iv) Significant adjustments made in the financial statements arising out of audit findings;

v) Compliance with listing and other legal requirements relating to financial statements;

vi) Disclosure of any related party transactions; and

vii) Qualifications/ modified opinions in the draft audit report.

e) Reviewing, the quarterly financial statements with the management before submission to the Board for approval;

f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of our Company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of our Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Monitoring the end use of funds raised through public offers and related matters, if any;

m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with internal auditors of any significant findings and follow up there on;

p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

q) Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;

s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) To establish and review the functioning of the whistle blower mechanism;

u) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

v) Related Party Transactions:

i) all related party transactions shall require prior approval of the Audit Committee.

ii) the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely:

1 the criteria for granting the omnibus approval shall be specified which shall be in line with the Company's policy on related party transactions and such approval shall be the based on the factors namely repetitiveness of the transactions (in past or in future) and the justification for the need of omnibus approval;

2 the Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;

3 such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

iii) the omnibus approval shall specify:

1 the name(s) of the related party, nature of transaction, period of transaction, maximum value of transactions that shall be entered into and the value of transactions, in aggregate, which can be allowed under the omnibus route in a year;

2 the extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

3 the indicative base price or current contracted price and the formula for variation in the price if any;

4 such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction;

iv) the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

v) such omnibus approvals shall be valid for a period not exceeding one (1) financial year and shall require fresh approvals after the expiry of such financial year;

vi) however such prior and omnibus approval shall not be required in case of the transactions entered into between the company and its wholly owned subsidiary/ subsidiaries whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

w) Review of:

i) management discussion and analysis of financial condition and results of operations;

ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii) management letters / letters of internal control weaknesses issued by the statutory auditors;

iv) internal audit reports relating to internal control weaknesses;

v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

vi) statement of deviations including:

1 quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;

2 annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;

x) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;

y) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the CA 2013 or the Listing Regulations or by any other regulatory authority.

2. *Nomination and Remuneration Committee*

The members of the nomination and remuneration committee are:

Name of the member	Designation
Mr. Krishna Visvanath Iyer	Chairman
Mr. Mohan Radhakrishnan	Member
Dr. Archana Niranjan Hingorani	Member

The nomination and remuneration committee was constituted by a resolution of our Board dated March 31, 2017 and was re-constituted on June 07, 2017 by passing a circular resolution. The scope and function of the nomination and Remuneration committee is in accordance with Section 178 of the CA 2013. The terms of reference of the nomination and remuneration committee are as follows:

a) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

b) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that:

i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report.

c) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director‘s performance;

d) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

e) Devising a policy on diversity of the board of directors.

3. *Stakeholders Relationship Committee*

The members of the stakeholders relationship committee are:

Name of the member	Designation
Mr. Narendra Jain	Chairman
Dr. Archana Niranjan Hingorani	Member
Mr. Prakarsh Gagdani	Member

The stakeholders relationship committee was constituted by a resolution of our Board dated October 13, 2017. The scope and function of the stakeholders relationship committee is in accordance with Section 178 of the CA 2013 and Regulation 20 of the Listing Regulations. The terms of reference of the stakeholders relationship committee are as follows:

a) To consider and resolve stakeholders and investors grievances;

b) It shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

c) To approve allotment of shares, debentures and other securities as per the authority conferred to the Stakeholders Relationship Committee by the Board of Directors, from time to time;

d) To approve/ authorize the officers of the Company to approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name/address etc. in respect of shares, debentures and securities received by the Company;

e) To review or address the complaints received by the Company from investors, SEBI,

the Stock Exchanges, Ministry of Corporate Affairs, etc. and the action taken for redressal of the same and to suggest resolution of long pending complaints;

f) To approve and ratify the action taken by the authorized officers of the Company in compliance investors for issues of duplicate/replacement/consolidation/sub-division and other purposes for the shares, debentures and securities of the Company;

g) To monitor and expedite the status and process of dematerialsation and dematerialization of shares, debentures and securities of the Company;

h) To give directions for monitoring the stock of blank stationery and for printing of stationery required by the secretarial department of the Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationary;

i) To review the status of unpaid dividend, interest and undelivered share certificates and measures taken by the Company to resolve or reduce them;

j) To ensure compliance of transfer of unpaid dividend and shares to investor education and protection fund on or before due date;

k) To monitor the progress of release of unpaid dividend and process of dissemination of these records in accordance with the prescribed guidelines, rules and regulations;

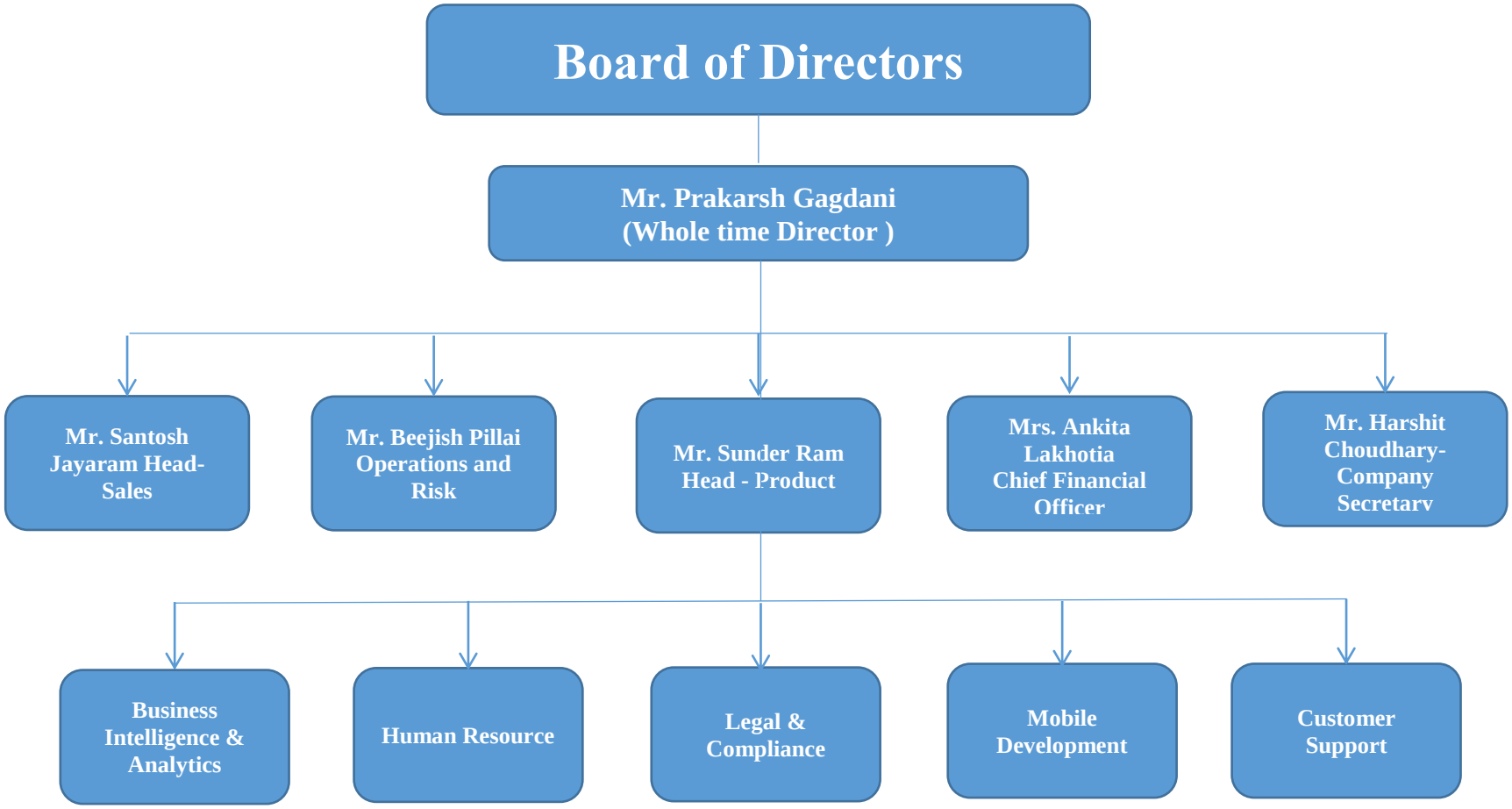
l) To review the results of any investigation or audit conducted by any statutory authority;

m) Review the effectiveness of the system for monitoring compliance with laws and regulations;

n) Review the mechanism of handling investor's complaints and the status of any pending complaints which remain unresolved or unattended;

o) Any significant or important matters affecting the interest of the Company.

Management Organization Chart



Key Management Personnel

The details of the Key Management Personnel as on the date of this Information Memorandum are as follows:

Mr. Prakarsh Gagdani, aged 36 years, is a Whole-Time Director of our Company. For further details in relation to Mr. Prakarsh Gagdani, see section titled "*Our Management –Brief Biographies of Directors"* on page 94 of this Information Memorandum.

Mr. Santosh Jayaram, aged 29 years, is the Sales Head of our Company. He holds a B. Tech degree from NMIS University, Mumbai and a master degree in business management from NMIS University, Mumbai. He has been associated with our Company since two (2) years and has about seven (7) years of experience in area of business process re-engineering, digitisation, product development, mobile application development and user experience management. In the past, he has been associated with IIFL Group. He handles sales operations functions in our Company. The gross remuneration paid to him during Fiscal 2017 was Rs. 12.88 lakhs.

Mr. Beejish Pillai, aged 37 years, is the Operations' Head of our Company. He holds a B.Com degree from Kerala University and has completed his master in business management from Institute for Technology and Management, Warangal, Telangana. He has been associated with our Company since last two (2) years and has thirteen (13) years of experience in the field of capital markets business, broking and wealth management operations, product and process design, process automation, customer service functions. In the past, he has been associated with Yes Securities India Limited, Fullerton Securities Limited and Citi Group. He handles operations and risk management functions in our Company. The gross remuneration paid to him during Fiscal 2017 was Rs. 15.60 lakhs.

Mr. Sunder Ram, aged 34 years, is the Product Head of our Company He holds a degree in statistics and computer applications from Mumbai University and also has done part-time master of computer applications from Indira Gandhi Open University, New Delhi. He has been associated with our Company since last ten (10) months and has fifteen (15) years of experience in product management and deliveries. In past, he was associated with Angel Broking, Financial Technologies Limited and Stock Holding Limited. His area of expertise is web solutions and has business processes and engineered product solutions in the online trading and mobile platforms, wealth management and back-office products. He handles product development function in our Company. The gross remuneration paid to him during Fiscal 2017 was Rs. 5.43 lakhs.

Ms Ankita Lakhotia, aged 31 years, is the Chief Financial Officer of our Company. She holds a M.Com degree, from University of Kota and is a qualified chartered accountant. She has been associated with our Company since last six (6) months and has seven (7) years of experience in the field of accounts and finance. In the past, she was associated with Jindal Power Limited and with Bharti Airtel Limited. She handles finance and accounts functions in our Company. The gross remuneration paid to her during Fiscal 2017 was Rs. 1.02 lakhs.

Mr. Harshit Choudhary, aged 27 years, is the Company Secretary of our Company. He holds B.Com degree from Mumbai University, and is a qualified company secretary from Institute of Company secretaries of India. He has been associated with IIFL group since 2015 and has three (3) years of experience in the field of secretarial, legal and compliance. In the past, he was associated with Next Mediaworks Limited. He handles secretarial, legal and compliance functions in our Company. The gross remuneration paid to him during Fiscal 2017 was nil.

None of our Key Management Personnel are related to each other.

All our Key Management Personnel are the permanent employees of our Company.

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were appointed.

Shareholding of Key Management Personnel

None of our Key Management Personnel hold any Equity Shares in the Company.

Bonus or profit sharing plan of the Key Management Personnel

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company, except for Mr. Prakarsh Gagdani who may be entitled to bonus in accordance with the terms of his employment.

Interests of Key Management Personnel

None of the Key Management Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business.

None of the Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

No loans have been availed of by the Key Management Personnel from our Company.

Changes in our Key Management Personnel

The changes in our Key Management Personnel in the last three (3) years are as follows:

Name	Date of change	Reason for change
Mr. Beejish Pillai	October 26, 2015	Appointed as Operation and Risk Head
Mr. Sunder Ram	December 17, 2015	Appointment as Product's Head
Mr. Vishal Rana	December 22, 2015	Resigned as Whole-Time Director
Mr. Prakarsh Gagdani	December 22, 2015	Appointed as Whole-Time Director
Mr. Santosh Jayaram	December 22, 2015	Appointed as Sales' Head
Mr. Jayesh Sharma	February 15, 2017	Appointed as Company Secretary
Ms. Ankita Lakhotia	March 31, 2017	Appointed as Chief Financial Officer
Mr. Jayesh Sharma	October 13, 2017	Resigned as Company Secretary
Mr. Harshit Choudhary	October 13, 2017	Appointed as Company Secretary

Payment or Benefit to officers of our Company

Except as disclosed in this Information Memorandum, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within two (2) preceding years.

4.6 OUR PROMOTERS AND PROMOTER GROUP

Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani are the Promoters of our Company.

	Mr. Nirmal Bhanwarlal Jain **Mr. Nirmal Bhanwarlal Jain**, aged 51 years, is a Promoter of our Company. He holds a post graduate diploma in management from Indian Institute of Management, Ahmedabad. He is a rank holder chartered accountant and a cost accountant. He has about twenty eight (28) years of experience in the financial services and other sectors. He is the founder and chairman of IIFL Holdings Limited. He founded Probity Research and Services Limited (later renamed to IIFL Holdings Limited) in the year 1995. He has been instrumental in steering the IIFL Group into various financial sector activities. In the past, he was associated with Hindustan Lever Limited where he handled commodities exports business. He has been conferred with various awards including 'Entrepreneur of the Year' award at the Franchise Awards, 2012 and 'Pride of India Gold Medal' by the NRI Institute in year 2009. Other than, IIFL Holdings Limited, Sunder Bhawar Holiday Homes Private Limited, India Infoline Housing Finance Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, Ardent Impex Private Limited, Orpheus Trading Private Limited, and Sunder Bhawar Ventures Private Limited, he is not involved in any other ventures. The voter identification number of Nirmal Bhanwarlal Jain is AMD3028164 and his driving license number is MH-02-92-10565.
	Mr. Venkataraman Rajamani **Mr. Venkataraman Rajamani**, aged 50 years, is a Promoter of our Company. He holds a B. Tech (electronics and electrical communications engineering) degree from Indian Institute of Technology, Kharagpur and holds a post graduate diploma in management from Indian Institute of Management, Bangalore. He has an experience of twenty six (26) years in the financial services sector. He is the co-promoter and managing director of the IIFL Holdings Limited. In the past, he was associated with ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW, and G E Capital Services India Limited. Other than, IIFL Holdings Limited, India Infoline Housing Finance Limited, Samasta Microfinance Limited, IIFL Wealth Management Limited, India Infoline Finance Limited, India Infoline Insurance Brokers Limited, India Infoline Commodities Limited and Orpheus Trading Private Limited, he is not involved in any other ventures. The voter identification number of Mr. Venkataraman Rajamani is SHA1673714 and his driving license number is MH-02-19960019154.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they promote our Company, to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. For details of our Promoters' shareholding in our Company, please see section titled "*Capital Structure*" on page 29 of this Information Memorandum.

Interest of Promoters in property of our Company

None of our Promoters are interested in the properties acquired or proposed to be acquired by our Company in the past two (2) years before filing of the Information Memorandum., or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interest

Our Promoters are interested in our Company to the extent of their shareholding in our Company. For details of our Promoters' shareholding in our Company, please see section titled "*Capital Structure*" on page 29 of this Information Memorandum. Further, our Promoters are directors in some of our Group Companies which are involved in the same line of business as our Company. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they arise. For further details, please see sections titled "*Our Group Companies*" and "*Related Party Transactions*" on pages 111 and 123 of this Information Memorandum, respectively.

Except the details of other ventures of our Promoters as set out above, none of our Promoters are interested as members of a firm or company. Further, no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a director, or otherwise, for services rendered by them or by such promoter(s) or by firm or company, in connection with the promotion or formation of our Company.

Related Party Transactions

For details of related party transactions entered into by our Company with our Promoters and Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 123 of this Information Memorandum.

Interest of Promoters in Sales and Purchases

Other than as disclosed in "*Related Party Transactions*" on page 123 of this Information Memorandum, there are no sales/ purchases between our Company and our Promoter Group, Group Companies and our associate companies when such sales or purchases exceed in value the aggregate of ten percent (10%) of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group, Entities and the associate companies as on the date of the last financial statements.

