

To,  
Name of Client-

(This Disclosure Document is not a Prospectus)

Serial No. IIFLWF-PPMLNCD-\_\_\_\_\_-2017/18



**IIFL WEALTH FINANCE LIMITED**

(Formerly known as Chephris 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 5<sup>th</sup> TRANCHE OF Rs. 50.30 CRORE AGGREGATING UPTO RS. 700 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. 700 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.

#### **LISTING**

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

<p><b><u>Registrar</u></b></p>  <p>Link Intime India Private Limited</p> <p>C 101, 247 Park,</p> <p>L B S Marg, Vikhroli West, Mumbai 400 083</p> <p>Tel No: +91 22 49186000 Fax: +91 22 49186060</p> <p>E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a></p> <p>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</p> <p>602, Hallmark Business Plaza</p> <p>Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital</p> <p>Bandra (E), Mumbai-400 051</p> <p>Telephone: +91 22 6716 7080</p> <p>Fax: +91 22 6716 7077</p> <p>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; (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 May 12, 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 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.

#### DISCLAIMER IN RESPECT OF REFERENCE INDEX

The Product(s) are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the NIFTY 50 Index to track general stock market performance in India. The relationship of IISL to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by IISL without regard to the Licensee or the Product(s). IISL does not have any obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the NIFTY 50 Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

IISL does not guarantee the accuracy and/or the completeness of the NIFTY 50 Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by the Licensee, owners of the product(s), or any other person or entity from the use of the NIFTY 50 Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages".

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

#### 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.

#### TERMS AND CONDITIONS RELATING TO THE REFERENCE INDEX

**"Disruption Event"** means any Change in Law, Market Disruption or Trading Disruption or Reference Index Disruption;

**"Change in Law"** means that, on or after the Issue Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines in its sole and absolute discretion that (i) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or

dispose of any Component Asset, or (ii) the Company will incur a materially increased cost in performing its obligations in relation to the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any of its affiliates or agents acting on its behalf);

**“Component Asset”** means any security comprised within the Reference Index from time to time;

**“Disrupted Day”** means, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**“Early Closure”** means, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day;

**“Exchange”** means the BSE Limited, any successor to such exchange or any substitute exchange or quotation system to which trading in such shares underlying such Reference Index has temporarily relocated (provided that the Valuation Agent has determined that there is comparable liquidity relative to such shares underlying such Reference Index on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means, any event (other than an Early Closure) that (i) disrupts or impairs the ability of market participants in general to obtain market values for, the Reference Index on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Index on any relevant Exchange;

**“Market Disruption Event”** means, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Valuation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in relation to the Reference Index at any time, if a Market Disruption Event occurs in respect of a security included in the Reference Index at any time, then the relevant percentage contribution of that security to the level of the Reference Index shall be based on a comparison of (a) the portion of the level of the Reference Index attributable to that security and (b) the overall level of the Reference Index, in each case immediately before the occurrence of such Market Disruption Event. The Valuation Agent shall, as soon as reasonably practicable, notify the Registered Debenture Holder of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been an Observation Date;

**“Observation Date”** shall mean each Date as specified in Annexure A below, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Valuation Agent shall determine the level of the Reference Index as of the Observation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Observation Time on that eighth Scheduled Trading Day of each security comprising the Reference Index (or,

if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Fixing Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Fixing Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Fixing Date;

**“Observation Time”** means any time within normal business hours as may be determined by the Valuation Agent;

**“Official Closing Level”** means (subject to what is provided below in reference to Adjustments to the Reference Index), the official closing level of the Reference Index of a given day as determined by the Valuation Agent;

**“Scheduled Closing Time”** means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means any weekday on which the Exchange is scheduled to be open for trading for their respective regular trading sessions (other than special trading sessions);

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise (i) on the Exchange relating to the relevant share that comprise 20.00% or more level of the Reference Index or (ii) in futures or options contracts relating to the Reference Index on any relevant Exchange;

**“Valuation Time”** means the Scheduled Closing Time on the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

#### **Adjustments to the Reference Index**

If the Reference Index:

- i. is not calculated and published by the sponsor of the Reference Index (“Sponsor”) but is calculated and published by a successor to the Sponsor acceptable to the Valuation Agent; or
- ii. is replaced by a successor index using, in the determination of the Sponsor, the same or a substantially similar formula for and method of calculating the Reference Index, then in each case that index (the **Successor Reference Index**) will be deemed to be the Reference Index.

If:

- (a) on or prior to any Observation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalisation and other routine events) (a **“Reference Index Modification”**); or

- (b) on an Observation Date, the Sponsor fails to calculate and announce the Reference Index (a **“Reference Index Disruption”**) and, together with a Reference Index Modification and a Reference Index Cancellation each a **“Reference Index Adjustment Event”**),

then the Valuation Agent shall, in its sole and absolute discretion, determine if such Reference Index Adjustment Event has a material effect on the Debentures and, if so, the Valuation Agent will calculate the Official Closing Level using, in lieu of a published level for the Reference Index, the level for the Reference Index as at the Valuation Time on the relevant Observation Date as determined by the Valuation Agent in accordance with the formula for and method of calculating the Reference Index last in effect prior to that change, failure or cancellation but using only those securities that comprised the Reference Index immediately prior to that Reference Index



Adjustment Event.

If the level of the Reference Index in relation to a Observation Date used or to be used by the Valuation Agent to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Final Maturity Date, then the level of the Reference Index for that Observation Date shall be the level of the Reference Index as so corrected.

If, on or prior to any Observation Date, the Sponsor permanently cancels the Reference Index and no Successor Reference Index exists (a “**Reference Index Cancellation**”), this shall constitute an Early Redemption Event for Extraordinary Reason as referred to in the Terms and Conditions above and accordingly consequent early redemption of the Debentures by the Company if so elected for by the Company.

- (a) If a Disruption Event occurs, the Company in its sole and absolute discretion may require the Valuation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Debentures to account for the Disruption Event and determine the effective date of that adjustment;
- (b) Upon the occurrence of a Disruption Event, the Company shall give notice as soon as practicable to the Registered Debenture Holders stating the occurrence of the Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Disruption Event.

**RISK FACTORS:**

**DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE INDEX/ PORTFOLIO OF NIFTY 50 OR AT1 DEBT SECURITIES, AS APPLICABLE, PERTAINING TO PRINCIPAL PROTECTED SECURED REDEEMABLE NON CONVERTIBLE MARKET LINKED DEBENTURES:**

**General Risk factors related to the Reference Index of NIFTY 50:**

- Although the principal value on the NCDs is protected on maturity, the investment return on the NCDs is linked to the performance of the underlying Nifty 50 Index.
- An investor in the NCD 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 NCD.
- Even though the investment return on the NCDs is linked to the Nifty 50 index the return on the NCDs 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.

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

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.

#### **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 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.

Early Redemption for Extraordinary Reason, Illegality and Force Majeure, if for reasons beyond the control of the Issuer, the performance of the Issuer's obligations under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Issuer, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Issuer may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Registered Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date").

Provided however if the Issuer believes or is advised that it is necessary to only redeem and/or arrange for the purchase of Debentures held by only certain class of Registered Debenture Holders to overcome or mitigate any such force majeure, then the Issuer may without obligation to do so, redeem and/or arrange for the purchase of only such number of Debentures actually held by such class of Registered Debenture Holders at the relevant time. If the Debentures are bought by the Issuer, the Issuer will, if and to the extent permitted by applicable law, pay to each Registered Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Calculation Agent in its sole and absolute discretion.

Early Redemption Amount means fair market value as determined by the Calculation Agent minus associated costs.

**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 400 083 Tel No: +91 22 49186000 Fax: +91 22 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>
<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, 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 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 <b>Address:</b> A-701, Navratan CHS, Mahakali Caves Road, Andheri(East), Mumbai-400093	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 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

<b>Dr. S. Narayan</b> <b>Designation:</b> Independent Director <b>DIN:</b> 00094081 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 2B, Nithyashree Apartments No. 51, Chaimers Road, Raja Annamalaipura M, Tamil Naidu, Chennai 600028	73	Appointed as Independent Director as on March 31, 2017	1.Seshasayee Paper And Boards Limited 2. Dabur India Limited 3.Apollo Tyres Limited 4. Godrej Properties Limited 5. IIFL Holdings Limited 6. Andhra Pradesh Urban Infrastructure Asset Management Limited 7. Artemis Medicare Services Limited 8. Castlewood Trading Private Limited 9. Yogya Systems Private Limited 10. Shanti Narayan Foundation
<b>Ms. Deepali Nair</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07392725 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 103-104, 1st Floor, Sea Flama, Dosti Flamingos, Parel, Sewri, Mumbai-400015	45	Appointed as Non-Executive Director as on March 31, 2017	Nil

*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.

**Dr. S. Narayan, aged 74 years**, is a retired IAS officer. He was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration and retired as an Economic Advisor to the Prime Minister of India. He has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets. Dr. Narayan holds M.Sc., MBM, M Phil, Ph.D. degree and is a director on the board of several leading public limited Companies.

**Ms. Deepali Naair, aged 46 years**, is the Chief Marketing and Digital Officer of IIFL Wealth Management Limited and is responsible for communication, branding, marketing and digital initiatives. In a career spanning over two decades she has worked with organizations such as Tata Motors, BPL Mobile, Draft FCB Ulka, Marico, HSBC Global Asset Management, L&T Insurance and Club Mahindra. Apart from Brand and Digital Marketing, she has managed e-commerce portfolios too. Her work in digital and technology space is widely regarded. In 2015, Deepali was awarded the 'Content Marketer of the Year' award. She has also received the 'Leading Woman in Insurance' award and has been listed among top 8 futuristic brand heads by [www.socialsamosa.com](http://www.socialsamosa.com).

**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



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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
Dr. S. Narayan	March 31, 2017	Appointment
Ms. Deepali Nair	March 31, 2017	Appointment

**\*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 and latest H1 ended September 30, 2016, are as follows:

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

For Financial Entities	Upto latest H1 ended Sept 30, 2016	(Rs in Million)		
		FY16 (Audited)	FY 15 (Audited)	FY14 (Audited)
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	-	-

**Note:**

- 1) \* Assets under Management comprises of only Loan Book.

**Gross Debt: Equity Ratio of the Company:-**

<b>Before the issue of debt securities</b>	5.16:1
<b>After the issue of debt securities</b>	5.80:1

# Calculation of Debt Equity ratio after the Issue = (Total Debt as on 15.04.17 + current Issue Size) / Net worth as on 31.03.2017.

