INDIA INFOLINE FINANCE LIMITED

(Formerly known as India Infoline Investment Services Limited)

A Public Limited Company Incorporated under the Companies Act, 1956, as amended ("the Act").
Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934).
Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604
Tel: +91 22 2580 6650 Fax: +91 22 2580 6654
Corporate Office: IIFL Center, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Tel.: +91 22 4249 9000 **Fax:** +91 22 2495 4313 **Website:** www.iiflfinance.com
For details of changes in Name and Registered Office, see the section titled "History and certain other Corporate Matters" beginning on page 79 of this Prospectus
Compliance Officer and Contact Person: Mr. Dilip Vaidya; **E-mail:** dilip.vaidya@indiainfoline.com

Public Issue by India Infoline Finance Limited, ("Company" or "Issuer") of Un-Secured Redeemable Non-Convertible Debentures of face value of ₹ 1000 each, ("NCDs"), aggregating upto ₹ 2,500 million, hereinafter referred to as the "Base Issue" with an option to retain over-subscription upto ₹ 2,500 million aggregating to a total of upto ₹ 5,000 million, hereinafter referred to as the "Overall Issue size". The NCDs are in the nature of subordinated debt and will be eligible for Tier II capital.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the chapter titled "***Risk Factors***" on pages XI to XXVII of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated '[ICRA]AA- (stable)' by ICRA for an amount of upto ₹5,000 million *vide* its letter dated August 14, 2012, and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹5,000 million *vide* its letter dated August 13, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier "-" (minus) reflects the comparative standing within the category. The rating of NCDs by CRISIL indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by ICRA and/or CRISIL may be suspended, withdrawn or revised at any time by the assigning 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. Please refer to page 9 of this Prospectus for the rationale for the above ratings.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the NSE and BSE. Our Company has obtained 'in-principle' approvals for the Issue from the NSE and BSE *vide* their letter(s) both dated August 27, 2012. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Prospectus dated August 16, 2012 was filed with National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), pursuant to the provisions of SEBI Debt Regulations and was open for public comments for a period of 7 Working Days, i.e. until 5 p.m. on August 25, 2012

LEAD MANAGERS TO THE ISSUE

Axis Bank Limited
First floor, Axis House,
C-2, Wadia International Centre,
P.B. Marg, Worli,
Mumbai 400 025, Maharashtra, India.
Tel: +91 22 4325 2175
Fax: +91 22 4325 3000
Email: ifl.ncd@axisbank.com
Investor Grievance Email: axbmbd@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vishal Sharan
Compliance Officer: Mr. Advait Majmudar
SEBI Regn. No. INM000006104

SBI Capital Markets Limited
202, Maker Tower E, Cuffe Parade
Mumbai 400 005, Maharashtra, India
Tel: +91 22 2217 8300
Fax +91 22 2218 8332
Email ID: ifl.ncd@sbicaps.com
Website: www.sbicaps.com
Investor Grievance ID:investor.relations@sbicaps.com
Contact Person : Mr. Nithin Kanuganti/ Ms. Rajalakshmi V
Compliance Officer: Mr. Bhaskar Chakraborty
SEBI Regn. No.: INM000003531

Edelweiss Financial Services Limited
Edelweiss House, 14th Floor,
Off CST Road, Kalina,
Mumbai 400 098, Maharashtra, India
Tel: +91 22 4086 3535
Fax +91 22 4086 3610
Email ID: ifl.ncd@edelcap.com
Website: www.edelweissfin.com
Investor Grievance ID: customerservice.mb@edelcap.com
Contact Person : Mr. Sumeet Lath/ Mr. Viral Shah
Compliance Officer: Mr. B Renganathan
SEBI Regn. No.: INM0000010650

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C- 13 Pannalal Silk Mills, Compound,
LBS Marg, Bhandup (West),
Mumbai 400 078, Maharashtra, India
Tel: +91 22 2596 0320;
Fax: +91 22 2596 0329
Toll free: 1-800-220320
Email: ifl.ncd@linkintime.co.in
Investor Grievance mail: ifl.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sanjog Sud
SEBI Regn. Number: INR000004058

LEAD MANAGERS TO THE ISSUE

Trust Investment Advisors Pvt. Ltd.
109//110, 1st Floor,Balarama,
Village Parigkhari,Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel. : +9122 40845000
Fax.: +9122 40845066/07
Email id : info@trustgroup.co.in
Investor Grievance mail: customercare@trustgroup.co.in
Website: www.trustgroup.co.in
Contact Person: Anindya Sen
Compliance Officer: Balkrishna Shah
SEBI Regn Number: INM000011120

India Infoline Limited**
8th Floor, IIFL Centre, Kamala City,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai 400 013, Maharashtra, India
Tel: +91 22 4646 4700
Fax: +91 22 2493 1073
Email:ifl.ncd@iiflcap.com
Investor Grievance mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Sachin Kapoor
Compliance Officer: R. Mohan
SEBI Regn. No.: INM 000010940

CO-LEAD MANAGERS TO THE ISSUE

RR Investors Capital Services (P) Limited
133A, Mittal Tower, A Wing,
Nariman point,
Mumbai 400 021,
Maharashtra, India
Tel: + 91 22 2288 6627
Fax: +91 22 2285 1925
Email: iifl.ncd@rrfcl.com
Investor Grievance Email: investors@rrfcl
Website: www.rrfinance.com/rrfcl.com
Contact Person : Mr. Brahmdutta Singh
Compliance Officer: Mr. Sandeep Mahajan
SEBI Regn. No.: INM000007508

Karvy Investor Services Limited
702, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Off. Bandra Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India
Tel: + 91 22 6149 1500
Fax: +91 22 6149 1515
Email: iiflncd@karvy.com
Investor Grievance Email: CMG@karvy
Website: www.karvy.com
Contact Person : Mr. Sumit Singh/ Mr Swapnil Mahajan
Compliance Officer: Mr. V. Madhusudhan Rao
SEBI Regn. No.: INM000008365

ISSUE SCHEDULE

Issue Opens on September 5, 2012	Issue closes on September 18, 2012

** India Infoline Limited (IIFL) is the Promoter of our Company. As there are common directors between IIFL and our Company, IIFL is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (**Merchant Bankers Regulations**). IIFL has signed the due diligence certificate and accordingly been disclosed as a Lead Manager. Further, in compliance with the provision to Regulation 21A(1) and explanation to Regulation 21A(1) of the Merchant Bankers Regulations, IIFL would be involved only in marketing of the Issue.

The subscription list for the Issue shall remain open for subscription upto 5pm., with an option for early closure or extension by such period, upto a period of 30 days from the date of opening of the Issue, as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Issue or extension of the Issue, our Company shall ensure that notice of such early closure or extension of the Issue is given as the case may be on such date of closure through advertisement/s in a leading national daily newspaper.

A copy of the Prospectus and written consents of our Directors, our Company Secretary and Compliance Officer, our Auditor, the Chartered Accountant issuing statement of tax benefit the legal advisor, the Lead Managers, the Co-Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to our Company, the Debenture Trustee, and the Lead Brokers to act in their respective capacities shall be filed with the Registrar of Companies, Mumbai, in terms of section 58 and section 60 of the Act along with the requisite endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" beginning on page 320 of this Prospectus.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires the following terms shall have the following meanings ascribed thereto in this Prospectus. Reference to any statutes, regulations and policies shall include amendments thereto, from time to time.

All references to "Issuer", "we", and "us", "our" and "our Company" are to India Infoline Finance Limited and its Subsidiaries, unless the context requires otherwise. In this Prospectus, all references to "IIFL Group" are to India Infoline Limited and its subsidiaries.

Company Related Terms

Term	Description
"Issuer", "the Company" and "our Company"	India Infoline 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, and having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604.
Act / Companies Act	The Companies Act, 1956, as amended from time to time
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
ESOP / ESOS	Company's Employee Stock Option Plan, 2007
Equity Shares	Equity shares of face value of ₹ 10 each of our Company
IIFL Group	India Infoline Limited and its subsidiaries
IIDCL	India Infoline Distribution Company Limited
IIHFL	India Infoline Housing Finance Company Limited
Loan Assets	Assets under financing activities
MIS	Management Information System of our Company
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company
Net Loan Assets	Assets under financing activities net of Provision for non-performing assets
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-ND-SI	Non-Deposit Accepting or Holding Systemically Important NBFC
NPA	Non Performing Asset
Promoter / IIFL	India Infoline Limited
₹ / Rs./ INR / Rupees	Indian Rupees
Reformatted Consolidated Financial Statements	The statement of reformatted audited consolidated assets and liabilities as at March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and March 31, 2012 and the related statement of reformatted consolidated statement of profit and loss and the related statement of reformatted consolidated cash flow for the Financial Years ending March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and March 31, 2012 and the notes thereto, extracted from the audited consolidated balance sheet of our Company, its Subsidiaries as at March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and March 31, 2012 and the related consolidated statement of profit and loss and consolidated cash flow statement for the Financial Years ending March 31, 2008, March 31, 2009,

Term	Description
	March 31, 2010, March 31, 2011 and March 31, 2012 as examined by our Company's Statutory Auditors, Sharp & Tannan Associates
Reformatted Unconsolidated Financial Statements	The statement of reformatted audited unconsolidated assets and liabilities of our Company, and the related statement of reformatted unconsolidated statement of profit and loss of our Company and the related statement of reformatted unconsolidated cash flow of our Company as at and for the Financial Years ending March 31, 2008, 2009, 2010 and 2011 and March 31, 2012, extracted from the audited unconsolidated financial statements as at and for the Financial Years ended March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and March 31, 2012 and the notes thereto, as examined by our Company's Statutory Auditors, Sharp & Tannan Associates
Share Subscription Agreement	Share Subscription Agreement dated January 18, 2008 entered into with Bennett, Coleman & Company Limited, IIFL (our Promoter) and our Company
Statutory Auditors / Auditors	Our statutory auditors being Sharp & Tannan Associates
Subsidiaries	Subsidiaries of our Company namely India Infoline Housing Finance Limited and India Infoline Distribution Company Limited
"We", "us" and "our"	Our Company and/or its Subsidiaries, unless the context otherwise requires

Issue Related Terms

Term	Description
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees
Allottee	The successful Applicant to whom the NCDs are being / have been Allotted
Applicant	Any prospective applicant who is eligible to participate in this Issue and makes an Application pursuant to the Prospectus and the Application Form. For more information on eligibility of the prospective applicant please refer to the chapter titled "***Issue Procedure***" on page 262
Application Form	The form used by an applicant to apply for NCDs being issued through the Prospectus
Application Supported by Blocked Amount/ ASBA, ASBA Application	Shall mean the application (whether physical or electronic) used by an investor to make an application authorizing the SCSB to block the amount payable on application in its specified bank account;
ASBA Account	Means an account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount in relation to the Application Form made in ASBA mode.
Bankers to the Issue / Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Bankers to the Issue, with whom the Escrow Account will be opened and in this case being Axis Bank Limited, ICICI Bank Limited, HDFC Bank Limited, IndusInd Bank Limited and State Bank of India
Base Issue	Public Issue of NCDs by our Company aggregating upto ₹ 2,500 million
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "***Issue Procedure – Basis of Allotment***" on page 262 of this Prospectus.
Co- Lead Managers	Co Lead Managers shall mean Karvy Investor Services Limited and RR Investors Capital Services Private Limited
CRISIL	CRISIL Limited
Debentures / NCDs	Un-Secured Redeemable Non-Convertible Debentures of face value of ₹ 1000 each, aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million. The NCDs are in the nature of subordinated debt and will be eligible for Tier II capital.

Term	Description
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs
Debt Listing Agreement	The listing agreement between our Company and the relevant stock exchange(s) in connection with the listing of debt securities of our Company
Deemed Date of Allotment	The date on which the Board of Directors/or duly authorised Committee of Directors approves the Allotment of the NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	On the basis of name of the applicant, PAN details, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by the Applicants in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, PAN, bank account details for printing on refund orders or used for refunding through electronic mode, as applicable and occupation. These Demographic Details would be used for all correspondence with the applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund/interest order and the Demographic Details given by applicant in the Application Form would not be used for these purposes by the Registrar.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Stock Exchange/ DSE	National Stock Exchange of India Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Public Issue Account or the amount blocked by the SCSBs is transferred from the ASBA Accounts specified by the ASBA Applicants to the Public Issue Account, as the case may be, following which the Board approves the Allotment of the NCDs
Draft Prospectus / Draft Offer Document	This draft prospectus dated August 16, 2012 filed with the Designated Stock Exchange and BSE for receiving public comments in accordance with the provisions of the Act and the SEBI Debt Regulations
Escrow Agreement	Agreement dated August 25, 2012 entered into amongst our Company, the Registrar, the Escrow Collection Bank, Lead Managers and the Co-Lead Managers for collection of the application amounts and for remitting refunds, if any, of the amounts collected, to the applicants (excluding the ASBA Applicants) on the terms and conditions contained thereof
Escrow Account	Accounts opened in connection with the Issue with the Escrow Collection Bank(s) and in whose favour the applicant will issue cheques or bank drafts in respect of the application amount while submitting the application
Institutional Portion	Portion of applications received from Category I of persons eligible to apply for the issue which includes Public Financial Institutions, Statutory Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs, Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds, which are authorised to invest in the NCDs, Venture Capital funds registered with SEBI, Insurance Companies registered with the IRDA, National Investment Fund; and Mutual Funds
ICRA	ICRA Limited

Term	Description
Issue	Public Issue of NCDs by our Company aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million
Issue Opening Date	September 5, 2012
Issue Closing Date	September 18, 2012, or such earlier or later date that the Board of Directors/ authorized Committee of the Board of Directors of our Company decide, as the case may be, and communicated to the prospective investors and the Stock Exchanges through notice of such early/ late closure given on such early date of closure through advertisement/s in a leading national daily newspaper
Lead Managers	Axis Bank Limited, SBI Capital Markets Limited, Edelweiss Financial Services Limited, Trust Investment Advisors Private Limited and IIFL
Lead Brokers	Lead Brokers who have been appointed *vide* memorandum of understanding dated August 25, 2012
Market Lot	One NCD
Members of Syndicate	Members of Syndicate includes Lead Managers, Co-Lead Managers, Lead Brokers and Sub Brokers
NCD Holder	Any debenture holder who holds the NCDs issued in this Issue and whose name appears in the register of debenture holders.
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in NCDs, Public/Private Charitable/Religious Trusts which are authorised to invest in the NCDs, Scientific and/or Industrial Research Organisations, which are authorised to invest in the NCDs, Partnership Firms in the name of the partners and Limited Liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)
Options	Options being offered to the applicants as stated in the chapter titled '***Issue Structure***' beginning on page 248 of this Prospectus
Previous Issue	7,500,000 Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each aggregating to 7,500 million in the year 2011- 2012
Prospectus / Offer Document	The Prospectus dated August 27, 2012 filed with the ROC in accordance with the SEBI Debt Regulations
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs on the Designated Date
Registrar to the Issue/Registrar	Link Intime India Private Limited
Refund Account	The account opened with the Escrow Banks, from which refunds, if any, of the whole or part of the Application Amount (excluding the ASBA Applicant) shall be made
SBICAP	SBI Capital Markets Limited.
SEBI Debt Regulations/Debt Regulations/SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time.
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
Stock Exchange(s)	BSE Limited and National Stock Exchange of India Limited
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

Term	Description
	value of such instrument shall be subjected to discounting as provided hereunder: Remaining Maturity of the instruments Rate of discount (a) Upto one year 100% (b) More than one year but upto two years 80% (c) More than two years but upto three years 60% (d) More than three years but upto four years 40% (e) More than four years but upto five years 20% to the extent such discounted value does not exceed fifty per cent of Tier I capital;
Trading member	Trading members registered with the stock exchanges who are not empanelled as Lead Brokers or sub brokers
Trustees / Debenture Trustee	Trustees for the holders of the NCDs, in this case being IDBI Trusteeship Services Limited
Working Days	All days excluding Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Business/Industry Related Terms

Term	Description
ALM	Asset Liability Management
ALCO	Asset – Liability Committee
Average Cost of Borrowing	Amount that is calculated by dividing the interest paid during the period by average of the monthly outstanding
CAR	Capital Adequacy Ratio computed on the basis of applicable RBI requirements
Capital Market Finance	Loans against Securities, Promoter Funding, Margin Funding, IPO financing and other structured lending transactions
CRAR	Capital-to-Risk-Weighted Assets Ratio
DSA	Direct Sales Agent
FOS	Feet on Street
FIR	First Information Report
FTU(s)	First Time Users
Gold Loans	Finance against security of gold jewellery
Gross Spread	Yield on the average minus the cost of funds
Healthcare Finance	Finance for medical equipments and project funding in the healthcare sector
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LC	Loan Company
Loan Book	Outstanding loans net of provisions made for NPAs
Mortgage Loans	Housing Loans and Loans against Property
Non-Deposit Accepting NBFC Directions	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ND-SI	Systemically Important NBFC-ND
Prudential Norms	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time
Public Deposit Directions	The Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as amended from time to time

Term	Description
Secured Loan Book	Secured loan given against hypothecation of asset
SME	Small and Medium Enterprises
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (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; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a Systemically important 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.

