars	As at March 31 <sup>st</sup> , 2016	As at March 31 <sup>st</sup> , 2015	As at March 31 <sup>st</sup> , 2014
(e) Short-term loans & advances			
-Loans	1007.73	-	
-Others	0.17	0.00	0.01
(f) Other current assets	1.62	-	
<b>TOTAL ASSETS</b>	<b>9023.64</b>	<b>11.12</b>	<b>10.00</b>

## Statement of Reformatted Unconsolidated Profit &amp; Losses

(Rs.in Million)

Particulars	2015-2016	2014-2015	2013-2014
<b>Revenue</b>			
Revenue from operations	73.68	0.45	0.85
Other Income	0.25	0.36	0.13
<b>Total Revenue</b>	<b>73.93</b>	<b>0.81</b>	<b>0.98</b>
<b>Expenses</b>			
Employee benefit expenses	-	-	-
Finance cost	-	0.00	-
Depreciation & amortization expenses	-	0.06	0.03
Other expenses	35.84	0.22	0.45
<b>Total Expenses</b>	<b>35.84</b>	<b>0.28</b>	<b>0.48</b>
<b>Profit/(Loss) before tax</b>	<b>38.09</b>	<b>0.53</b>	<b>0.50</b>
<b>Tax expenses :</b>			
Current tax expense for current year	21.85	0.03	0.05
Deferred tax	(1.06)	(0.01)	(0.01)
Fringe benefit tax	-	-	-
Current tax expense relating to prior years	(0.11)	0.00	-
<b>Total tax expense</b>	<b>20.68</b>	<b>0.02</b>	<b>0.04</b>
<b>Profit (loss) for the period</b>	<b>17.41</b>	<b>0.51</b>	<b>0.46</b>

## Statement of Reformatted Unconsolidated Cash Flows

(Rs. in Million)

Particulars	2015-2016	2014-2015	2013-2014
Net profit before taxation, and extraordinary item	38.09	0.53	0.50
<b>Adjustments for:</b>			
Depreciation	-	0.06	0.03
Provision for Old Debtors	1.93	-	-
Provision for Standard Loans	3.02	-	-
Profit on Sale of Investments	(7.99)	(0.19)	(0.60)
Dividend Income	(0.12)	(0.36)	(0.13)
<b>Operating profit before working capital changes</b>	<b>34.93</b>	<b>0.03</b>	<b>(0.21)</b>
(Increase)/ Decrease in Current/Non-Current Assets	(1018.87)	(1.30)	(1.61)
Increase/ (Decrease) in Current/Non-Current Liabilities	3.12	0.69	0.04
<b>Cash generated from operations</b>	<b>(980.82)</b>	<b>(0.58)</b>	<b>(1.77)</b>
Tax (Paid) / Refund	(20.68)	(0.04)	(0.04)
<b>Net cash from operating activities [ A ]</b>	<b>(1001.50)</b>	<b>(0.62)</b>	<b>(1.81)</b>
Purchase/(Sale) of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	0.32	-	-
Purchase/Sale of current and Non-Current investments	(7459.50)	0.64	(2.25)
<b>Net cash from investing activities [ B ]</b>	<b>(7459.18)</b>	<b>0.64</b>	<b>(2.25)</b>
Dividend Income	0.12	0.36	0.13
Share issue expenses			
Proceeds of issue of share Capital/Premium	8991.00	-	-
Proceeds from long term borrowings#			
Proceeds from short term borrowings#			
Repayment of short term borrowings#			
<b>Net cash used in financing activities [ C ]</b>	<b>8991.12</b>	<b>0.36</b>	<b>0.13</b>
<b>Net increase in cash and cash equivalents [ A+B+C ]</b>	<b>530.44</b>	<b>0.38</b>	<b>(3.93)</b>
<b>Opening Cash and cash equivalents</b>	<b>0.58</b>	<b>0.20</b>	<b>4.13</b>
<b>Closing Cash and cash equivalents</b>	<b>531.02</b>	<b>0.58</b>	<b>0.20</b>
<b>Add; Earmarked Fixed Deposits</b>	<b>10.00</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>541.02</b>	<b>0.58</b>	<b>0.20</b>

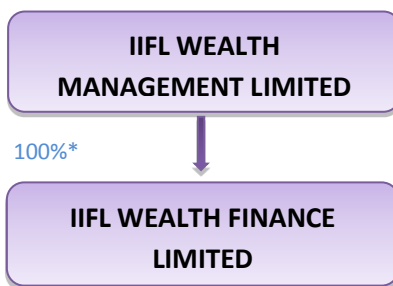
# Represents net amount due to transaction volume

Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Issuer:

NIL



## Our Corporate Structure



\*Based on equity share capital holding.

**A brief history of the Issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.**

**Corporate profile**

Our Company was originally incorporated on August 31, 1994 as a public limited company under the provisions of the Companies Act, 1956 as Chephis Capital Markets Limited. A fresh certificate of incorporation consequent to the change of our name to IIFL Wealth Finance Limited was granted to our Company on March 12, 2016 by the RoC, Maharashtra, Mumbai.

Our Company has obtained a certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act. Based on the revised regulatory framework prescribed by RBI for NBFCs, our Company was classified under the category “**Loan Company-Non Deposit Accepting**” and is a systemically important non-deposit taking NBFC.

**Change in registered office of our Company**

The registered office of our Company was changed from 1<sup>st</sup> floor, Sun Beam Chambers, S7 – C, New Marine Lines, Mumbai - 400020, Maharashtra, India, to 6<sup>th</sup> floor, IIFL Centre, Kamala City, Lower Parel, Mumbai – 400 013, Maharashtra, India with effect from February 13, 2016.

**Main objects of our Company**

The main objects of our Company as contained in our Memorandum of Association are:

- (1) To carry on financing business and perform lending and financing services, both short term and long term, including but not limited to capital market financing, loan against property and factoring, by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities.
- (2) To carry on and transact in India or elsewhere in any manner whatsoever, the business to establish, organize, manage, distribute, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize all kinds of insurance business including but not limited to Life, Non-life, General, indemnity or guarantee business of all kinds, classes, nature and description, fire, marine, aviation, transit, motor vehicles, engineering, accident, including rural, livestock, crop insurance, miscellaneous insurances and all branches of the above classes and also the business of insurance against war, riots, strikes, terrorism, civil commotion, loss of profits, health, other contingencies and insurances covering any liability under any law, convention or agreement and to act as corporate agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to general insurance business.

**CAPITAL STRUCTURE**

**Details of share capital**

*The share capital of our Company as at date of this Disclosure Document is set forth below:*

Share Capital	In Rs.
<b>Authorised Share Capital</b>	
300,000,000 equity shares of Rs. 10 each	3,000,000,000

<b>Total Authorised Share Capital</b>	3,000,000,000
<b>Issued, Subscribed and Paid-up share capital</b>	
26,24,49,733 Equity Shares of Rs. 10 each	2,624,497,330
<b>Total Issued, Subscribed and Paid-up share capital</b>	<b>2,624,497,330</b>

<b>Capital Structure</b>	<b>In Rs.</b>
Paid up capital:	<b>2,624,497,330</b>
(i) After the offer	Unchanged
(ii) After conversion of convertible instruments	N.A
(iii) Share premium account (before and after the offer)	Unchanged

**Note:** Increase in issued, subscribed and paid up share capital is by issue and allotment of 10,333,333 equity shares to IIFL Wealth Management Limited at face value of Rs. 10 per share and having issue price of Rs. 60 per share.

**Changes in the authorized capital of our Company as on March 31, 2016:**

<b>Date of Approval</b>	<b>Authorised Share Capital (in Rs.)</b>	<b>Particulars</b>
-	12,500,000	Authorised Share Capital of our Company on incorporation as mentioned in Clause V of the Memorandum of Association was Rs. 12.50 million divided into 1,250,000 Equity Shares of Rs.10 each.
February 13, 2016 (EGM)	3,000,000,000	Increase of Authorised Share Capital, by creation of 298,750,000 new Equity Shares of Rs.10 each. The revised Authorised Share Capital stood at Rs. 3000 Million comprising of 300,000,000 Equity Shares of Rs. 10 each.

**Equity Share Capital History of our Company as on March 31, 2016:**

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (in Rs.)</b>	<b>Issue Price (in Rs.)</b>	<b>Consideration (Cash, other than cash etc.)</b>	<b>Nature of Allotment</b>	<b>Cumulative No. of Equity Shares</b>	<b>Cumulative Equity Share Capital (in Rs.)</b>	<b>Cumulative Equity Share Premium (in Rs.)</b>
August 31, 1994	700	10	10	Cash	Initial subscription to MoA	700	7,000	-
January 31, 1995	745,000	10	10	Cash	Issue of Equity Shares to Dipak Mehta, Bhanu Mehta, Harshada Mehta, Deven Mehta, Bhairavi Mehta, Gunial Mody, Pratap Mody,	745,700	7,457,000	-

**Private & Confidential – For Private Circulation Only**

Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in Rs.)	Cumulative Equity Share Premium (in Rs.)
					Deepak Gamanlal (HUF), Kunal Mehta and Gamanlal Prataprai (HUF)			
October 15, 1996	481,878	10	10	Cash	Issue of Equity Shares to Dipak Mehta, Bhanu Mehta, Deven Mehta, Bhairavi Mehta, Gunial Mody, Deepak Gamanlal (HUF) and Kunal Mehta	1,227,578	12,275,780	-
March 8, 2004	2,70,067	10	10	Cash	Buy Back of Equity Shares	9,57,511	95,75,110	-
August 22, 2005	2,30,000	10	10	Cash	Buy Back of Equity Shares	7,27,511	72,75,110	-
February 15, 2016	22,222,222	10	22.5	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	22,949,733	229,497,330	277,777,775
February 25, 2016	140,000,000	10	22.5	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	162,949,733	1,629,497,330	2,027,777,775
March 30, 2016	89,166,667	10	60	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	252,116,400	2,521,164,000	6,486,111,108

**Notes:**

**Details of any acquisition, amalgamation, reorganization or reconstruction in the last 1 year.**

There has been no acquisition or amalgamation or reorganization or reconstruction in the last one year with respect to our Company. IIFL Wealth Management Limited has acquired 100% equity share capital of the Company on February 13, 2016.

#### **IV. Shareholding Pattern**

**Shareholding pattern of Equity Shares of our Company as on March 31, 2016:**

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Total number of Equity Shares</b>	<b>Number of shares held in dematerialized form</b>	<b>Total shareholding as a % of total number of Equity Shares</b>	<b>Shares pledged or otherwise encumbered</b>
1.	IIFL Wealth Management Limited	25,21,16,394	25,21,16,394	100.00	Nil
2.	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
3.	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
4.	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
5.	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
6.	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
7.	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
	<b>Total</b>	<b>25,21,16,400</b>	<b>25,21,16,400</b>	<b>100.00</b>	<b>Nil</b>

*Note: No shares are pledged or encumbered by the promoter, i.e., IIFL Wealth Management Limited.*

**Shareholding pattern of Total Equity Share Capital of the Company as on March 31, 2016:**

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Total number of Equity Shares of face value Rs. 10/-</b>	<b>Total Equity Share Capital (In Rs.)</b>	<b>Number of equity shares held in dematerialized form</b>	<b>Total equity shareholding as a % of total number of Equity Shares</b>	<b>Shares pledged or otherwise encumbered</b>
1.	IIFL Wealth Management Limited	25,21,16,394	2,521,163,940	25,21,16,394	100.00	Nil

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2.	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
3.	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
4.	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
5.	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
6.	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
7.	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
<b>Total</b>		<b>25,21,16,400</b>	<b>2,521,164,000</b>	<b>25,21,16,400</b>	<b>100.00</b>	<b>Nil</b>

Top 10 holders of Equity Shares of our Company as on March 31, 2016:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Wealth Management Limited	25,21,16,400	25,21,16,400	100.00	Nil
	<b>Total</b>	<b>25,21,16,400</b>	<b>25,21,16,400</b>	<b>100.00</b>	<b>Nil</b>

**V. Issue Size:**

Under the purview of current document, the Company intends to raise by way of Debentures, an amount aggregating upto Rs.1000 Crore being Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures.