**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 September 30, 2016	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	2,521.16	2521.16	7.28	7.28
(b) Reserve and Surplus	6,866.25	6497.59	3.07	2.56
<b>(2) Share application money pending allotment</b>		-	-	-
<b>(3) Non-Current Liabilities</b>				
(a) Long-term borrowings	3,878.5	-	-	-
(b) Deferred tax liabilities (Net)	-	-	0.06	0.07
(c) Other Long-term liabilities	103.88	-	-	-
(d) Long-term provisions	27.32	-	-	-
<b>(4) Current liabilities</b>				
(a) Short-term borrowings	20,657.92	-	-	-
(b) Trade payables	5.83	0.72	0.68	0.03
(c) Other current liabilities				
-Borrowings	1,015.5			
-Others	137.07	0.05	-	
(d) Short-term provisions	146.11	4.12	0.03	0.06
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>35,359.54</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	1	-	0.32	0.38
(ii) Intangible assets	-	-	-	-
(iii) Capital work-in-progress	2.51	-	-	-
(iv) Intangible assets under development	-	-	-	-
(b) Non-current investments	1,245.55	280.00	2.75	2.60
(c) Deferred tax assets(Net)	28.91	1.00	-	-
(d) Long-term loans & advances				
-Loans	7,770.62	-	-	-
-Others	-	-	-	-
(e) Other non-current assets	7.66	-	-	-
<b>(2) Current assets</b>				
(a) Current investments	7,908.99	7192.10	1.86	2.47
(b) Inventories	-	-	3.67	2.40
(c) Trade receivables	1,938.4	-	1.94	1.94

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<b>Particulars</b>	<b>*As at September 30, 2016</b>	<b>As at March 31<sup>st</sup>, 2016</b>	<b>As at March 31<sup>st</sup>, 2015</b>	<b>As at March 31<sup>st</sup>, 2014</b>
(d) Cash and Bank balances	779.23	541.02	0.58	0.20
(e) Short-term loans & advances				
-Loans	14,633.14	1007.73	-	
-Others	592.49	0.17	0.00	0.01
(f) Other current assets	451.03	1.62	-	
<b>TOTAL ASSETS</b>	<b>35,359.54</b>	<b>9023.64</b>	<b>11.12</b>	<b>10.00</b>

**\*Note** – Abridged version of limited review half yearly standalone financial information.

## Statement of Reformatted Unconsolidated Profit &amp; Losses

(Rs.in Million)

Particulars	* As at September 30, 2016	2015-2016	2014-2015	2013-2014
<b>Revenue</b>				
Revenue from operations	1,504.08	73.68	0.45	0.85
Other Income	-	0.25	0.36	0.13
<b>Total Revenue</b>	<b>1,504.08</b>	<b>73.93</b>	<b>0.81</b>	<b>0.98</b>
<b>Expenses</b>				
Employee benefit expenses	17.53	-	-	-
Finance cost	750.79	-	0.00	-
Depreciation & amortization expenses	-	-	0.06	0.03
Other expenses	174.48	35.84	0.22	0.45
<b>Total Expenses</b>	<b>942.81</b>	<b>35.84</b>	<b>0.28</b>	<b>0.48</b>
<b>Profit/(Loss) before tax</b>	<b>561.27</b>	<b>38.09</b>	<b>0.53</b>	<b>0.50</b>
<b>Tax expenses :</b>				
Current tax expense for current year	220.52	21.85	0.03	0.05
Deferred tax	(27.91)	(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>192.61</b>	<b>20.68</b>	<b>0.02</b>	<b>0.04</b>
<b>Profit (loss) for the period</b>	<b>368.66</b>	<b>17.41</b>	<b>0.51</b>	<b>0.46</b>

\*Note – Abridged version of limited review half yearly standalone financial information.



## 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>

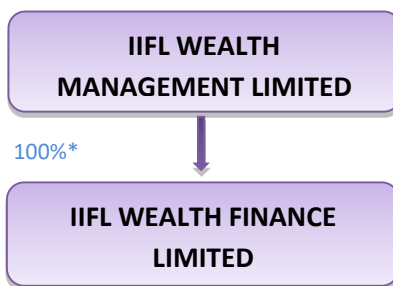
# Represents net amount due to transaction volume

\*Note – Abridged version of limited review half yearly standalone financial information.

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	-

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<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>
					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
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.

**IV. Shareholding Pattern****V. 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.*

**VI. 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>

**VII. 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>

**VIII. Issue Size:**

Under the purview of current document, the Company intends to raise by way of Debentures, 5<sup>th</sup> tranche of Rs. 50.30 Crore aggregating upto Rs.700 Crore (Base Issue) in one or more tranches, 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**

**IX. 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. 1864.52 Crore as on May 04, 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 CP o/s Rs. 3900 Crores (Rs. 3310 crores CP borrowing & Rs. 590 crores IPO Funding) Crore as on May 03, 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, Rs. 275 Crores Unlisted Redeemable Non-Convertible Subordinated Debentures as on March 22, 2017 and Rs. 19.50 Crores Listed Redeemable Non-Convertible Subordinated Debentures as on April 12, 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.

**X. 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

**XI. 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 April 07, 2017. The same has been attached as **Annexure F**.
7. Resolution passed by the Finance Committee at its meeting held on April 24, 2017 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 valid from May 11, 2017 of ICRA Limited.
9. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.
10. Consent letter dated April 19, 2017 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.

**XII. 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.

**XIII. 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 FIs).

### **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 April 07, 2017, and the resolution passed by the Finance Committee of the Board of Directors of the Company at its meeting held on April 24, 2017. 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 as the valuation agent. The valuation of these NCDs 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 April 25, 2017 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 in favour of the Debenture Trustee to cover various issuances up to 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. 700 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. 700 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. The following table shows the value of the Debenture at maturity under different market conditions

**Scenario Analysis:**

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

Initial Level	Final Level	Underlying Performance	Coupon	Annualized Pre-Tax Return
9000	0	-100.00%	20.04%	8.45%
9000	900	-90.00%	20.04%	8.45%
9000	1800	-80.00%	20.04%	8.45%
9000	2700	-70.00%	20.17%	8.50%
9000	3600	-60.00%	20.17%	8.50%
9000	4500	-50.00%	20.17%	8.50%
9000	6300	-30.00%	20.17%	8.50%

9000	7200	-20.00%	20.17%	8.50%
9000	8100	-10.00%	20.17%	8.50%
Initial Level	Final Level	Underlying Performance	Coupon	Annualized Pre-Tax Return
9000	9000	0.00%	20.17%	8.50%
Initial Level	Final Level	Underlying Performance	Coupon	Annualized Pre-Tax Return
9000	9090	1.00%	20.17%	8.50%
9000	9450	5.00%	20.17%	8.50%
9000	9900	10.00%	20.17%	8.50%
9000	10350	15.00%	20.17%	8.50%
9000	11700	30.00%	20.17%	8.50%
9000	12600	40.00%	20.17%	8.50%
9000	13500	50.00%	20.17%	8.50%
9000	15300	70.00%	20.17%	8.50%
9000	16200	80.00%	20.17%	8.50%
9000	18000	100.00%	20.17%	8.50%

*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 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, de-recognition, 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	April 07, 2017
Date of passing of resolution by the Finance Committee of the Board of Directors in its meeting, authorizing the offer of securities under the present Issue;	April 24, 2017
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;	ICRA Rating Limited, 3 <sup>rd</sup> Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025
Amount which the company intends to raise by way of securities;	Upto Rs. 50.30 Crore (5 <sup>th</sup> tranche of base issue size of Rs. 700 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 yearss 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.***

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**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 Finance Committee of the Board of Directors of the Company vide resolution number 1 dated April 24, 2017 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

TERMS & CONDITIONS OF NCD	
Security Name	IIFLWF-EWFEC850-8.50%-2018
Product Code	EWFEC850-120819
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	Nifty 50
Mode of Issue	Private Placement
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, Partnership Firm(s),</li> <li>• Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI,</li> <li>• Association of Persons,</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings.</li> <li>• Commercial Banks, Regional Rural Banks, Financial Institutions,</li> <li>• Insurance Companies,</li> </ul> <p>Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures.s</p>
Issue Size (Rs.)	50.30 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
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.
Step up/Step down coupon rate	Not Applicable.
Tenor In Days	822 Days from the Deemed Date of Allotment
Issue Opening Date	12-May-17
Issue Closing Date	16-May-17
Initial Fixing Date	12-May-17
Initial Fixing Level	Official Closing Level of Nifty 50 Index as on Initial Fixing Date
Final Fixing Date	14-May-19
Final Fixing Level	Official Closing Levels of Nifty 50 Index as on Final Fixing Date
Redemption Date	12-Aug-19

<b>Redemption Value</b>	Face Value*(1+Coupon)						
<b>Discount at which security is issued and effective yield as a result of such discount</b>	NA						
<b>Pay-in-Date</b>	12-May-17						
<b>Deemed Date of Allotment</b>	16-May-17						
<b>Underlying Performance</b>	(Final Fixing Level / Initial Fixing Level) – 1						
<b>Coupon</b>	<table> <tr> <th>Scenario</th><th>Coupon</th></tr> <tr> <td>If Final Fixing Level&gt;20% of the Initial Fixing level</td><td>20.17%</td></tr> <tr> <td>If Final Fixing Level&lt;=20% of the Initial Fixing level</td><td>20.04%</td></tr> </table>	Scenario	Coupon	If Final Fixing Level>20% of the Initial Fixing level	20.17%	If Final Fixing Level<=20% of the Initial Fixing level	20.04%
Scenario	Coupon						
If Final Fixing Level>20% of the Initial Fixing level	20.17%						
If Final Fixing Level<=20% of the Initial Fixing level	20.04%						
<b>Step up/Step down coupon rate</b>	Not Applicable.						
<b>Coupon payment frequency</b>	Coupon, if any will be paid on Redemption Date						
<b>Coupon payment dates</b>	Coupon, if any will be paid on Redemption Date						
<b>Coupon type</b>	Coupon linked to Underlying / Reference Index.						
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</b>	Not Applicable						
<b>Day Count Basis</b>	NA						
<b>Default interest rate</b>	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.						
<b>Proposed time schedule for which the Disclosure Document is valid</b>	Till redemption						
<b>Redemption Premium/Discount</b>	Not Applicable						
<b>Put Option</b>	None						
<b>Put Option Date</b>	Not Applicable						
<b>Put Option Price</b>	Not Applicable						
<b>Put Notification Time</b>	Not Applicable						
<b>Call Notification Time</b>	Not Applicable						
<b>Call Option</b>	Not Applicable						
<b>Call Price</b>	Not applicable						
<b>Listing</b>	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.						
<b>Issuance mode of Debenture</b>	DEMAT form						
<b>Settlement mode of the Instrument</b>	RTGS						
<b>Provisions related to Cross Default Clause</b>	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		
Business Day Convention	Unless otherwise stated, Modified Following Business Day Convention		
Settlement	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 the general meeting dated March 06, 2017 for increase in overall borrowing limits of the company.</li><li>• Resolution passed by shareholders in the general meeting dated April 07, 2017 for issuance of debentures on private placement basis.</li><li>• Resolution passed by the Finance Committee of the Board of Directors dated April 24, 2017 for issuance of debentures on 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 April 25, 2017.</li></ul>		
Conditions Precedent to Disbursement	Nil		
Conditions Subsequent to Disbursement	Nil		
Events of Default	As per Debenture Trust Deed		

<b>Roles and Responsibilities of Debenture Trustee</b>	As per Debenture Trust Deed
<b>Governing Law and Jurisdiction</b>	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.
<b>Other Terms</b>	<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>
<b>Valuation Agency Fees</b>	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.
<b>Valuation Agency</b>	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.
<b>Risk Factors associated with Market Linked Debentures</b>	<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>
<b>Premature Exit</b>	<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.</p> <p>A request for Premature Exit by an Investor shall not be considered if made within 3 months from the Deemed Date of Allotment.</p>
<b>Distribution Fee</b>	Nil

**Illustration of Cash Flows:**

Company	IIFL WEALTH FINANCE LIMITED (the “Issuer”)							
Tenure	822 Days from the Deemed Date of Allotment							
Face value( per security)	Rs. 100,000 per Debenture							
Date of Allotment	16-May-17							
Redemption	12-Aug-19							
Coupon Rate	<table><tr><th>Scenario</th><th>Coupon</th></tr><tr><td>If Final Fixing Level&gt;20% of the Initial Fixing level</td><td>20.17%</td></tr><tr><td>If Final Fixing Level&lt;=20% of the Initial Fixing level</td><td>20.04%</td></tr></table> <p>Where Initial Fixing Level : Official Closing Level of Nifty 50 Index as on Initial Fixing Date Final Fixing Level: Official Closing Level of Nifty 50 Index as on Final Fixing Dates Underlying Performance: (Final Fixing Level / Initial Fixing Level) – 1</p>		Scenario	Coupon	If Final Fixing Level>20% of the Initial Fixing level	20.17%	If Final Fixing Level<=20% of the Initial Fixing level	20.04%
Scenario	Coupon							
If Final Fixing Level>20% of the Initial Fixing level	20.17%							
If Final Fixing Level<=20% of the Initial Fixing level	20.04%							
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	12-May-17	822 Days from the Deemed Date of Allotment	Coupon linked to Underlying / Reference Index.

