An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1) The Company does not have any pending litigations, refer note no. 27 to the financial statements;

2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.:109983W
By the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: 6th May, 2015

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **IIFL Capital Limited** ("the Company") for the year ended 31st March 2015. We report that:

1. The Company does not possess any fixed assets during the period, Paragraph 3 (i) (a) and (b) of the Order are not applicable to the Company.

2. (a) The Company is a trading in equity, stock futures, currency futures, equity index, stock options and currency options on proprietary basis and the stock held at the yearend has been classified as inventory, such inventory is verified by the management during the year with reference to third party evidence like Demat statement.

   (b) In our opinion considering the nature of the items of inventory the frequency and the manner of verification is reasonable and adequate.

   (c) The company is maintaining appropriate records in this regard. There was no discrepancies were noticed during such verification.

3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore the Paragraph 3 (iii) (a) and (b) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory and sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.

5. The Company has not accepted any deposits during the year from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.

6. As per the information and explanations given to us, in respect of the class of industry the Company falls under, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, Paragraph 3 (vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable to the Company, with the appropriate

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

authorities. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable to the Company outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit with the appropriate authorities of disputed dues income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess.

(c) According to the information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder.

8. At the end of the financial year, the company has neither accumulated losses nor has incurred cash loss during the financial year covered by our audit, and in the immediately preceding financial year.

9. The Company has not borrowed from financial institution or bank or debenture holders during the year. Therefore Paragraph 3 (ix) of the Order is not applicable to the Company.

10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.

11. The Company has not availed any term loan during the period. Therefore, Paragraph 3 (xi) of the Order is not applicable to the Company.

12. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any material fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no.109983W
By the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Tirtharaj Khot
Partner
Membership No. (F) 037457

Place: Mumbai
Date : 06th May, 2015

IIFL CAPITAL LIMITED

Standalone Balance Sheet as at March 31, 2015

(Amount in ₹)

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILTIES			
(1) Shareholder's funds			
(a) Share Capital	3	30,500,000	30,500,000
(b) Reserve and Surplus	4	145,804,912	110,497,921
Sub Total		**176,304,912**	**140,997,921**
(2) Non Current Liabilities			
(a) Long-Term borrowings		-	-
(b) Deferred Tax Liabilties (Net)		-	-
(c) Other Long-Term liabilities		-	-
(d) Long-Term Provisions	5	556,799	483,704
Sub Total		**556,799**	**483,704**
(3) Current liabilities			
(a) Short-Term Borrowings	6	148,300,000	-
(b) Trade Payables	7	3,317,863	12,548
(c) Other Current Liabilities	8	3,730,232	1,557,563
(d) Short-Term Provisions	9	14,945,622	15,732,619
Sub Total		**170,293,717**	**17,302,730**
TOTAL		**347,155,428**	**158,784,355**
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets		-	
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)	10	110,177	99,075
(d) Long-Term Loans & Advances	11	36,400,000	42,000,000
(e) Other Non-Current Assets	12	-	96,586
Sub Total		**36,510,177**	**42,195,661**
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories	13	-	121,038
(c) Trade Receivables	14	27,667,085	-
(d) Cash And Bank Balance	15	280,728,032	115,462,641
(e) Short-Term Loans & Advances	16	984,622	850,145
(f) Other Current Assets	17	1,265,512	154,870
Sub Total		**310,645,251**	**116,588,694**
TOTAL		**347,155,428**	**158,784,355**
See accompanying notes Forming a Part of Standalone Financial Statements	1-28		

As per our attached report of even date

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.109983W
By the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457

Place : Mumbai
Dated : 06th May, 2015

For and on behalf of the Board of Directors

Vishal Rana
Director
(DIN :- 02029689)

Mohan Radhakrishnan
Director
(DIN :- 00012070)

IIFL CAPITAL LIMITED

Standalone Statement of Profit & Loss for the year ended March 31, 2015

(Amount in ₹)

Particulars	Note No	2014-15	2013-14
Income			
Revenue From Operations	18	113,703,263	45,766,268
Other Income	19	11,040	-
Total Revenue		**113,714,303**	**45,766,268**
Expenditure			
Employee Benefits Expense	20	20,194,023	19,296,799
Finance Cost	21	22,954,581	17,048
Other Expenses	22	18,833,185	9,036,266
Total Expenditure		**61,981,789**	**28,350,113**
Profit Before Tax		**51,732,514**	**17,416,155**
Tax Expenses			
Current Tax Expenses For Current Year		16,436,625	5,858,403
Deferred Tax Expenses		(11,102)	(99,075)
Short Tax For Earlier Year		-	11,431
Sub Total		**16,425,523**	**5,770,759**
Profit For The Year		**35,306,991**	**11,645,396**
Earnings Per Share (Face Value ₹10)	23		
Basic		11.58	3.82
Diluted		11.58	3.82
See accompanying notes Forming a Part of Standalone Financial Statements	**1-28**		

As per our attached report of even date

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.109983W
By the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Tirtharaj Khot
Partner
Membership No. :(F) 037457

Place : Mumbai
Dated : 06th May, 2015

For and on behalf of the Board of Directors

Vishal Rana
Director
(DIN :- 02029689)

Mohan Radhakrishnan
Director
(DIN :- 00012070)

IIFL CAPITAL LIMITED

IIFL CAPITAL LIMITED

Cash Flow Statement For The Year Ended March 31, 2015

(Amount in INR)

Particulars	As At March 31,2015		As At March 31,2014	
Cash flows from operating activities				
Net profit before taxation and extraordinary item		51,732,514		17416155
Adjustments for:				
Net Loss/(gain) on sale of Current Investments	(166,141)		(7,707,823)	
Interest Income	(22,916,176)		(6,307,770)	
Gratuity	41,751		291,484	
Leave Enchasment	167,620		251,153	
Interest Expenses	22,949,015		17,048	
Dividend Income	(1,122,543)	(1,046,474)	(460,545)	(13,916,453)
Operating profit before working capital changes		50,686,041		3,499,702
Changes in working Capital :				
Increase/(Decrease) in Long Term Loan and Advances	5,600,000		(42,000,000)	
Increase/(Decrease) in Other Current Liabilities	2,172,670		1,499,653	
Decrease/(Increase) in Short Term Loans and advances	(134,478)		(189,254)	
(Increase) / Decrease in Trade inventories	121,038		(121,038)	
Decrease / (Increase) in other current assets	(1,110,642)		(154,870)	
Decrease / (Increase) in other non current assets	96,586		(96,586)	
Increase / (Decrease) in Short term & Long term Provision	(923,273)		14,843,915	
Increase / (Decrease) in Short term & Long term Borrowings	148,300,000			
Decrease / (Increase) in Trade Receivable	(27,667,086)			
Increase / (Decrease) in Trade Payable	3,305,315	129,760,130	12,548	(26,205,632)
Cash generated from/(Used) operations		180,446,171		(22,705,930)
Net income tax(paid) / refunds		(16,436,625)		(5,869,834)
Net cash from/(Used in) operating activities (a)		164,009,546		(28,575,764)
Cash flows from investing activities				
Sale / (Purchase) of Current Investments (Net)		166,141		132,844,948
Interest received		22,916,176		6,307,770
Dividend Income		1,122,543		460,545
Bank Balance not considered as Cash and Cash Equivalents		(149,930,466)		(100,069,534)
Net cash from/(Used in) investing activities (b)		(125,725,606)		39,543,729
Cash flows from financing activities				
Interest Paid		(22,949,015)		(17,048)
Net cash from/(used in) financing activities (c)		(22,949,015)		(17,048)
Net increase / (decrease) in cash and cash equivalents (a + b + c)		15,334,925		10,950,917
cash and cash equivalents at beginning of year		15,393,107		4,442,190
cash and cash equivalents at end of year (Note 15)		30,728,032		15,393,107
Net increase / (decrease) in cash and cash equivalents		15,334,925		10,950,917
See accompanying notes Forming a Part of Standalone Financial Statements	1-28			

As per our attached report of even date

Sharp and Tannan Associates
Chartered Accountants
Firm's Registration No.109983W
By the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Tirtharaj Khot
Partner
Membership No. :(F) 037457

Place :Mumbai
Dated : 06th May, 2015

For and on behalf of the Board of Directors.

Vishal Rana
Director
(DIN :- 02029689)

Mohan Radhakrishnan
Director
(DIN :- 00012070)

IIFL CAPITAL LIMITED

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Note 1. Corporate Information:

IIFL Capital limited a Wholly Owned Subsidiary of IIFL Holdings Ltd (Formerly known as India Infoline Limited) has Trading and Clearing membership of National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) and is mainly involved in trading in Equity, Derivatives & Currency on Proprietary & Client account.

Note2. Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of companies Act 2013 (Act) read with Rule 7 of the Companies Accounts Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

2.2 Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles which requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

2.3 Fixed Assets and Depreciation and Amortization:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Buildings*	20
Computers*	3
Electrical equipment*	5
Office equipment	5
Furniture and fixtures *	5
Vehicles*	5
Software	3

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL CAPITAL LIMITED

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

2.4 Translation of foreign currency items:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Exchange difference, if any, arising out of transactions settled during the year are recognized in the statement of Profit and Loss. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. The exchange gains or losses, if any, are recognized in the statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

2.5 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

(a) Brokerage income earned on secondary market operations are accounted on trade dates.
(b) Income from arbitrage comprises profit/loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as follows;
  (i) Profit / loss on sale of securities is determined based on the FIFO cost of the securities sold.
  (ii) Profit / loss on arbitrage transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Currency Futures and or Equity Index / Stock Options / Currency Options which are released on final settlement/squaring-up of underlying contracts are disclosed under other current assets. "Mark-to-market margin- Equity Index / Stock Futures / Currency Futures" representing the amounts paid in respect of mark to market margin is disclosed under 'other current assets.'

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding Arbitrage portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis (e.g. Nifty, SBI, HDFC etc.) with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored

2.6 Other Income Recognition:

(a) Interest Income is recognized on accrual basis.
(b) Dividend income is recognized when the right to receive payment is established.

2.7 Employee Benefits:

The company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit & loss. The Company has provided "Compensated Absences" on the basis of actuarial valuation.

Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Sharp & Tannan Associates ICAI Regn. No. 109983W S&TA Chartered Accountants

IIFL CAPITAL LIMITED

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

2.8 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets are neither recognized nor disclosed in the financial statements.

2.9 Preliminary Expenses

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

2.10 Taxes on Income:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. The deferred tax asset is recognised or unrecognised, to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. At each reporting date, the Company re-assesses unrecognized deferred tax assets. Deferred tax liability is recognised as and when arisen.

2.11 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & loss in accordance with Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India.

2.12 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management such diminution is other than temporary. For investment in mutual funds, the net assets value (NAV) declared by the mutual funds at the Balance Sheet date is considered as the fair value.

2.13 Inventories:

Closing stock is valued at cost or market value whichever is lower. Cost is computed on FIFO basis. The comparison of cost and market value for arbitrage portfolio is done separately for each scrip.

2.14 Earnings Per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit after Tax or loss by the weighted average number of equity shares outstanding during the period.

The diluted earnings per share for equity shareholders have been computed by dividing the Net Profit after Tax or loss by the weighted average number of shares after giving dilutive effect of all potential equity shares.

Sharp & Tannan Associates ICAI Regn. No. 109983W S&TA Chartered Accountants

IIFL CAPITAL LIMITED

6

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Note: 3. Share Capital:

(a) The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹10 as follows.

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorized Shares:		
10,000,000(Previous year 10,000,000) Equity Shares of ₹10/- each	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
3,050,000(Previous year 3,050,000) Equity Shares of ₹10/- each fully paid-up	30,500,000	30,500,000

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Numbers	Amount	Numbers	Amount
Issued subscribed and Paid up at the beginning of the year	3,050,000	30,500,000	3,050,000	30,500,000
Add: Issued during the Year	-	-	-	-
Issued subscribed and Paid up at the End of the year	3,050,000	30,500,000	3,050,000	30,500,000

(c) Terms/rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. IIFL Holdings Ltd (Formerly known as India Infoline Limited), the holding company holds 100% (Previous year 100%) of paid up share capital.

(d) Equity Shares held by Holding company / Ultimate holding company and their subsidiaries

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Limited (Formerly known as India Infoline Limited)- The Holding Company	3,050,000	100%	3,050,000	100%

(e) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Ltd. (Formerly known as India Infoline Limited)	3,050,000	100%	3,050,000	100%

Note: 4. Reserves and Surplus: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Securities premium account		
Opening balance	90,000,000	90,000,000
Add : Premium on shares issued during the year		-
Closing Balance	90,000,000	90,000,000
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	**20,497,921**	**8,852,525**
Add: Profit / (Loss) for the year	35,306,991	11,645,396
Closing Balance	**55,804,912**	**20,497,921**
Total	**145,804,912**	**110,497,921**

7

Tannan Associates ICAI Regn. No. 109983W S&TA Chartered Accountants

IIFL CAPITAL LIMITED

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Note: 5. Long Term Provision: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Provision for Gratuity	332,386	290,822
(ii) Provision for Leave Encashment	224,413	192,882
Total	**556,799**	**483,704**

Note: 6. Short Term Borrowings: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured Loans & Advances from Related Parties Repayable on Demand	**148,300,000**	-

Note: 7. Trade Payable: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payable *	3,317,863	12,548
Total	**3,317,863**	**12,548**

* Trade payable includes ₹ Nil (previous year - ₹ Nil) payable to "suppliers" referred under the Micro, Small and Medium Enterprises Development Act,2006.No Interest has been paid/is payable by company during the year to "Suppliers" referred under the act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said act.

Note: 8. Other Current Liabilities: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Statutory remittances	1,683,753	479,871
(ii) Contractually reimbursable expenses	271,354	391,649
(ii) Accrued Salaries & Benefits	1,709,580	584,468
(iv) Other payables	65,545	101,575
Total	**3,730,232**	**1,557,563**

Note: 9. Short Term Provision: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Expenses	1,333,817	774,420
Bonus Payable	6,000,000	12,000,546
Provision for Leave encashment	112,428	58,271
Provision for Gratuity	849	662
Provision for Taxation (Net of Advance Tax ₹ 16,793,230) (Previous year ₹4,956,414)	7,498,528	2,898,720
Total	**14,945,622**	**15,732,619**

Note: 10. Deferred Tax Assets: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Deffered Tax Asset for Gratuity	110,177	99,075
Total	**110,177**	**99,075**

Note: 11. Long Term Loans & Advances: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, Considered Good :		
Deposit with Exchange / Clearing Corporation		

Tannan Associates ICAI Regn. No. 109983W S&TA Chartered Accountants

IIFL CAPITAL LIMITED

8

IIFL Capital Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Particulars	As at March 31, 2015	As at March 31, 2014
NSCCL – NSE Currency Cash Base Capital	5,000,000	5,000,000
NSEIL – NSE Currency Cash Base Capital	2,000,000	2,000,000
NSE F&O Add Base Capital	-	15,000,000
NSE Cash Base Capital	12,500,000	12,500,000
NSE F&O Base Capital	7,500,000	7,500,000
BSE Cash Base Capital	3,500,000	-
Deposit – BSE	900,000	-
BSE Cash Add Base Capital	5,000,000	-
Total	**36,400,000**	**42,000,000**

Note: 12. Other Non Current Asset : **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, Considered Good :		
Exchange Receivable	-	96,586
Total	-	**96,586**

Note: 13. Inventories - (At lower of cost or net realisable value): **(Amount in ₹)**

Script Name	As at March 31,2015			As at March 31,2014		
	Face Value in ₹	Number	Amount in ₹	Face Value in ₹	Number	Amount in ₹
Exchange Traded Fund						
EQ-IIFLNIFTY	-	-	-	10	180	121,038
TOTAL			-	-	-	121,038

Note 14. Trade Receivable: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Outstanding for a period exceeding six months from date they are due for payment	-	-
Other		
- Considered good	27,667,085	-
Total	**27,667,085**	**-**

Note: 15. Cash and Bank Balances: **(Amount in ₹)**

Particulars	As at March 31, 2015	As at March 31, 2014
Cash & Cash Equivalents:		
Balances with banks:		
In current accounts		
Client bank accounts	9,915,119	
Others Bank accounts	20,812,913	15,393,107
Total Cash & Cash Equivalent (a)	**30,728,032**	**15,393,107**
Other Balances		
In Deposit account (Maturity From 3 months to 12 months)*	250,000,000	100,069,534
Total Other Balances (b)	**250,000,000**	**100,069,534**
Total (a+b)	**280,728,032**	**115,462,641**

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL CAPITAL LIMITED

9

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

*Includes fixed deposits to the extent of ₹ 250,000,000/- (previous year ₹ 10,000,000/-) pledged with banks for Bank Guarantees and with the stock exchanges for Margin / Capital purpose.

Note: 16. Short term Loan and Advance: (Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, Considered Good :		
Balance With Government authorities		
Service Tax Credit Receivable	984,622	850,145
Total	**984,622**	**850,145**

Note: 17. Other Current Asset: (Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, Considered Good :		
Prepaid expenses	1,005,096	154,870
Others	260,416	-
Total	**1,265,512**	**154,870**

Note: 18. Revenue from Operation: (Amount in ₹)

Particulars	2014-2015	2013-2014
Capital Market Activities :		
Share / Currency Trading Income	83,638,274	31,290,130
Brokerage Income	5,860,129	
Fund Based Activities :		
Dividend Income Mutual Fund (Current)	1,122,543	460,545
Interest Income - Bank Fixed Deposit	22,916,176	6,307,770
Interest Income – (From Associates)		-
Capital Gain Mutual Fund (Current)	166,141	7,707,823
Total	**113,703,263**	**45,766,268**

Note: 19. Other Income: (Amount in ₹)

Particulars	2014-2015	2013-2014
Miscellaneous Income	11,040	-
Total	**11,040**	**-**

Note: 20. Employee Benefits Expense : (Amount in ₹)

Particulars	2014-2015	2013-2014
Salaries and bonus	19,816,428	18,705,120
Contribution to provident and other funds	122,407	3,163
Gratuity	41,751	291,484
Staff Welfare Expenses	45,817	45,879
Leave Encashment	167,620	251,153
Total	**20,194,023**	**19,296,799**

The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under.

(Amount in ₹)

Assumptions	2014-2015	2013-2014
Discount rate previous year	-	-
Salary Escalation previous year	-	-

10

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Discount rate current year	7.89%	9.14%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation	**2014-2015**	**2013-2014**
Liability at the beginning of the year	291,484	-
Interest Cost	26,642	-
Current Service Cost	107,429	-
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	(92,320)	-
Liability Transferred in/(out)		291,484
Liability at the end of the year	333,235	291,484
Amount Recognised in the Balance Sheet	**2014-2015**	**2013-2014**
Liability at the end of the year	333,235	291,484
Fair value of plan Assets at the end of the year	-	-
Differences	-	-
Amount of liability Recognised in the Balance Sheet	**333,235**	**291,484**
Expenses Recognised in the Income statement	**2014-2015**	**2013-2014**
Current Service cost	107,429	291,484
Interest Cost	26,642	-
Expected return on plan assets	-	-
Actuarial Gain or Loss	(92,320)	-
Expense Recognised in P&L	**41,751**	**291,484**
Balance Sheet reconciliation	**2014-2015**	**2013-2014**
Opening Net liability	291,484	-
Expense as above	41,751	291,484
Net Transfer in	-	-
Employers contribution	-	-
Amount Recognised in Balance Sheet	**333,235**	**291,484**

***Defined Contribution Plans:**
The Company has also recognised the following amounts as an expense.

(Amount in ₹)

Particulars	2014-2015	2013-2014
Contribution to provident & other fund	122,225	3,163

Note: 21. Finance Costs:

(Amount in ₹)

Particulars	2014-2015	2013-2014
Interest expense on :		
Interest Expenses	22,949,015	17,048
Other Borrowing Cost	5,566	-
Total	**22,954,581**	**17,048**

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL CAPITAL LIMITED

11

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Note: 22.: Other expenses : **(Amount in ₹)**

Particulars	2014-2015	2013-2014
Advertisement	224,444	-
Books & Periodicals	3,576	6,598
Exchange and statutory Charges	1,08,700	880
Commission Expenses –Agent	5,184,581	653,306
Marketing & Commission Expenses	30,904	-
Bank Charges	4,715,219	2,417
Communication	168,364	553,175
Electricity	589,032	1,670,751
Legal and professional charges	202,838	10,000
Miscellaneous Expenses	11,397	-
Office expenses	619,329	176,094
Subscription	247,134	269,189
Postage and courier	24,008	3,297
Printing and stationery	50,486	2,775
Provision for doubtful debts and bad debts	(52,213)	3
Rent	2,359,523	-
Insurance	112,844	-
Rates & Taxes	106,618	-
Repairs & Maintenance	-	-
Computer	7,022	-
Others	31,839	3,490
Remuneration to Auditors :	-	-
Statutory Audit	11,500	10,000
Certification Work & other matters	-	-
Out of pocket expenses	-	-
Software Charges	3,048,946	5,336,329
Travelling and conveyance	10,27,094	284,258
Others	-	53,704
TOTAL	**18,833,185**	**9,036,266**

Note: 23. Earnings per Share (EPS): **(Amount in ₹)**

Particulars	2014-2015	2013-2014
Net Profit/(Loss) after tax for the Year	35,306,991	11,645,396
Weighted Average No. of Shares	3,050,000	3,050,000
Basic EPS	11.58	3.82
Dilutted EPS	11.58	3.82

Note: 24 The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / subsidiaries / group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the company were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL CAPITAL LIMITED

12

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Note: 25.
A) Disclosures in respect of applicability of AS – 18 Related Party Disclosures:

Nature of relationship	Name of party
Holding Company	IIFL Holdings Limited (Formerly known as India Infoline Limited)
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media & Research Services Limited India Infoline Commodities DMCC IIFL Wealth Management Limited India Infoline Insurance Services Limited India Infoline Insurance Brokers Limited IIFL Realty Limited India Infoline Limited (Formerly known as India Infoline Distribution Company Limited) IIFL Wealth (UK) Limited IIFL Capital Inc. IIFL Assets Reconstruction Limited India Infoline Foundation
Group Companies	IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited). India Infoline Housing Finance Limited. IIFL Alternate Asset Advisors Limited. IIFL Investment Advisors & Trustee Services Limited (Formerly known as IIFL Trustee Services Limited). India Infoline Trustee Company Limited. India Infoline Asset Management Company Limited. IIFL Securities Pte. Limited. IIFL Capital Pte. Limited. IIFL (Asia) Pte Limited. IIFL Private Wealth Management (Dubai) Limited. IIFL Inc. IIFL Private Wealth (Mauritius) Limited. IIFL Private Wealth (Suisse) SA. IIFL Private Wealth Hong Kong Limited. IIFL Properties Private limited (Formerly known as Ultra Sign & Display Private Limited). India Alternatives Investment Advisors Private Limited
Key Management Personnel	Mr. Vishal Rana.
Other related parties	Mr. Nirmal Jain. Mr. R.Venkataraman. Orpheus Trading Private Limited. Ardent Impex Private Limited.