**Details of utilization of the issue proceeds**

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used, subject to applicable statutory and/or regulatory requirements, for various financing activities including onward lending and for the business operations including the general corporate purposes and working capital requirements.

**Project cost and means of financing, in case of funding of new projects: Not applicable**

**VI. Details of Borrowings:**

**A. Details of borrowings of the Company as on March 31, 2016:-**

**(i) Details of Secured/Unsecured Loan Facilities as on March 31, 2016:-**

As on March 31, 2016, the Company has NIL outstanding secured and unsecured borrowings.

**B. Details of Secured Non-Convertible Debentures as of March 31, 2016:**

Debenture Description	Original Tenor (days)	Coupon / Yield	Amount (Rs in Million)	Date of Allotment	Redemption Date	Credit Rating
NIL	NIL	NIL	NIL	NIL	NIL	NIL
		Total	NIL			

**C. Details of Unsecured NCDs as of March 31, 2016:**

Debenture Series	Original Tenor (days)	Coupon / Yield	Amount (In Rs. Million)	Date of Allotment	Redemption Date	Credit Rating
NIL	NIL	NIL	NIL	NIL	NIL	NIL
		Total	NIL			

**Note:** Your Company has issued Secured Redeemable Non-convertible Market Linked Debentures of Rs.1411.12 Crore as on December 09, 2016.

Details of Commercial Paper Outstanding as on 31<sup>st</sup> March, 2016: **NIL**

**Note:** Your Company has issued Commercial Paper (Outstanding) of Rs.2580 Crore as on December 02, 2016.

Details of Rest of the borrowing (including any hybrid debt like FCCB, Optionally Convertible Debentures, Preference Shares): **NIL**

Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years: **NIL**

Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: **NIL**

The Company confirms that currently it does not have any outstanding borrowing taken or currently it has not issued debt securities for consideration other than cash, whether in whole or in part; at a premium or discount; or in pursuance of an option.

**VII. Details of the Promoter:**

Our Promoter is IIFL Wealth Management Limited. IIFL Wealth Management Limited ("IIFLW") was originally incorporated on 17<sup>th</sup> January 2008 at Mumbai. It has a net worth of Rs. 11,365.60 million as on March 31, 2016 and PAT of Rs. 1,034.06 million for FY 2015-16. It has a consistent profitability track record over past 7 years. IIFLW is registered as Portfolio Manager with Securities and Exchange Board of India (SEBI) since May 2008 and registered as a Distributor of Mutual Funds with Association of Mutual Funds in India (AMFI) since March 2008. IIFLW provides portfolio management and advisory services and acts as the Wealth Manager to HNIs and corporate clients. IIFLW



also carries on all kinds of distribution services for units of Mutual Funds, Shares, Stocks, Debentures, Bonds, Government Securities, Insurance Products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities & debt instruments. IIFLW has 7 Indian and 8 Overseas Subsidiaries and a strong presence through its subsidiaries in global financial hubs. IIFL Wealth caters to over 8600 families clients through its wealth management platform, advising, distributing and managing Rs. 80,000 Crore assets.

**Details of Promoter Holding in the Company as on March 31, 2016:-**

<b>Name of Promoter</b>	<b>Total Number of Equity Shares</b>	<b>Number of shares in demat form</b>	<b>Total shareholding as % of total no of equity shares</b>	<b>Number of Shares Pledged</b>	<b>% of Shares pledged with respect to shares owned</b>
IIFL Wealth Management Limited	25,21,16,400	25,21,16,400	100	NIL	NIL

**VIII. Material contract/agreements**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) or documents pertaining to the Issue which are or may be deemed material have been entered or to be entered into by our Company. These contracts or documents which are or may be deemed material have been attached with the listing application and available for inspection at the registered office of our Company.

**Material Contracts:**

1. Agreement with Link Intime India Private Limited appointing it as registrar and transfer agent (RTA).
2. Agreement with Milestone Trusteeship Services Private Limited appointing it as debenture trustee.
3. Debenture Trust Deed to be executed with Milestone Trusteeship Services Private Limited.

**Other Documents:**

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last three years.
3. Certificate of incorporation dated August 31, 1994.
4. Fresh certificate of incorporation dated March 12, 2016 issued by the Registrar of Companies pursuant to change of name of the Company from Chephis Capital Markets Ltd to IIFL Wealth Finance Ltd.
5. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs.7500 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge passed at the Extra Ordinary General Meeting of the shareholders of the Company held on December 01, 2016. The same has been attached as **Annexure E**.
6. Resolution under Section 42 of the Companies Act, 2013 for offer and issue of Secured Non-Convertible Debentures on private placement basis passed at the Extra Ordinary General Meeting of the shareholders of the Company held on December 01, 2016. The same has been attached as **Annexure F**.
7. Resolution passed by the Debenture Allotment Committee at its meeting held on December 12, 2016 to approve the offer and issue of Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures ("PPMLDs") aggregating to Rs.1000 Crore on private placement basis. The same has been attached as **Annexure G**.
8. Rating letter dated December 05, 2016 from ICRA Limited.
9. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.

10. Consent letter dated December 05, 2016 of Milestone Trusteeship Services Private Limited to act as Trustee to the Issue.
11. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly/ annual result.

**IX. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**

To the best of the knowledge and belief of the Company, save and except mentioned hereunder, there has been no material event / development or change having implications on the business of the Issuer at the time of Issue which may affect the Issue or investor's decision to invest or continue to invest in the Issue.

IIFL Holdings Limited (the ultimate holding company of the Promoter of the Issuer Company), wholly owned subsidiary namely India Infoline Commodities Limited ("IICL") is a member of National Spot Exchange Limited ("NSEL") which enabled spot transactions in commodities of behalf of its clients. NSEL as an exchange is responsible for ensuring due settlement of all trades of the clients on the exchange. NSEL vide its circular dated July 31, 2013 had decided to keep on hold the settlement of all outstanding contracts of clients. Ministry of Consumer Affairs, Government of India, vide its gazette notification dated August 6, 2013, had directed that the settlement of all outstanding contracts at NSEL shall be done under the supervision of Forward Market Commission ("FMC") and any order or direction issued by FMC in this regard shall be binding upon NSEL and any person, intermediary or warehouse connected with the NSEL, and for this purpose, the FMC is authorised to take such measures, as deems fit. Subsequently, NSEL had announced a revised settlement schedule vide its circular dated August 14, 2013 for settlement of funds for all outstanding positions of the clients.

The Promoter, IIFL Group or its subsidiary/ies does not have any proprietary positions on NSEL as on July 31, 2013.

In view of engagement of IICL only as a broker enabling clients' transactions on NSEL as well as with the Government of India notifications and FMC communications in this regard, no financial liability may arise on IICL on account of these transactions.

**If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document**

N.A.

**X. Other details of the Issue:**

**I. Undertaking to use a common form of transfer**

The Debentures will be issued in dematerialized form only and there would be no physical holding. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures.

**II. A summary of term sheet including brief information pertaining to the Issue is attached as Annexure A.**

**III. Issue Procedure**

**Listing**

The Debentures of the Company are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE. The Company shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis.

**Minimum Subscription**

As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

**Date of Allotment**

All benefits relating to the Debentures will be available to the investors from the Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Debentures shall be allotted in accordance with the requirements of section 42 of the Companies Act, 2013.

**Underwriting**

The present Issue of Debentures on private placement basis has not been underwritten and no arrangement has been made for the same.

**Interest on Application Money**

Our Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicant to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) whichever is later up to one day prior to the Deemed Date of Allotment, at the rate of at applicable coupon rate per annum. However no interest is to be paid on application amount to the ASBA Applicants.

**Tax Deduction at Source**

Tax as applicable under the provisions of Income Tax Act, 1961, or any other applicable statutory modification or re-enactments thereof will be deducted at source at the time of payment of interest or principal amount.

**Transfer of Debentures**

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) and transferor should take the requisite approvals, including from RBI, as applicable and should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

### **Who can apply**

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures by submitting all the relevant documents along with the application form.

1. Companies and Bodies Corporate (incorporated in India) / Companies / Financial institutions / NBFCs / Statutory Corporations including Public Sector Undertakings
2. Commercial Banks
3. Resident Individuals (including Partnership Firms, and HUF)
4. Regional Rural Banks
5. Insurance Companies
6. Mutual Funds/ Alternative Investment Fund (AIF)
7. SEBI registered foreign institutional investors;
8. Any other investors authorized to invest in these Debentures

In each case, solely in India.

Applications are not to be made by (i) Overseas Corporate Bodies, (ii) Non Resident Indians.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and shall ensure that they are permitted to invest in the Debentures in terms of their constitutional documents.

Although above investors are eligible to apply, only those investors, who are individually addressed through direct communication by the Company are eligible to apply for the Debentures. No other person may apply. Hosting of Disclosure Document on the website of the BSE should not be construed as an offer to public and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

### **Application by Mutual Funds**

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Debentures in physical form in whole or in part, in either case, without assigning any reason therefor.

### **Applications under Power of Attorney**

A certified true copy of the Memorandum of Association &/ Power of Attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further

modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

#### **Application by a Portfolio Manager registered with SEBI**

The application should be accompanied by certified true copies of (i) resolution of the Board of Directors, authorizing investment and containing operating instructions, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures along with the authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities

#### **Documents to be provided by investors**

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association / Documents governing its constitution
- Resolution authorizing investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the application money.
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- A copy of the Permanent Account Number and registration certificate.
- SEBI registration certificate (for Mutual Funds and FII's).

#### **Permanent Account Number**

All Applicants should mention their Permanent Account Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. A copy of the PAN card should be annexed to the application form.

Each of the Applicants is required to mention his PAN allotted under the Income Tax Act in the Application Form. The PAN would be the sole identification number for participants transacting in the securities markets, irrespective of the amount of the transaction. Any Application Form without the PAN is liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.

#### **Nomination Facility**

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

#### **Disputes and Governing law**

The Debentures shall be governed in accordance with the Indian Law. The competent courts at Mumbai alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed/Trustee Agreement.

#### **Trading of Debentures**

The trading of privately placed Debentures would be permitted in standard denomination of Rs. 10 lakhs in the anonymous, order driven system of the Stock Exchange in a separate trading segment. All class of investors would

be permitted to trade subject to the standard denomination/marketable lot and further subject to regulatory requirements. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

### **Mode of Payment**

As set out in Term Sheet.

### **Authority for the Placement**

The present issue of Debentures is being made pursuant to the resolution of the Shareholders of the Company, passed at its meeting held on December 01, 2016, and the resolution passed by the Debenture Allotment Committee of the Board of Directors of the Company at its meeting held on December 12, 2016. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the Company held on December 01, 2016. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

### **Terms of Payment**

The full Face Value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) or RTGS or NEFT for the full Face Value of the Debentures applied for.

<b>Face Value Per Debenture</b>	<b>Minimum Application</b>	<b>Amount Payable on Application per Debenture</b>
Rs.100,000	25 debentures and in multiples of 1 debenture.	Rs. 25,00,000

### **Market Lot**

The market lot will be 1 Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

### **Payment on Redemption**

In case of the Debentures held in demat form, no action is required on the part of the debenture holder(s) at the time of redemption of the Debentures and on the Redemption Date, the redemption proceeds would be paid to those debenture holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The redemption proceeds shall be directly credited through Electronic Clearing Service (ECS), RTGS or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/ demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by the debenture holder(s) or at the address with Depositories' record. Once the redemption proceeds have been credited to the account of the debenture holder(s) or the cheque/demand draft for redemption proceeds is dispatched to the debenture holder(s) at the addresses provided or available from the Depositories record, the Company's liability to redeem the Debentures on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Debenture(s).

### **Right to Reissue Debenture(s)**

Where the Company has redeemed or repurchased any Debenture(s), the Company shall have and shall be deemed always to have had the right to keep such Debentures alive without extinguishment for the purpose of resale or reissue and in exercising such right, the Company shall have and be deemed always to have had the power to resell or reissue such Debentures either by reselling or reissuing the same Debentures or by issuing other Debentures in their place. This includes the right to reissue original Debentures.

### **Transfer/Transmission of Debentures**

The Debentures shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013 as amended. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act, 2013 as amended shall apply, mutatis mutandis, to the extent applicable to Debentures, as well.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories/Company, as the case may be. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with us or Registrar.