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CRISIL	Crisil Limited
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
FII/FIIs	Foreign Institutional Investor(s)
Financial Year / FY	Financial Year ending March 31
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Indian GAAP	Generally Accepted Accounting Principles in India

Term	Description
IRDA	Insurance Regulatory and Development Authority
IT Act	The Income Tax Act, 1961, as amended from time to time
IT	Information Technology
KYC	Know Your Customer
LTV	Loan to value
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RM	Relationship Manager
ROC	Registrar of Companies, Maharashtra, Mumbai
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
TDS	Tax Deducted at Source
WDM	Wholesale Debt Market

Notwithstanding the foregoing:

1. In the chapter titled "***Summary of Main Provisions of the Articles of Association***" beginning on page 315, defined terms have the meaning given to such terms in that section.

2. In the chapter titled "***Financial Statements***" beginning on page 106, defined terms have the meaning given to such terms in that chapter.

3. In the paragraphs titled "***Disclaimer Clause of NSE***" and "***Disclaimer Clause of BSE***" beginning on page 304 in the chapter "***Other Regulatory and Statutory Disclosures***" beginning on page 304, defined terms shall have the meaning given to such terms in those paragraphs.

4. In the chapter titled "***Statement of Tax Benefits***" beginning on page 45, defined terms have the meaning given to such terms in that chapter.

5. In the chapter titled "***Key Regulations and Policies***" beginning on page 309, defined terms have the meaning given to such terms in that chapter.

6. In the chapter titled "***Our Business***" beginning on page 59, defined terms have the meaning given to such terms in that chapter.

PRESENTATION OF FINA*NCIAL, INDUS*TRY AND OTHER INFORMATION

Certain Conventions

In this Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "India Infoline Finance Limited", "Issuer", "we", "us", "our" and "our Company" are to India Infoline Finance Limited and its Subsidiaries.

All references to "India" are to the Republic of India and its territories and possessions and all references to the "Government" or the "State Government" are to the Government of India, central or state, as applicable.

Financial Data

Our Company publishes its financial statements in Rupees. Our Company's financial statements are prepared in accordance with Indian GAAP and the Companies Act.

The Reformatted Unconsolidated Financial Statements and the Reformatted Consolidated Financial Statements are included in this Prospectus are collectively referred to hereinafter as the **"*Reformatted Financial Statements*".** The examination reports on the Reformatted Summary Financial Statements, as issued by our Company's Statutory Auditors, Sharp & Tannan Associates, are included in this Prospectus in the chapter titled *"**Financial Statements**"* beginning at page 106.

In this Prospectus, any discrepancies in any table, including "***Capital Structure***" and "***Objects of the Issue***" between the total and the sum of the amounts listed are due to rounding off. All the decimals have been rounded off to two decimal places.

There are significant differences between Indian GAAP, US GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Currency and units of Presentation

In this Prospectus, all references to 'Rupees'/ 'Rs.' / 'INR'/ '₹' are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Prospectus, all figures have been expressed in 'Millions'. All references to 'million/Million/Mn' refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'Lakhs/Lacs/Lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion/bn./Billions' means 'one hundred crores'.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly no investment decision should be made on the basis of such information. Although our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Also, data from these sources may not be comparable. Similarly, internal reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

This Prospectus contains certain statements that are not statements of historical fact and are in the nature of "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "expect", "estimate", "intend", "objective", "plan", "potential", "project", "will", "will continue", "will pursue", "will likely result", "will seek to", "seek" or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Prospectus that are not historical facts.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

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; and
- Other factors discussed in this Prospectus, including under the chapter titled "***Risk Factors***" beginning on page XI of this Prospectus.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the section titled "***Risk Factors***" and chapters titled "***Industry***" and "***Our Business***" beginning on pages XI, 49 and 59 respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Prospectus. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the

assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company or the Lead Managers or Co-Lead Managers, nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company, Lead Managers and Co-Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange(s).

SECTION II - RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Prospectus, 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 risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. 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.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with reformatted consolidated financial statements of our Company as of and for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 in each case prepared in accordance with Indian GAAP, including the annexure and notes thereto.

Internal Risk Factors

1. ***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, 2012, the gross value of NPAs on our books of accounts on a consolidated basis was ₹ 377.90 million which is 0.56% of the value of our total assets. 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.

2. ***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.

3. ***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.***

   We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy,

exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

Moreover, the RBI in its notification (No.RBI/2006 07/204/DNBS.PD/CC.No.86 / 03.02.089 /2006-07) dated December 12, 2006 has amended the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. Under the amendment, the RBI brought all deposit taking and systemically important NBFCs, which are defined as NBFCs having an asset size of ₹ 1,000 million or more, such as us, under the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. We cannot assure you that this notification and its applicability to us will not have a material and adverse affect on our future financial conditions and results of operations.

The RBI has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs. Although the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007 may not be fully applicable to a non-deposit taking NBFC, 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 affect 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.

4. ***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 current 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.

5. ***Our ability to lend against the collateral of gold jewellery has been restricted on account of guidelines issued by RBI, which may have a negative impact on our business and results of operation.***

RBI *vide* notification (DNBS.CC.PD.No.265/03.10.01/2011-12) dated March 21, 2012 has stipulated all NBFCs to maintain a loan to value (LTV) ratio not exceeding 60 percent for loans granted against the collateral of gold jewellery and further bars lending against bullion/primary gold and gold coins. This notification will limit our ability to provide loan on the collateral of gold jewellery and thereby putting us at a disadvantage viz-a-viz banks offering similar products and other unregulated money lenders. Further, the notification also mandates NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) to maintain a minimum Tier 1 capital of 12% by April 1, 2014. Such restrictions imposed by RBI may erode our margins, curtail our future growth and business operations.

6. ***We may not be able to realise the full value of our pledged gold jewellery, which exposes us to potential loss.***

We may not be able to realise the full value of our pledged gold jewellery, due to, among other things, defects in the quality of gold. In the case of a default, we may auction the pledged gold. We cannot assure you that we will be able to auction such pledged gold jewellery at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with the auction process. Any failure to recover the

expected value of pledged gold could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations.

7. 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 rationalising 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.

In our housing finance and gold loan business, we face increasing competition from commercial banks and other players in the unorganized sector. Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have also increased our exposure to competition. The demand for housing loans has also increased due to the increase in demand of real estate, stable property prices, higher disposable incomes and increased fiscal incentives for borrowers. The demand for Gold Loans has also increased due to urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of Gold Loans as a source of quick access to funds. All of these factors have resulted in the housing finance and gold loan industry, including our Company, facing increased competition from other lenders to the retail housing market, including commercial banks. 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 housing finance and gold loan industry, our business, future financial performance and the trading price of the NCDs may be adversely affected.

Furthermore, as a result of increased competition in the housing finance and gold loan industry, home loans and gold loans are becoming increasingly standardized and terms such as floating rate interest options for housing loans, lower processing fees, monthly rest periods and no prepayment penalties are becoming increasingly common in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse affect on our net interest margin and other income, and if we are unable to compete successfully, the origination of new loans will decline and we may not be able to achieve our growth objectives.

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

As on date, IIFL directly holds 98.87% of our paid up capital. We source our clients from IIFL and also significantly benefit from the goodwill that IIFL enjoys in the market. We believe that this goodwill ensures a steady inflow of business. In the event the IIFL 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. Moreover, we have not entered into any formal arrangements for usage of the "IIFL" brand name and logo which is owned by IIFL. 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 affect on our business and operations.

9. 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, as well as the development of our new business streams *viz*. Healthcare Finance. 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.

10. 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 "AA- with stable outlook" from CRISIL, CARE and ICRA. In relation to our short-term debt instruments, we have also received short term ratings of "A1+" from ICRA and CRISIL. 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.

11. We are 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 are subject to a number of legal proceedings. We 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.

Further, IIFL, our Promoter in the normal course of broking and depository service caters to a large client base. In the course of such activities arbitration matters/client complaints/grievances/ exchange references etc. are received by IIFL through SEBI/ exchanges/depository/forums, etc. The same are resolved in the normal course of business from time to time. Also in the normal course of broking and depository business, pursuant to the exchanges/ depositories normal inspections / observations/ findings, etc. exchanges / depositories had issued warnings / minor monetary penalties, etc. against IIFL. These are paid and suitable corrective / rectification actions are taken by IIFL and reported to exchanges/ depositories from time to time. Similarly, IIFL has received requests / notices / summons from various regulatory authorities / enforcement agencies seeking submissions/ appearance /production of information / documents etc. relating to some of the clients/ transactions etc. with regard to their investigation/ enquiries and the same are submitted / attended to / complied with by IIFL from time to time. These investigations / enquiries are basically in the nature of requests / notices / summons for submission of information/ documents which are

duly complied with by IIFL. These are not material and are not likely to have any material effect on the operations and finances of IIFL. In the event we suffer any adverse order, our reputation may suffer and may have an adverse impact on our business.

For further details of the legal proceedings that we are subject to, please refer to the chapter titled "***Outstanding Litigations***".

12. There are certain risks in connection with the NCDs being unsecured.

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 therein 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 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 a prior approval from the RBI in certain circumstances.

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. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may have decreased significantly in value, resulting in 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. For our Gold Loan and Healthcare Finance business, the value of our collateral may decrease or we may experience delays in enforcing our collateral when our customers default on payment obligations which may result in failure to recover the expected value of the collateral and adversely affect our financial performance.

As part of our gold financing business, we extend loans secured by gold jewellery provided as collateral by the customer. A sharp downward movement in the price of gold for any reason whatsoever could result in a fall in collateral values. In the event customers defaults in repayment of loans secured by gold and the value of the collateral has decreased since disbursement, our results of operations may be adversely affected. Additionally, we may not be able to realise the full value of our collateral, due to defects in the quality of gold. In addition, failure by our employees to properly appraise the value of the collateral provides us with no recourse against the borrower. A failure to recover the expected value of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations.

Further, the security for our Healthcare Finance is usually movable equipment, making it difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such collaterals at prices sufficient to cover the amounts under default. In addition, there may be delays associated with seizure and disposal of such collaterals, including litigations and court proceedings which is generally a slow and potentially expensive process in India. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. The recovery of monies from defaulting customers may be further compounded by the fact that we do not generally insist on, or receive post dated cheques as security towards the timely repayment of dues from customers to whom we have provided loans.

16. ***Inaccurate appraisal of pledged gold jewellery by our personnel may adversely affect our business and financial condition.***

The accurate appraisal of pledged gold jewellery is a significant factor in the successful operation of our business and such appraisal requires a skilled and reliable workforce. Inaccurate appraisal of gold by our workforce may result in gold being overvalued and pledged for a loan that is higher in value than the gold's actual value, which could adversely affect our reputation and business.

Further, we are subject to the risk that our gold appraisers may engage in fraud regarding their estimation of the value of pledged gold. Any such inaccuracies or fraud in relation to our appraisal of gold may adversely affect our reputation, business and financial condition.

17. ***We do not own the premises where our Registered Office and our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.***

At present we do not own the premises that we use as our Registered Office and our branch offices. 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.

18. ***One of our subsidiaries has been issued notices by the NHB and any adverse decision may affect our consolidated financial statements and results of operations.***

NHB has issued a showcause notice dated September 20, 2010 to India Infoline Housing Finance Company Limited (IIHFL), our Subsidiary alleging contraventions of Paragraphs 24 and 26 of the HFC (NHB) Directions, 2010 and as to why IIHFL should continue to be regarded as a housing finance company. IIHFL has *vide* its letter dated October 6, 2010 clarified the position and has furnished information as was requisitioned by NHB. There has been no further communication in this matter. In the event NHB takes an adverse decision, our consolidated numbers may be adversely affected.

19. ***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 and registration with the NHB. 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.

20. ***All of the gold loans we offer are due within one year of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.***

All of the gold loans we offer are due within one year of disbursement with an average tenure of four months. The relatively short-term nature of our loans means that our long-term interest income stream is less certain. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The potential instability of our interest income could

materially and adversely affect our results of operations and financial position.

21. We handle cash on a regular basis and are hence exposed to the risk of fraud and misappropriation of funds.

We mainly service rural and semi-urban customers who primarily conduct their business in cash. Accordingly, we usually collect cash installments from our customers and this exposes us to the risk of fraud and misappropriation of funds.

Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. While we have not faced any major problem in the past and while we have taken insurance policies including fidelity cover and cover for cash in safes and in transit, we cannot assure you that no incident of fraud or misappropriation of funds will occur in the future. If such events occur, there could be an adverse affect on the profitability of our business and it could increase our insurance costs.

22. We have entered into assignment agreements to sell certain loans from our outstanding loan portfolio. Our business, financial condition and results of operations could be adversely affected due to some of the restrictions imposed under such agreements or downgrade in the ratings of our securitized debt or if such assignment of loan is held to be unenforceable.

We have sold and assigned a group of similar loans from our outstanding loan portfolio to financial institutions in return for an upfront fixed consideration. As of March 31, 2012, our outstanding portfolio of assigned loans was ₹ 5269.54 million on a consolidated basis, constituting 7.24% of our gross loan portfolio. Under such assignment agreements, we have provided credit enhancement through fixed deposits with banks and/or have issued corporate guarantees to the purchaser for an amount equal to a negotiated percentage of the value of the loans being assigned. If the relevant bank does not realize the receivables due under such assigned loans, the relevant bank would have recourse to the corporate guarantee, cash collateral and the underlying security. We are also liable to indemnify the relevant banks in the occurrence of an event of default stated under such assignment agreements. We make a general provision for all loans and specific provisions on our non-performing loans. Further any downgrade in the ratings of our securitized debt may lead to additional collaterals or corporate guarantees required to be provided. In the event the corporate guarantee and/or cash collateral underlying the security and general provisioning are inadequate, and the assigned loans are put back to us, this could have a material adverse effect on our operating results and financial condition.

Further, in January 2009, the High Court of Gujarat held that the provisions of the Banking Regulation Act, 1949 do not permit banks to assign debt due to them, including the assignment of debt between two banks. However, on appeal, the Supreme Court of India reversed the decision of the Gujarat High Court and held that a bank to bank transfer of debt is not barred by law. If, in the future, one or more of the assignment agreements entered into by us is held to be unenforceable by a court of law, we may be required to terminate the assignment agreement(s) and may suffer losses.

23. As part of our business strategy we assign or securitize a substantial portion of our loan assets to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance and/or cash flows.

As part of our means of raising and/or managing our funds, we assign or securitize a substantial portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitization transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In fiscal 2012 we securitized and assigned assets of a book value of ₹ 5,456.43 million on a consolidated basis. Any change in statutory and/regulatory requirements such as Securitisation Guidelines issued by RBI in August 2012 in relation to assignments or securitizations by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment or securitization transactions. Any adverse changes in the policy and/or regulations in connection with securitization of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitization market in general and our ability to securitize and/or assign our assets.

We are also required to provide a credit enhancement for the securitization and assignment transactions by way of either fixed deposits or corporate guarantees and the aggregate credit enhancement amount outstanding as on March 31, 2012 on a consolidated basis was ₹ 692.36 million and on an unconsolidated basis was ₹ 586.79 million. In the event a relevant bank or institution does not realize the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement, which could have a material adverse effect on our results of operations, financial condition and/or cash flows.

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

As per RBI notification dated February 17, 2011, all 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 w.e.f. March 31, 2012. On an unconsolidated basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 17.86% as of March 31, 2012, with Tier I capital comprising 15.46%. 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

25. Our branches are vulnerable to theft which could adversely affect our reputation, business and results of operation.

Storage of pledged gold jewellery as part of our business entails the risk of theft and resulting in loss to our reputation and business. The short tenure of the loans advanced by us and our practice of processing loan repayments within short timelines require us to store pledged gold jewellery in our premises at all points in time. With regard to any theft, we may not be able to recover the entire amount of the loss suffered and may receive only a partial payment of the insurance claim. There is no guarantee that thefts may or may not be committed in the future, which could adversely affect our reputation, business and results of operations.

26. 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. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's Gold Loan industry. 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.

27. Our loan portfolio is not classified as priority sector advances by the RBI.

The RBI currently mandates domestic commercial banks operating in India to maintain an aggregate 40.0% (32.0% for foreign banks) of their adjusted net bank credit or credit equivalent amount of off- balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, small enterprises, exports and similar sectors where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically, have relied on specialised institutions like our Company that are better positioned to or focus on originating such assets through on-lending or purchase of assets or securitised pools to comply with these targets.