B) Significant Transaction with Related Parties **(Amount in ₹)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
Advance Taken (Max)					
India Infoline Limited (Formerly Known as India Infoline Distribution Limited)	-	200,500,000	-	-	200,500,000
	-	(4,438,437)	-	-	(4,438,437)

13

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W

IIFL CAPITAL LIMITED

IIFL Capital Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

Advance Taken Return Back (Max)					
India Infoline Limited (Formerly Known as India Infoline Distribution Limited)	-	52,200,000	-	-	52,200,000
		(4,438,437)		-	(4,438,437)
ICD Received					
India Infoline Commodities Limited	-	48,000,000	-	-	48,000,000
India Infoline Limited (Formerly Known as India Infoline Distribution Limited)	-	20,000,000	-	-	20,000,000
	-	-	-	-	-
India Infoline Finance Limited		1,069,500,000		-	1,069,500,000
ICD Received (Return)					
India Infoline Commodities Limited	-	48,000,000	-	-	48,000,000
	-	-	-	-	-
India Infoline Limited (Formerly Known as India Infoline Distribution Limited)	-	20,000,000	-	-	20,000,000
	-	-	-	-	-
India Infoline Finance Limited	-	1,069,500,000	-	-	1,069,500,000
	-	-	-	-	-
Interest Expenses (ICD)					
India Infoline Limited (Formerly Known as India Infoline Distribution Limited)	-	132,329	-	-	132,329
	-	-	-	-	-
India Infoline Finance Limited	-	3,234,832	-	-	3,234,832
	-	-	-	-	-
India Infoline Commodities Limited	-	291,802	-	-	291,802
	-	-	-	-	-
Interest Expenses					
India Infoline Ltd (Formerly Known as India Infoline Distribution Ltd)	-	18,964,605	-	-	18,964,605
	-	-	-	-	-
Allocation / Reimbursement of Expenses Paid					
India Infoline Ltd (Formerly Known as India Infoline Distribution Ltd)	-	15,126,748	-	-	15,126,748
	-	(11,506,149)	-	-	(11,506,149)
Allocation / Reimbursement of Expenses Received					
India Infoline Commodities Limited	-	1,500,000	-	-	1,500,000
	-	-	-	-	-
India Infoline Ltd (Formerly Known as India Infoline Distribution Ltd)	-	23,741,994	-	-	23,741,994
	-	-	-	-	-
Remuneration					
Vishal Rana	-	-	-	6,902,296	6,902,296
	-	-	-	(581,377)	(581,377)
Others Paid					

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL CAPITAL LIMITED

14

IIFL Capital Limited
Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

IIFL Holdings Ltd (Formerly Known as India Infoline Ltd)	-	154,550	-	-	154,550
	-	-	-	-	-
India Infoline Ltd (Formerly Known as India Infoline Distribution Ltd)	-	27,093,351	-	-	27,093,351
	-	-	-	-	-
Others Received					
India Infoline Ltd (Formerly Known as India Infoline Distribution Ltd)	-	662,886	-	-	662,886
	-	-	-	-	-

C. Closing Balance **(Amount in ₹)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
Sundry Payable					
India Infoline Ltd (Formerly Known as India Infoline Distribution Co. Ltd)	-	148,300,000	-	-	148,300,000
Sundry Receivable					
IIFL Wealth Management Ltd	-	1,556,530	-	-	1,556,530

Note: 26. Segment Reporting: In the opinion of the management, there is only one reportable business segment as envisaged by AS 17 'Segment Reporting', issued by the Institute of Chartered Accountants of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Note: 27. There are no pending litigation by and on the Company as on the balance sheet date.

Note: 28. Previous year figures have been re-grouped, re-classified & rearranged, wherever considered necessary to confirm to current year's presentation

As per our attached report of even date

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Dated: 6th May, 2015

For and on behalf of the Board of Directors

Vishal Rana
Director
(DIN :-02029689)

Mohan Radhakrishnan
Director
(DIN :-00012070)

5.2 FINANCIAL INDEBTNESS

As of March 31 2017, our Company has availed a non-fund based credit facility (bank guarantee) from third party lender which aggregates to Rs. 500 lakhs. Set forth below is a brief summary of the non-fund based credit facility (bank guarantee):

Name of the bank/ financial institution	Sanctioned amount (in Rs. lakhs)	Amount outstanding as on March 31, 2017 (in Rs. lakhs)	Rate of interest/ commission (%)	Repayment Schedule	Principle terms and security
Axis Bank Limited	500	100	0.85%	Not applicable	50% margin as fixed deposit

5.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audit financial information as of and for the years ended March 31, 2015, March 31, 2016, March 31, 2017 and six (6) months period ended September 30, 2017, all prepared in accordance with the provisions under the CA 2013 and Indian GAAP, including the notes and schedules thereto, included in the section titled "Financial Statements" on page 125 of this Information Memorandum. You should also read the section titled "Risk Factors" on page 08 of this Information Memorandum, which discusses a number of factors and contingencies that could impact our financial condition and results of operations, and the section titled "Our Business" on page 75 of this Information Memorandum, which presents important information about our business.

Unless otherwise specified in this section, the following discussion is based on our audited standalone financial information for the years ended March 31, 2015, March 31, 2016, March 31, 2017 and six (6) months period ended September 30, 2017 and, in relevant parts, on internally prepared statistical information available to our management and publicly available information.

The financial statements included in this Information Memorandum are prepared in accordance with Indian GAAP, which differs in certain material respects from US GAAP, IFRS and Ind AS. We have not attempted to qualify the impact of US GAAP, IFRS and Ind AS on the financial data included in this Information Memorandum nor do we provide a reconciliation of our financial statements to those under US GAAP, IFRS and Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting processes.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. Unless otherwise specified, all amounts in this section are stated on a standalone basis. In this section, any reference to "we", "us" or "our" is to 5paisa Capital Limited.

BUSINESS OVERVIEW

We are engaged in providing financial products through our online technology platform and our mobile applications. We are registered with SEBI as a stock broker, depository participant and research analyst and are also registered with AMFI as a mutual fund distributor. We have been active in financial services sector since 2007 and our main focus is on emerging investor class beyond metro cities and about 64% of our clientele is based out of Tier II and Tier III cities. For further details, please see section titled "*Our Business*" on page 75 of this Information Memorandum.

Our Key Strengths

We believe that the following are our key strengths:

Effective Technological Platform

Technology is the heart of our organization. We are tech based financial service provider. Our consistent effort in building robust Trading platform, advanced mobile app, Artificial Intelligence powered Robo Advisory platform, Paperless Account opening platform are some examples of Tech superiority. As a company we strongly believe in making entire investing experience of a customer seamless and hence we have significantly invested in creating an efficient technological architecture comprising of our product offering, customer satisfaction as well as operational processing. We believe that our focus on innovation and understanding customer behaviour provides us with a significant competitive advantage.

One Stop Investment Platform

The main focus of our Company is to provide a technology platform to offer wide range of financial products under one umbrella. We believe that our wide range of services and products under one umbrella enables us to build strong relationship with our clients and to increase volume of business offered.

Through our technology platform, our clients can avail equity broking services and can select various mutual fund and other financial products which makes us a one stop investment platform. Through our focus on innovation, over a period of time we have developed our services to provide a seamless user experience to our client.

Low Cost of Services and Effortless User Experience

We are one of the low cost financial service providers and charge as low as Rs. 10/- per order. We believe in providing an effortless user experience to our customers throughout the lifecycle of the investment at a low cost. Beginning from on-boarding of the client to execution of trades to after trade support, our interactive user interface with minimal human intervention, enhances the customer experience which is backed by real-time data analytics to help them take informed investment decisions.

Established Brand

One of our key strengths is our affiliation and our relationship with one of India's prominent financial services company i.e., IIFL Holdings Limited which, by itself and/ or through its subsidiaries, has interests in various financial sector services such as broking, wealth management services, distribution of financial products, non-banking financial company and other activities in financial services. We leverage IIFL Holdings Limited's experience in various facets of the financial sector services which allows us to understand the market trends and mechanics and helps us design our services to suit the requirements of our target customer bases as well to address opportunities that arise out of the changes in the market trends. We believe that by leveraging on our existing relationship and synergies with IIFL Holdings Limited, we will be able to further expand our services. Further, we believe that our relationship with IIFL Holdings Limited provides us instant brand recognition.

Robust Risk Management

Management of risk is essential in financial services business and we believe that we have in place robust mechanism to manage our risk. We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, such as instruments and strategies, position and trading limits and automatic squaring off positions. These procedures cover our internal control system, customer margin requirement and overall risk management. We have dedicated and experienced risk management which oversees our risk management functions from our registered office. We periodically review and modify such procedures, as necessary or appropriate. Our risk management team monitors real-time market conditions and our client's positions and informs our clients the potential risks and takes action accordingly.

Strong Management Team and Corporate Governance

Our Company has an experienced Board that oversees and guides our strategy and operations. Our Directors have experience in areas relevant to our business. Similarly, the members of our experienced management team and our employees share common vision of excellence. We believe that the extensive relevant experience and financial acumen of our management and executive provide us with a distinctive competitive advantage. For further details on our Board, please see section titled "*Our Management*" on page 92 of this Information Memorandum.

Our strict adherence to regulatory and supervisory norms and diligent Board are a few examples of how our policies reflect our strong corporate governance. Our Company believes that good corporate

governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an effective independent Board, separation of supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Business Strategy

Our vision is to use technological innovation and to be the leader in meeting our clients' board based investment needs through our technology platform at a low cost. We intend to continue increasing our revenues and market share and profitability through the following key strategies:

Product Development

We aim to develop a comprehensive range of products which would enable various facets of investment cycle i.e., decision making to the execution of trades. Increasing the range of our product offering is key to maintain and growing our market share in the Indian financial services market. Further, we seek to capture relevant insights into client's behaviour, financial strength and goals which will enable us to provide an effective advice to our clients based on defined exhaustive data driven algorithmic approach, assessing the targets on periodic basis and optimizing their performance by providing recommendations. We believe that technological innovations will improve our user experience, efficiency of our technology platform and will help in creating a long lasting relationship with our clients.

Low Pricing

We aim to offer our services at a low cost to our client. Minimal human intervention and robust technological infrastructure will enable us to minimize our overhead expenses and help us optimize our costs. By minimizing overhead expenses and optimizing our costs, our Company aims to pass on the benefits to our clients in the form of low pricing for our services.

Expand Reach

We believe that increase in internet penetration will enable our Company in expanding its client base. Our Company aims on increasing its presence by leveraging technological innovations and focusing on investor segments which are currently ignored by traditional channels and help in channelization of investment in financial assets. With seamless user experience at the core of our strategy, we aim to ensure client retention and expansion. We further aim to strengthen our existing robust customer care services to enhance our client experience.

Pursue selective acquisitions, partnerships opportunities and inorganic growth

We believe that the financial services market in India offers opportunities for inorganic growth in order to complement our existing client experience, and we will actively seek out for such opportunities that, in our assessment, are aligned to our existing services. These opportunities could be by way of strategic acquisitions, collaborations, joint ventures, new partner tie ups and asset purchases. We will pursue such opportunities where we believe that they will add value to our business, our stakeholders and our clients.

Continue to attract and develop talent

We currently have access to a talent pool of experienced professionals, who have significant experience in financial services market. The quality of our management team has been instrumental in our growth and we believe that the management team provides strategic direction towards growth and profitability.

We will seek to actively recruit, develop and retain talent. We believe that these steps will enable us enhance our management capabilities in longer term, while improving efficiency and profitability in the near term as well.

Continue to upgrade Risk Management Procedures and related systems

We view risk management as a crucial part of our business. Therefore, we will continue to focus on monitoring and strengthening our risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, market risk and operational risk. We believe that prudent risk management policies will allow us to expand our financial services business without experiencing significant increases in non-performing assets.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The business of our Company is subject to various risks and uncertainties those discussed in section titled "*Risk Factors*" on page 08 of this Information Memorandum. Our financial condition and results of operations are also affected by various factors of which the following are of particular importance:

Conditions in securities' market

A substantial portion of our income is derived from broking services across equities (cash and derivatives). Distribution of financial products also contributes significantly to our revenues. All such products and services are dependent on favourable capital market conditions, investor confidence and other factors that affect the volume of securities trading in India. Hence, events adversely impacting Indian securities market volumes may adversely affect our business. Trading volumes are primarily influenced by factors outside our control. These factors include, but not limited to government changes to monetary, fiscal or trade policies, political and market conditions, interest rates, foreign exchange rates and inflation.

Changes in Indian macroeconomic conditions

As a financial services company with our businesses operating only in the domestic Indian market, our results of operations are highly dependent on the overall economic conditions in India, including GDP growth rate, the economic cycle, prevalent interest rate regimes, financial policies of the government and the securities' markets performance. Any trends or events which have a significant impact on the economic situation in India, including any changes in the interest rate regimes and commodity costs, could have an adverse effect on the financial condition of our customers, lead to a slowdown in sectors important to our businesses and have a disruptive effect on our business.

Competition

The market for financial services is highly competitive. We face significant competition from other established players which provide a digital / online platform for broking services and investment in financial products. Some of these firms have greater resources and/or a more widely recognized brand than us, which may give them a competitive advantage. We believe our wide product offering, our constant technological innovation, our technical expertise, and brand image will allow us to face such competition.

Regulatory oversight

We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI and various stock exchanges. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in the various regulations and policies. Such changes in regulatory policies affecting the financial services industry may require changes to our business operations, pricing, and technological processes and thus may involve additional costs and management time. While it may be possible that certain regulatory changes would be positive for our business operations, it may also so happen that such changes could adversely affect our financial condition and results of operations.

Personnel costs

Personnel related expenses is one of the proportions of our cost structure. The Indian financial services sector is highly competitive, and it can be difficult and expensive to attract and retain talented and experienced employees. In addition, we also strive to ensure effective utilization of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, activities across the board and expand into new business products.

Operating costs

Owing to the nature of our business, we incur expenses towards various exchange and other regulatory charges, membership fees, stamp duty payments, technology related costs in addition to the employee benefits expenses.

Technology

Information technology systems are crucial to the success of our business operations and help us improve our overall productivity. We believe that our technology systems enable us to effectively monitor and control risks and manage our nationwide operations. Our Company has invested significant amounts in creating our information technology infrastructure and further investment into technology thus shall be an important requirement for our business strategy.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are summarized below. For a full description of our significant accounting policies adopted in the preparation of the Financial Statements, see "*Financial Statements*" on page 125 of this Information Memorandum.

Basis of accounting and preparation of financial statements:

The financial statements have been prepared in accordance with the Indian GAAP to comply with all material aspects of the applicable accounting standards notified under Section 133 of the CA 2013 read with Rule 7 of the Companies Accounts Rules, 2014, as amended, and the relevant provisions of the CA 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

Use of estimates:

The preparation of financial statements is in conformity with the Indian GAAP which requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

Fixed assets and depreciation and amortization:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets/ group of similar assets costing up to Rs. 5,000 have been depreciated in full in the year of purchase.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years

Class of assets	Useful life in years
Buildings	20
Computers	3
Electrical equipment	5
Office equipment	5
Furniture and fixtures	5
Vehicles	5
Software	3

Revenue recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Brokerage income earned on secondary market operations are accounted on trade dates;

b) Income from arbitrage comprises profit/loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as follows:

i.) Profit/ loss on sale of securities are determined based on the first-in first-out cost of the securities sold.

ii.) Profit/ loss on arbitrage transactions is accounted for as explained below:

1. Initial and additional margin paid over and above initial margin for entering into contracts for equity index/ stock futures/ currency futures and/ or equity index/ stock options/ currency options which are released on final settlement/squaring-up of underlying contracts are disclosed under other current assets. “Mark-to-market margin- equity index/ stock futures/ currency futures” representing the amounts paid in respect of mark to market margin is disclosed under ‘other current assets. “Equity index/ stock option/ currency option premium account” represents premium paid or received for buying or selling the options, respectively. On final settlement or squaring up of contracts for equity index/ stock futures/ currency future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the statement of profit and loss. On settlement or squaring up of equity index/ stock options/ currency option before expiry, the premium prevailing in “equity index/ stock option/ currency option premium account” on that date is recognized in the statement of profit and loss.

2. As at the balance sheet date, the mark to market/ unrealised profit/ (loss) on all outstanding arbitrage portfolio comprising of securities and equity/ currency derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the statement of profit and loss and the net unrealized gains on scrip basis are ignored.

Other income recognition:

a) Interest income is recognized on accrual basis.

b) Dividend income is recognized when the right to receive is established.

Employee benefits:

The Company's contribution towards provident fund and family pension fund, which are defined contribution, are accounted for on an accrual basis and recognized in the statement of profit and loss. The Company has provided "compensated absences" on the basis of actuarial valuation.

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Provisions, contingent liabilities and contingent assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

Taxes on Income:

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 as amended. The provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance, and exemptions in accordance with the applicable tax laws.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the balance sheet date. The deferred tax asset is recognised or unrecognised, to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. At each reporting date, the Company re-assesses unrecognized deferred tax assets. Deferred tax liability is recognised as and when arisen.

Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. The current investments are stated at lower of cost or fair value. The non – current investments are carried at cost. The provision for diminution in value of non – current investments is made, if in the opinion of the management such diminution is other than temporary. For investment in mutual funds, the net assets value declared by the mutual funds at the balance sheet date is considered as the fair value.

Inventories:

The closing stock is valued at cost or market value whichever is lower. The cost is computed on first-in first-out basis. The comparison of cost and market value for arbitrage portfolio is done separately for each script.

Earnings Per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the net profit after tax or loss by the weighted average number of equity shares outstanding during the period.

The diluted earnings per share for equity shareholders have been computed by dividing the net profit after tax or loss by the weighted average number of shares after giving dilutive effect of all potential equity shares.

RESULTS OF OPERATIONS

The table below sets forth a summary of our financial results containing significant items of our income and expenses years ended March 31, 2015, March 31, 2016, March 31, 2017 and six (6) months period ended September 30, 2017 based on our Financial Statements included in the section titled "*Financial Statements*" on page 125 of this Information Memorandum.

Particulars	For the six (6) months ended September 30, 2017		For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs	% of total revenue
Revenue from operations	457.90	71%	470.62	63%	-275.52	226%	1137.03	100%
Other Operating Income	184.57	29%	276.06	37%	153.77	(126%)	0.11	0%
Total Revenue	**642.48**		**746.68**		**(121.76)**		**1137.14**	
Employee Cost	920.20	143%	776.57	104%	216.32	(178%)	201.94	18%
Depreciation	20.02	3%	27.02	4%	1.17	(1%)	0	0%
Administration Expenses and other Expenditure	1,161.99	181%	1344.25	180%	250.09	(205%)	188.33	17%
Finance Cost	0.0008	0%	112.37	15%	180.48	(148%)	229.55	20%
Total Expenses	**2,102.21**	**327%**	**2260.22**	**303%**	**648.06**	**(532%)**	**619.82**	**55%**
Profit before Tax	**(1,459.73)**		**(1513.53)**		**(769.81)**		**(517.32)**	
Current Tax							164.37	14%
Deferred Tax	(293.70)	(46%)	(469.05)	(63%)	(220.02)	181%	(0.11)	0%
Profit after Tax	**(1,166.03)**		**(1044.48)**		**(549.79)**		**353.06**	

Description of Income and Expenses Items

Total revenue

The following table sets out the principle components of our revenue comprises our revenue and as a percentage of our total revenue for the periods indicated:

Particulars	For the six (6) months ended September 30, 2017		For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs		Amount in Rs. lakhs		Amount in Rs. lakhs	
Revenue from operations	457.90	71%	470.62	63%	(275.52)	226%	1,137.03	100%
Other operating income	184.57	29%	276.06	37%	153.77	(126%)	0.11	0%

Revenue from operations

Our revenue from operations comprises majorly of:

a) Brokerage and other related income comprising of income earned for carrying of share sale/ purchase transactions, registration charges for opening an account, delayed pay-in charges for interest earned on delay in payments by clients, depositary charges income.

b) Share trading income.

c) Service fees income earned through various cross sale and other services provided by our Company.