### **List of Beneficial Owners**

The Company shall request the Depository to provide a list of Beneficial Owners as on the Record Date. This list shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Debenture Redemption Reserve**

As per the circular of the Ministry of Corporate Affairs No. 04/2013 dated February 11, 2013 and the Companies Act, 2013 and the rules notified thereunder, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank of India under Section 45 IA of the RBI (Amendment) Act 1997.

### **Notices**

The notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be to the address registered with the Company. All notices to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s), etc., requests for issue of duplicate debentures etc. and/or any other notices / correspondence by the Debenture holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

### **Sharing of Information**

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

## **Registrar**

Link Intime India Private Limited is acting as Registrar and Transfer agents for the Company for the Issue.

## **Trustees for the Debenture holders**

The Company has appointed Milestone Trusteeship Services Private Limited to act as Trustees for the Debenture holders (hereinafter referred to as “Trustees”). A copy of letter from Milestone Trusteeship Services Private Limited conveying their consent to act as Trustees for the Debenture holders is annexed to this Disclosure Document.

1. The Company and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of enforcement of rights of Debenture holders.
3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture holder(s).
4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holder(s).
6. The Debenture Trustee shall ensure disclosure of all material events to the Debenture holders on an ongoing basis.
7. The Trustees will protect the interest of the Debenture holder(s) in the event of ‘Default’ by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.
8. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (Issue and Listing of Debt Security) Regulations, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document, with due care, diligence and loyalty.
9. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same
10. The events of default are set out under the Debenture Trust Deed.

## **Right to Accept or Reject Applications**

The Board of Directors/ Committee of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on Application Money will be paid from the Pay-in Date till one day prior to the Refund Date. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the Minimum Application Size;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic/ dematerialized form not given;
- d. PAN not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;



- f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **How to Apply**

This Disclosure Document is neither a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the investor(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be specifically addressed to the investor(s) by the Issuer.

Only specifically addressed investors may apply for Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Debenture and in multiples of 1 Debenture thereafter. The applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects and should be submitted as instructed. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Unless the Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Application money shall not be accepted in cash. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

### **Debenture holder not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

### **Rights of Debenture holders**

- The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, trustee of holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or

priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/ debenture certificates that will be issued.

- The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders.
- The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of the Company, the terms of this Disclosure Document and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- A register of Debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.
- The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

#### **Trustee for the Issue**

Milestone Trusteeship Services Private Limited  
602, Hallmark Business Plaza,  
Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital  
Bandra (E), Mumbai - 400 051.  
Telephone: +91 22 6716 7080  
Fax: +91 22 6716 7077

#### **Effect of Holidays**

Should any of the dates defined above or elsewhere in this Schedule other than the Deemed Date of Allotment, fall on a Saturday, Sunday or a public holiday, the next Business Day shall be considered as the effective date(s).

1. If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in the city of Mumbai), then the payment of interest will be made on the previous day i.e. a Business Day with interest for the intervening period.

2. In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in Mumbai), then the payment due shall be made on previous working day.

**Put / Call Option**

Put/ Call Option will be as set out in the attached Term Sheet.

**Deemed Date of Allotment**

The Deemed Date of Allotment will be as set out in the attached Term Sheet.

**Debentures in dematerialized mode**

The Debentures will be credited in dematerialized form within the statutory time period from the Deemed Date of Allotment.

The Debentures, since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by National Securities Depository Limited (NSDL) and/ or Central Depository Services (India) Limited (CDSL) from time to time and other applicable laws and rules notified in respect thereof.

**Record Date**

Record Date for the Issue will be for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures (PPMLD 15 (fifteen) days prior to the interest payment date/ redemption date on which the determination of the persons entitled to receive coupon/ redemption amount in respect of the Debentures (i.e. the persons whose names are registered in the register of Debenture holders in the NSDL/ CDSL record) shall be made. In case Record Date falls on Sunday / Holiday, the prior Business Day to the said Sunday / Holiday shall be the Record Date.

Interest and/or principal repayment shall be made to the person whose name appears as sole / first in the register of Debenture holders/ beneficiaries on the Record Date. In the event of the Company not receiving any notice of transfer at least 10 days prior to the Maturity Date the transferees for the Debentures shall not have any claim against the Company in respect of interest so paid to the registered Debenture holders.

**Purchase and Sale of Debentures**

The Company may, at any time and from time to time, purchase Debentures at the price available in the Debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

**Future Borrowings**

The Company shall be entitled from time to time to make further issue of debentures or any other instruments to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets, without the consent of or intimation to the Debenture holders or Debenture Trustee.

## Consents

Consents in writing of the Registrar to the Issue and Trustees to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of filing this Disclosure Document with the BSE. Such consents have been attached as **Annexure B** and **Annexure C** respectively to this Disclosure Document.

## Valuation Agent

The Issuer has appointed ICRA Ltd as the valuation agent. The valuation of these securities will be available on the website of the valuation agent and the Issuer not less than once in a calendar week.

The following fees, in addition to taxes, shall be paid to the Valuation Agent on an annual basis:

(i) Fees: 4-6 paisa per annum of the aggregate face value of the MLDs outstanding.

## **The discount at which such offer is made and the effective price for the investor as a result of such discount.**

The present Issue is not at a discount.

## **Servicing behavior and payment of due interest on due dates on term loans**

As on the date of this Disclosure Document, there has been no default in payment of principal or interest on any existing term loan or debt security issued by the Issuer.

## **Security:**

A Debenture Trust Deed dated December 07, 2016 has been executed between the Issuer and the Debenture Trustee, i.e., Milestone Trusteeship Services Private Limited to create an upfront security to the extent of Rs. 1000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 1000 crore. The said Debenture Trust Deed has been registered with the concerned Registrar. The issuances as per this Disclosure Document to the tune of Rs. 1000 crore shall be secured under such debenture trust deed.

## **The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities**

The Company has appointed Milestone Trusteeship Services Private Limited as the Trustee for the Issue. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to Milestone Trusteeship Services Private Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Debt Regulations and this Disclosure Documents, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed being entered into between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall duly intimate the Debenture holders on occurrence of any of the following events:

- a) Default by the Company to pay interest on the Debentures or redemption amount; and
- b) Revision of credit rating assigned to the Debentures.

Such information shall also be placed on the websites of the Debentures Trustee, the Company and the Stock Exchange.

Debenture trustee has accorded its consent to act as debenture trustee for the Issue. A copy of such consent has been annexed to this document.

**The rating letter and rating rationale(s) by the rating agencies:**

“PP-MLD[ICRA]AA with Stable Outlook” rating has been assigned by ICRA Limited for Rs.1000 Crore of principal protected equity linked debentures programme of our company. Instruments with PP-MLD [ICRA] AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters ‘PP-MLD’ suffixed to a rating symbol stand for ‘Principal Protected Market Linked Debentures’.

Other than the credit rating mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency (ies) for the debentures offered for subscription under the terms of this Disclosure Document.

The rating provided by ICRA Limited may be suspended, withdrawn or revised at any time by such rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

The rating letter and rating rationale has been attached as **Annexure D** to this Disclosure Document.

**Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.**

The Debentures are proposed to be listed on the BSE Limited and the Company has obtained in principle approval from BSE for the Base Issue of Rs. 1000 Crore.

**Scenario Analysis for Principal Protected Redeemable Non-Convertible Market Linked Debentures**  
Please see the Term Sheet. The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenario.

## Scenario Analysis

The table shows the value of the **Debenture at maturity** under different market conditions

### Names and designations of officials who have been authorized to issue the offer document:

Mr. Niraj Murarka, President

Mr. Manoj Gujran, Company Secretary and Compliance Officer

Ms. Priya Kiyawat, Treasurer

## Key Regulations & Policies

The following description is a summary of certain laws applicable in India to the business of our Company. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended to provide general overview.

Our Company is engaged in the business of providing loans against collaterals. We are governed by the laws governing service sector enterprises and commercial establishments. We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("**NBFC-ND**").

Taxation statutes such as the Income Tax Act, 1961, the Finance Act, 1994, the Shops and Establishments Act, 1958, labour regulations such as the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

### Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("**Prudential Norms – D**"), the Non-Banking Financial (Non-

Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (“**Prudential Norms – ND**”), the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and the revised regulatory framework for NBFCs issued by RBI vide its circular DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

### **Securities Contract Regulation Act, 1956**

The Securities Contract (Regulation) Act, 1956 as amended till date (“SCRA”) seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, derecognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities. The said enactment also provides for appellate mechanism.

The bye-laws inter-alia provide for:

- i. the opening and closing of markets and the regulation of the hours of trade;
- ii. the fixing, altering or postponing of days for settlements;
- iii. the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- iv. the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- v. the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

### **Other disclosures in accordance with Section 42 of the Companies Act, 2013 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014**

#### **1. PARTICULARS OF THE OFFER:**

Date of passing of resolution in the general meeting, authorizing the offer of securities (under section 180(1)(a) and 180(1)(c)	December 01, 2016
Date of passing of resolution in the general meeting, authorizing the offer of securities under Section 42 of the Companies Act, 2013	December 01, 2016
Date of passing of resolution by the Debenture Allotment Committee of the Board of Directors in its meeting, authorizing the offer of securities under the present Issue;	December 12, 2016
Kinds of securities offered (i.e. whether share or debenture) and class of security;	Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures to be listed on the Exchange.
Price at which the security is being offered including the premium, if any, alongwith justification of the price;	Rs. 1,00,000/- per Debenture
Name and address of the valuer who performed valuation of the security offered;	No valuation of the security is undertaken

Amount which the company intends to raise by way of securities;	Upto Rs 1000 Crore
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	Please refer Annexure A for a detailed term sheet
Proposed time schedule for which the offer letter is valid;	Please refer Annexure A – Term Sheet
Purposes and objects of the offer;	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes and onward lending.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	No contribution is being made by the directors or promoters of the Issuer
Principle terms of assets charged as security, if applicable;	Debentures shall be secured by:- a) first pari passu mortgage and charge over the Company's Identified Immovable Property; and b) first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.

## **2. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

***Directors or promoters or key managerial personnel are not interested in the Issue.***

- ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.

***As on the date of this Disclosure document no such litigation or legal action is pending or taken by any Ministry or Department of the Government or a statutory authority against the promoter of the offeree company.***

- iii. Remuneration of directors (during the current year and last three financial years).

***No remuneration has been paid to the Directors of the Company as on March 31, 2016.***

- iv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.

***Please refer Annexure G for details.***

- v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

***There are no reservations or qualifications or adverse remarks by the auditors in the last five financial years***



***immediately preceding the year of circulation of the disclosure document.***

vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.

***No inquiry, inspections or investigations were initiated or conducted under the Companies Act, 2013 or any previous company law and no prosecutions were filed, fines were imposed or compounding of offences were carried out in the last three years immediately preceding the year of the offer letter in the case of company or its subsidiary.***

vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

***There are no acts of material frauds committed against the Company in the last three years.***

## DECLARATION

It is hereby declared that this Disclosure Document contains disclosures in accordance with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time; (ii) the Companies Act, 2013 and rules made thereunder; (iii) other regulatory requirements.

The Directors of the Issuer declare that:

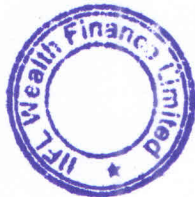
- (i) the Issuer has complied with the provisions of the Companies Act and the rules made thereunder;
- (ii) the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- (iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter/disclosure document.

