

(This Disclosure Document is not a Prospectus)

Serial No. 01



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: 6th Floor, IIFL Centre, Kamala City, Lower Parel,
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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”) AGGREGATING UPTO RS. 20 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. 300 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

<p>Protected Market Linked Debentures'. The present issue is part of the aforesaid programme of Rs.300 crore.</p> <p>The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.</p>	
LISTING	
<p>The Secured, Redeemable, Non-Convertible Market Linked Debentures will be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited ("BSE").</p>	
<p>Registrar</p>  <p>Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078</p> <p>Tel: +91 22 2596 3838</p> <p>Fax: +91 22 2594 6969</p> <p>E-mail : mumbai@linkintime.co.in</p> <p>Website: www.linkintime.co.in</p>	<p>Trustee</p>  <p>Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051</p> <p>Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 E-mail: vaishali@milestonetrustee.in</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 July 14, 2016

DISCLAIMER

GENERAL DISCLAIMER:

This Memorandum of Private Placement (“Disclosure Document”) 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 RESERVE BANK OF INDIA:

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

DISCLAIMER IN RESPECT OF JURISDICTION

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

FORWARD LOOKING STATEMENTS

All statements in this Disclosure Document that are not statements of historical fact constitute "forward looking statements". All statements regarding the Issuer's expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results, performance and achievements to be materially different from any future results, performance

or achievements expressed or implied by such forward looking statements or other projections. The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

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.

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 a 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 the 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.

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

Standard Risk Factors related to the Reference Index/Portfolio

Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, Default risk, including the possible loss of principal.

As the price / value / interest rates of the securities in which the Scheme invest fluctuates, the value of the Investment in the Scheme may go up or down. In addition to the factors that affect the value of individual investments in the Scheme, the Net Asset Value (“NAV”) of the Scheme can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital and money markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in Governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets.

Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme. The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.

The Reference Index/portfolio constitutes of 4 identified Mutual Fund scheme hence, scheme specific risk factors of such Underlying Schemes will be applicable. All risks associated with Underlying Schemes, including performance of their underlying stocks, derivative instruments, stock-lending, and off-shore investments etc., will therefore be applicable in the case of the Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of the Underlying Schemes.

The investors should refer to the Scheme Information Documents and the related addenda for the scheme specific risk factors and special consideration of the respective Underlying Schemes.

The Underlying Funds may suspend or restrict the purchase/redemption of units due to occurrence of certain events as specified in the respective Scheme Information Document. The Issuer at its sole discretion may change a scheme or change the allocation to the existing scheme if such an event occurs.

Risk factors associated with investing in Fixed Income Securities

The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) 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.

Money market instruments, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security

is finally sold.

Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.

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.

Government securities where a fixed return is offered run price-risk like any other fixed income security. 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. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.

Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) 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.

The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.

The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically. As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero coupon securities is higher.

- **Prepayment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Schemes are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower

than that originally assumed.

- Settlement Risk: Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon.

The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well-developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.

- The Scheme(s) at times may receive large number of redemption requests, leading to an asset liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

General Risk factors

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme(s). Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme(s) can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme(s). In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described under "Right to Limit Redemptions" in Section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' mentioned in SID.
- At times, due to the forces and factors affecting the capital market, the Scheme(s) may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme(s). The Scheme(s) may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive returns. This may increase the risk of the portfolio.
- Investment strategy to be adopted by the Scheme(s) may carry the risk of significant variance between the portfolio allocation of the Scheme(s) and the Benchmark particularly over a short to medium term period.
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.
- Although the principal value on the debentures is protected on maturity, the investment return on the debentures is linked to the performance of the underlying Nifty 50 Index.

- An investor in the debenture will not be entitled to receiving any interest payments and/or dividends and/or other distributions in the constituent stocks of the Nifty 50 index during the term of the debenture.
- Even though the investment return on the debentures is linked to the Nifty 50 index the return on the debentures may not reflect the return an investor may realize if the investor was to actually own each of the constituent stocks comprising the Nifty 50 index. Further, the debenture holders will have no ownership rights on the constituent stocks of the Nifty 50 index.