Notification issued by the RBI in February 2011, has stipulated that loans sanctioned to NBFCs for on lending to individuals or other entities against gold jewellery would not be eligible for classification as agriculture sector advances in the context of priority sector lending guidelines. Further in term of the RBI notification dated July 2012, investments made by banks in securitized assets originated by NBFC and purchase/ assignment transaction by banks with NBFCs, where the underlying assets are loans against gold jewellery, are not eligible for priority sector status. Accordingly, our ability to raise capital by selling down

our gold loan portfolio under bilateral assignments will be hampered in the future and impact our ability to raise funds through loans from banks, which may adversely affect our financial condition and results of operations.

28. Our contingent liabilities could adversely affect our financial condition.

As per the consolidated reformatted audited financial statements of our Company for year ended March 31, 2012, we had certain contingent liabilities not provided for, amounting to ₹ 135.95 million. The contingent liability amounts disclosed in our consolidated reformatted audited financial statements represent estimates and assumptions of our management based on advice received. For further details, please refer to section titled "***Statement of Contingent liability – Annexure 19***" in the chapter "***Financial Statements***" beginning on page 106.

29. 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. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business. For details of these restrictive covenants, see the section titled "***Financial Indebtedness***" beginning on page *234*.

30. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.

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.

31. 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 retails 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 and Gold 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.

32. 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 maintain general liability insurance coverage, including coverage for errors or omissions. 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 coinsurance requirement, could adversely affect our business, financial condition and results of operations.

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

As on June 30, 2012, our Promoter holds 98.87% of our paid up share capital. If our Promoter ceases to exercise direct control over our Company and/or there is change in direct control over our Promoter, as a result of any transfer of shares or otherwise, our business and results of operations could be adversely affected.

34. A significant component of our exposure is in the real estate sector and any factor affecting this sector could adversely affect our business

As of March 31, 2012, we have extended loans and advances with outstanding more than ₹ 250 million each, aggregating to ₹ 6036.56 million to borrowers operating in the real estate sector. This amounts to 8.95% of our loan portfolio. These loans are secured against the real estate which in most cases is under development. In the event the real estate sector is adversely affected due to any reason whatsoever, the value of our collaterals may diminish which may affect our results of operations in the event of a default in repayment by our clients. Moreover, since most of the collaterals in this sector are real estate, under development, any undervaluation of the property post development may significantly affect our revenues.

35. We undertake distribution of certain third party products which could result in our Company being made party to litigations.

We distribute mutual fund products of third parties through our branch network. Whilst contractually we are not liable for the performance of third parties and their products that we distribute, in the event of any deficiency in service by such third parties and/ or non-performance of some of their products, the persons who avail of such products may incur losses. We may be subject to a reputation risk in such instances and management time and cost may be incurred to address such situations.

36. 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.

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

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.

38. 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.

39. Our Promoter has significant control in our Company, which will enable them to influence the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other holders of Equity Shares.

As on June 30, 2012, our Promoter directly holds 98.87 % of the paid up share capital and has the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. Our Promoter may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

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

As of March 31, 2012, IIFL Group employed 13,749 full-time employees. Currently, none of our employees are members of any labor union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

41. 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.

42. 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 affect 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.

43. 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.

44. 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.

45. 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.

We have entered into a number of related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details, please refer to statement of related party transactions in *"**Financial Statements - Significant Accounting Policies and Notes to Accounts on the Reformatted Unconsolidated Financial Statements (Annexure 13)**" **beginning*** on page 106.

Risks pertaining to this Issue

46. We are required to create a debenture redemption reserve equivalent to 50% of the value of the NCD offered through this Issue and we may not have access to adequate funds to redeem the full quantum of the NCDs at the closure of the redemption period

Section 117C of the Companies Act states that any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the Company until the debentures are redeemed. The Department of Company Affairs, Government of India, through their circular no. 9/ 2002 has mandated that an NBFC registered with the RBI shall be required to create a "debenture redemption reserve" ("DRR") of a value equivalent to 50% of the debentures offered through a public issue. The DRR is funded from a company's profits every year. Since the value of the reserve is required to be only 50% of the cumulative value of the NCDs on offer, we may not have adequate funds to redeem the NCDs at the close of the redemption period, which may adversely affect your rights and profitability.

47. Changes in interest rates may affect the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

48. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

49. Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.

The NCDs proposed to be issued under this Issue have been rated '[ICRA]AA-(stable)' by ICRA for an amount of upto ₹5,000 million *vide* its letter dated August 14, 2012, and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹5,000 million *vide* its letter dated August 13, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier "-" (minus) reflects the comparative standing within the category. The rating of NCDs by CRISIL indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by ICRA and/or CRISIL may be suspended, withdrawn or revised at any time by the assigning 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. Please refer to page 9 of this Prospectus for the rationale for the above ratings.

50. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Bondholders will rank pari passu with other creditors and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

51. You may be subject to Indian taxes arising on the sale of the NCDs.

Sales of NCDs by any holder may give rise to tax liability in India, as discussed in section entitled "***Statement of Tax Benefits***" on page 45 of this Prospectus.

52. There is no active market for the NCDs on the WDM segment of the stock exchanges. As a result the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country,(ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

53. Our Company has been in violation of one of the covenants contained relating to one of our prior debenture issues.

Our Company has been in violation of the maximum permissible gearing (i.e. Total Debt/ Total Networth) as prescribed under the offer document for issue of Secured Redeemable Non-Convertible Debentures issued on April 20, 2010, during the Financial Year 2011-2012. Our Company's gearing had grown upto 2.9 times during the FY 2011-12 as against maximum permissible gearing of 2.5 times on a Consolidated and Standalone basis. There is no guarantee that such a violation may not happen again. In the event that there are similar events of default under the terms of offer documents, it can have significant consequences on our business and operations.

External Risk Factors

54. 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. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write-offs, which can adversely affect our earnings.

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.

55. 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. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. 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.

56. 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 neighbouring 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.

57. 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.

58. 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 affect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

59. 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 polices 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.

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

Tax and other levies 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; and (vii) 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 new 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 32.45 % down from 33.22 % for the fiscal year ended March 31, 2012. 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.

61. 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

.

PROMINENT NOTES

1. This is a public issue of NCDs by our Company aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs, aggregating to a total of ₹ 5,000 million.

2. For details on the interest of our Company's Directors, please refer to the sections titled "**Our *Management***" and "***Capital Structure***" beginning on pages 82 and 23 of this Prospectus, respectively.

3. Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in the chapter titled "***Financial Statements***" beginning on page 106 of this Prospectus.

4. Any clarification or information relating to the Issue shall be made available by the Lead Managers, Co-Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

5. Investors may contact the Registrar to the Issue, Compliance Officer, Lead Managers and the Co-Lead Managers for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact Registrar to the Issue.

6. In the event of oversubscription to the Issue, allocation of NCDs will be as per the "***Basis of Allotment***" set out in the chapter "***Issue Procedure***" on page 275 of this Prospectus.

7. Our Equity Shares are currently unlisted.

8. All the earlier secured non-convertible debentures issued by our Company on private placement basis are listed on NSE. The Previous Issue of 7,500,000 Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each aggregating to 7,500 million in the year 2011- 2012 is listed on NSE and BSE.

9. As of March 31, 2012, on a consolidated basis we had certain contingent liabilities not provided for, including the following:
   i. demands in respect of disputed service tax of ₹ 15.32 million and

ii. disputed income tax demand of ₹ 20.74 million.
iii. Any other of 99.88 million

For further information on such contingent liabilities, see Annexure 6 to our "***Reformatted Unconsolidated Financial Statements***" and Annexure 19 to our "***Reformatted Consolidated Financial Statements***".

10. For further information relating to certain significant legal proceedings that we are involved in, see "***Outstanding Litigation***" beginning on page 282 of this Prospectus.

SECTION III - INTRODUCTION

GENERAL INFORMATION

India Infoline Finance Limited

Our Company (CIN No: U67120MH2004PLC147365) was incorporated on July 7, 2004 as a private limited company "*India Infoline Investment Services Private Limited*" under the provisions of the Act. The Status of our company was changed pursuant to a resolution of our shareholders to a public limited company on May 15, 2007 and our name was changed to "*India Infoline Investment Services Limited*" pursuant to Fresh Certificate of Incorporation dated July 10, 2007 issued by the Registrar of Companies, Maharashtra, Mumbai. Further the name of the Company was changed to "*India Infoline Finance Limited"* pursuant to Fresh Certificate of Incorporation dated November 18, 2011 issued by the Registrar of Companies, Maharashtra, Mumbai.

NBFC Registration

Our Company holds a certificate of registration dated May 12, 2005 bearing registration no. B-13.01792 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act.

Registered Office:

IIFL House,
Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604
Maharashtra, India

Tel.: +91 22 2580 6650
Fax: +91 22 2580 6654
Website: www.iiflfinance.com

Corporate Office:

IIFL Centre,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013,
Maharashtra, India

Tel.: +91 22 4249 9000
Fax: +91 22 2495 4313

Company Secretary and Compliance Officer:

Mr. Dilip Vaidya
IIFL Centre,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013,
Maharashtra, India

E-mail: dilip.vaidya@indiainfoline.com
Tel.: +91 22 4249 9184
Fax: +91 22 2495 4313

Registrar of Companies, Maharashtra, Mumbai

100, Everest House
Marine Lines
Mumbai 400 002
Maharashtra, India

Board of Directors

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

Name, Designation and DIN	Age (years)	Address
Mr. Nirmal Jain **Designation**: Non-Executive Director **DIN**: 00010535	45	101-A, Ashoka Guruprasad CHS Limited, Hanuman Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India
Mr. R. Venkataraman **Designation**: Non-Executive Director **DIN**: 00011919	45	604, Glen Heights, Hiranandani Gardens, Powai, Andheri, Mumbai – 400 076, Maharashtra, India
Ms. Pratima Ram **Designation**: Wholetime Director & Chief Executive Officer **DIN**: 03518633	61	F-304, Central Park-I, Sector – 42, Gurgaon – 122 002, Haryana, India
Mr. Nilesh Vikamsey **Designation**: Independent Director **DIN**: 00031213	48	184, Kalpataru Habitat, Tower-A, Dr. S.S. Road, Parel, Mumbai – 400 012 Maharashtra, India
Mr. V. K. Chopra **Designation :** Additional Director **DIN:** 02103940	67	4-A, 4th Floor, Harmony Tower, Dr. E. Moses Road, Worli, Mumbai, Maharashtra, India
Mr. Mahesh Narayan Singh **Designation**: Independent Director **DIN**: 00066015	70	61 Sagar Tarang Worli Sea Face Worli Mumbai – 400 025 Maharashtra, India
Mr. Sunil Kaul **Designation:** Additional Director **DIN:** 05102910	53	2A. Lincoln Road, #29-09, Singapore, 308364 Singapore

For further details of Directors of our Company, please refer to chapter titled "***Our Management***" beginning on page 82.

Investors can contact our Compliance Officer and/or the Registrar to the Issue in case of any pre- Issue or post-Issue related problems such as non-receipt of Allotment Advice, demat credit, refund orders or interest on application money.

Lead Managers

Axis Bank Limited

First floor, Axis House,
C-2, Wadia International Centre,
P.B. Marg, Worli,
Mumbai 400 025,
Maharashtra, India.

Tel: +91 22 4325 2175
Fax: +91 22 4325 3000
Email: ifl.ncd@axisbank.com
Website: www.axisbank.com
Investor Grievance ID:
axbmbd@axisbank.com
Contact Person: Mr. Vishal Sharan
Compliance Officer: Mr. Advait Majmudar
SEBI Regn. No. INM000006104

SBI Capital Markets Limited

202, Maker Tower E,
Cuffe Parade
Mumbai 400 005,
Maharashtra, India

Tel: +91 22 2217 8300
Fax +91 22 2218 8332
Email ID: ifl.ncd@sbicaps.com
Website: www.sbicaps.com
Investor Grievance ID:
investor.relations@sbicaps.com
Contact Person : Mr. Nithin Kanuganti/ Ms. Rajalakshmi V
Compliance Officer: Mr. Bhaskar Chakraborty
SEBI Regn. No.: INM 000003531

Edelweiss Financial Services Limited

Edelweiss House, 14th Floor,
Off CST Road, Kalina,
Mumbai 400 098,
Maharashtra, India

Tel: +91 22 4086 3535
Fax +91 22 4086 3610
Email ID: ifl.ncd@edelcap.com
Website: www.edelweissfin.com
Investor Grievance ID:
customerservice.mb@edelcap.com
Contact Person : Mr. Sumeet Lath/ Mr. Viral Shah
Compliance Officer: Mr. B Renganathan
SEBI Regn. No.: INM0000010650

Trust Investment Advisors Private Limited

109//110, 1st Floor,Balarama,
Village Parigkhari;
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Tel. : +9122 40845000
Fax.: +9122 40845066/07
Email id : info@trustgroup.co.in
Investor Grievance mail:
customercare@trustgroup.co.in
Website: www.trustgroup.co.in
Contact Person: Anindya Sen
Compliance Officer: Balkrishna Shah
SEBI Regn Number: INM000011120

India Infoline Limited**

8th Floor, IIFL Centre, Kamala City,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai 400 013,
Maharashtra, India

Tel: +91 22 4646 4700
Fax: +91 22 2493 1073
Email:ifl.ncd@iiflcap.com
Investor Grievance ID:
ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Mr. Sachin Kapoor
Compliance Officer: R. Mohan
SEBI Regn. No.: INM 000010940

*** India Infoline Limited (IIFL) is the Promoter our Company. As there are common directors between IIFL and our Company, IIFL is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (**Merchant Bankers Regulations**). IIFL has signed the due diligence certificate and accordingly been disclosed as a Lead Manager. Further, in compliance with the provision to Regulation 21A(1) and explanation to Regulation 21A(1) of the Merchant Bankers Regulations, IIFL would be involved only in marketing of the Issue.*

Co-Lead Managers

RR Investors Capital Services (P) Limited

133A, Mittal Tower, A Wing,
Nariman point,
Mumbai 400 021,
Maharashtra, India
Tel: + 91 22 2288 6627
Fax: +91 22 2285 1925
Email: iifl.ncd@rrfcl.com
Investor Grievance Email: investors@rrfcl
Website: www.rrfinance.com/rrfcl.com
Contact Person : Mr. Brahmdutta Singh
Compliance Officer: Mr. Sandeep Mahajan

Karvy Investor Services Limited

702, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Off. Bandra Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India
Tel: + 91 22 6149 1500
Fax: +91 22 6149 1515
Email: iiflncd@karvy.com
Investor Grievance Email: CMG@karvy
Website: www.karvy.com
Contact Person : Mr. Sumit Singh/ Mr Swapnil Mahajan
Compliance Officer: Mr. V. Madhusudhan Rao

SEBI Regn. No.: INM000007508

SEBI Regn. No.: INM000008365

Debenture Trustee:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R Kamani Marg,
Ballard Estate, Mumbai - 400 001
Maharashtra, India.

Tel: +91 22 4080 7000
Fax: + 91 22 6631 1776
Website: www.idbitrustee.co.in
Contact Person: Ms. Brindha Venkatraman
Email: itsl@idbitrustee.co.in
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has by its letter dated August 14, 2012 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications to be sent to the holders of the Debentures issued pursuant to this Issue.

Registrar to the Issue:

Link Intime India Private Limited

C- 13 Pannalal Silk Mills Compound,
LBS Marg,
Bhandup (West),
Mumbai – 400 078,
Maharashtra, India.

Tel: +91 22 2596 0320;
Fax: +91 22 2596 0329
Tel (toll free): 1-800-220320
Email: ifl.ncd@linkintime.co.in
Investor Grievance mail: ifl.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sanjog Sud
Registration Number: INR000004058

Credit Rating Agencies:

ICRA Limited

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

Tel: +91 22 3047 0000
Fax: +91 22 2433 1390
Email: Shivakumar@icraindia.com
Contact Person: Mr. L Shivakumar
Website: www.icra.in
SEBI Registration No: IN/CRA/003/1999

CRISIL Limited

Crisil House, Central Avenue
Hiranandani Business Park
Powai
Mumbai 400 076

Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Email: crisilratingdesk@crisil.com
Contact Person: Mr. Suman Chowdhury
Website: www.crisil.com
SEBI Registration No: IN/CRA/001/1999

Legal Counsel to the Issue

Khaitan & Co

One Indiabulls Centre,

13th Floor, Tower 1,
841 Senapati Bapat Marg,
Elphinstone Road,
Mumbai – 400 013,
Maharashtra, India.