Other income

Our other imcome is derived from (i) interest on fixed deposits and (ii) gains from sale of investments.

Total expenditure

The following table sets out the principal components of our expenditure and as a percentage of our total expenditure, for the periods indicated:

Particulars	For the six (6) months ended September 30, 2017		For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs	% of total revenue	Amount in Rs. lakhs	% of total revenue
Employee Cost	920.20	143%	776.57	104%	216.32	(178%)	201.94	18%
Depreciation	20.02	3%	27.02	4%	1.17	(1%)	0	0%
Administration Expenses and other Expenditure	1161.99	181	1344.25	180%	250.09	(205%)	188.33	17%
Finance Cost	-	0%	112.37	15%	180.48	(148%)	229.55	20%
Total Expenses	**2102.21**	**327%**	**2260.22**	**303%**	**648.06**	**(532%)**	**619.82**	**55%**

Total expenses:

Our total expenses are primarily comprised of the following:

a) *Administration and other expenses*: Our administration and other expenses were primarily attributable to advertisement expenses, software and technology cost, charges related to rent and usage of leased premises, legal and professional fees, electricity and office expenses, travelling and conveyance expenses, marketing and commission expenses and miscellaneous expenses (such as those relating to printing and stationary, housekeeping).

b) *Depreciation and amortization expense*: Depreciation and amortization expense consist of depreciation on the fixed assets of our Company which primarily includes electrical installation, computers, office equipment, furniture and fixtures, and amortisation of intangible assets.

c) *Employee benefits expenses*: Employee benefit expenses include (i) salaries, bonus and allowances, (ii) contribution to provident and other employee benefit funds, and (iii) staff welfare activities.

d) *Finance cost*: These include interest paid on short term borrowings and inter-corporate deposits, interest on bank overdraft lines and other financial expenses.

Results of operations for the six (6) months ended September 30, 2017

During the six (6) months ended September 30, 2017, the total income of our Company was Rs. 642.5 lakhs as compared to Rs. 746.7 lakhs in Fiscal 2017. This increase in our revenue was primarily due to the (i) increase in client base which increased by 150% as compared to last year and (ii) increase in average revenue per client. We saw growth in our revenue due to favourable market conditions which provided better investing opportunities to clients. Due to our expansion plans, our employee cost has increased and our Company has invested significantly in advertising, marketing activities and technology, which resulted in increase in our administration costs and other expenses.

Total revenue

Our total revenue was Rs. 642.48 lakhs for the six (6) months ended September 30, 2017, of which 71%, was derived from revenue from operations.

Revenue from operations

Our revenue from operations was Rs. 457.90 lakhs for six (6) months ended September 30, 2017. Revenue from operations benefited from the continued growth majorly in:

a) Brokerage and other related income of Rs. 365.19 lakhs.

b) Share trading income of Rs. 48.29 lakhs.

c) Service fee income of Rs. 44.43 lakhs.

Other income

Our other income was Rs. 184.57 lakhs for the six (6) months ended September 30, 2017 which comprises of:

a) Interest income on fixed deposits and bonds of Rs. 54.68 lakhs.

b) Capital gains income from mutual fund investment (short term).

Total expenditure

Our total expenditure was Rs. 2,102.21 lakhs for the six (6) months ended September 30, 2017 which comprises of:

a) Employee benefits expense of Rs. 920.20 lakhs consisting of (i) salaries, bonus and allowances, (ii) contribution to provident and other employee benefit funds, and (iii) staff welfare activities.

b) Administration and other expenses of Rs. 1161.99 lakhs consisting of (ii) advertisement, (ii) software and technology cost, (iii) rent expenses, (iv) legal and professional charges and (v) other office expenses.

c) Depreciation of Rs. 20.02 lakhs primarily on softwares and computers.

EBITDA

As a result of the foregoing, our EBITDA was Rs. (1439.71) lakhs for the six (6) months ended September 30, 2017.

Financial charges

Our financial charges were Rs. 0.0008 lakhs for the six (6) months ended September 30, 2017.

Depreciation and amortisation

Our depreciation and amortisation was Rs. 20.02 lakhs for the six (6) months ended September 30, 2017 and comprised primarily depreciation of software and computers.

Profit/ (loss) before tax

For the six (6) months ended September 30, 2017, our loss before tax was Rs. (1459.73) lakhs which is 227 % of our total revenue.

Tax expenses

Our Company has provided for deferred tax asset of Rs. (293.7) lakhs for the six (6) months ended September 30, 2017. In the said period, our current tax was nil, while our deferred tax was Rs. (293.7) lakhs.

Profit/ (loss) for the year (after tax)

Our loss after tax was Rs. (1166.03) lakhs for the six (6) months ended September 30, 2017. As a percentage of our total revenue, our loss for the year after tax was 181% for the six (6) months ended September 30, 2017.

Results of operations for Fiscal 2017 compared with Fiscal 2016

During the Fiscal 2017, the total income of our Company was Rs. 746.7 lakhs as compared to Rs. (121.8) lakhs in Fiscal 2016. The increase in our revenue was backed by expansion of our retail operations. Our Company acquired more than 10,000 clients by providing value added services and a wide variety of financial products. During Fiscal 2017, our Company invested heavily in online marketing, branding and technology due to which our expenses increased to Rs. 2260.22 lakhs from Rs. 648.05 lakhs.

Total revenue

Our total revenue increased by 868% to Rs.746.68 lakhs in Fiscal 2017 from Rs.(121.76) lakhs in Fiscal 2016 primarily due to a 746% increase in revenue from operations in Fiscal 2017 from Fiscal 2016.

Revenue from operations

Our revenue from operations increased by 746 % to Rs.470.62 lakhs in Fiscal 2017 from Rs. (275.52) lakhs in Fiscal 2016 primarily due to increased revenue in Fiscal 2017 from share trading income, brokerage income and other related income and service fees income . The broad details are as follows:

a) Brokerage and other related income increased by 445% to Rs. 170.30 lakhs in Fiscal 2017 from Rs. 31.23 lakhs in Fiscal 2016 mainly due to increase in delay pay-in charges, brokerage income and registration income.

b) Share trading income increased by 176% to Rs. 243.67 lakhs in Fiscal 2017 from Rs. (304.73) lakhs in Fiscal 2016 mainly due to favourable market conditions.

c) Service fees income increased to 58.03 lakhs in Fiscal 2017 from nil in Fiscal 2016.

Other income

Our other income increase by 80% to Rs. 276.06 lakhs in Fiscal 2017 from Rs. 153.77 lakhs in Fiscal 2016. This was primarily due to increase in capital gains income from mutual fund investment (short term) to Rs. 225.84 lakhs in Fiscal 2017 from Rs. 1.65 lakhs in Fiscal 2016 and decrease in interest income from fixed deposit by 67% to Rs. 50.22 lakhs in Fiscal 2017 from Rs. 152.12 lakhs in Fiscal 2016.

Total expenditure

Our total expenditure increased by 249% to Rs.2,260.22 lakhs in Fiscal 2017 from Rs. 648.06 lakhs in Fiscal 2016. This increase was primarily due to increases in:

a) Employee benefits expense increased by 259% to Rs. 776.57 lakhs in Fiscal 2017 from Rs. 216.32 lakhs in Fiscal 2016. These primarily included (i) salaries, bonus and allowances, (ii) contribution to provident and other employee benefit funds, and (iii) staff welfare activities.

b) Administration and other expenses increased by 438% to Rs. 1344.25 lakhs in Fiscal 2017 from Rs. 250.09 lakhs in Fiscal 2016 primarily consisting of (ii) advertisement, (ii) software and technology cost, (iii) rent expenses, (iv) legal and professional charges and (v) other office expenses.

c) Depreciation increased by 2214% to Rs. 27.02 lakhs in Fiscal 2017 from Rs. 1.17 lakhs in Fiscal 2016 mainly on furniture, fixtures, computers and software for developing infrastructure and technology due to growth plans of our Company.

EBITDA

As a result of the foregoing, our EBITDA decreased by 134% to Rs. (1374.14) lakhs in Fiscal 2017 from Rs. (588.17) lakhs in Fiscal 2016.

Financial charges

Our financial charges decreased by 38% to Rs. 112.37 lakhs in Fiscal 2017 from Rs. 180.48 lakhs in Fiscal 2016. This decrease was primarily due to decrease in interest on inter-corporate deposits.

Depreciation and amortisation

Our depreciation and amortisation increased 2214% to Rs. 27.02 lakhs in Fiscal 2017 from Rs. 1.17 lakhs in Fiscal 2016 mainly on furniture, fixtures, computers and software for developing infrastructure and technology due to growth plans of our Company.

Profit/ (loss) before tax

Our loss increased by 96.61% to Rs. (1513.53) lakhs in Fiscal 2017 from Rs. (769.81) in Fiscal 2016. As a percentage of our total revenue, our loss before tax was 203% in Fiscal 2017 and 632% in Fiscal 2016.

Tax expenses

Our deferred tax assets increased by 113% to Rs.(469.05) lakhs in Fiscal 2017 from Rs.(220.02) lakhs in Fiscal 2016 and our current tax was nil.

Profit/ (loss) for the year (after tax)

Our loss for the year after tax increased by 90% to Rs. (1044.48) lakhs in Fiscal 2017 from Rs. (549.79) lakhs in Fiscal 2016. As a percentage of our total revenue, our loss for the year after tax was 140% in Fiscal 2017 and loss was 452% in Fiscal 2016.

Results of operations for Fiscal 2016 compared with Fiscal 2015

During Fiscal 2016, total income of our Company decreased to Rs. (121.8) lakhs from Rs. 1137.1 lakhs in Fiscal 2015. Our Company incurred loss of Rs. 549.8 lakhs as compared to net profit of Rs. 353.1 lakhs in Fiscal 2015. The decline in our income was due to losses incurred by our Company in its proprietary business and due to extreme market volatility. Pursuant to this, the Company has pruned its proprietary business from. January 2016 and commenced the retail broking and mutual fund distribution business through online platform.

Total revenue

Our total revenue decreased by 111% to Rs. (121.76) lakhs in Fiscal 2016 from Rs. 1,137.14 lakhs in Fiscal 2015 primarily due to a 111% decrease in revenue from operations in Fiscal 2016 from Fiscal 2015.

Revenue from operations

Our revenue from operations decreased by 111% to Rs.(275.52) lakhs in Fiscal 2016 from Rs. 1137.03 lakhs in Fiscal 2015 primarily due to decreased revenue in Fiscal 2016 from share trading income The details are as follows:

a) Brokerage and other related income decreased by 43% to Rs. 31.23 lakhs in Fiscal 2016 from Rs. 55.22 lakhs in Fiscal 2015.

b) Share trading income decreased to Rs. (306.76) lakhs in Fiscal 2016 from Rs. 836.38 lakhs in Fiscal 2015 due to unfavourable market conditions.

Other income

Other operating income decreased by 33.62% to Rs. 152.12 lakhs in Fiscal 2016 from Rs. 229.16 lakhs in Fiscal 2015. This was primarily due to decrease in interest income from fixed deposit by 33.62% to Rs. 152.12 lakhs in Fiscal 2016 from Rs. 229.16 lakhs in 2015.

Total expenditure

Our total expenditure increased by 5% to Rs. 648.06 lakhs in Fiscal 2016 from Rs. 619.82 lakhs in Fiscal 2015. This increase was primarily due to increase in:

a) Employee benefits expense increased by 7% to Rs. 216.32 lakhs in Fiscal 2016 from Rs. 201.94 lakhs in Fiscal 2015. These primarily included (i) salaries, bonus and allowances, (ii) contribution to provident and other employee benefit funds, and (iii) staff welfare activities.

b) Administration and other expenses increased by 33% to Rs. 250.09 lakhs in Fiscal 2016 from Rs. 188.33 lakhs in Fiscal 2015, primarily consisting of brokerage related expenses, software and technology cost, rent expenses, legal and professional charges and other office expenses.

c) Depreciation increased to Rs. 1.17 lakhs in Fiscal 2016 from nil in Fiscal 2015 primarily on computers and software.

EBITDA

As a result of the foregoing, our EBITDA decreased by 179% to Rs. (588.17) lakhs in Fiscal 2016 from Rs. 746.87 lakhs in Fiscal 2015.

Financial charges

Our financial charges decreased by 21% to Rs. 180.48 lakhs in Fiscal 2016 from Rs. 229.55 lakhs in Fiscal 2015. This decreasewas primarily due to interest on inter-corporate deposits.

Depreciation and amortisation

Our depreciation and amortisation was Rs. 1.17 lakhs in Fiscal 2016 as compared to nil in Fiscal 2016, primarily on computers and software.

Profit/ (loss) before tax

Our loss increased by 249% to Rs. (769.81) lakhs in Fiscal 2016 from profit of Rs. 517.32 lakhs in Fiscal 2015. As a percentage of our total revenue, our loss before tax was 632% in Fiscal 2016 and profit before tax was 45% in Fiscal 2015.

Tax expenses

Our tax expense was nil in Fiscal 2016 from Rs. 164.37 lakhs in Fiscal 2015. Our deferred tax assets increased to Rs.(220.02) lakhs in Fiscal 2016 from Rs.(0.11) lakhs in Fiscal 2015.

Profit/ (loss) for the year (after tax)

Our loss for the year after tax increased by 256% to Rs.(549.79) lakhs in Fiscal 2016 from profit of Rs. 353.06 lakhs in Fiscal 2015. As a percentage of our total revenue, our loss for the year after tax was 452% in Fiscal 2016 and our profit for the year after tax was 31% in Fiscal 2015.

Results of operations for Fiscal 2015 compared with Fiscal 2014

During Fiscal 2015, the total income of the Company was Rs.1137.1 lakhs as compared to Rs.457.7 lakhs in Fiscal 2014. This increase was primarily due to buoyancy in equity markets which provided better business opportunities by way of arbitrage to the Company and resulted in an increase in average daily turnover of the Company. During the Fiscal 2015, our Company earned a net profit of Rs.353.1 lakhs as compared to net profit of Rs. 116.5 lakhs in Fiscal 2014.

Total revenue

Our total revenue increased by 148% to Rs. 1137.14 lakhs in Fiscal 2015 from Rs. 457.66 lakhs in Fiscal 2014 primarily due to a 148% increase in revenue from operations in Fiscal 2015 from Fiscal 2014.

Revenue from operations

Our revenue from operations increased by 148% to Rs.1137.03 lakhs in Fiscal 2015 from Rs. 457.66 lakhs in Fiscal 2014, primarily due to increase in revenue in Fiscal 2015 from share trading income and brokerage and other related income. The details are as follows:

a) Brokerage and related income increased to Rs. 58.60 lakhs in Fiscal 2015 from nil in Fiscal 2014.

b) Share trading income increased by 167% to Rs. 836.38 lakhs in Fiscal 2015 from Rs.312.90 lakhs in Fiscal 2014 majorly due to favourable market conditions.

c) Other operating income was 242.04 lakhs in Fiscal 2015 as compared to Rs. 144.60 in Fiscal 2014.

Total expenditure

Our total expenditure increased by 119% to Rs. 619.82 lakhs in Fiscal 2015 from Rs. 283.50 lakhs in Fiscal 2014. This increase was primarily due to increases in:

a) Employee benefits expense increased by 5% to Rs. 201.94 lakhs in Fiscal 2015 from Rs. 192.97 lakhs in Fiscal 2014. These primarily included (i) salaries, bonus and allowances, (ii) contribution to provident and other employee benefit funds, and (iii) staff welfare activities.

b) Administration and other expenses increased by 108% to Rs. 188.33 lakhs in Fiscal 2015 from Rs. 90.36 lakhs in Fiscal 2014, primarily consisting of brokerage related expenses, software and technology cost, rent expenses, legal and professional charges and other office expenses.

EBITDA

As a result of the foregoing, our EBITDA increased by 328% to Rs.746.87 lakhs in Fiscal 2015 from Rs. 174.33 lakhs in Fiscal 2014.

Financial charges

Our financial charges increased to Rs. 229.55 lakhs in Fiscal 2015 from Rs. 0.17 lakhs in Fiscal 2014. This increase was primarily due to increase in interest on inter-corporate deposit.

Profit before tax

Our profit increased by 197% to Rs. 517.32 lakhs in Fiscal 2015 from Rs. 174.16 lakhs in Fiscal 2014. As a percentage of our total revenue, our profit before tax was 45% in Fiscal 2015 and 38% in Fiscal 2014.

Tax expenses

Our tax expense increased by 180% to Rs. 164.37 lakhs in Fiscal 2015 from Rs. 58.69 lakhs in Fiscal 2014. Our deferred tax assets decreased by 89% to Rs. (0.11) lakhs in Fiscal 2015 from Rs.(0.99) lakhs in Fiscal 2014.

Profit/ (loss) for the year (after tax)

Our profit for the year after tax increased by 203% to Rs.353.06 lakhs in Fiscal 2015 from profit of Rs. 116.46 lakhs in Fiscal 2014. As a percentage of our total revenue, our profit for the year after tax was 31% in Fiscal 2015 and 25% in Fiscal 2014.

Liquidity and capital resources

Liquidity risk management refeRs.to the way we manage the use and availability of various funding sources to meet our current and future operating needs. These needs are largely a result of asset growth. We monitor our assets and liabilities profile on a continuous basis. The sources of our funds includes funds generated from our operations and issuance of Equity Shares.

Qualitative disclosure about market risks

We are primarily exposed to market risk, liquidity risk, operational risk and reputational risks. We focus on risk management systems to ensure that there are checks and balances in place to contain the risk aspects and its impact. We have implemented comprehensive policies and procedures to identify, measure, monitor and control risk throughout our organization. Our risk management strategy is based on understanding the various types of risk, assessment of the risk and continuous monitoring of the risk.

Market risk

The risk of change in overall market or asset class due to the impact of economic conditions and/ or other factors impacting index specific stocks.

The value of investments are vulnerable to factors such as changes in economic conditions, interest rates, investor sentiments, developments in global markets, international and domestic political events and acts of war or terrorism.

Value at Risk ("**VaR**") is closely supervised by risk management team and our Company has defined maximum limits for VaR, exposure across various segments/ trading strategies. Continuous monitoring of VaR, exposure limits and initiation of appropriate action is undertaken to minimize the impact of market risk.

Credit risk

Credit risk is the risk of margin erosion due to market volatility/ fluctuations, failure of clients to meet their financial obligations.

Our Company has in place, a widespread credit policy to monitor clients margin requirement to prevent risk of default which includes well defined basis for categorization of securities, client-wise/ scrip-wise maximum exposure, segment-wise margin requirement, etc. for better management of credit risk.

Operational risks

The risk of loss that arises from shortcomings or failures in internal processes or systems and which can arise on account of inadequate systems, controls or human errors.

Our Company manages the operational risks through well-defined operational processes, policies and systems which are reviewed on a periodical basis. Frequent audits by internal auditors further ensure adherence to defined processes and policies.

Off-balance shee tranactions

We have not had any off-balance sheet transactions other than as disclosed in the section titled "*Financial Statements*" on page 125 of this Information Memorandum.

Unsual or infrequent evetns or transactions

There has been no unusual or infrequent event or transactions except the demerger and vesting of 5paisa digital Undertaking into our Company pursuant to the Scheme of Arrangement.

Significant economic/ regulatory changes

Our business is highly dependent on the regulatory environment and on general economic conditions in the various securities' markets, including trading volumes in the secondary markets in the equity capital markets and currency markets, the regulatory environment and on general economic conditions in the markets we operate in. For more details, please see section titled "*Risk Factors*" on page 08 of this Information Memorandum.

New product or business segment

Being in regulatory governed business, our ability to start services will depend on any possible regulatory policies and actions. However, we may be able to start new kinds of services around current offerings to enable more convenience to clients and/ or to improve our marketing and operational efficiencies. For details of new products or business segments, please see section titled "*Our Business*" on page 75 of this Information Memorandum.

Seasonality of business

Our business is not seasonal. Our business is largely dependent on the state of capital markets, level of activity in the secondary market and overall economic conditions prevailing both locally and globally. The level of our perations, income and profitability may be affected by these factors.

Significant dependence on a single or few suppliers or customers

Our operations are not significantly dependent on a single or fewer suppliers or customers.

Related party transactions

For details, please see section titled "*Financial Statements*" on page 125 of this Information Memorandum.

SECTION 6: LEGAL AND OTHER INFORMATION

6.1 OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no **(i)** outstanding criminal proceedings, **(ii)** actions taken by statutory or regulatory authorities, **(iii)** material litigation, **(iv)** claims for any direct and indirect tax liabilities, in each case involving our Company, Directors, Promoters and Group Companies.*

*Our Board, in its meeting held on October 13, 2017 has adopted a policy for identification of material legal proceedings ("**Materiality Policy**"). For the purposes of disclosure, pursuant to the ICDR Regulations and the Materiality Policy **(i)** all pending litigation involving our Company, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 1 crore, or **(ii)** such pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations or prospects or reputation of our Company, are considered 'material', and disclosed in this Information Memorandum.*

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Directors, Promoters and the Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of the Directors, Promoters and our Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided in this section is as of the date of this Information Memorandum. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

A. Outstanding litigation involving our Company

1. *Criminal proceedings involving our Company*

a. Criminal proceedings against our Company

As on date of this Information Memorandum, there are no criminal cases that have been instituted against our Company.

b. Criminal proceedings by our Company

As on date of this Information Memorandum, there are no criminal cases that have been instituted by our Company.

