

To,  
Name of Investor- \_\_\_\_\_

(This Disclosure Document is not a Prospectus)

Serial No. IIFLWF-NCD-\_\_\_\_-14 September, 2017



### **IIFL WEALTH FINANCE LIMITED**

(Formerly known as Chephis Capital Markets Limited)

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

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

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



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**CIN No. U65990MH1994PLC080646**

**DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON CONVERTIBLE SUBORDINATE DEBENTURES OF THE FACE VALUE RS. 10 LAKHS EACH AT PREMIUM OF RS. 3,157/- (“DEBENTURES” or “NCDs”) OF THE 6<sup>th</sup> TRANCHE OF Rs. 69,217,833 AGGREGATING UPTO RS. 150 CRORE (“BASE ISSUE”);**

**“SCHEDULE – I AND PAS-4 DISCLOSURES IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND MASTER DIRECTION NBFC-SI-ND-(RESERVE BANK) DIRECTIONS, 2016”.**

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

<p>“ICRA-AA with stable outlook” rating has been assigned by ICRA Limited for Rs.500 Crores for Unsecured NCD programme of our company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters “NCD’s” suffixed to a rating symbol stand for ‘Unsecured Subordinated NCD’s’. The present issue is part of the aforesaid programme of Rs. 500 Crores.</p> <p>The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.</p>	
<b>LISTING</b>	
<p>The Unsecured Redeemable Non-Convertible Subordinated Debentures will be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited (“BSE”).</p>	
<p><b><u>Registrar</u></b></p>  <p>Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083. Telephone : 022-49186000 Fax : 022-49186060 E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>	<p><b><u>Trustee</u></b></p>  <p>Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051 Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 E-mail: <a href="mailto:vaishali@milestonetrustee.in">vaishali@milestonetrustee.in</a></p>
<p>Issue Opens on: As mentioned in the annexed Term Sheet (Annexure A)</p>	<p>Issue Closes on: As mentioned in the annexed Term Sheet (Annexure A)</p>

This Disclosure Document is not a Prospectus under the Companies Act, 2013 (the “**Companies Act**”). This Disclosure Document is prepared in conformity with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time (together “**SEBI Debt Regulations**”); (ii) relevant provisions of the Companies Act and rules made thereunder;”

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

**The Disclosure Document is dated September 14, 2017**

## DISCLAIMER

### GENERAL DISCLAIMER:

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

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

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, and SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and RBI-Master Direction RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on July 06, 2017). As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 42(7) of the Companies Act, 2013 shall be applicable and accordingly, a copy of this Disclosure Document will be filed with the RoC within a period of 30 days from the date of circulation of the Disclosure Document.

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

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be

relied upon as having been authorized by the Issuer.

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

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

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

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

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

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

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

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

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

public.

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

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

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

**DISCLAIMER OF THE STOCK EXCHANGE**

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

**DISCLAIMER OF THE CREDIT RATING AGENCY**

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

**DISCLAIMER OF THE DEBENTURE TRUSTEE**

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

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

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

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

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

**DISCLAIMER IN RESPECT OF JURISDICTION**

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

**FORWARD LOOKING STATEMENTS**

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

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

- Any increase in the levels of non-performing assets (“NPA”) on our loan portfolio, for any

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

**Risk Factors:**

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

**Internal Risk Factors**

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

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

2. **There are certain risks in connection with the NCDs as they are of unsecured nature.**

The NCDs will be in the nature of Subordinated Debt and hence the claims of the holders thereof will be subordinated to the claims of other secured and other unsecured creditors of our Company. Further, since no charge upon the assets of our Company would be created in connection with the NCDs, in the event of default in connection therewith, the holders of NCDs may not be able to recover their principal amount and/or the interest accrued thereon in a timely manner, for the entire value of the NCDs held by them or at all. Accordingly, in such a case the holders of the NCDs may lose all or a part of their investment therein. Further, the payment of interest and the

repayment of the principal amount in connection with the NCDs would be subject to the requirements of RBI, which may also require our Company to obtain prior approval from the RBI in certain circumstances.

The NCDs would constitute unsecured and subordinated obligations of the Company and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the NCD holders shall be subordinated to those of the other lenders to our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier II capital.

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

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

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

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

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

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

Being an NBFC, the operations of the Company are subject to various regulations prescribed the RBI and other statutory authorities including regulations relating to foreign investment in India.



Pursuant to the revised regulatory framework for NBFCs issued by RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on July 06, 2017), the Company has been classified as a Systemically Important Non Deposit Accepting NBFC. Pursuant to the aforesaid circular, among other things, NBFCs will be required to consider a term loan inclusive of unpaid interest as non-performing asset if it is overdue for period of 6 months or more or on which interest amount remained overdue for period of 6 months or more and in respect of demand or call loan which remained overdue for period of 6 months or more from the date of demand or call or on which interest amount remained overdue for period of 6 months or more. Provisions for standard assets has been 0.30 per cent of the loans outstanding by the end of March 2016, 0.35 per cent by the end of March 2017 and 0.40 per cent by end of March 2018. The Company is required to maintain a CAR of 15% besides complying with other Prudential Norms, directions and the requirements under the revised regulatory framework. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected. Further, the RBI's may amend regulations/ guidelines applicable to NBFCs in future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

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

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

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

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

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

Recently, RBI, vide its notification no RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on July 06, 2017), has

restricted 'Loan against Shares' business undertaken by NBFCs. Some of the requirements of such circular are: a. LTV ratio should not exceed 50%, and shall be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share price shall be made within 7 working days, b. In case where lending is done for investment in capital market, only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI, and c. to report on-line to stock exchanges, information on the shares pledged in favor of NBFC, by borrowers for availing loans. At this point, we cannot assure you that this notification and its applicability to us will not have a material and adverse effect on our future financial conditions and results of operations.

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

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

The RBI vide its RBI, vide its notification no RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016(Updated as on July 06, 2017), issued certain guidelines to NBFCs with respect to raising of money through private placement by them in the form of non -convertible debentures. These guidelines include restrictions on the minimum subscription amount for a single investor of Rs. 20,000, prohibition on providing loan against the security of its own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis.

Such changes in laws of the country applicable to our company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

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

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

Unlike commercial banks, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher cost syndicated loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks will depend, to some extent, on our ability to raise low -cost sources of funding in the future. If we are unable to compete effectively with other participants in the loan against security/property industry, our business, future financial performance and the trading price of the NCDs may be adversely affected.

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

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

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

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

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

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

arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

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

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

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

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

We extend “loans against shares”, or margin funding loans, which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. Recently, RBI, vide its RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on July 06, 2017), has restricted ‘Loan against Shares’ business undertaken by NBFCs. Some of the requirements of such circular are: (a) LTV ratio should not exceed 50%, and only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may decrease significantly in value, resulting in LTV to fall below the prescribed limit of 50% and consequential losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. There is little financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

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

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

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

We require several licenses, approvals and registration in order to undertake our business activities. These registrations include registrations with the RBI as a systemically important non-deposit taking NBFC. We are also required to maintain licenses under various state Shops and Establishment Acts for some of our offices. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

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

Pursuant to the revised regulatory framework for NBFCs issued by RBI, vide its RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on July 06, 2017), all systemically important non-deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items and Tier I capital of 10% by March, 2017. On an unaudited basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 18.14 % as of December 31, 2016, with Tier I capital comprising 17.93%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

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

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

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

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

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

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

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

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

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

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

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

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

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to

certain deductible s, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of



operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.

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

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

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

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

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

**External Risk Factors:**

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

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

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

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

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the

Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

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

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

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

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

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

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

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

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

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

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past

several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

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

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

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

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

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

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

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

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

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

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

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

The NCDs will be denominated in Indian rupees and the payment of interest and Redemption Amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the NCDs held by NRIs, QFIs and FIIs (Exchange Control Regulations). The amounts payable to NRIs, QFIs and FIIs holding the NCDs, on redemption of the NCDs and/or the interest paid/payable in connection with such NCDs would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such NRIs, QFIs and FIIs to convert such amounts into other currencies, in a timely manner or at all.

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

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

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

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

## DEFINITION/ ABBREVIATIONS

Term	Description												
“Issuer”, “the Company” and “our Company”	IIFL Wealth Finance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934.												
Act / Companies Act	The Companies Act, 1956 or the Companies Act, 2013 (such sections which have been notified by the Government) as amended from time to time, whichever is applicable.												
AOA / Articles / Articles of Association	Articles of Association of our Company												
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof												
DIN	Director Identification Number												
Equity Shares	Equity shares of face value of Rs.10 each of our Company												
IIFL Group	IIFL Holdings Limited and its subsidiaries												
MIS	Management Information System of our Company												
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company												
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934												
NBFC-ND-SI	Non-Deposit Accepting / Holding Systemically Important NBFC												
NPA	Non-Performing Asset												
Subordinated Debt	<p>Subordinated debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <table border="1"> <thead> <tr> <th>Remaining Maturity of the instruments</th> <th>Rate of discount</th> </tr> </thead> <tbody> <tr> <td>Upto one year</td> <td>100 per cent</td> </tr> <tr> <td>More than one year but upto two years</td> <td>80 per cent</td> </tr> <tr> <td>More than two years but upto three years</td> <td>60 per cent</td> </tr> <tr> <td>More than three years but upto four years</td> <td>40 per cent</td> </tr> <tr> <td>More than four years but upto five years</td> <td>20 per cent</td> </tr> </tbody> </table> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital;</p>	Remaining Maturity of the instruments	Rate of discount	Upto one year	100 per cent	More than one year but upto two years	80 per cent	More than two years but upto three years	60 per cent	More than three years but upto four years	40 per cent	More than four years but upto five years	20 per cent
Remaining Maturity of the instruments	Rate of discount												
Upto one year	100 per cent												
More than one year but upto two years	80 per cent												
More than two years but upto three years	60 per cent												
More than three years but upto four years	40 per cent												
More than four years but upto five years	20 per cent												
Tier II Capital	<p>“Tier II capital” includes the following:</p> <p>(a) preference shares other than those which are compulsorily convertible into equity;</p> <p>(b) revaluation reserves at discounted rate of fifty five percent;</p> <p>(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;</p> <p>(d) hybrid debt capital instruments;</p> <p>(e) subordinated debt; and</p>												

Term	Description
	f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital.
Promoter	IIFL Wealth Management Limited
` / Rs./ INR / Rupees	Indian Rupees
Statutory Auditors / Auditors	Deloitte Haskins & Sells LLP
“We”, “us” and “our”	Our Company and/or its Subsidiaries, unless the context otherwise requires

**Issuer Information**

<b>Issuer Name</b>	IIFL Wealth Finance Limited
<b>Registered office &amp; Corporate office</b>	6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Tel.: +91 22 3958 5600 Fax: +91 22 4646 4706 Email: nbfc-compliance@iiflw.com Website: <a href="http://www.iiflwealthfinance.com">www.iiflwealthfinance.com</a>
<b>Date of incorporation</b>	August 31, 1994
<b>Compliance Officer for the Issue</b>	Mr. Manoj Gujran 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Email: manoj.gujran@iiflw.com Tel.: +91 22 3958 5600 Fax: +91 22 4646 4706
<b>President</b>	Mr. Niraj Murarka 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India Maharashtra, India E-mail: niraj.murarka@iiflw.com Tel.: +91 22 3958 5600
<b>Chief Financial Officer</b>	Mr. Mihir Nanavati 6 <sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra, India E-mail: Mihir.Nanavati@iiflw.com Tel.: +91 22 3958 5468
<b>Trustee of the Issue</b>	Milestone Trusteeship Services Private Limited 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (E), Mumbai-400 051. Mumbai - 400 051 Telephone: +91 22 6716 7080 Fax: +91 22 6716 7077 Email: <a href="mailto:vaishali@milestonetrustee.in">vaishali@milestonetrustee.in</a> Website: <a href="http://www.milestonetrustee.in">www.milestonetrustee.in</a>
<b>Registrar of the Issue</b>	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli West , Mumbai 400083 Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>

	Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
<b>Credit Rating Agency of the Issue</b>	<b>ICRA Limited</b> 1802, 18 <sup>th</sup> floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013
<b>Auditors of the Issuer</b>	<b>Deloitte Haskins &amp; Sells LLP</b> Indiabulls Finance Center Tower 3, 31st Floor, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, Maharashtra, India

## I. Directors of the Company

### Details of Board of Directors

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

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

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
<b>Designation:</b> Independent Director <b>DIN:</b> 06629884 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> A-701, Navratan CHS, Mahakali Caves Road, Andheri(East), Mumbai-400093		Independent Director on December 23, 2016	2.Kakinada Sez Limited 3. Gmr Aerospace Engineering Limited 4. Gmr Hotels And Resorts Limited 5. Gmr Hyderabad International Airport limited 6. Axis Asset Management Company Limited 7. Aditya Birla Health Insurance Co. Limited 8. Metropolitan Clearing Corporation Of India Limited 9. Paytm Payment Bank Limited
<b>Mr. S. Narayan</b> <b>Designation:</b> Independent Director <b>DIN:</b> 00094081 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 2B, Nithyashree Apartments No. 51, Chaimers Road, Raja Annamalaipura M, Tamil Naidu, Chennai 600028	73	Appointed as Independent Director as on March 31, 2017	1.Seshasayee Paper And Boards Limited 2. Dabur India Limited 3.Apollo Tyres Limited 4. Godrej Properties Limited 5. IIFL Holdings Limited 6. Andhra Pradesh Urban Infrastructure Asset Management Limited 7. Artemis Medicare Services Limited 8. Castlewood Trading Private Limited 9. Yogya Systems Private Limited 10. Shanti Narayan Foundation
<b>Ms. Deepali Nair</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07392725 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 103-104, 1ST FLOOR, SEA FLAMA, DOSTI FLAMINGOS, PAREL, SEWRI, MUMBAI-400015	45	Appointed as Non-Executive Director as on March 31, 2017	Nil

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

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

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

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

**Mr. Himanshu Jain, aged 41 years, is a Chief Executive Officer and the Whole time Director of our Company. He comes with over 18 years of rich experience across capital markets, wealth management and lending business. Over the course of his career, he has focused on consistent delivery of new business launch and**



*growth for several MNC banks – particularly in the NBFC space. While Himanshu was most recently with BNP Paribas, he has spent time with Morgan Stanley, Merrill Lynch and Citigroup. Largely, he has been responsible for the setup, launch and scaling of NBFC business.*

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

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

**Mr. S. Narayan, aged 73 years,** is an Independent Director of our Company. Mr. S Narayan is a retired IAS Officer. He was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets. Dr. Narayan holds M.Sc., MBM, M Phil, Ph.D. degree. He is a director on the board of several leading public limited Companies. He is a Senior Research Fellow at the Institute of South Asian Studies, National University of Singapore, at Singapore since 2005.

**Ms. Deepali Nair, aged 45 years,** is an Non-Executive Women Director of our company. Ms Deepali Nair is the Chief Marketing and Digital Officer of IIFL Wealth Management Limited and is responsible for communication, branding, marketing and digital initiatives. In a career spanning over two decades she has worked with organizations such as Tata Motors, BPL Mobile, Draft FCB Ulka, Marico, HSBC Global Asset Management, L&T Insurance and Club Mahindra. Apart from Brand and Digital Marketing, she has managed e-commerce portfolios too. Her work in digital and technology space is widely regarded. In 2015, Deepali was awarded the 'Content Marketer of the Year' award. She has also received the 'Leading Woman in Insurance' award and has been listed among top 8 futuristic brand heads by [www.socialsamosa.com](http://www.socialsamosa.com).

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

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

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

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

Name of Director	Date of Change	Reason
Mr. Dipak Kumar Mehta	February 13, 2016	Resignation
Mrs. Bhanu Mehta	February 13, 2016	Resignation
Ms. Bhairavi Mehta	February 13, 2016	Resignation
Mr. Kunal Mehta	February 13, 2016	Resignation
Mr. Umang Papneja	February 13, 2016	Appointment
Mr. Shantanu Rastogi	July 26, 2016	Appointment
Mr. Himanshu Jain	October 4, 2016	Appointment
Mr. Yatin Shah	October 4, 2016	Appointment
*Mr. Karan Bhagat	October 4, 2016	Resignation
*Mr. Pankaj Fitkariwala	October 4, 2016	Resignation
*Mr. P. Vijaya Bhaskar	December 23, 2016	Appointment
*Mr. S. Naryan	March 31, 2017	Appointment
Ms. Deepali Nair	March 31, 2017	Appointment

**\*Note:**

- (a) Karan Bhagat was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- (b) Pankaj Fitkariwala was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- (c) P. Vijaya Bhaskar was appointed as Independent Director on December 23, 2016.
- (d) S. Narayan was appointed as Independent Director on March 31, 2017.
- (e) Deepali Nair was appointed as Non-Executive Woman Director on March 31, 2017

**The auditors of the Company:-**

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

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

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

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

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

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

- **Capital Market Finance**, which includes Loans against Securities, Margin Funding, and IPO financing and

other structured lending transactions.

- **Mortgage Loans**, which includes Mortgage Loans focusing mainly on Loans against property.

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

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

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

a) Statutory Dues: As per audited financials, our Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues with the appropriate authorities, where applicable. There are no undisputed statutory dues as on March 31, 2017, which are outstanding for a period exceeding six months from the date they became payable.

b) Debentures and interest thereon – NIL

c) Deposits and interest thereon – NIL

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

**Issuer Company's Key Operational and Financial Parameters Consolidated***(Rs in Million)*

For Financial Entities	FY17	FY16	FY 15
	Audited	(Audited)	(Audited)
Net worth	10,558.01	9018.75	10.34
Total Debt	52,469.25	-	-
of which –			
- Non Current Maturities of Long Term Borrowing	19,818.60	-	-
- Short Term Borrowings	30,009.05	-	-
- Current Maturities of long Term Borrowings	2,641.60	-	-
Net Fixed Assets	5.99	-	0.32
Non-Current Assets	14,159.22	281.00	2.75
Cash and Cash Equivalents	7,266.65	541.02	0.58
Current Investments	17,398.73	7192.10	1.86
Current Assets	24,542.21	1009.52	5.60
Current Liabilities	706.64	4.89	0.71
Assets Under Management *	36,163.79	1007.73	-
Off Balance Sheet Assets	-	-	-
Interest Income	3,368.97	3.04	-
Interest Expense	2,360.27	-	0.00
Provisioning & Write-offs	304.80	4.96	-
Profit before tax	1,574.86	38.09	0.53
Provision for tax	570.99	20.68	0.03
Profit after tax (PAT)	1,003.86	17.41	0.51
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)	24.03	106.32	-
Tier II Capital Adequacy Ratio (%)	6.48	0.04	-

**Note:**

- 1) \* Assets under Management comprises of only Loan Book.
- 2) The Financial Indicators for the Half Year ended March, 2017 and as on year end are same therefore have not been presented separately.

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

Before the issue of debt securities	5.16:1
After the issue of debt securities	5.80:1

**A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY:##****Statement of Reformatted Unconsolidated Assets and Liabilities(Rs in Million)**

Particulars	As at March 31 <sup>st</sup> , 2017	As at March 31 <sup>st</sup> , 2016	As at March 31 <sup>st</sup> , 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2,624.50	2,521.16	7.28
(b) Reserve and Surplus	8,018.12	6,497.59	3.07
<b>(2)Share application money pending allotment</b>	-	-	-
<b>(3)Non-Current Liabilities</b>			
(a)Long-term borrowings	19,818.60	-	-
(b)Deferred tax liabilities (Net)	-	-	0.06
(c)Other Long-term liabilities	366.60	-	-
(d)Long-term provisions	44.85	-	-
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	30,009.05	-	-
(b) Trade payables	23.39	0.72	0.68
(c) Other current liabilities			
-Borrowings	2,641.60		
-Others	215.21	0.05	-
(d) Short-term provisions	468.04	4.12	0.03
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>64,229.96</b>	<b>9,023.64</b>	<b>11.12</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	1.07	-	0.32
(ii)Intangible assets	3.35	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	1.57	-	-
(b) Non-current investments	1,388.92	280.00	2.75
(c) Deferred tax assets(Net)	82.30	1.00	-
(d) Long-term loans & advances			
-Loans	12,631.20	-	-
-Others	0.20	-	-
(e) Other non-current assets	56.61	-	-
<b>(2) Current assets</b>			
(a) Current investments	17,398.73	7192.10	1.86
(b) Inventories	-	-	3.67
(c) Trade receivables	857.16	-	1.94
(d) Cash and Bank balances	7,266.65	541.02	0.58
(e) Short-term loans & advances			
-Loans	23,532.59	1007.73	-
-Others	13.61	0.17	0.00
(f) Other current assets	996.00	1.62	-

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

Particulars	As at March 31 <sup>st</sup> , 2017	As at March 31 <sup>st</sup> , 2016	As at March 31 <sup>st</sup> , 2015
<b>TOTAL ASSETS</b>	<b>64,229.96</b>	<b>9023.64</b>	<b>11.12</b>

\*Note—Abridged version of limited review half yearly standalone financial information have not been shown separately as the Figures as on March 31, 2107 is similar to half year ended March 31, 2017.

## Statement of Reformatted Unconsolidated Profit &amp; Losses

*(Rs.in Million)*

Particulars	* Upto latest Half Year ended March 31, 2017	2016-2017	2015-2016	2014-2015
<b>Revenue</b>				
Revenue from operations	3,110.64	4,614.72	73.68	0.45
Other Income	-	-	0.25	0.36
<b>Total Revenue</b>	<b>3,110.64</b>	<b>4,614.72</b>	<b>73.93</b>	<b>0.81</b>
<b>Expenses</b>				
Employee benefit expenses	266.61	284.14	-	-
Finance cost	1,548.89	2,360.27	-	0.00
Depreciation & amortization expenses	0.67	0.67	-	0.06
Other expenses	280.88	394.78	35.84	0.22
<b>Total Expenses</b>	<b>2,097.05</b>	<b>3,039.86</b>	<b>35.84</b>	<b>0.28</b>
<b>Profit/(Loss) before tax</b>	<b>1,013.59</b>	<b>1,574.86</b>	<b>38.09</b>	<b>0.53</b>
<b>Tax expenses :</b>				
Current tax expense for current year	431.77	652.30	21.85	0.03
Deferred tax	(53.39)	(81.30)	(1.06)	(0.01)
Fringe benefit tax	-	-	-	-
Current tax expense relating to prior years	-	-	(0.11)	0.00
<b>Total tax expense</b>	<b>378.38</b>	<b>570.99</b>	<b>20.68</b>	<b>0.02</b>
<b>Profit (loss) for the period</b>	<b>635.21</b>	<b>1003.86</b>	<b>17.41</b>	<b>0.51</b>

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

## Statement of Reformatted Unconsolidated Cash Flows (Rs.in Million)

Particulars	2016-2017	2015-2016	2014-2015
Net profit before taxation, and extraordinary item	1,574.86	38.09	0.53
<b>Adjustments for:</b>			
Depreciation	0.67	-	0.06
Provision for Old Debtors	-	1.93	-
Provision for Standard Loans	125.25	3.02	-
Profit on Sale of Investments	(961.56)	(7.99)	(0.19)
Dividend Income	(8.02)	(0.12)	(0.36)
Interest Income	(3,368.83)	-	-
Provision for Gratuity	0.49	-	-
Provision for Leave Encashment	0.41	-	-
Provision for Diminution in Investment	167.23	-	-
Provision for Mark to Market on Option Contract	12.32	-	-
Interest Expenses	2360.27	-	-
Interest Received	2,376.35	-	-
Interest Paid	(1,540.23)	-	-
Dividend Received	6.15	0.12	0.36
<b>Operating profit before working capital changes</b>	<b>745.37</b>	<b>35.05</b>	<b>0.39</b>
(Increase)/ Decrease in Current/Non-Current Assets	(927.45)	(1.14)	(1.30)
Increase/ (Decrease) in Current/Non-Current Liabilities	246.99	3.11	0.69
<b>Cash generated from operations</b>	<b>64.92</b>	<b>37.03</b>	<b>(0.22)</b>
Tax (Paid) / Refund	(490.46)	(20.68)	(0.04)
<b>Cash from operating activities [ A ]</b>	<b>(425.54)</b>	<b>16.35</b>	<b>(0.26)</b>
(Increase)/ Decrease in Long Term Loans and Advances	(12,631.30)	-	-
(Increase)/ Decrease in Short Term Loans and Advances	(22,524.86)	<b>(1007.73)</b>	-
<b>Net cash generated used in operating activities (A)</b>	<b>(35,581.60)</b>	<b>(991.38)</b>	<b>(0.26)</b>
Fixed Deposits (Other than those considered as Cash & Cash Equivalents)	(2,485.00)	10.00	
Purchase/(Sale) of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	(6.67)	0.32	-
Purchase of current and Non-Current investments	(942,104.59)	(31,650.35)	0.64
Sale of current and Non-Current investments	931,583.38	24,190.85	
<b>Net cash from investing activities [ B ]</b>	<b>(13,012.88)</b>	<b>(7469.18)</b>	<b>0.64</b>
Dividend Income			
Share issue expenses			
Proceeds of issue of share Capital/Premium	620.00	8991.00	-
Proceeds from long term borrowings#	22,460.20		
Proceeds from short term borrowings#	29,754.91		
Repayment of short term borrowings#			
<b>Net cash used in financing activities [ C ]</b>	<b>52,835.11</b>	<b>8991.00</b>	<b>-</b>
<b>Net increase in cash and cash equivalents [ A+B+C ]</b>	<b>4,240.62</b>	<b>530.44</b>	<b>0.38</b>
<b>Opening Cash and cash equivalents</b>	<b>531.02</b>	<b>0.58</b>	<b>0.20</b>
<b>Closing Cash and cash equivalents</b>	<b>4,771.65</b>	<b>531.02</b>	<b>0.58</b>
<b>Add; Earmarked Fixed Deposits</b>	<b>2,495.00</b>	<b>10.00</b>	<b>-</b>
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>7,266.65</b>	<b>541.02</b>	<b>0.58</b>

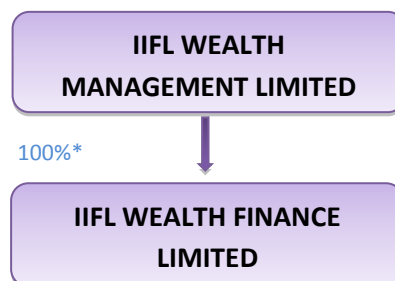
# Represents net amount due to transaction volume

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

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

NIL

### **Our Corporate Structure**



\*Based on equity share capital holding.