Tel: + 91 22 6636 5000
Fax: + 91 22 6636 5050

Statutory Auditors of our Company

Sharp & Tannan Associates

Chartered Accountants,
87, Nariman Bhawan
8th Floor, 227, Nariman Point,
Mumbai – 400 021
Maharashtra, India
Tel: + 22 6153 7500; 2202 2224/8857
Fax: +22 2202 3856
Email: mumbai.office@sharp-tannan.com
Contact Person: Mr. Tirtharaj Khot
Membership No: 37457
Firm Registration Number: 109983W

Chartered Accountant issuing Statement of Tax Benefit

Pritesh Mehta & Co

Chartered Accountants
511, Sai Chambers,
Next to Syndicate Bank,
Near Railway Station,
Santacruz (East)
Mumbai – 400 055
Maharashtra, India
Tel: + 22 2617 5159
Fax: + 22 2617 5159
Contact Person: Mr. Pritesh Mehta
Membership No: 49593
Firm Registration Number: 115857W

Bankers to the Issue/ Escrow Collection Banks

Axis Bank Limited

Universal Insurance Building
Ground Floor,
Sir P.M. Road,
Fort, Mumbai – 400001
Maharashtra, India

Tel: +91 22 40867299/66107265
Fax: +91 22 22835785
Website: axisbank.com
Email: rajesh.khandelwal@axisbank.com, nachiket.kalwit@axisbank.com
Contact Person: Mr. Rajesh Khandelwal/Mr. Nachiket Kalwit
SEBI Regn. No: INBI00000017

HDFC Bank Limited

Lodha, I Think Techno Campus,
O-3 Level, Next to Kanjurmarg
Railway Station,
Kanjurmarg (East)
Mumbai - 400 042
Maharashtra, India

Tel: +91 22 3075 2928/3075 2927
Fax: +91 22 2579 9801
Website: www.hdfcbank.com
Email: uday.dixit@hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Regn. No: INBI00000063

ICICI BANK LIMITED

Capital Market Division,
Rajbahadur Mansion, 30,
Mumbai Samachar Marg,
Fort, Mumbai- 400001
Maharashtra, India

Tel: +91 22 6631 0322
Fax: +91 22 6631 0350
Website: www.icicibank.com
Email: anil.gadoo@icicibank.com
Contact Person: Mr Anil Gadoo
SEBI Regn no: INBI00000004

IndusInd Bank Limited

Cash Management Services,
Solitaire Corporate Park, No. 1001, Building No. 10, Ground Floor, Guru Hargovindji Marg,
Andheri (East)
Mumbai – 400 093
Maharashtra, India

Tel: +91 22 6772 3901 - 3917
Fax: +91 22 6772 3998
Website: www.indusind.com
Email:.sanjay.vasarkar@indusind.com
Contact Person: Mr. Sanjay Vasarkar
SEBI Regn. No: INBI00000002

State Bank of India

Capital Market Branch
Videocon Heritage (Killick House),
Ground Floor, Charnjit Rai Marg,
Mumbai - 400 001
Maharashtra, India

Tel: +91 22 22094932/4927
Fax: +91 22 22094921/4922
Website: statebankofindia.com
Email:nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Contact Person: Mr. Anil Sawant
SEBI Regn. No: INBI00000038

Lead Brokers

Edelweiss Broking Limited
Edelweiss House,
Off CST Road,
Kalina, Santacruz East,
Mumbai – 400098

Tel: +91 22 67471341 / 9930362969
Fax: +91 22 67471347
Website: www.edelweissfin.com
Email: amit.dalvi@edelcap.com
Contact Person: Mr. Amit Dalvi
SEBI Regn. No: INB/INF/INE231311631(NSE) INB011311637 (BSE)

Enam Securities Private Limited
Hari Chamber,
Ground Floor, 58/64,
S B Road, Fort,
Mumbai – 400023

Tel: +91 22 22677901 - 05
Fax: +91 22 22665613
Website: www.enam.com
Email: vinay@enam.com / mukesh@enam.com
Contact Person: Mr. Mukesh Kachalia / Mr. Vinayak Ketkar
SEBI Regn. No: INM000006856

HDFC Securities Limited
I Think Techno Campus Building-B, Alpha Office Floor-8, Opp Crompton Greaves
Near Kanjurmarg Station,
Kanjurmarg East,
Mumbai – 400042

Tel: +91 22 30753440 /30753442
Fax: +91 22 30753435
Website: www.hdfcsec.com
Email: sunil.raula@hdfcsec.com / sharmila.kambli@hdfcsec.com
Contact Person: Mr. Sunil Raula / Ms. Sharmila Kambli
SEBI Regn. No: INBO11109437 (BSE) INB231109431 (NSE)

Bonanza Portfolio Limited
Delta House,
J1 Cama Industrial Estate,
Walbhat Road, Goregaon East,
Mumbai – 400063

Tel: +91 22 4059 5727
Fax: +91 22 4059 5790
Email: anhinay.c@ bonanzaonline.com
Website: www.bonanzaonline.com
Contact Person: Mr. Abhinay Chikne
SEBI Regn. No: INB230637836 (NSE)

Integrated Enterprises India Limited
15, 1st Floor, Modern House,
Dr. V B Gandhi Marg, Fort,
Mumbai – 400023

Tel: +91 22 4066 1800
Fax: +91 22 2287 4676
Email: krishnan@integratedindia.com
Website: www.integratedindia.in
Contact Person: Mr. V Krishnan
SEBI Regn. No: INB231271835

JM Financial Services Private Limited
Apeejay House, 3rd Floor,
Dinsha Vacha Road,
Churchgate, Mumbai – 400020

Tel: +91 22 3021 3500 / 2266 5577-80
Fax: +91 22 2266 5902
Email: rohit.singh@jmfl.com
Website: www.jmfinancialservices.in
Contact Person: Mr. Rohit Singh
SEBI Regn. No: INB/F/E 231054835 (NSE) INB/F 011054831 (BSE)

Kotak Securities Limited
Nirlon House, 3rd Floor, Dr. Annie Besant Road, Nr. Passport Office,
Worli, Mumbai – 400 025

Karvy Stock Broking Limited
'Karvy House', 46 Avenue 4 ,
Street No 1, Banjara Hills,
Hyderabad - 500 034

SBICAP Securities Limited
191, Maker Tower F,
Cuffe Parade,
Mumbai-400005

Tel: +91 22 6740 9431/ 5740 9708
Fax: +91 22 6661 7041
Email: sanjeeb.das@kotak.com / umesh.gupta@kotak.com
Website:www.kotak.com
Contact Person: Mr. Sanjeeb Kumar Das & Mr. Umesh Gupta
SEBI Regn. No: INB230808130 / INB010808153

Tel: +91 22 2331 2454
Fax: +91 22 6662 1474
Email: **ksblredressal@karvy.com**
Website: www.karvy.com
Contact Person: Mr P B Ramapriyan
SEBI Regn. No: INB230770138

Tel: +91 22 4227 3300
Fax: +91 22 4227 3390
Email: archana.dedhia@sbicapsec.com
Website: www.sbicaps.com
Contact Person: Ms. Archana Dedhia
SEBI Regn. No: INB231052938

SMC Global Securities Limited
17, Netaji Subhash Marg,
Opp Golcha Cinema,
Daryaganj
Delhi – 110002

Tel: +91 9818620470 / 9810059041
Fax: +91 11 2326 3297
Email: mkg@smcindiaonline.com /eerajkhanna@smcindiaonline.com
Website: www.smctradeonline.com
Contact Person: Mr. Mahesh Gupta
SEBI Regn. No: 23/07714-31

RR Equity Brokers Private Limited
47, M. M. Road,
Rani Jhanshi Marg,
Jhandewalan,
New Delhi - 110 055.

Tel: +91 11 2363 6362-63
Fax: +91 11 2363 6666
Email: manishagarwal@rrfcl.com
Website: www.rrfcl.com
Contact Person: Mr. Manish Agrawal
SEBI Regn. No INB231219636

NJ India Invest Private Limited
902, B Tower, Udhana Udyog Nagar,
Sang Commercial complex,
Central Road No 10,
Udhana, Surat,
Gujarat – 394 210

Tel: +91 261 398 5934/ 398 5825
Fax: +91 11 3985880
Email: husaini@njgroup.in/ nirmal.mavapuri@njgroup.in
website:www.njgroup.com
Contact Person: Mr. Husanini Kanchwala/ Mr. Nirmal Mavapuri
SEBI Regn. No: INB231360539

Trust Financial Consultancy Services Private Limited

109/110, Balarama,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051,
Maharashtra, India

Tel: +91 22 4084 5000
Fax: +91 22 4084 5052/ 5013
Email: pranav.inamdar@trustgroup.co.in
Website:www.trustgroup.com
Contact Person: Mr. Pranav Inamdar
SEBI Regn. No: INB231198731

India Infoline Limited

India Infoline Limited,
Sun Infotech Park,
3rd Floor, Road No 16V,
Plot No B-23, MIDC,
Thane Industrial Area,Wagle Estate,
Thane West – 400 604

Tel: +91 22 4103 5274/ 73/ 4103 0211
Fax: +91 22 2580 6654
Email: ncd@indiainfoline.com
Website: www.indiainfoline.com
Contact Person: Mr. Chintan Modi
SEBI Regn. No.: INB231097537

All the members of the recognized Stock Exchanges would be eligible to act as brokers to the Issue.

Bankers to our Company

Indusind Bank
Ground Floor Unit no 2
Marathe Udyog Bhavan
Appa Saheb Marathe Marg
Prabhadevi, Mumbai – 400 025
Tel: + 91 22 2431 5857
Fax: + 91 22 2430 4498
Email: trusha.masrani@indusind.com
Contact Person: Mr. Trusha Masrani
Website: www.indusind.com

IDBI Bank Limited
224-A, Mittal Court, 2nd floor, 'A' Wing, Nariman Point, Mumbai – 400 021
Tel: + 91 22 66588100
Fax: + 91 22 66588130, 66588111
Email: bn.nambiar@idbi.co.in
Contact Person: Mr. Babu Narayanan Nambiar
Website: www.idbibank.com

Citi Bank N.A.
Citigroup Centre,
Bandra Kurla Complex
Mumbai – 400 051
Tel: + 91 22 4001 5757
Fax: + 91 22 2653 5824
Email: satish.chandra@citi.com
Contact Person: Mr. Satish Chandra
Website: www.citibank.co.in

HDFC Bank Limited
Trade Tower, A wing, 2nd floor

Axis Bank Limited
Universal Insurance Building,

Standard Chartered Bank
Crescenzo, 6th Floor, Plot No. C-

Kamala Mills Compound, Lower Parel (W), Mumbai – 400 013
Tel: + 91 22 4080 4686
Fax: + 91 22 4080 4711
Email: ashish.aggarwal@hdfcbank.com
Contact Person: Mr. Ashish Aggarwal
Website: www.hdfcbank.com

P.M. Road, Fort, Mumbai-400 001
Tel: + 91 22 40867299/40867371
Fax: + 91 2240867327
Email: rajesh.khandelwal@axisbank.com
Contact Person: Mr. Rajesh Khandelwal
Website: www.axisbank.com

38/39, G-Block, Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051
Tel: + 91 22 4265 82846115 7767
Fax: + 91 22 6115 9008/022-2675 7733
Email:bineetnaresh.desai@sc.com/ ashish.kapoor@sc.com
Contact Person: Mr. Bineet Desai/Mr. Ashish Kapoor
Website: www.standardchartered.co.in

Allahabad Bank
Industrial Finance Branch, 37,
Mumbai Samachar Marg,
Fort, Mumbai-400023
Tel: + 91 22 2270 2745/46/47
Fax: + 91 22 2270 2733/35
Email:br.mumifb@allahabadbank.com
Contact Person: Mr. K Nandhakumar
Website: www.allahabadbank.com

Corporation Bank
Corporation Banking Branch
104, Bharat House, Ground Floor
MS Marg, Fort
Mumbai-400023
Tel: + 91 22 22693453/22671181
Fax: + 91 22 2267 5309
Email:cb0443@corpbank.co.in
Contact Person: Mr. D L Narayana
Website: www.corpbank.com

Indian Overseas Bank
Ground Floor, Merchant chambers
Opp. SNDT Women's University
New Marine Lines,
Mumbai – 400 020

Tel: + 91 22 2205 7686
Fax: + 91 22 2203 5571
Email: marinebr@mummrco1iobnet.co.in
Contact Person: Mr. S. Narasimhan
Website: www.iob.co.in

Karur Vysya Bank
Noble Chambers
Ground Floor
SA Brelvi road
Fort, Mumbai 400 001

Tel: + 91 22 2283 7668/2283 7669
Fax: + 91 22 2283 3902
Email:mumbaifort@kvbmail.com
Contact Person: Mr. S. Ravi
Website: www.kvb.co.in

Union Bank of India
Union Bank Bhavan
239, Vidhan Bhavan Marg,
Nariman Point
Mumbai 400 021

Tel: + 91 22 2289 2030
Fax: + 91 22 2289 2156
Email:cbsifbmumbai@unionbankofindia.com
Contact Person: Mr. Anil K. Kharwar
Website: www.unionbankofindia.com

ICICI Bank Limited
ICICI Bank Tower,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Tel: + 91 22 2653 8951
Fax: + 91 22 2653 1062
Email: Natasha.elavia@icicibank.com
Contact Person: Ms. Natasha Elavia
Website: www.icicibank.com

Dena Bank
Corporate Business Branch
C-10, G- Block, Bandra Kurla Complex,
Bandra (East)
Mumbai - 400 051

Tel: + 91 22 2654 5018
Fax: + 91 22 2654 5017
Email:bankur@denabank.co.in
Contact Person: Ms. Sujaya Shetty
Website: www.denabank.com

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in. For details of the Designated Branches of the SCSBs which shall collect Application Forms, please refer to the above-mentioned link.

Impersonation

As a matter of abundant precaution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Act, relating to punishment for fictitious applications.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹ 1875.00 million, prior to the Issue Closing date, the entire subscription shall be refunded to the Applicants within 12 working days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

Credit Rating and Rating Rationale

ICRA

The NCDs proposed to be issued under this Issue have been rated '[ICRA]AA- (stable)' by ICRA for an amount of upto ₹5,000 million *vide* its letter dated August 14, 2012, The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier "-" (minus) reflects the comparative standing within the category.

The rationale for the above-mentioned credit rating issued by ICRA is as follows:

The ratings reflects India Infoline Finance Limited's parentage of India Infoline Limited's ("IIL"), group's strong networth, established presence in retail and institutional retail broking business, diversified business revenues with reasonable contribution from distribution income and significant income from financing book, robust risk management systems and comfortable liquidity profile. The ratings are constrained by the cyclical nature of India Infoline Finance Limited's primary business being dependent on the domestic capital markets and the moderate seasoning of the financing businesses that have yet to demonstrate steady performance through business cycles. ICRA has taken note of significant ramp-up of India Infoline Finance Limited's financing book in FY12 and going forward, the ratings would be sensitive to India Infoline Finance Limited's ability to profitably manage these relatively new lines of business, along with maintaining superior asset quality.

ICRA Disclaimer

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. The ICRA ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit our website (www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA 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 ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents

CRISIL

The NCDs proposed to be issued under this Issue have been rated 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹5,000 million *vide* its letter dated August 13, 2012. The rating of NCDs by CRISIL indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The rationale for the above-mentioned credit rating issued by CRISIL is as follows:

The ratings continue to reflect the India Infoline Group's strong market position in the equity broking business, increasing diversification (particularly into the relatively less-volatile retail lending business), and adequate capitalisation. These rating strengths are partially offset by the group's average resource profile, and susceptibility of its earnings to uncertainties inherent in capital-market-related businesses.

The ratings provided by ICRA and/or CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating.

CRISIL Disclaimer

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitter/distributors of this product. CRISIL Ratings 'rating criteria are available without charge to the public on the CRISIL web site. www.crisil.com.

Consents

The written consents of Directors of our Company, Company Secretary and Compliance Officer, our Statutory Auditor, the Chartered Accountant issuing statement of tax benefit, the legal advisor, the Lead Managers, Co-Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to our Company, Auditor issuing the "Statement of Tax Benefits" certificate, the Debenture Trustee, and the Lead Brokers to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 58 and 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus with Stock Exchanges.

Utilisation of Issue proceeds

Boards of Directors of our Company certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- We shall utilize the Issue proceeds only upon allotment of NCDs as stated in this Prospectus and on receipt of the minimum subscription of 75% of the Base Issue; and
- the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Issue Programme

ISSUE OPENS ON	**September 5, 2012**
ISSUE CLOSES ON*	**September 18, 2012**

* *The subscription list for the Issue shall remain open for subscription upto 5 pm, with an option for early closure or extension by such period, upto a period of 30 days from the date of opening of the Issue, as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Issue or extension of the Issue, our Company shall ensure that notice of such early closure or extension of the Issue is given as the case may be on such date of closure through advertisement/s in a leading national daily newspaper.*

SUMMARY OF BUSINESS, STRENGTHS AND STRATEGIES

Overview

We are a systemically important non-deposit taking NBFC focusing on Mortgage Loans, Capital Market Finance, Gold Loan and Healthcare Finance. We are a subsidiary of India Infoline Limited ("IIFL"), a diversified financial services company. We offer a broad suite of lending and other financial products to our clients both retail and corporate. Our lending and other financial products include:

- ***Mortgage Loans,*** which includes Housing Loans and Loans against Property.
- ***Capital Market Finance,*** which includes Loans against Securities, Promoter Funding, Margin Funding, IPO financing and other structured lending transactions.
- ***Gold Loans,*** which includes finance against security of mainly used gold ornaments.
- ***Healthcare Finance***, which includes finance for medical equipments and project funding in the healthcare sector.