**Annexure B (Registrar Consent)**



Link Intime India Pvt. Ltd.  
CIN : U67190MH1999PTC118368  
C- 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel. : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : mumbai@linkintime.co.in  
Website : www.linkintime.co.in

**April 19, 2017**

To,  
IIFL WEALTH FINANCE LIMITED,  
6TH 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. 1000 Crores for F.Y. 2017-18.**


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. 1000 Crores for F.Y. 2017-18**" 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)**



April 19, 2017

To,

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

Dear Sir,

**Sub : Consent for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures aggregating up to Rs. 1000 Crore (Rupees One Thousand Crores only) on private placement basis.**

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures aggregating up to Rs. 1000 Crore (Rupees One Thousand Crores only) on private placement basis 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**

A handwritten signature in dark ink, appearing to be "Ravi", written over a horizontal line.

**Authorized Signatory**

**Annexure D (Rating Letter and Rating Rationale)**



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2017-18/MUMR/0157  
May 12, 2017

Mr. Pankaj Fitkariwala  
IIFL Wealth Finance Limited  
(erstwhile Chephris 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 May 12, 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 April 6, 2017, 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. We confirm the ratings mentioned aforesaid were valid as of May 11, 2017.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2016-17/MUM/0668 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 faithfully,  
For ICRA Limited

  
ANJAN DEB GHOSH  
Executive Vice President  
[aghosh@icraindia.com](mailto:aghosh@icraindia.com)

  
SUBRATA RAY  
Senior Group Vice President  
[subrata@icraindia.com](mailto:subrata@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](http://www.icra.in)  
email : [mumbai@icraindia.com](mailto:mumbai@icraindia.com)

Registered Office : 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001, Tel.: +(91-11) 23357940-50 Fax : + (91-11) 23357014

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

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



CIN: U65990MH1994PLC080646





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:**

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CIN: U65990MH1994PLC080646

**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 APRIL 07, 2017**

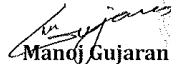
**ISSUANCE OF DEBENTURES ON PRIVATE PLACEMENT BASIS:**

**"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 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 Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Perpetual/Subordinated/Structured Products/Market Linked/Principal Protected/Fixed Maturity Non-Convertible 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 2017-18 and on such terms and conditions as may be determined by the Board (including the Finance Committee or any other Committee thereof), from time to time;

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing and allotting the Debentures, the Board (including the Finance Committee or any other Committee thereof) 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

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CIN: U65990MH1994PLC080646

**Annexure G - Finance Committee Resolution**



**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE FINANCE COMMITTEE ("THE COMMITTEE") OF THE COMPANY AT THEIR MEETING HELD ON APRIL 24, 2017 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;

**RESOLVED FURTHER THAT** the Committee be and hereby approves the Shelf Information Memorandum, as per the draft placed before the Committee, in relation to the offer and issue of the said PPMLDs on private placement basis with one or more base issue and, or tranches;

**RESOLVED FURTHER THAT** any Director/ CEO, Mr. Niraj Murarka-COO, Mr. Mihir Nanavati-CFO, Mr. Manoj Gujran-Company Secretary, Mr. Rakesh Chandnani-VP, Operations and Ms. Priya Kiyawat, AVP-Treasury of the Company, be and are hereby *severally* authorized for and on behalf of the Company to enter into and execute all such agreements/ arrangements including but not limited to the Debenture Trust Deed, Debenture Trustee Appointment Agreement, Valuation Agency Agreement, Credit Rating Agency Appointment Agreement, application to stock exchange(s) to seek in-principle approval, as may be required, for securing the PPMLDs and to appoint the Debenture Trustee, Depositories, Custodians, Registrar and Transfer Agents to the Issue, Credit Rating Agency(ies), Valuation Agent(s) and, or such other intermediaries/ agencies as may be involved and, or concerned in the offer and issue of PPMLDs, including the payment of commission, brokerage, fees, etc. as they may deem fit;

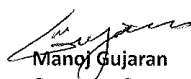
**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary and/ or any of the Officials of the Company as named above be and is hereby authorized to submit a certified true copy of this Resolution to such persons/ entities as may be deemed fit for the purpose of giving effect to this resolution."

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

CIN: U65990MH1994PLC080646



For IIFL Wealth Finance Limited

  
Manoj Gujran  
Company Secretary  
Membership No: ACS-22201  
Date: April 24, 2017  
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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CIN: U65990MH11994PLC080646

**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**

# **MEMORANDUM AND ARTICLES OF ASSOCIATION**

**IIFL WEALTH FINANCE LIMITED**

No.11-80646



कारबार प्रारम्भ करने के लिए प्रमाण-पत्र  
**Certificate for Commencement of Business**

कम्पनी अधिनियम, 1956 की धारा 149(3) के अनुसरण  
Pursuant of Section 149(3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि .....

जो कम्पनी अधिनियम, 1956 के अधीन तारीख ..... को नियमित की गई थी और जिसने आज विहित प्ररूप में सम्यक रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the .....

**LIMITED** .....

which was incorporated under the Companies Act, 1956, on the **THIRTYFIRST** day of **AUGUST** 19**94**, and which has this day filed a duly verified declaration in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख ..... को

में दिया गया।

**BOMBAY**

this **SIXTH** day of **SEPTEMBER** 19**94**  
and **NINETYFOUR**

one thousand nine hundred

(**G. SRINIVASAN**)  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies



जे० एस० सी०-10  
**J.S.C-10**

प्रमाणित-230-विशेष-85-86-भासपट्टेक (सी. 71)-14-7-88-5,000.  
MG/PTC-230 Civil/85-86-भासपट्टेक (सी. 71)-14-7-88-5,000.



कम्पनियों

फॉर्म नं० आई० आर०  
Form I. R.

निगमन का प्रमाण-पत्र

## CERTIFICATE OF INCORPORATION

ता०.....का सं०.....  
No. 11-80646.....of 19 94.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह  
कम्पनी परिसीमित है।

I hereby certify that **CHEPHIS CAPITAL MARKETS LIMITED**

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)  
and that the Company is limited.

मेरे हस्ताक्षर से आज ता०.....को दिया गया।  
Given under my hand at **BOMBAY** this **THIRTYFIRST**  
**ST**.....One thousand nine hundred and **NINETYFOUR**

(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार

Addl. Registrar of Companies  
Maharashtra





GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Mumbai  
Everest , 100 , Marine Drive Mumbai - 400002, Maharashtra, INDIA

**Certificate of Incorporation pursuant to change of name**  
**[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]**

Corporate Identification Number (CIN): : U65990MH1994PLC080646

I hereby certify that the name of the company has been changed from CHEPHIS CAPITAL MARKETS LIMITED to IIFL Wealth Finance Limited with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name IIFL Wealth Finance Limited

Given under my hand at Mumbai this Twelfth day of March Two Thousand Sixteen.

RAJENDER SINGH MEENA  
Deputy Registrar of Companies  
Registrar of Companies  
Mumbai

---

Mailing Address as per record available in Registrar of Companies office:

IIFL Wealth Finance Limited  
6th Floor, IIFL Centre, Kamala City,, Senapati Bapat Marg, Lower Parel,,  
Mumbai - 400013,  
Maharashtra, INDIA

**THE COMPANIES ACT, 1956**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION OF**

**IIFL WEALTH FINANCE LIMITED**

- I. #The name of the Company is **IIFL WEALTH FINANCE LIMITED**.

*(# Name changed vide fresh certificate of Incorporation dated March 12, 2016 Issued by the Registrar of Companies, Maharashtra)*

- II. The Registered Office of the Company will be situated in the State of MAHARASHTRA.

- III. The Objects for which the Company is established are:

**(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:**

- (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.

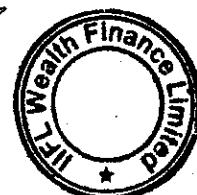
*(Clause 1 as amended vide Special Resolution passed at the Extra Ordinary General Meeting of the company held on October 10, 2016)*

- (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.

*(Clause 2 as amended vide Special Resolution passed at the Extra Ordinary General Meeting of the company held on November 21, 2016)*

**(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:**

- (3) *(Clause 3 deleted vide Special Resolution passed at the Extra Ordinary General Meeting of the company held on October 10, 2016).*



- (4) To acquire by amalgamation, purchase, take over or otherwise the whole or part of the assets, liabilities and undertaking in India or elsewhere of any other company, body corporate, firm, association or individuals, carrying on, proposing to carry on or possessed of property suitable for the purpose of the Company or which can be carried on in conjunction therewith.
- (5) To enter into partnership or into any arrangement for sharing profit or losses or any union of interests, joint venture, reciprocal concession or co-operation with any person or persons, firms, association of persons, Hindu undivided families or company or companies, institution, body corporate carrying on business or transaction either in India or abroad.
- (6) To establish branches and agencies of the Company in India and elsewhere for the purpose of the business of the Company.
- (7) To act as Manager, issue house, transfer agent and liaison officer and generally to act as agent or representative and to undertake accountancy, clerical and similar work.
- (8) To acquire from and/or to give and/or to provide any person, firm or body corporate or unincorporated whether in India or elsewhere, technical information, knowhow, processes, engineering, manufacturing and operating data, plans, layouts and blueprints useful for the design, erection and operation of plant required for any of the businesses of the Company and to acquire any grant or license and other rights and benefits in the foregoing matters and things.
- (9) To apply for and acquire permits, licences and quota rights from the Government of India or from State Governments or from foreign Governments to import and export plant, equipment's, spare parts thereof, machinery, raw-materials, intermediates, finished products and processing materials.
- (10) To ensure with any other Company, firm or persons against losses, damages and risks of all kinds which may effect the Company.
- (11) To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, hundies, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
- (12) To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose of the whole or any part of the undertaking property, assets, rights and effects of the Company for such consideration as the Company may think fit in particular for stocks, shares, whether fully or partly paid up, debentures or other securities of any other company whether or not having objects altogether or in part similar to those of this Company.
- (13) To pay for any rights or property acquired by the Company and to remunerate any person, or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise.