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

#### **Corporate profile**

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

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

#### **Change in registered office of our Company**

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

#### **Main objects of our Company**

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

- (1) To carry on financing business and perform lending and financing services, both short term and long term, including but not limited to capital market financing, loan against property and factoring, by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities.
- (2) To carry on and transact in India or elsewhere in any manner whatsoever, the business to establish, organize, manage, distribute, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize all kinds of insurance business including but not limited to Life, Non-life, General, indemnity or guarantee business of all kinds, classes, nature and description, fire, marine, aviation, transit, motor vehicles, engineering, accident, including rural, livestock, crop insurance,



miscellaneous insurances and all branches of the above classes and also the business of insurance against war, riots, strikes, terrorism, civil commotion, loss of profits, health, other contingencies and insurances covering any liability under any law, convention or agreement and to act as corporate agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to general insurance business.

**CAPITAL STRUCTURE**

**Details of share capital**

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

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

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

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

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

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

**Equity Share Capital History of our Company as on March 31, 2017:**

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<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (in Rs.)</b>	<b>Issue Price (in Rs.)</b>	<b>Consideration (Cash, other than cash etc.)</b>	<b>Nature of Allotment</b>	<b>Cumulative No. of Equity Shares</b>	<b>Cumulative Equity Share Capital (in Rs.)</b>	<b>Cumulative Equity Share Premium (in Rs.)</b>
August 31, 1994	700	10	10	Cash	Initial subscription to MoA	700	7,000	-
January 31, 1995	745,000	10	10	Cash	Issue of Equity Shares to Dipak Mehta, Bhanu Mehta, Harshada Mehta, Deven Mehta, Bhairavi Mehta, Gunial Mody, Pratap Mody, Deepak Gamanlal (HUF), Kunal Mehta and Gamanlal Prataprai (HUF)	745,700	7,457,000	-
October 15, 1996	481,878	10	10	Cash	Issue of Equity Shares to Dipak Mehta, Bhanu Mehta, Deven Mehta, Bhairavi Mehta, Gunial Mody, Deepak Gamanlal (HUF) and Kunal Mehta	1,227,578	12,275,780	-
March 8, 2004	2,70,067	10	10	Cash	Buy Back of Equity Shares	9,57,511	95,75,110	-
August 22, 2005	2,30,000	10	10	Cash	Buy Back of Equity Shares	7,27,511	72,75,110	-
February 15, 2016	22,222,222	10	22.5	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	22,949,733	229,497,330	277,777,775
February	140,000,00	10	22.5	Cash	Issue of	162,949,73	1,629,497,330	2,027,777,775

Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in Rs.)	Cumulative Equity Share Premium (in Rs.)
25, 2016	0				Equity Shares on Rights basis to IIFL Wealth Management Limited	3		
March 30, 2016	89,166,667	10	60	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	252,116,400	2,521,164,000	6,486,111,108
December 01, 2016	10,333,333	10	60	Cash	Issue of Equity Shares on Rights basis to IIFL Wealth Management Limited	262,449,733	2,624,497,330	516,666,650

**Notes:**

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

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

**V. Shareholding Pattern****III. Shareholding pattern of Equity Shares of our Company as on March 31, 2017:**

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

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6	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
7	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	1	0.00	Nil
<b>Total</b>		<b>262,449,733</b>	<b>262,449,733</b>	<b>100.00</b>	<b>Nil</b>

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

**IV. Shareholding pattern of Total Equity Share Capital of the Company as on March 31, 2017:**

Sr. No.	Name of the Shareholder	Total number of Equity Shares of face value Rs. 10/-	Total Equity Share Capital (In Rs.)	Number of equity shares held in dematerialized form	Total equity shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Wealth Management Limited	262,449,727	262,449,7270	262,449,727	100.00	Nil
2.	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
3.	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
4.	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
5.	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
6.	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
7.	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
<b>Total</b>		<b>262,449,733</b>	<b>2,624,497,330</b>	<b>262,449,733</b>	<b>100.00</b>	<b>Nil</b>

**V. Top 10 holders of Equity Shares of our Company as on March 31, 2017:**

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

**VII. Issue Size:**

Under the purview of current document, the Company intends to raise by way of Debentures 6<sup>th</sup> tranche of Rs.69, 217,833/- aggregating upto Rs.150 Crore (Base issue size in one or more tranches) being Unsecured Redeemable Non-Convertible Subordinated Debentures.

**Details of utilization of the issue proceeds**

The net proceeds from the Issue shall not be used for any purpose which is in contravention of the RBI guidelines applicable. None of the proceeds from the issue of the Subordinated Non-Convertible Debentures may be used to refinance or reschedule existing indebtedness of a Client (including debt to equity conversions)

We shall only issue Subordinated Non-Convertible Debentures for deployment of funds on our own balance sheet and not to facilitate resource requests of group entities/ parent company / associates. We shall not extend loans against the security of our own Subordinated Non-Convertible Debentures.

The expenses of the present Issue would also be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. The Proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.

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

Not applicable

**VI. Details of Borrowings:****A. Details of borrowings of the Company as on March 31, 2017:-****(i) Details of Secured Loan Facilities as on March 31, 2017:-**

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

(ii) Details of Unsecured Loan Facilities as on March 31, 2017:-

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

(iii) Details of Secured Non-Convertible Debentures as of March 31, 2017:

Debentures Series	Tenor (months)	Coupon (%)	Amount (Rs. In Crores)	Date of allotment	Redemption date/schedule	Credit Rating
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EWFEC107-190717	14	10.70%	9.85	19-May-16	19-Jul-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1426-201117	18	14.26%	13.00	19-May-16	20-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1434-201117	18	14.34%	15.00	19-May-16	20-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1457-201117	18	14.57%	50.00	19-May-16	20-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-190619	37	32.30%	13.00	19-May-16	19-Jun-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFHR500-211019	41	50%	20.95	19-May-16	21-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107-240717	14	10.70	5.55	24-May-16	24-Jul-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1426-241117	18	14.26	10.00	24-May-16	24-Nov-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-240619	37	32.30	14.07	24-May-16	24-Jun-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFHR500-251019	41	50.00	23.45	24-May-16	25-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1072-260717	14	10.72	10.00	26-May-16	26-Jul-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-260619	37	32.30	7.50	26-May-16	26-Jun-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1424-11217	18	14.24	0.75	1-Jun-16	1-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107-20817	14	10.70	33.85	2-Jun-16	2-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-30719	37	32.30	5.00	2-Jun-16	3-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFFC1426-41217	18	14.26	3.75	2-Jun-16	4-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFHR500-41119	41	50.00	11.18	2-Jun-16	4-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107-140817	14	10.70	4.25	14-Jun-16	14-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323-150719	37	32.30%	17.15	14-Jun-16	15-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFFC1426-151217	18	14.24	7.43	14-Jun-16	15-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1602-160218	20	16.02	25.00	16-Jun-16	16-Feb-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC1087	14	10.88	15.00	21-Jun-16	21-Aug-17	PP MLD[ICRA]AA (pronounced

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7-210817						ICRA double A) with stable outlook
EWFEC3803-201219	42	38.03	5.00	21-Jun-16	20-Dec-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC107-230817	14	10.70	4.05	23-Jun-16	23-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC323-230719	37	32.38	2.90	23-Jun-16	23-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC142-221217	18	14.18	0.30	23-Jun-16	22-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFHR-1500-281119	41	50.00	4.54	28-Jun-16	28-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC107-300817	14	10.7	7.85	30-Jun-16	30-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC142-291217	18	14.18	3.25	30-Jun-16	29-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC323-300719	37	32.38	3.00	30-Jun-16	30-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFHR-1500-301119	41	50.00	2.00	30-Jun-16	29-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC2015-160718	24	20.15	20.00	15-Jul-16	16-Jul-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEC1073-220917	14	10.73	3.00	22-Jul-16	22-Sep-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEC3231-220819	37	32.31	1.00	22-Jul-16	22-Aug-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEC985-300817	13	9.85	16.00	28-Jul-16	30-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-20818	24	19.35	15.00	2-Aug-16	2-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1058-40817	14	10.58	11.28	4-Aug-16	4-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-40818	24	19.35	2.00	4-Aug-16	4-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175-40919	37	31.75	5.40	4-Aug-16	4-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HWFEC1082-41017	14	10.82	5.00	4-Aug-16	4-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1058-101017	14	10.58	10.00	10-Aug-16	10-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175-110919	37	31.75	10.00	11-Aug-16	11-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1933-170818	24	19.33	1.50	18-Aug-16	17-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook



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						outlook
HEC3175-230919	37	31.75	1.00	23-Aug-16	23-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-230818	24	19.35	5.00	23-Aug-16	23-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175-300919	37	31.75	4.80	30-Aug-16	30-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935-300818	24	19.35	8.25	30-Aug-16	30-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC3172-151019	37	31.72	6.30	15-Sep-16	15-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933-140918	24	19.33	3.25	15-Sep-16	14-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933-210918	24	19.33	3.00	22-Sep-16	21-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933-280918	24	19.33	7.00	29-Sep-16	28-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC3172-291019	37	31.72	2.00	29-Sep-16	29-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEC3175-141119	37	31.75	2.75	14-Oct-16	14-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY875-40518	18.5	13.78	45.00	19-Oct-16	4-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY900-40518	18.5	14.19	19.40	19-Oct-16	4-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY900-60518	18.5	14.19	1.50	21-Oct-16	6-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY860-110518	18.5	13.55	1.00	27-Oct-16	11-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY875-110518	18.5	13.76	2.00	27-Oct-16	11-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
KEY860-170518	18.5	13.52	10.00	2-Nov-16	17-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-1	120	128.72	47.00	9-Nov-16	6-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-2	120	128.72	37.00	11-Nov-16	10-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-2A	120	128.72	12.00	11-Nov-16	10-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-3	120	128.55	47.00	16-Nov-16	13-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-3A	120	128.55	20.00	22-Nov-16	20-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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IFPD-4	120	128.55	138.97	24-Nov-16	23-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-4A	120	128.55	83.00	24-Nov-16	24-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-5	120	128.55	59.00	30-Nov-16	27-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-5A	120	128.55	13.00	30-Nov-16	27-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-6	120	128.55	104.10	2-Dec-16	1-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-7	120	129.8	116.00	6-Dec-16	4-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-8	120	129.8	92.00	7-Dec-16	4-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-9	120	129.8	71.00	9-Dec-16	8-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-10	120	133.62	42.65	14-Dec-16	10-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-1	84	69.09	34.50	16-Dec-16	15-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-11	84	69.09	27.90	20-Dec-16	16-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-2	120	112.35	1.00	20-Dec-16	19-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-11A	120	132.00	6.00	21-Dec-16	17-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-3	84	69.09	2.00	29-Dec-16	28-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-13	120	133.62	62.65	29-Dec-16	24-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-4	84	69.09	1	05-Jan-17	04-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-4A	84	70.28	25	05-Jan-17	04-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-14	120	129.5	27	05-Jan-17	31-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-5	84	69.09	1	13-Jan-17	12-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-15				13-Jan-17	12-Jan-27	PP MLD[ICRA]AA (pronounced

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	120	132	46			ICRA double A) with stable outlook
IFGPD-6	84	71.30	5.00	19-Jan-17	18-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-16	120	132	7.00	19-Jan-17	18-Jan-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-7	84	71.30	5.00	08-Feb-17	07-Feb-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-17	120	132	19.70	08-Feb-17	05-Feb-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-18	120	125	8.00	10-Feb-17	07-Feb-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-12	3648 Days	142	25.00	10-Mar-17	05-Mar-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-19	120	135.81	10	16-Mar-17	13-Mar-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-8	84	72.82	20	16-Mar-17	14-Mar-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
CWFEC871-270418	396 Days		15	27-Mar-17	27-Apr-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

**Note:** Your Company has issued Secured Redeemable Non-convertible Market Linked Debentures of Rs. 1908.52 Crore as on September 13, 2017.

**(iv) Details of Unsecured NCDs as of March 31, 2017:**

Debenture Series	Original Tenor (days/ Months)	Coupon / Yield	Amount (In Rs. Cr)	Date of Allotment	Redemption Date	Credit Rating
IIFLWF-10%-FEB2027	Perpetual	10.00%	100	22-Feb-17	Perpetual	Unrated
IIFLWF-10%-MARCH2027	Perpetual	10.00 %	50	02-Mar-17	Perpetual	Unrated
IIFLWF-9.5%NCD-SERIES A-JUNE 2022	63 Months	9.5	200	07-Mar-17	06-Jun-22	Rated
IIFLWF-9.5%NCD-SERIES A1-JUNE 2022	63 Months	9.5	75	14-Mar-17	13-Jun-22	Rated
IIFLWF-9.1%NCD-SERIES B-2022	63	9.1	10	24-Mar-17	24-Jun-22	ICRA AA Stable Outlook
IIFLWF NCD SERIES C- 2022	63	NA	5.50	24-Mar-17	24-Jun-22	ICRA AA Stable Outlook
IIFLWF NCD SERIES C1-2022	63	NA	3.00	30-Mar-17	30-Jun-22	ICRA AA Stable Outlook

**\*Note:** Unsecured Redeemable Non-convertible Subordinated Debentures which were issued and allotted on March 07, 2017 and March 14, 2017 amounting to INR 200 Crore and INR 75 Crore respectively have been listed on Bombay Stock Exchange (BSE) Limited with effect from June 27, 2017.

**(iv-a) List of Top 10 Debenture holders as on March 31, 2017:-**

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

**(v) Details of Commercial Paper Outstanding as on March 31, 2017:**

The total face value of commercial paper outstanding as on March 31, 2017 and its breakup as per following table:-

Maturity Date	Amount (Rs. in crores)
---------------	------------------------

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

**Note:** Your Company has issued Commercial Paper (Outstanding) of INR 4465 Crore as on September 13, 2017.

(vi) Details of Rest of the borrowing (including any hybrid debt like FCCB, Optionally Convertible Debentures, and Preference Shares): Your Company has issued Rs. 150 Crores Perpetual Non-Convertible Debentures as on September 13, 2017, Rs. 327 Crores Listed Redeemable Non-Convertible Subordinated Debentures as on September 13, 2017.

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

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

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

**X. Details of the Promoter:**

Our Promoter is IIFL Wealth Management Limited. IIFL Wealth Management Limited (“IIFLW”) was originally incorporated on 17<sup>th</sup> January 2008 at Mumbai. It has a net worth of Rs. 12,734.02 million as on March 31, 2017 and PAT of Rs. 2,505 million for FY 2016-17. It has a consistent profitability track record over past 7 years. IIFLW is registered as Portfolio Manager with Securities and Exchange Board of India (SEBI) since May 2008 and registered as a Distributor of Mutual Funds with Association of Mutual Funds in India (AMFI) since March 2008. IIFLW provides portfolio management and advisory services and acts as the Wealth Manager to HNIs and corporate clients. IIFLW also carries on all kinds of distribution services for units of Mutual Funds, Shares, Stocks, Debentures, Bonds, Government Securities, Insurance Products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities & debt instruments.

IIFLW has 7 Indian and 8 Overseas Subsidiaries and a strong presence through its subsidiaries in global financial hubs. IIFL Wealth caters to over 10934 families clients through its wealth management platform, advising, distributing and managing assets worth INR 1,201,010 million.

**Details of Promoter Holding in the Company as on March 31, 2017:-**

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

**XI. Material contract/agreements**

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

Material Contracts:

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

Other Documents:

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last one year.
3. Certificate of incorporation dated August 31, 1994.
4. Fresh certificate of incorporation dated March 12, 2016 issued by the Registrar of Companies pursuant to change of name of the Company from Chephis Capital Markets Ltd to IIFL Wealth Finance Ltd.
5. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs.10000 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge passed at the Extra Ordinary General Meeting of the shareholders of the Company held on March 06, 2017. The same has been attached as **Annexure E**.
6. Resolution under Section 42 of the Companies Act, 2013 for offer and issue of Unsecured Subordinated Non-convertible Debentures on private placement basis passed at the Extra Ordinary General Meeting of the shareholders of the Company held on April 07, 2017. The same has been attached as **Annexure F**.
7. Resolution passed by the Finance Committee at its meeting held on March 07, 2017 to approve the offer and issue of Unsecured Redeemable Non-Convertible Subordinated Debentures aggregating to Rs.150 Crores on private placement basis. The same has been attached as **Annexure G**.
8. Rating letter dated September 01, 2017 from ICRA Limited.
9. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.
10. Consent letter dated March 03, 2017 of Milestone Trusteeship Services Private Limited to act as Trustee to the Issue.
11. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the

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

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

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

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

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

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

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

Not applicable

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

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

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

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

**III. Issue Procedure**

### **Listing**

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

### **Minimum Subscription**

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

### **Date of Allotment**

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

### **Underwriting**

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

### **Interest on Application Money**

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

### **Tax Deduction at Source**

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

### **Transfer of Debentures**

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

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

### **Who can apply**

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

1. Companies and Bodies Corporate (incorporated in India) / Companies / Financial institutions / NBFCs / Statutory Corporations including Public Sector Undertakings
2. Commercial Banks



3. Resident Individuals (including Partnership Firms, and HUF)
4. Regional Rural Banks
5. Insurance Companies
6. Mutual Funds/ Alternative Investment Fund (AIF)
7. SEBI registered foreign institutional and portfolio investors;
8. Any other investors authorized to invest in these Debentures

In each case, solely in India.

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

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

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

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

#### **Application by Mutual Funds**

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

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

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

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

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

The application should be accompanied by certified true copies of (i) resolution of the Board of Directors, authorizing investment and containing operating instructions, and with all particulars relating to the

investment in these Debentures, and the acceptance of the terms of these Debentures along with the authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities

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

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

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

#### **Permanent Account Number**

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

#### **Nomination Facility**

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

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

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

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

#### **Trading of Debentures**

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

#### **Mode of Payment**

As set out in Term Sheet.

#### **Authority for the Placement**

The present issue of Debentures is being made pursuant to the resolution of the Shareholders of the Company, passed at its meeting held on April 07, 2017, and the resolution passed by the Finance Committee of the Board of Directors of the Company at its meeting held on March 07, 2017. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the Company held on March 06, 2017. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

### Terms of Payment

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

Face Value Per Debenture	Minimum Application	Amount Payable on Application per Debenture
For Unsecured Non-Convertible Debentures Rs.10,00,000	10 debentures and in multiples of 1 debenture.	Rs. 10,00,000

### Market Lot

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

### Payment on Redemption

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

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

### Transfer/Transmission of Debentures

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

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the

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

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

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

#### **Debenture Redemption Reserve**

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

#### **Notices**

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

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

#### **Sharing of Information**

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

#### **Registrar**

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

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

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

1. The Company and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized

officials to do inter-alia all acts, deeds and things necessary in respect of enforcement of rights of Debenture holders.

3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture holder(s).
4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holder(s).
6. The Debenture Trustee shall ensure disclosure of all material events to the Debenture holders on an ongoing basis.
7. The Trustees will protect the interest of the Debenture holder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.
8. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (Issue and Listing of Debt Security) Regulations, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document, with due care, diligence and loyalty.
9. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same
10. The events of default are set out under the Debenture Trust Deed.

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

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

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

#### **How to Apply**

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

Only specifically addressed investors may apply for Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Debenture and in multiples of 1 Debenture thereafter. The applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects and should be submitted as instructed. The name of the applicant's bank, type of account and account number must be

filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

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

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

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

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

#### **Rights of Debenture holders**

- The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, trustee of holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/ debenture certificates that will be issued.
- The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders.
- The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of the Company, the terms of this Disclosure Document and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to

the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.

- A register of Debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.
- The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

**Trustee for the Issue**

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

**Effect of Holidays**

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

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

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

**Put / Call Option**

As set out in the attached Term Sheet.

**Deemed Date of Allotment**

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

**Debentures in dematerialized mode**

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

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

**Record Date**

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

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

#### **Purchase and Sale of Debentures**

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

#### **Future Borrowings**

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

#### **Consents**

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

#### **ValuationAgent**

Not applicable

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

The present Issue is not at a discount.

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

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

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

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

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

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



Exchange.

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

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

“ICRA-AA” with stable outlook rating has been assigned by ICRA Limited for Rs.500 Crore of Unsecured NCD of our company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations.

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

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

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

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

The Debentures are proposed to be listed on BSE Limited and the Company has obtained In Principal approval from BSE for the base issue size up to Rs. 150 Crores.

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

Mr. Niraj Murarka, Chief Operating Officer

Mr. Manoj Gujran, Company Secretary and Compliance Officer

Ms. Priya Kiyawat, Treasurer

**Key Regulations & Policies**

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

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

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

**Regulations governing NBFCs**

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

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

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

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

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

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

The bye-laws inter-alia provide for:

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

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

##### **1. PARTICULARS OF THE OFFER:**

Date of passing of resolution in the general meeting, authorizing the offer of securities (under section 180(1)(a) and 180(1)(c)	March 06, 2017
Date of passing of resolution in the general meeting, authorizing the offer of securities under Section 42 of the Companies Act, 2013	April 07, 2017
Date of passing of resolution by the Finance Committee of the Board of Directors in its meeting,	March 07, 2017

authorizing the offer of securities under the present Issue;	
Kinds of securities offered (i.e. whether share or debenture) and class of security;	Unsecured Redeemable Non-Convertible Subordinated Debentures
Price at which the security is being offered including the premium, if any, alongwith justification of the price;	Rs. 10,03,157/- Per Debenture. This issue is a further issuance under the ISIN - INE248U08127. The issue price is calculated by discounting the expected maturity payout by the yield at which the issuance is being made for the remaining tenor of the security.
Name and address of the valuer who performed valuation of the security offered;	Not applicable
Amount which the company intends to raise by way of securities;	Upto Rs. 69,217,833 (6 <sup>th</sup> Tranche of Base Issue Size of Rs. 150 Crore)
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	Please refer Annexure A -Term Sheet
Proposed time schedule for which the offer letter is valid;	Please refer Annexure A – Term Sheet
Purposes and objects of the offer;	Please refer Annexure A – Term Sheet
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	No contribution is being made by the directors or promoters of the Issuer
Principle terms of assets charged as security, if applicable;	As the NCD's are of Unsecured Nature, No security is being created.

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

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

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

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

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

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

*The Remuneration paid to Directors of the Company as on March 31, 2017 is provided in Related Party Transaction in the Annexure H.*

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

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

***Please refer Annexure H for details.***

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

***There are no reservations or qualifications or adverse remarks by the auditors in the last five financial***

***years immediately preceding the year of circulation of the disclosure document.***

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

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

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

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

**DECLARATION**

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

The Directors of the Issuer declare that:

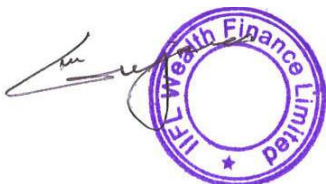
- (i) the Issuer has complied with the provisions of the Companies Act and the rules made thereunder;
- (ii) the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- (iii)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

I am authorized by the Finance Committee of the Board of Directors of the Company vide resolution number 02 dated March 07, 2017s, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

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

**For IIFL Wealth Finance Limited**

A handwritten signature in black ink is written over a purple circular stamp. The stamp contains the text "IIFL Wealth Finance Limited" around the perimeter and a small star at the bottom center.