As on March 31, 2012, Mortgage Loans accounted for 44.70% of our Loan Book, Capital Market Finance accounted for 11.86% of our Loan Book and Gold Loans accounted for 41.07% of our Loan Book. Health Care Finance is a recent product which has been introduced in FY 2011.

We received a certificate of registration dated May 12, 2005 bearing registration no. - B-13.01792 from the Reserve Bank of India for carrying on activities of a Non Banking Financial Company. India Infoline Housing Finance Limited ("***IIHFL***") and India Infoline Distribution Company Limited ("***IIDCL***") are our wholly owned subsidiaries. IIHFL received a certificate of registration from the National Housing Bank ("***NHB***") on February 3, 2009 to carry on the business of a housing finance institution.

Our Promoter, IIFL is a financial services organization having presence across India. The global footprint extends across geographies with offices in New York, London, Geneva, Hong Kong, Singapore, Dubai, Mauritius and Colombo. It is listed on BSE and NSE. IIFL Group's services and products include retail broking, institutional equities, commodities and currency broking, wealth advisory, credit & finance, insurance broking, asset management, financial products distribution & investment banking. The product/ services portfolio of IIFL caters to the diverse investment and strategic requirements of retail, institutional, corporate and affluent clients. As on March 31, 2012, IIFL has presence in over 4000 business locations which include over 1,900 branches and over 2,300 registered franchisees, spread across 959 cities in 28 states and union territories in India. We leverage extensively on the infrastructure, distribution network and insights of IIFL Group into market and customer needs.

Over the past several years, we have expanded our presence into markets that are of greater relevance to the products we offer. Portfolio performance and profitability are the factors that drive the branch network. As of March 31, 2012, we have a total of 1,323 branches – 34 branches for our Mortgage Loans and Healthcare Finance distribution network of which 32 branches are co-located with the branch network of IIFL Group and a total of 1297 gold loan branches out of which 1180 are exclusive Gold Loans branches. Our Capital Market Finance business is sourced through direct sales, branch network, retail and wealth teams of IIFL. As of March 31, 2012, we have an access to over 2,900 sales executives from the retail teams and over 120 sales executives from the wealth teams of IIFL for our Capital Market Finance business. Our Company's employee strength as on March 31, 2012 was 6,094.

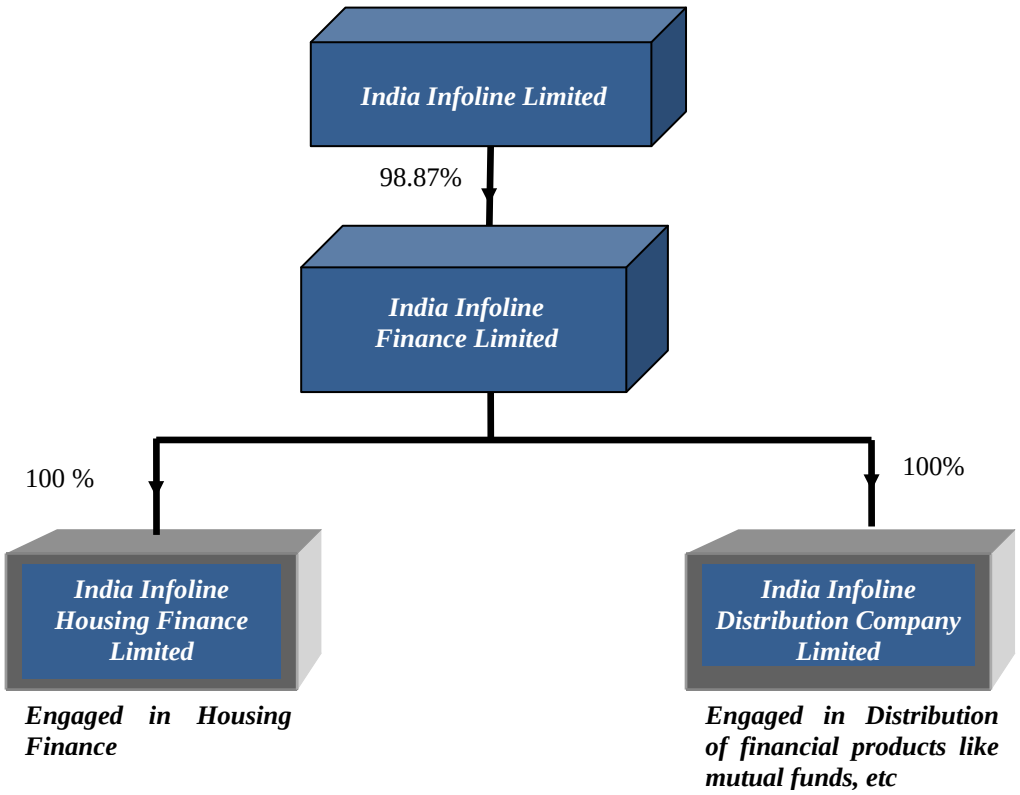
Our Consolidated Income from Operations and Profit after Tax (PAT) for the financial year ending March 31, 2012 is ₹ 9084.58 million and ₹ 1053.81 million respectively. Our Consolidated Income from Operation and Profit after tax has grown at a CAGR of 54.33% and 44.85% respectively over the last four years. Our Loan Book has grown at a CAGR of 63.82% over the last four years.

Operational & Financial Parameters (Consolidated)	FY 12	FY 11	FY 10	FY 09
Loan Book (₹ million)	67,464.86	32,889.74	16,267.84	9,560.35
Total Borrowings (₹ million)	59,384.31	22,930.41	10,199.42	2,256.85
Net Worth (₹ million)	14281.79	13,412.03	12,644.30	12,108.12

Operational & Financial Parameters (Consolidated)	FY 12	FY 11	FY 10	FY 09
Debt Equity ratio (x)	4.16	1.71	0.81	0.19
Capital Adequacy Ratio (%)*	17.86	29.95	47.65	97.77
Net NPA (%)	0.40%	0.36%	0.46%	-
Net Interest Income (₹ million)	4080.49	2,263.14	1,741.85	1,665.06
Yield on Earning Assets (%)	16.76%	14.31%	17.01%	15.28%
Cost of Funds (%)	11.26%	9.43%	9.52%	9.67%
Net Interest Spread (%)	5.49%	4.88%	7.49%	5.61%
Net Interest Margin (%)	7.45%	7.17%	15.30%	13.95%
Cost to average assets	12.44%	9.04%	8.59%	8.16%
Cost to Income (%)	84.25%	74.20%	67.26%	63.90%
RoA (%)	1.63%	2.16%	2.94%	3.70%

**standalone*

Our Corporate Structure



OUR STRENGTHS

Our Parentage

We believe we benefit extensively from our Promoter, IIFL, which is a diversified financial services company with a pan-India presence. IIFL is a well established brand among retail, institutional and corporate investors in India. IIFL along with its subsidiaries offers a wide range of products and services including retail broking, institutional equities, commodities and currency broking, wealth advisory, credit & finance, insurance broking, asset management, financial products distribution & investment banking. IIFL offers advisory/ broking/ distribution services in certain overseas locations through its overseas subsidiaries. IIFL is currently listed on BSE and NSE. The IIFL brand is associated with trust, knowledge leadership and high quality services. We believe we have been able to leverage on our Promoter to grow our business, build relationships and also attract talent. We extensively leverage upon IIFL's distribution network and its understanding of the market and customer needs.

We draw upon a range of resources and shared resources from IIFL such as human resources, operations, information technology, accounts, legal & compliance, audit, administration, infrastructure, etc. We believe we can further leverage upon the branch network of IIFL for expansion, new product launch & building scale. For further information please refer to the chapter titled "***Our Promoter***" on page 93 of this Prospectus.

Secured Loan Book and Strong Asset Quality

Since 2008, we have been providing only secured finance which ensures lower NPAs and lesser recovery related problems. As of March 31, 2012, over 99% of our Loan Book on a consolidated basis is secured.

The Mortgage Loans are secured with a mortgage of residential property, land, commercial properties, which are either under construction or fully developed. Additionally, the disbursements are collaterally secured by a guarantee from the borrower or with a co-applicant. The Capital Market Finance loans are secured by specified equity shares, vested ESOPs, mutual fund units, structured notes bonds, debentures and collaterals approved by the Approval Committee ("***Approved Securities***"). As a policy, for Mortgage Loans we lend up to 65% of value of property for Loan Against Property and upto 80% for Home Loans. For our Capital Market Finance we finance upto 90% of value of the Approved Security depending on the type and liquidity of the Approved Security with a daily monitoring of margins. As per our existing policy, Gold Loans are secured against used gold ornaments upto 60% of the gold jewellery value. We believe this policy provides us a cushion against possible defaults. We believe that our robust credit approval mechanisms, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan portfolio.

We maintain provisions on our Loan Book on a conservative basis. Our provision coverage ratio is 28.07% of gross NPAs as on March 31, 2012. As on March 31, 2012 on a consolidated basis our net NPA constituted 0.40% of our Loan Book, as compared to 0.36% of our Loan Book as on March 31, 2011.

We are adequately capitalized to fund our growth

We are subject to capital adequacy ratio ("**CAR**") requirements prescribed by RBI. We are currently required to maintain a minimum of 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. As part of our governance policy, we ordinarily maintain capital adequacy higher than statutorily prescribed CAR. As of March 31, 2012 our capital adequacy ratio computed on the basis of applicable RBI requirement was 17.86% as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI for FY11.

Set forth below is our capital adequacy ratio for the last four fiscal years on a standalone basis.

Year	FY 2012	FY 2011	FY 2010	FY 2009
Capital Adequacy Ratio	17.86%	29.95%	47.65%	97.77%

Access to cost effective funding sources

Our fund requirements are currently predominantly sourced through term loans from banks, issue of redeemable non-convertible debentures on a private placement basis and cash credit from banks including working capital loans. We have accessed funds from a number of credit providers, including nationalized banks and private Indian banks. We believe that we have developed stable long term relationships with our lenders and have established a track record of timely servicing of our debts. We also place commercial paper and access inter-corporate deposits.

We believe that we have been able to achieve a relatively stable cost of funds despite the difficult conditions in the global and Indian economy and the resultant reduced liquidity and an increase in interest rates, primarily due to our improved credit ratings, effective treasury management and innovative fund raising programs. We believe we are able to borrow from a range of sources at competitive rates.

Set forth below is our Average Cost of Borrowing for the last four fiscal years on a consolidated basis.

Year	FY 2012	FY 2011	FY 2010	FY 2009
Average Cost of Borrowing	11.26%	9.43%	9.52%	9. 67%

Well Defined Processes

We believe our well defined business processes ensure complete independence of function and segregation of responsibilities. Our robust credit approval and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies and approving all loans at transaction level and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification and fraud and KYC check, personal meetings with clients and audit before disbursement of loans.

For our Mortgage Loans and Health Care Finance, the credit department evaluates proposals focusing on both the borrower and the security which includes evaluation of the security on various legal and technical parameters like title reports from empanelled lawyers. For our Capital Market Finance business, the credit department evaluates proposals focusing on both the borrower and the security with additional focus on quality and liquidity of security.

Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries. We believe our procedures have ensured that the eventual write off due to non recovery have remained less than 2% of Loan Book during the last three fiscals.

Access to Extensive Distribution and Branch Network

We have access to the pan India branch and distribution network of IIFL Group especially for our Mortgage Loans, Capital Market Finance and Healthcare Finance businesses. The Healthcare Finance & Mortgage Loan businesses are now integrating with the Gold Loan Branch Network based on the credit experience of the locations & competition presence & performance.

As of March 31, 2012, our Mortgage Loans and Healthcare Finance distribution network consists of 34 branches of which 32 branches are co-located with the branch network of IIFL Group With an access to about 79 relationship managers and a network of 208 DSAs and 19 FOSs. Our Capital Market Finance business is sourced across country by the existing retail & wealth teams of IIFL which include 2,900 sales executives from the retail team and 120 sales executive relationship managers from the wealth teams of IIFL all over India.

We have also established 1297 branches across 502 locations spread all around India for our Gold Loans business. Our exclusive Gold Loan branches have increased from 265 in March 31, 2011 to 1297 branches in March 31, 2012.

We believe that access to such an extensive distribution network enables us to service and support our existing customers from proximate locations which gives our customers easy access to our services and enables us to reach new customers. We believe we can leverage on this existing branch network for further expansion, new product launch and building scale.

Experienced Management Team

The Board of Directors comprises of seven directors with significant experience in the banking and finance sector. The members of our executive management team have significant experience in the products and services offered by us. We believe that our senior management and talented and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses. We believe that the extensive relevant experience and financial acumen of our management and executives provides us with a distinct competitive advantage. Our management organization structure is designed to support each product line by a dedicated team of executives with substantial experience in their particular business segment.

Technology, Analytics and Credit bureau usage

We believe that our robust loan management system, analytics ability & extensive usage of the credit bureau and other allied KYC procedures offers us a significant competitive advantage. Our systems have the capability of end to end customer data capture, computation of income, margin monitoring, collateral data capture and repayment management. Our loan approval is controlled by the loan application system. We believe our monthly analytics reports including–through–the-door and credit–information tracking are efficient tools for ensuring risk management-controls & compliance.

Our systems are custom designed for our services and help us reduce people contact time and enhance our processes and operational excellence. Our systems fully integrate businesses in every aspect bringing together various departments in simple transitions and customer information updates. Technology gives us the ability to integrate cash flows in real time and allows us better informed decision making with instantaneous access to record and information.

OUR STRATEGIES

Our key strategic priorities are as follows:

Focus on retail and secured lending

We wish to increase our focus on diversified secured loan portfolio in niche and promising segments including home loans, loans against property, loans against securities, gold loans etc by utilizing the gold loan branch network to reach across the country. This business is intended to provide scale & diversify the risk across geographies, industries & collaterals. We will try to continue to source a 100% secured book with high quality of credit.

Enhancing the product bouquet

We are focused on expanding our product portfolio, which now also includes financing for medical equipments and project loans. We believe by introducing new product lines we will be able to better satisfy our client needs and will further aid portfolio diversification. Further, this will help us to maintain relations with the customer throughout the product lifecycle and also offer us an opportunity for repeat business and cross selling of other products.

Widening the Distribution Network

A good reach is very important in our business. Business potential & competitor experience are some of the key factors considered for expansion. Portfolio performance and profitability are the factors that drive the branch network. Currently most of our businesses are present in key locations for sourcing businesses which have historically displayed a sound credit performance. We intend to further leverage on the distribution network by integrating all products with the Gold Loan Branch Network based on the credit experience of our team and the competitors.

Building a robust IT infrastructure and IT systems

We have our own proprietary system for loan processing & booking. The in-house loan application system has been built utilizing the expertise of the business & technology teams. We also source best in-class IT infrastructure from reputed vendors. We will continue to invest in our IT infrastructure as we believe technology & better system driven processes will aid us in growth without comprising on the quality of assets/customers.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. We have partnered with PwC and E&Y for risk evaluation and implementation of SOPs.

