

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL WEALTH FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL WEALTH FINANCE LIMITED** (formerly known as Chephis Capital Markets Limited) (the "Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

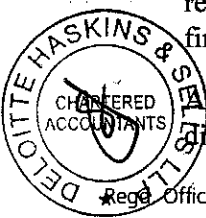
Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment,



Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India

Deloitte Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP Identification No. AAB-8737) a limited liability partnership with effect from 20th November 2013.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

The audit of financial statements of the Company for the year ended 31st March, 2015 was carried out by the previous auditors of the Company.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order / CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(ICAI Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 5 May 2016
PG/SB-2016



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

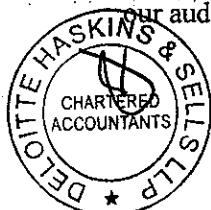
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(ICAI Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 5 May 2016
PG/SB-2016



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)


- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and securities to which the provisions of sections 185 and 186 of the Companies Act, 2013 apply and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us there were no dues payable in respect of Provident Fund, Employees' State Insurance, Customs Duty and Excise Duty during the year.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax and Value Added Tax as on March 31, 2016 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 is not applicable to the Company.



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- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year and hence reporting under clause (xi) of CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(ICAI Registration No. 117366W/W-100018)


Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 5 May 2016
PG/SB-2016



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(FORMERLY CHEPHIS CAPITAL MARKETS LIMITED)
BALANCE SHEET AS AT MARCH 31, 2016**

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2016	As at Mar 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	2,521,164,000	7,275,110
(b) Reserves and Surplus	4	6,497,589,211	3,069,244
(c) Money received against share warrants			
Sub total		9,018,753,211	10,344,354
(2) Share application money pending allotment			
		-	-
(3) Minority Interest			
		-	-
(4) Non Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability	5	-	62,565
(c) Other Long-term liabilities		-	-
(d) Long-term provisions		-	-
Sub total		-	62,565
(5) Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	6	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		715,000	677,809
(c) Other current liabilities	7	53,528	-
(d) Short-term provisions	8	4,119,713	35,700
Sub total		4,888,241	713,509
TOTAL		9,023,641,452	11,120,428
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	-	320,763
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub total		-	320,763
(b) Non-current investments	10	280,000,000	2,753,982
(c) Deferred Tax Assets	11	999,557	-
(d) Long-term loans & advances		-	-
(e) Other non-current assets		-	-
Sub total		280,999,557	2,753,982
(2) Current assets			
(a) Current investments	12	7,192,102,352	1,861,815
(b) Inventories	13	-	3,669,185
(c) Trade receivables	14	-	1,931,984
(d) Cash and Bank balances	15	541,023,984	580,699
(e) Short-term loans & advances	16	1,007,898,903	2,000
(f) Other current assets	17	1,616,656	-
Sub total		8,742,641,895	8,045,683
TOTAL		9,023,641,452	11,120,428
See accompanying notes forming part of the financial statements	1-34		

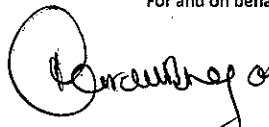
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

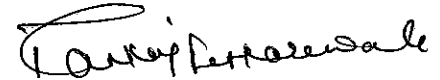


Pallavi A. Gorakshakar
Partner

For and on behalf of Board of Directors



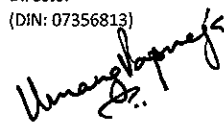
Karan Bhagat
Director
(DIN: 03247753)



Pankaj Fitkarwala
Director
(DIN: 07356813)



Manoj Gujran
Company Secretary



Umang Papneja
Director
(DIN: 07357053)




Mumbai
Date: May 05, 2016

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

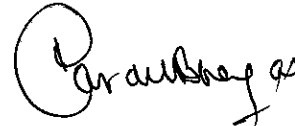
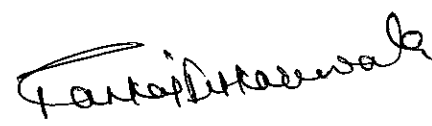
Particulars	Note No.	2015-2016	2014-2015
Income From Operations	18	73,684,487	449,428
Other Income	19	245,646	363,057
Total Revenue		73,930,133	812,485
Expenses :			
Other Expenses	20	35,844,905	220,206
Finance Charges	21	-	250
Depreciation and Amortisation	9	-	60,601
Total expenses		35,844,905	281,057
Profit before tax		38,085,228	531,428
Tax expenses/(benefits) :			
Current tax		21,850,312	36,000
Deferred tax expenses		(1,062,122)	(11,945)
Short / (excess) provision for income tax		(111,804)	1,380
Net Tax Expenses/ (benefits)		20,676,386	25,435
Profit for the year		17,408,842	505,993
Earnings Per Share - Basic (Rs.)	22	0.98	0.70
Earnings Per Share - Diluted (Rs.)	22	0.98	0.70
Face Value Per Share (Rs.)		10.00	10.00
See accompanying notes forming part of the financial statements	1-34		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner


For and on behalf of Board of Directors

 
Karan Bhagat
Director
(DIN: 03247753)

Pankaj Fitkariwala
Director
(DIN: 07356813)

Place : Mumbai
Date : May 05, 2016


Manoj Gujran
Company Secretary


Umang Papreja
Director
(DIN: 07357053)




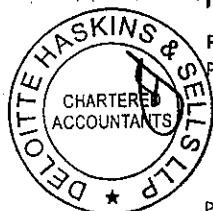
FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(FORMERLY CHEPHIS CAPITAL MARKETS LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	(Amount in ₹)	
Particulars	2015-2016	2014-2015
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	38,085,228	531,428
Adjustments for:		
Depreciation	-	60,601
Profit on sale of investments	(7,989,321)	(194,145)
Dividend income	(120,149)	(362,964)
Provision for Doubtful Debts and Standard Assets	4,955,174	-
Operating profit before working capital changes	34,930,932	34,920
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	(1,018,867,564)	(1,302,699)
(Increase)/ Decrease in Current/Non Current Liabilities	3,113,909	684,809
Cash generated from/(used in) operations	(980,822,723)	(582,970)
Cash flow before extraordinary item	(980,822,723)	(582,970)
Net income tax(paid) / refunds	(20,677,685)	(37,380)
Net cash generated from/(used in) operating activities (A)	(1,001,500,408)	(620,350)
B. Cash flows from investing activities		
Sale / (Purchase) of fixed assets (includes intangible assets)	320,763	-
Sale / (Purchases) of current investment	(7,190,240,537)	605,855
Sale / (Purchases) of Non current investment	(277,246,018)	(158,866)
Proceeds from Sale of Investments	7,989,321	194,145
Net cash generated from/(used in) investing activities (B)	(7,459,176,471)	641,134
C. Cash flows from financing activities		
Proceeds from issuance of share capital	2,513,888,890	-
Dividend Income	120,149	362,964
Proceeds from issuance of Securities Premium	6,477,111,125	-
Net cash generated from financing activities (C)	8,991,120,164	362,964
Net increase in Cash and Cash equivalents (A+B+C)	530,443,285	383,748
Opening Cash and Cash Equivalents	580,699	196,951
Closing Cash and Cash Equivalents	531,023,984	580,699
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per AS 3 Cash Flow Statements	531,023,984	580,699
Add: Earmarked Fixed Deposits	10,000,000	-
Cash and Cash Equivalents (Refer Note 15)	541,023,984	580,699
See accompanying notes forming part of the standalone financial statements Note No. 1-34		

In terms of our report attached

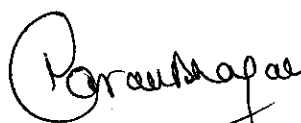
For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner

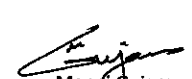


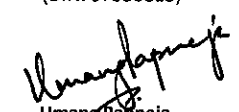
Place : Mumbai
Date : May 05, 2016

For and on behalf of Board of Directors


Karan Bhagat
Director
(DIN: 03247753)


Pankaj Fitkariwala
Director
(DIN: 07356813)


Mandi Gujran
Company Secretary


Umang Padneja
Director
(DIN: 07357053)

FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

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

Note 1. Corporate information:

IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited) ("the Company") is a public limited company incorporated under the Companies Act, 1956 and is a systemically important non-deposit accepting Non-Banking Financial Company ("NBFC ND-SI") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 having a valid certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 enabling the Company to carry on business as Non-Banking Financial Company, and primarily engaged in the financing and related activities. IIFL Wealth Management Limited acquired 100% equity shares capital of the Company on February 13, 2016. The Company offers broad suite of financial products such as loan against securities, loan against property/ mortgage loans, etc. to Corporate and High Net worth clients.

Note 2. Significant accounting policies:

2.1 Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act 2013 alongwith the guidelines issued by Reserve bank of India (RBI) as applicable to NBFC's. The financial statements have been prepared on accrual basis under the historical cost convention.