- (14) To open current, fixed, overdraft or other accounts with any Bank, Bankers, Shroff's or Merchant and to pay into and to draw moneys from such accounts.
- (15) To guarantee the performance of any contract or obligations of and the payment of money of and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its shareholders.
- (16) To advance and lend moneys on such security as may be thought proper or without taking any security thereof and to undertake financial and commercial obligations, transactions and operations of all kinds.
- (17) To invest the funds of the Company not immediately required from time to time in such assets, properties, securities, shares, bullion, specie or investments or otherwise as may from time to time be determined by Directors and from time to time sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.
- (18) Upon any issue of shares, debentures or any other securities of the Company, to employ brokers, commission agents and underwriters and to provide for the remuneration of such persons for their services by payment, in cash or issue of shares, debentures or other securities of the Company, by the granting of options to take the same or in any other manner allowed by law.
- (19) To enter into partnership or into any arrangements for sharing profits, co-operation, joint venture, reciprocal concession or otherwise, or collaborate or affiliate arrangements with any persons or Company, carrying on or engaged in business or transaction, either in India or abroad.
- (20) To acquire any such shares, stocks, debenture, debenture-stocks, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
- (21) To act in conjunction with, unite or amalgamate with, create or constitute or assist in creating or constituting any other company or assist in creating or constituting any other company or association of any kind for the purpose of acquiring all or any of the properties, rights and liabilities of the Company, and to buy up or absorb all or any of the business or property of any such company or association and to acquire and secure membership, seat or privilege in and of any association, exchange, market or institution in India or any part of the world.
- (22) To enter into any arrangement with any government authorities, municipal, local or otherwise, or any persons or objects of the Company or any of them and to obtain from any such government authority, persons or company, and rights, privileges, charters, contracts, licenses and concessions.
- (23) To apply for and to take out, purchase or otherwise by way of license or otherwise prolong and renew in any part of the world any patents, patent rights or inventions, trade mark rights,

copyrights, or secret processes or technical aid or "know-how" which may be useful for the Company's objects and to grant licences to use the same.

- (24) To alter, manage, develop, exchange, lease, mortgage, underlet, sell, give in gifts or otherwise dispose of, improve or deal with the land, property, assets and rights and resources and undertaking of the Company or any part thereof for such considerations as the Company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company and to distribute among the members in case or in specie any property or assets of the Company, subject to the provisions to the companies Act, in this behalf in the event of winding up.
- (25) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company for which the Company shall construe to be preliminary expenses, including there in the costs of advertising, commission for underwriting, brokerage, printing and stationery and the expenses incurred upon the formation of agencies and local boards.
- (26) To procure the registration or other recognition of the Company in India and abroad and to establish and regulate agency for the purchase of the Company's business and to apply or join in applying to Government, local, municipal or other authority or body for concessions, orders, rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (27) To provide for welfare of the Directors or ex-Directors or the employees or the ex-employees of the Company and the wives, widows and families of such persons, by building or by contributing to the building of houses, dwelling houses, chawls, or by grant of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing to provident, pension, superannuation and other funds and providing or subscribing towards schools, places of , instructions and recreation and hospitals, dispensaries, medical and other attendance and other assistance as the Company shall think fit, and to form, subscribe to or otherwise aid benevolent, religious, scientific, national, public or other institutions or objects or purposes.
- (28) To adopt such means of making known business of the Com-pany as may seem expedient and in particular by advertising in the press or otherwise or by purchase and exhibition of works of art or by publication of books and periodicals or by granting prizes, rewards, donations or scholarships.
- (29) To apply the assets of the Company in any way in or towards, the establishments, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and including any association, institution or fund for the protection of the interests of masters, owners or employers, against loss by debts, strikes; combinations, fire, accidents, or otherwise or for the benefit of any clerks, workmen or others at any time employed, by the Company or by any of its predecessors in business, of their families or dependents and whether or not in common with other persons or classes or persons and in particular, in friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, dining and recreation rooms, churches, chapels, temples, schools and hospitals and to grant gratuities,

pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.

- (30) To sell, dispose of or transfer the business, property and undertaking of the Company or any part for any consideration which the Company may deem fit to accept and in particular for shares, debentures, debenture-stocks, bonds or securities of any other company or companies for the purpose of its or their acquiring all or any of the property, rights, or liabilities of this Company or for other purposes of this Company.
- (31) To expend money in experiencing on and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or those which the Company may acquire or propose to acquire.
- (32) To create any reserve fund, sinking fund, insurance fund, dividend equalization fund or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company.
- (33) To place to reserve or to distribute as bonus shares among the members or otherwise to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debenture issued at a premium by the Company and any money received in respect of forfeiture of shares and moneys arising from the sale by the Company of forfeited shares.
- (34) To acquire and undertake the whole or any part of the property, assets or liabilities of any person, firm or company carrying on business.
- (35) To form, incorporate or promote any company or companies, whether in India or elsewhere having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other object or objects which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay for all or any of the assets and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in placing or obtaining or assisting in placing or obtaining subscriptions for the Company or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company or any stocks, shares, bonds, debentures, obligations or securities of any other company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the Company or the conduct of its business or in or about the Company may have an interest.
- (36) To refer to or agree to refer any claim, demand, disputes or any other question, by or against the Company or in which the Company is interested or concerned, and whether between the Company and the member or members of his or their representatives or between the Company and third parties to arbitration in India or any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
- (37) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of its

C

capital including brokerage and commission for obtaining application for or taking, or placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.

- (38) To receive money, securities and valuables of all kinds and deposits at interest or for custody, but not to carry on banking business as defined under the Banking Regulation Act, 1949, subject to the provisions of Section 58-A of the Companies Act, 1956 and directives of Reserve Bank of India.
- (39) To communicate with chambers of commerce and other mercantile and public bodies throughout the world and to advice on, concert, promote and support measures for the protection, advancement, growth of trade, commerce and industry and for protection and welfare of persons engaged therein.
- (40) To promote, assist or take part in and appear or lead evidence before any commission, investigation, inquiry trial or hearing whether public or private relating to matters or connected with any trade, business or industry.
- (41) To promote co-operation, hold conferences, organize and participate in meetings, maintain bureau, carry on correspondence, undertake publications, arrange discussions, symposiums and debates, prepare statements, reports and articles relating to any and all matters of interest to trade, industry or business.
- (42) To undertake and carry on the office or offices and duties of trustees, executors, administrators, treasurer, registrar, custodian, attorney or nominee of or for any person, body corporate (whether incorporated or not), association, scheme, trust, funds, government, state, municipal or corporate and generally to undertake, perform and discharge any trust or agency business and any office of trust or confidence.
- (43) To undertake and execute any trust or discretion, the under-taking whereof may seem desirable and the distribution amongst the beneficiaries, pensioners or other persons entitled thereof of any income, capital or annuity, whether periodically or otherwise, and whether in money or specie, in furtherance of any trust, direction, discretion or other obligation or permission.
- (44) To aid peculiarly or otherwise, and association, body or movement having for an object the solution, settlement, or surmounting of industrial or labor problems or troubles or the promotion of industrial or trade.
- (45) To subscribe or guarantee for any national, charitable, benevolent, public, or for any exhibition.
- (46) To buy, purchase, build, construct, alter, enlarge, maintain, pull down, remove, replace, manage, control, sell, lease, take on lease or tenancy or in exchange, take options over or otherwise acquire land, buildings, flats, godowns, sheds, factories and hereditaments of any tenure or description in India or abroad whether for residential, business, manufacturing or other purposes and any rights, easements, advantages and privileges relating to and either for investments or resale or for trafficking in the same and to turn the same into account as



may seem expedient, and to construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings, and other structures, works and convenience of all kinds of any of the lands or immovable properties purchased or acquired by the Company and to lease, sell, deal in or to otherwise dispose of the same, and to purchase, charter, hire, build or otherwise acquire vehicles of any or every sort or description for use on land or water or in air and to employ the same in the carriage of merchandise of all kinds or passengers for the business of the Company.

- (47) To borrow or raise moneys or loans for the purpose of the Company in such manner as the Company shall think fit and (in particular by the issue of promissory notes, bills of exchange, hundies, and other negotiable or transferrable instruments or by mortgage, charge, hypothecation or pledge) or by debentures or by debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property and assets, both present and future, moveable and immoveable, including its uncalled capital, upon such terms as the Directors, may deem expedient or in such manner or to take money on deposit or otherwise with or without allowance of interest thereon and to lend money to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons and to execute all deeds writings and assurances for any of the aforesaid purposes subject to the provisions of Section 58-A of the Companies Act, 1956 and directives of the Reserve Bank of India.

**(C) OTHER OBJECTS:**

- (48) To purchase, sell or otherwise transfer, lease, licence, use, dispose of, operate, programme, fabricate, construct, assemble, design, develop, charter, hire, acquire, recondition, work upon or otherwise deal in computers, tabulators, data processing machines and allied machinery and electronic equipment of every kind, description and activation, including accounting, book-keeping, calculating, sorting, & adding, subtracting, dividing, multiplying, printing, typewriting, copying, re-producing and distributing machines and machinery systems, apparatus, appliances, facilities and accessories and devices of all kinds, component parts thereof or materials or articles used in connection therewith, and all other machines, machinery appliances, apparatus, devices, materials, substances, articles or things of a character similar or analogous to the foregoing, or connected therewith.
- (49) To act as buying and selling agents of any company, and to do and perform wholly or partly the several duties, services and offices which the buying and selling agents, of any company usually do and perform and to undertake and to become bound by conditions of any agreement entered into for any purpose, subject to the provisions of the Companies Act.
- (50) To carry on all or any of the business of engineers, metal foundries, metal welders, smiths, machinists, metal rollers, tool makers, wire, drawers, sheet manufacturers, tubes, pipe and tank manufacturers, moulders, metallurgists, metal workers, fitters, mill wrights, galvanisers, electroplaters and enamellers and to offer technical, economic, management and corporate advice.
- (51) To establish, compile, print, publish and carry on newspapers, periodicals, gazettes, trade lists, year books, statistics and other publications as literature and to carry on business as newspaper, proprietors, printers, publishers and advertising agents.