Payment or Benefits to Promoters or Promoter Group

Except as stated above, and otherwise as disclosed in the section titled "*Related Party Transactions*" on page 123 of this Information Memorandum, there has been no payment or benefit provided to our Promoters or Promoter Group by our Company during the two (2) years preceding the date of the Information Memorandum, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Except as stated in "*Related Party Transactions*" on page 123 of this Information Memorandum, our Company has not entered into any contract, agreements or arrangements during the preceding two (2) years from the date of this Information Memorandum or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, please see sections titled "*Outstanding Litigation and Material Developments – Litigation involving our Promoters*" on page 238 of this Information Memorandum.

Confirmations

Our Promoters, relatives of our Promoters and members of our Promoter Group have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been debarred from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

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

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority or which is a wilful defaulter as categorized by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters are not related to any of the sundry debtors of our Company.

Companies and firms with which our Promoters have disassociated in the last three (3) years

Our Promoters have not disassociated themselves from any company and/ or firms during the preceding three (3) years.

Change in the Management and Control of our Company

Our Company was incorporated on July 10, 2007, and was originally promoted by IIFL Holdings Limited as its wholly owned subsidiary Pursuant to the Scheme of Arrangement, with effect from the Effective Date, the entire shareholding of our erstwhile promoter i.e., IIFL Holdings Limited, in our Company was vested and transferred to the shareholders of IIFL Holdings Limited. Pursuant to such transfer, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani became our Promoters with the Promoter Group as detailed below under title *"Promoter Group"* on Page no.110 of this Information Memorandum. For further details, please see the note in section titled "*Capital Structure – The top ten (10) shareholders of our Company as on date of filing this Information Memorandum*" on page 40 of this Information Memorandum

Guarantees

Our Promoters and their immediate relatives have not given any loan to our Company, secured or unsecured, as on date of this Information Memorandum. Further, our Promoters have not given any guarantee to a third party with respect to loans, secured or unsecured, availed by our Company as on date of this Information Memorandum.

Promoter Group

The names of the persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(I)(zb) of the ICDR Regulations are set out below:

1. *Natural persons who are part of the Promoter Group*

   The natural persons who are part of the Promoter Group (due to their relationship with out Promoters), other than our Promoters, are as follows:

Name of the Promoter	Name of the relative	Relationship with the Promoter
Mr. Nirmal Bhanwarlal Jain	Ms. Madhu Nirmal Jain	Spouse
Mr. Venkataraman Rajamani	Ms. Aditi Athavankar	Spouse

2. *Entities forming part of the Promoter Group*

   - Ardent Impex Private Limited
   - Orpheus Trading Private Limited
   - Ms. Aditi Avinash Athavankar (in her capacity as a trustee of Kalki Family Private Trust)

4.7 OUR GROUP COMPANIES

As per the ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standards i.e., Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("**AS 18**") in the Financial Statements.

Set forth below are our Group Companies as on the date of this Information Memorandum:

1. IIFL Holdings Limited
2. India Infoline Finance Limited
3. IIFL Wealth Management Limited
4. India Infoline Housing Finance Limited
5. IIFL Wealth Finance Limited
6. IIFL Facilities Services Limited
7. India Infoline Limited
8. Samasta Microfinance Limited
9. IIFL Management Services Limited
10. India Infoline Insurance Brokers Limited
11. India Infoline Media & Research Services Limited
12. India Infoline Commodities Limited
13. IIFL Trustee Limited
14. IIFL Asset Management Limited
15. IIFL Alternate Asset Advisors Limited
16. IIFL Distribution Services Limited
17. IIFL Investment Adviser and Trustee Services Ltd
18. IIFL Private Wealth Hong Kong Limited
19. IIFL Private Wealth Management (Dubai) Limited
20. IIFL Inc
21. IIFL Wealth (UK) Limited
22. IIFL Private Wealth (Suisse) SA
23. IIFL Capital Inc.
24. IIFL Asset Management (Mauritius) Limited
25. IIFL (Asia) Pte Limited

26. IIFL Capital Pte Limited

27. IIFL Securities Pte Limited

28. IIFL Asset Reconstruction Limited

29. Ayusha Dairy Private Limited

30. India Infoline Foundation

A. Top five Group Companies

As on date of this Information Memorandum, amongst our Group Companies, the equity shares of only one Group Company are listed on the Stock Exchanges. Set forth below are the details of our listed Group Company and other four Group Companies based on turnover.

1. **IIFL Holdings Limited**

Corporate information

IIFL Holdings Limited ("**IHL**") was originally incorporated as a private limited company under the provisions of the CA 1956 on October 18, 1995 as Probity Research and Services Private Limited. On April 28, 2000, IHL was converted into a public limited company and its name was changed to Probity Research and Services Limited. Further, pursuant to the issuance of fresh certificate of incorporation, the name of IHL was changed to India Infoline.com Limited on July 23, 2000. Further, the name of IHL was changed to India Infoline Limited pursuant to the issuance of fresh certificate of incorporation on March 23, 2001. Subsequently, pursuant to the issuance of fresh certificate of incorporation on February 18, 2014, the name of IHL was changed to its present name. The registered office of IHL is situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle East, Thane – 400 604, Maharashtra.

The CIN of IHL is L74999MH1995PLC093797. IHL is registered with SEBI as a merchant banker and investment adviser and is engaged in the business of wealth management, financing, investment banking, capital markets and insurance and financial products distribution etc. through its various subsidiaries.

On October 16, 2015, the FIH Mauritius Investments Ltd ("**Acquirer**") and HWIC Asia Fund (Class A Shares), I Investments Limited and FIH Private Investments Ltd ("**Persons Acting in Concert**" or "**PACs**") made an open offer to the shareholders of IIFL Holdings Limited pursuant to acquisition of up to 26% of the post offer equity share capital of IIFL Holdings Limited. In relation to the open offer, the Acquirer and the PACs gave an undertaking to SEBI, inter alia, stating that: (i) they will not exercise voting rights on resolutions placed before equity shareholders of IIFL Holdings Limited in relation to such number of equity shares held by them that represent more than 25% of the paid up equity share capital of IIFL Holdings Limited at the time of voting on the relevant resolution; and (ii) they will not acquire additional equity shares of IIFL Holdings Limited to exceed the 39.97%, including by way of a creeping acquisition of upto 5% of the equity share capital under Regulation 3(2) of the Takeover Regulations unless the Acquirer and PAC make an open offer or obtain the prior consent of SEBI for such acquisition. Further, the Acquirer and the PACs clarified that they are financial investors and do not intend to acquire control of IIFL Holdings Limited and appoint any additional directors on the board of directors of IIFL Holdings Limited and IIFL Holdings Limited will continue its business operations under its present management as it has done in the past, and the acquisition of the equity shares will not have any repercussions on the employment and IIFL Holdings Limited's place of business.

Interest of our Promoters

As on September 30, 2017, our Promoters i.e., Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani, hold 5,12,52,000 and 1,09,09,432 equity shares of IHL, respectively, amounting to 16.09% and 3.42% of the equity share capital of IHL, respectively. Further, Mr. Nirmal Bhanwarlal Jain is the executive chairman of IHL and Mr. Venkataraman Rajamani is the managing director of IHL.

Financial Information

The following information has been derived from the audited standalone financial statements of IHL for the last three (3) Financial Years:

(Rs. in lakhs except per share values)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	6,358	6,331	6,205
Reserves and surplus (excluding revaluation)	1,43,591	1,41,258	1,33,802
Sales/Turnover	19,206	21,141	10,904
Profit/(Loss) after tax	15,678	17,198	9,822
Earnings per share (Rs.) (Basic)	4.94	5.49	3.24
Earnings per share (Rs.) (Diluted)	4.92	5.46	3.15
Net asset value per share (Rs.)	47.17	46.63	45.13

Significant notes by auditors

There are no significant notes of the auditors for the last three (3) Financial Years.

Share price information

The equity shares of IHL are listed on NSE and BSE.

The details of the highest and the lowest prices on NSE during the preceding six (6) months are as follows:

Month	Month High	Month Low
April, 2017	514.60	393.65
May, 2017	524.80	441.25
June, 2017	630.00	494.55
July, 2017	619.90	507.25
August, 2017	642.70	555.00
September, 2017	740.00	586.05

(Source: www.nseindia.com)

The details of the highest and the lowest prices on BSE during the preceding six (6) months are as follows:

Month	Month High	Month Low
April, 2017	514.60	393.65
May, 2017	524.80	441.25
June, 2017	630.00	494.55
July, 2017	619.90	507.25
August, 2017	642.70	555.00

Month	Month High	Month Low
September, 2017	740.00	586.05

(Source: www.bseindia.com)

As on September 30, 2017, the closing share price of IHL on NSE was Rs. 607.75/- and the market capitalization as per the closing price on NSE was Rs. 1,93,553.52/- million.

As on September 30, 2017, the closing share price of IHL on BSE was Rs. 607.70/ and the market capitalization as per the closing price on BSE was Rs. 193537.60/- million.

2. **India Infoline Finance Limited**

Corporate information

India Infoline Finance Limited ("**IIFL**") was originally incorporated as a private limited company under provisions of the CA 1956 on July 07, 2004 as India Infoline Investment Services Private Limited. On July 10, 2007, IIFL was converted into a public limited company and its name was changed to India Infoline Investment Services Limited. Subsequently, pursuant to the issuance of fresh certificate of incorporation on November 18, 2011, the name of IIFL was changed to its present name. The registered office of IIFL is situated at 12A - 10, 13th Floor, Parinee Crescenzo, C-38 and C-39, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The CIN of IIFL is U67120MH2004PLC147365. IIFL is registered with RBI as a systemically important non-deposit taking non-banking financial company and focuses on mortgage loans, commercial vehicle finance, gold loan, capital market finance and healthcare finance.

Interest of our Promoters

Our Promoters i.e., Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani, hold 4,950 and 5,000 equity shares of IIFL as nominees of IIFL Holdings Limited. Further, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani are the whole-time directors of IIFL.

Financial Information

The following information has been derived from the audited standalone financial statements of IIFL for the last three (3) Financial Years:

(Rs. in lakhs except per share values)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	23716.51	23715.40	23715.40
Reserves and surplus (excluding revaluation)	295601.18	174725.84	158530.79
Sales/Turnover	226422.43	219165.24	215870.08
Profit/(Loss) after tax	34272.80	27173.19	24772.60
Earnings per share (Rs.) (Basic)	13.9	10.1	10.3
Earnings per share (Rs.) (Diluted)	12.6	10.1	10.3
Net asset value per share (Rs.)	115.3	83.3	76.1

Significant notes by auditors

There are no significant notes of the auditors for the last three (3) Financial Years.

3. **India Infoline Housing Finance Limited**

Corporate information

India Infoline Housing Finance Limited ("**IIHFL**") was incorporated on December 26, 2006 under the provisions of the CA 1956 and has its registered office at 12A-10, 13th Floor, Parinee Crescenzo, C-38 and C-39, Bandra Kurla Complex, Bandra (East), Mumbai– 400051. The CIN of IIHFL is U65993MH2006PLC166475. It is a wholly owned subsidiary of IIFL and is registered with National Housing Bank as a housing finance company.

Interest of our Promoters

Our Promoter i.e., Mr. Nirmal Bhanwarlal Jain, holds 100 equity shares of IIHFL as a nominee of IIFL. Further, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani are one of the directors of IIFHL.

Financial Information

The following information has been derived from the audited standalone financial statements of IIHFL for the last three (3) Financial Years:

(Rs. in lakhs except per share values)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	1,996.82	1,496.82	1,090.00
Reserves and surplus (excluding revaluation)	93,353.19	48,296.54	19,214.69
Sales/Turnover	90,497.54	56,959.69	23,662.78
Profit/(Loss) after tax	8,355.76	7,205.89	5,350.18
Earnings per share (Rs.) (Basic)	49.78	52.58	37.93
Earnings per share (Rs.) (Diluted)	49.78	51.17	37.93
Net asset value per share (Rs.)	473.34	325.59	175.51

Significant notes by auditors

There are no significant notes of the auditors for the last three (3) Financial Years.

4. **India Infoline Limited**

Corporate information

India Infoline Limited ("**IIL**") was originally incorporated as a private limited company under the provisions of the CA 1956 on March 21, 1996 as Agri Marketing Services India Private Limited. Further, pursuant to the issuance of fresh certificate of incorporation, the name of IIL was change to India Infoline.com Distribution Company Private Limited on May 08, 2000. On December 02, 2005, India Infoline Limited was converted into public limited company and its name was changed to India Infoline.com Distribution Company Limited. Further, the name of IIL was changed to India Infoline Distribution Company Limited pursuant to the issuance of fresh certificate of incorporation on April 13, 2006. Subsequently, pursuant to the issuance of fresh certificate of incorporation on February 27, 2014, the name of India Infoline Limited was changed to its present name. The registered office of IIL is situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot no. B-23, Thane Industrial Area, Wagle Estate, Thane- 400604.

The CIN of IIL is U99999MH1996PLC132983. IIL is a subsidiary of IIFL Holdings Limited. IIL is a SEBI registered intermediary which is engaged in the business of

providing equity broking services, depository participant services, portfolio management services, mutual fund distribution, services relating to research analyst and investment adviser.

Interest of our Promoters

Our Promoters i.e., Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani, hold 05 and 10 equity shares of IIL, respectively, as nominees of IIFL Wealth Management Limited.

Financial Information

The following information has been derived from the audited standalone financial statements of IIL for the last three (3) Financial Years:

(in Rs. lakhs except per share values)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	1,690	1,690	1,690
Reserves and surplus (excluding revaluation)	22,425	18,842	14,762
Sales/Turnover	50,840	48,192	54,598
Profit/(Loss) after tax	7,600	4,680	7,105
Earnings per share (Rs.) (Basic)	44.97	27.69	42.04
Earnings per share (Rs.) (Diluted)	44.97	27.69	42.04
Net asset value per share (Rs.)	142.69	121.49	97.35

Significant notes by auditors

There are no significant notes of the auditors for the last three (3) Financial Years.

5. **IIFL Wealth Finance Limited**

Corporate information

IIFL Wealth Finance Limited ("**IWFL**") was originally incorporated on August 31, 1994 under provisions of the CA, 1956, as Chephis Capital Markets Limited. On February 13, 2016, IIFL Wealth Management Limited acquired 100% equity shares capital of the IWFL and pursuant to the issuance of the fresh certificate of incorporation on March 12, 2016, the name of Chephis Capital Markets Limited was changed to its present name. The registered office of IWFL is situated at 6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai, 400 013.

The CIN of IWFL is U65990MH1994PLC080646. It is a RBI registered systemically important non-deposit accepting non-banking financial company and is primarily engaged in the lending/ financing activities and offers broad suite of financial products such as loan against securities, loan against property, etc. to corporate and high net worth clients. IWFL has also obtained composite corporate agency license from Insurance Regulatory and Development Authority of India and is eligible to procure business under life, health and general insurance categories.

Interest of our Promoters

Our Promoters i.e., Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani, neither directly hold any equity shares nor are directors in IWFL.

Financial Information

The following information has been derived from the audited standalone financial statements of IWFL for the last three (3) Financial Years:

(in Rs. lakhs except per share values)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	26,244.97	25,211.64	72.75
Reserves and surplus (excluding revaluation)	80,181.19	64,975.89	30.69
Sales/Turnover	46,147.19	739.30	14.31
Profit/(Loss) after tax	10,038.63	174.09	5.06
Earnings per share (Rs.) (Basic)	3.93	0.98	0.70
Earnings per share (Rs.) (Diluted)	3.93	0.98	0.70
Net asset value per share (Rs.)	40.55	35.77	14.22

Significant notes by auditors

There are no significant notes of the auditors for the last 3 Financial Years.

B. Details of Group Companies with negative net worth

As on date of this Information Memorandum, none of our Group Companies have negative networth.