2.2 Prudential norms:

The Company follows the Reserve Bank of India ("RBI") directions in respect of systemically important non-banking financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) directions, 2015 ("RBI Directions, 2015) dated March 27, 2015, as amended from time to time in respect of income recognition, income from investments, accounting of investments, asset classification, provisioning and disclosures in the Balance Sheet. Accounting Standards (AS) under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs and Guidance Note issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI directions.

2.3 Use of estimates:

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

2.4 Fixed assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.



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
Vehicles*	5 years
Software	3 years

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

2.5 Assignment of loan portfolio:

De-recognition of loans assigned, in the books of the Company, is based on the concept of surrender of control over the loans resulting in a "true sale" of loans. Future interest spread receivables in case of a par structure deals are recognised over the tenure of agreements as per guidelines issued by the RBI. Expenditure in respect of direct assignment is recognised upfront. Credit enhancement in the form of cash collateral provided by the Company is included under cash and bank balance / loans and advances, as applicable.

2.6 Revenue recognition:

The Company complies, in all material respects, with the Accounting Standard -9 issued by the Institute of Chartered Accountants of India, prudential norms relating to income recognition, asset classification and the minimum provisioning for bad and doubtful debts and standard assets, specified in the directions issued by the RBI, as applicable to it, and

- Interest income is recognised on the time proportionate basis as per agreed terms.
- Interest income recognised and remaining due for 90 days or more for all the loans, except Gold loans for which interest is reversed after 150 days & mortgage loans for which interest is reversed after 90 days, are reversed and are accounted as income when these are actually realised.
- Dividend income is recognised when the right to receive payment is established.
- Processing fees received from customers is recognised as income on receipt basis.
- In respect of the other heads of income, the Company accounts the same on accrual basis.

2.7 Preliminary expenses:

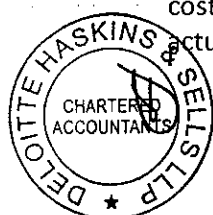
Preliminary expenses are written off in same financial year in which they are incurred.

2.8 Employee benefits:

The Company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit & loss.

The Company has provided "Compensated Absences" on the basis of actuarial valuation.

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



FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

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

2.9 Provisions, contingent liabilities and contingent assets:

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Direction's, 2015) dated March 27, 2015. Provision on standard assets is also made as per the RBI Directions 2015.

Contingent provision against standard assets is made at 0.30% of the outstanding standard assets in accordance with the RBI guidelines

The provision is recognised if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

2.10 Taxes on income:

Tax expense comprises of current and deferred tax and includes any adjustments related to the past periods in current and /or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier year. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. The deferred tax assets are recognised only to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

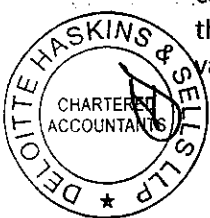
2.11 Operating leases:

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

2.12 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments.

Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management, such diminution is other than temporary. For investment in mutual funds, the net assets value (NAV) declared by the mutual funds at the Balance Sheet date is considered as the fair value.



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)**

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

2.13 Inventories:

Closing stock is valued at cost or market value, whichever is lower. Cost is computed on FIFO basis.

2.14 Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.15 Borrowings:

Borrowings are bifurcated under long term and short term liabilities. Commercial papers are recognised at face value at the time of its issue. Any difference between the proceeds and the redemption value is recognised in profit & loss account over the period of the borrowings.

2.16 Debenture issue expenses:

Debenture issue expenses incurred on public issue of Non Convertible Debentures are amortized over tenure of the underlying debenture.

In case of private placement of Non Convertible Debentures the same is charged to the profit and loss account in the year in which they are incurred.

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

Note 3. Share Capital :

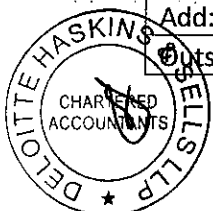
(i) Authorised, Issued, Subscribed and Paid-up Share Capital:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised Share Capital:		
300,000,000 Equity Shares (Previous Year 1,250,000) of ₹ 10 each	3,000,000,000	125,00,000
Total		
Issued, Subscribed and Paid-up Share Capital:		
252,116,400 Equity Shares (Previous Year 727,511) of ₹ 10 each with voting rights	2,521,164,000	7,275,110
Total	2,521,164,000	7,275,110

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares:				
At the beginning of the year	727,511	7,275,110	727,511	7,275,110
Add: Issued during the year	251,388,889	2,513,888,890	-	-
Outstanding at the end of the year	252,116,400	2,521,164,000	727,511	7,275,110



FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

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

(iii) Terms / Rights attached to equity shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.