2. *Litigation involving our Company in accordance with the Materiality Policy*

a. Civil proceedings against our Company

As on the date of this Information Memorandum, there are no material civil cases that have been instituted against our Company.

b. Civil proceedings by our Company

As on the date of this Information Memorandum, there are no material civil cases that have been instituted by our Company.

3. ***Actions by statutory or regulatory authorities against our Company***

As on date of this Information Memorandum, no actions have been taken by statutory or regulatory authorities our Company.

4. ***Tax proceedings involving our Company***

Nature of case	Number of cases	Amount involved (Rs. in lakhs)
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

5. ***Proceedings initiated against our Company for economic offences***

As on date of this Information Memorandum, there are no proceedings that have been initiated against our Company for any economic offences.

6. ***Material frauds against our Company***

There have been no material frauds committed against our Company in the five (5) years preceding this Information Memorandum.

7. ***Inquiries, inspections or investigation initiated or conducted under the CA 1956/ CA 2013***

As on date of this Information Memorandum, there have been no inquiries, inspections or investigations have been initiated or conducted against our Company under the CA 1956/ CA 2013 during the past five (5) years.

8. ***Statutory dues***

As on date of this Information Memorandum, there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company; (ii) overdues to companies or financial institutions by our Company, or (iii) defaults against companies or financial institutions by our Company.

9. ***Dues to small scale undertakings***

As on date of this Information Memorandum, our Company does not owe any small scale undertakings any amount which is outstanding for more than thirty (30) days. There are no disputes with such entities in relation to payments to be made to them.

B. **Outstanding litigation involving our Directors**

1. ***Criminal proceedings involving our Directors***

a. *Criminal proceedings against our Directors*

As on date of this Information Memorandum, no criminal proceedings have been initiated against our Directors.

b. *Criminal proceedings by our Directors*

As on date of this Information Memorandum, there are no criminal proceedings have been initiated by our Directors.

2. ***Litigation involving our Directors in accordance with the Materiality Policy***

a. Civil proceedings against our Directors

As on date of this Information Memorandum, no civil proceedings have been initiated against our Directors in accordance with the Materiality Policy, except against Mr. Mohan Radhakrishnan and Mr. Narendra Jain, the details of which are set forth below:

i.) A commercial suit dated February 07, 2017 was filed by Mr. Harish Thawani, a client of NSEL, before the Bombay High Court, against India Infoline Commodities Limited, its directors and directors of its group companies (namely, Mr. Kranti Sinha, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Purwar, Mr. Nilesh Vikamsey, Mr. Subbaraman Narayan, Mr. Chandran Ponnaiah, Ms. Geeta Mathur, Mr. Mohan Radhakrishnan, Mr. Narendra Jain, Mr. Aniruddha Dange and Mr. Chintan Modi), key personnel and employees, for alleged losses, refund of brokerage, warehouse charges, damages and legal costs. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Commodities Limited*" on page 250 of this Information Memorandum.

b. Civil proceedings by our Directors

As on date of this Information Memorandum, no civil proceedings have been initiated by our Directors in accordance with the Materiality Policy.

3. *Actions by statutory or regulatory authorities against our Directors*

As on date of this Information Memorandum, no actions by statutory or regulatory authorities have been initiated against our Directors.

4. *Tax proceedings involving our Directors*

Nature of case	Number of cases	Amount involved (Rs. In lakhs
Dr. Archana Niranjan Hingorani		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Mr. Krishna Iyer		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Mr. Mohan Radhakrishnan		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Mr. Narendra Jain		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Mr. Prakarsh Gagdani		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

C. Outstanding litigation involving our Promoters

1. <u>Mr. Nirmal Bhanwarlal Jain</u>

a. Criminal proceedings against Mr. Nirmal Bhanwarlal Jain

i.) A first information report dated February 02, 2008 was registered by Mr. Namo Jain against Mr. Arun Punia, Mr. Aman Chadda, as well as Mr. Nirmal Bhanwarlal Jain, director of India Infoline Limited, at Lalkurti Police Station, Meerut, for the offence of, *inter alia*, cheating and criminal breach of trust by unauthorised trading in the account. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 242 of this Information Memorandum.

ii.) A complaint dated November 25, 2010 was filed by Sadashiv Pandurang Mantri before the Chief Judicial Magistrate, Pune, against India Infoline Limited, its then director Mr. Nirmal Bhanwarlal Jain and its employees under the provisions of IPC for cheating and forgery. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 243 of this Information Memorandum.

iii.) A complaint dated May 07, 2013 was filed by Mr. Gustad Ankelsaria before the Metropolitan Magistrate Court, Bandra, Mumbai against India Infoline Limited, its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani) and others for the offence of, *inter alia*, unauthorised trading, cheating, criminal breach of trust etc. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 243 of this Information Memorandum.

iv.) A complaint dated July 12, 2011 was filed by Ms. Sushama Agarwal before Chief Judicial Magistrate, Meerut, against India Infoline Limited and its director (namely, Mr. Nirmal Bhanwarlal Jain) and its employees for the offence of, *inter alia*, unauthorised trading, criminal breach of trust, cheating and forgery. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 243 of this Information Memorandum.

v.) A first information report dated October 24, 2010 was registered by Mr. Anil Kumar Tibrewal at Sunlight Colony, South East District, Delhi against India Infoline Commodities Limited and its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani), for the offence of, *inter alia*, cheating, forgery and conspiracy. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Commodities Limited*" on page 249 of this Information Memorandum.

vi.) A complaint dated May 07, 2013 was filed by Ms. Gauari Manjunath Joniya before Chief Judicial Magistrate, Nagpur, against IIFL Management Services Limited and its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani), for the offence of, *inter alia*, cheating, forgery, criminal breach of trust and misuse of her insurance license. For further details, please see section titled "*Outstanding Litigation and*

Material Developments – Litigations involving Group Companies – IIFL Management Services Limited" on page 260 of this Information Memorandum.

vii.) A complaint dated March 01, 2014 was filed by Mr. Abdul Rahim Siddiqui before Chief Judicial Magistrate, Muzzafarpur, Bihar, against India Infoline Limited and its directors (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Kranti Sinha, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, and Mr. Nilesh Shivji Vikamsey), and others, alleging unauthorised trading, criminal breach of trust, cheating and forgery etc. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 244 of this Information Memorandum.

viii.) A complaint dated December 02, 2014 was filed by Mr. Arunava Patra before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against India Infoline Limited, its directors (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, and Mr. Nilesh Shivji Vikamsey), and others, alleging forgery and criminal conspiracy under the IPC, and certain offences under the CA 1956. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 244 of this Information Memorandum.

b. Civil proceedings against Mr. Nirmal Bhanwarlal Jain in accordance with the Materiality Policy

i.) A commercial suit dated February 07, 2017 was filed by Mr. Harish Thawani, a client of NSEL, before the Bombay High Court, against India Infoline Commodities Limited, its directors and directors of its group companies (namely, Mr. Kranti Sinha, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Purwar, Mr. Nilesh Vikamsey, Mr. Subbaraman Narayan, Mr. Chandran Ponnaiah, Ms. Geeta Mathur, Mr. Mohan Radhakrishnan, Mr. Narendra Jain, Mr. Aniruddha Dange and Mr. Chintan Modi), key personnel and employees, for alleged losses, refund of brokerage, warehouse charges, damages and legal costs. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Commodities Limited*" on page 250 of this Information Memorandum.

2. <u>Mr. Venkataraman Rajamani</u>

a. Criminal proceedings against Mr. Venkataraman Rajamani

i.) A first information report dated October 24, 2010 was registered by Mr. Anil Kumar Tibrewal at Sunlight Colony, South East District, Delhi against India Infoline Commodities Limited and its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani), for the offence of, *inter alia*, cheating, forgery and conspiracy. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Commodities Limited*" on page 249 of this Information Memorandum.

ii.) A complaint dated May 07, 2013 was filed by Mr. Gustad Ankelsaria before the Metropolitan Magistrate Court, Bandra, Mumbai against India Infoline Limited, its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani) and others for the offence of, *inter alia*, unauthorised trading, cheating, criminal breach of trust etc. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 243 of this Information Memorandum.

iii.) A complaint dated May 07, 2013 was filed by Ms. Gauari Manjunath Joniya before Chief Judicial Magistrate, Nagpur, against IIFL Management Services Limited and its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani), for the offence of, *inter alia*, cheating, forgery, criminal breach of trust and misuse of her insurance license. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies – IIFL Management Services Limited*" on page 260 of this Information Memorandum.

iv.) A complaint dated March 01, 2014 was filed by Mr. Abdul Rahim Siddiqui before Chief Judicial Magistrate, Muzzafarpur, Bihar, against India Infoline Limited and its directors (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Kranti Sinha, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, and Mr. Nilesh Shivji Vikamsey), and others, alleging unauthorised trading, criminal breach of trust, cheating and forgery etc. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 244 of this Information Memorandum.

v.) A complaint dated December 02, 2014 was filed by Mr. Arunava Patra before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against India Infoline Limited, its directors (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, and Mr. Nilesh Shivji Vikamsey), and others, alleging forgery and criminal conspiracy under the IPC, and certain offences under the CA 1956. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Limited*" on page 244 of this Information Memorandum.

b. *Civil proceedings against Mr. Venkataraman Rajamani in accordance with the Materiality Policy*

i.) A commercial suit dated February 07, 2017 was filed by Mr. Harish Thawani, a client of NSEL, before the Bombay High Court, against India Inforline Commodities Limited, its directors and directors of its group companies (namely, Mr. Kranti Sinha, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Purwar, Mr. Nilesh Vikamsey, Mr. Subbaraman Narayan, Mr. Chandran Ponnaiah, Ms. Geeta Mathur, Mr. Mohan Radhakrishnan, Mr. Narendra Jain, Mr. Aniruddha Dange and Mr. Chintan Modi), key personnel and employees, for alleged losses, refund of brokerage, warehouse charges, damages and legal costs. For further details, please see section titled "*Outstanding Litigation and Material Developments – Litigations involving Group Companies - India Infoline Commodities Limited*" on page 250 of this Information Memorandum.

3. *Tax proceedings involving our Promoters*

Nature of case	Number of cases	Amount involved (Rs.

		in lakhs)
Mr. Nirmal Bhanwarlal Jain		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Mr. Venkataraman Rajamani		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

4. *Litigation or legal action by any Ministry or Department of the Government of India or any statutory authority in the last five(5) years*

There is no litigation or legal action pending or taken by a ministry, department of the Government of India or statutory authority during the last five (5) years preceding the date of this Information Memorandum against our Promoters.

D. Outstanding litigation involving our Group Companies

1. ***India Infoline Limited ("IIL")***

a. Criminal proceedings against IIL

i.) A first information report dated February 02, 2008 was registered by Mr. Namo Jain against Mr. Arun Punia, Mr. Aman Chadda, as well as Mr. Nirmal Bhanwarlal Jain, director of IIL, at Lalkurti Police Station, Meerut, for the offence of, *inter alia*, cheating and criminal breach of trust by unauthorised trading in the account. The matter was investigated by the police and a charge sheet was filed before the Chief Judicial Magistrate, Meerut against all the persons named as the accused in the first information report. Subsequently, a writ petition was filed by Mr. Arun Punia, Mr. Aman Chadda and Mr. Nirmal Bhanwarlal Jain, before the Allahabad High Court, for quashing of the charge sheet. The Allahabad High Court directed them to file a discharge application before Chief Judicial Magistrate, Meerut. Accordingly, a discharge application dated June 25, 2014 was filed. The case is presently pending before Chief Judicial Magistrate, Meerut for hearing.

ii.) A complaint dated November 24, 2008 was filed by GHCL Employees Stock Option Trust ("**GHCL ESOP Trust**") before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi against IIL and its directors and the company secretary (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Kranti Sinha, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, Mr. Nilesh Shivji Vikamsey and Mr. Nimish Ramesh Mehta). The trustees of the GHCL ESOP Trust had opened a dematerialized account with IIL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, IIL informed the GHCL ESOP Trust of its outstanding debit of Rs. 10,48,00,000/- and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust **(a)** claimed that Rs. 10,48,00,000/- had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was Rs. 10,22,80,000/-; and **(b)** alleged that IIL instead of refunding the difference amount of Rs. 25,20,000/- asked the GHCL ESOP Trust to clear the debits of 5 companies, and on failing to do so, IIL sold 67,000 shares belonging to GHCL ESOP Trust illegally and without any authorization. A summons order dated September 27, 2008 was passed by the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi summoning IIL to face trial for the offences under the provisions of the Indian Penal Code, 1860 ("**IPC**"). IIL filed a petition in the Delhi High

Court on March 22, 2009 challenging the summons order. The Delhi High Court by its order dated December 14, 2009 quashed and set aside the complaint and the summons order as against all the directors and the company secretary. With respect to IIL, the order only allowed the charges of criminal breach of trust to continue. GHCL ESOP Trust filed an appeal in the Supreme Court against the order of the Delhi High Court on March 11, 2010 and the appeal is presently pending. As the Delhi High Court order was not stayed by the Supreme Court, GHCL ESOP Trust filed a special leave petition dated March 17, 2010 against IIL before the Supreme Court, along with an application for ex-parte stay requesting it to stay the operation of Delhi High Court's order dated December 14, 2009. By its order dated March 22, 2013, the Supreme Court confirmed the order of the Delhi High Court and held that no offence of cheating is made out against the directors and company secretary of the IIL and the matter is presently pending before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi against IIL.

iii.) A complaint dated December 06, 2010 was filed by Sadashiv Pandurang Mantri before the Kothrud Police Station, Pune against IIL and its employees alleging that it had bought and sold shares from his account, without any authorization. The final investigation report filed with the Judicial Magistrate Class I, Pune stated that the allegations were false and that intention to file the complaint was only to get a refund from IIL. The matter is presently pending before the Judicial Magistrate Class I, Pune. In the meantime, the complainant filed a complaint dated November 25, 2010 before the Chief Judicial Magistrate, Pune, against IIL, its then director Mr. Nirmal Bhanwarlal Jain and its employees under the provisions of IPC for cheating and forgery. Pursuant to the complaint, the Chief Judicial Magistrate, Pune, passed an order dated December 06, 2012 for issuance of process. IIL filed a revision application dated March 16, 2016 before the Sessions Court, Pune for quashing of the order passed by the Chief Judicial Magistrate, Pune. The Sessions Court, Pune passed an order dated August 29, 2016, quashing the complaint and set aside the order of the Chief Judicial Magistrate, Pune. The matter is presently pending before the Judicial Magistrate Class I, Pune for compliance of the order by the Chief Judicial Magistrate, Pune and passing the necessary order pursuant to the directions of the Sessions Court, Pune.

iv.) A complaint dated July 12, 2011 was filed by Ms. Sushama Agarwal before Chief Judicial Magistrate, Meerut, against IIL and its director (namely, Mr. Nirmal Bhanwarlal Jain) and its employees for the offence of, *inter alia*, unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the complaint, the Chief Judicial Magistrate, Meerut passed an order for issuance of process on July 25, 2011. IIL filed a petition before the Allahabad High Court on April 07, 2014 for quashing the order of Chief Judicial Magistrate, Meerut. The petition was admitted and the Allahabad High Court vide its order dated April 22, 2014 stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

v.) A first information report dated October 12, 2012 was registered by Mr. Mohinder Singh at the Moti Nagar Police Station, New Delhi against IIL, for unauthorised trading and cheating. The matter is presently pending at the investigation stage.

vi.) A complaint dated May 07, 2013 was filed by Mr. Gustad Ankelsaria before the Metropolitan Magistrate Court, Bandra, Mumbai against IIL, its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman

Rajamani) and others for the offence of, *inter alia*, unauthorised trading, cheating, criminal breach of trust etc. The Metropolitan Magistrate Court, Bandra, Mumbai passed an order for issuance of process. IIL filed a revision application before the Sessions Court, Mumbai against the order of issuance of process. The Sessions Court, Mumbai admitted the revision application and stayed the proceedings before the Metropolitan Magistrate Court, Bandra, Mumbai. The matter is presently pending before Sessions Court, Mumbai for hearing.

vii.) A complaint dated March 01, 2014 was filed by Mr. Abdul Rahim Siddiqui before Chief Judicial Magistrate, Muzzafarpur, Bihar, against IIL and its directors (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Kranti Sinha, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, and Mr. Nilesh Shivji Vikamsey), and others for the offence of, *inter alia*, alleging unauthorised trading, criminal breach of trust, cheating and forgery etc. The matter has not been listed for hearing.

viii.) A first information report dated March 19, 2014 was registered by Ms. Devender Mohan Singh Negi at the Moti Nagar Police Station, New Delhi, against IIL, for unauthorised trading and cheating, forgery and criminal breach of trust. The matter is presently pending at the investigation stage.

ix.) A first information report dated May 09, 2014 was registered by Mr. Prashant Vashistha at the Moti Nagar Police Station, New Delhi, against IIL for unauthorised trading and cheating, forgery and criminal breach of trust. The matter is presently pending at the investigation stage.

x.) A first information report dated May 20, 2014 was registered by Ms. Renu Jain at the Moti Nagar Police Station, New Delhi, against IIL for unauthorised trading and cheating, forgery and criminal breach of trust. The matter is presently pending at the investigation stage.

xi.) A complaint dated December 02, 2014 was filed by Mr. Arunava Patra before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against IIL, its directors (namely, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Kumar Purwar, and Mr. Nilesh Shivji Vikamsey), and others, alleging forgery and criminal conspiracy under the IPC, and certain offences under the CA 1956. Pursuant to the complaint, the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal passed an order for issuance of process on June 16, 2014. IIL filed a writ petition dated April 10, 2015 before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order dated June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The matter is presently pending before the Calcutta High Court for further hearing.

xii.) A complaint was filed by Ms. Seema Bulsara with the Economic Offence Wing (**"EOW**"), Mumbai, and the first information report was registered against Ms. Mukti Laheri and 'unknown officials' of IIL, alleging unauthorized trading. A charge sheet was filed by the EOW, Mumbai before the 19th Court, Esplanade, Mumbai against Ms. Mukti Laheri and Manish Kumar, an ex-employee of IIL. Further, a supplementary charge sheet was filed by EOW, Mumbai against IIL on April 17, 2015. The matter is presently pending before the 19th Court, Esplanade, Mumbai for hearing and for taking on record the supplementary charge sheet.

xiii.) A complaint dated December 03, 2012 was filed by Mr. Ranjit Makkuni before the Chief Metropolitan Magistrate Saket Court Complex, New Delhi against IIL alleging cheating, criminal breach of trust and unauthorized trading in his account. The Chief Metropolitan Magistrate Saket Court Complex, New Delhi passed an order on January 03, 2015 and dismissed the complaint. Subsequently, a criminal revision application dated June 15, 2017 was filed by Mr. Ranjit Makkuni before the Sessions Court, Saket, New Delhi, challenging the order January 03 2015. The matter is presently pending before Sessions Court, Saket, New Delhi, for hearing.

b. Criminal proceedings by IIL

i.) A complaint dated March 21, 2012 was filed by IIL before the Metropolitan Magistrate Court Dadar, Mumbai, against M/s. Ensemble Infrastructure Limited and its directors, alleging criminal breach of trust, cheating, and extortion. The matter is presently pending at arguments stage.

ii.) A complaint dated March 07, 2008 was filed by IIL before the Metropolitan Magistrate's Court, Tis Hazari, Delhi, against Mr. Kuldeep Singh and Mr. Surender Kumar, for the offence of, *inter alia*, theft and criminal conspiracy. The matter is presently pending for hearing.

iii.) A complaint dated October 10, 2008 was filed by IIL before the Magistrate Court, Borivali, Mumbai, against M/s Rana Furniture, for offences of, *inter alia*, extortion and criminal intimidation. An advance payment of Rs. 20,00,000/- was made to M/s Rana Furniture in relation to an assignment, however, it failed to complete the assigned work. The matter is presently pending for enquiry.

iv.) A complaint dated October 03, 2009 was filed by IIL before the Judicial Magistrate Court, Pune against Mr. Avinash Dixit, for offences of, *inter alia*, cheating, extortion, criminal breach of trust, forgery and common intention. The matter is presently pending for hearing.

v.) A complaint dated February 25, 2013 was filed by IIL before Chief Judicial Magistrate Court, Pune against IIL Mr. Devdutt Musale, a former employee of IIL, for, *inter alia*, the offences of criminal breach of trust, cheating and forgery. The matter is presently pending for evidence.

vi.) A complaint dated August 10, 2010 was filed by IIL before the District and Sessions Court, Hisar, against Mr. Tarun Malhotra for offence of, *inter alia*, cheating, criminal breach of trust and also for offence punishable under the provisions of the Information Technology Act, 2000. The matter is presently pending for hearing.

vii.) A complaint dated November 02, 2007 was filed by IIL before the Metropolitan Magistrate Court, Ahmedabad against Mr. Ragvendra Singh (former employee), Mr. Harsh Dinesh Kaushik (former employee) for offences of, *inter alia*, cheating and criminal breach of trust for carrying out unauthorized trading in a client account. The matter is presently pending for hearing.