C. Details of other Group Companies

Set forth below are details of our other Group Companies, other than the top five (5) Group Companies, as on the date of this Information Memorandum:

Sr. No.	Name of the Group Company	Brief description of activities	Interest of our Promoters
1.	IIFL Wealth Management Limited	IIFL Wealth Management Limited is a SEBI registered intermediary and carries on the business of portfolio and wealth management, equity broking and depository participant	None of our Promoters directly hold any equity shares in IIFL Wealth Management Limited. However, Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani are directors in IIFL Wealth Management Limited
2.	IIFL Facilities Services Limited	IIFL Facilities Services Limited provides office space to companies in the IIFL group	Our Promoters neither directly hold any equity shares nor are directors in IIFL Facilities Services Limited
3.	Samasta Microfinance Limited	Samasta Microfinance Limited carries on the business of providing micro finance	None of our Promoters directly hold any equity shares in the Samasta Microfinance Limited. However, Mr. Venkataraman Rajamani is one of the directors of Samasta Microfinance Limited
4.	IIFL Management Services Limited	IIFL Management Services Limited carries on the	Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman

Sr. No.	Name of the Group Company	Brief description of activities	Interest of our Promoters
		business of real estate advisory services	Rajamani hold 100 equity shares each of IIFL Management Services Limited as a nominee of IIFL Holdings Limited. None of our Promoters are directors in IIFL Management Services Limited
5.	India Infoline Insurance Brokers Limited	India Infoline Insurance Brokers Limited carries on the business of insurance broking and is registered with Insurance Regulatory and Development Authority of India.	Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani hold 100 equity shares each of India Infoline Insurance Brokers Limited as a nominee of IIFL Holdings Limited. Also, Mr. Venkataraman Rajamani is one of the directors of India Infoline Insurance Brokers Limited
6.	India Infoline Media & Research Services Limited	India Infoline Media and Research Services Limited carries on the business of designing and developing websites, web portals, software and internet based services	Our Promoters neither directly hold any equity shares nor are directors in India Infoline Media and Research Services Limited
7.	India Infoline Commodities Limited	India Infoline Commodities Limited carries on the business of commodities broking	Mr. Nirmal Bhanwarlal Jain holds 4,950 equity shares of India Infoline Commodities Limited as a nominee of IIFL Holdings Limited and Mr. Venkataraman Rajamani holds 5,000 equity shares of India Infoline Commodities Limited as a nominee of IIFL Holdings Limited Also, Mr. Venkataraman Rajamani is one of the directors of India Infoline Commodities Limited
8.	IIFL Trustee Limited	IIFL Trustee Limited acts as trustee to IIFL Mutual Funds and alternative investment funds	Our Promoters neither directly hold any equity shares nor are directors in IIFL Trustee Limited.
9.	IIFL Asset Management Limited	IIFL Asset Management Company Limited is a SEBI registered asset management company	Our Promoters neither directly hold any equity shares nor are directors in IIFL Asset Management Limited
10.	IIFL Alternate Asset Advisors Limited	IIFL Alternate Asset Advisors Limited acts as investment manager to schemes of alternative investment funds	Our Promoters neither directly hold any equity shares nor are directors in IIFL Alternate Asset Advisors Limited

Sr. No.	Name of the Group Company	Brief description of activities	Interest of our Promoters
11.	IIFL Distribution Services Limited	IIFL Distribution Services Limited carries on the business of distribution of financial products and is registered with AMFI	Our Promoters neither directly hold any equity shares nor are directors in IIFL Distribution Services Limited
12.	IIFL Investment Adviser and Trustee Services Ltd	IIFL Investment Advisors and Trustee Services Limited carries on the business of providing trustee services and is registered with SEBI as an investment adviser	Our Promoters neither directly hold any equity shares nor are directors in IIFL Investment Adviser and Trustee Services Limited
13.	IIFL Private Wealth Hong Kong Limited	IIFL Private Wealth Hong Kong Limited carries on the business of advising and dealing in securities	Our Promoters neither directly hold any equity shares nor are directors in IIFL Private Wealth Hong Kong Limited
14.	IIFL Private Wealth Management (Dubai) Limited	IIFL Private Wealth Management (Dubai) Limited carries on the business of distribution of financial products	Our Promoters neither directly hold any equity shares nor are directors in IIFL Private Wealth Management (Dubai) Limited
15.	IIFL Inc	IIFL Inc has applied for the broker-dealer registration with Securities and Exchange Commission, United States and is awaiting approval in relation to the same.	Our Promoters neither directly hold any equity shares nor are directors in IIFL Inc
16.	IIFL Wealth (UK) Limited	IIFL Wealth (UK) Limited carries on the business of distribution of financial products	Our Promoters neither directly hold any equity shares nor are directors in IIFL Wealth (UK) Limited
17.	IIFL Private Wealth (Suisse) SA	IIFL Private Wealth (Suisse) SA carries on the business of providing investment advisory services and distribution of financial products	Our Promoters neither directly hold any equity shares nor are directors in IIFL Private Wealth (Suisse) SA
18.	IIFL Capital Inc.	IIFL Capital Inc. is a registered as a broker dealer with Financial Industry Regulatory Authority and Securities and Exchange Commission, United States	Our Promoters neither directly hold any equity shares nor are directors in IIFL Capital Inc
19.	IIFL Asset Management (Mauritius) Limited	IIFL Asset Management (Mauritius) Limited is registered as an investment advisor with Financial Service Commission, Mauritius, acts as investment manager, it is engaged in the business of distribution of financial products and is registered	Our Promoters neither directly hold any equity shares nor are directors in IIFL Asset Management (Mauritius) Limited

Sr. No.	Name of the Group Company	Brief description of activities	Interest of our Promoters
		with SEBI as a foreign portfolio investor	
20.	IIFL (Asia) Pte. Limited	IIFL (Asia) Pte. Limited is an investment holding company and presently holds investments in IIFL Securities Pte Ltd and IIFL Capital Pte Ltd	Our Promoters neither directly hold any equity shares nor are directors in IIFL (Asia) Pte. Limited
21.	IIFL Capital Pte. Limited	IIFL Capital Pte. Limited carries on the business of providing fund management services	Our Promoters neither directly hold any equity shares nor are directors in IIFL Capital Pte. Limited
22.	IIFL Securities Pte. Limited	IIFL Securities Pte. Limited carries on the business of distribution of financial products	Our Promoters neither directly hold any equity shares nor are directors in IIFL Securities Pte. Limited
23.	IIFL Asset Reconstruction Limited	IIFL Asset Reconstruction Limited is proposed to carry on the asset reconstruction business	Mr. Nirmal Bhanwarlal Jain and Mr. Venkataraman Rajamani hold 10 equity shares of IIFL Asset Reconstruction Limited as a nominee of IIFL Holdings Limited. None of our Promoters are directors in IIFL Asset Reconstruction Limited
24.	Ayusha Dairy Private Limited	Ayusha Dairy Private Limited proposed to carry on the business of providing dairy products	Our Promoters neither directly hold any equity shares nor are directors in Ayusha Dairy Private Limited
25.	India Infoline Foundation	India Infoline Foundation is a not for profit company conducts charitable/ social activities.	Our Promoters neither directly hold any equity shares nor are directors in India Infoline Foundation.

D. Nature and extent of interest of Group Companies

1. *In the promotion of our Company*

   None of our Group Companies have any interest in the promotion or other interest in our Company.

2. *In the properties acquired or proposed to be acquired by our Company in the past two (2) years before filing this Information Memorandum*

   None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two (2) years preceding the filing of this Information Memorandum.

3. *In transactions for acquisition of land, construction of building and supply of machinery*

   None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

E. Common pursuits among the Group Companies with our Company

Some of our Group Companies conduct business similar to that is conducted by our Company. Our Company shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as any when they arise.

F. Related business Transactions within the Group Companies and significance on the financial performance of our Company

For more information, see "*Related Party Transactions*" on page 123 of this Information Memorandum.

G. Significant sale/ purchase between Group Companies and our Company

Except as disclosed in "*Related Party Transactions*" on page 123 of this Information Memorandum, none of our Group Companies are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

H. Business interest of Group Companies

None of our Group Companies have any business interest in our Company.

I. Defunct Group Companies

None of our Group Companies remain defunct, and no application has been made to the registrar of companies for striking off the name of any of our Group Companies during the 5 years preceding the date of filing of this Information Memorandum. None of our Group Companies fall under the definition of sick companies under SICA and none of them are under winding up.

J. Loss making Group Companies

Except as disclosed below, none of our Group Companies are loss making.

(*in Rs. lakhs*)

Sr. No	Name	Fiscal 2017	Fiscal 2016	Fiscal 2015
1.	IIFL Inc	(47.32)	(14.71)	(123.03)
2.	IIFL Asia Pte Limited	(7.26)	(181.61)	(174.25)

K. Litigation

For details relating to the legal proceedings involving the Group Companies, see "*Outstanding Litigations and Material Developments – Involving our Group Companies*" on page 242 of this Information Memorandum.

L. Confirmations

1. None of the equity shares of our Group Companies, except IIFL Holdings Limited, are listed on any stock exchange. None of our Group Companies have made any public or rights issue of securities to public in the preceding three (3) years, except as disclosed in this Information Memorandum in section titled "*Other Regulatory and Statutory Disclosures - Promise vis-à-vis performance*" on page 267 of this Information Memorandum.

2. None of our Group Companies have been debarred from accessing the capital market for any reasons by SEBI, or any other regulatory authorities.

3. None of our Group Companies have been identified as wilful defaulters by any bank, financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

4. None of our Group Companies have outstanding unsecured loans, which may be recalled by the lenders at any time.

4.8 RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 'related party disclosures' issued by the Institute of Chartered Accountants, please see section titled "*Financial Statements*" on page 125 of this Information Memorandum.

4.9 DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the CA 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into, to finance our fund requirements for our business activities, contractual obligations, and applicable legal restrictions. For further details, please see section titled "*Financial Indebtedness*" on page 218 of this Information Memorandum.

Our Company has not declared any dividends in last five (5) financial years preceding the filing of the Information Memorandum.

SECTION 5: FINANCIAL INFORMATION

5.1 FINANCIAL STATEMENTS

V. Sankar Aiyar & Co.
CHARTERED ACCOUNTANTS
2-C, Court Chambers
35, New Marine Lines
Mumbai - 400 020

Tel. : 2200 4465, 2206 7440
Fax : 91- 22-2200 0649
E-mail : mumbai@vsa.co.in
Website : www.vsa.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF 5PAISA CAPITAL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of 5PAISA CAPITAL LIMITED ("the Company"), which comprise the Balance Sheet as at 30th September, 2017 the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control

Delhi Office : 202-301, Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi - 110 008 • Tel.: 2570 5233 / 2570 5232 • E-mail : newdelhi@vsa.co.in
Chennai Office : 41, Circular Road, United India Colony, Kodambakkam, Chennai - 600 024 • Tel.: 044-2372 5720 & 044-2372 5730 • E-mail : chennai@vsa.co.in

V. Sankar Aiyar & Co.
CHARTERED ACCOUNTANTS
Mumbai - 400 020

relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 30th September, 2017 and its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required bySection143(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.

For V. Sankar Aiyar & Co,
Chartered Accountants
(Firm's Registration No. 109208W)

G Sankar
Partner
(Membership No. 46050)

Place: Mumbai

Date: 13th October 2017

5PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Standalone Balance Sheet as at Sept 30, 2017

(Amount in ₹)

Particulars	Note No	As at Sept 30, 2017	As at March 31, 2017
I EQUITY AND LIABILTIES			
(1) Shareholder's funds			
(a) Share Capital	3	12,73,90,220	12,73,90,220
(b) Reserve and Surplus	4	63,83,56,851	75,49,60,032
Sub Total		**76,57,47,071**	**88,23,50,252**
(2) Non Current Liabilities			
(a) Long-Term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-Term liabilities		-	-
(d) Long-Term Provisions	5	31,58,503	31,47,248
Sub Total		**31,58,503**	**31,47,248**
(3) Current liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	6		
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		17,09,66,545	9,32,18,745
(c) Other Current Liabilities	7	2,50,82,395	55,11,928
(d) Short-Term Provisions	8	4,28,70,582	4,05,99,191
Sub Total		**23,89,19,523**	**13,93,29,864**
TOTAL		**1,00,78,25,096**	**1,02,48,27,365**
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets	9		
(i) Tangible Assets		38,34,218	26,85,802
(ii) Intangible Assets		69,42,633	20,27,238
(iii) Capital work in progress		49,523	12,73,533
Sub Total		**1,08,26,374**	**59,86,573**
For V Sankar Aiyar & Co			
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)	10	9,95,40,647	7,01,70,597
(d) Long-Term Loans & Advances	11	8,58,69,946	4,10,95,844
(e) Other Non-Current Assets		-	-
Sub Total		**18,54,10,593**	**11,12,66,441**
(2) Current assets			
(a) Current Investments		-	0
(b) Inventories	12	6,47,45,843	2,55,43,484
(c) Trade Receivables	13	32,26,70,855	5,32,85,721
(d) Cash and Bank Balances	14	38,76,45,914	81,12,32,059
(e) Short-Term Loans & Advances	15	3,07,44,885	1,58,47,447
(f) Other Current Assets	16	57,80,633	16,65,640
Sub Total		**81,15,88,130**	**90,75,74,352**
TOTAL		**1,00,78,25,097**	**1,02,48,27,365**
See accompanying notes Forming a Part of Standalone Financial Statements	**1-28**		

As per our attached report of even date

For V Sankar Aiyar & Co
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G Sankar
Partner
Membership No. 046050

Place : Mumbai
Dated : 13th October, 2017

For and on behalf of the Board of Directors

Prakash Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :- 01984467)

Ankita Lakhotia
Chief Financial Officer

Harshit Choudhary
Company Secretary

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

5PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Standalone Statement of Profit & Loss for the period ended Sept 30, 2017

(Amount in ₹)

Particulars	Note No	For the Period ended Sept 30,2017	For the Year ended March 31,2017
Income			
Revenue From Operations	17	6,42,47,631	7,46,68,247
Total Revenue		**6,42,47,631**	**7,46,68,247**
Expenditure			
Employee Benefits Expense	18	9,20,19,551	8,76,95,210
Finance Cost	19	81	1,12,37,326
Other Expenses	20	11,61,98,920	13,67,71,581
Depreciation	21	20,02,312	27,70,045
Total Expenditure		**21,02,20,864**	**23,84,74,162**
Profit Before Tax		**(14,59,73,232)**	**(16,38,05,915)**
Deferred Tax Expenses		(2,93,70,051)	(4,65,51,496)
Short / (excess) provision of tax for earlier year		-	(3,53,522)
Sub Total		**(2,93,70,051)**	**(4,69,05,018)**
Profit (Loss) For The Year		**(11,66,03,181)**	**(11,69,00,897)**
Earnings Per Share (Face Value ₹10)	22		
Basic		(9.15)	(9.18)
Diluted		(9.15)	(9.18)
See accompanying notes Forming a Part of Standalone Financial Statements	**1-28**		

As per our attached report of even date

For V Sankar Aiyar & Co
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G Sankar
Partner
Membership No. 046050

Place : Mumbai
Dated : 13th October, 2017

Prakarsh Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :- 01984467)

Ankita Lakhotia
Chief Financial Officer

Harshit Choudhary
Company Secretary

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Cash Flow Statement for the period ended Sept 30, 2017

(Amount in ₹)

Particulars	For the period ended Sept 30,2017		For the year ended March 31,2017	
Cash Flows From Operating Activities				
Net profit before taxation and extraordinary item		(14,59,73,232)		(16,38,05,915)
Adjustments for:				
Net Loss/(gain) on Sale of Current Investments	(1,29,88,978)		(2,25,83,982)	
Interest Income	(54,68,329)		(50,22,483)	
Gratuity	4,27,696		12,75,158	
Leave Encashment	4,16,017		4,86,594	
Interest Expenses	81	(1,76,13,513)	1,12,37,326	(1,46,07,387)
Operating Profit before Working Capital Changes		**(16,35,86,745)**		**(17,84,13,302)**
Changes in Working Capital :				
(Increase)/Decrease in Long Term Loan and Advances	(4,47,74,101)		24,55,320	
Increase/(Decrease) in Other Current Liabilities	1,95,70,467		20,65,917	
Decrease/(Increase) in Short Term Loans and advances	(1,48,97,437)		(1,25,33,052)	
(Increase) / Decrease in Trade inventories	(3,92,02,360)		(1,50,64,107)	
Decrease / (Increase) in other current assets	(41,14,992)		2,39,586	
Increase / (Decrease) in Short term Provision	14,27,678		3,41,75,908	
Increase / (Decrease) in Long term Provision	11,255		28,40,035	
Increase / (Decrease) in Short term & Long term Borrowings	-		(2,31,00,000)	
Decrease / (Increase) in Trade Receivable	(26,93,85,135)		17,76,43,657	
Increase / (Decrease) in Trade Payable	7,77,47,800	(27,36,16,824)	(20,12,90,492)	(3,25,67,228)
Cash generated from/(Used) operations		(43,72,03,569)		(21,09,80,530)
Net income tax (paid) / refunds		-		3,53,522
Net cash from/(used in) operating activities (a)		**(43,72,03,569)**		**(21,06,27,008)**
Cash Flows From Investing Activities				
Sale / (Purchase) of Current Investments (Net)		0		(0)
Capital Gain on Investment		1,29,88,978		2,25,83,982
Interest received		54,68,329		50,22,483
Dividend Income		-		-
Bank Balance not considered as Cash and Cash Equivalents		(5,00,00,000)		(50,00,000)
(Purchase) /Sale of fixed assets (includes intangible assets) (net)		(48,39,801)		(27,98,362)
Net cash from/(used in) investing activities (b)		**(3,63,82,494)**		**1,98,08,103**
Cash Flows From Financing Activities				
Increase in share capital		-		87,99,90,000
Interest Paid		(81)		(1,12,37,326)
Net cash from/(used in) financing activities (c)		**(81)**		**86,87,52,674**
Net increase / (decrease) in cash and cash equivalents (a + b + c)		**(47,35,86,144)**		**67,79,33,769**
Cash and Cash equivalents at beginning of year		75,62,32,059		7,82,98,290
Cash and Cash equivalents at end of year (Note 15)		28,26,45,914		75,62,32,059
Net increase / (decrease) in cash and cash equivalents		**(47,35,86,145)**		**67,79,33,769**
See accompanying notes Forming a Part of Standalone Financial Statements			1-30	

For V Sankar Aiyar & Company
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G Sankar
Partner
Membership No. 046050

Place :Mumbai
Dated 13th October, 2017

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Prakarsh Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :- 01984467)

Ankita Lakhotia
Chief Financial Officer

Harshit Choudhary
Company Secretary

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Note: 1. Corporate Information:

5Paisa Capital Ltd ["5PCL"] is engaged in providing an online technology platform for trading in National Stock Exchange of India Ltd & BSE Ltd through web based trading terminal, mobile application and a state of the art Call and Trade Unit. 5PCL is also a SEBI approved Research analyst, a Depository Participant under CDSL and registered member of AMFI. 5PCL provides a wide range of financial services to its customers including depository services, distribution of mutual funds, bonds and debentures, Equity and Mutual fund research etc through its technology based platforms.