**Authorised Signatory**

**Annexure A****Term Sheet – Series A2**

TERMS & CONDITIONS OF NCD	
Security Name	IIFLWF-ZERO-COUPON SUBDEBT-SERIES A2-MAY-2023
Issuer	IIFL WEALTH FINANCE LIMITED
ISIN	INE248U08127
Type of Instrument	Unsecured Redeemable Non-Convertible Subordinated Debt (Tier II) in the nature of Debenture
Nature of Instrument	Unsecured (Tier II Capital)
Seniority	Subordinate
Principal Protection	Principal is Protected at Maturity
Mode of Issue	Private Placement
Option to retain oversubscription (Amount)	Not Applicable
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> <li>• Individuals</li> <li>• Hindu Undivided Family</li> <li>• Trust</li> <li>• Limited Liability Partnerships</li> <li>• Partnership Firm(s)</li> <li>• Portfolio Managers registered with SEBI</li> <li>• Association of Persons</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings.</li> <li>• Commercial Banks</li> <li>• Regional Rural Banks</li> <li>• Financial Institutions</li> <li>• Insurance Companies</li> <li>• Mutual Funds</li> <li>• Any other investor eligible to invest in these Debentures</li> </ul>
Minimum Application Size	10 Debentures bearing face value of Rs. 10,00,000/- each and in multiples of 1 Debenture(s) thereafter.
Issue Size	Rs. 69,217,833/-
Face Value	Rs. 10,00,000/- Per Debenture
Issue price	Rs. 10,03,157/- Per Debenture
Justification of Issue Price	This issue is a further issuance under the ISIN - INE248U08127. The issue price is calculated by discounting the expected maturity payout by the yield at which the issuance is being made for the remaining tenor of the security
Tenor In Days	2056 Days from the Deemed Date of Allotment
Issue Opening Date	14-Sept-17
Issue Closing Date	14-Sept-17
Redemption Date	02-May-23
Pay-in-Date	14-Sept-17
Deemed Date of Allotment	14-Sept-17
Coupon	Nil
Step up/Step down coupon rate	Not Applicable
Coupon payment frequency	Not Applicable
Coupon payment dates	Not Applicable
Coupon type	Not Applicable

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<b>TERMS &amp; CONDITIONS OF NCD</b>	
Coupon Reset Process	Not applicable
Day Count Basis	365/Actual
Proposed time schedule for which the Disclosure Document is valid	Till redemption
Redemption Premium / Discount	63% of face value shall be paid only if the Issuer has net worth of more than Rs.100 crore as on September 30, 2022
Put Option	None
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Option	None
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Call Notification Time	Not Applicable
Listing	The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 20 days from the Deemed Date of Allotment
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL
Security	Unsecured in Nature, therefore not Applicable
Rating	[ICRA] AA (stable)
Purpose and objects of the Issue	The Capital Adequacy Ratio of the Company as on March 31, 2017 is 30.52% (audited) and as on March 31, 2016 is 106.36% (audited). However, considering the growth of assets planned during the current and the subsequent years, the Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines. Accordingly this issue will enhance capital adequacy of the Company from the present level requirements.
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil
Details of the Utilization of the proceeds	The net proceeds from the Issue shall not be used for any purpose which is in contravention of the RBI guidelines applicable. None of the proceeds from the issue of the Subordinated Non-Convertible Debentures may be used to refinance or reschedule existing indebtedness of a Client (including debt to equity conversions). We shall only issue Subordinated Non-Convertible Debentures for deployment of funds on our own balance sheet and not to facilitate resource requests of group entities/ parent company / associates. We shall not extend loans against the security of our own Subordinated Non-Convertible Debentures. The expenses of the present Issue would also be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. The Proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.
Settlement	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository's record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India's Real Time Gross Settlement System.
Business Day Convention	If any of the date(s), including the Record Date, as defined in the Disclosure Document fall on

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<b>TERMS &amp; CONDITIONS OF NCD</b>	
	a Sunday or a public holiday, the next working day shall be considered as the effective date. However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Disclosure Document falls on an expiry day, which is thereafter declared as a public holiday/trading holiday, then the day notified by the Exchanges/Regulators as the new expiry day shall be considered as the effective date for the above mentioned dates. However incase Redemption Date (for payment of Principal and Coupon, if any) falls on Sunday or a public holiday, the previous working day shall be considered as the effective date
Interest on Application Money	This issuer does not contemplate any interest on application money till allotment of Debentures.
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
Transaction Documents	<ul style="list-style-type: none"> <li>• Memorandum and Articles of Association of the Company</li> <li>• Date of passing resolution for increase in the borrowing limits in general meeting : March 06,2017</li> <li>• Date of passing resolution for issuance of debentures in general meeting : April 07, 2017</li> <li>• Date of passing resolution by Finance committee of the Board of Directors of the company for issue and allotment: March 07, 2017.</li> <li>• Consent Letter from Milestone Trusteeship Services Company Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures</li> <li>• Consent letter from Link Intime India Private Limited for acting as Registrar to the issue.</li> </ul>
Conditions Precedent to Disbursement	Nil
Conditions Subsequent to Disbursement	Nil
Events of Default	As per Debenture Trust Deed
Provisions related to Cross Default Clause	Not Applicable
Governing Law and Jurisdiction	The Debentures offered are subject to provisions of the Companies Act, 2013 as may be applicable, Securities Contract Regulation Act, 1956, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Unsecured Redeemable Non-Convertible Subordinated Debentures shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the issue and allotment of securities issued from time to time by the Government of India, Reserve Bank of India (RBI), and, or any other authorities and other documents that may be executed in respect of the Unsecured Redeemable Non-Convertible Subordinated Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai
Other Terms	<p><b>Default Interest Rate:</b> In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p><b>Delay in Listing</b> In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p>The interest rates mentioned in above are independent of each other</p>
Distribution Fees	Nil



**Annexure B (Registrar Consent)**



March 3, 2017

To,  
IIFL WEALTH FINANCE LIMITED  
IIFL Centre, Kamala Mills,  
Lower Parel(W), Mumbai 400013

Dear Sir,

**Sub.: Consent to act as Registrar to the proposed issuance of Unsecured, Redeemable, Non-Convertible Subordinated Debentures amounting to Rs. 500 crores to be issued on private placement basis.**

We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to issue Unsecured, Redeemable, Non-Convertible Subordinated Debentures on private placement basis amounting to Rs. 500 crores and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

  
Ganesh Jadhav  
Asst. Vice President - Depository Operations

**Annexure C (Debenture Trustee Consent)**



March 3, 2017

To,

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


Dear Sir,

**Sub : Consent for Issue of Unsecured Redeemable Non-convertible Subordinated Debentures on Private Placement Basis aggregating to Rs. 500 crores only**

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Unsecured Redeemable Non-convertible Subordinated Debentures on Private Placement Basis aggregating to Rs. 500 crores only proposed to be issued by the Company subject to the terms and conditions under the transaction documents (Debenture Trust Deed / Debenture Trustee Agreement).

Sincerely,

**For Milestone Trusteeship Services Private Limited**

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

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



ICRA Limited

CONFIDENTIAL

Ref: 2017-18/MUMR/0765  
Date: September 01, 2017

Mr. Pankaj Fitkarwala  
IIFL Wealth Finance Limited  
(erstwhile Chephis Capital Markets Limited)  
IIFL Finance Centre,  
Kamla City, Senapati Bapat Marg,  
Lower Parel  
Mumbai 400013

Dear Sir,

**Re: ICRA rating for Rs. 500 crore Unsecured NCD Programme of IIFL Wealth Finance Limited**

This is with reference to your email dated August 31 2017, for re-validating your rating for the Unsecured NCD Programme of Rs.500 crore.

We confirm that the "[ICRA] AA" (pronounced as ICRA Double A) rating with a Stable outlook, assigned to the captioned Unsecured NCD borrowing Programme of your company and last communicated to you vide our letter dated March 03,2017, April 10, 2017 and August 08, 2017 stand. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.


The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2016-17/MUM/1721 dated March 03, 2017, Ref: 2017-18/MUM/0051 dated April 10, 2017 and Ref: 2017-18/MUM/0621 dated August 08, 2017.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

  
SUPRIO BANERJEE  
Vice President  
[supriob@icraindia.com](mailto:supriob@icraindia.com)

  
KARTHIK SRINIVASAN  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

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

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

Website : [www.icra.in](http://www.icra.in)  
email : [mumbai@icraindia.com](mailto:mumbai@icraindia.com)

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

**RATING • RESEARCH • INFORMATION**

**Annexure E (Shareholder Resolution)**



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

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

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

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

**CORPORATE & REGD. OFFICE:**

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

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



CIN: U65990MH1994PLC080646




WEALTH  
FINANCE


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

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

*Certified true copy*

**For IIFL Wealth Finance Limited**

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



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

**CORPORATE & REGD. OFFICE:**

6<sup>th</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
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CIN: U65990MH1994PLC080646

**Annexure F (Shareholder Resolution)**



**CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS OF IIFL WEALTH FINANCE LIMITED ("THE COMPANY") AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON APRIL 07, 2017**

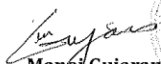
**ISSUANCE OF DEBENTURES ON PRIVATE PLACEMENT BASIS:**

"**RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company; and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and subject to compliance with other the applicable law, rules, directions issued by the government or any other regulatory authority, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Perpetual/Subordinated/Structured Products/Market Linked/Principal Protected/Fixed Maturity Non-Convertible Debentures of the Company for proposed issue aggregating upto Rs. 2500 Crore (Rupees Two Thousand Five Hundred Crore only) on private placement basis in one or more tranches during the financial year 2017-18 and on such terms and conditions as may be determined by the Board and, or the Debenture Allotment Committee, from time to time;

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

*Certified true copy*

**For IIFL Wealth Finance Limited**

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

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

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

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CIN: U65990MH1994PLC080646

**Annexure G Finance Committee Resolution**



**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE FINANCE COMMITTEE (“THE COMMITTEE”) OF THE BOARD OF DIRECTORS OF THE COMPANY AT THEIR MEETING HELD ON TUESDAY, MARCH 07, 2017 AT 11.30 AM AT IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI-400013**

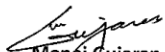
**Approve the offer and issue of Unsecured Redeemable Subordinated Non-Convertible Debentures of upto Rs. 150 Crore through private placement:**

“RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling board and shareholders resolution(s) and provisions of the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, and as per RBI Master Direction and its guidelines, as amended from time to time, and subject to compliance with the other applicable law, rules, directions issued by the Reserve Bank of India, the Government or any Regulator or Authority, in this regard, the approval of the Committee be and is hereby accorded to offer and issue the Unsecured Redeemable Subordinated Non-Convertible Debentures (the “Debentures”) aggregating upto the sum of Rs. 150 Crore (Rupees One Hundred and Fifty Crore only) on private placement basis, as per the shelf Information Memorandum placed before the Committee;

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

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

*Certified true copy*  
For IIFL Wealth Finance Limited

  
Manoj Gujran  
Company Secretary  
Membership No: ACS-22201



Date: March 07, 2017  
Place: Mumbai

**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)  
**CORPORATE & REGD. OFFICE:**  
6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
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CIN: U65900MH1004PLC080646

**Annexure H**

Related Party Transactions for the Financial Year ending 2016-17.

(Amount in INR.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
<b><u>Share Capital Issued</u></b>						
IIFL Wealth Management Limited	103,333,330	-	-	-	-	103,333,330
	(2,513,888,875)	-	-	-	-	(2,513,888,875)
<b><u>Share Premium</u></b>						
IIFL Wealth Management Limited	516,666,670	-	-	-	-	516,666,670
	(6,486,111,125)	-	-	-	-	(6,486,111,125)
<b><u>Purchase of Investment/Inventory (Net)</u></b>						
IIFL Asset Advisors Limited	-	253,093,440	-	-	-	253,093,440
	-	-	-	-	-	-
<b><u>Redemption of NCD</u></b>						
IIFL Wealth Management Limited	500,000,000	-	-	-	-	500,000,000
	-	-	-	-	-	-
<b><u>Sell of Investment/Inventory (Net)</u></b>						
IIFL Wealth Management Limited	2,750,000,000	-	-	-	-	2,750,000,000
	-	-	-	-	-	-
Karan Bhagat	-	-	-	42,622,000	-	42,622,000
	-	-	-	-	-	-
Yatin Shah	-	-	-	10,000,187	-	10,000,187



Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
	-	-	-	-	-	-
<b><u>Remuneration to Director</u></b>						
	-	-	-	6,909,006	-	6,909,006
Himanshu Jain	-	-	-	-	-	-
<b><u>Interest Income on NCD</u></b>						
IIFL Wealth Management Limited	2,613,878	-	-	-	-	2,613,878
	-	-	-	-	-	-
<b><u>Interest Income</u></b>						
India Infoline Finance Limited	-	-	637,792	-	-	637,792
	-	-	-	-	-	-
India Infoline Housing Finance Limited	-	-	197,836	-	-	197,836
	-	-	-	-	-	-
Yatin Investments	-	-	-	-	2,827,342	2,827,342
	-	-	-	-	-	-
<b><u>Loan Given</u></b>						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
	-	-	-	-	-	-
<b><u>Loan Received Back</u></b>						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
	-	-	-	-	-	-
<b><u>ICD Given</u></b>						
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	(150,000,000)	-	-	(150,000,000)

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<b>Nature of Transaction</b>	<b>Holding Company</b>	<b>Fellow Subsidiaries</b>	<b>Group Companies</b>	<b>Key Managerial Person</b>	<b>Other Related Parties</b>	<b>Total</b>
IIFL Investment Adviser & Trustee Services Limited	-	2,901,200,000	-	-	-	2,901,200,000
5 Paisa Capital Limited	-	-	200,000,000	-	-	200,000,000
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,352,000,000
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
IIFL Wealth Management Limited	9,61,25,00,000	-	-	-	-	9,61,25,00,000
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
<b><u>ICD Received Back</u></b>						
India Infoline Finance Limited	-	-	(150,000,000)	-	-	(150,000,000)
IIFL Investment Adviser & Trustee Services Limited	-	2,901,000,000	-	-	-	2,901,000,000
5 Paisa Capital Limited	-	-	20,00,00,000	-	-	20,00,00,000

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<b>Nature of Transaction</b>	<b>Holding Company</b>	<b>Fellow Subsidiaries</b>	<b>Group Companies</b>	<b>Key Managerial Person</b>	<b>Other Related Parties</b>	<b>Total</b>
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,35,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,612,500,000	-	-	-	-	9,612,500,000
	-	-	-	-	-	-
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
<b><u>ICD Taken</u></b>						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
	-	-	-	-	-	-

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
	-	-	-	-	-	-
<b><u>ICD Repaid</u></b>						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
	-	-	-	-	-	-

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
<b><u>Interest Income on ICD</u></b>						
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(81,967)	-	-	(81,967)
IIFL Investment Adviser & Trustee Services Limited	-	7,195,342	-	-	-	7,195,342
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	801,644	-	-	801,644
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	26,888,416	-	-	-	26,888,416
	-	-	-	-	-	-
IIFL Asset Management Limited	-	22,893,890	-	-	-	22,893,890
	-	-	-	-	-	-
IIFL Wealth Management Limited	34,705,227	-	-	-	-	34,705,227
	-	-	-	-	-	-
India Infoline Limited	-	-	150,685	-	-	150,685
	-	-	-	-	-	-
<b><u>Interest Expense on ICD</u></b>						
India Infoline Finance Limited	-	-	3,452,055	-	-	3,452,055
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	337,534	-	-	-	337,534
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee	-	409,863	-	-	-	409,863
	-	-	-	-	-	-

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Services Limited						
IIFL Facilities Services Limited	-	-	452,055	-	-	452,055
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	8,504,357	-	-	-	8,504,357
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,705,685	-	-	-	2,705,685
	-	-	-	-	-	-
IIFL Wealth Management Limited	7,684,932	-	-	-	-	7,684,932
	-	-	-	-	-	-
<b><u>Manpower Outsourcing Expenses</u></b>						
IIFL Distribution Services Limited	-	26,895,461	-	-	-	26,895,461
	-	-	-	-	-	-
<b><u>Guest House Rent Expense</u></b>						
IIFL Properties Private Limited	-	-	575,000	-	-	575,000
	-	-	-	-	-	-
<b><u>Corporate Social Responsibility (CSR)</u></b>						
India Infoline Foundation Limited	-	-	260,800	-	-	260,800
	-	-	-	-	-	-
<b><u>Other funds paid</u></b>						
IIFL Wealth Management Limited	2,221,942	-	-	-	-	2,221,942
	(16,030)	-	-	-	-	(16,030)
India Infoline Limited	-	-	7,204	-	-	7,204
	-	-	-	-	-	-

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Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
<b><u>Other funds received</u></b>						
IIFL Wealth Management Limited	225,753	-	-	-	-	225,753
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	17,066	-	-	17,066
	-	-	-	-	-	-
India Infoline Limited	-	-	210,820	-	-	210,820
	-	-	-	-	-	-
<b><u>Allocation / Reimbursement of expenses Paid</u></b>						
India Infoline Limited	-	-	1,000,000	-	-	1,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	5,04,022	-	-	-	5,04,022
	-	-	-	-	-	-
IIFL Wealth Management Limited	24,758,528	-	-	-	-	24,758,528
	(2,273,976)	-	-	-	-	(2,273,976)

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

<b>Nature of Transaction</b>	<b>Holding Company/ Ultimate Holding Co.</b>	<b>Fellow Subsidiaries</b>	<b>Group Companies</b>	<b>Total</b>
<b>Share Capital Issued</b>				
IIFL Wealth Management Ltd	2,513,888,875	-	-	<b>2,513,888,875</b>
	-	-	-	-
<b>Share Premium</b>				
IIFL Wealth Management Ltd	6,486,111,125	-	-	<b>6,486,111,125</b>
	-	-	-	-
<b>ICD Given</b>				
India Infoline Finance Limited	-	-	150,000,000	<b>150,000,000</b>
	-	-	-	-
<b>ICD Recd Back</b>				
India Infoline Finance Limited	-	-	150,000,000	<b>150,000,000</b>
	-	-	-	-
<b>Interest Income on ICD</b>				
India Infoline Finance Limited	-	-	81,967	<b>81,967</b>
	-	-	-	-
<b><u>Other funds paid</u></b>				
IIFL Wealth Management Ltd	16,030	-	-	<b>16,030</b>
	-	-	-	-
<b><u>Allocation / Reimbursement of expenses Paid</u></b>				
IIFL Wealth Management Ltd	2,273,975	-	-	<b>2,273,975</b>
	-	-	-	-

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



To,

Name of Investor: \_\_\_\_\_

(This Disclosure Document is not a Prospectus)

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



### **IIFL WEALTH FINANCE LIMITED**

(Formerly known as Chephis Capital Markets Limited)

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

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

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

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

**CIN No. U65990MH1994PLC080646**

**SHELF DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON CONVERTIBLE SUBORDINATE DEBENTURES OF THE FACE VALUE RS. 10 LAKHS EACH AT PAR (“DEBENTURES” or “NCDs”) AGGREGATING UPTO RS. 150 CRORE (“BASE ISSUE”);**

**SCHEDULE – I AND PAS-4 DISCLOSURES IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND MASTER DIRECTION NBFC-SI-ND-(RESERVE BANK) DIRECTIONS, 2016”.**

<b>GENERAL RISK</b>
Investment in debt and debt related securities involve a degree of risk and investors should not invest in any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the Disclosure Document carefully before taking an investment decision in this Issue. For taking an investment decision the investor must rely on his examination of the Issuer and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this document. This Information Memorandum has not been submitted to, cleared or approved by SEBI.
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>
The Issuer confirms that, as of the date hereof, this Disclosure Document contains all information that is material in the context of the Issue and sale of the Debentures; is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading.
<b>CREDIT RATING</b>
“ICRA-AA with stable outlook” rating has been assigned by ICRA Limited for Rs. 500 crore for Unsecured NCD

programme of our company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters “NCD’s” suffixed to a rating symbol stand for ‘Unsecured Subordinated NCD’s’. The present issue is part of the aforesaid programme of Rs.500 Crores.

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

**LISTING**

The Unsecured Redeemable Non-Convertible Subordinated Debentures will be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited (“BSE”).

**Registrar**



Link Intime India Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400083.  
Telephone : 022-49186000  
Fax : 022-49186060  
E-mail : [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**Trustee**



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

Issue Opens on: As mentioned in the annexed Term Sheet (Annexure A)

Issue Closes on: As mentioned in the annexed Term Sheet (Annexure A)

This Disclosure Document is not a Prospectus under the Companies Act, 2013 (the “**Companies Act**”). This Disclosure Document is prepared in conformity with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time (together “**SEBI Debt Regulations**”); (ii) relevant provisions of the Companies Act and rules made thereunder;”

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

**The Disclosure Document is dated \_\_\_\_\_, 2017**

## DISCLAIMER

### GENERAL DISCLAIMER:

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

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

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, and SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and section 42 of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and RBI-Master Direction RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 ( Updated as on March 03,2017). As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, the provisions of Section 42(7) of the Companies Act, 2013 shall be applicable and accordingly, a copy of this Disclosure Document will be filed with the RoC within a period of 30 days from the date of circulation of the Disclosure Document.

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

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied

upon as having been authorized by the Issuer.

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

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

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

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

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

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

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

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

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

public.

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

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

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

**DISCLAIMER OF THE STOCK EXCHANGE**

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

**DISCLAIMER OF THE CREDIT RATING AGENCY**

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

**DISCLAIMER OF THE DEBENTURE TRUSTEE**

Debenture trustee or their agents or advisers associated with the Issue does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Disclosure Document or shall not have any responsibility to advise any investor or prospective investor in the

Debentures of any information available with or subsequently coming to the attention of the debenture trustee, agents or advisors.

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

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

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

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

**DISCLAIMER IN RESPECT OF JURISDICTION**

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

**FORWARD LOOKING STATEMENTS**

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

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

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

**Risk Factors:**

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

**Internal Risk Factors**

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

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

- 2. There are certain risks in connection with the NCDs as they are of unsecured nature.**

The NCDs will be in the nature of Subordinated Debt and hence the claims of the holders thereof will be subordinated to the claims of other secured and other unsecured creditors of our Company. Further, since no charge upon the assets of our Company would be created in connection with the NCDs, in the event of default in connection therewith, the holders of NCDs may not be able to recover their principal amount and/or the interest accrued thereon in a timely manner, for the entire value of the NCDs held by them or at all. Accordingly, in such a case the holders of the NCDs may lose all or a part of their investment therein. Further, the payment of interest and the repayment of the principal amount in connection with the NCDs would be subject to the requirements of RBI, which may also require our Company to obtain prior approval from the RBI in certain circumstances.

The NCDs would constitute unsecured and subordinated obligations of the Company and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the NCD holders shall be subordinated to those of the other lenders to our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier II capital.

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

Consistent with the growth of our branch network and our product portfolio, we expect an increase in our loan assets. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. As of March 31, 2017, the gross value of NPAs on our books of accounts was NIL of our total loan book. While we believe that we have adequately provided for NPAs to cover known or expected losses which may arise in our asset portfolio, any increase in the level of final credit losses shall adversely affect our business and future financial performance.

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

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

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



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

Being an NBFC, the operations of the Company are subject to various regulations prescribed the RBI and other statutory authorities including regulations relating to foreign investment in India. Pursuant to the revised regulatory framework for NBFCs issued by RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on March 02, 2017), the Company has been classified as a Systemically Important Non Deposit Accepting NBFC. Pursuant to the aforesaid circular, among other things, NBFCs will be required to consider a term loan inclusive of unpaid interest as non-performing asset if it is overdue for period of 6 months or more or on which interest amount remained overdue for period of 6 months or more and in respect of demand or call loan which remained overdue for period of 6 months or more from the date of demand or call or on which interest amount remained overdue for period of 6 months or more. Provisions for standard assets has been 0.30 per cent of the loans outstanding by the end of March 2016, 0.35 per cent by the end of March 2017 and 0.40 per cent by end of March 2018. The Company is required to maintain a CAR of 15% besides complying with other Prudential Norms, directions and the requirements under the revised regulatory framework. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected. Further, the RBI's may amend regulations/ guidelines applicable to NBFCs in future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

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

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

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

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

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

Recently, RBI, vide its notification no RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016(Updated as on March 02, 2017), has restricted 'Loan against Shares' business undertaken by NBFCs. Some of the requirements of such circular are: a. LTV ratio should not exceed 50%, and shall be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share price shall be made within 7 working days, b. In case where lending is done for investment in capital market, only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI, and c. to report on-line to stock exchanges, information on the shares pledged in favor of NBFC, by borrowers for availing loans. At this point, we cannot assure you that this notification and its applicability to us will not have a material and adverse effect on our future financial conditions and results of operations.

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

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

The RBI vide its RBI, vide its notification no RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016(Updated as on March 02, 2017), issued certain guidelines to NBFCs with respect to raising of money through private placement by them in the form of non-convertible debentures. These guidelines include restrictions on the minimum subscription amount for a single investor of Rs. 20,000, prohibition on providing loan against the security of its own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis.

Such changes in laws of the country applicable to our company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

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

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

Unlike commercial banks, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher cost syndicated loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks will depend, to some extent, on our ability to raise low-cost sources of funding in the future. If we are unable to compete effectively with other participants in the loan against security/property industry, our business, future financial performance and the trading price of the NCDs may be adversely affected.

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

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

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

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

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

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

Our business depends and will continue to depend on our ability to access diversified funding sources. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain

restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business and results of operations.

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

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

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

We extend “loans against shares”, or margin funding loans, which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. Recently, RBI, vide its RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on March 02, 2017), has restricted ‘Loan against Shares’ business undertaken by NBFCs. Some of the requirements of such circular are: (a) LTV ratio should not exceed 50%, and only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may decrease significantly in value, resulting in LTV to fall below the prescribed limit of 50% and consequential losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. There is little financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

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

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

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

We require several licenses, approvals and registration in order to undertake our business activities. These registrations include registrations with the RBI as a systemically important non-deposit taking NBFC. We are also required to maintain licenses under various state Shops and Establishment Acts for some of our offices. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may

result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

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

Pursuant to the revised regulatory framework for NBFCs issued by RBI, vide its RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on March 02, 2017), all systemically important non-deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items and Tier I capital of 10% by March, 2017. On an unaudited basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 18.14 % as of March 31, 2017, with Tier I capital comprising 17.93%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

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

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

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

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

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

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

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who

will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees can be intense. While we have an incentive structure and an ESOP designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

**External Risk Factors:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 33.99 %. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant

additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

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

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

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

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

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

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

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

The NCDs will be denominated in Indian rupees and the payment of interest and Redemption Amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the NCDs held by NRIs, QFIs and FIIs (Exchange Control Regulations). The amounts payable to NRIs, QFIs and FIIs holding the NCDs, on redemption of the NCDs and/or the interest paid/payable in connection with such NCDs would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such NRIs, QFIs and FIIs to convert such amounts into other currencies, in a timely manner or at all.