- (52) To carry on the business of manufacturers and dealers in all kinds of packaging, requisites and cartons made of card-board, straw-board, wood, glass or other material, metal glass or plastic containers and also containers of any other metal.
- (53) To take on lease, purchase on hire and otherwise acquire, maintain, install and run cotton mills, woollen mills, silk mills, jute mills, man made fibre, spinning and weaving mills and all other textile and fibre goods manufacturing mills and to purchase, manufacture, gin, comb, prepare, spin, weave, dye, bleach, print, process, import, export and deal in cotton, kapas, flex, hemp, jute, wool, silk, terene, staple, synthetic and any other man made fibrous substance, their yarn, linen, cloth and other goods and fabrics, whether textile, felted, netted or looped and to bleach, dye, print or made of vitriol, bleaching and dyeing materials.
- (54) To carry on the business of Indenting Agent and to act as shippers, underwriters, commission agents, advertising agents, travelling agents, transport agents, forwarding and clearing agents.
- (55) To carry on the business of leasing and letting on lease of movable properties of all kinds including plants, machinery, cold storages, refrigerators, airconditioning machinery and equipments, internal communication systems and equipments, computers, computer programmes, software, office equipments of all kinds, security systems, tractors, trollies, threshers, driers, earth-moving equipments, construction equipments, mining equipments, material handling equipments, power generators, public address systems, cinema equipments, hotel equipments, medical equipments and motor vehicles of all kinds including motor cars, motor buses, motor lorries, motor cycles, auto-rickshaws and any other type of vehicles.
- (56) To carry on the business of transport, cartage and haulage contractors, garage proprietors, owners and charterers of road vehicles, aircrafts, ships, tugs, barges and boats of every description, lighterman, carriers of goods and passengers by road, rail, water or air, carmen, cartage contractors, stevedors, carts, superintendents, packers, haulers, warehouse-man, storekeepers and job masters.
- (57) To manufacture, produce, buy, sell, import, export, stock and deal in machine tools, grinding machines, automatic lathes, drilling machines, planing machines, planogrinders, machinery of every description, precision tools, cutting and small tools, electric motors, electrical equipments, equipments for generation, transmission and distribution of electricity cables, wires, conductors, switchgears, flame and dip proof motors, electric cans, regulators of all types, electric kilowatt hour meters, magnets, industrial jewels, ammeters, non-electric die-castings, screws, nuts and bolts, transformers of all types, circuit breakers, hoists, elevators, gears, trollys and coaches winches, air compressors, welders, refrigerators, domestic washing machines, telephones, tele-printers, public address equipment, lightning arrestors, rotavators, radar equipments, valves, resistors, electronic equipments and instruments, conductors, magnetic materials and transistors.
- (58) To carry on business of consultants and advisers to individuals, bodies corporate, societies, undertakings, institutions, associations, government, local authorities and others on problems relating to the administration (organisation and management) of industry and business and the training of personnel for industry.

- (59) To carry on the business of manufacturers of, processors, importers, exporters, buyers, sellers, stockist, distributors, and/ or dealers in all or any of the following:
- (a) Sugar Mills, distilleries and mollasses.
  - (b) Vanaspati, Ghee and oil crushing, solvent extraction, refined oils, cake - oiled or de-oiled and soap making.
  - (c) Cement, clinker or its by-products.
  - (d) All kinds of rubber, natural, artificial or foam and its goods and products, synthetic, all kinds of plastic high or low density and their products whether moulded, melted, weaved, extruded, machined or otherwise.
- (60) To cultivate, grow, produce, purchase, sell, deal and trade in agricultural and vegetable products of all kinds and to take up any agricultural work and deal in manufacture, export, import of all kinds of agriculture, implements, machineries and such other appliances and chemicals as are required in agriculture.
- (61) To carry on the business of an investment company, in all its branches and without prejudice to the generality of the foregoing to buy, underwrite, invest in and acquire and hold, lease, sell and deal in shares, stocks, debenture-stock, bonds, obligations and securities issued or guaranteed by any Government, State, dominions, commissioners, public body or authority, municipal, local or otherwise, firm, company, association, or person in India or elsewhere and to act as technical consultants for selecting, acquiring and installing of all kinds of equipments and to act as financial consultants, merchant bankers, custodians of shares and securities, investment advisers, bonds and securities and to render any kind of management and consultancy services concerning foregoing matters and things, but not to carry on Banking business as defined under Banking Regulation Act, 1919.
- (62) To grow, cultivate, produce, manufacture, treat, blend, render marketable and transport whether in bulk or in packed or concentrated forms, tea, coffee, cocoa or any other beverages, all varieties of foods, and food products, plantation crops, orchard crops, cereals, vegetables, spices, essential oils, aromatic substances, including the growing, cultivation and reproduction of tea seeds and other reproduce vegetative material of all types and to buy, sell, store, further process, sort, grade, or otherwise prepare, import, export, dispose of and deal in and trade in all or any of the aforesaid produce or commodities, things and products either in processed, finished, manufactured or raw state by retail, wholesale or otherwise.
- (63) To carry on the business of manufacturers of and dealers in chemicals of any nature and as wholesale or retail chemists, dry-salters, oil and colour-men, importers, exporters and dealers in heavy chemicals, alkalies, acids, drugs, tannins, essences, pharmaceutical, sizing, medicinal, chemical, industrial and other preparations, mineral and other waters, drugs, dyestuffs, soaps, cements, oils, fats, paints, varnishes, compounds, rubber chemicals and preparations, organic or mineral, intermediates, paints and colour grinders, makers of and dealers in proprietary articles and compounds of any nature.
- (64) To engage in research into all problems relating to personnel and industrial and business management and distribution, marketing and selling, and to collect, prepare and distribute information and statistics relating to any type of business and industry and generally to act as market research consultants.

- (65) To build, construct, maintain, enlarge, pull down, remove or replace, improve or develop and to work, manage and control any building, offices, factories, mills, foundries, godowns, warehouses, shops, plant and machinery, road ways, electrical works, gas works, water works and to sink wells and shafts and to make, build and construct, lay down and maintain dams, reservoirs, cisterns, culverts, filter beds, mains and other pipes and appliances, and to execute and to do all other acts and things necessary or convenient or obtaining, storing, selling, delivering, measuring, distributing and dealing in water and to join with any person or company or with any Governmental authority in doing any of these things.

AND IT IS HEREBY DECLARED THAT:

- (i) the objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- (ii) the word "Company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii) The objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to any part of the world.

Subject to the provisions of the Companies Act, 1956, the objects set forth in any clause of sub-paragraph (c) above shall be independent and shall be in no wise limited or restricted by reference to or inference from the terms of any of the clauses of sub-paragraph (A) or by the name of the company. None of the clauses in sub-paragraph (c) or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in any of the clauses of sub-paragraph (A).

#### IV. THE LIABILITY OF THE MEMBERS IS LIMITED.

- V. \*a) The Authorised Share Capital of the Company is Rs. 300,00,00,000/- (Rupees Three Hundred Crore only) divided into 30,00,00,000 (Thirty Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.
- b) Minimum paid up share capital of the Company shall be Rs.5,00,000/-.

*(\*Share capital clause amended vide special resolution passed at the extra ordinary general meeting held on February 13, 2016).*

names.  
Adel

Witness to all of the above

H. S. S. S. S.  
 HITTEN B. SHAY  
 S/O BHUPENDRA B. SHAY  
 CHARGED ACCOUNTANTS  
 A-25, PANDORA, PLOM. 105,  
 PANIAPUR (CHS)  
 BOMBAY 11

DATED: THIS 5TH DAY OF AUGUST 1994

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
(Incorporated under the Companies Act, 1956)

**ARTICLES OF ASSOCIATION OF  
IIFL WEALTH FINANCE LIMITED**

**TABLE 'F' EXCLUDED**

1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.  
(2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.
2. (1) In these Articles —

**Interpretation**

- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
- (b) "Articles" means these articles of association of the Company or as altered from time to time.
- (c) "Board of Directors" or "Board", means the collective body of the directors of the Company.
- (d) # "Company" means IIFL Wealth Finance Limited.

*(# Name clause changed vide special resolution passed in the extra ordinary general meeting held on March 4, 2016)*

- (e) # "Debenture" includes debenture stock, bonds or any other instrument issued by the Company evidencing a debt, whether or not constituting a charge on the assets of the Company.
- (f) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- (g) "seal" means the common seal of the Company.
- (h) # "Shares" means the equity and preference shares of the Company.
- (i) # "Securities" include —

1. Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;

[(1a) derivative;

(1b) units or any other instrument issued by any collective investment scheme to the investors in such schemes;]

[(1c) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;]

(1d) units or any other such instrument issued to the investors under any mutual fund scheme;]

2. Government securities;

(2a) such other instruments as may be declared by the Central Government to be securities; and

3. rights or interest in securities:

*(# Inserted vide special resolution passed at Extra Ordinary General Meeting of the Company held on May 05, 2016)*

- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

#### **Share capital and variation of rights:**

- 3. ^The Board of Directors of the Company shall subject to the provisions of the Act and these Articles, have power to issue, allot or otherwise dispose of any securities including Debentures of any kind to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Subject to the provisions of Section 55 of the Companies Act, 2013 and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed or convertible into equity shares and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption or conversion.

*(^ Amended vide special resolution passed at Extra Ordinary General Meeting of the Company held on May 5, 2016)*

- 4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
- 5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
  - (a) Equity share capital:
    - (i) with voting rights; and / or
    - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - (b) Preference share capital.
- 6. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of

receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -

- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
10. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
11. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
- (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.



14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - (b) employees under any scheme of employees' stock option; or
  - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

## **Lien**

15. (1) The Company shall have a first and paramount lien -
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:
- Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
18. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
20. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **Calls on shares**

21. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.  
(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.  
(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.  
(4) A call may be revoked or postponed at the discretion of the Board.
22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.  
(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
25. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Board -  
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the

Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

28. All calls shall be made on a uniform basis on all shares falling under the same class.  
*Explanation:* Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
29. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
30. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **Transfer of shares**

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.  
(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
32. The Board may, subject to the right of appeal conferred by the Act decline to register -  
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  
(b) any transfer of shares on which the Company has a lien.
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -  
(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;  
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and  
(c) the instrument of transfer is in respect of only one class of shares.
34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Board may decline to recognise instrument of transfer.

### **Transmission of shares**

36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.  
(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
38. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
39. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
40. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

#### **Forfeiture of shares**

41. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
42. The notice aforesaid shall:
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
47. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.  
(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.  
(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.  
(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
49. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;  
(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;  
(3) The transferee shall thereupon be registered as the holder of the share; and  
(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **Alteration of capital**

55. Subject to the provisions of the Act, the Company may, by ordinary resolution -
  - (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:  
 Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
  - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
56. Where shares are converted into stock:
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
 Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
  - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.
57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —
  - (a) its share capital; and/or

- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

### Joint Holders

58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
  - (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
  - (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
  - (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
  - (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.  
(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
  - (f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

### Capitalisation of profits

59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;



- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
  - (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### **General meetings**

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

#### **Proceedings at general meetings**

64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- (3) The quorum for a general meeting shall be as provided in the Act.
65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.