Risk Factors:

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

- 1. If we are unable to manage our rapid growth effectively, our business and financial results could be adversely affected.**
- 2. We do not own the premises where our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.**
- 3. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.**
- 4. We may not be able to successfully sustain our growth plans.**
- 5. Our Business is dependent on relationships established through our branches with our clients; any events that harm these relationships including closure of branches or the loss of our key branch personnel may lead to decline in our revenue and profits.**
- 6. High levels of customer defaults could adversely affect our business, financial condition and results of operations.**
- 7. Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.**
- 8. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.**
- 9. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.**
- 10. We may sometime engage in arbitrage and trading opportunities using our own / borrowed capital.**

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

Product related risk factors:

- (a) The composition of the securities underlying the Reference Index to which a Debenture may be

linked may change over time

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

(b) Disclaimer in relation to Valuation

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

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

Structure Risks

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

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

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

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not

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

Model Risk

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

Credit Risk

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

Risks relating to Debentures due to linkages to the reference asset

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

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

the Debentures are held till the final maturity date, subject to credit risk of the Issuer, the Registered Debenture Holder of the Debenture will receive at least the principal amount.

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

No Claim against reference asset

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

DEFINITION/ ABBREVIATIONS

Term	Description
“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

Issuer Name	IIFL Wealth Finance Limited
Registered office & Corporate office	6 th 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: www.iiflwealthfinance.com
Date of incorporation	August 31, 1994
Compliance Officer for the Issue	Mr. Manoj Gujran 6 th 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
President	Mr. Niraj Murarka 6 th 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
Trustee of the Issue	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: vaishali@milestonetrustee.in Website: www.milestonetrustee.in
Registrar of the Issue	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in
Credit Rating Agency of the Issue	ICRA Limited 1802, 18 th floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013
Auditors of the Issuer	Deloitte Haskins & Sells LLP Indiabulls Finance Center Tower 3, 31st Floor, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India

II. Directors of the Company**Details of Board of Directors**

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

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
Mr. Karan Bhagat Designation: Non-Executive Director DIN: 03247753 Nationality: Indian Occupation: Service Address: 4501, 45th, Old Simplex Mill Compound, Aqua, Tower 2, Nr. Jacobs Circle, 30, Keshavrao Khadye, Mahalaxmi East, Mumbai – 400011	38	Appointed as Director on February 13, 2016	1. IIFL Wealth Management Limited 2. IIFL Distribution Services Limited 3. IIFL Investment Adviser and Trustee Services Limited 4. India Alternatives Investment Advisors Private Limited 5. IIFL Asset Management Limited
Mr. Pankaj Fitkariwala Designation: Non-Executive Director DIN: 07356813 Nationality: Indian Occupation: Business Address: A – 704, Chembur Heights, Near Trishul Apartments, Sindhi Society, Chembur, Mumbai – 400071	40	Appointed as Director on February 13, 2016	NIL
Mr. Umang Papneja Designation: Non-Executive Director DIN: 07357053 Nationality: Indian Occupation: Service Address: 610, Samartha Aangan -2, Off Link Road, Oshiwara, Andheri (West), Mumbai – 400 053	40	Appointed as Director on February 13, 2016	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. Karan Bhagat, aged 38 years, is a non-executive director of our Company. Karan holds a MBA in finance from Indian Institute of Management, Bangalore and acquired his Bachelor’s Degree in Commerce from St. Xavier’s College, Calcutta. Karan is Managing Director & Chief Executive Officer of IIFL Wealth Management Limited (holding company of IIFL Wealth Finance Ltd). Karan has over thirteen years of experience in financial services industry. He has worked for over seven years in Kotak Wealth Management prior to founding IIFL Wealth Management.

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

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

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

Details of change in directors since last three years:-

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. Karan Bhagat	February 13, 2016	Appointment
Mr. Pankaj Fitkariwala	February 13, 2016	Appointment
Mr. Umang Papneja	February 13, 2016	Appointment

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.