Note: 2

A) Scheme of Arrangement between IIFL Holdings Limited and 5paisa Capital Limited

The Scheme of Arrangement between IIFL Holdings Limited and 5paisa Capital Limited was approved by National Company Law Tribunal, Mumbai Bench("NCLT") on 06.09.2017. The certified true copy of the order was duly filed with Registrar of Companies, Mumbai and the Scheme was effective from 30.09.2017.Pursuant to order of NCLT, Mumbai Bench, 5paisa digital Undertaking (the undertaking)on going concern basis was vested from IIFL Holdings Limited (IHL)to 5Paisa Capital Ltd. (5PCL) w.e.f. the appointed date i.e. 01.10.2016
5Paisa Digital Undertaking Business includes development/ maintenance of technology application for online trading through trading terminal and mobile application, source code of mobile application, domain name (5Paisa.com), software rights, brand i.e. 5Paisa establishment, protection and support, Infrastructure and facilities services etc

In accordance with the said Scheme of Arrangement:

1 **a**. The whole of the undertaking including all assets and liabilities of the undertaking were transferred to and vested by IHL to 5PCL at respective book values from 01.10.2016.
b. The face value of the equity share capital of 5 PCL of ₹ 177,165,000 held by IHL will get cancelled and without payment of Consideration.
c. 12,709,322 equity shares reflected as share suspense of ₹ 10 each will be issued by 5PCL to the members of IHL, whose names appear in the Register of Members of IHL or the Record Date of 18th Oct 2017.
d. The excess of net assets value of 5 Paisa Digital Undertaking transferred to 5 PCL over the value of equity shares referred to in (c) above, as reduced by the face value of the equity share capital of 5PCL cancelled, referred in (b) above, has been recorded as "Capital Reserve" in March 2017 financials which has been arrived as follows:-

Net assets value of 5 Paisa Digital Undertaking	(2,064,806)
Equity shares cancelled	177,165,000
New equity share capital to be issued	127,390,220
Capital Reserve (A+B-C)	47,709,974

2 During the period between the appointed date and the effective date, IHL carried on the business and activities relating to the said Undertaking and held the properties and assets pertaining to the said Undertaking for and on account of and in trust for 5PCL. All the profits or income accruing or arising to IHL or expenditure or loss arising or incurred or suffered by IHL pertaining to the said Undertaking during the period 01.04.2017 to 30.09.2017 have also been incorporated in these financial statements.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

3 Figures of previous years are not comparable with the figures of the current year as the warrant figures include the results of operations relating to 5 Paisa Digital Undertaking also with effect from 01.10.2016.

B) 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 have 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

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

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5Paisa Capital Limited 6

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

2.8 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.

S. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

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 script.

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.

Note: 3. Issued, Subscribed and Paid-up share capital:

a) **The Authorized, Issued, Subscribed and fully paid up share capital comprises equity shares as follows:**

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Authorized :		
18,000,000 Equity Shares of ₹10 each	180,000,000	180,000,000
Issued , Subscribed and Paid Up :		
NIL (PY Upto 30.09.2016 - 17,716,500 and NIL after 30.092016) Equity Shares of ₹10 each fully paid – up	-	-
Share Suspense Account 12,739,022 Equity shares of ₹ 10 each to be issued as fully paid-up to the shareholders of India Infoline Holdings Limited pursuant to the Scheme of Arrangement (Refer Note 2A)	127,390,220	127,390,220
Total	**127,390,220**	**127,390,220**

b) **Reconciliation of the shares outstanding**

Particulars	As at Sept 30,2017		As at March 31, 2017	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
At the Beginning of the Year	-	-	3,050,000	30,500,000
Add:- Issued during the Year	-	-	14,666,500	146,665,000
Less : Shares Cancelled under Scheme of Arrangement (Refer Note 2(A))	-	-	17,716,500	177,165,000
Outstanding at the end of the year	-	-	-	-

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

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

Particulars	Sept 30,2017		March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Limited - The Holding Company upto 30.09.2016	-	-	-	-

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

Particulars	As at Sept 30, 2016		As at March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Limited - The Holding Company upto 30.09.2016	-	-	-	-

Note: 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Securities premium account		
Opening balance	823,325,000	90,000,000
Addition during the year	-	733,325,000
Closing Balance	**823,325,000**	**823,325,000**
Capital Reserve		
Opening balance		
Addition during the year (Refer Note 2(A))	47,709,974	47,709,974
Closing Balance	**47,709,974**	**47,709,974**
Profit and Loss Account		
Opening balance	**(116,074,942)**	825,954
Addition during the year	(116,603,181)	(116,900,897)
Closing Balance	**(232,678,124)**	**(116,074,942)**
Total	**638,356,851**	**754,960,032**

Note: 5. Long Term Provision:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
(i) Provision for Gratuity	2,841,592	2,576,654
(ii) Provision for Leave Encashment	316,911	570,594
Total	**3,158,503**	**3,147,248**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

9

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Note: 6. Trade Payable:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
-Outstanding dues of micro & small enterprises*	-	-
-Outstanding dues of creditors other than micro & small enterprises	170,966,545	93,218,745
Total	**170,966,545**	**93,218,745**

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

Note: 7. Other Current Liabilities:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Statutory remittances	10,665,374	4,399,741
Contractually reimbursable expenses	25,178	(5,595)
Accrued Salaries & Benefits	(20,475)	1,064,562
Other payables	58,630	53,220
Intercompany Payable	7,236,779	-
Others	7,116,909	-
Total	**25,082,395**	**5,511,928**

Note: 8. Short Term Provisions:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Provision for Expenses	38,651,137	38,957,430
Bonus Payable	2,462,532	743,476
Provision for Leave encashment	781,594	178,827
Provision for Gratuity	975,319	718,108
Provision for Taxation	-	1,350
Total	**42,870,582**	**40,599,191**

Note :9 Fixed Assets

Tangible Assets

(Amount in ₹)

Particulars	Computers	Electrical Equipments	Furniture & Fixtures	Office Equipments	Total
Cost or Valuation					
At April 1,2017	**14,70,034**	**3,22,640**	**18,36,897**	**15,02,086**	51,31,657
Addition	14,38,380.00	3,73,780.08	17,110.00	1,84,762.00	20,14,033
Deductions/Adjustments during the year	-	-	-	-	-
As at Sept 30,2017	**29,08,414**	**6,96,420**	**18,54,007**	**16,86,848**	**71,45,690**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

10

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Depreciation					
At April 1, 2017	4,74,473	2,44,564	10,12,182	7,14,637	24,45,856
Depreciation For the year	4,50,935	21,847	99,162	2,93,672	8,65,616
Deductions/Adjustments during the year					-
As at Sept 30,2017	**9,25,408**	**2,66,411**	**11,11,344**	**10,08,309**	**33,11,471**
Net Block					
At Sept 30, 2017	**19,83,006**	**4,30,009**	**7,42,663**	**6,78,539**	**38,34,218**
At March 31, 2017	**995,561**	**78,076**	**824,715**	**787,449**	**2,685,802**

Capital work in progress ₹ 49,523 /- (Previous year ₹ ₹ 1,273,533 /-) pertains to assets not yet capitalized.

Intangible Assets

Particulars	**Software**	**Total**
Cost or Valuation		
At April 1, 2017	**2,694,850**	**2,694,850**
Addition	60,52,090	60,52,090
Deductions/Adjustments during the year	-	-
As at Sept 30,2017	87,46,940	87,46,940
Depreciation		
At April 1, 2017	**667,612**	**667,612**
Depreciation For the year	11,36,696	11,36,696
Deductions/Adjustments during the year	-	-
Up to Sept 30,2017	18,04,307	18,04,307
Net Block		
At Sept 30, 2017	**69,42,633**	**69,42,633**
At March 31, 2017	**2,027,238**	**2,027,238**

Note: 10. Deferred Tax Assets:

(Amount in ₹)

Particulars	**As at Sept 30,2017**	**As at March 31, 2017**
Depreciation	(227,855)	13,865
Deferred Tax Asset for Gratuity	523,597	413,456
Short term/Long Term Capital losses/ Business Loss	99,193,025	69,743,276
Provision for Doubtful debts	51,881	-
Total	**99,540,647**	**70,170,597**

"Considering the future projections and that the carried forward losses are only for the last 3 years, the Company is of the opinion that sufficient taxable income will be available in future against which the deferred tax assets arising from caried forward business loss can be utilized."

V. SHANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

11

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Note: 11. Long Term Loans & Advances:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Unsecured, Considered Good :		
Deposit with Exchange / Clearing Corporation	82,983,844	38,914,000
Security Deposits	1,917,200	-
Advance Income Tax & TDS	968,901	2,181,844
Total	**85,869,946**	**41,095,844**

Note: 12. Inventories - (At lower of cost or net realisable value): **(Amount in ₹)**

Script Name	As at Sept 30,2017			As at March 31,2017		
	Strike Price in ₹	Number	Amount in ₹	Strike Price in ₹	Number	Amount in ₹
Exchange Traded Fund						
EQ-SBISENSEX	330.3	6,965	1,654,910	301	5,497	1,654,910
EQ-SETFBANK EQ	243.7	3,619	3,074,025	211	14,564	3,074,025
EQ-SETFBSE100	97.2	28,859	2,847,312	88	32,380	2,847,312
EQ-SETFNIFJR EQ	281.0	12,108	1,231,916	245	5,029	1,231,916
EQ-SETFNIFTY EQ	98.9	50,494	5,766,957	93	62,332	5,766,957
EQ-UTINIFTYETF	1,009.0	5,109	9,615,570	882	10,908	9,615,570
EQ-UTISENSEXETF	315.9	8,163	1,352,794	294	4,604	1,352,794
EQ-UTINEXT50	276.0	7,240	19,98,240			
GMRINFRA	16.4	47,999	7,87,183			
RCOM	19.2	1,52,488	29,27,769			
JPASSOCIAT	17.7	408,000	72,21,600			
AMARAJABAT	709.0	2,400	17,01,600			
SUZLON	15.6	47,471	7,40,547			
Infibeam	126.7	212,000	4,99,480			
TOTAL			**64,745,843**			**25,543,484**
Aggregate Market Value-Stock			**65,222,839**			**26,661,454**

Note: 13. Trade Receivables:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Unsecured, considered good		
Outstanding for a period exceeding six months from date they are due for payment.	201,478	17,854
Other		
- Considered good	322,670,855	53,267,867
Less: Provision for Doubtful Debt	(201,478)	-
Total	**322,670,855**	**53,285,721**

SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Note: 14. Cash and Bank Balances:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Cash & Cash Equivalents:		
Balances with banks:		
In current accounts		
Client bank accounts #	119,192,524	124,262,399
Others Bank accounts #	163,453,390	631,969,660
Total Cash & Cash Equivalent (a)	**282,645,914**	**756,232,059**
Other Balances		
In Deposit account (Maturity From 3 months to 12 months)*	105,000,000	55,000,000
Total Other Balances (b)	**105,000,000**	**55,000,000**
Total (a + b)	**387,645,914**	**811,232,059**

*Includes fixed deposits to the extent of ₹105,000,000/- (previous year ₹ 55,000,000/-)pledged with banks for Bank Guarantees and with the stock exchanges for Margin / Capital purpose.
includes Cheque on hand ₹ 29,989,302 (Previous year ₹ 91, 93,314)

Note: 15. Short term Loan and Advances:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Unsecured, Considered Good :		
Advances recoverable in cash or in kind or for value to be received	908,435	1,969,009
Balance with Government authorities		
Service Tax Credit /GST Credit Receivable	29,836,450	13,878,438
Total	**30,744,885**	**15,847,447**

Note: 16. Other Current Assets:

(Amount in ₹)

Particulars	As at Sept 30,2017	As at March 31, 2017
Prepaid expenses	5,220,905	1,464,021
Others	559,728	201,619
Total	**5,780,633**	**1,665,640**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

13

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Note: 17. Revenue from Operations:

(Amount in ₹)

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Capital Market Activity		
Brokerage Income	1,52,97,515	92,57,490
Share/Currency Trading Income	4828578	2,42,27,151
Delay Payin Charges	1,02,53,219	31,12,936
Registration Charges	59,73,238	20,19,176
Others	94,37,775	84,45,029
Total Revenue from Operations	**4,57,90,325**	**4,70,61,782**
Capital Gains – Mutual Fund	1,29,88,978	2,25,83,982
Interest Income	54,68,329	50,22,483
Total Operating Income	1,84,57,307	2,76,06,465
Total	**6,42,47,632**	**7,46,68,247**

Note: 18. Employee Benefits Expense:

(Amount in ₹)

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Salaries and bonus	86,164,392	82,074,773
Contribution to provident and other funds	4,491,643	3,258,563
Gratuity	427,696	1,275,158
Staff Welfare Expenses	519,804	600,122
Leave Encashment	416,017	486,594
Total	**92,019,551**	**87,695,210**

Note: 19. Finance Costs:

(Amount in ₹)

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Interest Expenses	81	11,237,326
Total	**81**	**11,237,326**

Note: 20. Other expenses:

(Amount in ₹)

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Advertisement	61,801,256	66,526,428
Books & Periodicals	12,976	1,347
Exchange and statutory Charges	2,960,263	146,282
Brokerage related expenses	(11,910)	1,381,773
Marketing & Commission Expenses	2,517,209	2,210,873
Bank Charges	806,456	1,381,808
Communication	2,074,982	2,328,906

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

14

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Electricity	4,847,558	5,427,256
Legal and professional charges	6,979,291	11,991,103
Office expenses	4,214,089	3,901,053
Meeting Seminar & Subscription	310,099	967,513
Postage and courier	193,065	304,760
Printing and stationery	237,666	244,363
Provision for bad and doubtful debts	201,482	(2)
Rent	14,616,640	15,786,715
Insurance	104,675	78,119
Rates & Taxes	199,508	1,891,957
Repairs & Maintenance		
Computer	98,681	319,619
Others	703,943	571,489
Remuneration to Auditors :		
As auditors -Statutory Audit	5,808	11,500
Certification Work & other matters	8,543	17,086
Software Charges	10,129,780	17,478,161
Travelling and conveyance	3,186,856	3,783,767
TOTAL	**116,198,920**	**136,771,581**

Note: 21. Depreciation

(Amount in ₹)

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Depreciation- Tangible	1,136,696	2,130,221
Depreciation – Intangible	865,616	639,834
Total	**2,002,312**	**2,770,045**

Note: 22. Earnings per Share (EPS):

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Net Profit/(Loss) after tax for the Year	(11,66,03,181)	(116,900,897)
Weighted Average No. of Shares to be issues under scheme of arrangement	1,27,39,022	12,739,022
Basic EPS	(9.15)	(9.18)
Diluted EPS	(9.15)	(9.18)

Note: 23.

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.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Note: 24.