I am authorized by the Debenture Allotment Committee of the Board of Directors of the Company vide resolution number 1 dated December 12, 2016 to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

For IIFL Wealth Finance Limited



Authorised Signatory

**Annexure A****Term sheet**

TERMS & CONDITIONS OF NCD					
Security Name	IIFLWF - Market Linked Debentures				
Product Code	_____				
Issuer	IIFL Wealth Finance Limited				
Type of Instrument	Principal Protected – Market Linked Redeemable Non-Convertible Debenture				
Nature of Instrument	Secured				
Seniority	Senior				
Principal Protection	Principal is protected at Maturity				
Underlying/ Reference Index	Portfolio of debt securities:				
		<b>Name of Security</b>	<b>Issuer Name</b>	<b>ISIN</b>	<b>Allocation</b>
					<b>Call date</b>
Participation rate	PR ranges from _____%; Total PR of above underlying/reference index will be fixed @ 95%				
Mode of Issue	Private Placement				
Issue Size (Rs.)	Upto Rs. 1000 Crores				
Option to Retain Oversubscription	Not Applicable				
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:</p> <ul style="list-style-type: none"> <li>• Resident Individuals</li> <li>• Hindu Undivided Family</li> <li>• Trust</li> <li>• Limited Liability Partnerships</li> <li>• Partnership Firm(s)</li> <li>• Portfolio Managers registered with SEBI</li> <li>• Association of Persons</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings.</li> <li>• Commercial Banks</li> <li>• Regional Rural Banks</li> <li>• Financial Institutions</li> <li>• Insurance Companies</li> <li>• Mutual Funds/ Alternative Investment Fund (AIF)</li> <li>• Any other investor eligible to invest in these Debentures</li> </ul>				
Minimum Application Size	25 debenture and in multiples of 1 debenture thereafter				
Face Value	Rs. 100,000/- Per Debenture				
Issue Price	Rs.100,000/- Per Debenture				
Purpose and objects of the Issue	General corporate purposes and onward lending				
Details of the Utilization of the proceeds	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes and onward lending.				
Tenor In Days	Days from the Deemed Date of Allotment				

Issue Opening Date	
Issue Closing Date	
Initial Fixing Date	
Redemption Date	
Redemption Value per Debenture	If knock out event has occurred, then face value else Face value $\times (1 + \text{Coupon})$
Premium /Discount at Issue	N.A.
Pay-in-Date	
Deemed Date of Allotment	
Coupon	
Step up/Step down coupon rate	Not Applicable.
Knock-out event	Knock-Out Event is deemed to have occurred if on any Knock-Out Event Observation Date, Bid NAV is lesser than or equal to the Knock-Out Level.  Knock-Out Event Observation Date is any business day from trade date till maturity date
Knock-out level	$100000 / ((1.08)^{(N_{KN}/365})$ Where $N_{KN}$ is number of days from date of valuation to maturity.
Bid NAV	Face value $\times (1 + \text{Coupon})$
Coupon	
Day count basis	Not Applicable
Coupon payment frequency	Coupon, if any will be paid on Redemption Date
Coupon payment dates	Coupon, if any will be paid on Redemption Date
Coupon type	Coupon linked to Underlying / Reference Index.
Coupon-Reset Process (including rates, Spread, effective date, interest rate cap and floor etc)	Not Applicable
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.
Proposed time schedule for which the Disclosure Document is valid	Till redemption
Redemption Premium / Discount	Not Applicable
Put Option	None
Put Option Date	Not Applicable
Put Option Price	Not Applicable

Put Notification Time	Not Applicable											
Call Option	The Issuer will have the option, to elect a Call Date and for the Debentures to be redeemed in full, on the Business Day falling 366 days after the Trade Date.											
Call Option Date	The Issuer may, (with seven Business Days prior written notice) elect any Business Day between 366 days after trade date and 30 days prior to the Maturity Date, to be the Call Date											
Call Option Price	Call Option shall occur at par or at price which shall take into consideration a) the market value of the Bond _____ b) Coupons received from Bond _____ till unwind date c) Reinvestment income on coupons received from Bond _____ till unwind date If such price computed , solely by the issuer , is higher than par value											
Call Notification Time	Seven days prior to call date											
Listing	The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 20 days from the Deemed Date of Allotment.											
Issuance mode of Debenture	DEMAT form											
Settlement mode of the Instrument	RTGS											
Provisions related to Cross Default Clause	N.A.											
Trading mode of the Debenture	DEMAT form only											
Depository	NSDL and CDSL											
Security	Debentures shall be secured by:- a) first pari passu mortgage and charge over the Company's Identified Immovable Property; and b) first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.											
Rating	PP-MLD[ICRA]AA (pronounced ICRA double A) with stable outlook											
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil											
Settlement	<table><tr><td>BRANCH</td><td>FORT BR</td></tr><tr><td>ADDRESS</td><td>MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001</td></tr><tr><td>Bank A/C Name</td><td>IIFL WEALTH FINANCE LIMITED</td></tr><tr><td>Bank A/C No</td><td>00600340080963</td></tr><tr><td>RTGS/NEFT IFSC</td><td>HDFC0000060</td></tr></table>		BRANCH	FORT BR	ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001	Bank A/C Name	IIFL WEALTH FINANCE LIMITED	Bank A/C No	00600340080963	RTGS/NEFT IFSC	HDFC0000060
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Bank A/C Name	IIFL WEALTH FINANCE LIMITED											
Bank A/C No	00600340080963											
RTGS/NEFT IFSC	HDFC0000060											
Business Day Convention	Unless otherwise stated, Modified Following Business Day Convention											

Right to Re-purchase Debentures	The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets at Fair Market Value or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures.
Transaction Documents	<ul style="list-style-type: none"> <li>• Memorandum and Articles of Association of the Company.</li> <li>• Date of passing of resolution in the general meeting: December 01, 2016</li> <li>• Date of passing of resolution in the general meeting: December 01, 2016</li> <li>• Date of passing of resolution by the Debenture Allotment Committee of the Board of Directors: December 12, 2016</li> <li>• Consent Letter from Milestone Trusteeship Services Company Private Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.</li> <li>• Consent Letter from Link Intime India Private Limited for acting as Registrars to the Issue</li> <li>• Letter from ICRA Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto.</li> <li>• Debenture Trust deed between Company and Milestone Trusteeship Services Company Private Limited dated December 07, 2016.</li> </ul>
Conditions Precedent to Disbursement	Nil
Conditions Subsequent to Disbursement	Nil
Events of Default	As per Debenture Trust Deed
Roles and Responsibilities of Debenture Trustee	As per Debenture Trust Deed
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
Other Terms	<p><u>Default in Payment:</u> In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p><u>Delay in Listing:</u> In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p>The interest rates mentioned in above are independent of each other.</p>
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of 6 bps p.a. to 8 bps p.a. on the face value of the outstanding Debentures.
Valuation Agency	Latest and historical valuation for such securities shall be made available on the websites of issuer and valuer. The valuer will be a credit rating agency appointed by the Issuer.
Risk Factors associated with	The securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the

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Market Linked Debentures	securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.
Premature Exit	At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request. Such Premature Exit shall occur at a price which shall take into consideration: a) the market value of the Bond _____ b) Coupons received from Bond _____ till unwind date c) Reinvestment income on coupons received from Bond _____ till unwind date A request for Premature Exit by an Investor shall not be considered if made within 12 months from the Deemed Date of Allotment.
Distribution Fees	The Issuer will pay the distributor a distribution fee which shall not exceed 2% of the amount collected through them.

**Illustration of Cash Flows:**

Company	IIFL WEALTH FINANCE LIMITED (the "Issuer")
Tenure	Days from the Deemed Date of Allotment
Face value( per security)	Rs. 100,000 per Debenture
Date of Allotment	
Redemption	
Coupon Rate	
Frequency of the interest payment with specified dates	Coupon if any, will be paid on Redemption Date
Day count Convention	Not Applicable

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any		Days from the Deemed Date of Allotment	Coupon linked to Underlying / Reference Index.

Annexure B (Registrar Consent)

**LINK INTIME**

INDIA PRIVATE LTD

100-222/22-2

December 07, 2016

To,  
IIFL WEALTH FINANCE LIMITED,  
6<sup>TH</sup> FLOOR, KAMALA CITY,  
SENAPATI BAPAT MARG,  
LOWER PAREL,  
Mumbai - 400013

Dear Sir/Madam,

**Sub.: Consent to act as Registrar to the proposed issue of Principal Protected Secured, Redeemable, Non-Convertible Market Linked Debentures amounting to Rs. 2500 Crores for F.Y. 2016-17**

We refer to the subject issue and hereby accept our appointment as “Registrar” for Electronic Connectivity Provider to issue of **“Principal Protected Secured, Redeemable, Non-Convertible Market Linked Debentures amounting to Rs. 2500 Crores for F.Y. 2016-17”** and given our consent to incorporate our name as “Registrar to the Issue” in the offer documents.

Our Permanent SEBI Registration No. : INR000004058.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

Ganesh Jadhav

Asst. Vice President - Depository Operations



**Annexure C (Debenture Trustee Consent)**



December 5, 2016

To,

**TIPL Wealth Finance Limited.**  
HFL Centre, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013

Dear Sir,

**Sub : Consent for Principally Protected Listed Secured Redeemable Non-Convertible debentures through Private Placement basis aggregating to Rs. 1000 Crore**

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Principally Protected Listed Secured Redeemable Non-Convertible debentures through Private Placement basis aggregating to Rs. 1000 Crore proposed to be issued by the Company subject to the terms and conditions under the transaction documents (Debenture Trust Deed / Debenture Trustee Agreement).

Sincerely,

For Milestone Trusteeship Services Private Limited

  
Authorized Signatory

**Scanned by CamScanner**

**Annexure D (Rating Letter and Rating Rationale)**



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2016-17/MUM/261  
December 05, 2016

Mr. Pankaj Fitkariwala  
IIFL Wealth Finance Limited  
(erstwhile Chopra Capital Markets Limited)  
IIFL Finance Centre  
Kamla City, Senapati Bazar Marg,  
Lower Park,  
Mumbai - 400033

Dear Sir,

Re : ICRA Credit Rating for the Rs. 1,000 crore Long term Principal Protected Market Linked Debenture Programme of IIFL Wealth Finance Limited

Please refer to your rating requisition dated December 01, 2016 seeking rating for the captioned programme.

The Rating Committee of ICRA, after due consideration, has assigned the "PP-MLD(ICRA)AA" (pronounced P P M L D ICRA Double A) rating with stable outlook to the captioned debt Programme. Instruments with (ICRA)AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier ("-"(minus)"/"+"(plus)) reflects the comparative standing within the category. The letters "PP-MLD" prefixed to a rating symbol stand for 'Principal Protected Market Linked Debentures'. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. Company has to ensure that it has necessary regulatory approvals for the issuance of such debentures.

In any of your publicly material or other document wherever you are using our above rating, it should be stated as "PP-MLD(ICRA)AA (Stable)". We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as a token of your acceptance and use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Bank/Lending Agency/Government/Authorised Stock Exchange would constitute use of this rating by you.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you. The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you.

You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instrument(s) borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-scheduling or postponement of the repayment programmes of the direct debts of the company with any lender(s) / investor(s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies), is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours faithfully,  
For ICRA Limited

KARTHIK SRINIVASAN  
Senior Vice President &  
Co-lead Finance Sector Ratings

KALPESH GADA  
Senior Vice President

3rd Floor, Electro Mansion,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai - 400 025.

Tel. : + 91 22 189 3302 / 501  
Fax : + 91 22 2633 1392  
CIN : L74999DL1991PLC042749

Website : [www.icra.in](http://www.icra.in)  
email : [info@icra.in](mailto:info@icra.in) / [ratings@icra.in](mailto:ratings@icra.in)

Registered Office : 1st Floor, 28, Keshavnagar, 1st Floor, 28, Keshavnagar, New Delhi - 110 016. Tel: (+91-11) 2330 8240-53 Fax : (+91-11) 2335 7314

**RATING • RESEARCH • INFORMATION**

**Annexure E (Shareholder Resolution)**WEALTH  
FINANCE

**CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON THURSDAY, DECEMBER 01, 2016 AT 6.00 P.M. AT 10TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI - 400013**

**APPROVAL OF BORROWING LIMITS AND CREATION OF CHARGE**

**"RESOLVED THAT** in supersession of resolution(s) passed at the previous general meeting(s) of the Company, if any, on the matter and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to borrow from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more banks, financial institutions and, or other persons, firms, bodies corporates, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of INR 7500 Crore (Rupees Seven Thousand Five Hundred Crore only) and the Board and, or the Finance Committee, be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required;

**RESOLVED FURTHER THAT** in supersession of resolution(s) passed at the previous general meeting(s) of the Company, if any, on the matter and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and Companies Act, 1956 (including any statutory modification or re-enactment thereof) consent of Shareholders of the Company be and is hereby accorded to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and / or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, commercial paper, debentures (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and, or all other monies payable by the Company, including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange, and the Board and, or the Finance Committee, be and

**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

**CORPORATE & REGD. OFFICE:**  
6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
LOWER PAREL, MUMBAI - 400 013. INDIA

TEL: (91-22) 3958 5600 | FAX: (91-22) 4646 4706

(An IIFL Wealth & Asset Management Group Company)

[www.iiflwealthfinance.com](http://www.iiflwealthfinance.com)



CIN: U65990MH1994PLC080646



WEALTH  
FINANCE

is hereby authorized to decide all terms and conditions in relation to such creation of charge, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

**"RESOLVED FURTHER THAT** any Director or the Company Secretary, be and are hereby *severally* authorised to submit the certified true copy of this resolution to any authority or person(s), as may be required in this connection."