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 31st March 2016, which are outstanding for a period exceeding six months from the date they became payable.

b) Debentures and interest thereon – NIL

c) Deposits and interest thereon – NIL

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

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

Issuer Company's Key Operational and Financial Parameters Consolidated

(Rs in Million)

For Financial Entities	FY16	FY 15	FY14
	(Audited)	(Audited)	(Audited)
Net worth	9018.75	10.34	9.84
Total Debt	-	-	-
of which –			
- Non Current Maturities of Long Term Borrowing	-	-	-
- Short Term Borrowings	-	-	-
- Current Maturities of long Term Borrowings	-	-	-
Net Fixed Assets	-	0.32	0.38
Non-Current Assets	281.00	2.75	2.60
Cash and Cash Equivalents	541.02	0.58	0.20
Current Investments	7192.10	1.86	2.47
Current Assets	1009.52	5.60	4.36
Current Liabilities	4.89	0.71	0.09
Assets Under Management *	1007.73	-	-
Off Balance Sheet Assets	-	-	-
Interest Income	3.04	-	-
Interest Expense	-	0.00	-
Provisioning & Write-offs	4.96	-	-
Profit before tax	38.09	0.53	0.50
Provision for tax	20.68	0.03	0.04
Profit after tax (PAT)	17.41	0.51	0.46
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)	106.32	-	-
Tier II Capital Adequacy Ratio (%)	0.04	-	-
Gross Debt: Equity Ratio of the Company:-	FY16	FY15	FY14
Before the issue of debt securities	0:1	-	-
After the issue of debt securities #	0.55:1	-	-
**Total Debt after new issue	5000.00	-	-
** Current Debt Issue Size (Rs. In Millions)	5000.00	-	-
Dividend Declared (standalone basis)	-	-	-
Interest coverage ratio	-	-	-

Calculation of Debt Equity ratio after the issue = (Total Debt as on 31.03.2016 + Current Debt Issue Size) / Net worth as on 31.03.2016.

* Assets under Management comprises of only Loan Book.

** Total Debt includes the issue of Rs.348.62 Crore of Private Placed Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures as on July 14th, 2016 and the balance proposed to be issue out of the said Total Debt.

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

Statement of Reformatted Unconsolidated Assets and Liabilities

Million)

(Rs in

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

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

Particulars	As at March 31 st , 2016	As at March 31 st , 2015	As at March 31 st , 2014
-Others	0.17	0.00	0.01
(f) Other current assets	1.62	-	
TOTAL ASSETS	9023.64	11.12	10.00

Statement of Reformatted Unconsolidated Profit & Losses

(Rs.in

Million)

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

Statement of Reformatted Unconsolidated Cash Flows

(Rs. in Million)

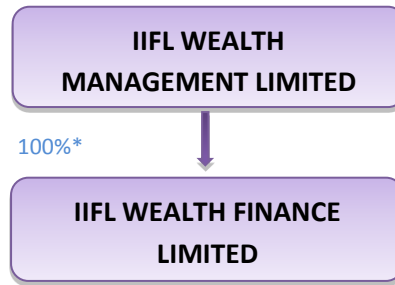
Particulars	2015-2016	2014-2015	2013-2014
Net profit before taxation, and extraordinary item	38.09	0.53	0.50
Adjustments for:			
Depreciation	-	0.06	0.03
Provision for Old Debtors	1.93	-	-
Provision for Standard Loans	3.02	-	-
Profit on Sale of Investments	(7.99)	(0.19)	(0.60)
Dividend Income	(0.12)	(0.36)	(0.13)
Operating profit before working capital changes	34.93	0.03	(0.21)
(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
Cash generated from operations	(980.82)	(0.58)	(1.77)
Tax (Paid) / Refund	(20.68)	(0.04)	(0.04)
Net cash from operating activities [A]	(1001.50)	(0.62)	(1.81)
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)
Net cash from investing activities [B]	(7459.18)	0.64	(2.25)
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#			
Net cash used in financing activities [C]	8991.12	0.36	0.13
Net increase in cash and cash equivalents [A+B+C]	530.44	0.38	(3.93)
Opening Cash and cash equivalents	0.58	0.20	4.13
Closing Cash and cash equivalents	531.02	0.58	0.20
Add; Earmarked Fixed Deposits	10.00	-	-
Cash and Cash Equivalents as per Balance Sheet	541.02	0.58	0.20

Represents net amount due to transaction volume

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

NIL

Our Corporate Structure



*Based on equity share capital holding.