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

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

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

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

**DEFINITION/ ABBREVIATIONS**

<b>Term</b>	<b>Description</b>						
“Issuer”, “the Company” and “our Company”	IIFL Wealth Finance Limited, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934.						
Act / Companies Act	The Companies Act, 1956 or the Companies Act, 2013 (such sections which have been notified by the Government) as amended from time to time, whichever is applicable.						
AOA / Articles / Articles of Association	Articles of Association of our Company						
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof						
DIN	Director Identification Number						
Equity Shares	Equity shares of face value of Rs.10 each of our Company						
IIFL Group	IIFL Holdings Limited and its subsidiaries						
MIS	Management Information System of our Company						
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company						
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934						
NBFC-ND-SI	Non-Deposit Accepting / Holding Systemically Important NBFC						
NPA	Non-Performing Asset						
Subordinated Debt	Subordinated debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Remaining Maturity of the instruments</th> <th>Rate of discount</th> </tr> </thead> <tbody> <tr> <td>Upto one year</td> <td>100 per cent</td> </tr> <tr> <td>More than one year but upto two</td> <td>80 per cent</td> </tr> </tbody> </table>	Remaining Maturity of the instruments	Rate of discount	Upto one year	100 per cent	More than one year but upto two	80 per cent
Remaining Maturity of the instruments	Rate of discount						
Upto one year	100 per cent						
More than one year but upto two	80 per cent						

Term	Description								
	<table border="1" data-bbox="515 203 1265 443"> <tr> <td data-bbox="515 203 927 241">years</td> <td data-bbox="935 203 1265 241"></td> </tr> <tr> <td data-bbox="515 241 927 309">More than two years but upto three years</td> <td data-bbox="935 241 1265 309">60 per cent</td> </tr> <tr> <td data-bbox="515 309 927 376">More than three years but upto four years</td> <td data-bbox="935 309 1265 376">40 per cent</td> </tr> <tr> <td data-bbox="515 376 927 443">More than four years but upto five years</td> <td data-bbox="935 376 1265 443">20 per cent</td> </tr> </table> <p data-bbox="515 472 1431 510">to the extent such discounted value does not exceed fifty per cent of Tier I capital;</p>	years		More than two years but upto three years	60 per cent	More than three years but upto four years	40 per cent	More than four years but upto five years	20 per cent
years									
More than two years but upto three years	60 per cent								
More than three years but upto four years	40 per cent								
More than four years but upto five years	20 per cent								
Tier II Capital	<p data-bbox="515 517 927 555">“Tier II capital” includes the following:</p> <p data-bbox="515 555 1431 622">(a) preference shares other than those which are compulsorily convertible into equity;</p> <p data-bbox="515 622 1198 651">(b) revaluation reserves at discounted rate of fifty five percent;</p> <p data-bbox="515 651 1431 779">(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;</p> <p data-bbox="515 779 895 808">(d) hybrid debt capital instruments;</p> <p data-bbox="515 808 799 837">(e) subordinated debt; and</p> <p data-bbox="515 837 1431 943">(f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital.</p>								
Promoter	IIFL Wealth Management Limited								
` / Rs./ INR / Rupees	Indian Rupees								
Statutory Auditors / Auditors	Deloitte Haskins & Sells LLP								
“We”, “us” and “our”	Our Company and/or its Subsidiaries, unless the context otherwise requires								

I. Issuer Information

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

II. Directors of the CompanyDetails of Board of Directors

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

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
<b>Mr. Umang Papneja</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07357053 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 610, Samartha Aangan -2, Off Link Road, Oshiwara, Andheri (West), Mumbai – 400 053	40	Appointed as Director on February 13, 2016	IIFL Distribution Services Limited
<b>Mr. Shantanu Rastogi</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 06732021 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 3601/02, Tower 2, Planet Godrej, 30 KK Marg, Saatrasta, Jacob Circle, Mahalaxmi, Mumbai - 400011	37	Appointed as Director on July 26, 2016	1. IIFL Wealth Management Limited 2. House of Anita Dongre Limited
<b>Mr. Himanshu Jain</b> <b>Designation:</b> Whole Time Director <b>DIN:</b> 02052409 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat no. 701-702, A- Wing, Julian Alps, Bhakti Park, Sion Wadala Link Road, Wadala, Mumbai-400037	41	Appointed as Director on October 04, 2016	NIL
<b>Mr. Yatin Shah</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 03231090 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 51, Kedia Apts, 29F, Dongarsi Road, Walkeshwar, Mumbai 400006	40	Appointed as Director on October 04, 2016	1. IIFL Wealth Management Limited 2. IIFL Investment Adviser and Trustee Services Limited 3. India Alternatives Investment Advisors Private Limited 4. IIFL Alternate Asset Advisors Limited 5. Naykia Realty Private Limited 6. Probability Sports LLP
<b>Mr. P. Vijaya Bhaskar</b> <b>Designation:</b> Independent Director <b>DIN:</b> 06629884 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> A-701, Navratan CHS, Mahakali Caves Road, Andheri(East), Mumbai-400093	60	Appointed as Independent Director on December 23, 2016	1. Gmr Aero Technic Limited 2. Kakinada Sez Limited 3. Gmr Aerospace Engineering Limited 4. Gmr Hyderabad International Airport limited 5. Axis Asset Management Company Limited 6. Aditya Birla Health Insurance Co. Limited 7. Metropolitan Clearing Corporation Of India Limited 8. Paytm Payments Bank Limited

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
			9. GMR Hospitality and Retail Limited
<b>Mr. S. Narayan</b> <b>Designation:</b> Independent Director <b>DIN:</b> 00094081 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> Flat No. 2B, Nithyashree Apartments No. 51, Chaimers Road, Raja Annamalaipura M, Tamil Naidu, Chennai 600028	73	Appointed as Independent Director as on March 31, 2017	1.Seshasayee Paper And Boards Limited 2. Dabur India Limited 3.Apollo Tyres Limited 4. Godrej Properties Limited 5. IIFL Holdings Limited 6. Andhra Pradesh Urban Infrastructure Asset Management Limited 7. Artemis Medicare Services Limited 8. Castlewood Trading Private Limited 9. Yogya Systems Private Limited 10. Shanti Narayan Foundation
<b>Ms. Deepali Nair</b> <b>Designation:</b> Non-Executive Director <b>DIN:</b> 07392725 <b>Nationality:</b> Indian <b>Occupation:</b> Service <b>Address:</b> 103-104, 1ST FLOOR, SEA FLAMA, DOSTI FLAMINGOS, PAREL, SEWRI, MUMBAI-400015	45	Appointed as Non-Executive Director as on March 31, 2017	Nil

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

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

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

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

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

**Mr. Yatin Shah, aged 40 years,** is a Non-Executive Director of our Company. Yatin is a Founder Director at IIFL Wealth Management Limited and possesses more than 15 years of experience in equity research and private wealth management. As Non-Executive Director, Yatin focuses on the domestic wealth advisory practice. Under



*Yatin's leadership, IIFL Wealth Management Limited has emerged as a pre-eminent leader in the domestic private wealth management space, advising more than 8,000 ultra-high-net-worth families. He started his career in equity research with Khandwala Securities, after which he was associated with Kotak's wealth management division.*

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

**Mr. S. Narayan, aged 73 years**, is an Independent Director of our Company. Mr. S Narayan is a retired IAS Officer. He was an eminent public administrator for nearly four decades (1965 to 2004). He was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets. Dr. Narayan holds M.Sc., MBM, M Phil, Ph.D. degree. He is a director on the board of several leading public limited Companies. He is a Senior Research Fellow at the Institute of South Asian Studies, National University of Singapore, at Singapore since 2005.

**Ms. Deepali Nair, aged 45 years**, is an Non-Executive Women Director of our company. Ms Deepali Nair is the Chief Marketing and Digital Officer of IIFL Wealth Management Limited and is responsible for communication, branding, marketing and digital initiatives. In a career spanning over two decades she has worked with organizations such as Tata Motors, BPL Mobile, Draft FCB Ulka, Marico, HSBC Global Asset Management, L&T Insurance and Club Mahindra. Apart from Brand and Digital Marketing, she has managed e-commerce portfolios too. Her work in digital and technology space is widely regarded. In 2015, Deepali was awarded the 'Content Marketer of the Year' award. She has also received the 'Leading Woman in Insurance' award and has been listed among top 8 futuristic brand heads by [www.socialsamosa.com](http://www.socialsamosa.com)

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

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

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

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

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reason</b>
Mr. Dipak Kumar Mehta	February 13, 2016	Resignation

Mrs. Bhanu Mehta	February 13, 2016	Resignation
Ms. Bhairavi Mehta	February 13, 2016	Resignation
Mr. Kunal Mehta	February 13, 2016	Resignation
Mr. Umang Papneja	February 13, 2016	Appointment
Mr. Shantanu Rastogi	July 26, 2016	Appointment
Mr. Himanshu Jain	October 4, 2016	Appointment
Mr. Yatin Shah	October 4, 2016	Appointment
*Mr. Karan Bhagat	October 4, 2016	Resignation
*Mr. Pankaj Fitkariwala	October 4, 2016	Resignation
*Mr. P. Vijaya Bhaskar	December 23, 2016	Appointment
*Mr. S. Naryan	March 31, 2017	Appointment
*Mrs. Deepali Nair	March 31, 2017	Appointment

**\*Note:**

- (a) Karan Bhagat was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- (b) Pankaj Fitkariwala was appointed as Non-executive Director on February 13, 2016 and resigned as Director on October 4, 2016.
- (c) P. Vijaya Bhaskar was appointed as Independent Director on December 23, 2016.
- (d) S. Narayan was appointed as Independent Director on March 31, 2017.
- (e) Deepali Nair was appointed as Non-Executive Woman Director on March 31, 2017

**The auditors of the Company:-**

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

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

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

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

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

**Overview**

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

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

We received a certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 from the

Reserve Bank of India for carrying on activities of a Non-Banking Financial Company.

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

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

a) Statutory Dues: As per audited financials, our Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues with the appropriate authorities, where applicable. There are no undisputed statutory dues as on March 31, 2017, which are outstanding for a period exceeding six months from the date they became payable.

b) Debentures and interest thereon – NIL

c) Deposits and interest thereon – NIL

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

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

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

*(Rs in Million)*

For Financial Entities	FY17	FY16	FY 15
	Audited	(Audited)	(Audited)
Net worth	10,558.01	9018.75	10.34
Total Debt	52,469.25	-	-
of which –			
- Non Current Maturities of Long Term Borrowing	19,818.60	-	-
- Short Term Borrowings	30,009.05	-	-
- Current Maturities of long Term Borrowings	2,641.60	-	-
Net Fixed Assets	5.99	-	0.32
Non-Current Assets	14,159.22	281.00	2.75
Cash and Cash Equivalents	7,266.65	541.02	0.58
Current Investments	17,398.73	7192.10	1.86
Current Assets	24,542.21	1009.52	5.60
Current Liabilities	706.64	4.89	0.71
Assets Under Management *	36,163.79	1007.73	-
Off Balance Sheet Assets	-	-	-
Interest Income	3,368.97	3.04	-
Interest Expense	2,360.27	-	0.00
Provisioning & Write-offs	304.80	4.96	-
Profit before tax	1,574.86	38.09	0.53
Provision for tax	570.99	20.68	0.03
Profit after tax (PAT)	1,003.86	17.41	0.51
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)	24.03	106.32	-
Tier II Capital Adequacy Ratio (%)	6.48	0.04	-

**Note:**

- 1) \* Assets under Management comprises of only Loan Book.
- 2) The Financial Indicators for the Half Year ended March, 2017 and as on year end are same therefore have not been presented separately.

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

Before the issue of debt securities	5.16:1
After the issue of debt securities	5.80:1

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

## Statement of Reformatted Unconsolidated Assets and Liabilities (Rs in Million)

Particulars	As at March 31 <sup>st</sup> , 2017	As at March 31 <sup>st</sup> , 2016	As at March 31 <sup>st</sup> , 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2,624.50	2,521.16	7.28
(b) Reserve and Surplus	8,018.12	6,497.59	3.07
<b>(2) Share application money pending allotment</b>	-	-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	19,818.60	-	-
(b) Deferred tax liabilities (Net)	-	-	0.06
(c) Other Long-term liabilities	366.60	-	-
(d) Long-term provisions	44.85	-	-
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	30,009.05	-	-
(b) Trade payables	23.39	0.72	0.68
(c) Other current liabilities			
-Borrowings	2,641.60		
-Others	215.21	0.05	-
(d) Short-term provisions	468.04	4.12	0.03
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>64,229.96</b>	<b>9,023.64</b>	<b>11.12</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	1.07	-	0.32
(ii) Intangible assets	3.35	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	1.57	-	-
(b) Non-current investments	1,388.92	280.00	2.75
(c) Deferred tax assets (Net)	82.30	1.00	-
(d) Long-term loans & advances			
-Loans	12,631.20	-	-
-Others	0.20	-	-
(e) Other non-current assets	56.61	-	-
<b>(2) Current assets</b>			
(a) Current investments	17,398.73	7192.10	1.86
(b) Inventories	-	-	3.67
(c) Trade receivables	857.16	-	1.94
(d) Cash and Bank balances	7,266.65	541.02	0.58
(e) Short-term loans & advances			
-Loans	23,532.59	1007.73	-
-Others	13.61	0.17	0.00
(f) Other current assets	996.00	1.62	-
<b>TOTAL ASSETS</b>	<b>64,229.96</b>	<b>9023.64</b>	<b>11.12</b>

\*Note—Abridged version of limited review half yearly standalone financial information have not been shown separately as the Figures as on March 31, 2107 is similar to half year ended March 31, 2017.

## Statement of Reformatted Unconsolidated Profit &amp; Losses

(Rs.in Million)

Particulars	* Upto latest Half Year ended March 31, 2017	2016-2017	2015-2016	2014-2015
<b>Revenue</b>				
Revenue from operations	3,110.64	4,614.72	73.68	0.45
Other Income	-	-	0.25	0.36
<b>Total Revenue</b>	<b>3,110.64</b>	<b>4,614.72</b>	<b>73.93</b>	<b>0.81</b>
<b>Expenses</b>				
Employee benefit expenses	266.61	284.14	-	-
Finance cost	1,548.89	2,360.27	-	0.00
Depreciation & amortization expenses	0.67	0.67	-	0.06
Other expenses	280.88	394.78	35.84	0.22
<b>Total Expenses</b>	<b>2,097.05</b>	<b>3,039.86</b>	<b>35.84</b>	<b>0.28</b>
<b>Profit/(Loss) before tax</b>	<b>1,013.59</b>	<b>1,574.86</b>	<b>38.09</b>	<b>0.53</b>
<b>Tax expenses :</b>				
Current tax expense for current year	431.77	652.30	21.85	0.03
Deferred tax	(53.39)	(81.30)	(1.06)	(0.01)
Fringe benefit tax	-	-	-	-
Current tax expense relating to prior years	-	-	(0.11)	0.00
<b>Total tax expense</b>	<b>378.38</b>	<b>570.99</b>	<b>20.68</b>	<b>0.02</b>
<b>Profit (loss) for the period</b>	<b>635.21</b>	<b>1003.86</b>	<b>17.41</b>	<b>0.51</b>

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

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

## Statement of Reformatted Unconsolidated Cash Flows (Rs. in Million)

Particulars	2016-2017	2015-2016	2014-2015
Net profit before taxation, and extraordinary item	1,574.86	38.09	0.53
<b>Adjustments for:</b>			
Depreciation	0.67	-	0.06
Provision for Old Debtors	-	1.93	-
Provision for Standard Loans	125.25	3.02	-
Profit on Sale of Investments	(961.56)	(7.99)	(0.19)
Dividend Income	(8.02)	(0.12)	(0.36)
Interest Income	(3,368.83)	-	-
Provision for Gratuity	0.49	-	-
Provision for Leave Encashment	0.41	-	-
Provision for Diminution in Investment	167.23	-	-
Provision for Mark to Market on Option Contract	12.32	-	-
Interest Expenses	2360.27	-	-
Interest Received	2,376.35	-	-
Interest Paid	(1,540.23)	-	-
Dividend Received	6.15	0.12	0.36
<b>Operating profit before working capital changes</b>	<b>745.37</b>	<b>35.05</b>	<b>0.39</b>
(Increase)/ Decrease in Current/Non-Current Assets	(927.45)	(1.14)	(1.30)
Increase/ (Decrease) in Current/Non-Current Liabilities	246.99	3.11	0.69
<b>Cash generated from operations</b>	<b>64.92</b>	<b>37.03</b>	<b>(0.22)</b>
Tax (Paid) / Refund	(490.46)	(20.68)	(0.04)
<b>Cash from operating activities [ A ]</b>	<b>(425.54)</b>	<b>16.35</b>	<b>(0.26)</b>
(Increase)/ Decrease in Long Term Loans and Advances	(12,631.30)	-	-
(Increase)/ Decrease in Short Term Loans and Advances	(22,524.86)	<b>(1007.73)</b>	-
<b>Net cash generated used in operating activities (A)</b>	<b>(35,581.60)</b>	<b>(991.38)</b>	<b>(0.26)</b>
Fixed Deposits (Other than those considered as Cash & Cash Equivalents)	(2,485.00)	10.00	
Purchase/(Sale) of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	(6.67)	0.32	-
Purchase of current and Non-Current investments	(942,104.59)	(31,650.35)	0.64
Sale of current and Non-Current investments	931,583.38	24,190.85	
<b>Net cash from investing activities [ B ]</b>	<b>(13,012.88)</b>	<b>(7469.18)</b>	<b>0.64</b>
Dividend Income			
Share issue expenses			
Proceeds of issue of share Capital/Premium	620.00	8991.00	-
Proceeds from long term borrowings#	22,460.20		
Proceeds from short term borrowings#	29,754.91		
Repayment of short term borrowings#			
<b>Net cash used in financing activities [ C ]</b>	<b>52,835.11</b>	<b>8991.00</b>	<b>-</b>
<b>Net increase in cash and cash equivalents [ A+B+C ]</b>	<b>4,240.62</b>	<b>530.44</b>	<b>0.38</b>
<b>Opening Cash and cash equivalents</b>	<b>531.02</b>	<b>0.58</b>	<b>0.20</b>
<b>Closing Cash and cash equivalents</b>	<b>4,771.65</b>	<b>531.02</b>	<b>0.58</b>
<b>Add; Earmarked Fixed Deposits</b>	<b>2,495.00</b>	<b>10.00</b>	<b>-</b>
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>7,266.65</b>	<b>541.02</b>	<b>0.58</b>

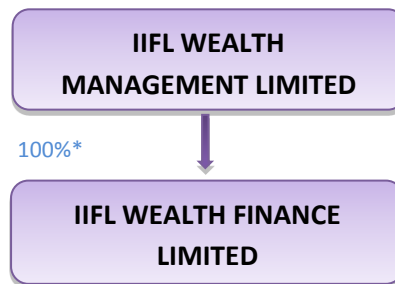
# Represents net amount due to transaction volume

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

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

NIL

**Our Corporate Structure**



\*Based on equity share capital holding.



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

**Corporate profile**

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

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

**Change in registered office of our Company**

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

**Main objects of our Company**

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

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

**CAPITAL STRUCTURE**

**Details of share capital**

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

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

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

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

**Changes in the authorized capital of our Company as on March 31, 2017:**

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

**Equity Share Capital History of our Company as on March 31, 2017:**

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

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

**Notes:**

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

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

**V. Shareholding Pattern**

**Shareholding pattern of Equity Shares of our Company as on March 31, 2017:**

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

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

## Shareholding pattern of Total Equity Share Capital of the Company as on March 31, 2017:

Sr. No.	Name of the Shareholder	Total number of Equity Shares of face value Rs. 10/-	Total Equity Share Capital (In Rs.)	Number of equity shares held in dematerialized form	Total equity shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered
1.	IIFL Wealth Management Limited	262,449,727	262,449,7270	262,449,727	100.00	Nil
2.	Karan Bhagat (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
3.	Yatin Shah (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
4.	R. Mohan (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
5.	Umang Papneja (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
6.	Pankaj Fitkariwala (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
7.	Ashutosh Naik (Nominee Shareholder of IIFL Wealth Management Limited)	1	10	1	0.00	Nil
	<b>Total</b>	<b>262,449,733</b>	<b>2,624,497,330</b>	<b>262,449,733</b>	<b>100.00</b>	<b>Nil</b>

## Top 10 holders of Equity Shares of our Company as on March 31, 2017:

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

**VI. Issue Size:**

Under the purview of current document, the Company intends to raise by way of Debentures, an amount aggregating upto Rs.150 crore being Unsecured Redeemable Non-Convertible Subordinated Debentures.

**Details of utilization of the issue proceeds**

The net proceeds from the Issue shall not be used for any purpose which is in contravention of the RBI guidelines applicable. None of the proceeds from the issue of the Subordinated Non-Convertible Debentures may be used to refinance or reschedule existing indebtedness of a Client (including debt to equity conversions)

We shall only issue Subordinated Non-Convertible Debentures for deployment of funds on our own balance sheet and not to facilitate resource requests of group entities/ parent company / associates. We shall not extend loans against the security of our own Subordinated Non-Convertible Debentures.

The expenses of the present Issue would also be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. The Proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.

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

**Details of Borrowings:**

**Details of borrowings of the Company as on March 31, 2017:-**

**Details of Secured Loan Facilities as on March 31, 2017:-**

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

**Details of Unsecured Loan Facilities as on March 31, 2017:-**

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

**Details of Secured Non-Convertible Debentures as of March 31, 2017:**

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

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EWFHR50 0-41119	41	50.00	11.18	2-Jun-16	4-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC107 -140817	14	10.70	4.25	14-Jun-16	14-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC323 -150719	37	32.30 %	17.15	14-Jun-16	15-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFFC142 6-151217	18	14.24	7.43	14-Jun-16	15-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC160 2-160218	20	16.02	25.00	16-Jun-16	16-Feb-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC108 77-210817	14	10.88	15.00	21-Jun-16	21-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
EWFEC380 3-201219	42	38.03	5.00	21-Jun-16	20-Dec-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC107 -230817	14	10.70	4.05	23-Jun-16	23-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC323 -230719	37	32.38	2.90	23-Jun-16	23-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC142 -221217	18	14.18	0.30	23-Jun-16	22-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFHR- I500- 281119	41	50.00	4.54	28-Jun-16	28-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC107 -300817	14	10.7	7.85	30-Jun-16	30-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC142 -291217	18	14.18	3.25	30-Jun-16	29-Dec-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFEC323 -300719	37	32.38	3.00	30-Jun-16	30-Jul-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFHR- I500- 301119	41	50.00	2.00	30-Jun-16	29-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
FWFFC201 5-160718	24	20.15	20.00	15-Jul-16	16-Jul-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFEC10 73-220917	14	10.73	3.00	22-Jul-16	22-Sep-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook



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GWFE32 31-220819	37	32.31	1.00	22-Jul-16	22-Aug-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
GWFE98 5-300817	13	9.85	16.00	28-Jul-16	30-Aug-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935- 20818	24	19.35	15.00	2-Aug-16	2-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1058- 40817	14	10.58	11.28	4-Aug-16	4-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935- 40818	24	19.35	2.00	4-Aug-16	4-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175- 40919	37	31.75	5.40	4-Aug-16	4-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HWFE10 82-41017	14	10.82	5.00	4-Aug-16	4-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1058- 101017	14	10.58	10.00	10-Aug-16	10-Oct-17	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175- 110919	37	31.75	10.00	11-Aug-16	11-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1933- 170818	24	19.33	1.50	18-Aug-16	17-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175- 230919	37	31.75	1.00	23-Aug-16	23-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935- 230818	24	19.35	5.00	23-Aug-16	23-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC3175- 300919	37	31.75	4.80	30-Aug-16	30-Sep-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
HEC1935- 300818	24	19.35	8.25	30-Aug-16	30-Aug-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC3172- 151019	37	31.72	6.30	15-Sep-16	15-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933- 140918	24	19.33	3.25	15-Sep-16	14-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC1933- 210918	24	19.33	3.00	22-Sep-16	21-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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IEC1933-280918	24	19.33	7.00	29-Sep-16	28-Sep-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IEC3172-291019	37	31.72	2.00	29-Sep-16	29-Oct-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEC3175-141119	37	31.75	2.75	14-Oct-16	14-Nov-19	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY875-40518	18.5	13.78	45.00	19-Oct-16	4-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY900-40518	18.5	14.19	19.40	19-Oct-16	4-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY900-60518	18.5	14.19	1.50	21-Oct-16	6-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY860-110518	18.5	13.55	1.00	27-Oct-16	11-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
JEY875-110518	18.5	13.76	2.00	27-Oct-16	11-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
KEY860-170518	18.5	13.52	10.00	2-Nov-16	17-May-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-1	120	128.72	47.00	9-Nov-16	6-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-2	120	128.72	37.00	11-Nov-16	10-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-2A	120	128.72	12.00	11-Nov-16	10-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-3	120	128.55	47.00	16-Nov-16	13-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-3A	120	128.55	20.00	22-Nov-16	20-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-4	120	128.55	138.97	24-Nov-16	23-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-4A	120	128.55	83.00	24-Nov-16	24-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-5	120	128.55	59.00	30-Nov-16	27-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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IFPD-5A	120	128.5 5	13.00	30-Nov-16	27-Nov-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-6	120	128.5 5	104.10	2-Dec-16	1-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-7	120	129.8	116.00	6-Dec-16	4-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-8	120	129.8	92.00	7-Dec-16	4-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-9	120	129.8	71.00	9-Dec-16	8-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-10	120	133.6 2	42.65	14-Dec-16	10-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-1	84	69.09	34.50	16-Dec-16	15-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-11	84	69.09	27.90	20-Dec-16	16-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPGD-2	120	112.3 5	1.00	20-Dec-16	19-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-11A	120	132.0 0	6.00	21-Dec-16	17-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-3	84	69.09	2.00	29-Dec-16	28-Dec-23	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-13	120	133.6 2	62.65	29-Dec-16	24-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-4	84	69.09	1	05-Jan-17	04-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-4A	84	70.28	25	05-Jan-17	04-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-14	120	129.5	27	05-Jan-17	31-Dec-26	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-5	84	69.09	1	13-Jan-17	12-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-15	120	132	46	13-Jan-17	12-Jan-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

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IFGPD-6	84	71.30	5.00	19-Jan-17	18-Jan-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-16	120	132	7.00	19-Jan-17	18-Jan-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-7	84	71.30	5.00	08-Feb-17	07-Feb-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-17	120	132	19.70	08-Feb-17	05-Feb-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-18	120	125	8.00	10-Feb-17	07-Feb-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-12	3648 Days	142	25.00	10-Mar-17	05-Mar-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFPD-19	120	135.81	10	16-Mar-17	13-Mar-27	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
IFGPD-8	84	72.82	20	16-Mar-17	14-Mar-24	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook
CWFEC871-270418	396 Days		15	27-Mar-17	27-Apr-18	PP MLD[ICRA]AA (pronounced ICRA double A) with stable outlook

Note: Your Company has issued Secured Redeemable Non-convertible Market Linked Debentures of Rs. 1908.52 Crore as on September 13, 2017.