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

Nature of relationship	Name of party
Holding Company ceased w.e.f 01.10.2016 *	IIFL Holdings Limited
Fellow Subsidiaries ceased w.e.f 01.10.2016 *	India Infoline Commodities Limited India Infoline Media & Research Services Limited India Infoline Limited India Infoline Finance Limited IIFL Management Services Limited (formerly known as India Infoline Insurance Services Limited) India Infoline Insurance Brokers Limited IIFL Wealth Management Limited IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited) IIFL Wealth (UK) Limited IIFL Capital Inc India Infoline Foundation
Group Companies	India Infoline Housing Finance Limited Samasta Microfinance Limited (w.e.f. 01st Mar 2017) Ayusha Dairy Private Limited (w.e.f. 01st Mar 2017) IIFL Capital Pte. Ltd IIFL Securities Pte. Limited IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Alternate Asset Advisors Limited IIFL Assets Reconstruction Limited IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) IIFL Distribution Services Limited IIFL Investment Advisers & Trustee Services Limited India Alternatives Investment Advisors Private Limited - ceased w.e.f 30th March 2017 IIFL Asset Management (Mauritius) Limited {Formerly IIFL Private Wealth (Mauritius) Ltd. IIFL Asia Pte Limited IIFL Private Wealth Hong Kong Limited IIFL Private Wealth Management (Dubai) Limited IIFL Inc. IIFL Private Wealth (Suisse) SA.
Other related parties:	
Key Managerial Personnel	Mr. Prakarsh Gagdani. (w.e.f 22/12/2015)

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

16

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Others	Mr. R Venkataraman
	Mr. Nirmal Jain
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt. Limited

*The relationship with holding company and fellow subsidiary has ceased to exist however these are under common control with, the reporting enterprise.

B) Significant Transaction with Related Parties

(Amount in ₹)

Nature of Transaction	Holding Company ceased w.e.f 01.10.2016*	Fellow Subsidiaries ceased w.e.f 01.10.2016*	Group Companies	Key Managerial Person	Total
ICD Received					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(9,500,000)	(-)	(-)	(9,500,000)
IIFL Holdings Limited	-	-	-	-	-
	(13,400,000)	(-)	(-)	(-)	(13,400,000)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	-	-	-	-
	(-)	(8,400,000,000)	(-)	(-)	(8,400,000,000)
IIFL Wealth Finance Ltd	-	-	-	-	-
	(-)	(850,000,000)	(-)	(-)	(850,000,000)
ICD Received (Return)					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(9,500,000)	(-)	(-)	(9,500,000)
IIFL Holdings Limited	-	-	-	-	-
	(36,500,000)	(-)	(-)	(-)	(36,500,000)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	-	-	-	-
	(-)	(8,400,000,000)	(-)	(-)	(8,400,000,000)
IIFL Wealth Finance Ltd	-	-	-	-	-
	(-)	(850,000,000)	(-)	(-)	(850,000,000)
ICD Given					
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(-)	(84,000,000)	(-)	(-)	(84,000,000)
ICD Given (Received Back)					
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(-)	(84,000,000)	(-)	(-)	(84,000,000)
Interest Expenses (ICD)					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(2,863)	(-)	(-)	(2,863)

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

17

5paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Nature of Transaction	Holding Company ceased w.e.f 01.10.2016*	Fellow Subsidiaries ceased w.e.f 01.10.2016*	Group Companies	Key Managerial Person	Total
IIFL Holdings Limited	-	-	-	-	-
	(1,002,175)	(-)	(-)	(-)	(1,002,175)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	-	-	-	-
	(-)	(9,428,850)	(-)	(-)	(9,428,850)
Allocation / Reimbursement of Expenses Paid					
India Infoline Ltd	-	14,265,686	-	-	14,265,686
	(-)	(15,852,154)	(-)	(-)	(15,852,154)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	6,429,024	-	-	6,429,024
	(-)	(4,638,976)	(-)	(-)	(4,638,976)
India Infoline Finance Limited	-	7,575	-	-	7,575
	(-)	(24,568)	(-)	(-)	(24,568)
Allocation / Reimbursement of Expenses Received					
India Infoline Ltd	-	-	-	-	-
	(-)	(7,799,906)	(-)	(-)	(7,799,906)
IIFL Wealth Management Limited	-	-	-	-	-
	(-)	(49,714)	(-)	(-)	(49,714)
Rent Expense					
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	12,352,280	-	-	12,352,280
	(-)	(13,621,441)	(-)	(-)	(13,621,441)
Remuneration					
Prakarsh Gagdani (w.e.f 22/12/2015)	-	-	-	2,662,074	2,662,074
	(-)	(-)	-	(5,291,652)	(52,91,652)
Others Paid					
India Infoline Ltd	-	139,214	-	-	139,214
	(-)	(17,045)	(-)	(-)	(17,045)
India Infoline Finance Limited	-	-	-	-	-
	(-)	(5,000)	(-)	(-)	(5,000)
Others Received					
India Infoline Ltd	-	50,000	-	-	50,000
	(-)	(8,829,878)	(-)	(-)	(8,829,878)

S. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

18

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

Nature of Transaction	Holding Company ceased w.e.f 01.10.2016*	Fellow Subsidiaries ceased w.e.f 01.10.2016*	Group Companies	Key Managerial Person	Total
India Infoline Insurance Brokers Limited	-	102,550	-	-	102,550
	(-)	(-)	(-)	(-)	(-)
India Infoline Finance Limited	-	53,220	-	-	53,220
	(-)	(-)	(-)	(-)	(-)
IIFL Holdings Limited	200,000	-	-	-	200,000
	(-)	(-)	(-)	(-)	(-)
Service Income					
India Infoline Ltd	-	1,467,207	-	-	1,467,207
	(-)	(535,367)	(-)	(-)	(535,367)
India Infoline Insurance Brokers Limited	-	2,151,749	-	-	2,151,749
	(-)	(736,707)	()	(-)	(736,707)

*The NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Amalgamation of IIFL Properties Private Limited with IIFL Real Estate Limited w.e.f. April 01, 2015. Thus, all the related party transactions with IIFL Properties Private Limited, for the current year and the previous year, have been shown under IIFL Real Estate Limited.

Note: Figures in bracket represent previous year's figure.

Note: 25. 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: 26. There is no pending litigation by and on the Company as on the balance sheet date.

Note: 27. Earnings and expenses in foreign currency

(Amount in ₹)

Particulars	For the period ended up to Sept 30,2017	For the year ended up to March 31,2017
Earnings in Foreign Currency	-	-
Total Income	-	-
Expenses in Foreign Currency		
Advertisement Expenses	1,398,798	1,568,153
Total Expenses	**1,398,798**	**1,568,153**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

19

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Period ended Sept 30, 2017

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 For V Sankar Aiyar & Co
Chartered Accountants
Firm's Registration No.109208W
By the hand of

G Sankar
Partner
Membership No.: 046050

Place: Mumbai
Dated: 13th October, 2017

For and on behalf of the Board of Directors

Prakarsh Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :-01984467)

Ankita Lakhotia
Chief Financial Officer

Harshit Choudhary
Company Secretary

V SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

5paisa Capital Limited

20

Sharp & Tannan Associates
Chartered Accountants
87 Nariman Bhavan, 227 Nariman Point
Mumbai (Bombay) 400 021, INDIA.
T: +91 22 6153 7500 ; 2202 2224 / 8857
F: +91 22 2202 3856
E: mumbai.office@sharp-tannan.com
W: www.sharp-tannan.com

Independent Auditors' Report

To the Members of 5 Paisa capital limited (Formerly IIFL Capital Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of 5 Paisa capital limited (Formerly IIFL Capital Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Also at Baroda, New Delhi and Pune. Associate Offices at Bangalore, Chennai (Madras), Hyderabad and Panjim (Goa).

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2017, and its loss 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, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A"; 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;

Sriram & Tarran Associates Chartered Accountants ICAI Regn. No. 109888W

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

i. The Company does not have any pending litigations which would impact its financial position in its financial statements, refer note no. 28 to the financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 26 to the standalone financial statements.

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

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date:2nd May, 2017

Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditor's report to the members of **5 Paisa capital limited (Formerly IIFL Capital Limited)** ("the Company") for the year ended 31st March 2017. We report that:

1. (a) The Company has maintained adequate records to show full particulars, including quantitative details and situation of the fixed assets.

   (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

   (c) The Company does not have any immovable property. Therefore, paragraph 3 (i) (c) of the order is not applicable to the Company.

2. 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. There were no discrepancies noticed during such verification.

3. The Company has granted loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

   (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
   (b) In the case of the loans granted to the company listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
   (c) There are no overdue amounts in respect of the loan granted to a company listed in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable, Therefore, Paragraph 3 (iv) of the Order is not applicable to the Company.

Shah & Taliyan Associates
ICAI Regn. No. 109663W
Chartered Accountants

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, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company, with the appropriate authorities. There were no material undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company outstanding as at 31st March, 2017 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 of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not borrowed from debentures holders or financial institution or bank or government during the year. Therefore, paragraph 3 (viii) of the Order is not applicable to the Company.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Therefore, paragraph 3 (ix) of the Order is not applicable to the Company.

10. 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, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

Shah & Taraporewala Associates
ICAI Regn. No. 109969W
SATA
Chartered Accountants

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3 (xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has made allotment of Equity shares to its holding company, the amount raised were utilized for the purpose for which they were raised. The Company has not made any other preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3 (xv) of the Order is not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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: 2nd May, 2017

Annexure - B to the Auditors' Report

Independent Auditors' report to the members of 5 Paisa capital limited (Formerly IIFL Capital Limited) ("the Company") on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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:2nd May, 2017

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Standalone Balance Sheet as at March 31, 2017

(₹ In Millions)

Particulars	Note No	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	177.17	30.50
(b) Reserve and Surplus	4	719.70	90.83
Sub Total		**896.87**	**121.33**
(2) Non Current Liabilities			
(a) Long-Term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-Term liabilities		-	-
(d) Long-Term Provisions	5	1.19	0.30
Sub Total		**1.19**	**0.30**
(3) Current liabilities			
(a) Short-Term Borrowings	6	-	23.10
(b) Trade Payables	7		
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		93.22	294.55
(c) Other Current Liabilities	8	4.73	3.45
(d) Short-Term Provisions	9	28.44	2.14
Sub Total		**126.39**	**323.20**
TOTAL		**1,024.45**	**444.83**
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets	10		
(i) Tangible Assets		2.30	1.27
(ii) Intangible Assets		2.03	0.97
(iii) Capital work in progress		1.27	0.49
Sub Total		**5.60**	**2.73**
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)	11	70.57	23.62
(d) Long-Term Loans & Advances	12	41.10	43.55
(e) Other Non-Current Assets		-	-
Sub Total		**111.27**	**67.17**
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories	13	25.54	10.48
(c) Trade Receivables	14	53.29	230.93
(d) Cash and Bank Balances	15	811.23	128.30
(e) Short-Term Loans & Advances	16	15.85	3.31
(f) Other Current Assets	17	1.67	1.91
Sub Total		**907.58**	**374.93**
TOTAL		**1,024.45**	**444.83**
See accompanying notes forming a Part of Standalone Financial Statements	1-30		

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

Utharaj Khot
Partner
Membership No. (F) 037457

Place : Mumbai
Dated : May 02, 2017

For and on behalf of the Board of Directors

5 Paisa Capital Limited

Prakash Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :- 01984467)

Ankita Lakhotia
Chief Financial Officer

Jayesh Sharma
Company Secretary

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Standalone Statement of Profit & Loss for the year ended March 31, 2017

(₹ In Millions)

Particulars	Note No	For the Year ended March 31,2017	For the Year ended March 31,2016
Income			
Revenue From Oporations	18	74.67	(12.18)
Total Revenue		74.67	(12.18)
Expenditure			
Employee Benefits Expense	19	77.66	21.63
Finance Cost	20	11.24	18.05
Other Expenses	21	134.43	25.01
Depreciation	22	2.70	0.12
Total Expenditure		226.03	64.81
Profit Before Tax		(151.36)	(76.99)
Deferred Tax Expenses		(46.55)	(23.51)
Short / (excess) provision of tax for earlier year		(0.36)	1.50
Sub Total		(46.91)	(22.01)
Profit (Loss) For The Year		(104.45)	(54.98)
Earnings Per Share (Face Value ₹10)	23		
Basic		(9.86)	(18.03)
Diluted		(9.86)	(18.03)
See accompanying notes Forming a Part of Standalone Financial Statements	1-30		

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 : May 02, 2017

For and on behalf of the Board of Directors

Prakash Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :- 01984467)

5 Paisa Capital Limited

Ankita Lakhotia
Chief Financial Officer

Jayesh Sharma
Company Secretary

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Cash Flow Statement for the year ended March 31, 2017

(₹ in Millions)

Particulars	For the year ended March 31,2017		For the year ended March 31,2016	
Cash Flows From Operating Activities				
Net profit before taxation and extraordinary item		(151.36)		(76.99)
Adjustments for:				
Net Loss/(gain) on Sale of Current Investments	(22.58)		(0.17)	
Interest Income	(5.02)		(15.21)	
Gratuity	1.06		(0.29)	
Leave Encashment	0.48		0.11	
Interest Expenses	11.24	(14.82)	18.05	2.49
Operating Profit before Working Capital Changes		**(166.18)**		**(74.50)**
Changes in Working Capital :				
(Increase)/Decrease in Long Term Loan and Advances	2.46		(7.15)	
Increase/(Decrease) in Other Current Liabilities	1.28		(0.28)	
Decrease/(Increase) in Short Term Loans and Advances	(12.53)		(2.33)	
(Increase) / Decrease in Trade Inventories	(15.06)		(10.48)	
Decrease / (Increase) in other current assets	0.26		(0.64)	
Increase / (Decrease) in Short term Provision	24.75		(17.87)	
Increase / (Decrease) in Long term Provision	0.89		-	
Increase / (Decrease) in Short term & Long term Borrowings	(23.10)		(125.20)	
Decrease / (Increase) in Trade Receivable	177.64		(203.26)	
Increase / (Decrease) in Trade Payable	(201.29)	(44.77)	291.19	(71.02)
Cash generated from/(Used) operations		(210.90)		(145.52)
Net income tax (paid) / refunds		0.35		(1.51)
Net cash from/(used in) operating activities (a)		**(210.55)**		**(147.03)**
Cash Flows From Investing Activities				
Capital Gain on Investment		22.58		0.17
Interest received		5.02		15.21
Bank Balance not considered as Cash and Cash Equivalents		(5.00)		200.00
(Purchase) /Sale of fixed assets (includes intangible assets) (net)		(2.87)		(2.73)
Net cash from/(used in) investing activities (b)		**19.73**		**212.65**
Cash Flows From Financing Activities				
Increase in share capital		879.99		-
Interest Paid		(11.24)		(18.05)
Net cash from/(used in) financing activities (c)		**868.75**		**(18.05)**
Net increase / (decrease) in cash and cash equivalents (a + b + c)		**677.94**		**47.57**
Cash and Cash equivalents at beginning of year		78.30		30.73
Cash and Cash equivalents at end of year (Note 15)		756.23		78.30
Net increase / (decrease) in cash and cash equivalents		**677.93**		**47.57**
See accompanying notes Forming a Part of Standalone Financial Statements	1-30			

As per our attached report of even date

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

Tirtharaj Khot
Partner
Membership No. :(F) 037457

Place :Mumbai
Dated : May 02, 2017

For and on behalf of the Board of Directors

Prakash Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :- 01984467)

Anita Lakhotia
Chief Financial Officer

Jayesh Sharma
Company Secretary

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Note: 1. Corporate Information:

5Paisa Capital Ltd ["5PCL"] is a Wholly Owned Subsidiary of IIFL Holdings Ltd ["IIFLH"]. 5PCL is engaged in providing an online technology platform for trading in National Stock Exchange of India Ltd & BSE Ltd through web based trading terminal, mobile application and a state of the art Call and Trade Unit. 5PCL is also a SEBI approved Research analyst, a Depository Participant under CDSL and registered member of AMFI. 5PCL provides a wide range of financial services to its customers including depository services, distribution of mutual funds, bonds and debentures, Equity and Mutual fund research etc through its technology based platforms.

On Sept 30, 2016, the Board of Directors of 5paisa Capital Limited, have approved a draft Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 with IIFL Holdings Limited ["IIFLH"] and their respective shareholders to demerge 5paisa digital undertaking of IIFLH into 5PCL. As per the proposed Scheme, the consideration for the proposed demerger is through issue and allotment of 1 equity share of ₹ 10/- each fully paid up of 5PCL for every 25 equity shares of IIFLH held by the shareholders of IIFLH. The appointed date for the proposed demerger Scheme is October 01, 2016. The Scheme would be effective upon receipt of all requisite regulatory approvals and filing of the certified copies of the final order of National Company Law Tribunal ("NCLT") with the Registrar of Companies. "No Objection" has been received from SEBI, BSE and NSE on the draft Scheme of Arrangement and the same has been filed with NCLT by 5PCL and IIFHL. Pending final approval of the proposed scheme, the financials of 5PCL is without considering the effect of the proposed demerger.