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

Corporate profile

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

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

Change in registered office of our Company

The registered office of our Company was changed from 1st floor, Sun Beam Chambers, S7 – C, New Marine Lines, Mumbai - 400020, Maharashtra, India, to 6th 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 the business as financial advisers and to advise and assist in all financial costing, accounting, internal control and other similar matters to advise and assist in the preparation of all revenue and capital budgets, deployment of funds, long term planning of utilisation of resources for rehabilitation, renewal, expansion and diversification, procuring bank and institutional finance including cash credit facilities, overdraft facilities, subscription of debentures and term loans, to assess the needs for short and long term credit facilities and raising of resources, to advise and assist in the formulation of internal control procedure for the maintenance and presentation of all assets and prevention of fraud, wastage, financial and cost accounting procedure and other connected matters, to advise and assist in formulating long term financial policies and control of their execution, and generally to advise and assist in all financial, fiscal and revenue matters.
- (2) To finance the industrial enterprises by way of lending and advancing money, machinery, land, building, shed or such other things as may be required by such industrial enterprises either with or without security and upon such terms and conditions as the Company may think fit and to guarantee or contract, entered into by any industrial enterprises with any financial institutions, banks or other parties for obtaining finance whether for its long term capital, working capital or for any deferred payment finance.

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.
Authorised Share Capital	
300,000,000 equity shares of Rs. 10 each	3,000,000,000
Total Authorised Share Capital	3,000,000,000
Issued, Subscribed and Paid-up share capital	

Private & Confidential – For Private Circulation Only

252,116,400 Equity Shares of Rs. 10 each	2,521,164,000
Total Issued, Subscribed and Paid-up share capital	2,521,164,000

Capital Structure	In Rs.
Paid up capital:	2,521,164,000
(i) After the offer	Unchanged
(ii) After conversion of convertible instruments	N.A
(iii) Share premium account (before and after the offer)	Unchanged

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

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

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

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

Private & Confidential – For Private Circulation Only

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

Notes:

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

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

IV. Shareholding Pattern

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

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	252,116,394	252,116,394	98.87	Nil
2.	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.001	Nil
3.	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.001	Nil
4.	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.001	Nil
5.	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.001	Nil
6.	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.001	Nil
7.	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.001	Nil
	Total	252,116,400	252,116,400	100.00	Nil

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

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

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	252,116,394	252,116,3940	234,457,549	99.85	Nil
2	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.01	Nil
3	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.01	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
Total		252,116,400	2,521,164,000	252,116,400	100.00	Nil

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

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Wealth Management Limited	252,116,400	252,116,400	100.00	Nil
Total		252,116,400	252,116,400	100.00	Nil

V. Issue Size:

Under the purview of current document, the Company intends to raise by way of issue of Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures as per the issue size mentioned in Annexure A – Term Sheet annexed with this document.

Details of utilization of the issue proceeds

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

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

VI. Details of Borrowings:

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

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

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

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

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

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

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

Note: Your Company has issued Secured Redeemable Non-convertible Market Linked Debentures of Rs.348.62 Crore as on July 13, 2016.

Details of Commercial Paper Outstanding as on 31st March, 2016: **NIL**

Note: Your Company has issued Commercial Paper (Outstanding) of Rs.1,950 Crore as on July 07, 2016.

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

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

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

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

VII. Details of the Promoter:

Our Promoter is IIFL Wealth Management Limited. IIFL Wealth Management Limited (“IIFLW”) was originally incorporated on 17th January 2008 at Mumbai. It has a net worth of Rs. 11,365.60 million as on March 31, 2016 and PAT of Rs. 1,034.06 million for FY 2015-16. It has a consistent profitability track record over past 7 years. IIFLW is registered as Portfolio Manager with Securities and Exchange Board of India (SEBI) since May 2008 and registered as a Distributor of Mutual Funds with Association of Mutual Funds in India (AMFI) since March 2008. IIFLW provides portfolio management and advisory services and acts as the Wealth Manager to HNIs and corporate clients. IIFLW also carries on all kinds of distribution services for units of Mutual Funds, Shares, Stocks, Debentures, Bonds, Government Securities, Insurance Products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities & debt instruments.

IIFLW has 7 Indian and 8 Overseas Subsidiaries and a strong presence through its subsidiaries in global financial hubs. IIFL Wealth caters to over 8600 families clients through its wealth management platform, advising, distributing and managing Rs. 80,000 Crore assets.