**Details of Unsecured NCDs as of March 31, 2017:**

Debenture Series	Original Tenor (days/ Months)	Coupon / Yield	Amount (In Rs. Cr)	Date of Allotment	Redemption Date	Credit Rating
IIFLWF-10%-FEB2027	Perpetual	10.00%	100	22-Feb-17	Perpetual	Unrated
IIFLWF-10%-MARCH2027	Perpetual	10.00 %	50	02-Mar-17	Perpetual	Unrated
IIFLWF-9.5%NCD-SERIES A-JUNE 2022	63 Months	9.5	200	07-Mar-17	06-Jun-22	Rated
IIFLWF-9.5%NCD-SERIES A1-JUNE 2022	63 Months	9.5	75	14-Mar-17	13-Jun-22	Rated
IIFLWF-9.1%NCD-SERIES B-2022	63	9.1	10	24-Mar-17	24-Jun-22	ICRA AA Stable Outlook
IIFLWF NCD SERIES C- 2022	63	NA	5.50	24-Mar-17	24-Jun-22	ICRA AA Stable Outlook
IIFLWF NCD SERIES C1-2022	63	NA	3.00	30-Mar-17	30-Jun-22	ICRA AA Stable Outlook

\*Note: Unsecured Redeemable Non-convertible Subordinated Debentures which were issued and allotted on March 07, 2017 and March 14, 2017 amounting to INR 200 Crore and INR 75 Crore respectively have been listed on Bombay Stock Exchange (BSE) Limited with effect from June 27, 2017.

(iv-a) List of Top 10 Debenture holders as on March 31, 2017:-

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

**(i) Details of Commercial Paper Outstanding as on March 31, 2017:**

The total face value of commercial paper outstanding as on March 31, 2017 and its breakup as per following table:-

Maturity Date	Amount (Rs. in crores)
---------------	------------------------

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

**Note :** Your Company has issued Commercial Paper (Outstanding) of INR 2975 Crore as on August 30, 2017.

- (ii) Details of Rest of the borrowing (including any hybrid debt like FCCB, Optionally Convertible Debentures, and Preference Shares): Your Company has issued Rs. 150 Crores Perpetual Non-Convertible Debentures as on September 13, 2017, Rs. 327 Crores Listed Redeemable Non-Convertible Subordinated Debentures as on September 13, 2017.
  
- B.** Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years: NIL
  
- C.** Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: NIL

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

**VII. Details of the Promoter:**

Our Promoter is IIFL Wealth Management Limited. IIFL Wealth Management Limited (“IIFLW”) was originally incorporated on 17<sup>th</sup> January 2008 at Mumbai. It has a net worth of Rs. 11,365.60 million as on March 31, 2016 and PAT of Rs. 1,034.06 million for FY 2015-16. It has a consistent profitability track record over past 7 years. IIFLW is registered as Portfolio Manager with Securities and Exchange Board of India (SEBI) since May 2008 and registered as a Distributor of Mutual Funds with Association of Mutual Funds in India (AMFI) since March 2008. IIFLW provides portfolio management and advisory services and acts as the Wealth Manager to HNIs and corporate clients. IIFLW also carries on all kinds of distribution services for units of Mutual Funds, Shares, Stocks, Debentures, Bonds, Government Securities, Insurance Products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities & debt instruments. IIFLW has 7 Indian and 8 Overseas Subsidiaries and a strong presence through its subsidiaries in global financial hubs. IIFL

Wealth caters to over 8600 families clients through its wealth management platform, advising, distributing and managing Rs. 80,000 Crore assets.

**Details of Promoter Holding in the Company as on March 31, 2017:-**

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

**VIII. Material contract/agreements**

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

**Material Contracts:**

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

**Other Documents:**

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last one year.
3. Certificate of incorporation dated August 31, 1994.
4. Fresh certificate of incorporation dated March 12, 2016 issued by the Registrar of Companies pursuant to change of name of the Company from Chephis Capital Markets Ltd to IIFL Wealth Finance Ltd.
5. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs.10000 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge passed at the Extra Ordinary General Meeting of the shareholders of the Company held on March 06, 2017. The same has been attached as **Annexure E**.
6. Resolution under Section 42 of the Companies Act, 2013 for offer and issue of Unsecured Subordinated Non-convertible Debentures on private placement basis passed at the Extra Ordinary General Meeting of the shareholders of the Company held on December 01, 2016. The same has been attached as **Annexure F**.
7. Resolution passed by the Finance Committee at its meeting held on March 07, 2017 and September 13, 2017 to approve the offer and issue of Unsecured Redeemable Non-Convertible subordinated debentures aggregating to Rs.150 Crores on private placement basis. The same has been attached as **Annexure G**.
8. Rating letter dated September 01, 2017 from ICRA Limited.
9. Consent letter of Link Intime India Private Limited to act as Registrar to the Issue.
10. Consent letter dated March 03, 2017 of Milestone Trusteeship Services Private Limited to act as Trustee to the Issue.
11. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor

qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly/ annual result.

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

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

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

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

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

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

N.A.

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

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

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

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

**III. Issue Procedure**

**Listing**

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



it on a continuous basis.

### **Minimum Subscription**

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

### **Date of Allotment**

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

### **Underwriting**

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

### **Interest on Application Money**

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

### **Tax Deduction at Source**

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

### **Transfer of Debentures**

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

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

### **Who can apply**

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

1. Companies and Bodies Corporate (incorporated in India) / Companies / Financial institutions / NBFCs / Statutory Corporations including Public Sector Undertakings
2. Commercial Banks
3. Resident Individuals (including Partnership Firms, and HUF)
4. Regional Rural Banks
5. Insurance Companies

6. Mutual Funds/ Alternative Investment Fund (AIF)
7. SEBI registered foreign institutional and portfolio investors;
8. Any other investors authorized to invest in these Debentures

In each case, solely in India.

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

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

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

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

#### **Application by Mutual Funds**

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

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

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

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

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

The application should be accompanied by certified true copies of (i) resolution of the Board of Directors, authorizing investment and containing operating instructions, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures along with the

authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities

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

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

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

### **Permanent Account Number**

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

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

### **Nomination Facility**

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

### **Disputes and Governing law**

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

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

### **Trading of Debentures**

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

### **Mode of Payment**

As set out in Term Sheet.

### **Authority for the Placement**

The present issue of Debentures is being made pursuant to the resolution of the Shareholders of the Company, passed at its meeting held on March 06, 2017, and the resolution passed by the Finance Committee of the Board

of Directors of the Company at its meeting held on March 07, 2017. The current issue of Debentures is within the overall borrowings limits set out in resolution passed under section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the Company held on March 06, 2017. The Company can issue the Debentures proposed by it in view of the present approvals and no further approvals in general from any government authority are required.

**Terms of Payment**

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

<b>Face Value Per Debenture</b>	<b>Minimum Application</b>	<b>Amount Payable on Application per Debenture</b>
For Unsecured Non-Convertible Debentures Rs.10,00,000	10 debentures and in multiples of 1 debenture.	Rs. 10,00,000

**Market Lot**

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

**Payment on Redemption**

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

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

**Transfer/Transmission of Debentures**

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

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid/redemption

will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories/Company, as the case may be. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with us or Registrar.

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

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

#### **Debenture Redemption Reserve**

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

#### **Notices**

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

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

#### **Sharing of Information**

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

#### **Registrar**

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

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

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

1. The Company and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of enforcement of rights of Debenture holders.
3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said

Trustees without having it referred to the Debenture holder(s).

4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holder(s).
6. The Debenture Trustee shall ensure disclosure of all material events to the Debenture holders on an ongoing basis.
7. The Trustees will protect the interest of the Debenture holder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.
8. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (Issue and Listing of Debt Security) Regulations, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document, with due care, diligence and loyalty.
9. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same
10. The events of default are set out under the Debenture Trust Deed.

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

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

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

#### **How to Apply**

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

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

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

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

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

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

#### **Rights of Debenture holders**

- The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, trustee of holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/ debenture certificates that will be issued.
- The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders.
- The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of the Company, the terms of this Disclosure Document and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government’s) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- A register of Debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Debentures will be

paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.

- The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

**Trustee for the Issue**

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

**Effect of Holidays**

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

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

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

**Put / Call Option**

As set out in the attached Term Sheet.

**Deemed Date of Allotment**

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

**Debentures in dematerialized mode**

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

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

**Record Date**

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

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



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

#### **Purchase and Sale of Debentures**

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

#### **Future Borrowings**

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

#### **Consents**

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

#### **Valuation Agent-Not applicable**

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

The present Issue is not at a discount.

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

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

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

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

- a) Default by the Company to pay interest on the Debentures or redemption amount; and

- b) Revision of credit rating assigned to the Debentures.

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

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

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

“ICRA-AA” with stable outlook rating has been assigned by ICRA Limited for Rs.350 Crore of Unsecured NCD of our company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations.

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

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

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

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

The Debentures are proposed to be listed on the BSE Limited and the Company has already obtained In Principal approval of base issue size of Rs. 150 Crores.

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

Mr. Niraj Murarka, COO

Mr. Manoj Gujran, Company Secretary and Compliance Officer

Ms. Priya Kiyawat, Treasurer

**Key Regulations & Policies**

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

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

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

**Regulations governing NBFCs**

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

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

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

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

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

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

The bye-laws inter-alia provide for:

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

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

**1. PARTICULARS OF THE OFFER:**

Date of passing of resolution in the general meeting, authorizing the offer of securities (under section 180(1)(a) and 180(1)(c)	March 06, 2017
Date of passing of resolution in the general meeting, authorizing the offer of securities under Section 42 of the Companies Act, 2013	December 01, 2016
Date of passing of resolution by the Finance Committee of the Board of Directors in its meeting, authorizing the offer of securities under the present Issue;	March 07, 2017 and September 13, 2017
Kinds of securities offered (i.e. whether share or debenture) and class of security;	Unsecured Redeemable Non-Convertible Subordinated Debentures
Price at which the security is being offered including the premium, if any, alongwith justification of the price;	Rs. 1,000,000/- per Debenture
Name and address of the valuer who performed valuation of the security offered;	Not applicable
Amount which the company intends to raise by way of securities;	Upto Rs. 150 Crores
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	Please refer Annexure A -Term Sheet
Proposed time schedule for which the offer letter is valid;	Please refer Annexure A – Term Sheet
Purposes and objects of the offer;	Please refer Annexure A – Term Sheet
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	No contribution is being made by the directors or promoters of the Issuer
Principle terms of assets charged as security, if applicable;	As the NCD's are of Unsecured Nature, No security is being created.

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

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

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

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

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

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

*The Remuneration paid to Directors of the Company as on March 31, 2017 is provided in Related Party Transaction in the Annexure H.*

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

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

***Please refer Annexure H for details.***

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

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

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

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

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

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

**DECLARATION**

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

The Directors of the Issuer declare that:

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

I am authorized by the Finance Committee of the Board of Directors of the Company vide resolution number 02 dated March 07, 2017 and September 13, 2017, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

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

**For IIFL Wealth Finance Limited**

**Authorised Signatory**

**Annexure A**  
**Term sheet-Series**

<b>Security Name</b>	IIFLWF- -% YEAR
<b>Issuer</b>	<b>IIFL WEALTH FINANCE LIMITED</b>
<b>Type of Instrument</b>	Unsecured Redeemable Non-Convertible Subordinated Debentures.
<b>Nature of Instrument</b>	Unsecured
<b>Seniority</b>	Subordinated (as per RBI Guidelines dated September 01, 2016 updated on March 02, 2017)
<b>Mode of Issue</b>	Private Placement
<b>Eligible Investors</b>	Only the persons who are specifically addressed through a communication are eligible to apply for the Subordinated Non-Convertible Debentures. No other person can apply.
<b>Listing</b>	The Company proposes to list these debentures on the Bombay Stock Exchange Limited (BSE) WDM Segment. The Issuer confirms that the debentures would be listed within 20 days from the deemed date of allotment.
<b>Rating of the Instrument</b>	ICRA-AA with Stable Outlook
<b>Issue Size</b>	<b>Upto Rs. 150 Crores</b>
<b>Option to retain oversubscription (Amount)</b>	Not applicable
<b>Objects of the Issue</b>	The Capital Adequacy Ratio of the Company as on March 31, 2016 is 106.36% (audited) and as on March 31, 2017 is 30.52 % (audited). However, considering the growth of assets planned during the current and the subsequent years, the Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines. Accordingly this issue will enhance capital adequacy of the Company from the present level requirements.

<b>Details of the utilization of the Proceeds</b>	<p>The net proceeds from the Issue shall not be used for any purpose which is in contravention of the RBI guidelines applicable. None of the proceeds from the issue of the Subordinated Non-Convertible Debentures may be used to refinance or reschedule existing indebtedness of a Client (including debt to equity conversions).</p> <p>We shall only issue Subordinated Non-Convertible Debentures for deployment of funds on our own balance sheet and not to facilitate resource requests of group entities/ parent company / associates. We shall not extend loans against the security of our own Subordinated Non-Convertible Debentures.</p> <p>The expenses of the present Issue would also be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. The Proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.</p>
<b>Coupon Rate</b>	_____ %
<b>Step Up/Step Down Coupon Rate</b>	_____
<b>Coupon Payment</b>	_____
<b>Coupon payment dates</b>	_____
<b>Coupon Type</b>	_____
<b>Coupon Reset Process (Including rates, spread, effective date, interest rate cap and floor, etc.)</b>	Not applicable
<b>Day Count Basis</b>	365/Actual
<b>Interest on Application Money</b>	Not applicable
<b>Default Interest Rate</b>	Not applicable
<b>Tenor</b>	_____ months / days from deemed date of allotment
<b>Redemption Date</b>	_____
<b>Redemption Amount</b>	Rs. 10,00,000 (i.e at face value)
<b>Redemption Premium/Discount</b>	_____
<b>Issue Price</b>	Rs. 10,00,000/- each
<b>Premium on Issue Price</b>	_____
<b>Justification for the issue price</b>	Not applicable since the issue is at par.



<b>Discount at which security is issued and the effective yield as a result of such discount</b>	_____
<b>Put option Date</b>	Not applicable
<b>Put option Price</b>	Not applicable
<b>Call Option Date</b>	_____
<b>Call Option Price</b>	_____
<b>Put Notification Time</b>	Not applicable
<b>Call Notification Time</b>	_____
<b>Face Value</b>	Rs 10 Lakh per instrument for all the issues
<b>Minimum Application per investor</b>	10 Debentures Instrument and in multiple of 1 debenture thereafter.
<b>Issue Timing</b>	
<b>1. Issue Opening Date</b>	
<b>2. Issue Closing Date</b>	
<b>3. Pay-in Date</b>	
<b>4. Deemed Date of Allotment</b>	
<b>Issuance mode of the Instrument</b>	Demat only
<b>Trading mode of the Instrument</b>	Demat only
<b>Settlement mode of the Instrument</b>	Payment of interest and principal will be made by way of RTGS.
<b>Mode of Payment/Repayment</b>	Any payment to be made by the Issuer to the Debenture holder or the Debenture Trustee, as the case may be, shall be made for value on the due date in Indian Rupees by electronic transfer
<b>Depository</b>	NSDL/ CDSL
<b>Business Day Convention</b>	Means a day (other than a Saturday or Sunday) on which banks are open for business generally in Mumbai
<b>Record Date</b>	Means, in relation to any date on which a payment has to be made by the Issuer in respect of the Non-Convertible Debentures, the date that is 15 (fifteen) days prior to that payment date.
<b>Security</b>	Not applicable

<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>• Memorandum and Articles of Association of the Company</li> <li>• Date of passing resolution for increase in the borrowing limits in general meeting : March 06,2017</li> <li>• Date of passing resolution for issuance of debentures in general meeting : December 01, 2016</li> <li>• Date of passing resolution by Finance committee of the Board of Directors of the company : March 07, 2017 and September 13, 2017</li> <li>• Consent Letter from Milestone Trusteeship Services Company Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures</li> <li>• Consent letter from Link Intime India Private Limited for acting as Registrar to the issue.</li> </ul>
<b>Other Terms</b>	<p><b>Default in Payment:</b></p> <p>In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p><b>Delay in Listing:</b></p> <p>In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p>The interest rates mentioned in above are independent of each other.</p>
<b>Conditions Precedent to Disbursement</b>	Not applicable
<b>Condition Subsequent to Disbursement</b>	As per terms mentioned in the Debenture Trust Deed
<b>Events of Default</b>	As per terms mentioned in the Debenture Trust Deed
<b>Provisions related to Cross Default Clause</b>	As per terms mentioned in the Debenture Trust Deed
<b>Role and Responsibilities of Debenture Trustee</b>	Please refer clause “Name of Debenture Trustee - Role and Responsibilities of Debenture Trustee” of this Disclosure Document.

<b>Governing Law and Jurisdiction</b>	<p>The Debentures offered are subject to provisions of the Companies Act, 2013 as may be applicable, Securities Contract Regulation Act, 1956, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Unsecured Redeemable Non-Convertible Subordinated Debentures shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the issue and allotment of securities issued from time to time by the Government of India, Reserve Bank of India (RBI), and, or any other authorities and other documents that may be executed in respect of the Unsecured Redeemable Non-Convertible Subordinated Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai.</p>
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**Annexure B (Registrar Consent)**



March 3, 2017

To,  
IIFL WEALTH FINANCE LIMITED  
IIFL Centre, Kamala Mills,  
Lower Parel(W), Mumbai 400013

Dear Sir,

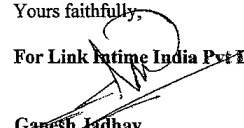
**Sub.: Consent to act as Registrar to the proposed issuance of Unsecured, Redeemable, Non-Convertible Subordinated Debentures amounting to Rs. 500 crores to be issued on private placement basis.**

We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to issue Unsecured, Redeemable, Non-Convertible Subordinated Debentures on private placement basis amounting to Rs. 500 crores and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

  
Ganesh Jadhav  
Asst. Vice President - Depository Operations

**Annexure C (Debenture Trustee Consent)**



March 3, 2017

To,

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

Dear Sir,

**Sub : Consent for Issue of Unsecured Redeemable Non-convertible Subordinated Debentures on Private Placement Basis aggregating to Rs. 500 crores only**

We, Milestone Trusteeship Services Private Limited do hereby give our consent to act as debenture trustee for Unsecured Redeemable Non-convertible Subordinated Debentures on Private Placement Basis aggregating to Rs. 500 crores only proposed to be issued by the Company subject to the terms and conditions under the transaction documents (Debenture Trust Deed / Debenture Trustee Agreement).

Sincerely,

**For Milestone Trusteeship Services Private Limited**

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

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



ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2017-18/MUMR/0765

Date: September 01, 2017

Mr. Pankaj Fitkariwala  
IIFL Wealth Finance Limited  
(erstwhile Chephis Capital Markets Limited)  
IIFL Finance Centre,  
Kamla City, Senapati Bapat Marg,  
Lower Parel  
Mumbai 400013

Dear Sir,

**Re: ICRA rating for Rs. 500 crore Unsecured NCD Programme of IIFL Wealth Finance Limited**

This is with reference to your email dated August 31 2017, for re-validating your rating for the Unsecured NCD Programme of Rs.500 crore.

We confirm that the "[ICRA] AA" (pronounced as ICRA Double A) rating with a Stable outlook, assigned to the captioned Unsecured NCD borrowing Programme of your company and last communicated to you vide our letter dated March 03,2017, April 10, 2017 and August 08, 2017 stand. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.


The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2016-17/MUM/1721 dated March 03, 2017, Ref: 2017-18/MUM/0051 dated April 10, 2017 and Ref: 2017-18/MUM/0621 dated August 08, 2017.


We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

  
SUPRIYO BANERJEE  
Vice President  
[supriob@icraindia.com](mailto:supriob@icraindia.com)

  
KARTHIK SRINIVASAN  
Senior Vice President  
[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Annexure E (Shareholder Resolution)**



**WEALTH  
FINANCE**

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

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

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

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

**CORPORATE & REGD. OFFICE:**

6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
LOWER PAREL (W), MUMBAI - 400 013, INDIA  
TEL: (91-22) 3958 5800 | FAX: (91-22) 4646 4706

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



CIN: U65990MH1994PLC080646




WEALTH  
FINANCE


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

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

*Certified true copy*

**For IIFL Wealth Finance Limited**

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



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

**CORPORATE & REGD. OFFICE:**

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CIN: U65990MH1994PLC080646



**Annexure F (Shareholder Resolution)**



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

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

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

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

*Certified true copy*

For IIFL Wealth Finance Limited

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



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

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

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CIN: U65990MH1994PLC080646

**Annexure G Finance Committee Resolution**



**CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE FINANCE COMMITTEE (“THE COMMITTEE”) OF THE BOARD OF DIRECTORS OF THE COMPANY AT THEIR MEETING HELD ON TUESDAY, MARCH 07, 2017 AT 11.30 AM AT IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI-400013**

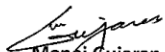
**Approve the offer and issue of Unsecured Redeemable Subordinated Non-Convertible Debentures of upto Rs. 150 Crore through private placement:**

“RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder and in accordance with the enabling board and shareholders resolution(s) and provisions of the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, and as per RBI Master Direction and its guidelines, as amended from time to time, and subject to compliance with the other applicable law, rules, directions issued by the Reserve Bank of India, the Government or any Regulator or Authority, in this regard, the approval of the Committee be and is hereby accorded to offer and issue the Unsecured Redeemable Subordinated Non-Convertible Debentures (the “Debentures”) aggregating upto the sum of Rs. 150 Crore (Rupees One Hundred and Fifty Crore only) on private placement basis, as per the shelf Information Memorandum placed before the Committee;

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

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

*Certified true copy*  
For IIFL Wealth Finance Limited

  
Manoj Gujran  
Company Secretary  
Membership No: ACS-22201



Date: March 07, 2017  
Place: Mumbai

**IIFL WEALTH FINANCE LIMITED**  
(FORMERLY KNOWN AS CHEPHIS CAPITAL MARKETS LIMITED)  
CORPORATE & REGD. OFFICE:  
6<sup>TH</sup> FLOOR, IIFL CENTRE, KAMALA CITY, SENAPATI BAPAT MARG,  
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CIN: U65900MH1004PLC080646

**Annexure H****Related Party Transactions for the Financial Year ending 2016-17.**

(Amount in INR.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Share Capital Issued						
IIFL Wealth Management Limited	103,333,330	-	-	-	-	103,333,330
	(2,513,888,875)	-	-	-	-	(2,513,888,875)
Share Premium						
IIFL Wealth Management Limited	516,666,670	-	-	-	-	516,666,670
	(6,486,111,125)	-	-	-	-	(6,486,111,125)
Purchase of Investment/Inventory (Net)						
IIFL Asset Advisors Limited	-	253,093,440	-	-	-	253,093,440
	-	-	-	-	-	-
Redemption of NCD						
IIFL Wealth Management Limited	500,000,000	-	-	-	-	500,000,000
	-	-	-	-	-	-
Sell of Investment/Inventory (Net)						
IIFL Wealth Management Limited	2,750,000,000	-	-	-	-	2,750,000,000
	-	-	-	-	-	-

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Karan Bhagat	-	-	-	42,622,000	-	42,622,000
	-	-	-	-	-	-
Yatin Shah	-	-	-	10,000,187	-	10,000,187
	-	-	-	-	-	-
<b>Remuneration to Director</b>						
Himanshu Jain	-	-	-	6,909,006	-	6,909,006
	-	-	-	-	-	-
<b>Interest Income on NCD</b>						
IIFL Wealth Management Limited	2,613,878	-	-	-	-	2,613,878
	-	-	-	-	-	-
<b>Interest Income</b>						
India Infoline Finance Limited	-	-	637,792	-	-	637,792
	-	-	-	-	-	-
India Infoline Housing Finance Limited	-	-	197,836	-	-	197,836
	-	-	-	-	-	-
Yatin Investments	-	-	-	-	2,827,342	2,827,342
	-	-	-	-	-	-
<b>Loan Given</b>						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
	-	-	-	-	-	-

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Loan Received Back						
Yatin Investment					1,366,873,700	1,366,873,700
	-	-	-	-	-	-
ICD Given						
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(150,000,000)	-	-	(150,000,000)
IIFL Investment Adviser & Trustee Services Limited	-	2,901,200,000	-	-	-	2,901,200,000
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	200,000,000	-	-	200,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,352,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,61,25,00,000					9,61,25,00,000
	-	-	-	-	-	-

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
ICD Received Back						
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(150,000,000)	-	-	(150,000,000)
IIFL Investment Adviser & Trustee Services Limited	-	2,901,000,000	-	-	-	2,901,000,000
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	20,00,00,000	-	-	20,00,00,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,352,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,612,500,000	-	-	-	-	9,612,500,000
	-	-	-	-	-	-
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
ICD Taken						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
	-	-	-	-	-	-
ICD Repaid						

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Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
	-	-	-	-	-	-
<b>Interest Income on ICD</b>						
	-	-	-	-	-	-



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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
India Infoline Finance Limited	-	-	(81,967)	-	-	(81,967)
IIFL Investment Adviser & Trustee Services Limited	-	7,195,342	-	-	-	7,195,342
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	801,644	-	-	801,644
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	26,888,416	-	-	-	26,888,416
	-	-	-	-	-	-
IIFL Asset Management Limited	-	22,893,890	-	-	-	22,893,890
	-	-	-	-	-	-
IIFL Wealth Management Limited	34,705,227	-	-	-	-	34,705,227
	-	-	-	-	-	-
India Infoline Limited	-	-	150,685	-	-	150,685
	-	-	-	-	-	-
<b>Interest Expense on ICD</b>						
India Infoline Finance Limited	-	-	3,452,055	-	-	3,452,055
	-	-	-	-	-	-
IIFL Distribution	-	337,534	-	-	-	337,534
	-	-	-	-	-	-

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Services Limited						
IIFL Investment Adviser & Trustee Services Limited	-	409,863	-	-	-	409,863
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	452,055	-	-	452,055
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	8,504,357	-	-	-	8,504,357
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,705,685	-	-	-	2,705,685
	-	-	-	-	-	-
IIFL Wealth Management Limited	7,684,932	-	-	-	-	7,684,932
	-	-	-	-	-	-
<b>Manpower Outsourcing Expenses</b>						
IIFL Distribution Services Limited	-	26,895,461	-	-	-	26,895,461
	-	-	-	-	-	-
<b>Guest House Rent Expense</b>						
IIFL Properties Private Limited	-	-	575,000	-	-	575,000
	-	-	-	-	-	-
<b>Corporate Social Responsibility (CSR)</b>						

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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
India Infoline Foundation Limited	-	-	260,800	-	-	260,800
	-	-	-	-	-	-
Other funds paid						
IIFL Wealth Management Limited	2,221,942	-	-	-	-	2,221,942
	(16,030)	-	-	-	-	(16,030)
India Infoline Limited	-	-	7,204	-	-	7,204
	-	-	-	-	-	-
Other funds received						
IIFL Wealth Management Limited	225,753	-	-	-	-	225,753
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	17,066	-	-	17,066
	-	-	-	-	-	-
India Infoline Limited	-	-	210,820	-	-	210,820
	-	-	-	-	-	-
Allocation / Reimbursement of expenses Paid						
India Infoline Limited	-	-	1,000,000	-	-	1,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	5,04,022	-	-	-	5,04,022
	-	-	-	-	-	-
	24,758,528	-	-	-	-	24,758,528

Private & Confidential – For Private Circulation Only

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
IIFL Wealth Management Limited	(2,273,976)	-	-	-	-	(2,273,976)

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

Nature of Transaction	Holding Company/ Ultimate Holding Co.	Fellow Subsidiaries	Group Companies	Total
Share Capital Issued				
IIFL Wealth Management Ltd	2,513,888,875	-	-	2,513,888,875
	-	-	-	-
Share Premium				
IIFL Wealth Management Ltd	6,486,111,125	-	-	6,486,111,125
	-	-	-	-
ICD Given				
India Infoline Finance Limited	-	-	150,000,000	150,000,000
	-	-	-	-
ICD Recd Back				
India Infoline Finance Limited	-	-	150,000,000	150,000,000
	-	-	-	-
Interest Income on ICD				
India Infoline Finance Limited	-	-	81,967	81,967
	-	-	-	-
Other funds paid				
IIFL Wealth Management Ltd	16,030	-	-	16,030
	-	-	-	-
Allocation / Reimbursement of expenses Paid				
IIFL Wealth Management Ltd	2,273,975	-	-	2,273,975

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

# **MEMORANDUM AND ARTICLES OF ASSOCIATION**

**IIFL WEALTH FINANCE LIMITED**

No. 11-80646



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

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

मैं एतद्वारा प्रमाणित करता हूँ कि

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

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

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

मेरे हस्ताक्षर से यह तारीख ..... को  
में दिया गया।

Given under my hand at **BOMBAY**  
this **SIXTH** day of **SEPTEMBER** 19**94** one thousand nine hundred and **NINETYFOUR**



(G. SRINIVASAN)  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies

ज० एस० सी०-10  
**J.S.C-10**

प्रमाणपत्र-230/तिरुव/85-86-भासमटे (71)-14-7-88-5,000  
MGPTC-230 Civil/85-86-भासमटे (71)-14-7-88-5,000



For IIFL Wealth Finance Limited

Company Secretary



कम्पनी  
फारम नं० आई० आर०  
Form I. A.