Note: 2. 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 have been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

4

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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.

Shah & Taraporevala Associates Chartered Accountants ICAI Regn. No 109931W

5

5 Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

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.

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.

Shah & Tannan Associates
ICAI
Regn. No
109863W
Chartered Accountants

6

5 Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

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 script.

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.

Note: 3. Issued, Subscribed and Paid-up share capital:

a) **The Authorized, Issued, Subscribed and fully paid up share capital comprises equity shares as follows:**

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Authorized :		
18,000,000 (PY - 10,000,000) Equity Shares of ₹10 each	180.00	100.00
Issued , Subscribed and Paid Up :		
17,716,500 (PY - 3,050,000) Equity Shares of ₹10 each fully paid – up	177.17	30.50
Total	**177.17**	**30.50**

b) **Reconciliation of the shares outstanding**

Particulars	As at March 31,2017		As at March 31, 2016	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
At the Beginning of the Year	3,050,000	30.50	3,050,000	30.50
Add:- Issued during the Year	14,666,500	146.67	-	-
Outstanding at the end of the year	**17,716,500**	**177.17**	**3,050,000**	**30.50**

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, 2017		March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Limited - The Holding Company	17,716,500	100%	3,050,000	100%

Shah & Taraporewala Associates ICAI Regn. No. 109963W Chartered Accountants

7

5 Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Limited - The Holding Company	17,716,500	100%	3,050,000	100%

Note: 4. Reserves and Surplus:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Securities premium account		
Opening balance	90.00	90.00
Addition during the year	733.32	-
Closing Balance	**823.32**	**90.00**
Profit and Loss Account		
Opening balance	0.83	55.81
Addition during the year	(104.45)	(54.98)
Closing Balance	**(103.62)**	**0.83**
Total	**719.70**	**90.83**

Note: 5. Long Term Provision:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
(i) Provision for Gratuity	0.79	0.25
(ii) Provision for Leave Encashment	0.40	0.05
Total	**1.19**	**0.30**

Note: 6. Short Term Borrowings:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Unsecured Loans & Advances from Related Parties Repayable on Demand	-	23.10
Total	**-**	**23.10**

Note: 7. Trade Payable:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
-Outstanding dues of micro & small enterprises*	-	-
-Outstanding dues of creditors other than micro & small enterprises	93.22	294.51
Total	**93.22**	**294.51**

*.No interest has been paid/is payable by company during the year to "Suppliers" referred under the Micro, Small & Medium Enterprises Development Act, 2006. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said act.

Shah & Taliwal Associates ICAI Regn. No. 136983W Chartered Accountants

8

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Note: 8. Other Current Liabilities:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
(i) Statutory remittances	4.40	0.96
(ii) Contractually reimbursable expenses	(0.01)	0.01
(iii) Accrued Salaries & Benefits	0.29	2.45
(iv) Other payables	0.05	0.03
Total	**4.73**	**3.45**

Note: 9. Short Term Provisions:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Provision for Expenses	26.79	1.59
Bonus Payable	0.75	0.15
Provision for Leave encashment	0.18	0.02
Provision for Gratuity	0.72	0.03
Provision for Taxation @ (Net of Advance Tax of ₹ 17.94 Million , PY ₹ 26.96 Million)	0.00	0.35
Total	**28.44**	**2.14**

@ Amount is Less than ₹ 0.01 million, hence shown ₹ 0.00 million

Note :10 Fixed Assets

Tangible Assets

(₹ in Millions)

Particulars	Computers	Electrical Equipments	Furniture & Fixtures	Office Equipments	Total
Cost or Valuation					
At April 1,2016	1.00	-	-	0.36	1.36
Addition	0.47	0.32	1.84	0.46	3.09
Deductions/Adjustments during the year	-	-	-	-	-
As at March 31,2017	**1.47**	**0.32**	**1.84**	**0.82**	**4.45**
Depreciation					
At April 1, 2016	0.06	-	-	0.03	0.09
Depreciation For the year	0.41	0.25	1.01	0.39	2.06
Deductions/Adjustments during the year					-
As at March 31,2017	**0.47**	**0.25**	**1.01**	**0.42**	**2.15**
Net Block					
At March 31, 2017	**1.00**	**0.07**	**0.83**	**0.40**	**2.30**
At March 31, 2016	**0.93**	-	-	**0.34**	**1.27**

Capital work in progress ₹ 1.27 Million (Previous year ₹ 0.49 Million) pertains to assets not yet capitalized.

Intangible Assets

Particulars	Software	Total
Cost or Valuation		
At April 1, 2016	1.00	1.00
Addition	1.69	1.69
Deductions/Adjustments during the year	-	-

9

Sharma & Tannan Associates Chartered Accountants ICAI Regn. No. 109483W Kolkata

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

As at March 31,2017	**2.69**	**2.69**
Depreciation		
At April 1, 2016	0.03	0.03
Depreciation For the year	0.64	0.64
Deductions/Adjustments during the year	-	-
Up to March 31,2017	**0.67**	**0.67**
Net Block		
At March 31, 2017	**2.03**	**2.03**
At March 31, 2016	**0.97**	**0.97**

Note: 11. Deferred Tax Assets:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Depreciation	0.01	(0.16)
Deferred Tax Asset for Gratuity	0.41	0.08
Short term/Long Term Capital losses/ Business Loss	69.75	23.70
Total	**70.17**	**23.62**

Note: 12. Long Term Loans & Advances:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Unsecured, Considered Good :		
Deposit with Exchange / Clearing Corporation		
DEPOSIT - BSE	0.90	0.90
DEPOSIT - BSE CASH ADD BASE CAPITAL	6.50	5.00
DEPOSIT - BSE CASH BASE CAPITAL	3.50	3.50
DEPOSIT - BSE F&O ADD BASE CAPITAL	1.00	6.00
DEPOSIT - NSCCL-CM - CASH	2.50	2.50
DEPOSIT - NSCCL-CM - IFSD	1.50	1.33
DEPOSIT - NSCCL-CURRENCY DERIVATIVE - CASH	2.50	2.50
DEPOSIT - NSCCL-CURRENCY DERIVATIVE - IFSD	2.50	2.30
DEPOSIT - NSCCL-F&O - CASH	2.50	2.50
DEPOSIT - NSCCL-F&O - IFSD	2.50	2.50
DEPOSIT - NSE CASH ADD BASE CAPITAL	0.01	-
DEPOSIT - NSEIL-CM- INTEREST FREE SECURITY DEPOSIT	8.50	8.50
DEPOSIT - NSEIL-IFSD- CURRENCY DERIVATIVE SEGMENT	2.00	2.00
DEPOSIT - NSEIL-IFSD- FUTURE AND OPTIONS SEGMENT	2.50	2.50
Total	**38.91**	**42.03**
Advance Income Tax & Tax Deducted at Source (Net of Provision CY -NIL, PY- NIL)	2.19	1.52
Total	**41.10**	**43.55**

Sethi & Tandan Associates ICAI Regn. No. 109893W Chartered Accountants

10

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

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

(₹ in Millions)

Script Name	As at March 31,2017			As at March 31,2016		
	Strike Price in ₹	Number	₹ in Million	Strike Price in ₹	Number	₹ In Million
Exchange Traded Fund						
EQ-SBISENSEX	301	5,497	1.65	247.48	2177	0.54
EQ-SETFBANK EQ	211	14,564	3.07	155.01	7360	1.14
EQ-SETFBSE100	88	32,380	2.85	78.70	12246	0.96
EQ-SETFNIFJR EQ	245	5,029	1.23	186.19	2133	0.40
EQ-SETFNIFTY EQ	93	62,332	5.77	75.66	11225	0.85
EQ-UTINIFTYETF	882	10,908	9.62	755.08	5234	3.95
EQ-UTISENSEXETF	294	4,604	1.35	237.23	11118	2.64
TOTAL			**25.54**			**10.48**
Aggregate Market Value-Stock			**26.66**			**10.97**

Note: 14. Trade Receivables:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Unsecured Considered good	53.29	230.93
Total	**53.29**	**230.93**

Note: 15. Cash and Bank Balances:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Cash & Cash Equivalents:		
Balances with banks:		
In current accounts		
Client bank accounts #	124.26	54.84
Others Bank accounts #	631.97	23.46
Total Cash & Cash Equivalent (a)	**756.23**	**78.30**
Other Balances		
In Deposit account (Maturity From 3 months to 12 months)*	55.00	50.00
Total Other Balances (b)	**55.00**	**50.00**
Total (a + b)	**811.23**	**128.30**

*Includes fixed deposits to the extent of ₹ 55 Million (previous year ₹ 50 Million) pledged with banks for Bank Guarantees and with the stock exchanges for Margin / Capital purpose.
Includes Cheque on hand ₹ 9.19 Million (Previous year ₹ 0.44 Million)

Note: 16. Short term Loan and Advances:

(₹ in Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Unsecured, Considered Good :		
Advances recoverable in cash or in kind or for value to be received	1.97	0.06
Balance with Government authorities		
Service Tax Credit Receivable	13.88	3.25
Total	**15.85**	**3.31**

11

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Note: 17. Other Current Assets:

(₹ In Millions)

Particulars	As at March 31,2017	As at March 31, 2016
Margin with exchange	-	0.47
Prepaid expenses	1.47	1.37
Others	0.20	0.07
Total	**1.67**	**1.91**

Note: 18. Revenue from Operations:

(₹ in Millions)

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Capital Market Activity		
Brokerage Income	9.26	3.12
Others	2.12	-
Delay Payin Charges	3.11	-
Registration Charges	2.02	-
Fund Based Activity		
Capital Gains – Mutual Fund	22.59	0.17
Interest Income	5.02	15.21
Others @	6.32	0.00
Share/Currency Trading Income	24.23	(30.68)
Total	**74.67**	**(12.18)**

@ Amount is Less than ₹ 0.01 million, hence shown ₹ 0.00 million

Note: 19. Employee Benefits Expense:

(₹ in Millions)

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Salaries and bonus	72.50	21.48
Contribution to provident and other funds #	3.02	0.31
Gratuity *	1.06	(0.29)
Staff Welfare Expenses	0.60	0.02
Leave Encashment	0.48	0.11
Total	**77.66**	**21.63**

Shah & Tannan Associates Chartered Accountants

12

5 Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

* 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.

(₹ in Millions)

Assumptions	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Discount rate previous year	7.72%	7.89%
Salary Escalation previous year	5.00%	5.00%
Discount rate current year	6.77%	7.72%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation		
Liability at the beginning of the year	0.27	0.33
Interest Cost	0.02	0.02
Current Service Cost	0.11	0.11
Benefit paid	(0.04)	-
Actuarial (gain)/ Loss on obligations	0.97	(0.42)
Liability Transferred in/(out)	0.17	0.23
Liability at the end of the year	**1.50**	**0.27**
Amount Recognized in the Balance Sheet		
Liability at the end of the year	(1.50)	(0.27)
Fair value of plan Assets at the end of the year	-	-
Differences	(1.50)	(0.27)
Amount of liability Recognized in the Balance Sheet	**(1.50)**	**(0.27)**
Expenses Recognized in the income statement		
Current Service cost	0.11	0.11
Interest Cost	0.02	0.02
Expected return on plan assets	-	-
Actuarial Gain or Loss	0.97	(0.42)
Expense Recognized in P&L	**1.10**	**(0.29)**
Balance Sheet reconciliation		
Opening Net liability	0.27	0.33
Expense as above	1.10	(0.29)
Net Transfer in	0.17	0.23
Benefit paid	(0.04)	-
Amount Recognized in Balance Sheet	**1.50**	**0.27**

 # Defined Contribution Plans:

The Company has also recognised the following amounts as an expense.

(₹ in Millions)

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Contribution to provident fund and EPS	2.57	0.30

Note: 20. Finance Costs:

(₹ in Millions)

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Interest Expenses	11.24	18.05
Total	**11.24**	**18.05**

13

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Note: 21. Other expenses:

(₹ in Millions)

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Advertisement	66.53	0.17
Books & Periodicals @	0.00	0.00
Exchange and statutory Charges	0.15	0.25
Brokerage related expenses	1.38	4.05
Marketing & Commission Expenses	2.21	0.29
Bank Charges	1.38	4.32
Communication	2.33	1.40
Electricity	5.43	0.37
Legal and professional charges	11.99	3.24
Miscellaneous Expenses	0.11	0.02
Office expenses	3.90	0.93
Meeting Seminar & Subscription	0.96	0.22
Postage and courier	0.30	0.01
Printing and stationery	0.24	0.02
Provision for bad and doubtful debts @	0.00	(0.01)
Rent	13.69	3.06
Insurance	0.08	0.32
Rates & Taxes	1.89	0.22
Repairs & Maintenance		
Computer	0.32	0.03
Others	0.46	0.02
Remuneration to Auditors :		
As auditors -Statutory Audit	0.01	0.01
Certification Work & other matters	0.02	0.01
Software Charges	17.48	3.47
Travelling and conveyance	3.57	2.59
TOTAL	**134.43**	**25.01**

@ Amount is Less than ₹ 0.01 million, hence shown ₹ 0.00 million

Note: 22. Depreciation

(₹ in Millions)

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Depreciation- Tangible	2.06	0.09
Depreciation – Intangible	0.64	0.03
Total	**2.70**	**0.12**

Note: 23. Earnings per Share (EPS):

Particulars	For the year ended up to March 31,2017	For the year ended up to March 31,2016
Net Profit/(Loss) after tax for the Year (₹ In Millions)	(104.45)	(54.98)
Weighted Average No. of Shares	10,595,103	3,050,000
Basic EPS (in Rs)	(9.86)	(18.03)
Diluted EPS (in Rs)	(9.86)	(18.03)

14

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

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.

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
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Media & Research Services Limited India Infoline Limited India Infoline Finance Limited India Infoline Insurance Services Limited India Infoline Insurance Brokers Limited IIFL Wealth Management Limited IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited) IIFL Wealth (UK) Limited IIFL Capital Inc India Infoline Foundation
Group Companies	India Infoline Housing Finance Limited Samasta Microfinance Limited (w.e.f. 01st Mar 2017) Ayusha Dairy Private Limited (w.e.f. 01st Mar 2017)IIFL Capital Pte. Ltd IIFL Securities Pte. Limited IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Alternate Asset Advisors Limited IIFL Assets Reconstruction Limited IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) IIFL Distribution Services Limited IIFL Investment Advisers & Trustee Services Limited India Alternatives Investment Advisors Private Limited - ceased w.e.f 30th March 2017 IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd. IIFL Asia Pte Limited IIFL Private Wealth Hong Kong Limited IIFL Capital (Canada) Limited (w.e.f 14th Nov 2016) IIFL Private Wealth Management (Dubai) Limited IIFL Inc. IIFL Private Wealth (Suisse) SA.
Other related parties:	
Key Managerial Personnel	Mr. Prakarsh Gagdani. (w.e.f 22/12/2015)
	Mr. Vishal Rana.(up to 22/12/2015)

15

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Others	Mr. R Venkataraman
	Mr. Nirmal Jain
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt. Limited

B) Significant Transaction with Related Parties

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
Advance Taken (Max)					
India Infoline Limited	-	-	-	-	-
	(-)	(200.50)	(-)	(-)	(200.50)
Advance Taken Return Back (Max)					
India Infoline Limited	-	-	-	-	-
	(-)	(52.20)	(-)	(-)	(52.20)
ICD Received					
India Infoline Finance Limited	-	9.50	-	-	9.50
	(-)	(543.00)	(-)	(-)	(543.00)
IIFL Holdings Limited	13.40	-	-	-	13.40
	(190.60)	(-)	(-)	(-)	(190.60)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	8,400.00	-	-	8,400.00
	(-)	(182.30)	(-)	(-)	(182.30)
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(-)	(17.50)	(-)	(-)	(17.50)
IIFL Wealth Finance Ltd	-	850.00	-	-	850.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(-)	(5.00)	(-)	(-)	(5.00)
ICD Received (Return)					
India Infoline Finance Limited	-	9.50	-	-	9.50
	(-)	(543.00)	(-)	(-)	(543.00)
IIFL Holdings Limited	36.50	-	-	-	36.50
	(167.50)	(-)	(-)	(-)	(167.50)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	8400.00	-	-	8400.00
	(-)	(182.30)	(-)	(-)	(182.30)
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(-)	(17.50)	(-)	(-)	(17.50)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(-)	(5.00)	(-)	(-)	(5.00)
IIFL Wealth Finance Ltd	-	850.00	-	-	850.00