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

Name of Promoter	Total Number of Equity Shares	Number of shares in demat form	Total shareholding as % of total no of equity shares	Number of Shares Pledged	% of Shares pledged with respect to shares owned
IIFL Wealth Management Limited	252,116,400	252,116,400	100	NIL	NIL

VIII. Material contract/agreements

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

Material Contracts:

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

Other Documents:

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last three years.
3. Certificate of incorporation dated August 31, 1994.
4. Fresh certificate of incorporation dated March 12, 2016 issued by the Registrar of Companies pursuant to change of name of the Company from Chephis Capital Markets Ltd to IIFL Wealth Finance Ltd.
5. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs.5,000 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge passed at the Board of Directors Meeting and Extra Ordinary General Meeting of the shareholders of the Company held on June 16, 2016. The same has been attached as Annexure E.
6. Resolution of the Board of Directors of the Issuer passed at its Board Meeting and at the Extra-Ordinary General Meeting of the shareholders of the Company held on May 5, 2016 for raising money under the Issue through private placement ,which has been attached as Annexure F-1 and F-2 respectively.
7. Rating letter dated May 30, 2016 from ICRA Limited.
8. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.
9. Consent letter dated May 14, 2016 of Milestone Trusteeship Services Private Limited to act as Trustee to the Issue.
10. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly/ annual result.

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

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

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

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

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

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

N.A.

X. Other details of the Issue:

I. Undertaking to use a common form of transfer

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

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

III. Issue Procedure

Listing

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

Minimum Subscription

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

Date of Allotment

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

Underwriting

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

Interest on Application Money

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

Tax Deduction at Source

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

Transfer of Debentures

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

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

Who can apply

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

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

In each case, solely in India.

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

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

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

Application by Mutual Funds

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

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

Applications under Power of Attorney

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

Application by a Portfolio Manager registered with SEBI

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

Documents to be provided by investors

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

- Memorandum and Articles of Association / Documents governing its constitution
- Resolution authorizing investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the

application money.

- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- A copy of the Permanent Account Number and registration certificate.
- SEBI registration certificate (for Mutual Funds and 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 May 5, 2016, and the resolution of the Board of Directors passed at its meeting held on May 5, 2016. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 180(1)(c) of the Companies Act, 2013, at Board of directors Meeting and at the Extra Ordinary General Meeting of the Company held on June 16, 2016. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

Terms of Payment

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

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

None

Deemed Date of Allotment

The Deemed Date of Allotment will be as set out in the attached term sheet.

Debentures in dematerialized mode

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

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

Record Date

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

Interest and/or principal repayment shall be made to the person whose name appears as sole / first in the

register of Debenture holders/ beneficiaries on the Record Date. In the event of the Company not receiving any notice of transfer at least 10 days prior to the Maturity Date the transferees for the Debentures shall not have any claim against the Company in respect of interest so paid to the registered Debenture holders.

Purchase and Sale of Debentures

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

Future Borrowings

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

Consents

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

Valuation Agent

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

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

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

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

The present Issue is not at a discount.

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

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

Security:

A debenture trust deed dated May 18, 2016 has been executed between the Issuer and the Debenture Trustee i.e. Milestone Trusteeship Services Private Limited creating an upfront security to the extent of Rs.500 crore in favour of the Debenture Trustee to cover various issuances up to Rs.500 crore. The issuances as per this Disclosure Document have already been 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.300 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 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 in principal approval from BSE Limited has been obtained.

Scenario Analysis

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

Scenario Analysis for FWFC2015-160718

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

Initial Level	Final Level	Underlying Performance	Coupon	Annualized return Pre-tax
7500	0	-100.0%	0.0%	0.00%
7500	1000	-86.7%	0.0%	0.00%
7500	1500	-80.0%	0.0%	0.00%
7500	2500	-66.7%	20.15%	9.60%
7500	3500	-53.3%	20.15%	9.60%
7500	4500	-40.0%	20.15%	9.60%
7500	5500	-26.7%	20.15%	9.60%
7500	6500	-13.3%	20.15%	9.60%
7500	7400	-1.3%	20.15%	9.60%

Stable Scenario: Final Fixing Level is less than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	Annualized return Pre-tax
7500	7500	0.0%	20.15%	9.60%

Rising Scenario: Final Fixing Level is greater than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	Annualized return Pre-tax
7500	7600	1.3%	20.15%	9.60%
7500	8000	6.7%	20.15%	9.60%
7500	8500	13.3%	20.15%	9.60%
7500	9000	20.0%	20.15%	9.60%