निगमन का प्रमाण-पत्र  
**CERTIFICATE OF INCORPORATION**

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

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

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

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

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

मेरे हस्ताक्षर से आज ता०.....को दिया गया।  
Given under my hand at **BOMBAY** this **THIRTYFIRST**  
**1ST**..... One thousand nine hundred and **NINETYFOUR**



(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार  
Addl. Registrar of Companies  
Maharashtra

For IIFL Wealth Finance Limited

  
Company Secretary





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

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

Corporate Identification Number (CIN): : U65990MH1994PLC080646

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

Company was originally incorporated with the name IIFL Wealth Finance Limited

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

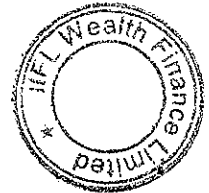
RAJENDER SINGH MEENA  
Deputy Registrar of Companies  
Registrar of Companies  
Mumbai

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

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

For IIFL Wealth Finance Limited

  
Company Secretary



**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION OF**  
**IIFL WEALTH FINANCE LIMITED**

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

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

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

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

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

(1) To carry on financing business and perform lending and financing services, both short term and long term, including but not limited to capital market financing, loan against property and factoring, by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities.

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

(2) To carry on and transact in India or elsewhere in any manner whatsoever, the business to establish, organize, manage, distribute, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize all kinds of insurance business including but not limited to Life, Non-life, General, indemnity or guarantee business of all kinds, classes, nature and description, fire, marine, aviation, transit, motor vehicles, engineering, accident, including rural, livestock, crop insurance, miscellaneous insurances and all branches of the above classes and also the business of insurance against war, riots, strikes, terrorism, civil commotion, loss of profits, health, other contingencies and insurances covering any liability under any law, convention or agreement and to act as corporate agent, representative, surveyor, sub-insurance agent, franchiser, consultant, advisor, collaborator or otherwise to deal in all incidental and allied activities related to general insurance business:

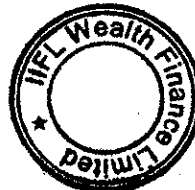
*(Clause 2 as amended vide Special Resolution passed at the Extra Ordinary General Meeting of the company held on November 21, 2016)*

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

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



1



*[Signature]*



For IIFL Wealth Finance Limited

*[Signature]*

Company Secretary

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



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

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

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

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

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

C

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

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



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

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

**(C) OTHER OBJECTS:**

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

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

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

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

AND IT IS HEREBY DECLARED THAT:

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

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

IV. THE LIABILITY OF THE MEMBERS IS LIMITED.

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

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

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

Signature, names, addresses, description & occupation of Subscriber	Number of shares by each subscriber	Signature, name, address, description & occupation of Witness
(1) DIPAK MEHTA S/O GANANLAL PRATAPRAI MEHTA 4A, MAHAVIR APT, TARDEO ROAD BOMBAY: 400007 BUSINESS	100 (ONE HUNDRED)	Witness to all H. S. Sanyal S/O BAUPENDRA B. SANYAL CHARTERED ACCOUNTANTS A-25, PRAVOK, PLOT NO-195, SARVAPUR-2 (EAST) BOMBAY 11
(2) BHANU MEHTA S/O DIPAK GANANLAL MEHTA B. D. MULLIC 702, MAHAVIR APT, TARDEO RD BOMBAY: 400007 BUSINESS	100 (ONE HUNDRED)	
(3) MARSHADA MEHTA D/O GANANLAL PRATAPRAI MEHTA MARSHADA G. MEHTA 702, MAHAVIR APT, TARDEO ROAD, BOMBAY: 400 007. BUSINESS.	100 (ONE HUNDRED)	
(4) DEVEN MEHTA S/O JITENDRA PRATAPRAI MEHTA 404-B, MOHAN VILLA, BAJAJ ROAD, VILE PARLE(W), BOMBAY 400038 BUSINESS	100 (ONE HUNDRED)	
(5) BHAIRAV MEHTA D/O DIPAK GANANLAL MEHTA 702, MAHAVIR APT, TARDEO ROAD, BOMBAY: 400007. BUSINESS	100 (ONE HUNDRED)	
(6) PRADEEP WANDREKAR S/O VIKASNATH GOVINDRAO WANDREKAR P/Wandrekara 7B Ramkrishna, 1st Floor Khan Bombay 400052 SERVICE	100 (ONE HUNDRED)	
(7) JITENDRA MEHTA S/O PRATAPRAI DULERAI MEHTA. Sanyal 404/B, MOHAN VILLA, BAJAJ RD., VILE PARLE(W) BOMBAY-400038 PROFESSIONAL	100 (ONE HUNDRED)	
Total:	700 (SEVEN HUNDRED)	

BOMBAY:

DATED: THIS 5TH DAY OF AUGUST 1994

For IIFL Wealth Finance Limited

*[Signature]*  
Company Secretary



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

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

**TABLE 'F' EXCLUDED**

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

**Interpretation**

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

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

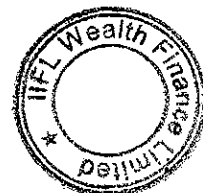
- (e) # "Debenture" includes debenture stock, bonds or any other instrument issued by the Company evidencing a debt, whether or not constituting a charge on the assets of the Company.
- (f) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.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

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

[(1a) derivative;

For IIFL Wealth Finance Limited

  
Company Secretary



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

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

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

2. Government securities;

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

3. rights or interest in securities:

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

(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

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

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

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

3A. ^ The Company may at any time consolidate, divide, sub-divide, cancel, convert, reconvert and re-issue any of its securities as it may deem fit from time to time.

*(^ Inserted vide special resolution passed at Annual General Meeting of the Company held on July 21, 2017)*

4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(a) Equity share capital:

(i) with voting rights; and / or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital.

6. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of



- receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -
- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
10. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
11. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
- (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.



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

## **Lien**

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

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

### **Calls on shares**

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

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

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

### **Transfer of shares**

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

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

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

### **Transmission of shares**

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

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

#### **Forfeiture of shares**

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

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

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

### **Alteration of capital**

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

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

### Joint Holders

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

### Capitalisation of profits

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

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

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

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

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

#### **General meetings**

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

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

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



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

### **Adjournment of meeting**

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

## **Voting rights**

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

## **Proxy**

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

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

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

### **Board of Directors**

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

## **Powers of Board**

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

## **Proceedings of the Board**

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

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

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

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

#### **Registers**

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

#### **The Seal**

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

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

### **Dividends and Reserve**

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

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

### **Accounts**

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

### **Winding up**

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

### **Indemnity and Insurance**

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

### **General Power**

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

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

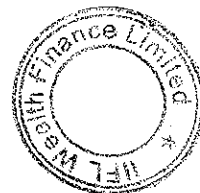
Signature, names, addresses, description & occupation of Subscriber	Number of Equity Shares by each subscriber	Signature, name, address, description & occupation of Witness
DIPAK MEHTA S/o GAMANLAL PRATAPRAI MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	
BHANS MEHTA W/o DIPAK GAMANLAL MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	
HARSHADA MEHTA D/o GAMANLAL PRATAPRAI MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	Witness to All:
DEVEN MEHTA S/o JITENDRA PRATAPRAI MEHTA  404-B, Mohan Villa, Bajaj Road, Vile Parle (West), Bombay 400 056. Occupation: Business.	100 (ONE HUNDRED)	Sd/- HITEN B. SHAH S/o Bhupendra B. Shah Chartered Accountants A-25, PRAYOG, PLOT NO. 125, SANTACRUZ (EAST) BOMBAY - 400 006
BHAIRAVI MEHTA D/o DIPAK GAMANLAL MEHTA  702, Mahavir Apt., Tardeo Road, Bombay 400 007. Occupation: Business.	100 (ONE HUNDRED)	
PRA EEP WANDREKAR S/o VASANTRAO GOVINDRAO WANDREKAR  7B, Ram Bhuvan, 10th Road, Kher, Bombay 400 052. Occupation: Service.	100 (ONE HUNDRED)	
JITENDRA MEHTA S/o PRATAPRAI DULERA MEHTA  404/B, Mohan Villa, Bajaj Road, Vile Parle (West), Bombay 400 056. Occupation: Professional.	100 (ONE HUNDRED)	
	700 (SEVEN HUNDRED)	

BOMBAY:

DATED: this 5th day of August, 1994.

For IIFL Wealth Finance Limited

  
Company Secretary





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL WEALTH FINANCE LIMITED Report on the Financial Statements**

We have audited the accompanying financial statements of **IIFL WEALTH FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**


1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in



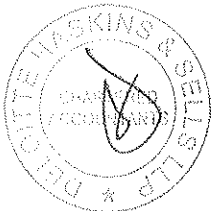
accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)

MUMBAI, 3 May 2017  
PG/SB-2017



**Report on Internal Financial Controls Over Financial Reporting**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **IIFL WEALTH FINANCE LIMITED** (the "Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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


### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)

MUMBAI, 3 May 2017  
PG/SB-2017



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, the title deed, comprising the immovable property of land which is freehold, is held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.



- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, income-tax, service tax, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, excise duty, sales tax, custom duty, and employees' state insurance dues are not applicable to the Company.
  - (b) There were no undisputed amounts payable in respect of provident fund, income-tax, service tax, value added tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Service Tax and Value Added Tax as on 31 March 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)

MUMBAI, 3 May 2017  
PG/SB-2017





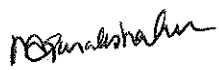
IIFL WEALTH FINANCE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

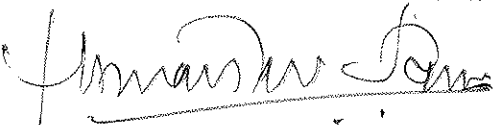
Particulars	Note No.	As at Mar 31, 2017	As at Mar 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	2,624,497,330	2,521,164,000
(b) Reserves and Surplus	4	8,018,119,165	6,497,589,211
(c) Money received against share warrants		-	-
<b>Sub total</b>		<b>10,642,616,495</b>	<b>9,018,753,211</b>
<b>(2) Non Current Liabilities</b>			
(a) Long-term borrowings	5	19,818,600,001	-
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities	6	366,602,349	-
(d) Long-term provisions	7	44,852,240	-
<b>Sub total</b>		<b>20,230,054,590</b>	<b>-</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	30,009,049,987	-
(b) Trade payables	9		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		23,394,013	715,000
(c) Other current liabilities	10	2,856,808,554	53,528
(d) Short-term provisions	11	468,040,324	4,119,713
<b>Sub total</b>		<b>33,357,292,878</b>	<b>4,888,241</b>
<b>TOTAL</b>		<b>64,229,963,963</b>	<b>9,023,641,452</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	1,074,435	-
(ii) Intangible assets	13	3,351,836	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		1,572,106	-
<b>Sub total</b>		<b>5,998,377</b>	<b>-</b>
(b) Non-current investments	14	1,388,916,085	280,000,000
(c) Deferred Tax Assets	15	82,300,850	999,557
(d) Long-term loans & advances	16	12,631,395,481	-
(e) Other non-current assets	17	56,606,330	-
<b>Sub total</b>		<b>14,159,218,746</b>	<b>280,999,557</b>
<b>(2) Current assets</b>			
(a) Current investments	18	17,398,733,268	7,192,102,352
(b) Inventories		-	-
(c) Trade receivables	19	857,159,289	-
(d) Cash and Cash Equivalents	20	7,266,647,948	541,023,984
(e) Short-term loans & advances	21	23,546,210,518	1,007,898,903
(f) Other current assets	22	995,995,717	1,616,656
<b>Sub total</b>		<b>50,064,746,840</b>	<b>8,742,641,895</b>
<b>TOTAL</b>		<b>64,229,963,963</b>	<b>9,023,641,452</b>
See accompanying notes forming part of the financial statements			

In terms of our report attached

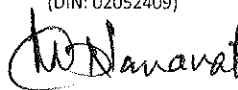
For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
Pallavi A. Gorakshakar  
Partner

For and on behalf of Board of Directors

  
Himanshu Jain  
Whole Time Director  
and Chief Executive Officer  
(DIN: 02052409)

  
Yatin Shah  
Non-executive Director  
(DIN: 03231090)

  
Mihir Nanavati  
Chief Financial Officer

  
Manoj Gujran  
Company Secretary



Place : Mumbai  
Date : May 03, 2017



**HFL WEALTH FINANCE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017**

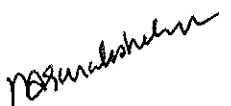
(Amount in ₹)


Particulars	Note No.	2016-2017	2015-2016
<b>INCOME :</b>			
Income From Operations	23	4,614,718,982	73,877,587
Other Income	24	-	52,546
<b>Total Revenue</b>		<b>4,614,718,982</b>	<b>73,930,133</b>
<b>EXPENSES :</b>			
Employee benefit expenses	25	284,140,746	-
Other Expenses	26	89,978,364	30,889,731
Finance Charges	27	2,360,272,304	-
Depreciation and Amortisation	12-13	672,129	-
Provision & Write off	28	304,797,424	4,955,174
<b>Total expenses</b>		<b>3,039,860,967</b>	<b>35,844,905</b>
<b>Profit before tax</b>		<b>1,574,858,015</b>	<b>38,085,228</b>
<b>Tax expenses/(benefits) :</b>			
Current tax		652,296,724	21,850,312
Deferred tax expenses		(81,301,293)	(1,062,122)
Short / (excess) provision for income tax		(720)	(111,804)
<b>Net Tax Expenses/ (benefits)</b>		<b>570,994,711</b>	<b>20,676,386</b>
<b>Profit for the year</b>		<b>1,003,863,304</b>	<b>17,408,842</b>
Earnings Per Share - Basic (Rs.)	29	3.93	0.98
Earnings Per Share - Diluted (Rs.)	29	3.93	0.98
Face Value Per Share (Rs.)		10.00	10.00
See accompanying notes forming part of the financial statements			

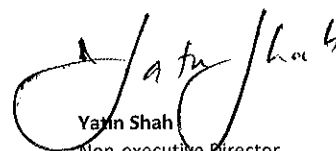
In terms of our report attached

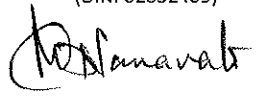
For Deloitte Haskins & Sells LLP  
Chartered Accountants

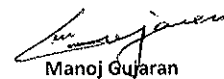
For and on behalf of Board of Directors

  
Pallavi A. Gorakshakar  
Partner

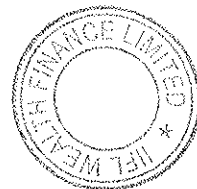
  
Himanshu Jain  
Whole Time Director  
and Chief Executive Officer  
(DIN: 02052409)

  
Yatin Shah  
Non-executive Director  
(DIN: 03231090)

  
Mihir Nanavati  
Chief Financial Officer

  
Manoj Gujran  
Company Secretary

Place : Mumbai  
Date : May 03, 2017



**HFL WEALTH FINANCE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

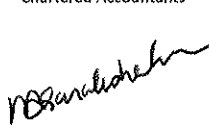
(Amount in ₹)


Particulars	2016-2017	2015-2016
<b>A. Cash flows from operating activities</b>		
Net profit before taxation	1,574,858,016	38,085,228
Adjustments for:		
Depreciation	672,129	-
Provisions for Gratuity	493,784	-
Provisions for Leave Encashment	410,597	-
Provision for Doubtful debts	-	4,955,174
Provision for Diminution in Investment	167,228,312	-
Provision for Mark to Market on Option Contract	12,321,120	-
Interest Expenses	2,360,272,304	-
Contingent Provision against standard assets	125,247,992	-
Interest income on investments	(784,197,939)	-
Interest income on Loans	(2,584,626,760)	-
Dividend Income	(8,016,269)	(120,149)
Profit on sale of investments	(961,561,818)	(7,989,321)
Interest Received	2,376,347,066	-
Interest Paid	(1,540,226,370)	-
Dividend Received	6,147,900	120,149
<b>Operating profit before working capital changes</b>	<b>745,370,064</b>	<b>35,051,081</b>
Adjustments for:		
(Increase)/ Decrease in Current/Non Current Assets	(927,446,590)	(1,138,337)
Increase/ (Decrease) in Current/Non Current Liabilities	246,992,567	3,113,909
<b>Cash generated from operations</b>	<b>64,916,041</b>	<b>37,026,653</b>
Net income tax(paid)/ refunds	(490,460,773)	(20,677,685)
<b>Cash generated from/ (used in) operating activities</b>	<b>(425,544,732)</b>	<b>16,348,968</b>
(Increase)/ Decrease in Long Term Loans and Advances	(12,631,195,131)	-
(Increase)/ Decrease in Short Term Loans and Advances	(22,524,864,153)	(1,007,729,227)
<b>Net cash used in operating activities (A)</b>	<b>(35,581,604,016)</b>	<b>(991,380,259)</b>
<b>B. Cash flows from Investing activities</b>		
Fixed Deposits other than those considered as Cash & Cash Equivalents		
- Fixed Deposits placed	(22,694,955,543)	(10,000,000)
- Fixed Deposits matured	20,209,955,543	-
Purchase of Investments	(942,104,591,568)	(31,650,346,888)
Sale of Investments	931,583,378,072	24,190,849,655
Purchase of fixed assets (includes intangible assets)	(6,670,506)	320,762
<b>Net cash used in investing activities (B)</b>	<b>(13,012,884,002)</b>	<b>(7,469,176,471)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Issuance of Share Capital	103,333,330	2,513,888,890
Securities Premium on issue of shares	516,666,650	6,477,111,125
Proceeds from issuance of Non Convertible Debentures	22,460,200,001	-
Net Proceeds from Issuance of Commercial Paper	29,754,912,001	-
<b>Net cash generated from financing activities (C)</b>	<b>52,835,111,982</b>	<b>8,991,000,015</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>4,240,623,964</b>	<b>530,443,285</b>
Opening Cash and Cash Equivalents (Refer Note 20)	531,023,984	580,699
<b>Closing Cash and Cash Equivalents (Refer Note 20)</b>	<b>4,771,647,948</b>	<b>531,023,984</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	4,771,647,948	531,023,984
Add: Fixed Deposits other than those considered as Cash & Cash Equivalents	2,495,000,000	10,000,000
Cash and Cash Equivalents (Refer Note 20)	7,266,647,948	541,023,984
See accompanying notes forming part of the standalone financial statements		

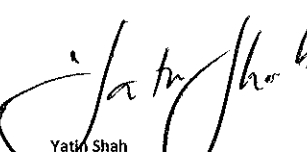
In terms of our report attached

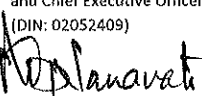
For Deloitte Haskins & Sells LLP  
Chartered Accountants


For and on behalf of the Board of Directors

  
Pallavi A. Gorakshakar  
Partner

  
Himanshu Jain  
Whole Time Director  
and Chief Executive Officer  
(DIN: 02052409)

  
Yatin Shah  
Non-executive Director  
(DIN: 03231090)

  
Mihir Nanavati  
Chief Financial Officer

  
Manoj Gujran  
Company Secretary



Place : Mumbai  
Date : May 03, 2017



**Note 1. Corporate information:**

IIFL Wealth Finance Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and is a systemically important non-deposit accepting Non-Banking Financial Company ("NBFC ND-SI") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 having a valid certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 enabling the Company to carry on business as Non-Banking Financial Company, and primarily engaged in the financing and investing activities. IIFL Wealth Management Limited acquired 100% equity shares capital of the Company on February 13, 2016. The Company offers broad suite of financial products such as loan against securities, loan against property/ mortgage loans, etc. to Corporate and High Net worth clients.

**Note 2. Significant accounting policies:****2.1 Basis of preparation of financial statements:**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of the Companies Act 2013, (The "Act") and the relevant provisions of the Companies Act 2013 along with the guidelines issued by Reserve bank of India (RBI) as applicable to NBFC's. The financial statements have been prepared on accrual basis under the historical cost convention.

**2.2 Prudential norms:**

The Company follows the Reserve Bank of India ("RBI") Master direction – Non Banking Financial Company - Systemically important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016, as amended from time to time ("RBI Directions") in respect of income recognition, income from investments, accounting of investments, asset classification, provisioning and disclosures in the Balance Sheet. Accounting Standards (AS) under section 133 of the Companies Act 2013 and Guidance Note issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI directions.

**2.3 Use of estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.4 Fixed assets:**

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

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

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



Class of assets	Useful life
Vehicles*	5 years
Software	3 years

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

## 2.6 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments.

Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management, such diminution is other than temporary. For investment in mutual funds, the net assets value (NAV) declared by the mutual funds at the Balance Sheet date is considered as the fair value.

## 2.7 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.8 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## 2.9 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.




**2.10 Taxation:**

Tax expense comprises current and deferred tax.

**Income Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

**Deferred Tax**

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 unrecognised deferred tax assets. Deferred tax liability is recognised as and when arises.

**2.11 Revenue recognition:**

The Company complies, in all material respects, with the Accounting Standard -9, specified u/s 133 of the Companies Act, 2013, prudential norms relating to income recognition, asset classification and the minimum provisioning for bad and doubtful debts and standard assets, specified in the directions issued by the RBI, as applicable to it, and

- Interest income is recognised on the time proportionate basis as per agreed terms.
- Interest income recognised and remaining due for 120 days or more for all the loans is reversed after 120 days and is accounted as income when these are actually realised.
- Dividend income is recognised when the right to receive payment is established.
- Processing fees is recognised when there is no uncertainty of collection.
- In respect of the other heads of income, the Company accounts the same on accrual basis.

**2.12 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.

**2.13 Operating leases:**

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with Accounting Standard 19, specified u/s 133 of the Companies Act, 2013.

**2.14 Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The Company has not issued any financial Instrument that entitles or may entitle its holder to acquire equity shares in future.

**2.15 Provisions, contingent liabilities and contingent assets:**

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per RBI Directions. Provision on standard assets is also made as per the RBI Directions as applicable to Company from time to time.



Contingent provision against standard assets is made at 0.35% of the outstanding standard assets in accordance with the RBI Directions.

The provision is recognised if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

#### 2.16 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

#### 2.17 Borrowings:

Borrowings are bifurcated under long term, current maturity of long term and short term liabilities. Commercial papers are recognised at face value net of unexpired discount. Any difference between the proceeds and the redemption value is recognised in profit & loss account over the period of the borrowings.

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan

#### 2.18 Debenture issue expenses:

In case of private placement of Non-Convertible Debentures the same is charged to the profit and loss account in the year in which they are incurred.

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

#### 2.20 Derivative Policy:

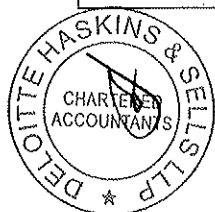
Mark To Market (MTM) valuation of the embedded derivative portion of borrowings by way of Market Linked Bonds and outstanding position in Market Linked derivatives are recorded in accordance with principles enunciated in Accounting Standard 30 'Financial Instruments: Recognition and Measurement' and Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India. MTM Valuation is determined based on quotes available from exchange/ counter party/ rating agency.