*Certified true copy*

**For IIFL Wealth Finance Limited**

A handwritten signature in black ink, appearing to read 'Manoj Gujaran'.

**Company Secretary**  
**Manoj Gujaran**  
**Membership No.: ACS 22201**



**IIFL WEALTH FINANCE LIMITED**  
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**Annexure F (Shareholder Resolution)**



WEALTH  
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**CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON DECEMBER 01, 2016**

**ISSUANCE OF DEBENTURES ON PRIVATE PLACEMENT BASIS:**

"**RESOLVED THAT** in partial modification of the resolution passed at Extra-Ordinary General Meeting held on May 05, 2016 and September 16, 2016 and pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company; and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and subject to compliance with other the applicable law, rules, directions issued by the government or any other regulatory authority, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot Non-Convertible Debentures/ Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Market Linked/Subordinated Debt/Fixed Maturity Debentures of the Company for proposed issue aggregating upto Rs. 2500 Crore (Rupees Two Thousand Five Hundred Crore only) on private placement basis in one or more tranches during the financial year 2016-17 and on such terms and conditions as may be determined by the Board and, or the Debenture Allotment Committee, from time to time;

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing and allotting the Debentures, the Board and, or the Debenture Allotment Committee, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue of the Debentures, settle all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

*Certified true copy*

**For IIFL Wealth Finance Limited**

**Manoj Gujran**  
**Company Secretary**  
**Membership No: ACS-22201**



**IIFL WEALTH FINANCE LIMITED**  
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WEALTH & ASSET MANAGEMENT

WEALTH  
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**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE DEBENTURE ALLOTMENT COMMITTEE ("THE COMMITTEE") OF THE COMPANY AT THEIR MEETING HELD ON DECEMBER 12, 2016 AT 10.00 AM AT 10TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI- 400013**

**Approve the offer and issue of Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures of upto Rs. 1000 Crore through private placement:**

**"RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling board and shareholders resolution(s) and provisions of the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Guidelines for issue and listing of structured products/ market linked debentures vide the circular of the Securities and Exchange Board of India dated September 28, 2011, as amended from time to time, and subject to compliance with the other applicable law, rules, directions issued by the Reserve Bank of India, the Government or any Regulator or Authority, in this regard, the approval of the Committee be and is hereby accorded to offer and issue Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures ("PPMLDs") aggregating to Rs. 1000 Crore (Rupees One Thousand Crore only) on private placement basis;

**FURTHER RESOLVED THAT** any Director, Mr. Manoj Gujran, Company Secretary, Mr. Niraj Murarka-President, Mr. Himanshu Jain, Chief Executive Officer, Mr. Pankaj Fitkariwala, Chief Financial Officer and Mr. Rakesh Chandnani, VP-Operations of the Company, be and are hereby severally authorized on behalf of the Company to enter into and execute all such agreements/ arrangements as may be required for appointing Debenture Trustee, Legal Advisors, Depositories, Custodians, Registrar and Bankers to the Issue, Credit Rating Agency(ies), and such other Intermediaries/ Agencies as may be involved or concerned in such Offer/ Issue of PPMLDs and to remunerate all such Intermediaries/ Agencies, including by the payment of commission, brokerage, fees, etc. as may deem fit;

**FURTHER RESOLVED THAT** any Director and/ or the Company Secretary and/ or any of the Officials of the Company as named above be and is hereby authorized to submit a certified true copy of this Resolution to such persons/ entities as may be deemed fit for the purpose of giving effect to this resolution."

**For IIFL Wealth Finance Limited**

**Manoj Gujran**  
**Company Secretary**  
**Membership No: ACS-22201**  
**Date: December 12, 2016**  
**Place: Mumbai**



**IIFL WEALTH FINANCE LIMITED**

(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)

**CORPORATE & REGD. OFFICE:**

6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
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**Annexure H**

Related Party Transactions for the Financial Year ending 2015-16.

<b>Nature of Transaction</b>	<b>Holding Company/ Ultimate Holding Co.</b>	<b>Fellow Subsidiaries</b>	<b>Group Companies</b>	<b>Total</b>
<b>Share Capital Issued</b>				
IIFL Wealth Management Ltd	2,513.89	-	-	<b>2,513.89</b>
	-	-	-	-
<b>Share Premium</b>				
IIFL Wealth Management Ltd	6,486.11	-	-	<b>6,486.11</b>
	-	-	-	-
<b>ICD Given</b>				
India Infoline Finance Limited	-	-	150.00	<b>150.00</b>
	-	-	-	-
<b>ICD Recd Back</b>				
India Infoline Finance Limited	-	-	150.00	<b>150.00</b>
	-	-	-	-
<b>Interest Income on ICD</b>				
India Infoline Finance Limited	-	-	0.08	<b>0.08</b>
	-	-	-	-
<b><u>Other funds paid</u></b>				
IIFL Wealth Management Ltd	0.02	-	-	<b>0.02</b>
	-	-	-	-
<b><u>Allocation / Reimbursement of expenses Paid</u></b>				
IIFL Wealth Management Ltd	2.27	-	-	<b>2.27</b>
	-	-	-	-

Related Party Transactions for the Financial Year ending 2014-15 – **NIL**Related Party Transactions for the Financial Year ending 2013-14 – **NIL**



# Deloitte Haskins & Sells LLP

Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL WEALTH FINANCE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **IIFL WEALTH FINANCE LIMITED** (formerly known as Chephis Capital Markets Limited) (the "Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

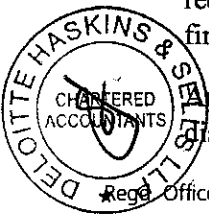
### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment,



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Deloitte Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP Identification No. AAB-8737) a limited liability partnership with effect from 20th November 2013.



## **Deloitte Haskins & Sells LLP**

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### **Other Matter**

The audit of financial statements of the Company for the year ended 31<sup>st</sup> March, 2015 was carried out by the previous auditors of the Company.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order / CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(ICAI Registration No. 117366W/W-100018)

*Pallavi A. Gorakshakar*

Pallavi A. Gorakshakar  
Partner  
(Membership no: 105035)

**MUMBAI, 5 May 2016**  
PG/SB-2016



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

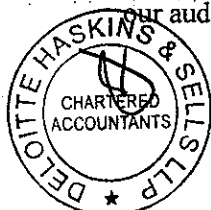
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(ICAI Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar

Partner

(Membership no: 105035)

**MUMBAI, 5 May 2016**

PG/SB-2016



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)


- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and securities to which the provisions of sections 185 and 186 of the Companies Act, 2013 apply and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us there were no dues payable in respect of Provident Fund, Employees' State Insurance, Customs Duty and Excise Duty during the year.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax and Value Added Tax as on March 31, 2016 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 is not applicable to the Company.



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- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year and hence reporting under clause (xi) of CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(ICAI Registration No. 117366W/W-100018)

  
Pallavi A. Gorakshakar  
Partner  
(Membership no: 105035)

**MUMBAI, 5 May 2016**  
**PG/SB-2016**



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**  
**(FORMERLY CHEPHIS CAPITAL MARKETS LIMITED)**  
**BALANCE SHEET AS AT MARCH 31, 2016**

(Amount in ₹)			
Particulars	Note No.	As at Mar 31, 2016	As at Mar 31, 2015
<b>EQUITY AND LIABILITIES</b>			
(1) Shareholder's funds			
(a) Share Capital	3	2,521,164,000	7,275,110
(b) Reserves and Surplus	4	6,497,589,211	3,069,244
(c) Money received against share warrants			
<b>Sub total</b>		<b>9,018,753,211</b>	<b>10,344,354</b>
(2) Share application money pending allotment		-	-
(3) Minority Interest		-	-
(4) Non Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability	5	-	62,565
(c) Other Long-term liabilities		-	-
(d) Long-term provisions		-	-
<b>Sub total</b>		<b>-</b>	<b>62,565</b>
(5) Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	6		
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		715,000	677,809
(c) Other current liabilities	7	53,528	-
(d) Short-term provisions	8	4,119,713	35,700
<b>Sub total</b>		<b>4,888,241</b>	<b>713,509</b>
<b>TOTAL</b>		<b>9,023,641,452</b>	<b>11,120,428</b>
<b>ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	-	320,763
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
<b>Sub total</b>		<b>-</b>	<b>320,763</b>
(b) Non-current investments	10	280,000,000	2,753,982
(c) Deferred Tax Assets	11	999,557	-
(d) Long-term loans & advances		-	-
(e) Other non-current assets		-	-
<b>Sub total</b>		<b>280,999,557</b>	<b>2,753,982</b>
(2) Current assets			
(a) Current investments	12	7,192,102,352	1,861,815
(b) Inventories	13	-	3,669,185
(c) Trade receivables	14	-	1,931,984
(d) Cash and Bank balances	15	541,023,984	580,699
(e) Short-term loans & advances	16	1,007,898,903	2,000
(f) Other current assets	17	1,616,656	-
<b>Sub total</b>		<b>8,742,641,895</b>	<b>8,045,683</b>
<b>TOTAL</b>		<b>9,023,641,452</b>	<b>11,120,428</b>
See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Pallavi A. Gorakshakar  
Partner

For and on behalf of Board of Directors

Karan Bhagat  
Director  
(DIN: 03247753)

Pankaj Fitkariwala  
Director  
(DIN: 07356813)

Manoj Gujran  
Company Secretary

Umang Papneja  
Director  
(DIN: 07357053)




Date: Mumbai  
Date: May 05, 2016

**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**  
**(FORMERLY CHEPHIS CAPITAL MARKETS LIMITED)**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

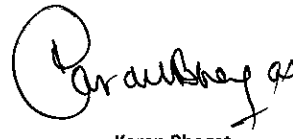
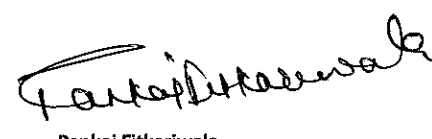
Particulars	Note No.	2015-2016	2014-2015
Income From Operations	18	73,684,487	449,428
Other Income	19	245,646	363,057
<b>Total Revenue</b>		<b>73,930,133</b>	<b>812,485</b>
Expenses :			
Other Expenses	20	35,844,905	220,206
Finance Charges	21	-	250
Depreciation and Amortisation	9	-	60,601
<b>Total expenses</b>		<b>35,844,905</b>	<b>281,057</b>
<b>Profit before tax</b>		<b>38,085,228</b>	<b>531,428</b>
Tax expenses/(benefits) :			
Current tax		21,850,312	36,000
Deferred tax expenses		(1,062,122)	(11,945)
Short / (excess) provision for income tax		(111,804)	1,380
<b>Net Tax Expenses/ (benefits)</b>		<b>20,676,386</b>	<b>25,435</b>
<b>Profit for the year</b>		<b>17,408,842</b>	<b>505,993</b>
Earnings Per Share - Basic (Rs.)	22	0.98	0.70
Earnings Per Share - Diluted (Rs.)	22	0.98	0.70
Face Value Per Share (Rs.)		10.00	10.00
See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached

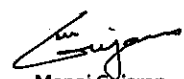
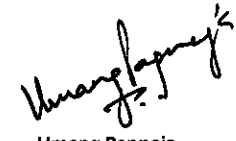
For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
Pallavi A. Gorakshakar  
Partner

For and on behalf of Board of Directors

   
Karan Bhagat                      Pankaj Fitkariwala  
Director                              Director  
(DIN: 03247753)                      (DIN: 07356813)