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 & Treasurer
Mr. Manoj Gujran, Company Secretary

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), 180(1)(c)	June 16, 2016
Date of passing of resolution by the Board of Directors/ Committee of Directors in its meeting, authorizing the offer of securities under the present Issue and section 42;	May 5, 2016
Kinds of securities offered (i.e. whether share or debenture) and class of security;	Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures to be listed on the Exchange.
Price at which the security is being offered including the premium, if any, alongwith justification of the price;	Rs. 1,00,000/- per Debenture
Name and address of the valuer who performed valuation of the security offered;	No valuation of the security is undertaken
Amount which the company intends to raise by way of securities;	As per enclosed Term Sheet
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;	As per enclosed Term Sheet
Purposes and objects of the offer;	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes and onward lending.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	No contribution is being made by the directors or promoters of the Issuer
Principle terms of assets charged as security, if applicable;	Debentures shall be secured by:- a) first pari passu mortgage and charge over the Company's Identified Immovable Property; and b) first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.

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

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

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

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

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

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

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

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

Please refer Annexure G for details.

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

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

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

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

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

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

DECLARATION

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

The Directors of the Issuer declare that:

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

I am authorized by the Board of Directors (including any Committee of the Board of the Directors) of the Company vide resolution number 1 dated May 5, 2016 to sign this form and declare that all the requirements of 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 ATerm Sheet for FWFFC2015-160718

Security Name	IIFLWF - Market Linked Debentures
Product Code	FWFFC2015-160718
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 Index
Mode of Issue	Private Placement
Issue Size (Rs.)	20 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"> • Resident Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds/ Alternative Investment Fund (AIF) • Any other investor eligible to invest in these Debentures
Minimum Application Size	100 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	731 Days from the Deemed Date of Allotment
Issue Opening Date	15-Jul-16
Issue Closing Date	15-Jul-16
Initial Fixing Date	15-Jul-16
Final Fixing Date	15-Mar-18
Redemption Date	16-Jul-18
Redemption Value per Debenture	Face Value *(1+Coupon)

Premium /Discount at Issue	N.A.		
Pay-in-Date	15-Jul-2016		
Deemed Date of Allotment	15-Jul-2016		
Coupon	Scenario	Coupon	Maturity Value
	If Nifty Performance >-70% (Assuming entry level of 8000, final Nifty level is above 2400)	20.15%	120,150
	If Nifty Performance <= -70% (Assuming entry level of 8000, final Nifty level is below 2400)	0%	100,000
	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		
Step up/Step down coupon rate	Not Applicable.		
Day count basis	Not Applicable		
Coupon payment frequency	Coupon, if any will be paid on Redemption Date		
Coupon payment dates	Coupon, if any will be paid on Redemption Date		
Coupon type	Coupon linked to Underlying / Reference Index.		
Coupon-Reset Process (including rates, Spread, effective date, interest rate cap and floor etc)	Not Applicable		
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.		
Proposed time schedule for which the Disclosure Document is valid	Till redemption		
Redemption Premium / Discount	Not Applicable		
Put Option	None		
Put Option Date	Not Applicable		
Put Option Price	Not Applicable		
Put Notification Time	Not Applicable		
Call Option	Not Applicable		
Call Option Date	Not Applicable		
Call Option Price	Not Applicable		
Call Notification Time	Not applicable		
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 border="1"> <tr> <td>BRANCH</td> <td>FORT BR</td> </tr> <tr> <td>ADDRESS</td> <td>MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001</td> </tr> <tr> <td>Bank A/C Name</td> <td>IIFL WEALTH FINANCE LIMITED</td> </tr> <tr> <td>Bank A/C No</td> <td>00600340080963</td> </tr> <tr> <td>RTGS/NEFT IFSC</td> <td>HDFC0000060</td> </tr> </table>	BRANCH	FORT BR	ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001	Bank A/C Name	IIFL WEALTH FINANCE LIMITED	Bank A/C No	00600340080963	RTGS/NEFT IFSC	HDFC0000060	
BRANCH	FORT BR											
ADDRESS	MANEKJI WADIA BLDG, GROUND FLOOR,NANIK MOTWANI MARG,FORT, MUMBAI-400001											
Bank A/C Name	IIFL WEALTH FINANCE LIMITED											
Bank A/C No	00600340080963											
RTGS/NEFT IFSC	HDFC0000060											
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"> • Memorandum and Articles of Association of the Company. • Date of passing of Board Resolution: May 5, 2016 • Date of passing of resolution in general meeting: May 5, 2016 • 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. • Consent Letter from Link Intime India Private Limited for acting as Registrars to the Issue • Letter from ICRA Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto. • Debenture Trust deed between Company and Milestone Trusteeship Services Company Private Limited dated May 18, 2016. 											