67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
69. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -
- is, or could reasonably be regarded, as defamatory of any person; or
  - is irrelevant or immaterial to the proceedings; or
  - is detrimental to the interests of the Company.
- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- be kept at the registered office of the Company; and
  - be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:
- Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

### **Adjournment of meeting**

72. (1) The Chairperson may, *suo moto*, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **Voting rights**

73. Subject to any rights or restrictions for the time being attached to any class or classes of shares-
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
75. (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
76. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
77. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
78. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
79. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
81. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

## **Proxy**

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.  
(2) The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
83. An instrument appointing a proxy shall be in the form as prescribed in the Rules.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or

of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen).
86. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.  
(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.  
(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—  
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or  
(b) in connection with the business of the Company.
88. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.  
(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
90. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.  
(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.  
(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.  
(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

## **Powers of Board**

92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

## **Proceedings of the Board**

93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.  
(3) The quorum for a Board meeting shall be as provided in the Act.  
(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.  
(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.  
(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
98. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.  
(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

99. (1) A Committee may meet and adjourn as it thinks fit.  
(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.  
(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
100. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
101. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

102. (a) Subject to the provisions of the Act,—  
A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.  
(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

#### **Registers**

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.  
(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

#### **The Seal**

105. (1) The Board shall provide for the safe custody of the seal.  
(2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager

or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

#### **Dividends and Reserve**

106. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
107. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
108. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
109. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
110. (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
111. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
112. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
113. No dividend shall bear interest against the Company.

114. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

### **Accounts**

115. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
- (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

### **Winding up**

116. Subject to the applicable provisions of the Act and the Rules made thereunder -
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity and Insurance**

117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

### **General Power**

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf provided.



We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of these Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:

Signature, names, addresses, description & occupation of Subscriber	Number of Equity Shares by each subscriber	Signature, name, address, description & occupation of Witness
DIPAK MEHTA S/o GAMANLAL PRATAPRAI MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	
BHANU MEHTA W/o DIPAK GAMANLAL MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	
HARSHADA MEHTA D/o GAMANLAL PRATAPRAI MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	Witness to All:
DEVEN MEHTA S/o JITENDRA PRATAPRAI MEHTA  404-E, Mohan Villa, Bajaj Road, Vile Parle (West), Bombay 400 056. Occupation: Business.	100 (ONE HUNDRED)	Sd/- HITEN B. SHAH S/o Bhupendra B. Shah Chartered Accountants A-25, PRAYOG, PLOT NO. 125, SANTACRUZ (EAST) BOMBAY - 400 005
BHAIRAVI MEHTA D/o DIPAK GAMANLAL MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	
PRA EEP WANDREKAR S/o VASANTRAO GOVINDRAO WANDREKAR  7B, Ram Bhuvan, 10th Road, Khar, Bombay 400 052. Occupation: Service.	100 (ONE HUNDRED)	
JITENDRA MEHTA S/o PRATAPRAI DULERA MEHTA  404/B, Mohan Villa, Bajaj Road, Vile Parle (West), Bombay 400 056. Occupation: Professional.	100 (ONE HUNDRED)	
	700 (SEVEN HUNDRED)	

BOMBAY:

DATED: this 5th day of August, 1994.



# 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.

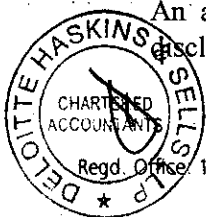
### **Auditor's Responsibility**

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,



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:
- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. 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  
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 Chephris 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**

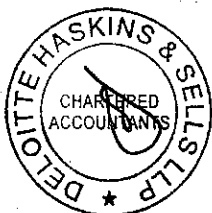
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as 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*

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) Capitalwork-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

For and on behalf of Board of Directors

*Dr. A. Gorakshakar*  
**A. Gorakshakar**  
 Partner  
**DELOITTE HASKINS & SELLS LLP**  
 CHARTERED ACCOUNTANTS  
 Place: Mumbai  
 Date: May 05, 2016

*Karan Bhagat*  
**Karan Bhagat**  
 Director  
 (DIN: 03247753)

*Manoj Gujar*  
**Manoj Gujar**  
 Company Secretary

*Pankaj Fitkariwala*  
**Pankaj Fitkariwala**  
 Director  
 (DIN: 07356813)

*Umang Papneja*  
**Umang Papneja**  
 Director  
 (DIN: 07357053)



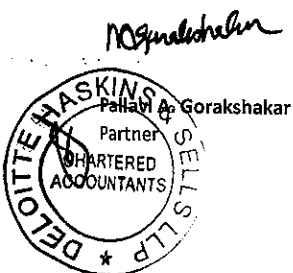
**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**  
**(FORMERLY CHEPHIS CAPITAL MARKETS LIMITED)**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

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		

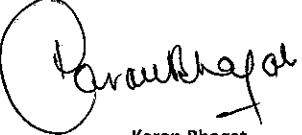
In terms of our report attached

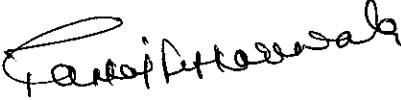
For Deloitte Haskins & Sells LLP  
Chartered Accountants


For and on behalf of Board of Directors

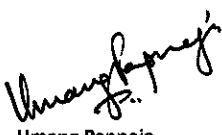


Place : Mumbai  
Date : May 05, 2016

  
Karan Bhagat  
Director  
(DIN: 03247753)

  
Pankaj Fitkariwala  
Director  
(DIN: 07356813)

  
Manoj Gujran  
Company Secretary

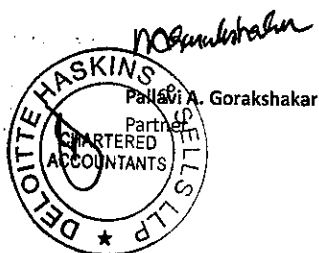
  
Umang Papneja  
Director  
(DIN: 07357053)

**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	(1,20,149)	(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>
<b>Changes in working Capital :</b>		
(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



Place : Mumbai  
Date : May 05, 2016

For and on behalf of Board of Directors

*(Signature)*

Karan Bhagat  
Director  
(DIN: 03247753)

Pankaj Fitkariwala  
Director  
(DIN: 07356813)

*(Signature)*  
Manoj Gujran  
Company Secretary

*(Signature)*  
Umang Papneja  
Director  
(DIN: 07357053)

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## 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.

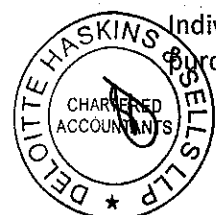
#### 2.3 Use of estimates:

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.



**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****Estimated useful life of the assets are as under:**

<b>Class of assets</b>	<b>Useful life</b>
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:**

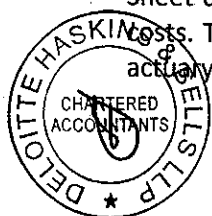
Preliminary expenses are written off in same financial year in which they are incurred.

**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.



## 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

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### 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.

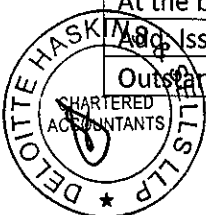
**2.17** In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

**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
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

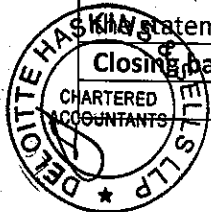
**(v) Details of shareholders Holdings more than 5% shares in the company:**

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>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 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 Chephris 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</b> (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)		
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>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>

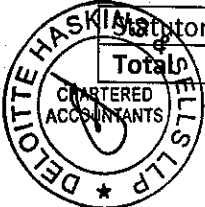
**Note 6. Trade Payables:**
**(Amount in ₹)**

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 Chephris 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 ₹)**

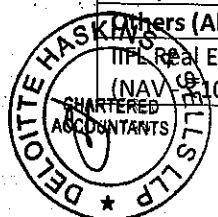
Particulars	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
<b>Gross Block as on April 01,2015</b>	491,570	59,906	342,274	238,988	<b>1,132,738</b>
Additions					
Deductions / Adjustments	491,570	59,906	342,274	238,988	<b>1,132,738</b>
<b>As at March 31,2016</b>	-	-	-	-	-
<b>Depreciation</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 as at 31.03.16)	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 ₹)**

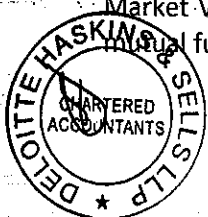
Particulars	As at March 31, 2016	As at March 31, 2015
On provision for standard assets	999,557	-
<b>Total</b>	<b>999,557</b>	<b>-</b>

**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 Chephris 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 & Turbo 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 Chephis 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:**

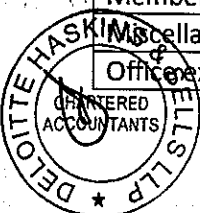
(Amount in ₹)

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	<b>A</b>	17,408,842	505,993
Weighted average number of equity shares outstanding	<b>B</b>	17,778,209	727,511
Basic EPS (Rupees)	<b>A/B</b>	0.98	0.70
<b>Diluted EPS</b>			
Profit after tax as per statement of profit and loss	<b>C</b>	17,408,842	505,993
Weighted average number of equity shares outstanding	<b>D</b>	17,778,209	727,511
Diluted EPS (Rupees)	<b>C/D</b>	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.

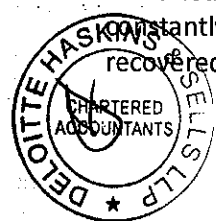
**Note 25. Undisbursed Sanctioned Loans:**

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 Chephis 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 Chephs 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) <b>Provision for depreciation/diminution</b>	
	(a) In India	-
	(b) Outside India	-
	(iii) <b>Net value of Investments</b>	
	(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)**

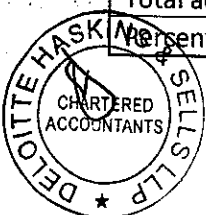
Rating Agency	Product	Amount	Rating Assigned
ICRA	Commercial Paper Programme	1200.00	"[ICRA]A1+"
ICRA	Non Convertible Debenture	300.00	"[ICRA]AA"

**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.

b. Figures in bracket represent previous year's figure.



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED**

(Formerly Chephs 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:**

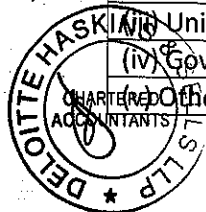
(Amount in ₹ Crores)

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)

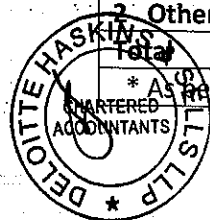
Category	Amount Net of Provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
<b>2. Other than related parties</b>	100.77	-	100.77
<b>Total</b>	100.77	-	100.77

**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**

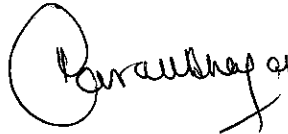
**(Formerly Chephis Capital Markets Limited)**

**Notes forming part of Standalone Financial Statements for the year ended March 31, 2016**

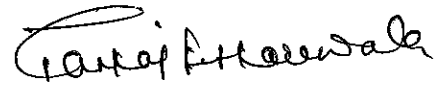
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34. Previous year's figure are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

**For and on behalf of Board of Directors**



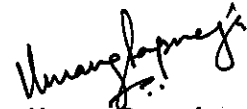
**Karan Bhagat**  
Director  
(DIN: 03247753)



**Pankaj Fitkariwala**  
Director  
(DIN: 07356813)



**Manoj Gujran**  
Company Secretary



**Umang Papneja**  
Director  
(DIN: 07357053)

Place : Mumbai

Dated : May 05, 2016



(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

**FIRST 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. 700 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>
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.
<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>
"PP-MLD [ICRA] AA with Stable Outlook" rating has been assigned by ICRA Limited for Rs. 700 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.