SUMMARY FINANCIAL INFORMATION

*The following tables present an extract of Reformatted Consolidated Summary Financial Statements and the Reformatted Unconsolidated Summary Financial Statements. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the chapter titled "**Financial Statements"** on page* 106*. The Reformatted Consolidated Summary Financial Statements and the Reformatted Unconsolidated Summary Financial Statements should be read in conjunction with the examination report thereon issued by our Statutory Auditors and statement of significant accounting policies and notes to accounts on the Reformatted Consolidated Summary Financial Statements and the Reformatted Unconsolidated Summary Financial Statements contained in the chapter titled "**Financial Statements**" beginning on page* 106 *of this Prospectus.*

A. SUMMARY INFORMATION OF OUR UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
I EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share Capital	2,371.54	2,371.54	237.15	237.15	237.15
(b) Reserve and Surplus	11,953.38	10,858.80	12,321.39	11,845.88	11,225.02
	14,324.92	**13,230.34**	**12,558.54**	**12,083.03**	**11,462.17**
(2) Share application money pending allotment	-	-	-	-	-
(3) Non-Current Liabilities					
(a) Long-term borrowings	31,437.20	9,990.30	1,365.10	-	-
(b) Deferred tax liabilities (Net)	-	-	-	-	-
(c) Other Long-term liabilities	-	-	-	-	-
(d) Long-term provisions	161.55	71.50	-	-	-
	31,598.75	**10,061.80**	**1,365.10**	**-**	**-**
(4) Current liabilities					
(a) Short-term borrowings	20,339.36	8,932.11	6,590.00	500.00	5,344.37
(b) Trade payables	-	-	-	-	-
(c) Other current liabilities					
-Borrowings	6,407.74	1,908.00	1,250.00	-	-
-Others	3,170.19	1,951.90	132.06	964.11	5.01
(d) Short-term provisions	299.51	8.66	2.07	0.15	0.02
	30,216.80	**12,800.67**	**7,974.13**	**1,464.26**	**5,349.40**
TOTAL – EQUITY AND LIABILITIES	**76,140.47**	**36,092.81**	**21,897.77**	**13,547.29**	**16,811.57**
II ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	699.61	113.42	2.21	2.85	0.27
(ii)Intangible assets	0.22	-	-	-	-
(iii) Capital work-in-progress	12.15	-	-	-	0.65
(iv) Intangible assets under development	-	-	-	-	-
	711.98	**113.42**	**2.21**	**2.85**	**0.92**
(b) Non-current investments	4,420.15	3,417.27	2,442.06	1,647.06	521.06
(c) Deferred tax assets (Net)	115.40	30.04	7.18	5.60	6.14
(d) Long-term loans & advances					
-Loans	20,081.84	9,987.90	3,580.58	2,088.11	34.09
-Others	2,313.07	1,849.87	932.66	27.28	5.05
(e) Other non-current assets	405.16	-	68.71	152.36	186.89
	27,335.62	**15,285.08**	**7,031.19**	**3,920.41**	**753.23**
(2) Current assets					
(a) Current investments	3,041.93	1,000.50	934.69	2,381.27	8,292.08
(b) Inventories	107.39	223.83	113.69	1,108.36	-
(c) Trade receivables	-	-	-	-	-
(d) Cash and Bank balances	2,266.94	312.86	1,015.60	274.30	511.42

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
(e) Short-term loans & advances					
-Loans	39,526.19	18,579.13	10,713.30	4,639.36	6,018.14
-Others	2,496.03	251.97	1,962.31	1,162.89	-
(f) Other current assets	654.39	326.02	124.78	57.85	1,235.78
	48,092.87	**20,694.31**	**14,864.37**	**9,624.03**	**16,057.42**
TOTAL	**76,140.47**	**36,092.81**	**21,897.77**	**13,547.29**	**16,811.57**

Net worth	As at March 31,				
Particulars	**2012**	**2011**	**2010**	**2009**	**2008**
Share Capital	2,371.54	2,371.54	237.15	237.15	237.15
Reserve and Surplus	11,953.38	10,858.80	12,321.39	11,845.88	11,225.02
Less : Miscellaneous expenditure	165.99	-	-	-	72.28
Total	**14,158.93**	**13,230.34**	**12,558.54**	**12,083.03**	**11,389.89**

B. SUMMARY INFORMATION OF OUR UNCONSOLIDATED STATEMENT OF PROFIT & LOSSES

(₹ in million)

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Revenue					
Revenue from operations	8,681.27	4,255.09	1,623.92	1,559.70	1,511.03
Other Income	422.43	263.97	26.43	14.26	11.06
Total Revenue	**9,103.70**	**4,519.06**	**1,650.35**	**1,573.96**	**1,522.09**
Expenses					
Employee benefit expenses	1,044.39	600.24	295.61	260.59	51.71
Finance cost	4,616.53	2,070.42	192.41	253.34	817.25
Depreciation & amortization expenses	149.60	8.51	0.63	0.36	0.69
Other expenses	1,599.08	535.43	359.85	271.39	209.47
Provisions & Write off	254.11	110.04	139.39	-	52.77
Total Expenses	**7,663.71**	**3,324.64**	**987.89**	**785.68**	**1,131.89**
Profit/(Loss) before tax	**1,439.99**	**1,194.42**	**662.46**	**788.28**	**390.20**
Tax expenses :					
Current tax expense for current year	506.87	380.49	185.85	154.25	80.31
Deferred tax	(80.05)	(22.88)	(1.59)	0.56	(6.09)
Fringe benefit tax	-	-	-	2.88	0.42
Current tax expense relating to prior years	(5.34)	10.24	2.69	0.23	0.09
	421.48	**367.85**	**186.95**	**157.92**	**74.73**
Total tax expense					
Profit (loss) for the period	**1,018.51**	**826.57**	**475.51**	**630.36**	**315.47**

C. SUMMARY INFORMATION OF OUR UNCONSOLIDATED CASH FLOWS STATEMENT

(₹ in million)

Particulars	As At March 31,2012	As At March 31,2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Cash flows from operating activities					
Net profit before taxation, and extraordinary item	1,439.99	1,194.42	662.46	788.28	390.06
Adjustments for:					
Depreciation	149.60	8.51	0.63	0.36	0.69
Provision for Doubtful Loans	79.47	(0.54)	4.40	-	17.78
Provision for Standard Loans	86.90	71.50	-	-	-
Provision for diminution in value of investments	2.03	-	-	-	34.99
Provision for Contingencies	46.71	-	-	-	-
Gratuity & Leave Encashment	27.06	3.90	-	(0.02)	-
	391.77	**83.37**	**5.03**	**0.34**	**53.46**
Operating profit before working capital changes	**1,831.76**	**1,277.79**	**667.49**	**788.62**	**443.52**
Increase / (Decrease) in long term provisions	3.15	-	-	-	-

Particulars	As At March 31,2012	As At March 31,2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Increase / (Decrease) in short term provisions	(2.93)	(3.52)	1.92	0.15	-
Increase / (Decrease) in Other liabilities	1,438.30	1,879.71	(832.05)	959.09	(2.92)
Decrease / (Increase) in trade inventories	114.42	(110.14)	994.67	(1,108.36)	-
Decrease / (Increase) in long term loans & advances	(10,572.79)	(5,373.88)	(2,353.29)	(2,056.17)	(48.20)
Decrease / (Increase) in short term loans & advances	(23,191.11)	(8,137.50)	(6,873.36)	215.89	(3,941.72)
Decrease / (Increase) in other current assets	(333.69)	(209.23)	(66.92)	1,177.92	(907.40)
Decrease / (Increase) in other non-current assets	(111.86)	69.77	83.64	34.53	218.27
	(32,656.51)	**(11,884.79)**	**(9,045.39)**	**(776.95)**	**(4,681.97)**
Cash generated from operations	**(30,824.75)**	**(10,607.00)**	**(8,377.90)**	**11.67**	**(4,238.45)**
Tax (Paid) / Refund	(565.35)	(368.30)	(237.50)	(177.45)	(89.53)
Net cash from operating activities	**(31,390.10)**	**(10,975.30)**	**(8,615.40)**	**(165.78)**	**(4,327.98)**
Cash flows from investing activities					
Purchase of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	(748.16)	(156.97)	-	(2.28)	(0.80)
Proceeds of non-current investments	(2,539.81)	(295.21)	(795.00)	(1,126.00)	(521.06)
Purchase/Sale of current investments	(2,041.43)	(65.80)	1,446.60	5,910.81	(8,280.18)
Purchase of Investments (Subsidiaries)	1,536.92	(680.00)	-	-	-
Purchase consideration for amalgamation	76.06	-	-	-	-
Net cash from investing activities	**(3,716.42)**	**(1,197.98)**	**651.60**	**4,782.53**	**(8,802.04)**
Cash flows from financing activities					
Dividend paid	-	(138.27)	-	-	-
Share issue expenses	-	(16.50)	-	(9.50)	-
Proceeds of issue of share Capital/Premium	-	-	-	-	9,683.04
Proceeds from long term borrowings	25,946.64	9,283.20	2,615.10	-	-
Proceeds from short term borrowings	11,407.25	2,342.11	6,090.00	(4,844.37)	3,843.23
Net cash used in financing activities	**37,353.89**	**11,470.54**	**8,705.10**	**(4,853.87)**	**13,526.27**
Net increase in cash and cash equivalents	**2,247.37**	**(702.74)**	**741.30**	**(237.12)**	**396.25**
Opening Cash and cash equivalents	312.86	1,015.60	274.30	511.42	115.17
Closing Cash and cash equivalents	2,560.23	312.86	1,015.60	274.30	511.42

D. SUMMARY INFORMATION OF OUR CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
I EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share Capital	2,371.54	2,371.54	237.15	237.15	237.15
(b) Reserve and Surplus	12,076.24	11,040.48	12,407.13	11,870.97	11,189.28
	14,447.78	**13,412.02**	**12,644.28**	**12,108.12**	**11,426.43**
(2) Share application money pending allotment	-	-	-	-	-
(3) Non-Current Liabilities					
(a) Long-term borrowings	32,237.20	11,523.63	1,865.10	1,756.85	1,701.44
(b) deferred tax liabilities (Net)	-	-	-	-	-
(c) Other Long-term liabilities	-	-	-	-	-
(d) Long-term provisions	177.82	82.37	1.21	0.43	-
	32,415.02	**11,606.00**	**1,866.31**	**1,757.28**	**1,701.44**
(4) Current liabilities					
(a) Short-term borrowings	20,339.36	8,932.11	7,084.32	500.00	5,344.37
(b) Trade payables	-	-	-	-	-
(c) Other current liabilities					
-Borrowings	6,807.74	2,474.67	1,250.00	-	-
-Others	3,486.56	2,495.82	621.73	1,225.82	596.03
(d) Short-term provisions	302.06	16.34	13.95	3.98	5.10

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
	30,935.72	**13,918.94**	**8,970.00**	**1,729.80**	**5,945.50**
TOTAL – EQUITY AND LIABILITIES	**77,798.52**	**38,936.96**	**23,480.59**	**15,595.20**	**19,073.37**
II ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	699.61	125.48	17.38	31.10	20.40
(ii) intangible assets	0.22	0.74	1.86	4.95	3.20
(iii) Goodwill (on Consolidation)	16.42	34.48	34.48	34.48	34.48
(iv) Capital work-in-progress	12.15	37.49	-	0.91	3.83
(v) Intangible assets under development	-	-	-	-	-
	728.40	**198.19**	**53.72**	**71.44**	**61.91**
(b) Non-current investments	3,030.02	490.21	195.00	-	-
(c) deferred tax assets (Net)	126.12	44.40	22.04	36.64	46.28
(d) Long-term loans & advances					
-Loans	22,492.74	13,520.82	4,404.30	2,625.91	1,543.83
-Others	2,333.13	2,068.14	1,180.59	57.28	29.10
(e) Other non-current assets	515.31	302.01	408.78	152.36	506.89
	28,497.32	**16,425.58**	**6,210.71**	**2,872.19**	**2,126.10**
(2) Current assets					
(a) Current investments	3,041.93	1,000.52	934.79	2,381.37	8,292.30
(b) Inventories	107.39	223.83	113.69	1,108.36	-
(c) Trade receivables	-	-	-	-	-
(d) Cash and Bank balances	2,537.45	841.51	1,720.87	807.48	561.60
(e) Short-term loans & advances					
-Loans	39,644.34	19,342.03	11,851.18	6,987.60	7,805.68
-Others	2,582.32	569.73	2,461.10	1,239.99	39.31
(f) Other current assets	659.37	335.57	134.53	126.77	186.47
	48,572.80	**22,313.19**	**17,216.16**	**12,651.57**	**16,885.36**
TOTAL - ASSETS	**77,798.52**	**38,936.96**	**23,480.59**	**15,595.20**	**19,073.37**

Net worth	**As at March 31,**				
Particulars	**2012**	**2011**	**2010**	**2009**	**2008**
Share Capital	2,371.54	2,371.54	237.15	237.15	237.15
Reserve and Surplus	12,076.24	11,040.48	12,407.13	11,870.97	11,189.28
Less : Miscellaneous expenditure	165.99	-	-	-	72.28
Total	**14,281.79**	**13,412.02**	**12,644.28**	**12,108.12**	**11,354.15**

E. SUMMARY INFORMATION OF OUR CONSOLIDATED STATEMENT OF PROFIT & LOSSES

(₹ in million)

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Revenue					
Revenue from operations	9,084.58	4,711.27	2,120.83	2,280.20	1,601.56
Other Income	451.29	483.65	218.80	101.08	43.35
Total Revenue	**9,535.87**	**5,194.92**	**2,339.63**	**2,381.28**	**1,644.91**
Expenses					
Employee benefit expenses	1,092.74	687.11	380.27	481.14	204.38
Finance cost	4,798.31	2,213.04	279.93	424.07	819.19
Depreciation & amortisation expenses	149.60	16.98	11.56	16.44	13.92
Other expenses	1,730.16	741.98	453.66	538.86	277.20
Provisions & Write off	263.36	195.35	448.21	61.18	52.77
Total Expenses	**8,034.17**	**3,854.46**	**1,573.63**	**1,521.69**	**1,367.46**
Profit/(Loss) before tax	**1,501.70**	**1,340.46**	**766.00**	**859.59**	**277.45**
Tax expenses :					
Current tax expense for current year	528.14	427.62	210.11	163.58	80.60
Deferred tax	(81.74)	(22.33)	14.59	9.64	(43.89)
Fringe benefit tax	-	-	-	3.46	1.27
Current tax expense relating to prior years	1.49	12.66	3.38	(8.28)	0.10
Total tax expense	**447.89**	**417.95**	**228.08**	**168.40**	**38.08**
Profit (loss) for the period	**1,053.81**	**922.51**	**537.92**	**691.19**	**239.37**

F. SUMMARY INFORMATION OF OUR CONSOLIDATED CASH FLOWS STATEMENT

(₹ in million)

Particulars	As At March 31,2012	As At March 31,2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Cash flows from operating activities					
Net profit before taxation, and extraordinary item	1,501.70	1,340.45	766.01	859.59	277.46
Adjustments for:					
Depreciation	149.60	16.98	11.56	16.44	52.52
Provision for Doubtful Loans	79.30	2.03	8.59	-	17.78
Provision for Standard Loans	95.32	82.50	-	-	-
Provision for diminution in value of investments	2.03	-	-	-	-
Provision for Contingencies	46.71	-	-	-	-
Share of Profit	-	-	-	-	0.51
Gratuity & Leave Encashment	25.92	2.06	0.31	0.73	4.74
	398.88	**103.57**	**20.46**	**17.17**	**75.55**
Operating profit before working capital changes	**1,900.58**	**1,444.02**	**786.47**	**876.76**	**353.01**
Increase / (Decrease) in long term provisions	0.13	-	0.79	0.43	-
Increase / (Decrease) in short term provisions	(2.02)	(5.52)	9.66	(1.85)	87.97
Increase / (Decrease) in Other liabilities	1,252.56	1,973.56	(604.09)	629.79	588.37
Decrease / (Increase) in trade inventories	116.45	(110.14)	994.67	(1,108.36)	-
Decrease / (Increase) in long term loans & advances	(9,259.92)	(7,182.29)	(2,876.48)	(1,102.44)	(1,543.83)
Decrease / (Increase) in short term loans & advances	(22,361.61)	(8,524.84)	(6,084.70)	(382.60)	(4,773.97)
Decrease / (Increase) in other current assets	(323.80)	(208.42)	(7.76)	59.70	(186.47)
Decrease / (Increase) in other non-current assets	(108.85)	60.13	83.64	34.53	(506.89)
	(30,687.06)	**(13,997.52)**	**(8,484.27)**	**(1,870.80)**	**(6,334.82)**
Cash generated from operations	**(28,786.48)**	**(12,553.50)**	**(7,697.80)**	**(994.04)**	**(5,981.81)**
Tax (Paid) / Refund	(585.92)	(425.03)	(247.31)	(166.57)	(117.92)
Net cash from operating activities	**(29,372.40)**	**(12,978.53)**	**(7,945.11)**	**(1,160.61)**	**(6,099.73)**
Cash flows from investing activities					
Purchase of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	(697.86)	(161.46)	6.16	(25.97)	(113.61)
Pre-acquisition Profit on purchase of Subsidiary Companies	-	-	-	-	(2.04)
share of Profit	-	-	-	-	(0.51)
Purchase of non-current investments	(2,541.84)	(295.21)	(195.00)	-	-
Proceeds from sale/maturity of current investments	(2,041.40)	(65.73)	1,446.58	5,910.93	(8,245.40)
Net cash from investing activities	**(5,281.10)**	**(522.40)**	**1,257.74**	**5,884.96**	**(8,361.56)**
Cash flows from financing activities					
Dividend paid	-	(138.27)	-	-	-
Share issue expenses	-	(16.50)	(1.75)	(9.50)	-
Proceeds of issue of share Capital/Premium	-	-	-	-	9,683.04
Proceeds from long term borrowings	25,046.63	10,883.20	1,358.25	55.41	-
Proceeds from short term borrowings	11,407.25	1,847.78	6,584.32	(4,844.38)	5,544.68
Net cash used in financing activities	**36,453.88**	**12,576.21**	**7,940.82**	**(4,798.47)**	**15,227.72**
Net increase in cash and cash equivalents	**1,800.38**	**(924.72)**	**1,253.45**	**(74.12)**	**766.43**
Opening Cash and cash equivalents	1,136.21	2,060.93	807.48	881.60	115.17
Closing Cash and cash equivalents	2,936.59	1,136.21	2,060.93	807.48	881.60

THE ISSUE

*The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "**Terms of the Issue**" beginning on page 258 of this Prospectus.*

Common Terms of NCDs

Particulars	Details
Issuer	India Infoline Finance Limited
Issue	Public Issue by our Company of NCDs aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million. The NCDs will be unsecured in the nature of subordinated debt and will be eligible for Tier II Capital.
Stock Exchanges proposed for listing of the NCDs	NSE and BSE
Issuance	In physical and dematerialised form
Trading	Compulsorily in dematerialised form
Trading Lot	1 (one) NCD
Depositories	NSDL and CDSL
Security	No security will be created in connection with the NCDs.
Rating	The NCDs proposed to be issued under this Issue have been rated '[ICRA]AA-(stable)' by ICRA for an amount of upto ₹5,000 million *vide* its letter dated August 14, 2012, and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹5,000 million *vide* its letter dated August 13, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier "-" (minus) reflects the comparative standing within the category. The rating of NCDs by ICRA indicates instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning 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.
Issue Schedule*	The Issue shall be open from September 5, 2012 to September 18, 2012.
Pay-in date	3 (three) Business Days from the date of receipt of application or the date of realization of the cheques/demand drafts, whichever is later.
Deemed Date of Allotment	The date on which the Board or a duly authorized committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment.