16

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
	(-)	(-)	(-)	(-)	(-)
ICD Given					
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	-	-	-	-
	(-)	(55.60)	(-)	(-)	(55.60)
India Infoline Insurance Brokers Limited	-	84.00	-	-	84.00
	(-)	(-)	(-)	(-)	(-)
ICD Given (Received Back)					
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	-	-	-	-
	(-)	(55.60)	(-)	(-)	(55.60)
India Infoline Insurance Brokers Limited	-	84.00	-	-	84.00
	(-)	(-)	(-)	(-)	(-)
Interest Expenses (ICD)					
India Infoline Limited	-	-	-	-	-
	(-)	(9.47)	(-)	(-)	(9.47)
India Infoline Finance Limited @	-	0.00	-	-	0.00
	(-)	(3.32)	(-)	(-)	(3.32)
IIFL Holdings Limited	1.00	-	-	-	1.00
	(3.54)	(-)	(-)	(-)	(3.54)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	9.43	-	-	9.43
	(-)	(0.65)	(-)	(-)	(0.65)
India Infoline Insurance Brokers Limited	-	-	-	-	-
	(-)	(0.01)	(-)	(-)	(0.01)
India Infoline Media & Research Services Limited @	-	-	-	-	-
	(-)	(0.00)	(-)	(-)	(0.00)
IIFL Wealth Finance Ltd	-	0.80	-	-	0.80
	(-)	(-)	(-)	(-)	(-)
Allocation / Reimbursement of Expenses Paid					
India Infoline Ltd	-	15.85	-	-	15.85
	(-)	(4.73)	(-)	(-)	(4.73)
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	4.64	-	-	4.64
	(-)	(-)	(-)	(-)	(-)
India Infoline Finance Limited	-	0.02	-	-	0.02
	(-)	(-)	(-)	(-)	(-)
Allocation / Reimbursement of Expenses Received					
India Infoline Ltd	-	7.80	-	-	7.80

17

Shah & Taraporevala Associates Chartered Accountants ICAI Regn. No. 109693W

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
	(-)	(0.12)	(-)	(-)	(0.12)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(-)	(0.06)	(-)	(-)	(0.06)
IIFL Wealth Management Limited	-	0.05	-	-	0.05
	(-)	(-)	(-)	(-)	(-)
Rent Expense					
IIFL Real Estate Limited* (formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)	-	13.62	-	-	13.62
	(-)	(3.03)	(-)	(-)	(3.03)
Remuneration					
Prakarsh Gagdani (w.e.f 22/12/2015)	-	-	-	5.29	5.29
	(-)	(-)	-	(0.96)	(0.96)
Vishal Rana (up to 22/12/2015)	-	-	-	-	-
	(-)	(-)	(-)	(5.33)	(5.33)
Others Paid					
India Infoline Ltd	-	0.02	-	-	0.02
	(-)	(1.10)	(-)	(-)	(1.10)
India Infoline Finance Limited @	-	0.01	-	-	0.01
	(-)	(0.06)	(-)	(-)	(0.06)
Others Received					
India Infoline Ltd	-	8.83	-	-	8.83
	(-)	(0.18)	(-)	(-)	(0.18)
Service Income					
India Infoline Ltd	-	0.54	-	-	0.54
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Brokers Limited	-	0.74	-	-	0.74
	(-)	()	()	(-)	(-)

@ Amount is Less than ₹ 0.01 million, hence shown ₹ 0.00 million

C. Closing Balance

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
Sundry Payable					
IIFL Holdings Limited	-	-	-	-	-
	(23.10)	(-)	(-)	(-)	(23.10)

*The NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Amalgamation of IIFL Properties Private Limited with IIFL Real Estate Limited w.e.f. April 01, 2015. Thus, all the related party transactions with IIFL Properties Private Limited, for the current year and the previous year, have been shown under IIFL Real Estate Limited.

Note: Figures in bracket represent previous year's figure.

Shah & Taman Associates Chartered Accountants ICAI Regn. No. 109983W S.&T.A.

18

5Paisa Capital Limited

5Paisa Capital Limited (Formerly IIFL Capital Limited)

Notes forming part of Standalone Financial Statements for the Year ended March 31, 2017

Note: 26. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had no specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

Note: 27. 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: 28. There is no pending litigation by and on the Company as on the balance sheet date.

Note: 29. Capital and Other Commitments at Balance Sheet date
There are outstanding commitments to the tune of ₹4.11 Mn(net of advances) of the total contractual obligations entered by the company.

Note: 30. 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

For and on behalf of the Board of Directors

Prakarsh Gagdani
Director
(DIN :- 07376258)

Narendra Jain
Director
(DIN :-01984467)

Ankita Lakhotia
Chief Financial Officer

Jayesh Sharma
Company Secretary

Place: Mumbai
Dated: May 02, 2017

19

Sharp & Tannan Associates
Chartered Accountants
87 Nariman Bhavan, 227 Nariman Point
Mumbai (Bombay) 400 021, INDIA.
T: +91 22 6153 7500 ; 2202 2224 / 8857
F: +91 22 2202 3856
E: mumbai.office@sharp-tannan.com
W: www.sharp-tannan.com

Independent Auditors' Report

To the Members of 5 Paisa capital limited (Formerly IIFL Capital Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of 5 Paisa capital limited (Formerly IIFL Capital Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2016, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Also at Baroda and Pune. Associate Offices at Bangalore, Chennai (Madras), Hyderabad, Panjim (Goa) and New Delhi.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2016, and its loss 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, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A"; 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
S & TA
Chartered Accountants

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

i. The Company does not have any pending litigations which would impact its financial position in its financial statements, refer note no. 28 to the financial statements;

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

iii. 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 * Chartered Accountants * ICAI Regn. No. 109983W

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: 4th May, 2016

Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditor's report to the members of **5 Paisa capital limited (Formerly IIFL Capital Limited)** ("the Company") for the year ended 31 March 2016. We report that:

1. (a) The Company has maintained adequate records to show full particulars, including quantitative details and situation of the fixed assets.

   (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

   (c) The Company does not have any immovable property. Therefore, paragraph 3 (i) (c) of the order is not applicable to the Company.

2. 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. There were no discrepancies noticed during such verification.

3. The Company has granted loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

   (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
   (b) In the case of the loans granted to the company listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
   (c) There are no overdue amounts in respect of the loan granted to a company listed in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable, Therefore, Paragraph 3 (iv) of the Order is not applicable to the Company.

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.

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

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, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company, with the appropriate authorities. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company outstanding as at 31st March, 2016 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 of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not borrowed from debentures holders or financial institution or bank or government during the year. Therefore, paragraph 3 (viii) of the Order is not applicable to the Company.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Therefore, paragraph 3 (ix) of the Order is not applicable to the Company.

10. 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, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3 (xii) of the Order is not applicable to the Company.

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

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3 (xv) of the Order is not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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: 4th May, 2016

Annexure - B to the Auditors' Report

Independent Auditors' report to the members of **5 Paisa capital limited (Formerly IIFL Capital Limited)** ("the Company") on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of the Company as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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: 4th May, 2016

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Standalone Balance Sheet as at March 31, 2016

(Amount in ₹)

Particulars	Note No	As at Mar 31, 2016	As at March 31, 2015
I EQUITY AND LIABILTIES			
(1) Shareholder's funds			
(a) Share Capital	3	30,500,000	30,500,000
(b) Reserve and Surplus	4	90,825,954	145,804,912
Sub Total		**121,325,954**	**176,304,912**
(2) Non Current Liabilities			
(a) Long-Term borrowings		-	-
(b) Deferred Tax Liabilties (Net)		-	-
(c) Other Long-Term liabilities		-	-
(d) Long-Term Provisions	5	307,213	556,799
Sub Total		**307,213**	**556,799**
(3) Current liabilities			
(a) Short-Term Borrowings	6	23,100,000	148,300,000
(b) Trade Payables	7		
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		294,509,237	3,317,863
(c) Other Current Liabilities	8	3,446,011	3,730,232
(d) Short-Term Provisions	9	2,143,443	14,945,622
Sub Total		**323,198,691**	**170,293,717**
TOTAL		**444,831,858**	**347,155,428**
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets	10		
(i) Tangible Assests		1,272,707	-
(ii) Intangible Assests		972,222	-
(iii) Capital work in progress		490,000	-
Sub Total		**2,734,929**	**-**
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)	11	23,619,100	110,177
(d) Long-Term Loans & Advances	12	43,551,164	36,400,000
(e) Other Non-Current Assets		-	-
Sub Total		**67,170,264**	**36,510,177**
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories	13	10,479,377	-
(c) Trade Receivables	14	230,929,377	27,667,085
(d) Cash And Bank Balance	15	128,298,290	280,728,032
(e) Short-Term Loans & Advances	16	3,314,395	984,622
(f) Other Current Assets	17	1,905,226	1,265,512
Sub Total		**374,926,665**	**310,645,251**
TOTAL		**444,831,858**	**347,155,428**
See accompanying notes Forming a Part of Standalone Financial Statements	1-29		

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 : 4th May, 2016

For and on behalf of the Board of Directors

Prakash Gagdani
Director
(DIN :- 07376258)

Mohan Radhakrishnan
Director
(DIN :- 00012070)

1

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Standalone Statement of Profit & Loss for the year ended March 31, 2016

(Amount in ₹)

Particulars	Note No	2015-2016	2014-2015
Income			
Revenue From Operations	18	(12,175,599)	113,703,263
Other Income	19	-	11,040
Total Revenue		**(12,175,599)**	**113,714,303**
Expenditure			
Employee Benefits Expense	20	21,632,223	20,194,023
Finance Cost	21	18,047,734	22,954,581
Other Expenses	22	25,009,064	18,833,185
Depreciation	23	116,784	
Total Expenditure		**64,805,805**	**61,981,789**
Profit Before Tax		**(76,981,404)**	**51,732,514**
Tax Expenses			
Current Tax Expenses For Current Year		-	16,436,625
Deferred Tax Expenses		(23,508,923)	(11,102)
Short Tax For Earlier Year		1,506,477	-
Sub Total		**(22,002,446)**	**16,425,523**
Profit (Loss) For The Year		**(54,978,958)**	**35,306,991**
Earnings Per Share (Face Value ₹10)	24		
Basic		(18.03)	11.58
Diluted		(18.03)	11.58
See accompanying notes Forming a Part of Standalone Financial Statements	**1-29**		

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 : 4th May, 2016

For and on behalf of the Board of Directors

Prakarsh Gagdani
Director
(DIN :- 07376258)

Mohan Radhakrishnan
Director
(DIN :- 00012070)

5 Paisa Capital Limited

2

5 PAISA CAPITAL LIMITED (Formerly IIFL Capital Limited)
Cash Flow Statement For The Year Ended March 31, 2016

(Amount in ₹)

Particulars	As At March 31,2016		As At March 31,2015	
Cash flows from operating activities				
Net profit before taxation and extraordinary item		(76,981,404)		51,732,514
Adjustments for:				
Net Loss/(gain) on sale of Current Investments	(165,060)		(166,141)	
Interest Income	(15,211,644)		(22,916,176)	
Gratuity	(287,017)		41,751	
Leave Enchasment	108,793		167,620	
Interest Expenses	18,047,734		22,949,015	
Dividend Income	-	2,492,806	(1,122,543)	(1,046,474)
Operating profit before working capital changes		**(74,488,598)**		**50,686,041**
Changes in working Capital :	(2,734,929)			
Increase/(Decrease) in Long Term Loan and Advances	(7,151,164)		5,600,000	
Increase/(Decrease) in Other Current Liabilities	(284,221)		2,172,670	
Decrease/(Increase) in Short Term Loans and advances	(2,329,773)		(134,478)	
(Increase) / Decrease in Trade inventories	(10,479,377)		121,038	
Decrease / (Increase) in other current assets	(639,714)		(1,110,642)	
Decrease / (Increase) in other non current assets	-		96,586	
Increase / (Decrease) in Short term & Long term Provision	(12,873,541)		(923,273)	
Increase / (Decrease) in Short term & Long term Borrowings	(125,200,000)		148,300,000	
Decrease / (Increase) in Trade Receivable	(203,262,291)		(27,667,086)	
Increase / (Decrease) in Trade Payable	291,191,374		3,305,315	
Increase/(Decrease) in Other Long Term Liabilities	-	(73,763,636)	-	129,760,130
Cash generated from/(Used) operations		(148,252,234)		180,446,171
Net income tax(paid) / refunds		(1,506,477)		(16,436,625)
Net cash from/(Used in) operating activities (a)		**(149,758,711)**		**164,009,546**
Cash flows from investing activities				
Sale / (Purchase) of Current Investments (Net)		165,060		166,141
Interest received		15,211,644		22,916,176
Dividend Income		-		1,122,543
Bank Balance not considered as Cash and Cash Equivalents		200,000,000		(149,930,466)
Net cash from/(Used in) investing activities (b)		**215,376,704**		**(125,725,606)**
Cash flows from financing activities				
Interest Paid		**(18,047,734)**		**(22,949,015)**
Net cash from/(used in) financing activities (c)		**(18,047,734)**		**(22,949,015)**
Net increase / (decrease) in cash and cash equivalents (a + b + c)		**47,570,259**		**15,334,925**
Cash and Cash equivalents at beginning of year		30,728,032		15,393,107
Cash and Cash equivalents at end of year (Note 15)		78,298,290		30,728,032
Net increase / (decrease) in cash and cash equivalents		**47,570,259**		**15,334,925**
See accompanying notes Forming a Part of Standalone Financial Statements 1-29				

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 : 4th May, 2016

For and on behalf of the Board of Directors.

Prakash Gagdani
Director
(DIN :- 07376258)

Mohan Radhakrishnan
Director
(DIN :- 00012070)

5 Paisa Capital Limited

3

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Note: 1. Corporate Information:

5Paisa Capital Ltd (Formerly known as IIFL Capital Limited) a Wholly Owned Subsidiary of IIFL Holdings Ltd is Trading and Clearing member of National Stock Exchange of India Ltd. (NSE) & Bombay Stock Exchange Ltd (BSE) and is mainly involved in trading in Equity, Derivatives & Currency on Proprietary & Client account.

Note: 2. 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 have 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

5 Paisa Capital Limited

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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 script 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 Chartered Accountants ICAI Regn. No. 109690W S&TA

5 Paisa Capital Limited

5

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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.