#### Note 3. Share Capital :

##### (i) Authorised, Issued, Subscribed and Paid-up Share Capital:

(Amount in ₹)

Authorised Share Capital:	As at March 31, 2017	As at March 31, 2016
300,000,000 Equity Shares (Previous Year 300,000,000) of ₹ 10 each	3,000,000,000	3,000,000,000
<b>Issued, Subscribed and Paid-up Share Capital:</b>		
262,449,733 Equity Shares (Previous Year 252,116,400) of ₹ 10 each with voting rights	2,624,497,330	2,521,164,000
<b>Total</b>	<b>2,624,497,330</b>	<b>2,521,164,000</b>



## (ii) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
<b>Equity Shares:</b>				
At the beginning of the year	252,116,400	2,521,164,000	727,511	7,275,110
Add: Issued during the year	10,333,333	103,333,330	251,388,889	2,513,888,890
Outstanding at the end of the year	<b>262,449,733</b>	<b>2,624,497,330</b>	<b>252,116,400</b>	<b>2,521,164,000</b>

## (iii) Terms / Rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.

## (iv) Details of shares held by holding company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holdings	No. of Shares	% Holdings
IIFL Wealth Management Limited and its nominees	262,449,733	100%	252,116,400	100%

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holdings	No. of Shares	% Holdings
<b>Equity shares of ₹ 10 each fully paid up</b>				
IIFL Wealth Management Limited and its nominees	262,449,733	100%	252,116,400	100%

(vi) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

## Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Securities Premium Reserve</b>		
Opening balance	6,477,111,125	-
Premium on shares issued during the year	516,666,650	6,486,111,125
Utilization - Share issue expenses (Refer Note 4.1)	-	9,000,000
<b>Closing balance</b>	<b>6,993,777,775</b>	<b>6,477,111,125</b>
<b>Capital Redemption Reserve</b>		
Opening balance	2,300,000	2,300,000
Addition during the year	-	-
<b>Closing balance</b>	<b>2,300,000</b>	<b>2,300,000</b>
<b>General Reserve</b>		
Opening balance	1,430,000	1,430,000
Addition due to transfer during the year from surplus in the statement of profit and loss	-	-
<b>Closing balance</b>	<b>1,430,000</b>	<b>1,430,000</b>





Particulars	As at March 31, 2017	As at March 31, 2016
<b>Special Reserve (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)</b>		
Opening balance	3,481,768	-
Addition due to transfer during the year from surplus in the Statement of profit and loss	200,772,661	3,481,768
<b>Closing balance</b>	<b>204,254,429</b>	<b>3,481,768</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	13,266,318	(660,756)
Addition: Profit for the year	1,003,863,304	17,408,842
<b>Less: Appropriations</b>		
Transfer to special reserve as per section 45-IC of the RBI Act, 1934	200,772,661	3,481,768
<b>Closing balance</b>	<b>816,356,961</b>	<b>13,266,318</b>
<b>Total</b>	<b>8,018,119,165</b>	<b>6,497,589,211</b>

4.1 Share issue expenses have been adjusted against the securities premium account as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account in previous year.

4.2 There is no Debenture Redemption Reserve (DRR) created as the Non-Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.

#### Note 5. Long Term Borrowings :

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Secured Loans</b>		
Non Convertible Debentures (Refer Note 5.1 & 5.4)	15,383,600,001	-
<b>Sub Total</b>	<b>15,383,600,001</b>	-
<b>Unsecured Loans</b>		
Perpetual Debt (Refer Note 5.2 & 5.4)	1,500,000,000	-
Subordinated Debt (Refer Note 5.3 & 5.4)	2,935,000,000	-
<b>Sub Total</b>	<b>4,435,000,000</b>	-
<b>Total</b>	<b>19,818,600,001</b>	-

#### Note:

5.1 During the current year the company has issued secured debentures amounting to ₹ 15,383,600,001 (Previous year ₹ Nil). These debentures are secured by way first pari passu mortgage and charge over the Company's identified immovable Property and first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time

5.2 During the current year the company has issued Perpetual debentures amounting to ₹ 1,500,000,000 (Previous year Nil).

5.3 During the current year the company has issued Subordinated debentures amounting to ₹ 2,935,000,000 (Previous Year Nil)




**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**
**5.4 Interest and repayment terms of long-term borrowings (including its current maturities):**

Residual Maturity	As at March 31, 2017		As at March 31, 2016	
	Balance Outstanding	Interest Rate % *(p.a)	Balance Outstanding	Interest Rate % (p.a)
<b>Non- Convertible Debentures</b>				
Above 5 years	12,164,700,001	Market Linked	-	-
1-5 years	3,218,900,000	8.03% - 10.87% linked to underlying structures	-	-
Less than 1 year	2,641,600,000	9% - 12%	-	-
<b>Perpetual Debt</b>				
Above 5 years	1,500,000,000	10%	-	-
<b>Subordinated Debt</b>				
Above 5 years	2,935,000,000	9.1% - 11.42%	-	-

\* Interest rates in accordance with the provisions of the respective placement memorandums.

**Note 6. Other Long Term Liabilities :**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on Debentures	366,602,349	-
<b>Total</b>	<b>366,602,349</b>	<b>-</b>

**Note 7. Long Term Provisions :**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Provision for Gratuity (Refer Note 25)	643,057	-
Contingent Provision against Standard Assets	44,209,183	-
<b>Total</b>	<b>44,852,240</b>	<b>-</b>

**Note 8. Short Term Borrowings :**

(Amount in ₹)

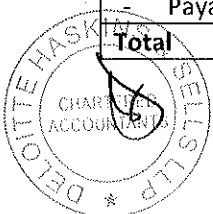
Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured Loans</b>		
Commercial Paper	30,250,000,000	-
Less: Unexpired Discount *	(240,950,013)	-
<b>Total</b>	<b>30,009,049,987</b>	<b>-</b>

\* Unexpired discount on Commercial paper is net of ₹ 254,137,986 (Previous year- ₹ Nil) towards discount accrued but not due

**Note 9. Trade Payables:**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry Creditors for expenses	3,189,249	-
- Accrued Salaries and Benefits	39,352	-
- Provision for expenses	5,508,256	715,000
Payable to Holding/ Group Companies (Refer Note 36)	14,657,156	-
<b>Total</b>	<b>23,394,013</b>	<b>715,000</b>



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

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

**Note 10. Other current liabilities:**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term borrowings (Refer Note 5.4)		
- Secured	2,641,600,000	-
Interest accrued but not due on Debentures	199,305,599	-
Statutory Liabilities Payable	420,229	53,528
Payables to Customers	15,439,406	-
Option Premium (Net)(Refer Note 38 (iii))	43,320	-
<b>Total</b>	<b>2,856,808,554</b>	<b>53,528</b>

**Note 11. Short term provisions:**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Provision for Leave Encashment	523,746	-
- Provision for Gratuity (Refer Note 25)	2,277	-
- Salaries and Bonus Payable	220,520,548	-
Provision for tax (Net of advance tax & tax deducted at source- ₹ 511,215,282, P.Y. ₹ 20,753,789 )	162,931,754	1,096,523
Contingent Provision against Standard Assets	84,061,999	3,023,190
<b>Total</b>	<b>468,040,324</b>	<b>4,119,713</b>

**Note 12. Tangible Assets:**

(Amount in ₹)

Particulars	Land	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
<b>Gross Block as on April 01,2016</b>	-	-	-	-	-	-
Additions	998,000	-	-	-	80,400	1,078,400
Deductions / Adjustments	-	-	-	-	-	-
<b>As at March 31,2017</b>	998,000	-	-	-	80,400	1,078,400
<b>Depreciation</b>						
<b>Upto April 01,2016</b>	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	3,965	3,965
Deductions / Adjustments	-	-	-	-	-	-
<b>Upto March 31,2017</b>	-	-	-	-	3,965	3,965
<b>Net Block as at March 31,2017</b>	998,000	-	-	-	76,435	1,074,435
<b>Net Block as at March 31,2016</b>	-	-	-	-	-	-



## Tangible Assets (Previous Year):

(Amount in ₹)

Particulars	Land	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
Gross Block as on April 01,2015	-	491,570	59,906	342,274	238,988	1,132,738
Additions	-	-	-	-	-	-
Deductions / Adjustments	-	491,570	59,906	342,274	238,988	1,132,738
As at March 31,2016	-	-	-	-	-	-
<b>Depreciation</b>						
Upto April 01,2015	-	479,896	53,735	78,731	199,613	811,975
Depreciation for the year	-	-	-	-	-	-
Deductions / Adjustments	-	479,896	53,735	78,731	199,613	811,975
Upto March 31,2016	-	-	-	-	-	-
Net Block as at March 31,2016	-	-	-	-	-	-
Net Block as at March 31,2015	-	11,674	6,171	263,543	39,375	320,763

## Note 13. Intangible Assets: Other than internally generated

(Amount in ₹)

Particulars	Total
Computer Software/Intangible assets	
Gross Block as on April 01,2016	-
Additions	4,020,000
Deductions / Adjustments	-
As at March 31,2017	4,020,000
<b>Depreciation</b>	
Upto April 01,2016	-
Depreciation for the year	668,164
Deductions / Adjustments	-
Upto March 31,2017	668,164
Net Block as at March 31,2017	3,351,836
Net Block as at March 31,2016	-

## Intangible Assets: Other than internally generated (Previous year)

(Amount in ₹)

Particulars	Total
Computer Software/Intangible assets	
Gross Block as on April 01,2015	-
Additions	-
Deductions / Adjustments	-
As at March 31,2016	-
<b>Depreciation</b>	
Upto April 01,2015	-
Depreciation for the year	-
Deductions / Adjustments	-
Upto March 31,2016	-
Net Block as at March 31,2016	-
Net Block as at March 31,2015	-



## Note 14. Non – Current Investments (At Cost) :

(Amount in ₹)

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
<b>Unquoted, Non Trade Investments</b>					
<b>Non Convertible Debentures</b>					
19% Debentures Of Arch Argo Industries Pvt. Ltd.	10,000	2,457	10,000,000	-	-
Reliance Capital Limited RCL MLD SERIES B/367-A 28-NOV-19	100,000	137	13,700,000	-	-
Reliance Capital Limited SR-B/359A TYPE III BR NCD 21OT19 FVRS1LAC	100,000	629	62,900,000	-	-
Reliance Capital Limited SR-B/359A TYPE IV BR NCD 24OT19 FVRS1LAC	100,000	704	70,400,000	-	-
Reliance Capital Limited SR-B/364A TYPE I BR NCD 04NV19 FVRS1LAC	100,000	336	33,600,000	-	-
Reliance Capital Limited RCL MLD SERIES B/369-A TYPE II 02-DEC-19	100,000	60	6,000,000	-	-
Less: Provision for Diminution			(10,000,000)		
<b>Sub-total (A)</b>			<b>186,600,000</b>		
<b>Alternate Investment Funds</b>					
IIFL Investment Opportunities Fund- Spl. Series 1 Class S (NAV- ₹ 11.3352, P.Y. ₹ 10.0718)	10	7,635,711	80,000,000	2,978,614	30,000,000
IIFL Cash Opportunities Fund - Class A (NAV- ₹ 11.3851, P.Y. ₹ NIL)	10	9,326,357	100,000,000	-	-
IIFL Real Estate Fund (Domestic) Series 3 - Class S (NAV- ₹ 10.6376, P.Y. ₹ 10)	10	25,000,000	250,000,000	25,000,000	250,000,000
IIFL Real Estate Fund (Domestic) Series 4 - Class S (NAV- ₹ 10.2414, P.Y. ₹ NIL)	10	10,000,000	100,000,000	-	-
IIFL Best of Class Fund - Series I - Class S (NAV- ₹ 11.6781, P.Y. ₹ NIL)	10	5,000,000	48,394,000	-	-
IIFL Best of Class Fund - Series II - Class S (NAV- ₹ 12.8327, P.Y. ₹ NIL)	10	5,000,000	54,092,500	-	-
IIFL Seed Venture Fund- Class S (NAV- ₹ 15.5103, P.Y. ₹ NIL)	10	6,242,543	67,500,000	-	-
IIFL Asset Revival Fund Series 2- Class S (NAV- ₹ 13.1915, P.Y. ₹ NIL)	10	10,000,000	100,000,000	-	-
IIFL Asset Revival Fund Series 3- Class S (NAV- ₹ 12.1916, P.Y. ₹ NIL)	10	4,714,192	50,000,000	-	-
IIFL Yield Enhancer Fund- Class S (NAV- ₹ 10.224, P.Y. ₹ NIL)	10	12,500,000	125,000,000	-	-
IIFL Phoenix Cash Opportunities Fund- Class S (NAV- ₹ 10.239, P.Y. ₹ NIL)	10	1,000,000	10,000,000	-	-
Blume Ventures Fund (NAV ₹ 18,511, P.Y. ₹ NIL)	10,000	1,488	30,873,063	-	-
IIFL Focused Equity Strategy Fund - Class S1 (NAV- ₹ 11.2892, P.Y. ₹ NIL)	10	833,333	8,333,333	-	-
IIFL Focused Equity Strategy Fund - Class S2 (NAV- ₹ 12.1451, P.Y. ₹ NIL)	10	833,333	8,333,333	-	-
IIFL Focused Equity Strategy Fund - Class S3 (NAV- ₹ 10.7403, P.Y. ₹ NIL)	10	833,333	8,333,334	-	-
IIFL Income Opportunities Series Debt Advantage - Class S (NAV- ₹ 10.2633, P.Y. ₹ NIL)	10	4,956,271	50,000,000	-	-
IIFL Select Series I - Class S (NAV- ₹ 10.9935, P.Y. ₹ NIL)	10	1,676,041	17,000,000	-	-
IIFL Select Equity Fund - Class S (NAV- ₹ 10.0000, P.Y. ₹ NIL)	10	2,000,000	20,000,000	-	-



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
IIFL Special Opportunities Fund - Class S (NAV- ₹ 10.0154, P.Y. ₹ NIL)	10	1,250,000	12,500,000	-	-
IIFL Income Opportunities Series Regular Income - Class S (NAV- ₹ 10.0076, P.Y. ₹ NIL)	10	3,695,652	36,956,522	-	-
IIFL Re Organize India Equity Fund (NAV- ₹ 10.0378, P.Y. ₹ NIL)	10	2,500,000	25,000,000	-	-
<b>Sub-Total (B)</b>			<b>1,202,316,085</b>		<b>280,000,000</b>
<b>Grand Total (A+B)</b>			<b>1,388,916,085</b>		<b>280,000,000</b>
Aggregate Book Value of Quoted Investments			-		-
Aggregate Book Value of Unquoted Investments			1,388,916,085		280,000,000
Aggregate Market Value of Quoted Investments			-		-

**Note 15. Deferred tax assets:**

The Company has recognized deferred tax assets since the management is reasonably certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income' as specified u/s 133 of the Companies Act 2013, the timing differences mainly relates to following items and results in a net deferred tax asset:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred Tax Assets</b>		
On Provision for standard assets	36,993,409	999,557
On Gratuity	110,802	-
On Long Term Capital Loss	5,963	-
On Provision for diminution of Investments	45,344,645	-
<b>Sub Total</b>	<b>82,454,819</b>	<b>999,557</b>
<b>Deferred Tax Liabilities</b>		
On Depreciation	(153,969)	-
<b>Sub Total</b>	<b>(153,969)</b>	<b>-</b>
<b>Total</b>	<b>82,300,850</b>	<b>999,557</b>

**Note 16. Long Term Loans and Advances :**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Loans &amp; Advances</b>		
- Secured, considered good	12,278,953,753	-
- Unsecured, considered good	352,241,378	-
Less : Provision for doubtful Loans	-	-
<b>Sub total</b>	<b>12,631,195,131</b>	<b>-</b>
<b>Others loans &amp; advances</b>		
<b>Unsecured Considered good</b>		
- Deposits-Unsecured Considered Good (Refer Note 36)	200,000	-
- Others	350	-
<b>Total</b>	<b>12,631,395,481</b>	<b>-</b>



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**
**Note 17. Other Non-Current Assets :**

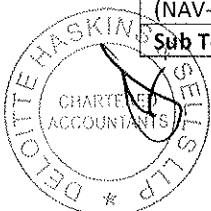
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Receivable on Market linked products	56,606,330	-
<b>Total</b>	<b>56,606,330</b>	<b>-</b>

**Note 18. Current Investments: (At lower of Cost and Market Value unless stated otherwise):**

(Amount in ₹)

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
<b>Unquoted, Non-Trade Investments</b>					
<b>Investment in Equity Shares</b>					
Shankara Building Products Limited	10	36,577	16,825,420	-	-
<b>Subtotal (A)</b>			<b>16,825,420</b>		
<b>Alternate Investment Funds</b>					
IIFL Cash Opportunities Fund (NAV- ₹ 11.3851, P.Y. ₹ 10.6507)	10.00	375,197,826	4,271,664,771	569,703,306	6,042,102,352
IIFL Income Opportunities Fund (NAV- ₹ 0.6567, P.Y. ₹ NIL)	10.00	57,057,309	41,762,398	-	-
IIFL Income Opportunities Fund Series – Special Situation– Class B (NAV- ₹ 9.6751, P.Y. ₹ NIL)	10.00	932,923	8,133,504	-	-
IIFL Income Opportunities Series Debt Advantage - Class S (NAV- ₹ 10.2633, P.Y. ₹ NIL)	10.00	41,224,092	420,213,655	-	-
IIFL Real Estate Fund(Domestic) Series 1 - Class A (NAV- ₹ 16.0223, P.Y. ₹ NIL)	10.00	136,067	2,181,195	-	-
IIFL Real Estate Fund(Domestic) Series 1 - Class C (NAV- ₹ 16.0223, P.Y. ₹ NIL)	10.00	2,025,000	32,461,358	-	-
IIFL Real Estate Fund(Domestic) Series 3 - Class B (NAV- ₹ 10.6369, P.Y. ₹ NIL)	10.00	970,964	10,377,279	-	-
IIFL Real Estate Fund(Domestic) Series 3 - Class C (NAV- ₹ 9.2645, P.Y. ₹ NIL)	10.00	3,680,000	35,536,288	-	-
IIFL Seed Venture Fund- Class B (NAV- ₹ 15.5103, P.Y. ₹ NIL)	10.00	7,206,866	89,748,507	-	-
Malabar Value Fund (NAV- ₹ 108.088, P.Y. ₹ NIL)	100.00	386,786	40,000,000	-	-
IIFL Income Opportunities Series Regular Income - Class A3 (NAV- ₹ 10.0076, P.Y. ₹ NIL)	10.00	196,304,348	1,963,043,532	-	-
<b>Subtotal (B)</b>			<b>6,915,122,478</b>		<b>6,042,102,352</b>
<b>Quoted, Non-Trade Investments</b>					
<b>Mutual Funds:</b>					
IIFL Liquid Fund - Direct Plan Growth (NAV- ₹ 1284.9729 P.Y. ₹ 1204.8678)	1,000	8	10,000	124,538	150,000,000
IIFL India Growth Fund -Regular Plan - Growth (NAV- ₹ 13.2428, P.Y. ₹ NIL)	10	278,028	3,081,579	-	-
HDFC Liquid Fund - Growth Option (NAV- ₹ 3208.9181, P.Y. ₹ NIL) *	1,000	8,806	27,998,366	-	-
IIFL India Growth Fund - Regular Plan - Growth Option (NAV- ₹ 13.2428, P.Y. ₹ NIL)	10	38,378,812	500,000,000	-	-
IIFL Dynamic Bond Fund - Regular Plan - Growth Option (NAV- ₹ 12.9627, P.Y. ₹ NIL)	10	3,107,375	40,000,000	-	-
HDFC Floating rate Income Fund Short Term Plan (NAV- ₹ NIL, P.Y. ₹ 26.1002)				38,313,883	1,000,000,000
HDFC Charity Fund For Cancer Cure - Debt Plan - Regular Option - 50% Dividend Payout Option (NAV- ₹ 10.0265, P.Y. ₹ NIL)	10	1,000,000	10,000,000	-	-
<b>Sub Total (C)</b>			<b>581,089,945</b>		<b>1,150,000,000</b>



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
<b>Debentures and Bonds</b>					
ECL Finance Ltd B9C603 Option C 10-April-17 (NAV- ₹ 109338.00, P.Y. ₹ NIL)	100,000	100	10,931,300	-	-
Corporation Bank SR-II 10.28 LOA Perpetual FVRS10LAC (NAV- ₹ 972399.49, P.Y. ₹ NIL)	1,000,000	1,500	1,500,000,000	-	-
Bank Of India SR-I 11 BD Perpetual FVRS10LAC (NAV- ₹ 1052621.08, P.Y. ₹ NIL)	1,000,000	1,336	1,406,434,286	-	-
Allahabad Bank SR-I 11.15 LOA Perpetual FVRS10LAC (NAV- ₹ 999912.29, P.Y. ₹ NIL)	1,000,000	275	275,000,000	-	-
Andhra Bank SR-III 10.99 LOA Perpetual FVRS10LAC (NAV- ₹ 1026443.18, P.Y. ₹ NIL)	1,000,000	1,385	1,440,802,600	-	-
Bank Of India SR-III 11.5 BD Perpetual FVRS10LAC (NAV- ₹ 1074580.75, P.Y. ₹ NIL)	1,000,000	12	12,955,546	-	-
IDBI Bank Limited SR-II 10.75 BD Perpetual FVRS10LAC (NAV- ₹ 984553.11, P.Y. ₹ NIL)	1,000,000	1,417	1,468,926,172	-	-
Oriental Bank Of Commerce SR-2 10.95 BD Perpetual FVRS10LAC (NAV- ₹ 1034034, P.Y. ₹ NIL)	1,000,000	1,400	1,457,226,000	-	-
Punjab National Bank SR-VII 9.15 LOA Perpetual FVRS10LAC (NAV- ₹ 998173.49, P.Y. ₹ NIL)	1,000,000	500	487,084,000	-	-
State Bank Of India SR-1 9 BD Perpetual FVRS10LAC (NAV- ₹ 1012858.48, P.Y. ₹ NIL)	1,000,000	203	210,144,987	-	-
State Bank Of India SR-III 8.39 BD Perpetual FVRS10LAC (NAV- ₹ 990987.51, P.Y. ₹ NIL)	1,000,000	730	721,425,080	-	-
Syndicate Bank SR-I 11.25 LOA Perpetual FVRS10LAC (NAV- ₹ 1047039.23, P.Y. ₹ NIL)	1,000,000	20	21,339,180	-	-
Syndicate Bank SR-III 11.25 LOA Perpetual FVRS10LAC (NAV- ₹ 1045406.78, P.Y. ₹ NIL)	1,000,000	683	726,659,486	-	-
Vijaya Bank SR-IV 10.49 LOA Perpetual FVRS10LAC (NAV- ₹ 981792, P.Y. ₹ NIL)	1,000,000	300	303,995,100	-	-
Less: Provision for Diminution			(157,228,312)		
<b>Subtotal (D)</b>			<b>9,885,695,425</b>		
<b>Grand Total (A+B+C+D)</b>			<b>17,398,733,268</b>		<b>7,192,102,352</b>
Aggregate Book Value of Quoted Investments			10,466,785,370		1,150,000,000
Aggregate Book Value of Unquoted Investments			6,931,947,898		6,042,102,352
Aggregate Market Value of Quoted Investments			10,476,197,310		1,150,051,826

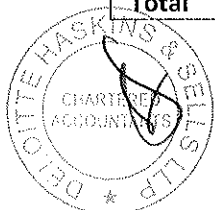
\* Placed as collateral against Derivative

**Note:**

Market Value of Investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds

**Note 19. Trade Receivable:**
**(Amount in ₹)**

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	857,159,289	-
- Considered doubtful	-	-
<b>Total</b>	<b>857,159,289</b>	<b>-</b>





**HFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**
**Note 20. Cash and Cash equivalents:**
**(Amount in ₹)**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)</b>		
Cash on hand	-	2,813
Cheques on hand	8,430,297	-
Balance with Banks:		
- In Current accounts	4,763,217,651	331,021,171
- In Fixed Deposits (Original Maturity less than 3 months)	-	200,000,000
<b>Total Cash &amp; Cash Equivalents (a) (As per AS-3 Cash Flow Statements)</b>	<b>4,771,647,948</b>	<b>531,023,984</b>
<b>Other Bank Balances:</b>		
In Fixed Deposits (Original maturity more than 3 months but upto 12 months)		
- Under Lien for Overdraft facility	2,490,000,000	10,000,000
- Others	5,000,000	-
<b>Total Other Bank Balances (b)</b>	<b>2,495,000,000</b>	<b>10,000,000</b>
<b>Total (a + b)</b>	<b>7,266,647,948</b>	<b>541,023,984</b>

The details of Specified Bank Notes (SBN) held and transacted during the period 8/11/2016 to 30/12/2016 as required by MCA notification S.O. 3407(E), dated the 8th November, 2016 has been provided in the Table below:-

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

**Note 21. Short Term Loans & advances**
**(Amount in ₹)**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Loans &amp; Advances</b>		
- Secured, considered good	21,197,880,280	1,007,729,227
- Unsecured, considered good	2,334,713,100	-
Less : Provision for doubtful Loans	-	-
<b>Sub-total</b>	<b>23,532,593,380</b>	<b>1,007,729,227</b>
<b>Others loans &amp; advances</b>		
<b>Unsecured Considered good</b>		
Prepaid Expenses	5,503,468	-
Deposits	250,000	-
Service tax Receivable	1,078,069	169,676
Other Receivables	6,785,701	-
<b>Sub-total</b>	<b>13,617,238</b>	<b>169,676</b>
<b>Total</b>	<b>23,546,210,618</b>	<b>1,007,898,903</b>



## Note 22. Other Current Assets

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on Investments	450,008,649	-
Interest accrued and due on Investments	5,037,485	-
Interest accrued but not due on Fixed Deposits	34,001,491	65,656
Interest accrued and due on Loans	485,120,605	1,551,000
Income accrued on AIF	21,794,437	-
Receivable from Group Company (Refer Note 36)	33,050	-
<b>Total</b>	<b>995,995,717</b>	<b>1,616,656</b>

## Note 23. Revenue from Operations:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Interest Income		
- On Loans	2,584,626,760	3,043,637
- On Current Investments	561,272,128	-
- On Long Term Investments	21,450,803	-
- On Inter-Corporate Deposits (Refer Note 36)	92,635,203	-
- On Fixed Deposits	106,070,386	72,951
- On Commercial Paper	2,769,420	-
Profit from sale of Current investments	961,561,816	7,989,321
Dividend Income	8,016,269	120,149
Distribution income from AIF	149,501,768	62,651,529
Fees Income		
- Processing Fees	35,376,099	-
- Distribution Fees	91,438,330	-
<b>Total</b>	<b>4,614,718,982</b>	<b>73,877,587</b>

## Note 24. Other Income:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Interest on Income Tax Refund	-	52,546
<b>Total</b>	<b>-</b>	<b>52,546</b>

## Note 25. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Salaries and Bonus	281,895,411	-
Contribution to Provident Fund and Other Funds**	1,230,407	-
Gratuity Expense*	493,784	-
Leave Encashment Expenses	410,597	-
Staff Welfare Expenses	110,547	-
<b>Total</b>	<b>284,140,746</b>	<b>-</b>

\*The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits" as specified u/s 133 of the Companies Act 2013, the disclosures of which are as under:



**HFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

(Amount in ₹)		
Assumptions	2016-2017	2015-2016
Discount rate	7.26%	-
Salary Escalation	5%	-
Attrition Rate	For Service 4 years and below 7.5% p.a. & thereafter 5% p.a.	-
<b>Change in Benefit Obligation</b>		
	<b>2016-2017</b>	<b>2015-2016</b>
Liability at the beginning of the year	-	-
Liability transferred in	261,140	-
Liability transferred out	(109,590)	-
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	493,784	-
<b>Liability at the end of the year</b>	<b>645,334</b>	<b>-</b>
<b>Amount Recognised in the Balance Sheet</b>		
	<b>2016-2017</b>	<b>2015-2016</b>
Liability at the end of the year	645,334	-
Fair Value of Plan Assets at the end of the year	-	-
Differences	-	-
<b>Amount of Liability/ (Asset) Recognised in the Balance Sheet</b>	<b>645,334</b>	<b>-</b>
<b>Expenses Recognised in the Income Statement</b>		
	<b>2016-2017</b>	<b>2015-2016</b>
Current Service cost	-	-
Interest Cost	-	-
Actuarial Gain or Loss	493,784	-
<b>Expenses Recognised in the Statement of Profit &amp; Loss Account</b>	<b>493,784</b>	<b>-</b>
<b>Balance Sheet Reconciliation</b>		
	<b>2016-2017</b>	<b>2015-2016</b>
Opening Net liability	-	-
Expense as above	493,784	-
Net Transfer In	261,140	-
Net Transfer Out	(109,590)	-
Employers contribution	-	-
<b>Liability/(Asset) Recognised in Balance sheet</b>	<b>645,334</b>	<b>-</b>

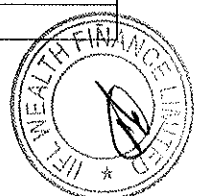
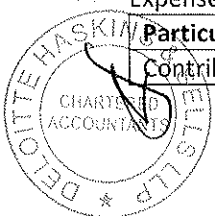
Experience Adjustment	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Present Value of the Obligation	645,334	-	-	-	-
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) or Deficit	-	-	-	-	-
Actuarial (Gains)/ Losses on Obligations - Due to Experience	493,784	-	-	-	-
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	-	-	-	-	-

**Note:** The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**\*\*Defined Contribution Plans:**

The Company has recognised the following amounts as an expense and included in the Employee Benefit Expenses.