* *The subscription list for the Issue shall remain open for subscription upto 5 pm, with an option for early closure or extension by such period, upto a period of 30 days from the date of opening of the Issue, as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Issue or extension of the Issue, our Company shall ensure that notice of such early closure or extension of the Issue is given as the case may be on such date of closure through advertisement/s in a leading national daily newspaper.*

The specific terms of each instrument are set out below:

Options	I	II	III
Tenure	72 Months		

Options	I	II	III
Frequency of Interest Payment	Monthly	Annually	NA
Minimum Application	₹5,000 (5 NCDs) (for all options of NCDs, namely Options I, II and III, either taken individually or collectively)		
In Multiples of	1 NCD after the minimum application		
Face Value of NCDs (₹ / NCD)	₹1,000		
Issue Price (₹ / NCD)	₹1,000		
Mode of Interest Payment/Redemption[#]	Through Various options available	Through Various options available	Redemption through various options available
Coupon (%) for NCD Holders	12.75% per annum	12.75% per annum	NA
Effective Yield (per annum)	13.52%	12.75%	12.75%
Redemption Date	72 months from the Deemed Date of Allotment		
Redemption Amount (₹/NCD)	Face Value of the NCDs plus any interest that may have accrued	Face Value of the NCDs plus any interest that may have accrued	₹ 2054.50
Deemed Date of Allotment	Date of issue of the Allotment advice		
Nature of Indebtedness	Un-Secured Redeemable Subordinated Debt		

Credit Rating	
CRISIL	'CRISIL AA-/Stable'
ICRA	'[ICRA]AA- Stable'

[#] For various modes of interest payment, please refer page 249 of this Prospectus.

The Issue shall be made in India to investors specified under the section titled "***Who Can Apply***" in the chapters "***Issue Structure***" and "***Issue Procedure***" on page 248 and 261 respectively of this Prospectus.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as at date of this Prospectus is set forth below:

Share Capital	In ₹
Authorised Share Capital	
300,000,000 equity shares of ₹ 10 each	3,000,000,000
1,999,600 equity shares of ₹100 each	199,960,000
150 Preference Shares of ₹ 100 each	15,000
250 11% Non- cumulative redeemable preference shares of ₹ 100 each	25,000
Total Authorised Share Capital	3,200,000,000
Issued, Subscribed and Paid-up share capital	
237,154,030 Equity Shares of ₹ 10 each	2,371,540,300

Changes in the authorised capital of our Company as on the date of this Prospectus:

Date of Approval	Authorised Share Capital (in ₹)	Particulars
-	₹ 20,000,000	Authorised Share Capital of our Company on incorporation as mentioned in Clause V of the Memorandum of Association was ₹ 20 million divided into 2,000,000 Equity Shares of ₹ 10 each.
July 11, 2005 (EGM)	₹ 50,000,000	Increase of Authorised Share Capital, by creation of 3,000,000 new Equity Shares of ₹10 each. The revised Authorised Share Capital stood at ₹50 Million comprising of 5,000,000 Equity Shares of ₹10 each.
March 05, 2007 (EGM)	₹ 150,000,000	Increase of Authorised Share Capital, by creation of 10,000,000 new Equity Shares of ₹10 each. The revised Authorised Share Capital stood at ₹150 Million comprising of 15,000,000 Equity Shares of ₹10 each.
November 21, 2007 (EGM)	₹ 200,000,000	Increase of Authorised Share Capital, by creation of 5,000,000 new Equity Shares of ₹10 each. The revised Authorised Share Capital stood at ₹200 Million comprising of 20,000,000 Equity Shares of ₹10 each.
January 16, 2008 (EGM)	₹ 500,000,000	Increase of Authorised Share Capital, by creation of 30,000,000 new Equity Shares of ₹10 each. The revised Authorised Share Capital stood at ₹500 Million comprising of 50,000,000 Equity Shares of ₹10 each.
August 26, 2010 (EGM)	₹ 3,000,000,000	Increase of Authorised Share Capital, by creation of 250,000,000 new Equity Shares of ₹10 each. The revised Authorised Share Capital stood at ₹3,000 Million comprising of 300,000,000 Equity Shares of ₹10 each.
March 26, 2012 (Date of filing the High Court Order with RoC)	₹ 3,200,000,000	Increase of Authorised capital pursuant to High Court order issued on March 26, 2012 for merger of Moneyline Credit Limited, wholly owned subsidiary company, with the Company. The revised Authorised Share Capital stood at ₹3,000 Million comprising of 300,000,000 Equity Shares of ₹10 each, ₹199.96 million comprising of 1,999,600 equity shares of ₹100 each, ₹15000 comprising of 150 Preference Shares of ₹ 100 each and ₹ 25,000 comprising of 250 11% Non- cumulative redeemable preference shares of ₹ 100 each.

Equity Share Capital History of our Company:

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in ₹)	Cumulative Equity Share Premium (in ₹)
July 7, 2004	10,000	10	10	Cash	Initial subscription to MoA	10,000	100,000	-
July 21, 2004	1,990,000	10	11	Cash	Preferential allotment to India Infoline Limited	2,000,000	20,000,000	1,990,000
August 3, 2005	3,000,000	10	100	Cash	Issue of Equity Shares on a Rights basis to India Infoline Limited	5,000,000	50,000,000	271,990,000
March 26, 2007	7,000,000	10	150	Cash	Issue of Equity Shares on a Rights basis to India Infoline Limited	12,000,000	120,000,000	1,251,990,000
September 26, 2007	465,075	10	200	Other than Cash	Preferential Allotment made to India Infoline Limited[1]	12,465,075	124,650,750	1,340,354,250
November 21, 2007	1,184,925	10	283	Cash	Preferential Allotment made to India Infoline Limited	13,650,000	136,500,000	1,663,838,775
November 29, 2007	3,962,903	10	767.83	Cash	Preferential Allotment to Orient Global Tamarind Fund Pte Limited	17,612,903	176,129,030	4,667,045,555
January 18, 2008	173,650	10	1,151.74	Cash	Preferential Allotment to Bennet Coleman and Co. Limited	17,786,553	177,865,530	4,865,308,706
February 6, 2008	5,928,850	10	1014	Cash	Right Issue[2]	23,715,403	237,154,030	10,808,374,106[3]
September 24, 2010	213,438,627	10	10	Other than cash	Bonus Issue[4]	237,154,030	2,371,540,300	8,657,487,836[5]

Notes:

1. *Preferential allotment of 465,075 Equity Shares of our Company to India Infoline Limited against a consideration of transfer of 65,000 equity shares of Moneyline Credit Limited and 1,400,100 equity shares of India Infoline Distribution Company Limited to our Company.*

2. *Issue of Equity Shares on a rights basis to (i) India Infoline Limited - 4,550,000 (ii) Orient Global Tamarind Fund Pte*

Limited – 1,320,967 (iii) Bennet Coleman and Co. Limited – 57,883 - Total 5,928,850

3. *After reduction of Securities Premium Account on account of adjustment of share issue expenses (stamp duty)*

4. *The Board recommended that a sum of ₹2,134,386,270 be capitalised out of the Securities Premium Account and issued as 213,438,627 equity shares of ₹10 each credited as fully paid bonus shares to the holders of the existing Equity Shares of our Company as on date in proportion of nine equity shares of ₹10 each for every one existing equity share of ₹10 each held and that such new Equity Shares shall rank pari passu with the existing issued Equity Shares.*

5. *Pursuant to reduction of Securities Premium Account on account of issue of Bonus Equity Shares and adjustment of share issue expenses*

Shareholding pattern of our Company as on August 17, 2012:

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.	India Infoline Limited	234,457,549	234,457,549	98.87	Nil
2.	Mr. Nirmal B. Jain*	4,950	Nil	0.00	Nil
3.	Mr. R. Venkataraman*	5,000	Nil	0.00	Nil
4.	Mr. Narendra Jain*	10	Nil	0.00	Nil
5.	Mr. Amit Mehendale*	10	Nil	0.00	Nil
6.	Mr. Biren Patel*	10	Nil	0.00	Nil
7.	Mr. R. Mohan*	10	Nil	0.00	Nil
8.	Mr. Mukesh Kumar Singh*	10	Nil	0.00	Nil
9.	Bennet Colemen & Company Limited	2686481	2686481	1.13	Nil
	Total	**237,154,030**	**237,144,030**	**100.00**	**Nil**

**Nominee of India Infoline Limited*

List of top ten holders of Equity Shares of our Company as on August 17, 2012:

Sr. No.	Name of Shareholders	Address	Number of Equity Shares held	Percentage Holding (%)
1.	India Infoline Limited	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23 Thane Industrial Area, Wagle Estate, Thane – 400 604 Maharashtra India	234,457,549	98.87
2.	Bennet Colemen & Company Limited	Times of India Building, Dr. D.N. Road, Mumbai – 400 001 Maharashtra India	2686481	1.13
3.	Mr. R. Venkataraman*	604, Glen Heights, Hiranandani Gardens, Powai, Andheri, Mumbai – 400 076, Maharashtra, India	5,000	0.00
4.	Mr. Nirmal B. Jain*	101-A, Ashoka Guruprasad CHS Limited, Hanuman Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India	4,950	0.00
5.	Mr. Narendra Jain*	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23	10	0.00

Sr. No.	Name of Shareholders	Address	Number of Equity Shares held	Percentage Holding (%)
		Thane Industrial Area, Wagle Estate, Thane – 400 604 Maharashtra, India		
6.	Mr. Amit Mehendale*	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23 Thane Industrial Area, Wagle Estate, Thane – 400 604 Maharashtra, India	10	0.00
7.	Mr. Biren Patel*	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23 Thane Industrial Area, Wagle Estate, Thane – 400 604 Maharashtra, India	10	0.00
8.	Mr. R. Mohan*	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23 Thane Industrial Area, Wagle Estate, Thane – 400 604 Maharashtra, India	10	0.00
9.	Mr. Mukesh Kumar Singh*	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23 Thane Industrial Area, Wagle Estate, Thane – 400 604 Maharashtra, India	10	0.00

**Nominee of India Infoline Limited*

List of top ten holders of debt instruments, as on August 17, 2012

1. List of top Equity Linked NCD holders (issued on private placement basis):

a. I-001 Series – Index Linked NCD

Sr. No.	Name of Holder and Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Mr. Anirudh Kanubhai Desai HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	72	100,000	7,200,000
2	Mr. Suryaprakash Singapur HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	50	100,000	5,000,000
3	VTL Investments Limited HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	50	100,000	5,000,000
4	Stericat Medical Devices Private Limited Plot No-169, Sector-4, IMT Manesar, Gurgaon – 122 001	50	100,000	5,000,000

Sr. No.	Name of Holder and Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
5	Ms. Padmini Bijoykumar Mishra 403-404 Imperial Heights Nargis Dutt Road Pali Hills Bandra West Mumbai – 400 050 Maharashtra, India.	50	100,000	5,000,000
6	Mr. Ajit Nair Flat No 1280 Saroj Building Pestom Sagar Road No 1 Chembur Mumbai – 400 089 Maharashtra, India.	50	100,000	5,000,000
7	Tarte Housing Private Limited HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	35	100,000	3,500,000
8	Ms. Nandini Madan L 32 7 DLF City Phase 2 Gurgaon – 122 002 Haryana, India	25	100,000	2,500,000
9	Mr. Salil Maheshkumar Maroo 18 Laxmi Bhavan Church Gate D Road Mumbai – 400 020 Maharashtra, India.	25	100,000	2,500,000
10	Globatronix Bombay Private Limited Unit no 157 SDF V SEEPZ, Andheri East Mumbai – 400 096	25	100,000	2,500,000

b. I-002 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Mr. Raghu Hari Dalmia HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	500	100,000	50,000,000
2	Mr. Vineet Nayyar HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	100	100,000	10,000,000
3	Globatronix Bombay Private Limited Unit no 157 SDF V SEEPZ, Andheri East Mumbai – 400 096	50	100,000	5,000,000

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	Maharashtra, India.			
4	Mr. Indeep Madan HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	45	100,000	4,500,000
5	Ms. Reva Nayyar 5A Friends Colony West New Delhi – 110 065	35	100,000	3,500,000
6	Mr. Madhavdas Mathradas Sampat HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	25	100,000	2,500,000
7	Ms. Nandini Madan L 32 7 DLF City Phase 2 Gurgaon -122 002 Haryana, India	25	100,000	2,500,000
8	Mr. Vineet Nayyar 5A Friends Colony West New Delhi – 110 065	25	100,000	2,500,000
9	Ms. Ira Dass Flat 422 Block 4 The Embassy Appts Is Ali Askerao Bangalore – 560 052 Karnataka, India	20	100,000	2,000,000
10	Ms. Parizad Navroze Marshall 71 Elcid Building 7th Floor 13 Ridge Road Mumbai – 400 006 Maharashtra, India.	15	100,000	1,500,000

I-003 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Hindustan Composites Limited Paragon Condominium 1st Flr Near Mahindra Tower P B Marg Worli Mumbai – 400 013 Maharashtra, India.	300	100,000	30,000,000

c. I-004 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Hindustan Composites Limited Paragon Condominium	300	100,000	30,000,000

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	1st Flr Near Mahindra Tower P B Marg Worli Mumbai – 400 013 Maharashtra, India.			

d. I-005 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Mr. Dhiren Popatlal Nandu Clover Manor 31 A Gydney Park Gultekdi Pune – 411 037 Maharashtra, India.	100	100,000	10,000,000
2	Mr. Dilip Shrinivas Coulagi India Infoline Investment Services Limited 10th Flr, One Indiabulls Centre 841 Jupiter Mill Compound SB Marg Elphinstone West, Mumbai – 400 013 Maharashtra, India.	50	100,000	5,000,000
3	Mr. Abhay Mukund Shanbhag 14 Rajanigandha Sodawala X Lane Borivali West Mumbai - 400 092 Maharashtra, India.	33	100,000	3,300,000
4	Kolsite Maschine Fabrik Private Limited HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	30	100,000	3,000,000
5	Ms. Ira Dass Flat 422 Block 4, The Embassy Appts, Is Ali Askerao, Bangalore – 560 052 Karnataka, India	20	100,000	2,000,000
6	Mr. Jitendrakumar H Mehta HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	10	100,000	1,000,000
7	Rishiroop Polymers Private Limited 65 Atlanta Nariman Point Mumbai – 400 021 Maharashtra, India.	10	100,000	1,000,000

e. I-006 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Mr. Rajesh Haridas Asher JSW Steel Limited	50	100,000	5,000,000

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	Jindal Mansion 5 A Dr G Deshmukh Marg Mumbai – 400 026 Maharashtra, India.			
2	Mr. Vineet Nayyar HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Station Kanjurmarg East Mumbai 400042 Maharashtra, India.	40	100,000	4,000,000
3	Mr. Subrata Sen HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Stn Kanjurmarg (East) Mumbai – 400 042 Maharashtra, India.	10	100,000	1,000,000
4	Mr. Ravi Agarwal 2003 Rizh Heights Pitamber Lane Mahim West Mumbai – 400 016 Maharashtra, India.	10	100,000	1,000,000

f. I-007 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	SPA Holdings Private Limited 166 CST Road, Kalina Santacruz East Mumbai - 400 098 Maharashtra, India.	200	100,000	20,000,000

g. I-008 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Mr. Anup Premanand Ramani 302 Meera Sharatchandra Chatterjee Road East Avenue Santacruz West Mumbai – 400 054 Maharashtra, India.	40	100,000	4,000,000

h. I-009 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Ms. Padma Dalmia HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg	500	100,000	50,000,000

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	Station, Kanjurmarg East Mumbai – 400 042 Maharashtra, India.			