Tannan Associates ICAI Firm No. 5 RTA Chartered Accountants

5 Paisa Capital Limited

6

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Note: 3. Share Capital:

(a) The Authorized, 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, 2016	As at March 31, 2015
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, 2016		As at March 31, 2015	
	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, 2016		March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings 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, 2016		As at March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
IIFL Holdings Ltd.	3,050,000	100%	3,050,000	100%

Note: 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
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	55,804,912	**20,497,921**
Add: Profit / (Loss) for the year	(54,978,958)	35,306,991
Closing Balance	**825,954**	**55,804,912**
Total	**90,825,954**	**145,804,912**

Shah & Tannan Associates ICAI Reg. No. 118229W SSTA Chartered Accountants

5 Paisa Capital Limited

7

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Provision for Gratuity	244,396	332,386
(ii) Provision for Leave Encashment	62,817	224,413
Total	**307,213**	**556,799**

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

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured Loans & Advances from Related Parties Repayable on Demand	23,100,000	148,300,000
Total	**23,100,000**	**148,300,000**

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

Particulars	As at March 31, 2016	As at March 31, 2015
(A) total outstanding dues of micro enterprises and small enterprises *	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	294,509,237	3,317,863
Total	**294,509,237**	**3,317,863**

*.No interest has been paid/is payable by company during the year to "Suppliers" referred under the Micro, Small & Medium Enterprises Development Act, 2006. 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, 2016	As at March 31, 2015
(i) Statutory remittances	957,180	1,683,753
(ii) Contractually reimbursable expenses	7,228	271,354
(ii) Accrued Salaries & Benefits	2,454,103	1,709,580
(iv) Other payables	27,500	65,545
Total	**3,446,011**	**3,730,232**

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

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Expenses	1,592,414	1,333,817
Bonus Payable	145,114	6,000,000
Provision for Leave encashment	21,730	112,428
Provision for Gratuity	29,314	849
Provision for Taxation (Net of Advance Tax ₹ 26,964,528) (Previous year ₹16,793,230)	354,871	7,498,528
Total	**2,143,443**	**14,945,622**

Note: 10. Fixed Assets
Tangible assets (Amount in ₹)

Particulars	Computer	Office Equipment	Total
Cost or Valuation			
At April 1,2015	-	-	
Addition	997,196	364,518	1,361,714
Deductions/Adjustments during the year	-	-	-
As at March 31, 2016	997,196	364,518	1,361,714
Depreciation			
At April 1, 2015	-	-	-

Tannan Associates ICAI S&TA

5 Paisa Capital Limited

8

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Particulars	Computer	Office Equipment	Total
Depreciation For the year	59,828	29,179	89,007
Deductions/Adjustments during the year	-	-	-
Up to March 31,2016	59,828	29,179	89,007
Net Block			
At March 31, 2016	**937,368**	**335,339**	**1,272,707**
At March 31, 2015	-	-	-

Note: Capital work in progress ₹ 4, 90,000/- (Previous year ₹Nil) pertains to assets not yet capitalised

Intangible Assets

Particulars	Software	Goodwill	Total
Cost or Valuation			
At April 1,2015	-	-	-
Addition	1,000,000	-	1,000,000
Deductions/Adjustments during the year	-	-	-
As at March 31, 2016	1,000,000	-	1,000,000
Depreciation			
At April 1, 2015	-	-	-
Depreciation For the year	27,778	-	27,778
Deductions/Adjustments during the year	-	-	-
Up to March 31,2016	27,778	-	27,778
Net Block			
At March 31, 2016	**972,222**	-	**972,222**
At March 31, 2015	-	-	-

Note: 11. Deferred Tax Assets: **(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
Depreciation	(157,501)	-
Deferred Tax Asset for Gratuity	84,576	110,177
Short term/Long Term Capital losses/ Business Loss	23,692,025	-
Total	**23,619,100**	**110,177**

Note: 12. Long Term Loans & Advances: **(Amount in ₹)**

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered Good :		
Deposit with Exchange / Clearing Corporation		
NSCCL - NSE Currency Derivative IFSD / SD	4,800,000	5,000,000
NSEIL - NSE Currency Derivative Segment	2,000,000	2,000,000
NSCCL - CM -IFSD / SD	3,830,000	4,000,000
NSEIL - CM- IFSD	8,500,000	8,500,000
NSCCL - F&O -IFSD / SD	5,000,000	5,000,000
NSEIL - F&O –IFSD	2,500,000	2,500,000
BSE Cash Base Capital	3,500,000	3,500,000
Deposit – BSE	900,000	900,000
BSE Cash Add Base Capital	5,000,000	5,000,000
BSE F&O Add Base Capital	6,000,000	-
Total	**42,030,000**	**36,400,000**
Advance Income Tax & Tax Deducted at Source (Net of Provision ₹ NIL , Previous Year ₹ NIL)	1,521,164	-
Total	**1,521,164**	-
Net Total	**43,551,164**	**36,400,000**

9

Sharp & Tannan Associates ICAI S&TA

5 Paisa Capital Limited

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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

Script Name	As at March 31,2016			As at March 31,2015		
	Face Value in ₹	Number	Amount in ₹	Face Value in ₹	Number	Amount in ₹
Exchange Traded Fund						
EQ-SBISENSEX	247.48	2177	538,770	-	-	-
EQ-SETFBANK EQ	155.01	7360	1,140,861	-	-	-
EQ-SETFBSE100	78.70	12246	963,760	-	-	-
EQ-SETFNIFJR EQ	186.19	2133	397,135	-	-	-
EQ-SETFNIFTY EQ	75.66	11225	849,285	-	-	-
EQ-UTINIFTYETF	755.08	5234	3,952,074	-	-	-
EQ-UTISENSEXETF	237.23	11118	2,637,492	-	-	-
TOTAL			**10,479,377**			**-**

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

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Outstanding for a period exceeding six months from date they are due for payment	-	-
Other		
- Considered good	230,929,377	27,667,085
Total	**230,929,377**	**27,667,085**

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

Particulars	As at March 31, 2016	As at March 31, 2015
Cash & Cash Equivalents:		
Balances with banks:		
In current accounts		
Client bank accounts #	54,838,771	9,915,119
Others Bank accounts #	23,459,519	20,812,913
Total Cash & Cash Equivalent (a)	**78,298,290**	**30,728,032**
Other Balances		
In Deposit account (Maturity From 3 months to 12 months)*	50,000,000	250,000,000
Total Other Balances (b)	**50,000,000**	**250,000,000**
Total (a + b)	**128,298,290**	**280,728,032**

*Includes fixed deposits to the extent of ₹ 50,000,000/- (previous year ₹ 250,000,000/-) pledged with banks for Bank Guarantees and with the stock exchanges for Margin / Capital purpose.

Includes Cheque on hand ₹ 442,158 (Previous year ₹ NIL)

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

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered Good :		
Advances recoverable in cash or in kind or for value to be received	62,975	-
Balance with Government authorities		
Service Tax Credit Receivable	3,251,420	984,622
Total	**3,314,395**	**984,622**

Bhatp & Tannan Associates ICAI Regn. No. 58TA

5 Paisa Capital Limited

10

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered Good :		
Margin with exchange	459,566	-
Prepaid expenses	1,373,319	1,005,096
Others	72,341	260,416
Total	**1,905,226**	**1,265,512**

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

Particulars	2015-2016	2014-2015
Capital Market Activities :		
Brokerage Income	3,122,771	5,860,129
Fund Based Activities :		
Share / Currency Trading Income	(30,676,274)	83,638,274
Dividend Income Mutual Fund (Current)	-	1,122,543
Interest Income - Bank Fixed Deposit	15,211,644	22,916,176
Capital Gain Mutual Fund (Current)	165,060	166,141
Others	1,200	-
Total	**(12,175,599)**	**113,703,263**

Note: 19. Other Income: **(Amount in ₹)**

Particulars	2015-2016	2014-2015
Miscellaneous Income	-	11,040
Total	**-**	**11,040**

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

Particulars	2015-2016	2014-2015
Salaries and bonus	21,472,866	19,816,428
Contribution to provident and other funds #	314,435	122,407
Gratuity *	(287,017)	41,751
Staff Welfare Expenses	23,146	45,817
Leave Encashment	108,793	167,620
Total	**21,632,223**	**20,194,023**

* 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	2015-2016	2014-2015
Discount rate previous year	7.89%	9.14%
Salary Escalation previous year	5.00%	5.00%
Discount rate current year	7.72%	7.89%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation	**2015-2016**	**2014-2015**
Liability at the beginning of the year	333,235	291,484
Interest Cost	26,292	26,642
Current Service Cost	109,097	107,429
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	(422,406)	(92,320)
Liability Transferred in/(out)	227,492	-
Liability at the end of the year	**273,710**	**333,235**

Chopra & Tannan Associates ICAI Firm No. 5&TA Chartered Accountants

5 Paisa Capital Limited

11

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Assumptions	**2015-2016**	**2014-2015**
Amount Recognised in the Balance Sheet		
Liability at the end of the year	(273,710)	(333,235)
Fair value of plan Assets at the end of the year	-	-
Differences	(273,710)	(333,235)
Amount of liability Recognised in the Balance Sheet	**(273,710)**	**(333,235)**
Expenses Recognised in the Income statement	**2015-2016**	**2014-2015**
Current Service cost	109,097	107,429
Interest Cost	26,292	26,642
Expected return on plan assets	-	-
Actuarial Gain or Loss	(422,406)	(92,320)
Expense Recognised in P&L	**(287,017)**	**41,751**
Balance Sheet reconciliation	**2015-2016**	**2014-2015**
Opening Net liability	333,235	291,484
Expense as above	(287,017)	41,751
Net Transfer in	227,492	-
Amount Recognised in Balance Sheet	**273,710**	**333,235**

 # Defined Contribution Plans:

The Company has also recognised the following amounts as an expense.

(Amount in ₹)

Particulars	**2015-2016**	**2014-2015**
Contribution to provident & other fund	304,354	122,225

Note: 21. Finance Costs: **(Amount in ₹)**

Particulars	**2015-2016**	**2014-2015**
Interest expense on :		
Interest Expenses	18,047,734	22,949,015
Other Borrowing Cost	-	5,566
Total	**18,047,734**	**22,954,581**

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

Particulars	**2015-2016**	**2014-2015**
Advertisement	166,541	224,444
Books & Periodicals	1,619	3,576
Exchange and statutory Charges	247,542	1,08,700
Commission Expenses –Agent	4,050,956	5,184,581
Marketing & Commission Expenses	284,496	30,904
Bank Charges	4,324,657	4,715,219
Communication	1,403,657	168,364
Electricity	369,828	589,032
Legal and professional charges	3,239,812	202,838
Miscellaneous Expenses	19,607	11,397
Office expenses	932,484	619,329
Subscription	221,987	247,134
Postage and courier	9,894	24,008
Printing and stationery	19,653	50,486
Provision for doubtful debts and bad debts	(8,237)	(52,213)
Rent	3,064,813	2,359,523
Insurance	322,025	112,844
Rates & Taxes	219,561	106,618

12

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Particulars	2015-2016	2014-2015
Repairs & Maintenance	-	-
Computer	32,369	7,022
Others	20,884	31,839
Remuneration to Auditors :		
Statutory Audit	11,500	11,500
Certification Work & other matters	8,500	-
Software Charges	3,457,141	3,048,946
Travelling and conveyance	2,587,775	10,27,094
TOTAL	**25,009,064**	**18,833,185**

Note: 23. Depreciation **(Amount in ₹)**

Particulars	2015-2016	2014-2015
Depreciation of tangible assets	89,007	-
Depreciation of Intangible assets	27,777	-
Total	**116,784**	**-**

Note: 24. Earnings per Share (EPS): **(Amount in ₹)**

Particulars	2015-2016	2014-2015
Face Value of Equity Share in ₹ fully paid up	10	10
Net Profit/(Loss) after tax for the Year	(54,978,958)	35,306,991
Weighted Average No. of Shares	3,050,000	3,050,000
Basic EPS	(18.03)	11.58
Dilutted EPS	(18.03)	11.58

Note: 25. 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.

Note: 26. Related Party Disclosure:
Related Party Disclosure for the year ended March 31, 2016

A) List of Related Parties:

Nature of relationship	Name of party
Holding Company	IIFL Holdings Limited
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media & Research Services Limited India Infoline Commodities DMCC(up to 16th January 2016) IIFL Wealth Management Limited India Infoline Insurance Services Limited India Infoline Insurance Brokers Limited IIFL Facilities Services Limited (Formerly IIFL Realty Limited) India Infoline Limited IIFL Wealth (UK) Limited IIFL Capital Inc. IIFL Assets Reconstruction Limited India Infoline Foundation

Tannan Associates ICAI 58TA

5 Paisa Capital Limited

13

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Group Companies	IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited). India Infoline Housing Finance Limited. IIFL Alternate Asset Advisors Limited. IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) IIFL Investment Advisors & Trustee Services Limited (Formerly IIFL Trustee Services Limited). IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited). IIFL Asset Management Limited (Formerly 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.(up to 22/12/2015) Mr. Prakash Gagdani. (w.e.f 22/12/2015)
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	-	200,500,000	-	-	200,500,000
	(-)	(200,500,000)	(-)	(-)	(200,500,000)
Advance Taken Return Back (Max)					
India Infoline Limited	-	52,200,000	-	-	52,200,000
	(-)	(52,200,000)	(-)	(-)	(52,200,000)
ICD Received					
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(48,000,000)	(-)	(-)	(48,000,000)
India Infoline Limited	-	-	-	-	-
	(-)	(20,000,000)	(-)	(-)	(20,000,000)
India Infoline Finance Limited	-	543,000,000	-	-	543,000,000
	(-)	(1,069,500,000)	(-)	(-)	(1,069,500,000)
IIFL Holdings Limited	190,600,000	-	-	-	190,600,000
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	182,300,000	-	-	182,300,000
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Brokers Limited	-	17,500,000	-	-	17,500,000
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	5,000,000	-	-	5,000,000
	(-)	(-)	(-)	(-)	(-)
ICD Received (Return)					
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(48,000,000)	(-)	(-)	(48,000,000)
India Infoline Limited	-	-	-	-	-
	(-)	(20,000,000)	(-)	(-)	(20,000,000)

14

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

India Infoline Finance Limited	-	543,000,000	-	-	543,000,000
	(-)	(1,069,500,000)	(-)	(-)	(1,069,500,000)
IIFL Holdings Limited	167,500,000	-	-	-	167,500,000
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	182,300,000	-	-	182,300,000
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Brokers Limited	-	17,500,000	-	-	17,500,000
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	5,000,000	-	-	5,000,000
	(-)	(-)	(-)	(-)	(-)
ICD Given					
IIFL Facilities Services Limited	-	55,600,000	-	-	55,600,000
	(-)	(-)	(-)	(-)	(-)
ICD Given (Received Back)					
IIFL Facilities Services Limited	-	55,600,000	-	-	55,600,000
	(-)	(-)	(-)	(-)	(-)
Interest Expenses (ICD)					
India Infoline Limited	-	9,473,518	-	-	9,473,518
	(-)	(132,329)	(-)	(-)	(132,329)
India Infoline Finance Limited	-	3,316,472	-	-	3,316,472
	(-)	(3,234,832)	(-)	(-)	(3,234,832)
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(291,802)	(-)	(-)	(291,802)
IIFL Holdings Limited	3,543,704	-	-	-	3,543,704
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	649,879	-	-	649,879
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Brokers Limited	-	10,548	-	-	10,548
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	1,507	-	-	1,507
	(-)	(-)	(-)	(-)	(-)
Interest Expenses					
India Infoline Ltd	-	-	-	-	-
	(-)	(18,964,605)	(-)	(-)	(18,964,605)
Allocation / Reimbursement of Expenses Paid					
India Infoline Ltd	-	4,727,029	-	-	4,727,029
	(-)	(15,126,748)	(-)	(-)	(15,126,748)
Allocation / Reimbursement of Expenses Received					
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(1,500,000)	(-)	(-)	(1,500,000)
India Infoline Ltd	-	123,116	-	-	123,116
	(-)	(23,741,994)	(-)	(-)	(23,741,994)
India Infoline Media & Research Services Limited	-	57,176	-	-	57,176
	(-)	(-)	(-)	(-)	(-)
Rent Expense					
IIFL Properties Private limited	-	10,000	-	-	10,000
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	3,028,488	-	-	3,028,488
	(-)	(-)	(-)	(-)	(-)
Remuneration					
Prakash Gagdani (w.e.f 22/12/2015)	-	-	-	963,888	963,888
	(-)	(-)	(-)	(-)	(-)
Vishal Rana (up to 22/12/2015)	-	-	-	5,334,436	5,334,436
	(-)	(-)	(-)	(6,902,296)	(6,902,296)

Sharp & Tannan Associates ICAI Regn. No. 109881W S & TA

5 Paisa Capital Limited

15

5Paisa Capital Limited (Formerly known as IIFL Capital Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Others Paid					
IIFL Holdings Ltd	-	-	-	-	-
	(-)	(154,550)	(-)	(-)	(154,550)
India Infoline Ltd	-	1,096,225	-	-	1,096,225
	(-)	(27,093,351)	(-)	(-)	(27,093,351)
India Infoline Finance Limited	-	63,090	-	-	63,090
	(-)	(-)	(-)	(-)	(-)
Others Received					
India Infoline Ltd	-	181,828	-	-	181,828
	(-)	(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 Limited	-	-	-	-	-
	(-)	(148,300,000)	(-)	(-)	(148,300,000)
IIFL Holdings Limited	23,100,000	-	-	-	23,100,000
	(-)	(-)	(-)	(-)	(-)
IIFL Wealth Management Ltd	-	-	-	-	-
	(-)	(1,556,530)	(-)	(-)	(1,556,530)

Note: Figures in bracket represent previous year's figure.

Note: 27. 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: 28. There is no pending litigation by and on the Company as on the balance sheet date.

Note: 29. 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

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

Place: Mumbai
Dated: 4th May, 2016

For and on behalf of the Board of Directors

Prakash Gagdani
Director
(DIN :-07376258)

Mohan Radhakrishnan
Director
(DIN :-00012070)

5 Paisa Capital Limited

Sharp & Tannan Associates
Chartered Accountants
87 Nariman Bhavan, 227 Nariman Point
Mumbai (Bombay) 400 021, INDIA.
T: +91 22 6153 7500 ; 2202 2224 / 8857
F: +91 22 2202 3856
E: mumbai.office@sharp-tannan.com
W: www.sharp-tannan.com

Independent Auditor's Report

To the Members of IIFL Capital Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IIFL Capital Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Also at Baroda and Pune. Associate Offices at Bangalore, Chennai (Madras), Hyderabad, Panjim (Goa) and New Delhi.