viii.) A complaint was filed by IIL before Police Station PS Kotwali, Bharatpur, Rajasthan against Mr. Mukesh Kuntal for the offence of, *inter alia*, cheating, forgery and theft. Thereafter, as first information report was registered against Mr. Mukesh Kuntal. The matter is presently pending for investigation.

ix.) A complaint was filed by IIL before Civil Line Police Station, Amritsar against Mr. Pankaj Ohri for the offence of, *inter alia*, cheating, forgery and theft. Thereafter, a first information report registered against Mr. Pankaj Ohri. The matter is presently pending for investigation.

x.) A complaint dated March 27, 2012 was filed by IIL before Crime Branch (Central Intelligence Authority), Ambala against Mr. Luv Bhatia and Mr. Santosh Mugdil for the offence of, *inter alia*, cheating and forgery. Thereafter, a first information report was registered against Mr. Luv Bhatia and Mr. Santosh Mugdil. The matter is presently under investigation.

xi.) A complaint dated May 30, 2011 was filed by IIL before Gautam Buddha Nagar Police Station, Uttar Pradesh against Mr. Mohd. Tariq for the offence of cheating and forgery of documents. Thereafter, a first information report was registered against Mr. Mohd. Tariq. The matter is presently under investigation.

xii.) In ordinary course of business, IIL has initiated 15 proceedings against defaulting customers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques caused due to insufficiency of funds in the customers' account involving an amount of Rs. 33,02,00,000/-. The matters are pending before various courts at various stages of adjudication.

c. Civil proceedings against IIL in accordance with the Materiality Policy

i.) An arbitration application dated April 01, 2010 was filed by GHCL Employees Trust ("GHCL") before the NSE Arbitration Tribunal against IIL, alleging unauthorized sale of shares by IIL. The NSE Arbitration Tribunal partly passed an award dated September 17, 2013 in favour of GHCL stating that: (i) GHCL was entitled to an interest of Rs. 5,22,578/- and IIL was required to pay interest at the rate of 9% per annum from the date on which the arbitration started till the final payment is made. (ii) IIL must retrieve the 8,56,466 shares which were sold on the NSE, failing which it should pay Rs. 4,16,52,100.36/- to GHCL within 30 days of this award; and (iii) 4,66,273 shares of GHCL with IIL should be released to GHCL immediately or the present day value of the same i.e., Rs. 1,41,51,386/- should be paid to it. IIL filed an application dated March 13, 2014 at Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996, challenging aforesaid award. Simultaneously, GHCL filed an application dated March 20, 2014 before Delhi High Court, under Section 34 of the Arbitration and Conciliation Act, 1996, challenging aforesaid arbitration award. An application was filed by GHCL before Delhi High Court, against IIL under Section 9 of the Arbitration and Conciliation Act, 1996, seeking return of shares lying with in the demat account with IIL alongwith voting rights and dividend's on those shares. IIL released those shares to GHCL in compliance with the directions issued by the Delhi High Court. Further, GHCL again filed an application dated February 14, 2014 under Section 9 of the Arbitration and Conciliation Act, 1996 against NSE and IIL for release of the GHCL shares lying with NSE and also voting rights and dividend's on those shares as well. The GHCL shares were deposited by IIL with NSE in compliance with the award dated September 17, 2013 passed by NSE Arbitration Tribunal. The Delhi High Court clubbed the applications filed by both GHCL and IIL under Section 34 of the Arbitration and Conciliation Act, 1996. The Delhi High Court by an order dated January 28, 2015 directed the parties to file their respective written synopsis. The matters are presently pending before the Delhi High Court for final arguments. The claim is valued at approximately Rs. 5,63, 26, 064.40/- as

on the date of award i.e., September 17, 2013, alongwith 9% per annum interest from the date of award till the actual payment.

ii.) An arbitration application dated January 24, 2014 was filed by GHCL before the BSE Arbitration Tribunal against IIL, claiming a total of 7,23,456 shares of GHCL. The BSE Arbitration Tribunal rejected the application vide its award dated July 22 2014, on the grounds of the claim being beyond the limitation period. GHCL filed an appeal before the BSE Appellate Arbitration Panel on September 09, 2014. The BSE Appellate Arbitration Panel by its order dated March 07, 2015, set aside BSE Arbitration Tribunal's award and held that GHCL's claim was within the prescribed period of limitation and the matter was remanded back to the BSE Arbitration Tribunal to decide the matter afresh on merits. Aggrieved by the BSE Appellate Arbitration Award, IIL filed an application dated May 23, 2015 before the Delhi High Court, under Section 34 of the Arbitration and Conciliation Act, 1996, challenging the findings of the BSE Appellate Arbitration Panel. The Delhi High Court by its order dated May 27, 2015 stayed the operation of the award passed by the BSE Appellate Arbitration Panel. The matter is presently pending before the Delhi High Court for hearing. The claim relates to return of 7,23,458 GHCL shares.

iii.) An arbitration application was filed by Ensemble Infrastructure (India) Limited before a sole arbitrator against IIL, under the provisions of the Arbitration and Conciliation Act, 1996, alleging illegal termination of a civil contract dated June 02, 2008 claiming an amount of Rs. 3,50,00,000/- from IIL IIL filed a counter claim of about Rs, 72 Lakhs against Ensemble Infrastructure (India) Limited before the arbitrator. The arbitrator by its order dated May 21, 2015 directed IIL to pay Rs. 3,50,00,000/- along with 15% per annum interest to Ensemble Infrastructure (India) Limited and rejected the counter claim filed by IIL. Aggrieved by the award, IIL filed an application dated August 19, 2015 before Bombay High Court, under Section 34 of the Arbitration and Conciliation Act, 1996, challenging the arbitral award. The Bombay High Court admitted the application filed by IIL and the matter is presently pending before the Bombay High Court for hearing of the application for stay of execution of the arbitral award. The claim is valued at Rs. 3,50,00,00/- along with 15% per annum interest from the date of filing of the arbitration application till the actual payment.

iv.) A demand notice dated June 05, 2014 was received by IIL from the Rajasthan Stamp Office, demanding payment of stamp duty for the period commencing from September 2007 to March 2012, in relation to the trades carried out by IIL's clients residing in the state of Rajasthan. IIL, by reply dated June 21, 2014, stated that the stamp duty with respect to the trades was paid to state of Maharashtra as the central office of IIL is located in Mumbai and contract notes were issued to the clients from the Mumbai office. Aggrieved by the demand notice, IIL filed a writ petition before Rajasthan High Court on in April 25, 2015, requesting it to quash the demand notice. The matter has not been listed and is presently pending before the Rajasthan High Court.

v.) An arbitration application dated January 01, 2009 was filed by Mr. T.N.T. Rajsekhar before a private arbitration tribunal against IIL and claimed that IIL unilaterally terminated the lease agreement by way of a termination notice dated October 14, 2009 and demanded refund of security deposit and to take possession of the property immediately and also claimed huge dues and damages, *inter alia*, for the alleged damage caused to the property, the rent for the remaining lease period, non-payment of service tax on the

monthly rent being paid for the property. The matter is presently pending and the claim is valued at Rs. 3,38,60,000/-.

vi.) A suit dated July 04, 2005 was filed by Mr. Rameshchandra Mahavir Prasad before the Small Causes Court at Bandra, Mumbai against IIL in relation to a leave and licence agreement dated February 06, 2007, alleging that the same is valid and subsisting and demanded the arrears of compensation/ license fee from February 01, 2009 till January 14, 2012. IIL has filed written submissions and an affidavit of evidence denying all the allegations. The matter is pending before for hearing and the claim is valued at Rs. 1,37,61,591/-.

vii.) An arbitration application dated August 25, 2015 was filed by Central Business Services Limited ("**CBSL**") along with Jain Industrial & Commercial Services Private Limited ("**JICSL**") (collectively, "**Claimants**") before a private arbitration tribunal against IIL. A consolidated statement of claim for an amount of Rs. 26 crores along with interest thereon was filed before the arbitrator. A statement of defence was filed by IIL along with preliminary objections on the maintainability of the claim filed by JICSL and on the clubbing of claims filed by the Claimants. The arbitrator dismissed the preliminary objections filed by IIL. The Claimants filed a rejoinder and the affidavit of evidence. The matter is pending for the hearing and the claim is valued at approximately Rs. 26 crores.

d. Pending actions by statutory or regulatory authorities against IIL

i.) An enquiry notice dated May 02, 2017 was received by IIL from SEBI, based on inspection conducted by SEBI during the period January 30, 2014 to February 03, 2014 covering period from 2011 to 2014. In the enquiry notice, SEBI alleged non segregation between client's funds and IIL's funds and that client's bank account was not properly designated. IIL had applied for inspection of documents which were relied upon by SEBI in relation to issuance of the enquiry notice and is awaiting such documents from SEBI. Upon the receiving such documents, IIL will submit appropriate reply to SEBI and clarify. In the 3 years since the inspection, 3 reports have been issued by SEBI, which have been suitably replied to, highlighting the implementations and corrective measures that IIL had adopted and implemented.

ii.) A show cause notice dated July 13, 2017 was received by IIL from the adjudicating officer, SEBI, under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995, read with Section 15I of the SEBI Act, 1992. In the show cause notice, SEBI alleged non-compliance with the disclosure requirements as prescribed under Regulations 13(1), read with 13(5), of SEBI (Prohibition of Insider Trading) Regulations, 1992 read with Regulation 12 of the Insider Trading Regulations and Regulations 7(1) read with 7(2), of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 read with Regulation 35 of the Takeover Regulations, with respect to shares deposited by one of the client towards margin in the scrip of Shree Ashtavinayak Cine Vision Limited. A reply to the show cause notice is since submitted clarifying the matter.

iii.) A show cause notice dated August 10, 2017 was received by IIL from the adjudicating officer, SEBI, under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995, read with Section 15I of the SEBI Act, 1992, in the matter of dealing

of a client Vimala Kalantri in United Spirits. Inspection of documents relied upon by SEBI has been requested by IIL. Post the receipt of the same, appropriate reply will be submitted to SEBI clarifying the matter.

2. India Infoline Commodities Limited ("IICL")

a. Criminal proceedings against IICL

i.) A first information report dated September 30, 2013 was filed by Mr. Pankaj Saraf, an investor in NSEL, before MRA Marg Police Station Mumbai against NSEL and other brokers, including IICL, alleging criminal conspiracy, fraud and criminal breach of. Based on the complaint, the EOW, Mumbai, registered the first information report against NSEL and other brokers, including IICL. The matter is presently under investigation by the EOW, Mumbai. IICL had provided all the required details/ documents and also personally appeared before the authorities and clarified. In this connection, one of the director of IICL, Mr. Chintan Modi, was arrested by EOW in March, 2015 and was subsequently released on bail by MPID Court. The matter is under investigation.

ii.) A first information report dated October 24, 2010 was registered by Mr. Anil Kumar Tibrewal at Sunlight Colony, South East District, Delhi against IICL and its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani), for the offences of cheating, forgery and conspiracy. The matter is placed before Delhi District Court, Saket, New Delhi, and the police is presently investigating the matter.

iii.) A show cause notice dated January 06, 2017 was received by IICL from the Serious Fraud Investigation Office ("**SFIO**"), Mumbai, seeking various details and documents with respect to certain transaction which IICL carried out in NSEL detailed reply dated January 30, 2017 was submitted with the SFIO, along with all the supporting documents. Further, SFIO issued notices dated February 24, 2017 addressed to the directors of the IICL for personal appearance before Additional Director, SFIO. Mr. Chintan Modi, one of the directors of IICL, appeared and provided the requisite details, clarifications and documents as sought by the SFIO. The matter is presently pending before SFIO.

iv.) A summons was received by IICL from the Enforcement Directorate ("**ED**") in relation to the on-going probe in the NSEL's matter. The summons sought personal appearance of the directors of IICL on July 16, 2016 before ED. Mr. Prasanth Prabhakaran and Mr. Chintan Modi, director of IICL, appeared before the ED and provided the necessary explanations and details as sought by the ED. Further, ED sought additional details and documents from IICL and the same were duly submitted to the ED. The matter is presently pending before ED.

v.) A first information report dated July 07, 2015 was registered by Ms. Sumita Kalra at Moti Nagar Police Station, Delhi against IICL, for unauthorised trading, forgery and criminal breach of trust. The matter is presently being investigated by the police.

vi.) A first information report dated July 14, 2017 was registered by Mr. Dalip Kumar Garg at Vasant Vihar Police Station, Delhi against IICL, for unauthorised trading, cheating, forgery and criminal breach of trust. The matter is presently being investigated by the police.

b. Civil proceedings against IICL in accordance with the Materiality Policy

i.) A commercial suit dated February 07, 2017 was filed by Mr. Harish Thawani, a client of NSEL, before the Bombay High Court, against IICL, its directors and directors of its group companies (namely, Mr. Kranti Sinha, Mr. Nirmal Bhanwarlal Jain, Mr. Venkataraman Rajamani, Mr. Arun Purwar, Mr. Nilesh Vikamsey, Mr. Subbaraman Narayan, Mr. Chandran Ponnaiah, Ms. Geeta Mathur, Mr. Mohan Radhakrishnan, Mr. Narendra Jain, Mr. Aniruddha Dange and Mr. Chintan Modi), key personnel and employees, for alleged losses, refund of brokerage, warehouse charges, damages and legal costs. IICL submitted its written statement before the Bombay High Court and the matter is presently pending before the Bombay High Court for hearing. The claim is valued at Rs. 15,29,00,000/-

ii.) A demand notice dated June 05, 2014 was received by IICL from the Rajasthan Stamp Office, demanding payment of stamp duty for the period commencing from September 2007 to March 2012 in relation to the trades carried out by IICL's clients residing in the state of Rajasthan. IICL, by its reply dated June 21, 2015, stated that the stamp duty with respect to the trades was paid to state of Maharashtra until 2011, as the central office of IICL was located in Mumbai then. Subsequently, the central office was shifted to the state of Tamil Nadu wherein there is no stamp duty. Hence, the same was not levied to and collected from the client. The contract notes for this period were issued to the clients from the Mumbai and Chennai offices. Aggrieved by the demand notice, filed a writ petition dated December 30, 2015 before Rajasthan High Court, requesting it to quash the demand notice. The matter has not been listed and is presently pending.

c. Pending actions by statutory or regulatory authorities against IICL

i.) A show cause notice dated October 28, 2016 was received by IICL from Designated Authority, SEBI, under Regulation 25(1) of the SEBI (Intermediaries) Regulations, 2008 and SEBI (Stock Brokers and Sub Brokers) Regulations, 1992. A detailed report was submitted by IICL, along with supporting documents on November 25, 2016. Subsequently, IICL received a fresh show cause notice dated April 25, 2017, from Designated Authority, SEBI, along with a copy of the enquiry report, seeking IICL's reply and clarification. On the recommendation of Designated Authority, IICL has sought inspection of documents relied upon by SEBI and is consulting its lawyers and shall file a reply to the show cause notice dated April 25, 2017 after the completion of inspection. IICL will also clarify in the personal hearing in the due course.

3. India Infoline Finance Limited ("IIFL")

a. Criminal proceedings by IIFL

i.) In ordinary course of business, IIFL, in relation to its gold loan portfolio, has lodged 35 first information reports against its former employees for misappropriation of accounts and funds under the provisions of the IPC involving an amount of Rs. 11,00,00,000/. These matters are pending for further investigation by the concerned officer.

ii.) In ordinary course of business, IIFL, in relation to its gold loan portfolio, has lodged 7 first information reports against unknown person for robbery under the provisions of the IPC involving an amount of Rs. 21,00,00,000/-. These matters are pending for further investigation by the concerned officer.

iii.) In ordinary course of business, IIFL, in relation to its home loan portfolio, has lodged 2 first information reports against the borrowers for cheating under the provisions of the IPC involving an amount of Rs. 7,00,00,000/-. These matters are pending for further investigation by the concerned officer.

iv.) In ordinary course of business, IIFL has initiated 11,202 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques caused due to insufficiency of funds in the customers' account involving an amount of Rs. 170,00,00,000/-. The matters are pending before various courts at various stages of adjudication.

v.) A complaint was filed by Mr Praveen before Cubbon Park Police Station, Bangalore against certain third parties suspected to be involved in the unauthorised sale and auction of gold jewels, who were in no way connected with IIFL. However, a storage room, containing 63 kg of gold at the Bangalore gold loan office of IIFL, was sealed by the police on September 06, 2014 in connection with the investigation of the matter. Aggrieved by the seizure order, IIFL filed a writ petition dated September 30, 2014 before the Karnataka High Court requesting it to direct the police to release the gold. During the pendency of the writ petition, the police vide its letter dated January 05, 2015 addressed to IIFL, permitted the auction of the gold, after following due process as prescribed by the regulators, and under the supervision of the investigating officer. The gold has subsequently been auctioned. The writ petition is presently pending before the Karnataka High Court of Karnataka.

vi.) A complaint was filed by Ms. M.B. Shashi Kala (the complainant) before Maddur Police Station, Bangalore, against Maddur Agro Cooperative Society Limited alleging that jewels belonging to her, which are pledged with Maddur Agro Cooperative Society Limited, were further pledged, without her knowledge or consent, by one Mr. Santhosh, through his agents with other NBFCs, including IIFL, for higher amounts in the name of various persons against certain credit facilities. Based on this complaint, the first information report was registered against Maddur Agro Cooperative Society Limited and its officials. By a letter dated March 19, 2013, the deputy superintendent of police, Mandya, directed IIFL to hand over the gold ornaments/ jewels to the police or in the alternative produce the same before the concerned court, when called upon to do so. Subsequently, the matter was transferred to EOW, Bangalore, which, vide a notice dated July 02, 2014, directed IIFL to produce the gold ornaments /jewels in question within a period of 3 days. Aggrieved by this notice, IIFL filed a writ petition dated July 14, 2014 before the Karnataka High Court requesting it to restrain the police from taking any coercive action, including possible seizure of the gold ornaments /jewels in question. The Karnataka High Court vide its order dated July 21, 2014 admitted the writ petition and granted a stay of operation of the EOW, Bangalore's notice dated July 02, 2014. The EOW, Bangalore has submitted its statement of objections in response to the writ petition on March 09, 2016. While the Karnataka High Court's order dated July 21, 2014 was in force, the EOW, Bangalore intervened in the matter and directed IIFL to release the gold ornaments/ jewels to the original owners against the payment of principal amount. Accordingly, IIFL has settled most of the accounts and the remaining will be settled once the original owners of the remaining gold ornaments/ jewels are traced. Presently, the Writ Petition is pending before the Karnataka High Court.

b. Civil proceedings against IIFL in accordance with the Materiality Policy

i.) An application dated January 13, 2017 was filed by M/s Jaipuria Buildcon ("**Borrower**") filed before the Debts Recovery Tribunal, at Delhi ("**DRT**") against IIFL seeking that the demand notice dated August 25, 2016 and the possession notice dated January 20, 2017, issued by IIFL be declared null and void. IIFL had issued the possession notice in accordance with the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**"), for the possession and sale of the property mortgaged by Borrower, due to non-repayment of Rs. 11,06,08,682/- in relation to a loan availed by Borrower. IIFL is contesting the matter and the matter is presently pending before the DRT.

ii.) An application dated February 07, 2017 was filed by M/s HG Retail ("**Borrower**") before the Debts Recovery Tribunal, at Chandigarh ("**DRT**") against IIFL seeking that the demand notice dated August 25, 2016 and the possession notice dated March 09, 2017, issued by IIFL be declared null and void. IIFL had issued the possession notice in accordance with the provisions of the SARFAESI Act, for the possession and sale of the property mortgaged by Borrower, due to non-repayment of Rs. 4,56,30,054/- in relation to a loan availed by Borrower. IIFL is contesting the matter and the matter is presently pending before the DRT.

iii.) An application dated March 14, 2017 was filed by M/s NM Roof Designers Ltd. ("**Borrower**") the Debts Recovery Tribunal, at Pune ("**DRT**") against IIFL seeking that the demand notice dated August 29, 2016 and the possession notice dated April 25, 2017, issued by IIFL be declared null and void. IIFL had issued the possession notice in accordance with the provisions of the SARFAESI Act, for the possession and sale of the property mortgaged by Borrower, due to non-repayment of Rs. 6,43,87,352/- in relation to a loan availed by Borrower. IIFL is contesting the matter and the matter is presently pending before the DRT.

iv.) An application dated July 05, 2017 was filed by Mr. Shailendra Singh ("**Borrower**") before the Debts Recovery Tribunal, at Dehradun ("**DRT**") against IIFL seeking that the demand notice dated September 02, 2016 and the possession notice dated June 21, 2017 issued by IIFL be declared null and void. IIFL had issued the possession notice in accordance with the provisions of the SARFAESI Act, for the possession and sale of the property mortgaged by Borrower, due to non-repayment of Rs. 1,68,24,868/- in relation to a loan availed by Borrower. IIFL is contesting the matter and the matter is presently pending before the DRT.

v.) An application dated February 23, 2017 was filed by M/s Krishidhan Vegitable Seeds India Pvt Ltd. ("**Borrower**") filed an application before the Debts Recovery Tribunal, at Pune ("**DRT**") against IIFL seeking that the proceedings initiated by IIFL under the SARFAESI Act be declared null and void. IIFL had issued a notice to the Borrower under Section 13(2) of the SARFAESI Act on September 01, 2016 and also filed an application dated February 09, 2017 under Section 14 of the SARFAESI Act for physical possession with the help of police protection which is still pending for order. IIFL had initiated the proceedings in accordance with the provisions of the SARFAESI Act, for the possession and sale of the property mortgaged by Borrower, due to non-repayment of Rs. 1,49,67,649/- in relation to a loan availed by Borrower. IIFL is contesting the matter and the matter is presently pending before the DRT.