(iv) Details of shares held by holding company:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holdings	No. of Shares	% Holdings
IIFL Wealth Management Limited and its nominees *	252,116,400	100%	-	-

*Holding was NIL in the previous period as the company was acquired during the current year

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

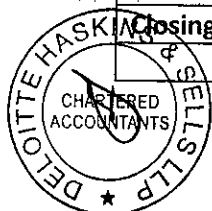
Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 10 each fully paid up				
IIFL Wealth Management Limited and its nominees	252,116,400	100%	-	-
Mr Dipak G Mehta	-	-	264,068	36.30%
Mrs Kunal D Mehta	-	-	175,000	24.05%
Mrs Bhanu D Mehta	-	-	150,000	20.62%
Mr Dipak Gamanlal (HUF)	-	-	52,910	7.27%
Mrs Bhairavi D Mehta	-	-	40,233	5.53%

(vi) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Reserve		
Opening balance	-	-
Premium on shares issued during the year	6,486,111,125	-
Utilization - Share issue expenses *	9,000,000	-
Closing balance	6,477,111,125	-
Capital Redemption Reserve		
Opening balance	2,300,000	2,300,000
Addition during the year	-	-
Closing balance	2,300,000	2,300,000
General Reserve		
Opening balance	1,430,000	1,430,000
Addition due to transfer during the year from surplus in the statement of profit and loss	-	-
Closing balance	1,430,000	1,430,000



FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)

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

Particulars	As at March 31, 2016	As at March 31, 2015
Special Reserve (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)		
Opening balance	-	-
Addition due to transfer during the year from surplus in the statement of profit and loss	3,481,768	-
Closing balance	3,481,768	-
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(660,756)	(1,166,749)
Addition: Profit / (Loss) for the year	17,408,842	505,993
Less: Appropriations		
Interim dividend	-	-
Dividend distribution tax on interim dividend	-	-
Preference dividend	-	-
Dividend distribution tax on preference shares	-	-
Transfer to special reserve as per section 45-IC of the RBI Act, 1934	3,481,768	-
Transfer to general reserve	-	-
Transfer to debenture redemption reserve	-	-
Closing balance	13,266,318	(660,756)
Total	6,497,589,211	3,069,244

* Share issue expenses have been adjusted against the securities premium account as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

Note 5. Deferred tax Liabilities :

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
On Depreciation	-	62,565
Total	-	62,565

Note 6. Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	677,809
Provision for expenses	715,000	-
Total	715,000	677,809

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

Note 7. Other current liabilities:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Liabilities Payable	53,528	-
Total	53,528	-



FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

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

Note 8. Short term provisions:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for tax (Net of advance tax & tax deducted at source-₹20,753,789, P.Y. NIL)	1,096,523	35,700
Provision for Standard Assets	3,023,190	-
Total	4,119,713	35,700

Note 9. Tangible Assets:

(Amount in ₹)

Particulars	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	-	-	-	-	-
Depreciation					
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

Tangible Assets(Previous Year):

(Amount in ₹)

Particulars	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
Gross Block as on April 01,2014	491,570	59,906	342,274	238,988	1,132,738
Additions					
Deductions / Adjustments					
As at March 31,2015	491,570	59,906	342,274	238,988	1,132,738
Depreciation					
Upto April 01,2014	474,069	51,045	57,897	168,363	751,374
Depreciation for the year	5,827	2,690	20,834	31,250	60,601
Deductions / Adjustments					
Upto March 31,2015	479,896	53,735	78,731	199,613	811,975
Net Block as at March 31,2015	11,674	6,171	263,543	39,375	320,763
Net Block as at March 31,2014	17,501	8,861	284,377	70,625	381,364

Note 10. Non – Current Investments (At Cost) :

(Amount in ₹)

Particulars	Face Value in ₹	As at March 31, 2016		As at March 31, 2015	
		Number	Amount	Number	Amount
Quoted, Non Trade Investments					
Mutual Funds					
Birla Sun Life Short term Fund Growth		-	-	44,074.31	2,000,000
Reliance Equity Opportunities Fund DDR		-	-	44,428.05	753,982
Sub-total (A)					2,753,982
Unquoted, Non Trade Investments					
Others (Alternate Investment Funds)					
IIFL Real Estate Fund Domestic Series 3 (NAV - ₹10)	10	25,000,000.00	250,000,000	-	-



FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Particulars	Face Value in ₹	As at March 31, 2016		As at March 31, 2015	
		Number	Amount	Number	Amount
IIFL Investment Opportunities Fund-Sp. Series 1 (NAV - ₹10.0718)	10	2,978,613.56	30,000,000	-	-
Sub-Total (B)			280,000,000		
Grand Total (A+B)			280,000,000		2,753,982
Aggregate Book Value of Quoted Investments			-		2,753,982
Aggregate Book Value of Unquoted Investments			280,000,000		-
Aggregate Market Value of Quoted Investments			-		2,753,982

Note 11. Deferred tax assets:

The Company recognized deferred tax assets since the management is reasonably/virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset:

(Amount in ₹)

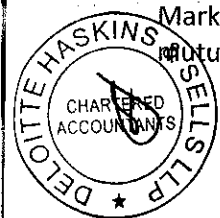
Particulars	As at March 31, 2016	As at March 31, 2015
On provision for standard assets	999,557	-
Total	999,557	-

Note 12. Current Investments: (Valued at Cost or Market Value whichever is lower unless stated otherwise):
(Amount in ₹)

Particulars	Face Value in ₹	As at March 31, 2016		As at March 31, 2015	
		Number	Amount	Number	Amount
Quoted, Non-Trade Investments					
Mutual Funds:					
Kotak Floater Short term fund Growth	-	-	-	696.15	1,861,815
IIFL Mutual Fund Liquid Fund-Direct Plan Growth(NAV- ₹ 1204.8678)	1000	124,538.34	150,000,000	-	-
HDFC Floating rate Income Fund Short Term Plan(NAV- ₹ 26.1002)	10	38,313,883.00	1,000,000,000	-	-
Sub Total (A)			1,150,000,000		1,861,815
Unquoted, Non Trade, Investments					
Alternate Investment Funds					
IIFL Cash Opportunities Fund (NAV-₹ 10.6057)	10	569,703,305.9	6,042,102,352		
Subtotal (B)			6,042,102,352		
Grand Total {A+B}			7,192,102,352		1,861,815
Aggregate Book Value of Quoted Investments			1,150,000,000		1,861,815
Aggregate Book Value of Unquoted Investments			6,042,102,352		-
Aggregate Market Value of Quoted Investments			1,150,052,231	-	1,861,815

Note:

Market Value of Investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)**

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

Note 13. Inventories (Valued at lower of cost or net realisable value):

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Equity Shares				
Adani Port & Sez Ltd	-	-	405	47,304
Bharat Forge	-	-	250	319,025
Century Textiles Ltd	-	-	500	313,785
ICICI Bank Ltd.	-	-	555	94,056
Larsen & Turbo Ltd	-	-	314	437,167
LKP Finance	-	-	14,450	794,750
Nirlon Limited	-	-	880	14,564
Power Grid Corp. Ltd	-	-	410	43,440
Reliance Industries Ltd	-	-	1,125	538,020
South Biotec	-	-	3,000	12,150
State Bank of India	-	-	590	146,580
Sun Pharmaceuticals Industries	-	-	200	60,935
Suzlon Energy Limited	-	-	20,000	336,500
Tata Consultancy Services	-	-	59	71,721
Tata Motors DVR 'A' ORD	-	-	1,000	327,080
Union Bank Of India	-	-	180	24,696
United Phosphorus Ltd	-	-	360	41,040
Zee Entertainment	-	-	340	46,373
Sub-total				3,669,185
Total				3,669,185
Aggregate market value				5,884,830

Note 14. Trade Receivable:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	-	-
- Considered doubtful	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	-	1,931,984
- Considered doubtful	-	-
Total	-	1,931,984

Note 15. Cash and Cash equivalents:

(Amount in ₹)

Particulars	Current	
	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)		
Cash on hand	2,813	10,518
Balance with Banks:		
- In Current accounts	331,021,171	570,181
- In Fixed Deposits (Maturity less than 3 months)	200,000,000	-
Total Cash & Cash Equivalents (a)	531,023,984	
(As per AS 3 Cash Flow Statements)		



FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)

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

Other Bank Balances:		
- In earmarked accounts (Lien marked)	10,000,000	-
Total Other Bank Balances (b)	10,000,000	-
Total (a + b)	541,023,984	580,699

Note 16. Short Term Loans & advances

(Amount in ₹)