Place : Mumbai  
Date : May 05, 2016

   
Manoj Gujran                      Umang Papneja  
Company Secretary                      Director  
(DIN: 07357053)





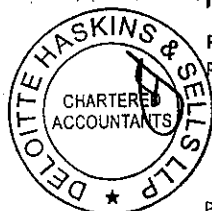
**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**  
(FORMERLY CHEPHIS CAPITAL MARKETS LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in ₹)		
Particulars	2015-2016	2014-2015
<b>A. Cash flows from operating activities</b>		
Net profit before taxation and extraordinary item	38,085,228	531,428
Adjustments for:		
Depreciation	-	60,601
Profit on sale of investments	(7,989,321)	(194,145)
Dividend income	(120,149)	(362,964)
Provision for Doubtful Debts and Standard Assets	4,955,174	-
<b>Operating profit before working capital changes</b>	<b>34,930,932</b>	<b>34,920</b>
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	(1,018,867,564)	(1,302,699)
(Increase)/ Decrease in Current/Non Current Liabilities	3,113,909	684,809
<b>Cash generated from/(used in) operations</b>	<b>(980,822,723)</b>	<b>(582,970)</b>
<b>Cash flow before extraordinary item</b>	<b>(980,822,723)</b>	<b>(582,970)</b>
Net income tax(paid) / refunds	(20,677,685)	(37,380)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(1,001,500,408)</b>	<b>(620,350)</b>
<b>B. Cash flows from investing activities</b>		
Sale / (Purchase) of fixed assets (includes intangible assets)	320,763	-
Sale / (Purchases) of current investment	(7,190,240,537)	605,855
Sale / (Purchases) of Non current investment	(277,246,018)	(158,866)
Proceeds from Sale of Investments	7,989,321	194,145
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(7,459,176,471)</b>	<b>641,134</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	2,513,888,890	-
Dividend Income	120,149	362,964
Proceeds from issuance of Securities Premium	6,477,111,125	-
<b>Net cash generated from financing activities (C)</b>	<b>8,991,120,164</b>	<b>362,964</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>530,443,285</b>	<b>383,748</b>
Opening Cash and Cash Equivalents	580,699	196,951
Closing Cash and Cash Equivalents	531,023,984	580,699
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per AS 3 Cash Flow Statements	531,023,984	580,699
Add: Earmarked Fixed Deposits	10,000,000	-
Cash and Cash Equivalents (Refer Note 15)	<b>541,023,984</b>	<b>580,699</b>
<b>See accompanying notes forming part of the standalone financial statements Note No. 1-34</b>		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of Board of Directors



Pallavi A. Gorakshakar  
Partner

Place : Mumbai  
Date : May 05, 2016

Karan Bhagat  
Director  
(DIN: 03247753)

Mandir Gujran  
Company Secretary

Pankaj Fitkariwala  
Director  
(DIN: 07356813)

Umang Padneja  
Director  
(DIN: 07357053)

## FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

### Note 1. Corporate information:

IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited) ("the Company") is a public limited company incorporated under the Companies Act, 1956 and is a systemically important non-deposit accepting Non-Banking Financial Company ("NBFC ND-SI") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 having a valid certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 enabling the Company to carry on business as Non-Banking Financial Company, and primarily engaged in the financing and related activities. IIFL Wealth Management Limited acquired 100% equity shares capital of the Company on February 13, 2016. The Company offers broad suite of financial products such as loan against securities, loan against property/ mortgage loans, etc. to Corporate and High Net worth clients.

### Note 2. Significant accounting policies:

#### 2.1 Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act 2013 alongwith the guidelines issued by Reserve bank of India (RBI) as applicable to NBFC's. The financial statements have been prepared on accrual basis under the historical cost convention.

#### 2.2 Prudential norms:

The Company follows the Reserve Bank of India ("RBI") directions in respect of systemically important non-banking financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) directions, 2015 ("RBI Directions, 2015) dated March 27, 2015, as amended from time to time in respect of income recognition, income from investments, accounting of investments, asset classification, provisioning and disclosures in the Balance Sheet. Accounting Standards (AS) under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs and Guidance Note issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI directions.

#### 2.3 Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known /materialised.

#### 2.4 Fixed assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.



**Estimated useful life of the assets are as under:**

Class of assets	Useful life
Buildings*	20 years
Computers*	3 years
Office equipment	5 years
Electrical*	5 years
Furniture and fixtures*	5 years
Vehicles*	5 years
Software	3 years

\*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for this assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

**2.5 Assignment of loan portfolio:**

De-recognition of loans assigned, in the books of the Company, is based on the concept of surrender of control over the loans resulting in a "true sale" of loans. Future interest spread receivables in case of a par structure deals are recognised over the tenure of agreements as per guidelines issued by the RBI. Expenditure in respect of direct assignment is recognised upfront. Credit enhancement in the form of cash collateral provided by the Company is included under cash and bank balance / loans and advances, as applicable.

**2.6 Revenue recognition:**

The Company complies, in all material respects, with the Accounting Standard -9 issued by the Institute of Chartered Accountants of India, prudential norms relating to income recognition, asset classification and the minimum provisioning for bad and doubtful debts and standard assets, specified in the directions issued by the RBI, as applicable to it, and

- Interest income is recognised on the time proportionate basis as per agreed terms.
- Interest income recognised and remaining due for 90 days or more for all the loans, except Gold loans for which interest is reversed after 150 days & mortgage loans for which interest is reversed after 90 days, are reversed and are accounted as income when these are actually realised.
- Dividend income is recognised when the right to receive payment is established.
- Processing fees received from customers is recognised as income on receipt basis.
- In respect of the other heads of income, the Company accounts the same on accrual basis.

**2.7 Preliminary expenses:**

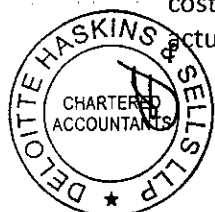
Preliminary expenses are written off in same financial year in which they are incurred.

**2.8 Employee benefits:**

The Company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit & loss.

The Company has provided "Compensated Absences" on the basis of actuarial valuation.

Gratuity is post employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.



**2.9 Provisions, contingent liabilities and contingent assets:**

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Direction's, 2015) dated March 27, 2015. Provision on standard assets is also made as per the RBI Directions 2015.

Contingent provision against standard assets is made at 0.30% of the outstanding standard assets in accordance with the RBI guidelines

The provision is recognised if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

**2.10 Taxes on income:**

Tax expense comprises of current and deferred tax and includes any adjustments related to the past periods in current and /or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier year. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. The deferred tax assets are recognised only to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

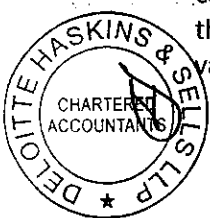
**2.11 Operating leases:**

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with Accounting Standard 19, issued by the Institute of Chartered Accountants of India.

**2.12 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments.

Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management, such diminution is other than temporary. For investment in mutual funds, the net assets value (NAV) declared by the mutual funds at the Balance Sheet date is considered as the fair value.



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED****(Formerly Chephis Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016****2.13 Inventories:**

Closing stock is valued at cost or market value, whichever is lower. Cost is computed on FIFO basis.

**2.14 Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.15 Borrowings:**

Borrowings are bifurcated under long term and short term liabilities. Commercial papers are recognised at face value at the time of its issue. Any difference between the proceeds and the redemption value is recognised in profit & loss account over the period of the borrowings.

**2.16 Debenture issue expenses:**

Debenture issue expenses incurred on public issue of Non Convertible Debentures are amortized over tenure of the underlying debenture.

In case of private placement of Non Convertible Debentures the same is charged to the profit and loss account in the year in which they are incurred.

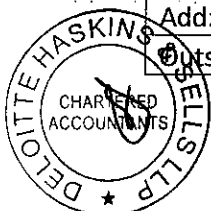
**2.17** In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

**Note 3. Share Capital :****(i) Authorised, Issued, Subscribed and Paid-up Share Capital:****(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Authorised Share Capital:</b>		
300,000,000 Equity Shares (Previous Year 1,250,000) of ₹ 10 each	3,000,000,000	125,00,000
<b>Total</b>		
<b>Issued, Subscribed and Paid-up Share Capital:</b>		
252,116,400 Equity Shares (Previous Year 727,511) of ₹ 10 each with voting rights	2,521,164,000	7,275,110
<b>Total</b>	<b>2,521,164,000</b>	<b>7,275,110</b>

**(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
<b>Equity Shares:</b>				
At the beginning of the year	727,511	7,275,110	727,511	7,275,110
Add: Issued during the year	251,388,889	2,513,888,890	-	-
<b>Outstanding at the end of the year</b>	<b>252,116,400</b>	<b>2,521,164,000</b>	<b>727,511</b>	<b>7,275,110</b>



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED****(Formerly Chephis Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016****(iii) Terms / Rights attached to equity shares:**

The company has only one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.

**(iv) Details of shares held by holding company:**

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holdings	No. of Shares	% Holdings
IIFL Wealth Management Limited and its nominees *	252,116,400	100%	-	-

\*Holding was NIL in the previous period as the company was acquired during the current year

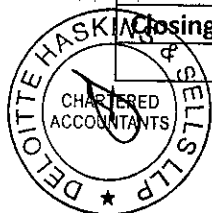
**(v) Details of shareholders Holdings more than 5% shares in the company:**

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holdings	No. of Shares	% Holdings
<b>Equity shares of ₹ 10 each fully paid up</b>				
IIFL Wealth Management Limited and its nominees	252,116,400	100%	-	-
Mr Dipak G Mehta	-	-	264,068	36.30%
Mrs Kunal D Mehta	-	-	175,000	24.05%
Mrs Bhanu D Mehta	-	-	150,000	20.62%
Mr Dipak Gamanlal (HUF)	-	-	52,910	7.27%
Mrs Bhairavi D Mehta	-	-	40,233	5.53%

(vi) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

**Note 4. Reserves and Surplus:****(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Securities Premium Reserve</b>		
Opening balance	-	-
Premium on shares issued during the year	6,486,111,125	-
Utilization - Share issue expenses *	9,000,000	-
<b>Closing balance</b>	<b>6,477,111,125</b>	<b>-</b>
<b>Capital Redemption Reserve</b>		
Opening balance	2,300,000	2,300,000
Addition during the year	-	-
<b>Closing balance</b>	<b>2,300,000</b>	<b>2,300,000</b>
<b>General Reserve</b>		
Opening balance	1,430,000	1,430,000
Addition due to transfer during the year from surplus in the statement of profit and loss	-	-
<b>Closing balance</b>	<b>1,430,000</b>	<b>1,430,000</b>



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED****(Formerly Chephis Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Special Reserve (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)</b>		
Opening balance	-	-
Addition due to transfer during the year from surplus in the statement of profit and loss	3,481,768	-
<b>Closing balance</b>	<b>3,481,768</b>	<b>-</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(660,756)	(1,166,749)
Addition: Profit / (Loss) for the year	17,408,842	505,993
<b>Less: Appropriations</b>		
Interim dividend	-	-
Dividend distribution tax on interim dividend	-	-
Preference dividend	-	-
Dividend distribution tax on preference shares	-	-
Transfer to special reserve as per section 45-IC of the RBI Act, 1934	3,481,768	-
Transfer to general reserve	-	-
Transfer to debenture redemption reserve	-	-
<b>Closing balance</b>	<b>13,266,318</b>	<b>(660,756)</b>
<b>Total</b>	<b>6,497,589,211</b>	<b>3,069,244</b>

\* Share issue expenses have been adjusted against the securities premium account as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

**Note 5. Deferred tax Liabilities :****(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
On Depreciation	-	62,565
<b>Total</b>	<b>-</b>	<b>62,565</b>

**Note 6. Trade Payables:****(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	677,809
Provision for expenses	715,000	-
<b>Total</b>	<b>715,000</b>	<b>677,809</b>

Trade payable includes ₹ Nil (previous year - ₹ Nil) payable to "suppliers" referred under the Micro, Small and Medium Enterprises Development Act, 2006. No Interest has been paid/is payable by company during the year to "Suppliers" referred under the act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said act.