c. Civil proceedings by IIFL in accordance with the Materiality Policy

i.) An arbitration proceeding was initiated by IIFL on April 20, 2010 before sole arbitrator at Bangalore, against M/s E Cosmos India Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,50,00,000/- towards mortgage loan facility and for recovery of the same. The matter is presently pending for adjudication.

ii.) An arbitration proceeding was initiated by IIFL on January 02, 2014 before a sole arbitrator at Nagpur, against M/s Linkson Coal And Minerals Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,27,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

iii.) An arbitration proceeding was initiated by IIFL on April 12, 2014 before a sole arbitrator at Nagpur, against Mr. Vinod Kanhaiyalal Mandhana under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,29,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

iv.) An arbitration proceeding was initiated by IIFL on February 11, 2015 before a sole arbitrator at Mumbai, against M/s Sambhav Enterprise and others under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,33,00,000/- towards mortgage loan facility and for recovery of the same. The matter is presently pending for adjudication.

v.) An arbitration proceeding was initiated by IIFL on February 16, 2015 before a sole arbitrator at Ludhiana, against Mr. Rana Chawla under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,16,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

vi.) An arbitration proceeding was initiated by IIFL on February 16, 2015 before a sole arbitrator at Mumbai, against Mr. Rajarajan K under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,25,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

vii.) An arbitration proceeding was initiated by IIFL on April 15, 2015 before a sole arbitrator at Mumbai, against M/s Green Peace Constructions Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,48,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

viii.) An arbitration proceeding was initiated by IIFL on August 17, 2015 before a sole arbitrator at New Delhi, against Mr. Balbir Singh Kamboj under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,01,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

ix.) An arbitration proceeding was initiated by IIFL on September 14, 2015 before a sole arbitrator at New Delhi, against Mr. Lalit Garg under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,53,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

x.) An arbitration proceeding was initiated by IIFL on October 26, 2015 before a sole arbitrator at New Delhi, against M/s Shree Radhey Shyam Cement Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,20,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xi.) An arbitration proceeding was initiated by IIFL on October 26, 2015 before a sole arbitrator at New Delhi, against M/s Agritech Engineering Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,29,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xii.) An arbitration proceeding was initiated by IIFL on October 27, 2015 before a sole arbitrator at Mumbai, against M/s Krishidhan Vegetable Seeds India Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,15,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication. In addition, IIFL has also initiated the proceedings against the Borrower under provisions of the SARFAESI Act.

xiii.) An arbitration proceeding was initiated by IIFL on October 27, 2015 before a sole arbitrator at Mumbai, against Mr. Dilip Shrikrishna under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,07,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xiv.) An arbitration proceeding was initiated by IIFL on October 27, 2015 before a sole arbitrator at New Delhi, against Karshni Realtors India Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs, 1,74,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xv.) An arbitration proceeding was initiated by IIFL on November 06, 2015 before a sole arbitrator at New Delhi, against Mr. Kaushal Kumar under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,49,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xvi.) An arbitration proceeding was initiated by IIFL on November 23, 2015 before a sole arbitrator at Ludhiana, against Mr. Ashwani Kumar Chopra under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,99,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xvii.) An arbitration proceeding was initiated by IIFL on December 16, 2015 before a sole arbitrator at Mumbai, against Mr. Santosh Bipinbhai Shah under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,89,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xviii.) An arbitration proceeding was initiated by IIFL on December 17, 2015 before a sole arbitrator at Mumbai, against Rojee Tasha Stampings Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,83,00,000/- towards home loan facility

and for recovery of the same. The matter is presently pending for adjudication.

xix.) An arbitration proceeding was initiated by IIFL on January 07, 2016 before a sole arbitrator at Mumbai, against M/s Makwana Brothers under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,56,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xx.) An arbitration proceeding was initiated by IIFL on January 07, 2016 before a sole arbitrator at Mumbai, against Mr. Pannalal Shivratan Bagdia under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,68,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxi.) An arbitration proceeding was initiated by IIFL on February 23, 2016 before a sole arbitrator at New Delhi, against M/s Mrg Auto Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 8,47,00,000/- towards mortgage loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxii.) An arbitration proceeding was initiated by IIFL on February 29, 2016 before a sole arbitrator at Mumbai, against M/s Vasan Health Care Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 7,56,00,000/- towards healthcare finance loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxiii.) An arbitration proceeding was initiated by IIFL on March 01, 2016 before a sole arbitrator at New Delhi, against M/s Jupiter Automobiles under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,27,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxiv.) An arbitration proceeding was initiated by IIFL on April 05, 2016 before a sole arbitrator at Mumbai, against Mr. Nirav Pravinkumar Shah under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 5,88,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxv.) An arbitration proceeding was initiated by IIFL on May 16, 2016 before a sole arbitrator at Mumbai, against M/s Bhor Engineering Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 5,57,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxvi.) An arbitration proceeding was initiated by IIFL on May 18, 2016 before a sole arbitrator at New Delhi, against M/s Gold Field Shiksha Sanstha under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 6,59,00,000/- towards healthcare finance loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxvii.) An arbitration proceeding was initiated by IIFL on May 30, 2016 before a sole arbitrator at New Delhi, against Mr. Rajendra Soni under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,63,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxviii.) An arbitration proceeding was initiated by IIFL on May 30, 2016 before a sole arbitrator at New Delhi, against Mr. Brijendra Kumar Jain under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,51,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxix.) An arbitration proceeding was initiated by IIFL on May 30, 2016 before a sole arbitrator at New Delhi, against M/s Chairman Fashions Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 4,15,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxx.) An arbitration proceeding was initiated by IIFL on June 03, 2016 before a sole arbitrator at New Delhi, against M/s Bhilai Scan and Research Limited under the under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,31,00,000/- towards healthcare finance loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxi.) An arbitration proceeding was initiated by IIFL on June 22, 2016 before a sole arbitrator at New Delhi, against M/s Jawala Steel Corporation under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,08,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxii.) An arbitration proceeding was initiated by IIFL on June 22, 2016 before a sole arbitrator at New Delhi, against M/s Shree Sai under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,71,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxiii.) An arbitration proceeding was initiated by IIFL on June 22, 2016 before a sole arbitrator at New Delhi, against Mr. Yashpal Singh Aulakh under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,20,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxiv.) An arbitration proceeding was initiated by IIFL on June 22, 2016 before a sole arbitrator at New Delhi, against Mr. Vishal Bansal under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,33,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxv.) An arbitration proceeding was initiated by IIFL on June 22, 2016 before a sole arbitrator at New Delhi, against Mr. Vishal Bansal under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,89,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxvi.) An arbitration proceeding was initiated by IIFL on July 07, 2016 before a sole arbitrator at Mumbai, against Mr. Bharat Shankarlal Shah under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 4,04,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxvii.) An arbitration proceeding was initiated by IIFL on July 07, 2016 before a sole arbitrator at Mumbai, against Ms. Suchita Samir under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,56,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxviii.) An arbitration proceeding was initiated by IIFL on July 07, 2016 before a sole arbitrator at Mumbai, against Kiran Anil Kursija under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,58,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xxxix.) An arbitration proceeding was initiated by IIFL on July 22, 2016 before a sole arbitrator at New Delhi, against Mr. Suhas Sankpal under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,58,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xl.) An arbitration proceeding was initiated by IIFL on July 22, 2016 before a sole arbitrator at New Delhi, against Mr. Suhas Sankpal under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,22,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xli.) An arbitration proceeding was initiated by IIFL on July 22, 2016 before a sole arbitrator at New Delhi, against M/s Blue Prime Aluminium Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,67,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xlii.) An arbitration proceeding was initiated by IIFL on July 22, 2016 before a sole arbitrator at New Delhi, against Mr. Lalit Kumar Chaurasia under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,21,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xliii.) An arbitration proceeding was initiated by IIFL on September 17, 2016 before a sole arbitrator at New Delhi, against Mr. Furquan Mohd. under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,09,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xliv.) An arbitration proceeding was initiated by IIFL on September 17, 2016 before a sole arbitrator at New Delhi, against Mr. Sanjeev Goyal under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,06,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xlv.) An arbitration proceeding was initiated by IIFL on September 17, 2016 before a sole arbitrator at New Delhi, against Mr. Mohd. Yusuf Beylim under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,87,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xlvi.) An arbitration proceeding was initiated by IIFL on September 17, 2016 before a sole arbitrator at New Delhi, against Mr. Gulshan Kumar Makker under the provisions of the Arbitration and Conciliation Act, 1996, due to

default in repayment Rs. 1,19,00,000./- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xlvii.) An arbitration proceeding was initiated by IIFL on October 01, 2016 before a sole arbitrator at New Delhi, against M/s Silver Lace Constructions Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 17,32,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xlviii.) An arbitration proceeding was initiated by IIFL on October 01, 2016 before a sole arbitrator at New Delhi, against Mr. Rizwan Khan under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,26,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

xlix.) An arbitration proceeding was initiated by IIFL on October 01, 2016, before a sole arbitrator at New Delhi, against M/s Ankur Energy Resources Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment for Rs. 53,38,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

l.) An arbitration proceeding was initiated by IIFL on October 01, 2016 before a sole arbitrator at New Delhi, against M/s Vicon Wheels India Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 3,38,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

li.) An arbitration proceeding was initiated by IIFL on October 04, 2016 before a sole arbitrator at New Delhi, against Mr. Quasim Ali Khan under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 2,22,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

lii.) An arbitration proceeding was initiated by IIFL on October 05, 2016, before a sole arbitrator at New Delhi, against Ms. Anju Jain under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,30,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending for adjudication.

liii.) An arbitration proceeding was initiated by IIFL on February 22, 2017 before a sole arbitrator at Mumbai, against M/s T M Technique and Confort India Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,33,00,000/- towards healthcare finance loan facility and for recovery of the same. The matter is presently pending for adjudication.

liv.) An arbitration proceeding was initiated by IIFL on March 20, 2017, before a sole arbitrator at New Delhi, against M/s Innovative Life Discoveries Private Limited under the provisions of the Arbitration and Conciliation Act, 1996, due to default in repayment of Rs. 1,19,00,000/- towards healthcare finance loan facility and for recovery of the same. The matter is presently pending for adjudication.

lv.) An execution proceeding was initiated by IIFL on August 20, 2015 before the District Court, Jaipur to execute the award passed by the sole arbitrator

at Jaipur under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Vijay Singh Kulhari, due to default in repayment of Rs. 1,15,00,000/- towards mortgage loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lvi.) An execution proceeding was initiated by IIFL on November 02, 2015 before the District and Sessions Court, Jabalpur to execute the award passed by the sole arbitrator at Jabalpur under the provisions of the Arbitration and Conciliation Act, 1996 against Ms. Nivedita Dubey, due to default in repayment of Rs. 1,43,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lvii.) An execution proceeding was initiated by IIFL on December 28, 2015 before the Mumbai High Court to execute the award passed by the sole arbitrator at Mumbai under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Haresh Hansraj Shah, due to default in repayment of Rs. 1,12,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lviii.) An execution proceeding was initiated by IIFL on February 22, 2016 before the District and Sessions Court, Indore to execute the award passed by the sole arbitrator at Jabalpur under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Jakir Khan, due to default in repayment of Rs. 1,54,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lix.) An execution proceeding was initiated by IIFL on April 02, 2016 before the District and Sessions Court, Ahmedabad Jabalpur to execute the award passed by the sole arbitrator at Delhi under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Harsh Jitendrkumar Shah, Mr. Jitendrakumar Manshuklal Shah and Ms. Jyotiben Jitendrakumar Shah, due to default in repayment of Rs. 1,60,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lx.) An execution proceeding was initiated by IIFL on July 11, 2016 before the District and Sessions Court, Nagpur to execute the award passed by the sole arbitrator at Nagpur under the provisions of the Arbitration and Conciliation Act, 1996 against M/s Field Spares Sales and Services, due to default in repayment of Rs. 7,69,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxi.) An execution proceeding was initiated by IIFL on July 11, 2016 before the District and Sessions Court, Nagpur to execute the award passed by the sole arbitrator at Nagpur under the provisions of the Arbitration and Conciliation Act, 1996 against M/s Field Spares Sales and Services, due to default in repayment of Rs. 3,21,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxii.) An execution proceeding was initiated by IIFL on July 11, 2016 before the District and Sessions Court, Vizag to execute the award passed by the sole arbitrator at New Delhi under the provisions of the Arbitration and Conciliation Act, 1996 against M/s Holly Offshore Logistics Limited, due to default in repayment Rs. 1,20,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxiii.) An execution proceeding was initiated by IIFL on July 26, 2016 before the District Court, Kolhapur to execute the award passed by the sole arbitrator at New Delhi under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Atul Vishwasrao Salunkhe, due to default in repayment of Rs. 1,03,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxiv.) An execution proceeding was initiated by IIFL on August 04, 2016, before the Mumbai High Court, to execute the award passed by the sole arbitrator at Mumbai under the provisions of the Arbitration and Conciliation Act, 1996 against Ms. Vanita Luthra, due to default in repayment of Rs. 1,31,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxv.) An execution proceeding was initiated by IIFL on August 16, 2016, before the District Court, Ahmednagar, Jabalpur, to execute the award passed by the sole arbitrator at Mumbai under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Mukund Digambar Mulay, due to default in repayment of Rs. 1,63,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxvi.) An execution proceeding was initiated by IIFL on August 24, 2016 before the District and Sessions Court, Ludhiana, to execute the award passed by the sole arbitrator at Ludhiana under the provisions of the Arbitration and Conciliation Act, 1996 against Mr. Paramjit Singh (Sahib Synthetics), due to default in repayment of Rs. 2,54,00,000/- towards mortgage loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

lxvii.) An execution proceeding was initiated by IIFL on February 06, 2017 before the Mumbai High Court, Mumbai to execute the award passed by the sole arbitrator at Mumbai under the provisions of the Arbitration and Conciliation Act, 1996 against Thakare Multitherapy Hospital Private Limited, due to default in repayment of Rs. 2,82,00,000/- towards home loan facility and for recovery of the same. The matter is presently pending before the court for hearing.

4. IIFL Management Services Limited ("IMSL")

a. Criminal proceedings against IMSL

i.) A complaint dated May 07, 2013 was filed by Ms. Gauari Manjunath Joniya before Chief Judicial Magistrate, Nagpur, against IMSL and its directors (namely, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani), for offence of, *inter alia*, cheating, forgery, criminal breach of trust and misuse of her insurance license. The Chief Judicial Magistrate, Nagpur passed an order of issuance of process on January 31, 2014. Aggrieved by the order of the Chief Judicial Magistrate, Nagpur, IMSL filed a revision application before the Sessions Court, Nagpur on April 04, 2014 for quashing and setting aside the order of issuance of process. The Sessions Court, Nagpur vide its order dated June 06, 2014 admitted the revision application and stayed the proceedings before the Chief Judicial Magistrate, Nagpur. The case is presently pending before the Sessions Court, Nagpur for hearing.

5. India Infoline Housing Finance Limited ("IIHFL")

a. Criminal proceedings against IIHFL

i.) A first information report dated November 16, 2015 was registered by Mr. Ramesh Janjani at the Adarsh Nagar Ajmer Police Station against the employees of IIHFL for the offence of, *inter alia*, cheating and criminal breach of trust. The matter is presently pending at the investigation stage.

b. Criminal proceedings by IIHFL

i.) In ordinary course of business, IIHFL has initiated 3,815 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of Payment and Settlement System Act, 2007, for dishonour of cheques/ electronic clearance service/ automated clearing house caused due to insufficiency of funds in the customers' account and for certain other reasons, involving an amount of Rs. 31,53,78597.7/-. The matters are pending before various courts at various stages of adjudication.

ii.) In ordinary course of business, IIHFL, in relation to its mortgage loan portfolio, has lodged 5 first information reports against the borrowers for offences of, inter alia, cheating and criminal breach of trust under the provisions of the IPC involving an amount of Rs. 6,19,00,000/-. The matters are presently pending before various police stations at various stages of investigation.

iii.) A first information report dated April 06, 2016 was registered by IIHFL before Ashok Nagar Police Station, Bangalore, against Mr. Tanveer Pasha and other co-borrowers at for the offence of, inter alia, cheating and criminal breach of trust. It was alleged that Mr. Tanveer Pasha and other co-borrowers had conspired with the builders to cause a loss to IIHFL by way of wrongfully inducing IIHFL to disburse loan in their favour. The amount involved in the matter is Rs. 1,13,00,000/-. The matter is presently pending at the investigation stage.

iv.) A first information report dated November 16, 2015 was registered by IIHFL before Vidhayak Puri Police Station, Jaipur, against Mr. Uttam Kr. Asrani and other co-borrowers for the offence of, inter alia, cheating, forgery and criminal breach of trust. It was alleged Mr. Uttam Kr. Asrani and other co-borrowers had conspired with each other to cause a loss to IIHFL by selling the property mortgaged in favour of IIHFL without obtaining IIHFL's prior written permission. The matter is presently pending at the investigation stage.

v.) A first information report dated September 10, 2015 was registered by IIHFL at Vidhayak Puri, Police Station, Jaipur against Mr. Prem Chand Sharma and other co-borrowers for the offence of, inter alia, cheating and criminal breach of trust. It was alleged that Mr. Prem Chand Sharma and other co-borrowers conspired with each other to cause a loss to IIHFL by transferring the title and possession of the mortgage property to third parties despite the subsistence of an existing mortgage on the property in favour of IIHFL. The matter is presently pending at the investigation stage.

vi.) A first information report dated February 15, 2017 was registered by IIHFL at Navrangpura Police Station, Ahmedabad, against Mr. Mihir Desai and other co-borrowers for the offence of, inter alia, cheating and criminal breach of trust. It was alleged that Mr. Mihir Desai and other co-borrowers conspired with each other to cause a loss to IIHFL by creating a subsequent mortgage and transfer of title and possession of the mortgage property to third parties despite an existing mortgage on the property subsisting in favour of IIHFL. The matter is presently pending at investigation stage.

vii.) A first information report dated November 08, 2016 was registered by IIHFL at Kalyan Police Station, District Thane, Mumbai against Mr. Anand Rajaram Yadav and other co-borrowers for the offence of, inter alia, cheating and criminal breach of trust. It was alleged that Mr. Anand Rajaram Yadav and other co-borrowers had conspired with each other to cause a loss to IIHFL by raising funds on the same property from different lenders multiple times. The matter is presently pending at the investigation stage.

6. Ayusha Dairy Private Limited ("ADPL")

a. Criminal proceedings by ADPL

i.) A complaint dated December 11, 2013 was filed by ADPL before the Judicial Magistrate, Coimbatore against Sabari Dairy Private Limited ("**Sabri**") under the Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheques caused due to insufficiency of funds involving Rs. 25 lakhs. The Judicial Magistrate, Coimbatore directed the case to be transferred to Judicial Magistrate, Udumalpet, as the cheques which were dishonored were initially presented at Udumalpet. The parties mutually agreed that Sabari will pay Rs. 23 lakhs to ADPL, however ADPL has only received Rs.10.85 lakh till date. The matter is presently pending before the Judicial Magistrate, Udumalpet for hearing.

7. Tax proceedings involving our Group Companies

Nature of case	Number of cases	Amount involved (Rs. in lakhs)
IIFL Holdings Limited		
Direct tax	5	2227.96
Indirect tax	2	583.50
India Infoline Finance Limited		
Direct tax	3	552.07
Indirect tax	Nil	Nil
India Infoline Housing Finance Limited		
Direct tax	1	14.61
Indirect tax	Nil	Nil
IIFL Facilities Services Limited		
Direct tax	Nil	Nil
Indirect tax	1	24.98
India Infoline Commodities Limited		
Direct tax	Nil	Nil
Indirect tax	1	61.93

E. Material Developments

For details of material developments, please see the section titled "*Management Discussion and Analysis of Financial Condition and Results of Operations*" on 216 of this Information Memorandum.

6.2 GOVERNMENT AND OTHER APPROVALS

With the effect from the Appointed date and upon the Scheme of Arrangement becoming effective, any statutory licenses, permissions or approvals or consents, trademark, logo, domain name held by IIFL Holdings Limited required to carry on operations in the 5paisa Digital Undertaking shall stand vested in or transferred to our Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of our Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to our Company pursuant to the Scheme of Arrangement.

Our Company has received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities:

A. Corporate approvals

1. Certificate of incorporation dated July 10, 2007 issued by ROC, in the name of India Infoline Finance Holdings Limited.

2. Certificate of commencement of business dated July 19, 2007 issued by ROC.

3. Fresh certificate of incorporation dated November 06, 2007 issued by ROC, consequent upon change of name to IIFL Capital Limited.

4. Fresh certificate of incorporation dated August 12, 2015 issued by Registrar of Companies, Tamil Nadu at Chennai, consequent upon change of name to 5paisa Capital Limited.

5. Our Company's corporate identify number is U67190MH2007PLC289249.

6. Permanent account number of our Company issued by the Income Tax Department, Government of India is AABCI7142M.

7. Tax deduction account number of our Company issued by the Income Tax Department, Government of India is MUMI07962D.

8. A state-wise break down of the GST registration number of our Company is as follows:

Sr. No	State	GSTIN
1.	Haryana	06AABCI7142M1ZF
2.	Karnataka	29AABCI7142M1Z7.
3.	Maharashtra	27AABCI7142M1ZB

9. We require registrations for our offices and branches located across India, under the applicable shops and establishments laws in the relevant states where we operate.