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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. The interest rates mentioned in above are independent of each other.</p>
Distribution Fees	The Issuer will pay the distributor a distribution fee which shall not exceed 2% of the amount collected through them.
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>

Illustration of Cash Flows:

Company	IIFL WEALTH FINANCE LIMITED (the “Issuer”)		
Tenure	731 Days from the Deemed Date of Allotment		
Face value(per security)	Rs. 100,000 per Debenture		
Date of Allotment	15-Jul-16		
Redemption	16-Jul-18		
Coupon Rate	Scenario	Coupon	Maturity Value
	If Nifty Performance >-70% (Assuming entry level of 8000, final Nifty level is above 2400)	20.15%	120,150
	If Nifty Performance <= -70% (Assuming entry level of 8000, final Nifty level is below 2400)	0%	100,000
	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		
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	15-Jul-2016	731 Days from the Deemed Date of Allotment	Coupon linked to Underlying / Reference Index.

Annexure B (Registrar Consent)

LINK INTIME

INDIA PRIVATE LTD

www.linkintime.com

May 12, 2016

To
Mr. Manoj Gujran – Company Secretary
IIFL Wealth Finance Limited
6th Floor, Kamala City,
Senapati Bapat Marg,
Lower Parel(w),
Mumbai-400013

Dear Sir,


Sub: Registrar to the proposed Issue of Principal Protected Secured Redeemable Non Convertible Market linked Debentures ("NCDs") up to the tune of Rs. 1000 Crores for the F.Y. 2016-17.

With reference to the captioned subject, we hereby accept our appointment as Registrar and give our consent to incorporate our name as "Registrar to the Issue" in the offer document.

Thanking You.

Yours faithfully,

For Link Intime India Pvt.Ltd.


Ganesh Jadhav
Asst. Vice President - Depository Operations

Annexure C (Debenture Trustee Consent)



May 14, 2016

To,

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

Dear Sir,

Sub : Proposed issue of Listed Secured, Redeemable Non-Convertible Debentures (NCDs) on private placement basis aggregating to Rs. 500 Crores

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Listed Secured Redeemable Non-Convertible Debentures aggregating to Rs. 500 Crores proposed to be issued by the Company subject to the terms and conditions under the transaction documents (Debenture Trust Deed / Debenture Trustee Agreement).

Sincerely,

For Milestone Trusteeship Services Private Limited

Authorized Signatory

Annexure D (Rating Letter and Rating Rationale)



ICRA Limited

CONFIDENTIAL

Ref: 2016-17/MUM/0262
May 30, 2016

Mr. Pankaj Fitkariwala
IIFL Wealth Finance Limited
(erstwhile Chephris Capital Markets Limited)
IIFL Finance Centre,
Kamla City, Senapat Bapat Marg,
Lower Pare,
Mumbai 400 013

Dear Sir,

Re : ICRA Credit Rating for the Rs. 300 crore Market Linked Debenture programme of IIFL Wealth Finance Limited

Please refer to your Rating Requisition dated May 23, 2016 and the subsequent Rating Agreement of May 23, 2016 for carrying out the rating of the aforesaid Market Linked Debenture programme of your company. The Rating Committee of ICRA, after due consideration, has assigned the 'PP-MLD [ICRA]AA' (pronounced Principal Protected Market Linked Debentures ICRA double A) rating with a 'Stable' outlook to the aforesaid Market Linked Debenture programme of Rs.300 crore of your company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

This rating is in line with ICRA's policy of distinguishing long term market linked debentures from normal long term debentures by assigning a prefix 'PP-MLD' to the rating symbol. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating assigned expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. Company has to ensure that it has necessary regulatory approvals for the issuance of such debentures.