**Note 7. Other current liabilities:****(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Liabilities Payable	53,528	-
<b>Total</b>	<b>53,528</b>	<b>-</b>



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**
**(Formerly Chephis Capital Markets Limited)**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**
**Note 8. Short term provisions:**
**(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for tax (Net of advance tax & tax deducted at source-₹20,753,789, P.Y. NIL)	1,096,523	35,700
Provision for Standard Assets	3,023,190	-
<b>Total</b>	<b>4,119,713</b>	<b>35,700</b>

**Note 9. Tangible Assets:**
**(Amount in ₹)**

Particulars	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
<b>Gross Block as on April 01, 2015</b>	491,570	59,906	342,274	238,988	<b>1,132,738</b>
Additions					
Deductions / Adjustments	491,570	59,906	342,274	238,988	<b>1,132,738</b>
<b>As at March 31, 2016</b>	-	-	-	-	-
<b>Depreciation</b>					
<b>Upto April 01, 2015</b>	479,896	53,735	78,731	199,613	<b>811,975</b>
Depreciation for the year					
Deductions / Adjustments	479,896	53,735	78,731	199,613	<b>811,975</b>
<b>Upto March 31, 2016</b>	-	-	-	-	-
<b>Net Block as at March 31, 2016</b>	-	-	-	-	-
<b>Net Block as at March 31, 2015</b>	11,674	6,171	263,543	39,375	<b>320,763</b>

**Tangible Assets (Previous Year):**
**(Amount in ₹)**

Particulars	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
<b>Gross Block as on April 01, 2014</b>	491,570	59,906	342,274	238,988	<b>1,132,738</b>
Additions					
Deductions / Adjustments					
<b>As at March 31, 2015</b>	491,570	59,906	342,274	238,988	<b>1,132,738</b>
<b>Depreciation</b>					
<b>Upto April 01, 2014</b>	474,069	51,045	57,897	168,363	<b>751,374</b>
Depreciation for the year	5,827	2,690	20,834	31,250	<b>60,601</b>
Deductions / Adjustments					
<b>Upto March 31, 2015</b>	479,896	53,735	78,731	199,613	<b>811,975</b>
<b>Net Block as at March 31, 2015</b>	11,674	6,171	263,543	39,375	<b>320,763</b>
<b>Net Block as at March 31, 2014</b>	17,501	8,861	284,377	70,625	<b>381,364</b>

**Note 10. Non – Current Investments (At Cost) :**
**(Amount in ₹)**

Particulars	Face Value in ₹	As at March 31, 2016		As at March 31, 2015	
		Number	Amount	Number	Amount
<b>Quoted, Non Trade Investments</b>					
<b>Mutual Funds</b>					
Birla Sun Life Short term Fund Growth		-	-	44,074.31	2,000,000
Reliance Equity Opportunities Fund DDR		-	-	44,428.05	753,982
<b>Sub-total (A)</b>			-		<b>2,753,982</b>
<b>Unquoted, Non Trade Investments</b>					
<b>Others (Alternate Investment Funds)</b>					
IIFL Real Estate Fund Domestic Series 3 (NAV - ₹10)	10	25,000,000.00	250,000,000	-	-





**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**
**(Formerly Chephis Capital Markets Limited)**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

Particulars	Face Value in ₹	As at March 31, 2016		As at March 31, 2015	
		Number	Amount	Number	Amount
IIFL Investment Opportunities Fund-Sp. Series 1 (NAV - ₹10.0718)	10	2,978,613.56	30,000,000	-	-
<b>Sub-Total (B)</b>			<b>280,000,000</b>		
<b>Grand Total (A+B)</b>			<b>280,000,000</b>		<b>2,753,982</b>
Aggregate Book Value of Quoted Investments			-		2,753,982
Aggregate Book Value of Unquoted Investments			280,000,000		-
Aggregate Market Value of Quoted Investments			-		2,753,982

**Note 11. Deferred tax assets:**

The Company recognized deferred tax assets since the management is reasonably/virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset:

**(Amount in ₹)**

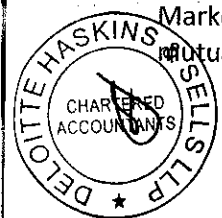
Particulars	As at March 31, 2016	As at March 31, 2015
On provision for standard assets	999,557	-
<b>Total</b>	<b>999,557</b>	<b>-</b>

**Note 12. Current Investments: (Valued at Cost or Market Value whichever is lower unless stated otherwise):**
**(Amount in ₹)**

Particulars	Face Value in ₹	As at March 31, 2016		As at March 31, 2015	
		Number	Amount	Number	Amount
<b>Quoted, Non-Trade Investments</b>					
<b>Mutual Funds:</b>					
Kotak Floater Short term fund Growth	-	-	-	696.15	1,861,815
IIFL Mutual Fund Liquid Fund-Direct Plan Growth(NAV- ₹ 1204.8678)	1000	124,538.34	150,000,000	-	-
HDFC Floating rate Income Fund Short Term Plan(NAV- ₹ 26.1002)	10	38,313,883.00	1,000,000,000	-	-
<b>Sub Total (A)</b>			<b>1,150,000,000</b>		<b>1,861,815</b>
<b>Unquoted, Non Trade, Investments</b>					
<b>Alternate Investment Funds</b>					
IIFL Cash Opportunities Fund (NAV-₹ 10.6057)	10	569,703,305.9	6,042,102,352		
<b>Subtotal (B)</b>			<b>6,042,102,352</b>		
<b>Grand Total (A+B)</b>			<b>7,192,102,352</b>		<b>1,861,815</b>
Aggregate Book Value of Quoted Investments			1,150,000,000		1,861,815
Aggregate Book Value of Unquoted Investments			6,042,102,352		-
Aggregate Market Value of Quoted Investments			1,150,052,231	-	1,861,815

**Note:**

Market Value of Investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**
**(Formerly Chephis Capital Markets Limited)**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**
**Note 13. Inventories (Valued at lower of cost or net realisable value):**
**(Amount in ₹)**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
<b>Equity Shares</b>				
Adani Port & Sez Ltd	-	-	405	47,304
Bharat Forge	-	-	250	319,025
Century Textiles Ltd	-	-	500	313,785
ICICI Bank Ltd.	-	-	555	94,056
Larsen & Tourbo Ltd	-	-	314	437,167
LKP Finance	-	-	14,450	794,750
Nirlon Limited	-	-	880	14,564
Power Grid Corp. Ltd	-	-	410	43,440
Reliance Industries Ltd	-	-	1,125	538,020
South Biotec	-	-	3,000	12,150
State Bank of India	-	-	590	146,580
Sun Pharmaceuticals Industries	-	-	200	60,935
Suzlon Energy Limited	-	-	20,000	336,500
Tata Consultancy Services	-	-	59	71,721
Tata Motors DVR 'A' ORD	-	-	1,000	327,080
Union Bank Of India	-	-	180	24,696
United Phosphorus Ltd	-	-	360	41,040
Zee Entertainment	-	-	340	46,373
<b>Sub-total</b>				<b>3,669,185</b>
<b>Total</b>				<b>3,669,185</b>
<b>Aggregate market value</b>				<b>5,884,830</b>

**Note 14. Trade Receivable:**
**(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	-	-
- Considered doubtful	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	-	1,931,984
- Considered doubtful	-	-
<b>Total</b>	<b>-</b>	<b>1,931,984</b>

**Note 15. Cash and Cash equivalents:**
**(Amount in ₹)**

Particulars	Current	
	As at March 31, 2016	As at March 31, 2015
<b>Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)</b>		
Cash on hand	2,813	10,518
Balance with Banks:		
- In Current accounts	331,021,171	570,181
- In Fixed Deposits (Maturity less than 3 months)	200,000,000	-
<b>Total Cash &amp; Cash Equivalents (a)</b>	<b>531,023,984</b>	
<b>(As per AS 3 Cash Flow Statements)</b>		



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**
**(Formerly Chephris Capital Markets Limited)**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

<b>Other Bank Balances:</b>		
- In earmarked accounts (Lien marked)	10,000,000	-
<b>Total Other Bank Balances (b)</b>	<b>10,000,000</b>	<b>-</b>
<b>Total (a + b)</b>	<b>541,023,984</b>	<b>580,699</b>

**Note 16. Short Term Loans & advances**
**(Amount in ₹)**

Particulars	Current	
	As at March 31, 2016	As at March 31, 2015
<b>Loans &amp; Advances</b>		
- Secured, considered good	1,007,729,227	-
- Secured, considered doubtful (Non-performing loans)	-	-
- Unsecured, considered good	169,676	-
Less : Provision for doubtful Loans	-	-
<b>Sub-total</b>	<b>1,007,898,903</b>	<b>-</b>
<b>Others loans &amp; advances</b>		
Prepaid Expenses	-	2,000
<b>Sub-total</b>	<b>-</b>	<b>2,000</b>
<b>Total</b>	<b>1,007,898,903</b>	<b>2,000</b>

**Note 17. Other Current Assets**

Particulars	2015-2016	2014-2015
Interest accrued but not due	65,656	-
Interest accrued and due	1,551,000	-
<b>Total</b>	<b>1,616,656</b>	<b>-</b>

**Note 18. Revenue from Operations:**
**(Amount in ₹)**

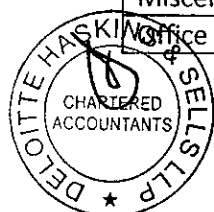
Particulars	2015-2016	2014-2015
Income from financing activities	3,043,637	-
Distribution income from AIF	62,651,529	-
Profit from sale of investments (Net)	7,989,321	449,428
<b>Total</b>	<b>73,684,487</b>	<b>449,428</b>

**Note 19. Other Income:**
**(Amount in ₹)**

Particulars	2015-2016	2014-2015
Dividend Income	120,149	362,964
Interest Income	125,497	93
<b>Total</b>	<b>245,646</b>	<b>363,057</b>

**Note 20. Other expenses:**
**(Amount in ₹)**

Particulars	2015-2016	2014-2015
Brokerage Related Expenses	5,000	-
Bank charges	2,977	-
Communication	22,029	-
Electricity charges	64,009	-
Direct Operating Expenses	1,174,952	-
Exchange & statutory charges	27,404,290	1,297
Legal & professional fees	60,500	3,000
Membership & subscription charges	126,427	73,002
Miscellaneous expenses	17,504	4,807
Office expenses	562	-



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED****(Formerly Chephis Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

Particulars	2015-2016	2014-2015
Printing & stationery	62,770	-
Rent	698,219	-
Rates and taxes	169,676	-
Provision for doubtful debts and bad debts	4,955,174	-
<b>Remuneration to Auditors:</b>		
- Audit fees	700,000	29,000
- Certification expenses	-	-
- Out of pocket expenses	-	-
Software charges	168,882	-
Travelling & conveyance	211,934	109,100
<b>Total</b>	<b>35,844,905</b>	<b>220,206</b>

**Note 21. Finance Charges:****(Amount in ₹)**

Particulars	2015-2016	2014-2015
Interest Cost	-	250
<b>Total</b>	<b>-</b>	<b>250</b>

**Note 22. Basic and Diluted Earnings Per Share ["EPS"]** computed in accordance with Accounting Standard (AS) 20 'Earnings per share' as specified u/s 133 of the Companies Act 2013.

**(Amount in ₹)**

Particulars		As at March 31, 2016	As at March 31, 2015
<b>Basic EPS</b>			
Profit after tax as per statement of profit and loss	A	17,408,842	505,993
Weighted average number of equity shares outstanding	B	17,778,209	727,511
Basic EPS (Rupees)	A/B	0.98	0.70
<b>Diluted EPS</b>			
Profit after tax as per statement of profit and loss	C	17,408,842	505,993
Weighted average number of equity shares outstanding	D	17,778,209	727,511
Diluted EPS (Rupees)	C/D	0.98	0.70
Face value per share		10	10

**Note 23.** The Company does not have any contingent liability not provided for, as on the balance sheet date.

**Note 24.** There are no pending litigations by and on the Company as on the balance sheet date.

**Note 25. Undisbursed Sanctioned Loans:**

As on the balance sheet date there were undisbursed sanctioned loans of ₹ NIL/-.