10. We have obtained registration from Employee Provident Fund Organization, Regional Office, Mumbai under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and have been allotted MH/BAN/145586/000/ registration number.

11. We have obtained registration from Employees' State Insurance Corporation, Sub-Regional Office, Thane under the provisions of Employees' State Insurance Act, 1948 and have been allotted 34000339390000999 registration number.

B. **Business related registrations:** Our Company has obtained the following material licenses in relation to its business operations:

Sr. No.	Issuing authority	Date of registration	License/ approval number	Purpose	Validity
1.	SEBI	September 30, 2015	INZ000010231	To undertake the activities relating to a stock broker	Permanent
2.	SEBI	January 18, 2016	INDP1922016	To undertake the activities relating to a depository participant	January 17 2021
3.	AMFI	July 30, 2015	ARN 104096	To undertake the activities relating to a mutual fund distributor	July 29 2018
4.	SEBI	March 26, 2015	INH000000248	To undertake the activities relating to a research analyst	Permanent

C. Pending approval

1. *Approvals for which applications have been made:*

   As on date of this Information Memorandum, no applications have been made by our Company for any approval.

2. *Approvals which have been expired and renewal applications have been made:*

   As on date of this Information Memorandum, none of our approvals have expired and hence no application for renewal has been made by our Company.

D. Intellectual property rights

For details in relation to the intellectual property which are transferred and vested in our Company pursuant to the Scheme of Arrangement, see "*Our Business - Intellectual Property*" on page 79 of this Information Memorandum.

6.3 OTHER REGULATORY AND STATUOTRY DISCLOSURES

Authority for listing

The NCLT, through its order dated September 06, 2017, sanctioned the Scheme of Arrangement between IIFL Holdings Limited and 5paisa Capital Limited and their respective shareholders. Pursuant to the Scheme of Arrangement, the whole of the undertaking and assets and properties of the 5paisa Digital Undertaking of the Demerged Company has been transferred to and vested with our Company on with effective from the Effective Date i.e., September 30, 2017 in accordance with the provisions under Section 230 to 232 of the CA 2013. For more details regarding the Scheme of Arrangement, please refer the section titled "*Scheme of Arrangement*' at page no 44 of this Information Memorandum.

In accordance with the Scheme of Arrangement, the Equity Shares of our Company issued pursuant to the Scheme of the Arrangement shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of the listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by our Company seeking listing.

Eligibility criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter III and IV of the ICDR Regulations are not applicable. Pursuant to SEBI circular dated November 30, 2015, bearing reference no. CIR/CFD/CMD/16/2015, our Company had applied for an exemption from strict enforcement of provisions of Regulation 19(2)(b) of the SCRR. SEBI through its letter dated November 06, 2017, bearing reference no. CFD/DIL-1/27233/2017, granted relaxation to our Company from the applicability of Regulation 19(2)(b) of the SCRR subject to the following conditions being complied with by our Company:

a) SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017;

b) There is no variance or deviation from conditions of the scheme sanctioned by the NCLT;

c) There is no change in the information/ facts submitted in the application till the date of listing of the shares of the company.

The Company has submitted this Information Memorandum to BSE and NSE. The Information Memorandum will also be made available on the website of BSE, www.bseindia.com and NSE, www.nseindia.com and our Company's website, www.5paisa.com.

Before commencement of trading, our Company will publish an advertisement in one English and one Hindi newspaper with nationwide circulation and one regional newspaper with wide circulation at the place where the registered office of the Company is located, containing details in accordance with the requirements set out in the SEBI circular dated November 30, 2015, bearing reference no CIR/CFD/CMD/16/2015. The advertisement will draw a specific reference to the availability of the Information Memorandum.

Prohibition by SEBI

Our Company, our Directors, our Promoters, other companies promoted by our Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Identification as wilful defaulter

Our Company, its Promoters or Directors have not been categorized as wilful defaulters by any bank or financial institution or a consortium thereof, in accordance with the guidelines on wilful defaulter

issued by RBI.

Disclaimer of BSE

A copy of Information Memorandum was submitted to BSE on October 25, 2017.

A copy of this Information Memorandum has been submitted to BSE.

The BSE had through its letter dated February 27, 2017 given its "no objection" in accordance with the provisions of the Listing Regulation and by virtue of that no-objection, BSE's name in the Information Memorandum has been used as one of the Stock Exchanges on which our Company's securities are proposes to be listed.

Disclaimer of NSE

A copy of this Draft Information Memorandum will be submitted to NSE on October 25, 2017.

A copy of this Information Memorandum has been submitted to NSE.

The NSE had through its letter dated March 02, 2017 given its "no objection" in accordance with the provisions of the Listing Regulation and by virtue of that no-objection, NSE's name in the Information Memorandum has been used as one of the Stock Exchanges on which our Company's securities are proposes to be listed.

General disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in relation to this Scheme of Arrangement, in accordance with the SEBI circular dated November 30, 2015, bearing reference no. CIR/CFD/CMD/16/2015, or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information will be made available for a section of the investors, in any manner.

Listing

An application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. The Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

Listing approval from BSE and NSE

Our Company has received an in-principle approved listing of 1,27,39,022 Equity Shares from BSE vide letter dated November 07, 2017, bearing reference no. DCS/AMAL/AC/IP/973/2017-18.

Our Company has received an in-principle approved listing of 1,27,39,022 Equity Shares from NSE vide letter dated October 30, 2017, bearing reference no. NSE/LIST/23934.

Filing

The Draft Information Memorandum had been filed with BSE and NSE.

This Information Memorandum has been filed with BSE and NSE.

Demat credit

Our Company has executed a tripartite agreement with the depositories i.e., NDSL and CSDL and Link

Intime India Private Limited for admitting its securities in demat form. Our Company has been allotted INE618L01018 ISIN.

Dispatch of share certificates

In accordance with the Scheme of the Arrangement, fresh Equity Shares have been issued and allotted to the Eligible Shareholders of IIFL Holdings Limited on the Record Date i.e., October 18, 2017. Our Company has dispatched the physical share certificates to the Eligible Shareholders in physical form on October 24, 2017.

Previous rights and public issues

For details of rights issues by the Company since its incorporation, please see the section titled "*Capital Structure*" on page 29 of this Information Memorandum. The Company has not undertaken any public issues.

Commission and brokerage on previous issues

The Company has not issued any shares to the public since its inception, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares.

Promise vis-à-vis performance

Except as disclosed in the "*Capital Structure*", our Company has not undertaken any previous public or rights issues to public.

Except as disclosed below, none of our Group Companies have undertaken any public or rights issue to public in the last ten (10) years preceding the date of this Information Memorandum:

a) India Infoline Housing Finance Limited undertook:

   i.) Public issue of secured redeemable non-convertible debentures on December 27, 2013. The funds have been utilized as per the objects stated in the offer document; and

   ii.) Public issue of unsecured redeemable non-convertible debentures on April 03, 2014. The funds have been utilized as per the objects stated in the offer document

b) India Infoline Finance Limited undertook:

   i.) Public issue of secured redeemable non-convertible debentures on August 18, 2011. The funds have been utilized as per the objects stated in the offer document;

   ii.) Public issue of unsecured redeemable non-convertible debentures on September 18, 2012. The funds have been utilized as per the objects stated in the offer document; and

   iii.) Public issue of secured redeemable non-convertible debentures on September 30, 2013. The funds have been utilized as per the objects stated in the offer document

Partly paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Information Memorandum.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company

There are no outstanding debentures, bonds or redeemable preference shares as of the date of this Information Memorandum.

Stock market data for Equity Shares of our Company

The Equity Shares of the Company are not listed on any stock exchanges. Through this Information Memorandum, the Company is seeking approval for listing of its Equity Shares.

Disposal of Investor Grievances

Link Intime India Private Limited is the RTA to our Company, who can be contacted for addressing investors' grievances through email ids such as: ganesh.jadhav@linkintime.co.in and rnt.helpdesk@linkintime.co.in.

All share related matters, namely transfer, transmission, transposition, dividend, change of name, address, replacement, split, consolidation, dematerialization and rematerialisation of shares, issue of duplicate certificates etc. are handled by RTA.

The Company has an established mechanism for investor service and grievance handling with its RTA and the compliance officer appointed by it. The Board of our Company has constituted a "Stakeholders Relationship Committee" which, *inter alia*, considers stakeholders/ shareholders and investors complaints including transfer of shares, non -receipt of balance sheet, non-receipt of dividend warrant, etc. and to redress genuine grievances of shareholders and investors.

The RTA under the supervision of the secretarial department of our Company looks after the investor's grievance. The company secretary of our Company has been appointed as Compliance Officer for this purpose. At each meeting of Stakeholders Relationship Committee all matters pertaining to investors including their grievances and redressal are reported.

Company Secretary and Compliance Officer

Mr. Harshit Choudhary
5paisa Capital Limited
IIFL House, Sun Infotech Park,
Road No. 16V, B-23, MIDC,
Thane Industrial Area, Wagle Estate,
Thane – 400 604,
Maharashtra
Tel: +91 22 41035000
Fax: +91 22 25806654
E-mail: csteam@5paisa.com

SECTION 7: OTHER INFORMATION

7.1 MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below:

Article number	Content
Capital and Increase and Reduction of Capital	
6 Division of Capital	The Authorised Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company. The Company shall be entitled to issue, offer and allot fresh and further shares, Debentures and other Securities in dematerialised form pursuant to and in accordance with the provisions under the Depositories Act and it shall also be entitled to dematerialise its existing shares, Debentures and other Securities, subject to the provisions of the Act. In this connection, the Company shall comply with all the applicable provisions of the Depositories Act.
7 Share under the control of the Board	Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 54 of the Act) at a discount or as may be prescribed under the act and at such times as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option to call for or be allotted any class of shares of the Company either at par or at a premium or, subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit.
8 Power of Company in General Meeting to issue Share	In addition to and without derogating from the powers for that purpose conferred on the Board under Article 7, the Company in general meeting may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Section 53 of the Act) at a discount, as such general meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par, or (subject to compliance with the provisions of Section 54 of the Act)at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.
9 Increase in capital	The Company by a Resolution in general meeting may from time to time, increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

	Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as Board shall determine; and in particular, such shares may be issued with a preferential or qualified or differential right to dividends and in distribution of assets of the Company, and with a right of voting at general meetings of the Company.
10 Further issue of capital	Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, then, such further shares shall be offered to- a) the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up in those shares at that date; b) the offer aforesaid shall be made by notice dispatched through registered post or speed post or through electronic mode or such other means as may be permitted, to all the existing shareholders at least three days before the opening of the issue, specifying the number of shares offered and limiting a time, not being less than fifteen days but not exceeding thirty days from the date of the offer, within which the offer if not accepted, will be deemed to have declined c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the Notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him d) after the expiry of the time specified in the notice aforesaid, or on the receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company and is not dis-advantageous to the shareholders. Notwithstanding anything contained in clause (a) of this articles, the further shares aforesaid may be offered in any manner whatsoever and to any person or persons, whether or not such person or persons include persons who, at the date of the offer, are holders of the equity shares of the Company, if such offer is authorised by the Special Resolution of the Company in general meeting or where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where

	proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company e) employees under a scheme of employees' stock option, subject to Special Resolution passed by Company in general meeting and subject to such conditions as may be prescribed f) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a), clause (b), clause (c), clause (d) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed Nothing in clause (d) of Article 10 hereof shall be deemed; i. To extend the time within which the offer should be accepted; or ii. To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company in sub-section 3 of Section 62 of the Act:
14 Restrictions on purchase by Company of its own shares	The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with Article 16 and in accordance with Section 66 or section 242 or other applicable provisions (if any) of the Act. Except to the extent permitted by Section 67 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purchase of, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company. Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 55 or other relevant provisions (if any) of the Act.
16 Reduction of Capital	The Company may subject to the provisions of Sections 52, 55 and 66 and other applicable provisions (if any) of the Act, from time to time by Special Resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again

	or otherwise. This Article is not to derogate from any power that the Company would have, if it were omitted. Nothing in this Article shall apply to Buy-Back of its own securities by the Company under Section 68 of the Act
17 Consolidation and Division of Capital	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time: a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; b) sub-divide its shares, or any of them into shares of smaller amount so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.
19 Modification of rights	a) Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound up, be varied, be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in normal value of the issued shares of the class or with the sanction of special resolution passed at a separate meeting of the holders of the issued shares of that class. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three- fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation. b) To every such separate meeting all the provisions of these Articles relating to meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question. This Article is not by implication to curtail or derogate from any power the Company would have if this article were omitted. c) The rights conferred upon the holders of shares of any class, issued with preferred or other rights, shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation

	or issue of further shares ranking *pari passu* therewith.
Shares and Certificates	
24 Deposits and calls etc. to be debt payable immediately	The money (if any), which the Board of Directors shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
31 Restriction on Allotment	In making allotment of any share Capital of the Company, the Company shall comply with Section 39 and 40 of the Act.
32 Return as to Allotment	Whenever the Company makes any allotment of its shares or securities, it shall within thirty days thereafter: a) file with the Registrar a return of the allotments in the form and manner as stated in the Rules to Chapter III of the Act, stating the number and nominal amount of the shares / securities comprised in the allotment, the names, addresses and occupations of the allottees and the amount, if any, paid or due and payable on each share b) in the case of shares (not being bonus shares) allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the Registrar, a contract in writing constituting the title of the allottee to the allotment, together with any contract of sale, or a contract for services or other consideration in respect of which that allotment was made, such contract being duly stamped, and filed with the Registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted; and c) file with the Registrar in the form and manner as stated in the Rules to Chapter III of the Act, a return stating the number and nominal amount of bonus shares comprised in the allotment and the names, addresses and occupations of the allottees and a copy of the resolution authorising the issue of such shares ; (ii) in the case of issue of shares at a discount, a copy of the resolution passed by the Company authorising such issue together with a copy of the Order of the Court sanctioning the issue and where the maximum rate of discount exceeds ten per cent, a copy of the Order of the Central Government permitting the issue at the higher percentage. Where a contract such as mentioned in clause (b) of sub-clause (1) is not reduced to writing, the Company shall, within thirty days after the allotment, file with the Registrar in the form and manner as stated in the Rules to Chapter III of the Act, the prescribed particulars of the Contract stamped with the same stamp duty as would have been payable if the contract had been reduced to writing Nothing in this article shall apply to the issue and allotment by the

	Company of shares which under the provisions of these Articles were forfeited for non-payment of calls
Calls	
35 Board may make calls on shares.	The Board may, from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call (in accordance with Section 49 of the Act) as it may think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
38 Notice of calls.	Fifteen days' notice of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment, and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.
41 Call to carry interest after due date.	If any Member fails to pay a call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment there of to the time of actual payment at such rate as shall from time to time be fixed by the Board and nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such Member.
43 Payments in advance of call may carry interest.	The Board may, if they think fit, subject to the provisions of section 50 of the Act, agree to and receive from any Member willing to advance whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest as may be prescribed under the Act or at such rates, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced upon giving to the Member one months' notice in writing. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.
Forfeiture. Surrender and Lien	
44 If call or instalment not paid notice may be given.	If any Member fails to pay any call or instalment of a call in respect of any share on or before the day appointed for the payment of the same, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid or a judgment or a Decree in respect thereof, remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the share by transmission requiring him to pay the same, together with any interest that may have accrued and all reasonable expenses that may have been incurred by the Company by reason of such non-

	payment.
46 On default of payment, shares to be forfeited.	If the requisitions of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter, before all the calls or instalments and interests and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.
47 Notice after Forfeiture.	When any share shall have been so forfeited notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the share having been forfeited will not in any way invalidate the forfeiture.
48 Forfeited Shares to become property of the Company and may be disposed of etc.	Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, reallot or otherwise dispose of the same in such manner as it thinks fit.
50 Arrears to be paid notwithstanding Forfeiture.	Any Member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen percent per annum as the Board may determine and the Board may endorse the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.
52 Proceeds how to be Applied.	The net proceeds of any such sale shall be applied in or towards satisfaction of the said debt, liabilities or engagements and the residue (if any) be paid to such Member, his heirs, executors, administrators or assigns.
58 Company's Lien on Shares/ Debentures	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 30 hereof is to have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

59 Enforcing Lien by Sale.	For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his heirs, executors, administrators or other legal representatives, as the case may be, and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after the date of such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer.
60 Application of Proceeds of Sale.	The net proceeds of any such sale, after payment of cost of such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements, and the residue, if any shall be paid to such Member, his heirs, executors, administrators or other legal representatives as the case may be.
61 Validity of Sales in exercise of Lien and after Forfeiture.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register to Members in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Transfer and Transmission of Shares	
64 Register of Transfer.	The Company shall keep a book to be called the Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.
65 Execution of Transfer etc.	Subject to the provision of the Act, and these Articles, no transfer of shares in, or debentures of the Company shall be registered, unless a proper instrument of transfer duly stamped and in the form as prescribed under the rules made under sub-section (1) of section 56 of the Act and has been delivered to the Company alongwith the certificate relating to the shares or debentures or if no such certificate is in existence, along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in the respect thereof. Shares for different classes shall not be included in the same instrument of transfer.
66 Transfer of Securities held in dematerialized form	In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
69 The Board may decline to register Transfer.	The Board may, subject to the right of appeal conferred by Section 58 of the Act, and Section 22A of Securities Contracts (Regulation) Act, 1956 at its own, absolute and uncontrolled discretion and by

	giving reason(s), decline to register or acknowledge any transfer of any shares, or interest of a Member in, or debentures in the Company to any person of whom it does not approve and in particular, if any arrangement or contract between two or more persons in respect of transfer of securities is found not enforceable may so decline in any case in which the Company has a lien upon the shares or any of them. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board from declining to register any subsequent or other transfer or other shares applied for in the name of such transferee. Registration of a transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien on shares. If the Board refuses to register a transfer of any shares, it shall within thirty days from the date on which the instrument of transfer, or the instrument of such transmission, as the case may be was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person, giving reasons for such refusal of transfer or such transmission, as the case may be.
70 No Allotment / Transfer to a person of Unsound Mind.	No shares shall in any circumstances be allotted or transferred to any minor, insolvent or person of unsound mind.
71 Transfer of Shares.	An application for the registration of transfer of shares may be made either by the transferor or by the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within thirty days from the date on which the instrument of transfer, or the intimation of transmission as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

73 When Transfer to be retained.	All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Board declines to register shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period as may be prescribed.
76 Title to shares of Deceased Holder.	The heir, executor or administrator of a deceased shareholder shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such heir, executor or administrator unless shall have first obtained probate or letters of administration or succession certificate.
77 Transmission of shares	Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (Which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Board, registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.
78 Board may refuse to Transmit.	The Board shall, subject to the provisions of Article 65 hereof, have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.
79 Board may require Evidence of Transmission.	Every transmission of shares shall be verified in such manner as the Board may require and, if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.
81 Certificate of Transfer.	The certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.
82 The Company not liable for disregard of a notice prohibiting Registration of a transfer.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares,

	notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
Borrowing Powers	
89 Power to borrow	Subject to the provisions of the Sections 179 and 180 of the Act, the Board may, from time to time at its discretion accept deposits from Members or from the public, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid -up capital of the Company and its free reserves, the Board shall not borrow such money's without the consent of the Member in General Meeting.
90 Payment or repayment of moneys borrowed	Subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by a circular resolution) including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.
91 Terms of issue of debentures	Any issue of debentures, debenture stock, bonds or other securities shall be governed by Section 71 of the Act. This Article and Article 89 shall be subject to the said provisions. In the case of the Company giving a charge on any of its property, the provisions of Sections 2(16), 77 to 87 of the Act shall apply thereto. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.
Meeting of Members / General Meetings	
98 Annual General Meeting	Subject to Section 96 of the Act, the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall lapse

	between the date of one annual general meeting of the Company and that of the next, subject however to the right of the Registrar under the Act to extend the time within which any annual general meeting may be held. Every annual general meeting shall be called for at a time during business hours i.e. between 9:00 am and 6:00pm on any day that is not a national holiday and shall be held either at registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.
100 Calling of Extraordinary General Meetings.	The Directors may, whenever they think fit, convene an Extraordinary General Meeting and they shall on requisition of such number of Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in compliance with Section 100 of the Act, forthwith proceed to convene Extraordinary General Meeting.
105 Quorum	Quorum for a General Meeting of the Company shall be: (i) five Members personally present if the number of Members as on the date of meeting is not more than one thousand; (ii) fifteen Members personally present if the number of Members as on the date of meeting is more than one thousand but up to five thousand; (iii) thirty Members personally present if the number of Members as on the date of the meeting exceeds five thousand;
106 Presence of Quorum.	No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business. A body corporate being a Member shall be deemed to be personally present if represented in accordance with section 113 of the Act.
110 Power to adjourn General Meeting.	The Chairman of the General Meeting may adjourn the Meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an Original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.
111 Chairman of General Meeting.	The Chairman of the Board and in his absence the Vice Chairman or a Director who has been longest in office, or the Managing Director if any of the Board shall, if willing, preside as Chairman at every general meeting, annual or extra-ordinary. If there be no such Chairman or Vice Chairman, or a Director who has been longest in office, Managing Director or if at any meeting neither of them shall be present within fifteen minutes after the time appointed for

	holding such meeting or being present declines to take the chair, the Directors present may choose one of their number to be Chairman and in default of their taking the chair in doing so the Members present shall choose one of the Directors to be chairman and if no Director present be willing to take the Chair shall, on a show of hands elect one of their number to be Chairman of the meeting. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles, and the chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.
114 How motion to be decided at meetings.	At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in these Articles or the voting is carried out electronically.
117 Members Resolution	Notice of resolutions received from members and the resolutions proposed shall be dealt with as provided in Section 111 of the Act and the Rules made pursuant thereto. Where, by any provision contained in the Act or in the Articles of a Company, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed under the Act
118 Demand for Poll	Before or on the declaration of the result of the voting on any resolution on a show of hand, poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than five lakh rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
119 Time of taking poll.	Any poll duly demanded on the election may of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the chairman of the meeting may direct.
Vote of Members	
124 Members call in arrears not to vote.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll or electronically in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