#### **LISTING**

The Principally Protected Secured, Redeemable, Non-Convertible Market Linked 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</p> <p>C 101, 247 Park,</p> <p>L B S Marg, Vikhroli West, Mumbai 400 083</p> <p>Tel No: +91 22 49186000 Fax: +91 22 49186060</p> <p>E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a></p> <p>Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>	 <p>Milestone Trusteeship Services Private Limited</p> <p>602, Hallmark Business Plaza</p> <p>Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051</p> <p>Telephone: +91 22 6716 7080</p> <p>Fax: +91 22 6716 7077</p> <p>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 Shelf Disclosure Document is not a Prospectus under the Companies Act, 2013 (the "**Companies Act**"). This Shelf 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 \_\_\_\_\_, 2017**

## 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.

## **DISCLAIMER IN RESPECT OF REFERENCE INDEX**

The Product(s) are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the NIFTY 50 Index to track general stock market performance in India. The relationship of IISL to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by IISL without regard to the Licensee or the Product(s). IISL does not have any obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the NIFTY 50 Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

IISL does not guarantee the accuracy and/or the completeness of the NIFTY 50 Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by the Licensee, owners of the product(s), or any other person or entity from the use of the NIFTY 50 Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages”.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

## **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.

## **TERMS AND CONDITIONS RELATING TO THE REFERENCE INDEX**

**“Disruption Event”** means any Change in Law, Market Disruption or Trading Disruption or Reference Index Disruption;

**“Change in Law”** means that, on or after the Issue Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines in its sole and absolute discretion that (i) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or

dispose of any Component Asset, or (ii) the Company will incur a materially increased cost in performing its obligations in relation to the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any of its affiliates or agents acting on its behalf);

**“Component Asset”** means any security comprised within the Reference Index from time to time;

**“Disrupted Day”** means, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**“Early Closure”** means, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day;

**“Exchange”** means the BSE Limited, any successor to such exchange or any substitute exchange or quotation system to which trading in such shares underlying such Reference Index has temporarily relocated (provided that the Valuation Agent has determined that there is comparable liquidity relative to such shares underlying such Reference Index on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means, any event (other than an Early Closure) that (i) disrupts or impairs the ability of market participants in general to obtain market values for, the Reference Index on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Index on any relevant Exchange;

**“Market Disruption Event”** means, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Valuation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in relation to the Reference Index at any time, if a Market Disruption Event occurs in respect of a security included in the Reference Index at any time, then the relevant percentage contribution of that security to the level of the Reference Index shall be based on a comparison of (a) the portion of the level of the Reference Index attributable to that security and (b) the overall level of the Reference Index, in each case immediately before the occurrence of such Market Disruption Event. The Valuation Agent shall, as soon as reasonably practicable, notify the Registered Debenture Holder of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been an Observation Date;

**“Observation Date”** shall mean each Date as specified in Annexure A below, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Valuation Agent shall determine the level of the Reference Index as of the Observation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Observation Time on that eighth Scheduled Trading Day of each security comprising the Reference Index (or,

if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Fixing Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Fixing Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Fixing Date;

**“Observation Time”** means any time within normal business hours as may be determined by the Valuation Agent;

**“Official Closing Level”** means (subject to what is provided below in reference to Adjustments to the Reference Index), the official closing level of the Reference Index of a given day as determined by the Valuation Agent;

**“Scheduled Closing Time”** means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means any weekday on which the Exchange is scheduled to be open for trading for their respective regular trading sessions (other than special trading sessions);

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise (i) on the Exchange relating to the relevant share that comprise 20.00% or more level of the Reference Index or (ii) in futures or options contracts relating to the Reference Index on any relevant Exchange;

**“Valuation Time”** means the Scheduled Closing Time on the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

#### **Adjustments to the Reference Index**

If the Reference Index:

- i. is not calculated and published by the sponsor of the Reference Index (“Sponsor”) but is calculated and published by a successor to the Sponsor acceptable to the Valuation Agent; or
- ii. is replaced by a successor index using, in the determination of the Sponsor, the same or a substantially similar formula for and method of calculating the Reference Index, then in each case that index (the **Successor Reference Index**) will be deemed to be the Reference Index.

If:

- (a) on or prior to any Observation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalisation and other routine events) (a

**“Reference Index Modification”**); or

- (b) on an Observation Date, the Sponsor fails to calculate and announce the Reference Index (a **“Reference Index Disruption”**) and, together with a Reference Index Modification and a Reference Index Cancellation each a **“Reference Index Adjustment Event”**),

then the Valuation Agent shall, in its sole and absolute discretion, determine if such Reference Index Adjustment Event has a material effect on the Debentures and, if so, the Valuation Agent will calculate the Official Closing Level using, in lieu of a published level for the Reference Index, the level for the Reference Index as at the Valuation Time on the relevant Observation Date as determined by the Valuation Agent in accordance with the formula for and method of calculating the Reference Index last in effect prior to that change, failure or cancellation but using only those securities that comprised the Reference Index immediately prior to that Reference Index

Adjustment Event.

If the level of the Reference Index in relation to a Observation Date used or to be used by the Valuation Agent to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Final Maturity Date, then the level of the Reference Index for that Observation Date shall be the level of the Reference Index as so corrected.

If, on or prior to any Observation Date, the Sponsor permanently cancels the Reference Index and no Successor Reference Index exists (a “**Reference Index Cancellation**”), this shall constitute an Early Redemption Event for Extraordinary Reason as referred to in the Terms and Conditions above and accordingly consequent early redemption of the Debentures by the Company if so elected for by the Company.

- (a) If a Disruption Event occurs, the Company in its sole and absolute discretion may require the Valuation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Debentures to account for the Disruption Event and determine the effective date of that adjustment;
- (b) Upon the occurrence of a Disruption Event, the Company shall give notice as soon as practicable to the Registered Debenture Holders stating the occurrence of the Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Disruption Event.

#### **RISK FACTORS:**

#### **DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE INDEX/ PORTFOLIO OF NIFTY 50 OR AT1 DEBT SECURITIES, AS APPLICABLE, PERTAINING TO PRINCIPAL PROTECTED SECURED REDEEMABLE NON CONVERTIBLE MARKET LINKED DEBENTURES:**

##### **General Risk factors related to the Reference Index of NIFTY 50:**

- Although the principal value on the NCDs is protected on maturity, the investment return on the NCDs is linked to the performance of the underlying Nifty 50 Index.
- An investor in the NCD 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 NCD.
- Even though the investment return on the NCDs is linked to the Nifty 50 index the return on the NCDs 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.

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

	Name of Security	Issuer Name	ISIN	Allocation	Call date

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 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.

#### **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 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.

Early Redemption for Extraordinary Reason, Illegality and Force Majeure, if for reasons beyond the control of the Issuer, the performance of the Issuer's obligations under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Issuer, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Issuer may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Registered Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date").

Provided however if the Issuer believes or is advised that it is necessary to only redeem and/or arrange for the purchase of Debentures held by only certain class of Registered Debenture Holders to overcome or mitigate any such force majeure, then the Issuer may without obligation to do so, redeem and/or arrange for the purchase of only such number of Debentures actually held by such class of Registered Debenture Holders at the relevant time. If the Debentures are bought by the Issuer, the Issuer will, if and to the extent permitted by applicable law, pay to each Registered Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Calculation Agent in its sole and absolute discretion.

Early Redemption Amount means fair market value as determined by the Calculation Agent minus associated costs.

**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 400 083 Tel No: +91 22 49186000 Fax: +91 22 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>
<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, 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 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 <b>Address:</b> A-701, Navratan CHS, Mahakali Caves Road, Andheri(East), Mumbai-400093	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 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
<b>Mr. S. Narayan</b> <b>Designation:</b> Independent Director <b>DIN:</b> 00094081 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 2B, Nithyashree Apartments No. 51, Chaimers Road, Raja Annamalaipura M, Tamil Naidu, Chennai 600028	73	Appointed as Independent Director as on March 31, 2017	1.Seshasayee Paper And Boards Limited 2. Dabur India Limited 3.Apollo Tyres Limited 4. Godrej Properties Limited 5. IIFL Holdings Limited 6. Andhra Pradesh Urban Infrastructure Asset Management Limited 7. Artemis Medicare Services Limited 8. Castlewood Trading Private Limited 9. Yogya Systems Private Limited 10. Shanti Narayan Foundation

<b>Ms. Deepali Nair</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07392725 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 103-104, 1ST FLOOR, SEA FLAMA, DOSTI FLAMINGOS, PAREL, SEWRI, MUMBAI-400015	45	Appointed as Non-Executive Director as on March 31, 2017	Nil
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*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:-**

<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
Mr. P. Vijaya Bhaskar	December 23, 2016	Appointment
Mr. S. Narayan	March 31, 2017	Appointment
Ms. Deepali Nair	March 31, 2017	Appointment

**\*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 and latest H1 ended September 30, 2016, are as follows:

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

For Financial Entities	Upto latest H1 ended Sept 30, 2016	<i>(Rs in Million)</i>		
		FY16 (Audited)	FY 15 (Audited)	FY14 (Audited)
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	-	-

**Note:**

- 1) \* Assets under Management comprises of only Loan Book.

**Gross Debt: Equity Ratio of the Company:-**

<b>Before the issue of debt securities</b>	5.16:1
<b>After the issue of debt securities</b>	5.80:1

# Calculation of Debt Equity ratio after the Issue = (Total Debt as on 15.04.17 + current Issue Size) / Net worth as on 31.03.2017.