Particulars	2016-2017	2015-2016
Contribution to Provident and other Fund *	1,230,407	-



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

\*Contribution to Provident and Other fund includes contribution to other funds like Gratuity fund, Superannuation fund, etc. pertaining to employees.

**Note 26. Other expenses:**

	(Amount in ₹)	
Particulars	2016-2017	2015-2016
Brokerage Related Expenses	354,091	5,000
Bank charges	54,662	2,977
Communication	2,389,357	22,029
Donation	141,250	-
Electricity charges	1,861,394	64,009
Direct Operating Expenses	9,640,469	1,174,952
Exchange & statutory charges	122,276	27,404,290
Legal & professional fees	12,298,680	60,500
Membership & subscription charges	-	126,427
Miscellaneous expenses	9,293	17,504
Office expenses	2,395,697	562
Postage & Courier	431,432	-
Printing & stationery	1,466,573	62,770
Manpower Outsource Expenses*	27,419,855	-
Rent*	11,827,911	698,219
Rates and taxes	4,878,505	169,676
Sitting fees paid to Director	355,574	-
Repairs & Maintenance	279,677	-
Remuneration to Auditors:		
- Audit fees (net of Service Tax)	1,200,000	700,000
- Other service (net of Service Tax)	300,000	-
- Swatch Bharat Cess	12,250	-
- Certification expenses	140,700	-
- Out of pocket expenses	-	-
Software charges & Technology Cost	6,206,205	168,882
Travelling & conveyance	5,931,713	211,934
Corporate Social Responsibility Expenses* (Refer Note 37)	260,800	-
<b>Total</b>	<b>89,978,364</b>	<b>30,889,731</b>

\* includes related party transactions (Refer Note 36)

**Note 27. Finance Charges:**

	(Amount in ₹)	
Particulars	2016-2017	2015-2016
Discount on Commercial Papers	1,778,114,587	-
Interest on Inter-corporate Deposits (Refer Note 36)	23,546,481	-
Interest on Debentures *	509,301,618	-
Interest on delayed payment of Taxes	513,839	-
Interest on Others	1,125,811	-
Other Borrowing costs	47,669,968	-
<b>Total</b>	<b>2,360,272,304</b>	<b>-</b>

\* includes net MTM of ₹ 127,642,790/- on market linked products



**Note 28. Provision and Write Off :**

(Amount in ₹)

Particulars	2016-2017	2015-2016
Bad debts written off	-	1,931,984
Provision for diminution in value of Investments	167,228,312	-
Mark to Market on Option Contracts (Net)	12,321,120	-
Contingent Provision against Standard assets	125,247,992	3,023,190
<b>Total</b>	<b>304,797,424</b>	<b>4,955,174</b>

**Notes:**

a. Movement in Provisions during the year is as under:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	3,023,190	-
Additions during the year	304,797,424	3,023,190
<b>Closing Balance</b>	<b>307,820,614</b>	<b>3,023,190</b>

The above table includes provision on Investments which is netted off from the cost of investments (Refer Note 14 & 18), contingent provision against Standard Assets (Refer Note 7 & 11) and MTM on option contracts (Refer Note 10)

**Note 29.** Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS)-20 'Earnings per share' as specified u/s 133 of the Companies Act 2013.

(Amount in ₹)

Particulars		As at March 31, 2017	As at March 31, 2016
<b>Basic EPS</b>			
Profit after tax as per statement of profit and loss	<b>A</b>	1,003,863,304	17,408,842
Weighted average number of equity shares outstanding	<b>B</b>	255,541,971	17,778,209
Basic EPS (Rupees)	<b>A/B</b>	3.93	0.98
<b>Diluted EPS</b>			
Profit after tax as per statement of profit and loss	<b>C</b>	1,003,863,304	17,408,842
Weighted average number of equity shares outstanding	<b>D</b>	255,541,971	17,778,209
Diluted EPS (Rupees)	<b>C/D</b>	3.93	0.98
Face value per share		10	10

**Note 30.** The Company does not have any contingent liability not provided for, as on the balance sheet date.

**Note 31.** There are no pending litigations by and on the Company as on the balance sheet date.

**Note 32. Undisbursed Sanctioned Loans:**

As on the balance sheet date there were undisbursed sanctioned loans of ₹ 23,711,333,970/- (Previous Year ₹ Nil). These sanctioned amounts are cancellable at the option of the company.

**Note 33. Capital and Other Commitments:**

At the balance sheet date, the total outstanding commitments capital expenditure amounts to ₹ 1,136,729,353 (Previous Year ₹ NIL)

**Note 34.** The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.



**Note 35. Segment Reporting:**

In the opinion of the management, there is only one reportable business segment (Financing & Investing) as envisaged by Accounting Standard - 17 'Segment Reporting', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

**Note 36. Disclosures in respect of applicability of AS – 18 Related Party Disclosures:****(a) Related parties where control exists:**

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Investment Adviser and Trustee Services Limited India Alternatives Advisors Private Limited (Upto March 31, 2017) IIFL Asset Management Limited IIFL Trustee Limited IIFL Alternate Asset Advisors Limited IIFL Distribution Services Limited IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Private Wealth Hong Kong Limited IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd) IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	India Infoline Limited India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Realty Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited IIFL Asset Reconstruction Limited
Key Management Personnel	Mr. Himanshu Jain – Whole Time Director
Other related Parties	Mr. Karan Bhagat Mr. Yatin Shah Mr. Amit Shah  Mrs. Piyusha Jain Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Dhara Shah

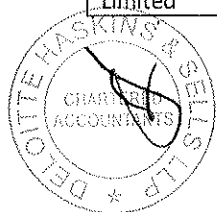


**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

	Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment
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**(b) Significant Transaction with Related Parties:**
**(Amount in ₹)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
<b>Share Capital Issued</b>						
IIFL Wealth Management Limited	103,333,330	-	-	-	-	103,333,330
	(2,513,888,875)	-	-	-	-	(2,513,888,875)
<b>Share Premium</b>						
IIFL Wealth Management Limited	516,666,670	-	-	-	-	516,666,670
	(6,486,111,125)	-	-	-	-	(6,486,111,125)
<b>Purchase of Investment/Inventory (Net)</b>						
IIFL Asset Advisors Limited	-	253,093,440	-	-	-	253,093,440
	-	-	-	-	-	-
<b>Redemption of NCD</b>						
IIFL Wealth Management Limited	500,000,000	-	-	-	-	500,000,000
	-	-	-	-	-	-
<b>Sell of Investment/Inventory (Net)</b>						
IIFL Wealth Management Limited	2,750,000,000	-	-	-	-	2,750,000,000
	-	-	-	-	-	-
Karan Bhagat	-	-	-	42,622,000	-	42,622,000
	-	-	-	-	-	-
Yatin Shah	-	-	-	10,000,187	-	10,000,187
	-	-	-	-	-	-
<b>Remuneration to Director</b>						
Himanshu Jain	-	-	-	6,909,006	-	6,909,006
	-	-	-	-	-	-
<b>Interest Income on NCD</b>						
IIFL Wealth Management Limited	2,613,878	-	-	-	-	2,613,878
	-	-	-	-	-	-
<b>Interest Income</b>						
India Infoline Finance Limited	-	-	637,792	-	-	637,792
	-	-	-	-	-	-
India Infoline Housing Finance Limited	-	-	197,836	-	-	197,836
	-	-	-	-	-	-
Yatin Investments	-	-	-	-	2,827,342	2,827,342
	-	-	-	-	-	-
<b>Loan Given</b>						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
	-	-	-	-	-	-
<b>Loan Received Back</b>						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
	-	-	-	-	-	-
<b>ICD Given</b>						
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(150,000,000)	-	-	(150,000,000)



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
IIFL Investment Adviser & Trustee Services Limited	-	2,901,200,000	-	-	-	2,901,200,000
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	200,000,000	-	-	200,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,352,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,61,25,00,000	-	-	-	-	9,61,25,00,000
	-	-	-	-	-	-
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
<b>ICD Received Back</b>						
India Infoline Finance Limited	-	-	(150,000,000)	-	-	(150,000,000)
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	2,901,000,000	-	-	-	2,901,000,000
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	20,00,00,000	-	-	20,00,00,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,35,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,612,500,000	-	-	-	-	9,612,500,000
	-	-	-	-	-	-
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
<b>ICD Taken</b>						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
	-	-	-	-	-	-
<b>ICD Repaid</b>						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-





**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
<b>Interest Income on ICD</b>						
India Infoline Finance Limited	-	-	(81,967)	-	-	(81,967)
IIFL Investment Adviser & Trustee Services Limited	-	7,195,342	-	-	-	7,195,342
5 Paisa Capital Limited	-	-	801,644	-	-	801,644
IIFL Alternate Asset Advisors Limited	-	26,888,416	-	-	-	26,888,416
IIFL Asset Management Limited	-	22,893,890	-	-	-	22,893,890
IIFL Wealth Management Limited	34,705,227	-	-	-	-	34,705,227
India Infoline Limited	-	-	150,685	-	-	150,685
<b>Interest Expense on ICD</b>						
India Infoline Finance Limited	-	-	3,452,055	-	-	3,452,055
IIFL Distribution Services Limited	-	337,534	-	-	-	337,534
IIFL Investment Adviser & Trustee Services Limited	-	409,863	-	-	-	409,863
IIFL Facilities Services Limited	-	-	452,055	-	-	452,055
IIFL Alternate Asset Advisors Limited	-	8,504,357	-	-	-	8,504,357
IIFL Asset Management Limited	-	2,705,685	-	-	-	2,705,685
IIFL Wealth Management Limited	7,684,932	-	-	-	-	7,684,932
<b>Manpower Outsourcing Expenses</b>						
IIFL Distribution Services Limited	-	26,895,461	-	-	-	26,895,461
<b>Guest House Rent Expense</b>						
IIFL Properties Private Limited	-	-	575,000	-	-	575,000
<b>Corporate Social Responsibility (CSR)</b>						
India Infoline Foundation Limited	-	-	260,800	-	-	260,800
<b>Other funds paid</b>						
IIFL Wealth Management Limited	2,221,942	-	-	-	-	2,221,942
	(16,030)	-	-	-	-	(16,030)
India Infoline Limited	-	-	7,204	-	-	7,204



**IIFL WEALTH FINANCE LIMITED**
**Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
<b>Other funds received</b>						
IIFL Wealth Management Limited	225,753	-	-	-	-	225,753
India Infoline Finance Limited	-	-	17,066	-	-	17,066
India Infoline Limited	-	-	210,820	-	-	210,820
<b>Allocation / Reimbursement of expenses Paid</b>						
India Infoline Limited	-	-	1,000,000	-	-	1,000,000
IIFL Distribution Services Limited	-	5,04,022	-	-	-	5,04,022
IIFL Wealth Management Limited	24,758,528	-	-	-	-	24,758,528
	(2,273,976)	-	-	-	-	(2,273,976)

**(h) Amount due to / from related parties (Closing Balance):**
**(Amount in ₹)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Other Related Parties	Total
<b>Sundry payables</b>						
IIFL Distribution Services Limited	-	40,58,428	-	-	-	40,58,428
IIFL Properties Private Limited	-	-	1,15,500	-	-	1,15,500
IIFL Wealth Management Limited	1,04,83,229	-	-	-	-	1,04,83,229
<b>Sundry receivables</b>						
India Infoline Finance Limited	-	-	17,066	-	-	17,066
India Infoline Limited	-	-	15,984	-	-	15,984
IIFL Investment Adviser & Trustee Services Limited	-	2,00,000	-	-	-	2,00,000

**Note 37. Corporate Social Responsibility:**

During the financial year 2016-17, the Company has spent ₹ 260,800/- (Previous Year ₹ Nil) as against ₹ 260,800 /- (Previous Year ₹ Nil) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects.

**Note 38. Disclosure as required under Annexure XII of RBI Directions:**
**i. Capital Adequacy Ratio:**
**(₹ in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016
CRAR (%)	30.52	106.36
CRAR - Tier I Capital (%)	24.04	0.04
CRAR - Tier II Capital (%)	6.48	106.32
Amount of subordinate debt raised as Tier- II capital	293.50	-
Amount raised by issue of perpetual debt Instruments.	150.00	-



## ii. Disclosure of Investments:

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
(1)	<b>Value of Investments</b>		
	(i) <b>Gross value of Investments</b>		
	(a) In India	1,895.48	747.21
	(b) Outside India	-	-
	(ii) <b>Provision for depreciation/diminution</b>		
	(a) In India	16.72	-
	(b) Outside India	-	-
	(iii) <b>Net value of Investments</b>		
	(a) In India	1,878.76	747.21
(b) Outside India	-	-	
(2)	<b>Movement of provisions held towards depreciation on investments.</b>		
	(i) Opening Balance	-	-
	(ii) Add: Provision made during the year	16.72	-
	(iii) Less: Write -off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	16.72	-

## iii. Derivatives

## Disclosure of Risk Exposure in Derivatives

The company undertakes transactions in derivative products in the role of a user with counter parties. The company deals in derivatives for balance sheet management i.e. hedging its liabilities and assets exposure. All derivatives are accounted in accordance with Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India.

Dealing in derivatives is carried out by the treasury department of the company. The department is also responsible for assessing counterparty and market risk. The company has put in place policy framework which cover various aspects of derivatives business.

## Options Contract Outstanding as at 31st March 2017:

Option Contract	As at March 31, 2017	As at March 31, 2016
Total Premium Carried forward on Buy Option (Net of Provisions)	10,766,730	-
Total Premium Carried forward on Sell Option (Net of Provisions)	10,810,050	-

iv. The Company has not securitised any of its exposures during the year (Previous Year: Nil).

## v. Asset Liability management maturity pattern:

(₹ in Crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	148.28	544.41	206.39	442.77	1,011.41	1,193.12	70.0	-	3,616.38
Investments	475.86	-	196.31	-	1067.71	18.66	-	120.23	1,878.77
Borrowings	547.2	2,453.8	-	109.4	154.8	321.9	-	1,660.0	5,246.9
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Note: The above figures are on the basis of assumptions made by the Management.



## vi. Exposure to Real Estate Sector:

(₹ in Crores)

Sr. no.	Category	March 31, 2017	March 31, 2016
<b>a ) Direct Exposure</b>			
(i)	<b>Residential Mortgages-</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	119.47	-
(ii)	<b>Commercial Real Estate-</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	127.36	-
(iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitized exposures-</b>		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
<b>Total Exposure to Real Estate Sector</b>		<b>246.83</b>	<b>-</b>

## vii. Exposure to Capital Market:

(₹ in Crores)

Sr. no.	Category	March 31, 2017	March 31, 2016
(i)	Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	118.00	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares ( including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	513.59	-
(iii)	Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary security;	1,867.79	100.77
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	47.04	-
(vi)	Loan sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds ( both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>		<b>2,546.42</b>	<b>100.77</b>

## viii. Details of financing of parent company products.

There is no financing during the current year

ix. As at the respective month ends during the year, the Company has not exceeded the prudential exposure limits in respect of Single Borrower and Group Borrower.



## x. Unsecured Advances

The company has not obtained any intangible security towards the advance.

## xi. Registration obtained from other financial sector regulators

The company has obtained the 'Corporate Agency License for Composite Insurance' from Insurance Regulatory and Development Authority of India (IRDAI) during the financial year 2016-17.

## xii. Details of penalties imposed by RBI or other regulators:

- No penalty has been imposed during the year.
- No adverse comments have been received in writing from Reserve Bank of India or any other regulator on regulatory compliances.

## xiii. Details of Credit Ratings:

## A) Ratings assigned by Credit Rating Agencies: (₹ in Crores)

Rating Agency	Product	Amount	Rating Assigned
ICRA	Commercial Paper	4000.00	"[ICRA]A1+"
ICRA	Non Convertible Debenture	300.00	"[ICRA]AA"
ICRA	Commercial Paper	4000.00	"[ICRA]A1+"
ICRA	Market Linked Debentures	2550.00	"[ICRA]AA"
ICRA	Subordinated Debentures	350.00	"[ICRA]AA"

## xiv. Directors Remuneration

(₹ in Crores)

Particulars	2016-2017	2015-2016
Salary	0.69	-
Commission and sitting fees	0.07	-
<b>Total</b>	<b>0.76</b>	<b>-</b>

## xv. Details of Provisions and Contingencies :

(₹ in Crores)

Particulars	2016-2017	2015-2016
Provision for depreciation on Investment	16.72	-
Provision towards NPA	-	-
<b>Other Provision and Contingencies:</b>		
Bad debts written off/(back)	-	0.19
Mark to Market on Option contracts	1.23	-
Provision for standard assets	12.53	0.30
<b>Total</b>	<b>30.48</b>	<b>0.49</b>
Provision made towards Income Tax	57.10	2.07

## xvi. Draw Down from Reserves :

The company has not made any drawdown from existing reserves.

## xvii. Details of concentration of deposits, advances, exposures &amp; NPA:

## a) Concentration of Advances:

(₹ in Crores)

Particulars	2016-2017	2015-2016
Total advances to twenty largest borrowers	1,853.86	100.77
Percentage of advances to twenty largest borrowers to total advances	51.26%	100%

## b) Concentration of Exposures:

(₹ in Crores)

Particulars	2016-2017	2015-2016
Total exposure to twenty largest borrowers / customers	2,292.28	100.77
Percentage of exposure to twenty largest borrowers / customers to total exposure	49.00%	100%



## c) Concentration of NPAs:

The Company does not have any NPAs as at 31<sup>st</sup> March 2017 (Previous Year Nil).

## d) Details of Sector wise NPA:

The Company does not have any NPAs as at 31<sup>st</sup> March 2017 (Previous Year Nil).

## xviii. Movement of NPAs:

The Company does not have any NPAs as at 31<sup>st</sup> March 2017 (Previous Year Nil).

## xix. Disclosure of Complaints:

Sr. No.	Particulars	2016-2017	2015-2016
i	Number of complaints pending at the beginning of year	-	-
ii	Number of complaints received during the year	-	-
iii	Number of complaints redressed during the year	-	-
iv	Number of complaints pending at the end of the year	-	-

xx. The Company does not have any Overseas Assets

xxi. The Company has not sponsored any Off-Balance Sheet SPVs

## Note 39. Disclosure of restructured accounts:

The Company does not have any Restructured Accounts

## Note 40. Asset classification:

(₹ in Crores)

Particulars	Outstanding Balance	Provision
Standard Assets	3,616.38	12.83
	(100.77)	(0.30)
Sub-Standard Assets	-	-
	(-)	(-)
Doubtful Assets	-	-
	(-)	(-)
Loss Assets	-	-
	(-)	(-)
<b>Total</b>	<b>3,616.38</b>	<b>12.83</b>
	<b>(100.77)</b>	<b>(0.30)</b>

## Note:

a. In terms of RBI circular a general provision of ₹12.83 crores (Previous Year ₹ 0.30 crores) has been made at 0.35 % of the standard assets under the head 'Contingent Provision on Standard Assets' in Note 7 & Note 11.

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

## Note 41. Particulars as per paragraph 18 of RBI Directions:

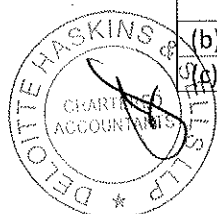
## Liabilities Side

## 1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:

## Current year

(₹ in Crores)

Particulars	Amount outstanding	Amount overdue
(a) Debentures:		
Secured	1,850.31	-
Unsecured (Other than falling within the meaning of public deposits)	446.64	-
(b) Deferred credits	-	-
(c) Term loans	-	-



Particulars	Amount outstanding	Amount overdue
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	3,000.90	-
(f) Public Deposits	-	-
(g) Other Loans(Overdraft)	-	-

Previous year		(₹ in Crores)	
Particulars	Amount outstanding	Amount overdue	
(a) Debentures:			
Secured	-	-	
Unsecured (Other than falling within the meaning of public deposits)	-	-	
(b) Deferred credits	-	-	
(c) Term loans	-	-	
(d) Inter-corporate loans and borrowings	-	-	
(e) Commercial Paper	-	-	
(f) Public Deposits	-	-	
(g) Other Loans(Overdraft)	-	-	

**2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**

Current year		(₹ in Crores)	
Particulars	Amount Outstanding	Amount overdue	
a) In the form of Unsecured debentures	-	-	
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	
c) Other public deposits	-	-	

Previous year		(₹ in Crores)	
Particulars	Amount Outstanding	Amount overdue	
a) In the form of Unsecured debentures	-	-	
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	
c) Other public deposits	-	-	

**Assets Side**

**3. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]:**

		(₹ in Crores)	
Amount Outstanding	2016-2017	2015-2016	
<b>Assets Side:</b>			
(a) Secured	3,347.68	100.77	
(b) Unsecured	268.70		



4. Break- up of leased assets and stock on hire and other assets counting towards AFC activities:

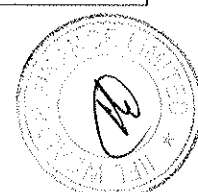
(₹ in Crores)

Particulars	2016-2017	2015-2016
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5. Break-up of Investments:

(₹ in Crores)

Particulars	2016-2017	2015-2016
<b>Current Investments :</b>		
<b>1 Quoted :</b>		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	988.57	-
(iii) Units of mutual funds	58.11	115.00
(iv) Government Securities	-	-
(v) Others (Certificate of Deposits)	-	-
<b>2 Unquoted:</b>		
(i) Shares:		
(a) Equity	1.68	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Units of Alternate Investment Funds	691.51	604.21
<b>Long Term Investments :</b>		
<b>1 Quoted :</b>		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
<b>2 Unquoted:</b>		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	18.66	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Units of Alternate Investment Funds	120.23	28.00





## 6. Borrower Group-wise Classification of all assets financed as in (3) and (4) above:

Current Year		(₹ in Crores)		
Category	Amount Net of Provisions			
	Secured	Unsecured	Total	
<b>1. Related Parties</b>				
a) Subsidiaries	-	-	-	
b) Companies in the same group	-	-	-	
c) Other related parties	-	-	-	
<b>2. Other than related parties</b>	3,347.68	268.70	3,616.38	
<b>Total</b>	<b>3,347.68</b>	<b>268.70</b>	<b>3,616.38</b>	

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

## 7. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted):

Current Year		(₹ in Crores)	
Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)	
<b>1 Related Parties</b>			
a) Subsidiaries	-	-	
b) Companies in the same group	-	-	
c) Other related parties	-	-	
<b>2 Other than related parties</b>	1,894.58	1,878.76	
<b>Total</b>	<b>1,894.58</b>	<b>1,878.76</b>	

Previous year		(₹ in Crores)	
Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)	
<b>1 Related Parties</b>			
a) Subsidiaries	-	-	
b) Companies in the same group	-	-	
c) Other related parties	-	-	
<b>2 Other than related parties</b>	747.22	747.21	
<b>Total</b>	<b>747.22</b>	<b>747.21</b>	



**IIFL WEALTH FINANCE LIMITED****Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)****8. Other information:**

Particulars	(₹ in Crores)	
	2016-2017	2015-2016
(i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

**Note 42.** Previous year's figure are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors



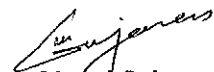
**Himanshu Jain**  
Whole Time Director  
and Chief Executive Officer  
(DIN: 02052409)



**Yatin Shah**  
Non-executive  
Director  
(DIN: 03231090)



**Mihir Nanavati**  
Chief Financial Officer



**Manoj Gujran**  
Company Secretary

Place : Mumbai  
Dated : 3<sup>rd</sup> May 2017