125 Number of votes to which Member entitled.	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll (including e-voting) the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 47, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preferences shares. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares: Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.
126 Casting of votes by a Member entitled to more than one vote.	On a poll taken at a meeting of the Company, Member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes using all his votes or cast in the same way all the votes he uses.
128 Votes of Joint Members.	If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at the meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to be present at the meeting. Several executors or administrators of deceased Member in whose name shares stand shall for the purpose of this Article be deemed joint holders thereof
129 Voting in persons or by proxy.	Subject to the provisions of these Articles, votes may be given either personally or by an attorney or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers (including right to vote by proxy) on behalf of the body corporate which he represents as that body corporate could exercise it if it were an individual Member.
130 Restrictions on Voting	No member shall be entitled in respect of any shares registered in his name to be present or to exercise any voting right on any question at any general meeting or be reckoned in a quorum whilst any call or other sum presently payable to the Company in respect of such shares, remains unpaid.
138 Time for objection of votes.	No objection shall be made to the validity of any vote except at any meeting or poll at which such vote shall be tendered, and every vote

	whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
139 Chairman of the meeting to be the judge of validity of any vote.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
Directors	
141 Number of Directors.	Until otherwise determined by a general meeting of the Company and subject to the provision of Section 149 and Section 151 of the Act, the number of directors shall not be less than three or more than fifteen. Subject to the provisions of Section 149 of the Act, the Company, in General Meeting, may by ordinary resolution, increase or reduce the number of its Directors within the said limits and the Company may appoint more than 15 Directors after passing a Special Resolution.
143 Power of Directors to Appoint additional Directors and to fill casual vacancies.	Subject to the provisions of Sections 152, 161, 162, and 169 of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint one or more person as a Director to be a Managing Director and/or whole-time or part-time Director(s) of the Company for such term (not exceeding five years at a time) as they may think fit, either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed.
146 Additional Directors	The Board shall have power at any time and from time to time, to appoint any person or persons other than a person/persons who fails to get appointed as a director in a general meeting to be an Additional Director or additional Directors, provided that such additional Director or Directors shall hold office only upto the date of the next Annual General Meeting of the Company; provided further that the number of Directors and additional Directors together shall not exceed the maximum strength fixed for the Board by these Articles.
148 Alternate Director	The Board may appoint an alternate Director to act for a Director during his absence who shall hold the office for a period not longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India The proviso to Sub-clause (2) of Section 161 shall apply to such appointment.
150 Remuneration	Subject to the provision of the Act, a Managing Director or a whole Remuneration of time director or part-time director (subject to Sections 197 and 198 Directors. and other applicable provisions of the Act and these Articles and of any contract between him and the Company) who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remuneration -

	(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or (ii) by way of commission if the Company by a ordinary resolution authorises such payments. The fee payable to a Director for attending a meeting of the Board or Committee thereof shall be the maximum sitting fee as may be prescribed under Sections 197 and 198 of the Act as applied to the Company at any given time. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as Member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided in accordance with proviso to sub-section 4 of section 197 of the Act.
153 Directors may act notwithstanding vacancy.	The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.
154 Disclosure of interest of Directors.	(1) Every Director or Key Managerial Personnel of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a first meeting of the Board of Directors in which he participates as a Director and thereafter at the first board meeting in every financial year or wherever there is a change in the disclosure already made then at the first board meeting held after such change disclose his concern or change. (2) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not, at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested. (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

	(3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. (b) No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. (c) Nothing in this Article shall apply to any contract or arrangement entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two percent of the paid up share capital in the other Company.
155 Interested Director not to participate or vote on Board's proceedings.	No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however, that a Director may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming of sureties or surety for the Company.
Retirement and Rotation of Director	
157 Retirement of Directors by rotation.	Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation; and save as otherwise expressly provided by the Act, be appointed by the Company in General Meeting. At every annual general meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The provisions in respect of retirement of Directors by rotation shall not be applicable to the appointment of Independent Directors. The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the

	retiring Director who shall be eligible for re-appointment or some other person thereto. If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a National holiday, till the next succeeding day which is not a National holiday at same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless: (i) at the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to the vote and lost; (ii) the retiring Director has by a notice in writing addressed to the Comp any or its Board of Directors, expressed his unwillingness to be reappointed; (iii) he is not qualified or is disqualified for appointment; (iv) a resolution, whether special or ordinary, is required for his appointment by virtue of any of the provisions of the Act; or (v) The provision to Section 162 of the Act is applicable to the case.
158 Appointment of Director to be voted individually.	No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it. A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of it being so moved. For the purpose of this clause a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
Removal of Directors	
162 Removal of Directors.	The Company subject to the provisions of Section 169 and other applicable provisions Act, may by ordinary resolution remove a Director not being a Nominee Director or a Debenture Director and not being a Director appointed by the Central Government in pursuance of the Act before the expiry of his period of office. Special notice shall be required of any resolution to remove a director under this Article or to appoint somebody instead of a director so removed at the meeting at which he is removed. On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on

	the resolution at the meeting. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to Members of the Company, the Company shall unless the representations are received by it too late for it to do so - (a) in any notice of the resolution given to the Members of the Company, state the fact of the representations having been made, and (b) send a copy of the representations to every Member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representation by the Company)and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting, provided that copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter. A vacancy created by the removal of a Director under this Article may if he had been appointed by the Company in general meeting or by the Board under Article 146 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed provided special notice of the intended appointment has been given. A director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. If the vacancy is not filled up under clause (5) hereof it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 148 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be reappointed as a Director by the Board of Directors. Nothing in this Article shall be taken- (a) as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director, or (b) as derogating from any power to remove a Director which may exist apart from this Article.
165 Quorum for Meetings	Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one third being rounded off as one) or two directors whichever is higher; provided that where at any meeting

	the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of remaining directors, that is to say the number of the directors who are not interested and are present at the meeting, being not less than two shall be quorum during such time. The provisions of Section 174 of the Act shall apply where a meeting is adjourned for want of a quorum. The attendance at the meeting of the Board shall be in accordance with the provisions of the Act and the Rules made thereunder. Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in Articles of Association. For the purpose of Clause (a)- (i) 'Total Strength' means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of directors, if any, whose places may be vacant at the time, and (ii) 'Interested Directors' means any Director whose presence cannot by reason of Article 165 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of discussion or vote on any matter.
168 Power of Board meeting.	A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
172 Resolution by Circular	No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the Members of the Committee, as the case may be at their addresses registered with the Company in India by hand delivery or by post or courier or through electronic means Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board. A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly called and held.
173 General powers of the board.	Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act

	or thing which is directed or required, whether by the Act or any other act or by the Memorandum of Association of the Company or these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in this behalf in the Act or in any other act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including Articles made by the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
176 Certain powers of the Board.	Without prejudice to the general powers conferred by Article 174 and the other powers conferred by these Articles and Section 179 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers: (1) To pay the costs, charges and expenses incurred preliminary incidental to the promotion, formation, establishment and registration of the Company. (2) Subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property movable or immovable, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as it may think fit, and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory. (3) At its discretion and subject to the provisions of the Act, to pay for any property, right or privileges, acquired by or for services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, debenture stock or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charged. (4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as it may think fit. (5) To appoint and at its discretion, remove or suspend, such manager, secretaries, officers, clerks, agents and employees, for permanent, temporary or special services as it may from time to time think fit, and to determine their powers and duties and fix their salaries, employments or

		remuneration and to require security in such instances and of such amounts as it may think fit.
	(6)	To accept from any Member, subject to the provisions of the Act a surrender of his share or any part thereof on such terms and conditions as shall be agreed.
	(7)	To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
	(8)	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demand by or against the Company, and to refer any difference to arbitration and observe the terms of any awards made therein either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge an award made therein.
	(9)	To refer any claims or demands by or against the Company or any differences to arbitration, and observe and perform the awards, except by an order of a court to the contrary.
	(10)	To act on behalf of the Company in all matters relating to bankrupts and insolvents.
	(11)	To make and give receipts releases and other discharges for money payable to the Company and for the claims and demands of the Company.
	(12)	To open and operate Bank Accounts to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, hundis, bills of exchange, negotiable instruments, leases and related documents, dividend warrants, releases, contracts and documents and to discount, endorse or co-accept bills and to give the necessary authority for such purpose.
	(13)	Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub delegate) and upon such terms as may be thought fit.
	(14)	Subject to the provision of the Act and these Articles to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or

		without security and in such manner as it may think fit, and from time to time to vary or realise such investments. Save as provided in the Act all investments shall be made and held in the Company's own name.
	(15)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as it thinks fit and any such mortgages may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
	(16)	To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
	(17)	To provide for the Welfare of employees or ex-employees of the Company and the wives and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations, institutions, fund of trusts and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
	(18)	To subscribe, incur, expenditure or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national, political or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation or of public and general utility or otherwise.
	(19)	Before recommending any dividend, to set aside out of the profits of the Company such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture - stock or for special dividends or for equalising dividends or for repairing, improving extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the last two preceding clauses) as the Board of Directors may in its absolute discretion think conducive to the interest of the Company, and subject to the Act to invest the several sums so set aside or so much thereof as is required to be invested upon such investments (other than shares of this Company) as it may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the

	benefit of the Company, In such manner and for such purposes as the Board of Directors, in its absolute discretion thinks conducive to the interests of the Company, notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the general reserve fund into such special funds as the Board may decide to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and with full power to employee the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds interest at such rates as the Board of Directors may think proper. (20) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provision of Sections 40 of the Act and of the provisions contained in these presents. (21) From time to time to make, vary and repeal bye-laws for regulation of the business of the Company, its officers and servants; (22) To redeem redeemable preference shares; (23) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as it may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company; (24) To undertake any branch or kind of business which the Company is expressly or by implication authorised to undertake at such time or times as it shall think fit; and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
Managing Directors / Whole Time Directors	
177 Board may appoint Managing Directors.	Subject to the provisions of the Act, the Board of Directors may from time to time appoint one or more of their body to be Managing Directors or Managing Directors or whole-time Director or whole-time Directors of the Company for a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

178 Retirement by Rotation	Subject to the provisions of these Articles a Managing Director or the Whole-time Director shall be liable to retire by rotation save and except as may be decided by the Board.
179 Remuneration of Managing Directors.	Subject to the Section 197 and 198 of the Act and these Articles and of any contract between him and the Company, the remuneration of Managing Director or Whole-time Director or part time director shall be determined and fixed from time to time, by the Board/committee, subject to the approval of the Company in General Meeting by way of a fixed salary or variable salary or commission on profits of the Company, and or perquisites or by any or all of those modes.
180 Directors may confer power on Managing Director.	Subject to the provisions of the act and to the restrictions contained in these Articles the Board may, from time to time entrust to and confer upon a Managing Director/Whole time Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient and it may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
182 Certain persons not to be appointed Managing Directors.	The Company shall not appoint or employ or continue the employment of any person as its Managing Director or Whole-time Director who: (a) is an undischarged insolvent or has at any time been adjudged an insolvent; (b) suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or (c) is or has at any time been, convicted by a court of an offence involving moral turpitude.
Dividends	
189 Division of profits.	The profits of the Company which it shall from time to may determine, subject to the provisions of the Act, to time determine, subject, to divide in respect of any year or other period, shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares.
192 Declaration of Dividends.	The Company in general meeting may subject to the provisions of the Act declare a dividend to be paid to the Members according to their rights and interests in the profits and may fix the time for payment.
193 Restrictions on amount of dividend.	No larger dividend shall be declared than is recommended by the Board but the Company in general meeting may declare a smaller dividend.
194 Dividend out of profits only.	No dividend shall be payable except out of the profits of the Company arrived at as laid down in the Act.

What is to be deemed net profits.	The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.
196 Debts may be deducted.	The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts. Liabilities or engagements in respect of which the lien exists.
198 Dividend how paid.	Any general meeting declaring a dividend or bonus may resolve that such dividend be paid wholly or in part by the distribution of specific assets, partly or fully paid up shares, or debentures or debenture stock of the Company or in any one or more of such ways and Board shall give effect to the same and the Board may settle any difficulty in doing so in such manner as it may deem expedient.
200 Retention in certain cases.	The Board may retain the dividends payable upon shares in respect of which any person is under Article 75 and 76 entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.
203 Dividend to be paid within thirty days.	The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within thirty days from the date of the declaration of the dividend unless : (a) the dividend could not be paid by reason of the operation of any law or (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with, or (c) there is a dispute, regarding the right to receive the dividend, or (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or (d) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
205 Capitalisation Powers of the Board on Capitalisation	The Company in General Meeting may, upon recommendation of the Board, resolve; (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; or any part of the amount standing to the credit of any capital reserve, or securities premium account or or any other reserve not created out of profits earned by the Company; and (b) that such sum be accordingly set free for distribution in the manner specified in Clause [2] amongst the members who would have been entitled thereof, if distributed by way of dividend and in the same proportions.

	The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in Clause [3], either in or towards; (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in the Sub-clause [i] and partly in that specified in Sub-clause [ii] A share premium account, free reserves and a capital redemption reserve account may, for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid-up bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this article Whenever a resolution as mentioned in the preceding Article shall have been passed, the Board shall; (a) make all appropriations and applications of the reserves and/or undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares and (b) generally do all acts and things required to give effect thereto. The Board shall have full power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and also (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or [as the case may require] for the payment by the Company on their behalf, by the application thereto of their respective proportions of the amounts, resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all the members.
Annual Accounts	
206 Books of Account to be kept	The Company shall prepare and keep proper books of account with respect to

	(a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place (b) all sales and purchases of goods by the Company; and (c) the assets and liabilities of the Company
208 Inspection by Members.	The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the documents of the Company or any of them shall be open to the inspection of Member, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board of Directors or by a resolution of the Company in general meeting.
209 Statement of Accounts to be furnished to General Meeting.	The Board of Directors shall from time to time, in accordance with the Act, cause to be prepared and to be placed before the Company in general meeting, such Financial Statement including Consolidated Financial Statements and reports as are required by the Act.
210 Financial Statement to each Member.	A copy of every such Financial Statement so audited (including the auditor's report and every other document required by the Act to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the Members be sent to the Members of the Company, to the trustees for the holders of Debentures and to all persons entitled to receive notice of general meetings of the Company. If and as long as the Company's shares are listed on a recognised stock exchange and subject to the provisions of Section 136 of the Act, it shall be sufficient compliance with clause (1) of this Article if the copies of documents referred to in clause (1) are made available for inspection at the Company's registered office during working hours for a period of twenty-one days before the date the meeting and a statement containing the salient features of such documents in the prescribed form or copies may deem fit, is or are sent, not less than twenty-one days before the date of the meeting, to every Member of the Company and to every trustee for the holders of any debentures issued by the Company.
211 Accounts to be audited	Once at least in every year the accounts of the Company shall be examined by one or more auditors who shall report to the shareholders as to whether the Balance sheet reflects a true and fair view of the state of affairs of the Company as at that date and profit and loss account discloses a true and fair view of the profit and loss incurred by the Company during the year under review. The appointment, remuneration, rights, powers and duties of the Company's auditors shall be regulated in accordance with the provisions of the Act. Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an annual general meeting, shall be conclusive, provided that such balance sheet and

	profit and loss account and Board's Report may be amended at any time with the consent of the Company accorded by a special resolution.
Documents and Notices	
213 Service of the documents on Members by Company.	A document or notice may be served by the Company on any Member thereof either personally or by sending it by post/registered post/speed post/courier to him to his registered address or if he has no registered address, in India, the address if any within India supplied by him to the Company for the giving of notices to him. Where a document or notice is sent by post/registered post/speed post/courier. (a) Service thereof shall be deemed to be effected by properly addressing preparing and posting a letter containing the document or the notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member; and (b) Such service shall be deemed to have been effected - (i) in the case of notice of a meeting at the expiration of forty eight (i) hours after the letter containing the same is posted; and (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post. A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register of Members in respect of the share. A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of the Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such address has been so supplied by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred. A certificate in writing signed by the manager, Secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof. The signature to any document or notice to be given by the Company may be written on printed or lithographed.

214 Service of documents on Company.	A document may be served on the Company or an officer thereof by sending it to Company or the officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.
215 Authentication of documents and proceedings.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary, or other authorised officer of the Company and need not be under the common seal of the Company.
Indemnity and Insurance	
216 Company may indemnify.	Subject to the provisions of the Act, every Director, Manager any other officer or any person (whether officer of the Company or not) employed by the Company, or as an Auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharges of his duties including expenses, and in particular and so as not limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the court.
217 Liability of officers.	Subject to the provision of Section 201 of the Act no Director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by error of judgement, omission, default or oversight, on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.
218 Insurance	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
Winding Up	
219 Distribution of Assets.	If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up on which ought to

	have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.
220 Restriction on Right to Inspect	No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information regarding any detail of the Company's trading or any matter which is or may be in nature of a trade secret, mystery of trade, secret process or any business of the Company and which in the opinion of the Board it would be inexpedient in the interest of the Company to disclose.
221 Secrecy undertaking.	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a committee, agent, officer, servant, accountant of other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholder if any or by a Court of Law, or by the person to whom the matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
222 Members knowledge Implied.	Each Member of the Company, present and future, is to be deemed to join the Company with full knowledge of all contents of these presents.

7.2 MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e., Monday to Friday and not being a bank holiday in Maharashtra) between 10.00 am and 5.00 pm from the date of filing of the Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges:

1. Memorandum and Articles of Association of the Company, as amended till date.

2. Certificate of incorporation of our Company dated July 10, 2007 and certificate for commencement of business dated July 19, 2007.

3. Fresh certificate of incorporation dated November 06, 2007 issued consequent upon change in name to IIFL Capital Limited from India Infoline Finance Holdings Limited.

4. Fresh certificate of incorporation dated August 12, 2015 issued consequent upon change in name to 5paisa Capital Limited from IIFL Capital Limited.

5. Scheme of Arrangement between IIFL Holdings Limited and 5paisa Capital Limited and their respective shareholders.

6. BSE letter dated November 10, 2016 giving its prior approval for demerger of 5paisa digital Undertaking carried out by IIFL Holdings Limited into 5paisa Capital Limited.

7. NSE letter dated February 09, 2017 giving its prior approval for proposed demerger of a business unit of IIFL Holdings Ltd. (non – NSE member) into 5paisa Capital Limited (NSE member).

8. Fairness Opinion dated September 30, 2016 issued by Keynote Corporate Services Limited.

9. Share Entitlement Ratio Report dated September 30, 2016 issued by SSPA & Co. Chartered Accountants.

10. BSE Observation Letter dated February 27, 2017 giving its “no objection” in accordance with the provisions of the Listing Regulation.

11. NSE Observation Letter dated March 02, 2017 giving its “no objection” in accordance with the provisions of the Listing Regulation.

12. Order dated September 06, 2017 of the NCLT approving the Scheme of Arrangement.

13. Audited financial statements and report of the Company for the past three (3) financial years and six (6) months period ended on September 30, 2017.

14. The statement of tax benefits dated September 14, 2017 from the statutory auditors.

15. Tripartite Agreement with NSDL, Registrar and Transfer Agent and the Company dated September 21, 2017.

16. Tripartite Agreement with CDSL, Registrar and Transfer Agent and the Company dated November 01, 2010.

17. Consent from the auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in the Draft Information Memorandum and the Information Memorandum.

18. Consent from the bank for inclusion of their names as bankers to the Company.

19. In principle approval for listing of 1,27,39,022 Equity Shares of the Company from BSE vide letter dated November 07, 2017, bearing reference no. DCS/AMAL/AC/IP/973/2017-18.

20. In principle approval for listing of 1,27,39,022 Equity Shares of the Company from NSE vide letter dated October 30, 2017, bearing reference no. NSE/LIST/23934.

21. Relaxation under Rule 19 (2)(b) of the SCRR granted by SEBI vide letter dated November 06, 2017, bearing reference no. CFD/DIL-1/NS/27233/2017.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to the provisions contained in the CA 2013 and other relevant statutes.

7.3 DECLARATION

We hereby declare that all relevant provisions under the CA 2013 and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992 as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the CA 2013, SCRA, the SEBI Act, 1992 or the rules and regulations made thereunder or guidelines issued, as the case may be. We further certify that all statements in this Information Memorandum are true and correct.

BY ORDER OF THE BOARD OF DIRECTORS OF 5PAISA CAPITAL LIMITED

5paisa Capital Limited

Name: Prakarsh Gagdani
Designation: Whole-Time Director

Name: Narendra Jain
Designation: Non-Executive Director

Place: Mumbai

Date: November 08, 2017