**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 September 30, 2016	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	2,521.16	2521.16	7.28	7.28
(b) Reserve and Surplus	6,866.25	6497.59	3.07	2.56
<b>(2) Share application money pending allotment</b>		-	-	-
<b>(3) Non-Current Liabilities</b>				
(a) Long-term borrowings	3,878.5	-	-	-
(b) Deferred tax liabilities (Net)	-	-	0.06	0.07
(c) Other Long-term liabilities	103.88	-	-	-
(d) Long-term provisions	27.32	-	-	-
<b>(4) Current liabilities</b>				
(a) Short-term borrowings	20,657.92	-	-	-
(b) Trade payables	5.83	0.72	0.68	0.03
(c) Other current liabilities				
-Borrowings	1,015.5			
-Others	137.07	0.05	-	
(d) Short-term provisions	146.11	4.12	0.03	0.06
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>35,359.54</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	1	-	0.32	0.38
(ii) Intangible assets	-	-	-	-
(iii) Capital work-in-progress	2.51	-	-	-
(iv) Intangible assets under development	-	-	-	-
(b) Non-current investments	1,245.55	280.00	2.75	2.60
(c) Deferred tax assets(Net)	28.91	1.00	-	-
(d) Long-term loans & advances				
-Loans	7,770.62	-	-	-
-Others	-	-	-	-
(e) Other non-current assets	7.66	-	-	-
<b>(2) Current assets</b>				
(a) Current investments	7,908.99	7192.10	1.86	2.47
(b) Inventories	-	-	3.67	2.40
(c) Trade receivables	1,938.4	-	1.94	1.94

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<b>Particulars</b>	<b>*As at September 30, 2016</b>	<b>As at March 31<sup>st</sup>, 2016</b>	<b>As at March 31<sup>st</sup>, 2015</b>	<b>As at March 31<sup>st</sup>, 2014</b>
(d) Cash and Bank balances	779.23	541.02	0.58	0.20
(e) Short-term loans & advances				
-Loans	14,633.14	1007.73	-	
-Others	592.49	0.17	0.00	0.01
(f) Other current assets	451.03	1.62	-	
<b>TOTAL ASSETS</b>	<b>35,359.54</b>	<b>9023.64</b>	<b>11.12</b>	<b>10.00</b>

**\*Note** – Abridged version of limited review half yearly standalone financial information.

## Statement of Reformatted Unconsolidated Profit &amp; Losses

(Rs.in Million)

Particulars	* As at September 30, 2016	2015-2016	2014-2015	2013-2014
<b>Revenue</b>				
Revenue from operations	1,504.08	73.68	0.45	0.85
Other Income	-	0.25	0.36	0.13
<b>Total Revenue</b>	<b>1,504.08</b>	<b>73.93</b>	<b>0.81</b>	<b>0.98</b>
<b>Expenses</b>				
Employee benefit expenses	17.53	-	-	-
Finance cost	750.79	-	0.00	-
Depreciation & amortization expenses	-	-	0.06	0.03
Other expenses	174.48	35.84	0.22	0.45
<b>Total Expenses</b>	<b>942.81</b>	<b>35.84</b>	<b>0.28</b>	<b>0.48</b>
<b>Profit/(Loss) before tax</b>	<b>561.27</b>	<b>38.09</b>	<b>0.53</b>	<b>0.50</b>
<b>Tax expenses :</b>				
Current tax expense for current year	220.52	21.85	0.03	0.05
Deferred tax	(27.91)	(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>192.61</b>	<b>20.68</b>	<b>0.02</b>	<b>0.04</b>
<b>Profit (loss) for the period</b>	<b>368.66</b>	<b>17.41</b>	<b>0.51</b>	<b>0.46</b>

\*Note – Abridged version of limited review half yearly standalone financial information.

## 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>

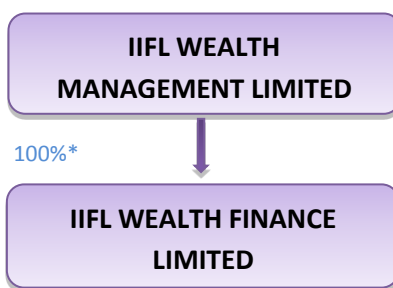
# Represents net amount due to transaction volume

\*Note – Abridged version of limited review half yearly standalone financial information.

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	-

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<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>
					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
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.

**IV. Shareholding Pattern****V. 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.*

**VI. 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>

**VII. 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>

**VIII. Issue Size:**

Under the purview of current document, the Company intends to raise by way of Debentures, an amount aggregating upto Rs.700 Crore(Base issue size) in one or more tranches, 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**

**IX. 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
EWFE1602-160218	20	16.02	25.00	16-Jun-16	16-Feb-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFE1087-7-210817	14	10.88	15.00	21-Jun-16	21-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFE3803-201219	42	38.03	5.00	21-Jun-16	20-Dec-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFE107-230817	14	10.70	4.05	23-Jun-16	23-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFE323-230719	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
FWFE107-300817	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
FWFE323-300719	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
GWFE1073-220917	14	10.73	3.00	22-Jul-16	22-Sep-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFE3231-220819	37	32.31	1.00	22-Jul-16	22-Aug-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFE985-300817	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.1802.52 Crore as on March 27, 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. 3335 Crore as on April 25, 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, Rs. 275 Crores Unlisted Redeemable Non-Convertible Subordinated Debentures as on March 22, 2017 and Rs. 19.50 Crores Listed Redeemable Non-Convertible Subordinated Debentures as on April 12, 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.

**X. 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

**XI. 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.10000 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 April 07, 2017. The same has been attached as **Annexure F**.
7. Resolution passed by the Finance Committee at its meeting held on April 24, 2017 to approve the offer and issue of Principal Protected Secured Redeemable Market Linked Non-Convertible Debentures ("PPMLDs") aggregating to 1000 Crore on private placement basis. The same has been attached as **Annexure G**.

8. Rating letter dated April 06, 2017 from ICRA Limited.
9. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.
10. Consent letter dated April 19, 2017 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.

**XII. 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.

**XIII. 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 FIs).

### **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 April 07, 2017, and the resolution passed by the Finance Committee of the Board of Directors of the Company at its meeting held on April 24, 2017. 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.

<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: 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 April 25, 2017 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 in favour of the Debenture Trustee to cover various issuances up to 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. 700 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. 700 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.

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

Initial Level	Final Level	Underlying Performance	Coupon	Annualized Pre-Tax Return
---------------	-------------	------------------------	--------	---------------------------

*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 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)	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	April 07, 2017
Date of passing of resolution by the Finance Committee of the Board of Directors in its meeting, authorizing the offer of securities under the present Issue;	April 24, 2017
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;	ICRA RATING LIMITED
Amount which the company intends to raise by way of securities;	Upto INR 700 Crore (Base Issue Size)
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, 2017.***

- 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 Finance Committee of the Board of Directors of the Company vide resolution number 1 dated April 24, 2017 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</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. _____ 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 and FII 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 *(1+ 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 *(1+ 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	
Put Option Date	
Put Option Price	
Put Notification Time	
Call Option	
Call Option Date	
Call Option Price	
Call Notification Time	



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
BRANCH	FORT BR											
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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>Resolution passed by shareholders in the general meeting dated March 06, 2017 for increase in overall borrowing limits of the company.</li><li>Resolution passed by shareholders in the general meeting dated April 07, 2017 for issuance of debentures on private placement basis.</li></ul>											

	<ul style="list-style-type: none"> <li>Resolution passed by the Debenture Allotment Committee of the Board of Directors dated April 24, 2017 for issuance of debentures on 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 April 25, 2017.</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 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> <ul style="list-style-type: none"> <li>a) the market value of the Bond _____</li> <li>b) Coupons received from Bond _____ till unwind date</li> <li>c) Reinvestment income on coupons received from Bond _____ till unwind date</li> </ul> <p>A request for Premature Exit by an Investor shall not be considered if made within 12 months from the Deemed Date of Allotment.</p>
Distribution Fees	

**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 Pvt. Ltd.  
CIN : U67190MH1999PTC118368  
C- 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel. : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : mumbai@linkintime.co.in  
Website : www.linkintime.co.in

**April 19, 2017**

To,  
IIFL WEALTH FINANCE LIMITED,  
6TH 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. 1000 Crores for F.Y. 2017-18.**

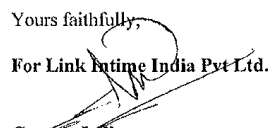
We refer to the subject issue and hereby accept our appointment as "Registrar" for Electronic Connectivity Provider to issue of "**Principal Protected Secured, Redeemable, Non-Convertible Market Linked Debentures amounting to Rs. 1000 Crores for F.Y. 2017-18**" and given our consent to incorporate our 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)**



April 19, 2017

To,

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

Dear Sir,

**Sub : Consent for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures aggregating up to Rs. 1000 Crore (Rupees One Thousand Crores only) on private placement basis.**

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures aggregating up to Rs. 1000 Crore (Rupees One Thousand Crores only) on private placement basis 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**

A handwritten signature in black ink, appearing to read "Jain", is written over a horizontal line.

**Authorized Signatory**

**Annexure D (Rating Letter and Rating Rationale)**



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2017-18/MUMR/0007  
April 06, 2017

Mr. Pankaj Fitkariwala  
IIFL Wealth Finance Limited  
(erstwhile Chephris 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 April 05, 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,  
For ICRA Limited

ANJAN DEB GHOSH  
Executive Vice President  
aghosth@icraindia.com

SUPRIO BANERJEE  
Assistant Vice President  
supriob@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  
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Registered Office : 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001, Tel.: +(91-11) 23357940-50 Fax : + (91-11) 23357014

**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 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:**

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LOWER PAREL (W), MUMBAI - 400 013, INDIA  
TEL: (91-22) 3958 5600 | FAX: (91-22) 4646 4706

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CIN: U65990MH1994PLC080646





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



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**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 APRIL 07, 2017**

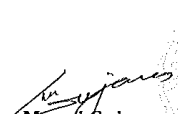
**ISSUANCE OF DEBENTURES ON PRIVATE PLACEMENT BASIS:**

"**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 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 Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Perpetual/Subordinated/Structured Products/Market Linked/Principal Protected/Fixed Maturity Non-Convertible 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 2017-18 and on such terms and conditions as may be determined by the Board (including the Finance Committee or any other Committee thereof), from time to time;

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing and allotting the Debentures, the Board (including the Finance Committee or any other Committee thereof) 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**

  
**Mandi Gujarani**  
**Company Secretary**  
**Membership No: ACS-22201**

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**Annexure G Finance Allotment Committee Resolution**



**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE FINANCE COMMITTEE ("THE COMMITTEE") OF THE COMPANY AT THEIR MEETING HELD ON APRIL 24, 2017 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;

**RESOLVED FURTHER THAT** the Committee be and hereby approves the Shelf Information Memorandum, as per the draft placed before the Committee, in relation to the offer and issue of the said PPMLDs on private placement basis with one or more base issue and, or tranches;

**RESOLVED FURTHER THAT** any Director/ CEO, Mr. Niraj Murarka-COO, Mr. Mihir Nanavati-CFO, Mr. Manoj Gujran-Company Secretary, Mr. Rakesh Chandnani-VP, Operations and Ms. Priya Kiyawat, AVP-Treasury of the Company, be and are hereby *severally* authorized for and on behalf of the Company to enter into and execute all such agreements/ arrangements including but not limited to the Debenture Trust Deed, Debenture Trustee Appointment Agreement, Valuation Agency Agreement, Credit Rating Agency Appointment Agreement, application to stock exchange(s) to seek in-principle approval, as may be required, for securing the PPMLDs and to appoint the Debenture Trustee, Depositories, Custodians, Registrar and Transfer Agents to the Issue, Credit Rating Agency(ies), Valuation Agent(s) and, or such other intermediaries/ agencies as may be involved and, or concerned in the offer and issue of PPMLDs, including the payment of commission, brokerage, fees, etc. as they may deem fit;

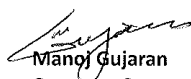
**RESOLVED FURTHER THAT** any Director and/ or the Company Secretary and/ or any of the Officials of the Company as named above be and is hereby authorized to submit a certified true copy of this Resolution to such persons/ entities as may be deemed fit for the purpose of giving effect to this resolution."

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For IIFL Wealth Finance Limited

  
Manoj Gujran  
Company Secretary  
Membership No: ACS-22201  
Date: April 24, 2017  
Place: Mumbai

**IIFL WEALTH FINANCE LIMITED**  
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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**