Particulars	Current	
	As at March 31, 2016	As at March 31, 2015
Loans & Advances		
- Secured, considered good	1,007,729,227	-
- Secured, considered doubtful (Non-performing loans)	-	-
- Unsecured, considered good	169,676	-
Less : Provision for doubtful Loans	-	-
Sub-total	1,007,898,903	-
Others loans & advances		
Prepaid Expenses	-	2,000
Sub-total	-	2,000
Total	1,007,898,903	2,000

Note 17. Other Current Assets

Particulars	2015-2016	2014-2015
Interest accrued but not due	65,656	-
Interest accrued and due	1,551,000	-
Total	1,616,656	-

Note 18. Revenue from Operations:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Income from financing activities	3,043,637	-
Distribution income from AIF	62,651,529	-
Profit from sale of investments (Net)	7,989,321	449,428
Total	73,684,487	449,428

Note 19. Other Income:

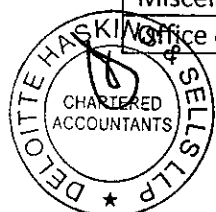
(Amount in ₹)

Particulars	2015-2016	2014-2015
Dividend Income	120,149	362,964
Interest Income	125,497	93
Total	245,646	363,057

Note 20. Other expenses:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Brokerage Related Expenses	5,000	-
Bank charges	2,977	-
Communication	22,029	-
Electricity charges	64,009	-
Direct Operating Expenses	1,174,952	-
Exchange & statutory charges	27,404,290	1,297
Legal & professional fees	60,500	3,000
Membership & subscription charges	126,427	73,002
Miscellaneous expenses	17,504	4,807
Office expenses	562	-



FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)

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

Particulars	2015-2016	2014-2015
Printing & stationery	62,770	-
Rent	698,219	-
Rates and taxes	169,676	-
Provision for doubtful debts and bad debts	4,955,174	-
Remuneration to Auditors:		
- Audit fees	700,000	29,000
- Certification expenses	-	-
- Out of pocket expenses	-	-
Software charges	168,882	-
Travelling & conveyance	211,934	109,100
Total	35,844,905	220,206

Note 21. Finance Charges:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Interest Cost	-	250
Total	-	250

Note 22. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share' as specified u/s 133 of the Companies Act 2013.

(Amount in ₹)

Particulars		As at March 31, 2016	As at March 31, 2015
Basic EPS			
Profit after tax as per statement of profit and loss	A	17,408,842	505,993
Weighted average number of equity shares outstanding	B	17,778,209	727,511
Basic EPS (Rupees)	A/B	0.98	0.70
Diluted EPS			
Profit after tax as per statement of profit and loss	C	17,408,842	505,993
Weighted average number of equity shares outstanding	D	17,778,209	727,511
Diluted EPS (Rupees)	C/D	0.98	0.70
Face value per share		10	10

Note 23. The Company does not have any contingent liability not provided for, as on the balance sheet date.

Note 24. There are no pending litigations by and on the Company as on the balance sheet date.

Note 25. Undisbursed Sanctioned Loans:

As on the balance sheet date there were undisbursed sanctioned loans of ₹ NIL/-.

Note 26. Capital and Other Commitments:

At the balance sheet date there were outstanding commitments of capital expenditure of ₹NIL (Previous Year ₹ NIL/-) out of the total contractual obligation entered during the year.

Note 27. The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

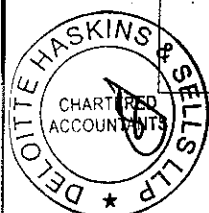


FINANCIALS OF IIFL WEALTH FINANCE LIMITED**(Formerly Chephis Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016****Note 28. Segment Reporting:**

In the opinion of the management, there is only one reportable business segment (Financing & Investing) as envisaged by Accounting Standard - 17 'Segment Reporting', issued by the Institute of Chartered Accountants of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 29. Disclosures in respect of applicability of AS – 18 Related Party Disclosures:**(a) Related parties where control exists:**

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited (Formerly India Infoline Limited)
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Investment Adviser and Trustee Services Limited (Formerly IIFL Trustee Services Limited) IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) IIFL Alternate Asset Advisors Limited India Alternative Investment Advisors Private Limited IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited) IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Private Wealth Hong Kong Limited IIFL Private Wealth (Mauritius) Limited IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Realty Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Private Limited) IIFL Asset Reconstruction Limited
Key Management Personnel	Karan Bhagat Yatin Shah
Other related Parties	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited



FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

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

(b) Significant Transaction with Related Parties:

(Amount in ₹)

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
	-	-	-	-

Note 30. Disclosure as required under notification no. DNBR. 009/CGM (CDS) -2015 dated March 27, 2015 issued by Reserve Bank of India:

IIFL Wealth Management Limited acquired 100% equity share capital of the Company on February 13, 2016, the date from which the company became systemically important non-deposit accepting non-banking finance company ("NBFC ND-SI") and hence the disclosures required under notification no. DNBR. 009/CGM (CDS) - 2015 dated March 27, 2015 issued by Reserve Bank of India is not applicable for the F.Y. 2014-15. The comparable figures for previous year are hence not disclosed.

i. Capital Adequacy Ratio:

(Amount in ₹ Crores)

Particulars	As at March 31, 2016
CRAR (%)	106.36
CRAR - Tier I Capital (%)	106.32
CRAR - Tier II Capital (%)	0.04
Amount of subordinate debt raised as Tier- II capital	-
Amount raised by issue of perpetual debt Instruments.	-

ii. Disclosure of Investments:

(Amount in ₹ Crores)

Sr. No.	Particulars	As at March 31, 2016
(1)	Value of Investments	
	(i) Gross value of Investments	
	(a) In India	747.21
	(b) Outside India	-



FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)

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

Sr. No.	Particulars	As at March 31, 2016
	(ii) Provision for depreciation/diminution	
	(a) In India	-
	(b) Outside India	-
	(iii) Net value of Investments	
	(a) In India	747.21
	(b) Outside India	-
(2)	Movement of provisions held towards depreciation on investments.	
	(i) Opening Balance	-
	(ii) Add: Provision made during the year	-
	(iii) Less: Write-off / write-back of excess provisions during the year	-
	(iv) Closing balance	-

iii. The Company has not securitised any of its exposures during the year.

iv. The Company does not have any exposure to Derivatives including Forward Rates Agreements, Interest Rate Swaps, any Exchange Traded Derivatives.

v. Asset Liability management maturity pattern:

(Amount in ₹ Crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	81.08	6.00	13.69	-	-	-	-	-	100.77
Investments	719.21	-	-	-	-	28.00	-	-	747.21
Borrowings	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

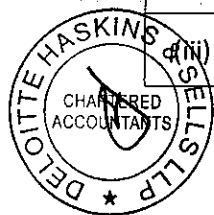
Note: The above figures are on the basis of assumptions made by the Management.

vi. The Company does not have any Exposure to Real Estate Sector

vii. Exposure to Capital Market:

(Amount in ₹ Crores)

Sr. no.	Particulars	March 31, 2016
(i)	Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	-
	Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented	100.77



**FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)**

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

Sr. no.	Particulars	March 31, 2016
	mutual funds are taken as primary security;	
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	-
(vi)	Loan sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-
Total Exposure to Capital Market		100.77

viii. Details of penalties imposed by RBI or other regulators:

- No penalty has been imposed during the year.
- No adverse comments have been received in writing from Reserve Bank of India or any other regulator on regulatory compliances.

ix. Details of Credit Ratings:

A) Ratings assigned by Credit Rating Agencies:

(Amount in ₹ Crores)

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

- x. No Directors Remuneration was paid during the current year.

xi. Details of Provisions and Contingencies:

(Amount in ₹ Crores)

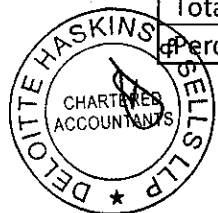
Particulars	2015-2016
Provision for depreciation on Investment	-
Provision towards NPA	-
Other Provision and Contingencies:	
Bad debts written off/(back)	0.19
Provision for contingencies	-
Provision for standard assets	0.30
Total	0.49
Provision made towards Income Tax	2.07

xii. Details of concentration of deposits, advances, exposures & NPA:

a) Concentration of Advances:

(Amount in ₹ Crores)

Particulars	2015-2016
Total advances to twenty largest borrowers	100.77
Percentage of advances to twenty largest borrowers to total advances	100%



FINANCIALS OF IIFL WEALTH FINANCE LIMITED**(Formerly Chephris Capital Markets Limited)****Notes forming part of Standalone Financial Statements for the year ended March 31, 2016****b) Concentration of Exposures: (Amount in ₹ Crores)**

Particulars	2015-2016
Total exposure to twenty largest borrowers / customers	100.77
Percentage of exposure to twenty largest borrowers / customers to total exposure	100%

c) Concentration of NPAs:

The Company does not have any NPAs.

d) Details of Sector wise NPA:

The Company does not have any NPAs.

xiii. Movement of NPAs:

The Company does not have any NPAs

xiv. Disclosure of Complaints:

Sr. No.	Particulars	2015-16
i	Number of complaints pending at the beginning of year	-
ii	Number of complaints received during the year	-
iii	Number of complaints redressed during the year	-
iv	Number of complaints pending at the end of the year	-

xv. The Company does not have any Overseas Assets**xvi.** The Company has not sponsored any Off-Balance Sheet SPVs**xvii.** The Company during the financial year has not exceeded single borrower limit (SGL) / group borrower limit (GBL) while performing its lending operations.**Note 31. Disclosure of restructured accounts:**

The Company does not have any Restructured Accounts

Note 32. Asset classification:**(Amount in ₹ Crores)**

Particulars	Outstanding Balance	Provision
Standard Assets	100.77	0.30
	(-)	(-)
Sub-Standard Assets	-	-
	(-)	(-)
Doubtful Assets	-	-
	(-)	(-)
Loss Assets	-	-
	(-)	(-)
Total	100.77	0.30
	(-)	(-)

Note:

a. In terms of RBI circular a general provision of ₹ 0.30 crores (Previous Year ₹ NIL crores) has been made at 0.30 % of the standard assets under the head 'Provision on Standard Loans' in Note 8.

Figures in bracket represent previous year's figure.



FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

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

Note 33. Particulars as per RBI Directions (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holdings) Companies Prudential Norms (Reserve Bank) Directions 2015):

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:

(Amount in ₹ Crores)

Particulars	Amount outstanding	Amount overdue
Liabilities Side:		
(a) Debentures:		
Secured	-	-
Unsecured (Other than falling within the meaning of public deposits)	-	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Other Loans (Overdraft)	-	-

2. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]:

(Amount in ₹ Crores)

Particulars	Amount Outstanding
Assets Side:	
(a) Secured	100.77
(b) Unsecured	

3. Break- up of leased assets and stock on hire and other assets counting towards AFC activities:

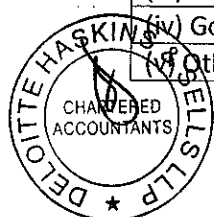
(Amount in ₹ Crores)

Particulars	Amount
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other Loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

4. Break-up of Investments:

(Amount in ₹ Crores)

Particulars	Amount
Current Investments :	
1 Quoted :	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	115.00
(iv) Government Securities	-
(v) Others (Certificate of Deposits)	-



FINANCIALS OF IIFL WEALTH FINANCE LIMITED
(Formerly Chephis Capital Markets Limited)

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

Particulars	Amount
2 Unquoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)-Alternate Investment Funds	604.21
Long Term Investments :	
1 Quoted :	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2 Unquoted:	
(i) Shares:	
(a) Equity of subsidiary companies	-
(b) Preference of subsidiary companies	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify) Equity Shares	28.00

5. Borrower Group-wise Classification of all assets financed as in (2) and (3) above:

(Amount in ₹ Crores)

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

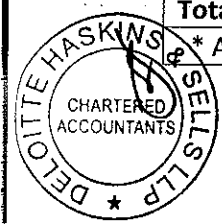
6. Investor group wise classification of all investments (Current and Long Term) in shares and securities

(Both quoted and unquoted):

(Amount in ₹ Crores)

Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties*		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other related parties	-	-
2 Other than related parties	747.22	747.21
Total	747.22	747.21

* As per Accounting Standard of ICAI



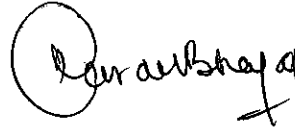
FINANCIALS OF IIFL WEALTH FINANCE LIMITED

(Formerly Chephis Capital Markets Limited)

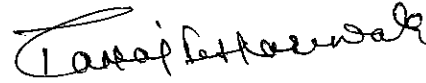
Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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

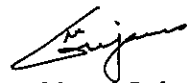
For and on behalf of Board of Directors



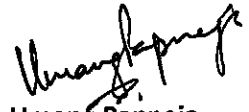
Karan Bhagat
Director
(DIN: 03247753)



Pankaj Fitkariwala
Director
(DIN: 07356813)



Manoj Gujran
Company Secretary



Umang Papneja
Director
(DIN: 07357053)



Place : Mumbai

Dated : May 05, 2016