**Note 26. Capital and Other Commitments:**

At the balance sheet date there were outstanding commitments of capital expenditure of ₹NIL (Previous Year ₹ NIL/-) out of the total contractual obligation entered during the year.

**Note 27.** The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

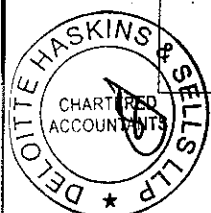


**FINANCIALS OF IIFL WEALTH FINANCE LIMITED****(Formerly Chephris Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016****Note 28. Segment Reporting:**

In the opinion of the management, there is only one reportable business segment (Financing & Investing) as envisaged by Accounting Standard - 17 'Segment Reporting', issued by the Institute of Chartered Accountants of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

**Note 29. Disclosures in respect of applicability of AS – 18 Related Party Disclosures:****(a) Related parties where control exists:**

<b>Nature of relationship</b>	<b>Name of party</b>
<b>Ultimate Holding Company</b>	IIFL Holdings Limited (Formerly India Infoline Limited)
<b>Holding Company</b>	IIFL Wealth Management Limited
<b>Fellow Subsidiaries</b>	IIFL Investment Adviser and Trustee Services Limited (Formerly IIFL Trustee Services Limited) IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) IIFL Alternate Asset Advisors Limited India Alternative Investment Advisors Private Limited IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited) IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Private Wealth Hong Kong Limited IIFL Private Wealth (Mauritius) Limited IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
<b>Group Companies</b>	India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Realty Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Private Limited) IIFL Asset Reconstruction Limited
<b>Key Management Personnel</b>	Karan Bhagat Yatin Shah
<b>Other related Parties</b>	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**

(Formerly Chephris Capital Markets Limited)

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

**(b) Significant Transaction with Related Parties:**

(Amount in ₹)

Nature of Transaction	Holding Company/ Ultimate Holding Co.	Fellow Subsidiaries	Group Companies	Total
<b>Share Capital Issued</b>				
IIFL Wealth Management Ltd	2,513,888,875	-	-	2,513,888,875
	-	-	-	-
<b>Share Premium</b>				
IIFL Wealth Management Ltd	6,486,111,125	-	-	6,486,111,125
	-	-	-	-
<b>ICD Given</b>				
India Infoline Finance Limited	-	-	150,000,000	150,000,000
	-	-	-	-
<b>ICD Recd Back</b>				
India Infoline Finance Limited	-	-	150,000,000	150,000,000
	-	-	-	-
<b>Interest Income on ICD</b>				
India Infoline Finance Limited	-	-	81,967	81,967
	-	-	-	-
<b>Other funds paid</b>				
IIFL Wealth Management Ltd	16,030	-	-	16,030
	-	-	-	-
<b>Allocation / Reimbursement of expenses Paid</b>				
IIFL Wealth Management Ltd	2,273,975	-	-	2,273,975
	-	-	-	-

**Note 30. Disclosure as required under notification no. DNBR. 009/CGM (CDS) -2015 dated March 27, 2015 issued by Reserve Bank of India:**

IIFL Wealth Management Limited acquired 100% equity share capital of the Company on February 13, 2016, the date from which the company became systemically important non-deposit accepting non-banking finance company ("NBFC ND-SI") and hence the disclosures required under notification no. DNBR. 009/CGM (CDS) - 2015 dated March 27, 2015 issued by Reserve Bank of India is not applicable for the F.Y. 2014-15. The comparable figures for previous year are hence not disclosed.

**i. Capital Adequacy Ratio:**

(Amount in ₹ Crores)

Particulars	As at March 31, 2016
CRAR (%)	106.36
CRAR - Tier I Capital (%)	106.32
CRAR - Tier II Capital (%)	0.04
Amount of subordinate debt raised as Tier- II capital	-
Amount raised by issue of perpetual debt Instruments.	-

**ii. Disclosure of Investments:**

(Amount in ₹ Crores)

Sr. No.	Particulars	As at March 31, 2016
(1)	<b>Value of Investments</b>	
	(i) <b>Gross value of Investments</b>	
	(a) In India	747.21
	(b) Outside India	-



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**

(Formerly Chephris Capital Markets Limited)

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Sr. No.	Particulars	As at March 31, 2016
	(ii) Provision for depreciation/diminution	
	(a) In India	-
	(b) Outside India	-
	(iii) Net value of Investments	
	(a) In India	747.21
	(b) Outside India	-
(2)	<b>Movement of provisions held towards depreciation on investments.</b>	
	(i) Opening Balance	-
	(ii) Add: Provision made during the year	-
	(iii) Less: Write-off / write-back of excess provisions during the year	-
	(iv) Closing balance	-

iii. The Company has not securitised any of its exposures during the year.

iv. The Company does not have any exposure to Derivatives including Forward Rates Agreements, Interest Rate Swaps, any Exchange Traded Derivatives.

v. Asset Liability management maturity pattern:

(Amount in ₹ Crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	81.08	6.00	13.69	-	-	-	-	-	100.77
Investments	719.21	-	-	-	-	28.00	-	-	747.21
Borrowings	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

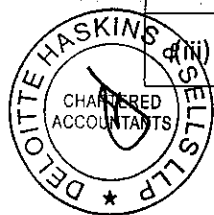
Note: The above figures are on the basis of assumptions made by the Management.

vi. The Company does not have any Exposure to Real Estate Sector

vii. Exposure to Capital Market:

(Amount in ₹ Crores)

Sr. no.	Particulars	March 31, 2016
(i)	Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares ( including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	-
	Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented	100.77



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**

(Formerly Chephris Capital Markets Limited)

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Sr. no.	Particulars	March 31, 2016
	mutual funds are taken as primary security;	
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	-
(vi)	Loan sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-
(viii)	All exposures to Venture Capital Funds ( both registered and unregistered)	-
<b>Total Exposure to Capital Market</b>		<b>100.77</b>

**viii. Details of penalties imposed by RBI or other regulators:**

- No penalty has been imposed during the year.
- No adverse comments have been received in writing from Reserve Bank of India or any other regulator on regulatory compliances.

**ix. Details of Credit Ratings:**
**A) Ratings assigned by Credit Rating Agencies:**

(Amount in ₹ Crores)

Rating Agency	Product	Amount	Rating Assigned
ICRA	Commercial Paper Programme	1200.00	"[ICRA]A1+"
ICRA	Non Convertible Debenture	300.00	"[ICRA]AA"

**x. No Directors Remuneration was paid during the current year.**
**xi. Details of Provisions and Contingencies:**

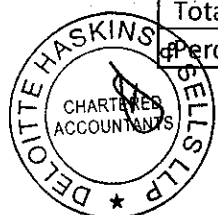
(Amount in ₹ Crores)

Particulars	2015-2016
Provision for depreciation on Investment	-
Provision towards NPA	-
<b>Other Provision and Contingencies:</b>	
Bad debts written off/(back)	0.19
Provision for contingencies	-
Provision for standard assets	0.30
<b>Total</b>	<b>0.49</b>
Provision made towards Income Tax	2.07

**xii. Details of concentration of deposits, advances, exposures & NPA:**
**a) Concentration of Advances:**

(Amount in ₹ Crores)

Particulars	2015-2016
Total advances to twenty largest borrowers	100.77
Percentage of advances to twenty largest borrowers to total advances	100%





**FINANCIALS OF IIFL WEALTH FINANCE LIMITED****(Formerly Chephris Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016****b) Concentration of Exposures:****(Amount in ₹ Crores)**

Particulars	2015-2016
Total exposure to twenty largest borrowers / customers	100.77
Percentage of exposure to twenty largest borrowers / customers to total exposure	100%

**c) Concentration of NPAs:**

The Company does not have any NPAs.

**d) Details of Sector wise NPA:**

The Company does not have any NPAs.

**xiii. Movement of NPAs:**

The Company does not have any NPAs

**xiv. Disclosure of Complaints:**

Sr. No.	Particulars	2015-16
i	Number of complaints pending at the beginning of year	-
ii	Number of complaints received during the year	-
iii	Number of complaints redressed during the year	-
iv	Number of complaints pending at the end of the year	-

**xv.** The Company does not have any Overseas Assets**xvi.** The Company has not sponsored any Off-Balance Sheet SPVs**xvii.** The Company during the financial year has not exceeded single borrower limit (SGL) / group borrower limit (GBL) while performing its lending operations.**Note 31. Disclosure of restructured accounts:**

The Company does not have any Restructured Accounts

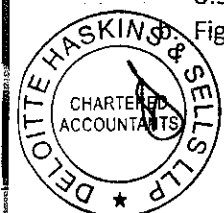
**Note 32. Asset classification:****(Amount in ₹ Crores)**

Particulars	Outstanding Balance	Provision
Standard Assets	100.77	0.30
	(-)	(-)
Sub-Standard Assets	-	-
	(-)	(-)
Doubtful Assets	-	-
	(-)	(-)
Loss Assets	-	-
	(-)	(-)
<b>Total</b>	<b>100.77</b>	<b>0.30</b>
	(-)	(-)

**Note:**

a. In terms of RBI circular a general provision of ₹ 0.30 crores (Previous Year ₹ NIL crores) has been made at 0.30 % of the standard assets under the head 'Provision on Standard Loans' in Note 8.

Figures in bracket represent previous year's figure.



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**

(Formerly Chephis Capital Markets Limited)

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

**Note 33. Particulars as per RBI Directions (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holdings) Companies Prudential Norms (Reserve Bank) Directions 2015):**

**1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:**

(Amount in ₹ Crores)

Particulars	Amount outstanding	Amount overdue
<b>Liabilities Side:</b>		
(a) Debentures:		
Secured	-	-
Unsecured (Other than falling within the meaning of public deposits)	-	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Other Loans (Overdraft)	-	-

**2. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]:**

(Amount in ₹ Crores)

Particulars	Amount Outstanding
<b>Assets Side:</b>	
(a) Secured	100.77
(b) Unsecured	

**3. Break- up of leased assets and stock on hire and other assets counting towards AFC activities:**

(Amount in ₹ Crores)

Particulars	Amount
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other Loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

**4. Break-up of Investments:**

(Amount in ₹ Crores)

Particulars	Amount
<b>Current Investments :</b>	
<b>1 Quoted :</b>	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	115.00
(iv) Government Securities	-
(v) Others (Certificate of Deposits)	-



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**
**(Formerly Chephis Capital Markets Limited)**
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

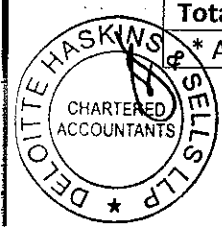
Particulars	Amount
<b>2 Unquoted:</b>	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)-Alternate Investment Funds	604.21
<b>Long Term Investments :</b>	
<b>1 Quoted :</b>	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>2 Unquoted:</b>	
(i) Shares:	
(a) Equity of subsidiary companies	-
(b) Preference of subsidiary companies	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify) Equity Shares	28.00

**5. Borrower Group-wise Classification of all assets financed as in (2) and (3) above:**
**(Amount in ₹ Crores)**

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
<b>2. Other than related parties</b>	100.77	-	100.77
<b>Total</b>	100.77	-	100.77

**6. Investor group wise classification of all investments (Current and Long Term) in shares and securities**
**(Both quoted and unquoted):**
**(Amount in ₹ Crores)**

Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)
<b>1 Related Parties*</b>		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
<b>2 Other than related parties</b>	747.22	747.21
<b>Total</b>	747.22	747.21
* As per Accounting Standard of ICAI		



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**

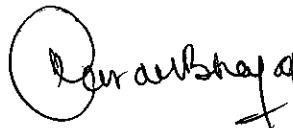
**(Formerly Chephis Capital Markets Limited)**

**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

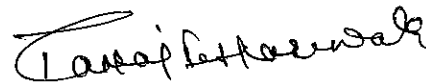
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34. Previous year's figure are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

**For and on behalf of Board of Directors**



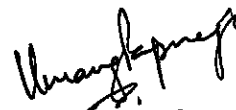
**Karan Bhagat**  
Director  
(DIN: 03247753)



**Pankaj Fitkariwala**  
Director  
(DIN: 07356813)



**Manoj Gujran**  
Company Secretary



**Umang Papneja**  
Director  
(DIN: 07357053)



Place : Mumbai

Dated : May 05, 2016