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

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

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

Tel. : + 91 22 6169 3500 / 301
Fax : + 91 22 2433 1390
CIN : L74999DL1991PLCO42749

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

Registered Office : 1105, Kalash Building, 11th Floor, 28, Kasturba Gandhi Marg, New Delhi - 110 001, Tel. : +(91-11) 23357940-60 Fax : +(91-11) 23357014

RATING • RESEARCH • INFORMATION

Annexure E (Board/Shareholders' Resolution authorizing the borrowing)



CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") IN THEIR MEETING HELD ON THURSDAY, JUNE 16, 2016, AT 12.30 P.M. AT 10TH FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI – 400013

Approve borrowing limits and creation of charge

"RESOLVED 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)(c) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to approval of Shareholders of the Company, consent of the Board be and is hereby accorded to borrow from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more banks, financial institutions and, or other persons, firms, bodies corporates, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of INR 5000 crores (Rupees Five Thousand Crore only) and the Board 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 Companies Act, 1956 (including any statutory modification or re-enactment thereof) subject to approval of Shareholders, the consent of the Board be and is hereby accorded to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, commercial paper, debentures (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to

B +91 22 3958 5600
F +91 22 4646 4706

IIFL Wealth Finance Limited (formerly Chaphis Capital Markets Limited),
6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W),
Mumbai 400 013, Maharashtra, India.
CIN: U63990MH1994PLC080646

(An India Infoline Group Company)

Annexure F -1 (Board Resolution)



CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR MEETING HELD ON MAY 05, 2016

Consider and approve issuance of Non Convertible Debentures on Private Placement basis

"RESOLVED that subject to the approval of Members of the Company and pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, 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 may be amended from time to time, the consent of the Board of Directors of the Company be and is hereby accorded to offer Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Convertible/ Non-Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures aggregating to Rs. 1000 crores (Rupees one thousand crores) on private placement basis during the financial year 2016-2017, on such terms and conditions as may be determined by the Board or its Committee, from time to time, and subject to compliance with the applicable law, rules, directions issued by the Government or any Regulator or Authority, in this regard.

FURTHER RESOLVED that the Board (including any Committee thereof) be and are hereby authorized to determine and approve, the terms and conditions of the Debentures, number of the Debentures to be offered and allotted in one or more tranches, the timing, nature, type, pricing and other terms and conditions of the Issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc., to approve and make changes to the Information Memorandum, including any corrigendum, amendments supplements thereto, and the issue thereof and to issue and allot the Debentures and to approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose.

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

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

For IIFL Wealth Finance Limited
(formerly Chephis Capital Markets Limited)

A handwritten signature in black ink, appearing to read 'Manoj Gujran', is written over a horizontal line.

Manoj Gujran
Company Secretary
Membership No: A22201

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IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited),
6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W),
Mumbai 400 013, Maharashtra, India.
CIN: U65990MH1994PLC080646

(An India Infoline Group Company)

Annexure F-2 (Shareholders' Resolution)



CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE MEMBERS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON MAY 05, 2016

SPECIAL RESOLUTION

ISSUANCE OF DEBENTURES ON PRIVATE PLACEMENT BASIS IN FY 2016-17

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, 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 may be amended from time to time, 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 /Convertible /Non – Convertible /Market Linked / Subordinated Debt /Perpetual Debentures /Fixed Maturity Debentures of the Company aggregating to Rs. 1000 crores (Rupees one thousand crores) on private placement basis in one or more tranches during the financial year 2016-2017, on such terms and conditions as may be determined by the Board, from time to time, and subject to compliance with the applicable law, rules, directions issued by the government or any other regulatory authority, in this regard.

FURTHER RESOLVED that for the purpose of creating, offering, issuing and allotting the Debentures, the Board (including any Committee thereof) be and is hereby authorised 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."

For IIFL Wealth Finance Limited
(formerly Chephis Capital Markets Limited)

A handwritten signature in black ink, appearing to read 'Manoj Gujran', written over a horizontal line.

Manoj Gujran
Company Secretary
Membership No: A22201

B +91 22 3958 5600
F +91 22 4646 4706

IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited),
6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W),
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CIN: U65990MH1994PLC080646

(An India Infoline Group Company)

Annexure G

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

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

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