i. I-010 Series – Index Linked NCD

Sr. No.	Name of Holder	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Tash Investment Private Limited HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Station, Kanjurmarg East Mumbai – 400 042 Maharashtra, India.	100	100,000	10,000,000

j. I-012 Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Mr. Apurva Mahesh Shah 14th Flr, 40/41, Pleasent Palace 352, Narayan Dabholkar Road, Mumbai – 400 006 Maharashtra, India.	150	100,000	15,000,000
2	Mr. Ashit Mahesh Shah 1403, Peasant Palace, Narayan Dhabolkar Rd Mumbai – 400 006 Maharashtra, India.	150	100,000	15,000,000
3	IIFL TRUSTEE SERVICES LIMITED HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Station Kanjurmarg East Mumbai – 400 042 Maharashtra, India	125	100,000	12,500,000
4	Mr. Dhiren Popatlal Nandu Clover Manor 31 A Gydney Park Gultekdi Pune - 411 037 Maharashtra, India.	50	100,000	5,000,000
5	Jugal Kishore Bhagat HUF HDFC BANK LIMITED, CUSTODY SERVICES LODHA-I THINK TECHNO CAMPUS, OFFICE FLOOR 8, KANJURMARG EAST, MUMBAI - 400042	15	100,000	1,500,000
6	YO-YO Properties Private Limited 19/1, Camac Street,	10	100,000	1,000,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	3rd Floor, Kolkata – 700 017 West Bengal, India			
7	Ravi Bhagat 7 Hare Street 4th Floor Kolkata – 700 001 West Bengal, India.	10	100,000	1,000,000
8	Mr. Ravi Agarwal 2003 Rizh Heights Pitamber Lane Mahim West Mumbai – 400 016 Maharashtra, India.	10	100,000	1,000,000
9	Mr. Sandeep Sudershan Seth Flat No 501 5th Floor Siddhi Vinayak Pali Hill Union Park Rd 1 Khar (West) Mumbai – 400 052 Maharashtra, India.	10	100,000	1,000,000
10	Mr. Sacheendran Sudheendran 103 A 1st Floor Blossom Dosti Acres SM Road Antop Hill Wadala East Mumbai – 400 037 Maharashtra, India.	10	100,000	1,000,000

k. I-013 Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Borosil Glass Works Ltd Khanna Construction House 44 Dr R G Thadani Marg Worli Mumbai Maharashtra 400018	712	100,000	71,200,000
2	Mr. Padma Dalmia HDFC Bank Limited, Custody Services Lodha - I Think Techno Campus Off Flr 8, next to Kanjurmarg Station Kanjurmarg East Mumbai – 400 042 Maharashtra, India.	100	100,000	10,000,000
3	Microworld Software Services Private Limited Plot No 80 Road No 15 MIDC Marol Andheri East – 400 093 Mumbai, Maharashtra	50	100,000	5,000,000

I-014 Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	IL AND FS TRUST COMPANY LIMITED HDFC Bank Ltd, Custody Services	150	100,000	15,000,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400 042			
2	CONTINENTAL CONSTRUCTION INTERNATIONAL LIMITED HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400 042	50	100,000	5,000,000
3	RISHI RATANCHAND OSWAL 81/82 Solitaire CTS G470 Central Avenue Santacruz West Mumbai - 400054	40	100,000	4,000,000
4	Suman Kant Munjal House No 26, Model Town Ludhiana	25	100,000	2,500,000
5	Nitin Passi 10th Flr,One Indiabulls Centre 841 Jupiter Mill Compd SB Marg Elphinstone W, Mumbai 400013	25	100,000	2,500,000
6	Sanwar Lal Ritolia Juhu Versova Link Road Four Bunglow Tashwant Appt P No 205 206, 2nd Floor Andheri W Mumbai Maharashtra India - 400053	20	100,000	2,000,000
7	VITO INDIA ADVISORS PRIVATE LIMITED HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	10	100,000	1,000,000

l. I-015 Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	SURESH LAL GOKLANEY HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	100	100,000	10,000,000
2	SUSHIR LOHIA 12 KEDIA APARTMENTS, DOONGERSEY ROAD, MALABAR HILL MUMBAI - 400006	44	100,000	4,400,000
3	SATISH PARSRAM NASTA 701, SHUBHKAMANA , 7TH FLOOR	10	100,000	1,000,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	T H KATARIA MARG MAHIM, MUMBAI			

m. I-016 Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	LACHMAN DASS MITTAL 283, AGCR ENCLAVE KARKAR DOOMA SONALIKA HOUSE DELHI – 110092	100	100,000	10,000,000
2	AMRIT SAGAR MITTAL 283, AGCR ENCLAVE KARKARDOOMA SONALIKA HOUSE DELHI -110092	100	100,000	10,000,000
3	DEEPAK MITTAL 283, AGCR ENCLAVE KARKARDOOMA SONALIKA HOUSE DELHI -110092	100	100,000	10,000,000
4	RAJESH N BEGUR 10TH FLR,ONE INDIABULLS CENTRE 841 JUPITER MILL COMPD SB MARG ELPHINSTONE W, MUMBAI 400013	30	100,000	3,000,000
5	APEX HOLDINGS LTD 1412, PRASAD CHAMBERS OPERA HOUSE, MUMBAI - 400004	25	100,000	2,500,000
6	SHUBHADA POLYMERS PRODUCTS PVT.LTD PLOT NO C.T.S.111, SAKI VIHAR ROAD, OPP. L AND T,GATE NO. 5, POWAI, MUMBAI - 400072	20	100,000	2,000,000
7	RADHIKA KOHLI HDFC BANK LIMITED, CUSTODY SERVICES LODHA-I THINK TECHNO CAMPUS, OFFICE FLOOR 8, KANJURMARG EAST, MUMBAI -400042	10	100,000	1,000,000

n. I-017 Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Raghu Hari Dalmia HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	220	100,000	22,000,000
2	BAKULBHAI HIRALAL SHAH HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	100	100,000	10,000,000
3	ATUL HIRALAL SHAH HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	100	100,000	10,000,000
4	SURESH LAL GOKLANEY HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	100	100,000	10,000,000
5	VINAYA TRADING COMPANY PRIVATE LIMITED HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn, Kanjurmarg East, Mumbai	50	100,000	5,000,000
6	PADMA DALMIA HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn, Kanjurmarg East, Mumbai	50	100,000	5,000,000
7	YERRA PADMAJA 1/4/879/B/4, GANDHI NAGAR, HYDERABAD – 500080	50	100,000	5,000,000
8	RAJESH N BEGUR 10TH FLR,ONE INDIABULLS CENTRE 841 JUPITER MILL COMPD SB MARG ELPHINSTONE W, MUMBAI 400013	30	100,000	3,000,000
9	JAYSYNTH IMPEX LIMITED HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	25	100,000	2,500,000
10	SHUBHADA POLYMERS PRODUCTS PVT.LTD PLOT NO C.T.S.111, SAKI VIHAR ROAD OPP. L AND T, GATE NO. 5, OWAI, MUMBAI 400072	20	100,000	2,000,000

o. I-018 - Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	JASBIR SINGH MADAN HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	400	100,000	40,000,000
2	GINNI INDIA PVT LTD HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East, Mumbai	186	100,000	18,600,000
3	CONTINENTAL CONSTRUCTION INTERNATIONAL LIMITED HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400 042	50	100,000	5,000,000
4	RAJANI SUBHASH DANDEKAR HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai	25	100,000	2,500,000
5	ADITI DHANRAJ DIGHE HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai	25	100,000	2,500,000
6	RAHUL DANDEKAR HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai	25	100,000	2,500,000
7	SUBHASH DIGAMBAR DANDEKAR HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai	25	100,000	2,500,000
8	MANMOHAN KISHANLAL ANAND INDIA INFOLINE INVEST.SER.LTD 10TH FLR,ONE INDIABULLS CENTRE 841 JUPITER MILL COMPD SB MARG ELPHINSTONE W, MUMBAI 400013	25	100,000	2,500,000
9	BANDANA MADAN HDFC Bank Ltd, Custody Services	14	100,000	1,400,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai			

p. I-019 - Series – Index Linked NCD

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	KISMET EXPORTS AND INVESTMENTS PVT LTD INDIA INFOLINE INVEST.SER.LTD 10TH FLR,ONE INDIABULLS CENTRE 841 JUPITER MILL COMPD SB MARG ELPHINSTONE W, MUMBAI 400013	400	100,000	40,000,000
2	SRI GOPAL INVESTMENTS VENTURES LTD. G. K. TOWER, 19,CAMAC STREET, KOLKATA – 700017	10	100,000	1,000,000

2. List of holders of Secured Redeemable Non Convertible Debentures issued on April 20, 2010 as on* August 17, 2012*:

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Standard Chartered Bank (Mauritius) Limited – Debt Standard Chartered Bank CRESCENZO Securities Services, 3rd Floor, C – 38/39, G Block BKC, Bandra (East), Mumbai - 400 051 Maharashtra, India.	734*	1,000,000	₹ 734,000,000

**Originally 2,200 the Secured Redeemable Non-Convertible Debentures were issued out of which 1,466 debentures were redeemed in two tranches of 733 each, 8.00% Secured Redeemable Non Convertible Debentures worth ₹733 million each, w.e.f. April 21, 2011 and April 20, 2012, respectively.*

***3.* List of top ten holders of Debentures as on August 17, 2012 offered to Public pursuant to prospectus dated July 29, 2011 bearing ISIN : INE866I07206 : Series N1**

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD DEUTSCHE BANK AG, DB HOUSE, HAZARIMAL SOMANI MARG, POST BOX NO. 1142, FORT, MUMBAI-400001	2,64,148	1,000	26,41,48,000
2.	Union Bank of India C/o. ILFS, ILFS House, Plot No.14, Raheja Vihar, Chandivali, Andheri (E), Mumbai-400072	2,50,000	1,000	25,00,00,000
3.	ORIENTAL BANK OF COMMERCE 4TH FLR, COMPETENT HOUSE, F-14,	2,50,000	1,000	25,00,00,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	CONNAUGHT PLACE, NEW DELHI-110001			
4.	BANK OF BARODA DGM,BANK OF BARODA, SPECIALIZED INTEGRATED TREASURY BR., BST, 4TH AND 5TH FLOOR,C-34 G-BLOCK, BANDRA KURLA COMPLEX,MUMBAI-400051	2,50,000	1,000	25,00,00,000
5.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED HDFC BANK LTD, CUSTODY SERVICES, LODHA - I THINK TECHNO CAMPUS, OFF FLR 8, NEXT TO KANJURMARG STN, KANJURMARG EAST MUMBAI-400042	2,00,000	1,000	20,00,00,000
6.	JM Financial Products Limited 141, Maker Chambers III, Nariman Point, Mumbai, Mumbai-400021	2,00,000	1,000	20,00,00,000
7.	ICICI BANK LTD TREASURY MIDDLE OFFICE GROUP, 2ND FLOOR, NORTH TOWER, EAST WING, ICICI BANK TOWER, BKC, BANDRA (EAST), MUMBAI-400051	1,60,000	1,000	16,00,00,000
8.	AXIS BANK LIMITED TREASURY OPS NON SLR DESK CORP OFF, AXIS HOUSE LEVEL 4 SOUTH BLK WADIA, INTERNATIONAL CENTRE P B MARG WORLI, MUMBAI-400025	1,47,700	1,000	14,77,00,000
9.	PRAMERICA SHORT TERM INCOME FUND CITIBANK N. A. CUSTODY SERVICES, 3RD FLR TRENT HOUSE G BLOCK, PLOT NO 60 BKC BANDRA EAST, MUMBAI-400051	1,00,000	1,000	10,00,00,000
10.	RELIANCE LIFE INSURANCE COMPANY LIMITED DEUTSCHE BANK AG, DB HOUSE, HAZARIMAL SOMANI MARG, POST BOX NO. 1142, FORT, MUMBAI-400001	1,00,000	1,000	10,00,00,000

4. **List of top ten holders of Secured Redeemable Non-Convertible Debentures as on August 17, 2012 offered to public pursuant to prospectus dated July 29, 2011 bearing ISIN : INE866I07214 : Series N2**

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	EMERGING INDIA FOCUS FUNDS STANDARD CHARTERED BANK, CRESCENZO SECURITIES SERVICES, 3RD FLOOR C-38/39 G-BLOCK, BKC, BANDRA (EAST) MUMBAI INDIA 400051	1,14,692	1,000	11,46,92,000
2.	DILEEP RAGHU NATH HDFC BANK LTD, CUSTODY SERVICES, LODHA - I THINK TECHNO CAMPUS, OFF FLR 8, NEXT TO KANJURMARG STN, KANJURMARG EAST MUMBAI-400042	20,000	1,000	2,00,00,000
3.	MANGALA DILEEP NATH KISMAT NORTH AVENUE, SANTACRUZ W, MUMBAI, MUMBAI-400054	15,000	1,000	1,50,00,000
4.	INDIA INFOLINE FINANCE LIMITED* IIFL HOUSE, SUN INFOTECH PARK ROAD NO-16V, PLOT NO-B-23, THANE INDUSTRIAL AREA, WAGLE	6,911	1,000	69,11,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
	ESTATE, THANE, MAHARASHTRA 400604			
5.	MUKESH GUPTA 1/A NIBANA ANNEXE PLOT, NO 95-A PALI HILL, BANDRA EAST, MUMBAI-400050	5,000	1,000	50,00,000
6.	VIRATECH SOFTWARE AND DATA SYSTEMS PRIVATE LIMITED THE REGENCY, 5TH FLOOR, 6 HUNGERFORD STREET, KOLKATA-700017	3,500	1,000	35,00,000
7.	DATA INSIGHT INDIA PVT LTD PAISS C 9 ERANDWANA CO OP HSG SOC PATWARDHAN BAUG PUNE MAHARASHTRA 411004	2,500	1,000	25,00,000
8.	PRANSA INTERNATIONAL PRIVATE LIMITED 403C, WING B1, MARATHON INNOVA, OPP PENINSULA CORPORATE PARK, LOWER PAREL MUMBAI 400013	2,000	1,000	20,00,000
9.	SURENDRA KUMAR MEHROTRA MEHROTRA IMPEX INDIA, NIRYAT NAGAR OPP CIRCOIT HOUSE, MURADABAD, UTTAR PRADESH-244001	1,125	1,000	11,25,000
10.	LALIT PRAKASH AGRAWAL RUCHI AGARWAL A-26, GANDHI NAGAR MORADABAD U. P. - 244001	1,000	1,000	10,00,000

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5. **List of top ten holders of Secured Redeemable Non-Convertible Debentures as on August 17, 2012 offered to Public pursuant to prospectus dated July 29, 2011 bearing ISIN: INE866I07222: Series N3**

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	BOROSIL GLASS WORKS LTD KHANNA CONSTRUCTION HOUSE, 44 DR R G THADANI MARG WORLI, MUMBAI MAHARASHTRA, INDIA-400018	1,00,000	1,000	10,00,00,000
2.	CENTRAL BANK OF INDIA CENTRAL BANK OF INDIA, TREASURY DEPARTMENT, CHANDRAMUKHI BUILDING,NARIMAN POINT, MUMBAI-400021	50,000	1,000	5,00,00,000
3.	JANNHAVI INVESTMENT PRIVATE LIMITED 1ST FLOOR,B & C WING, SHANGRILA GARDEN, OPP.BUND GARDEN, PUNE-411001	10,000	1,000	1,00,00,000
4.	J P TRUST 33 ABCD GOVT IND ESTATE, CHARKOP, KANDIVALI WEST, MUMBAI-400067	10,000	1,000	1,00,00,000
5.	DATAMATICS GLOBAL SERVICES LIMITED KNOWLEDGE CENTRE PLOT NO 58, STREET NO 17 MIDC ANDHERI EAST, MUMBAI-400096	5,000	1,000	50,00,000
6.	RISHIROOP POLYMERS PVT LTD 65 ATLANTA, NARIMAN POINT, MUMBAI, MUMBAI-400021	5,000	1,000	50,00,000
7.	GINI CONSTRUCTION PRIVATE LIMITED 413 TANTIA JOGANI INDL ESTATE, OPP KASTURBA HOSPITAL, J R BORICHA MARG LOWER PAREL EAST, MUMBAI-400011	5,000	1,000	50,00,000

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
8.	SOUTHERN AGRO INDUSTRIES FOUDNATION 6, 4TH CROSS, RAMALINGA NAGAR, COIMBATORE, TAMIL NADU-641011	2,500	1,000	25,00,000
9.	SUDARSHAN TIE-UP PVT LTD CENTRAL PLAZA 1ST FLOOR, ROOM NO 102 2/6 SARAT BOSE ROAD, KOLKATA - 700020	1,500	1,000	15,00,000
10.	BIRLA INDUSTRIES PROVIDENT FUND 15 INDIA EXCHANGE PLACE, KOLKATA-700001	1,500	1,000	15,00,000

6. **List of top ten holders of Secured Redeemable Non-Convertible Debentures as on August 17, 2012 offered to Public pursuant to prospectus dated July 29, 2011ISIN : INE866I07230: Series N4**

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	ENAM FINANCE PVT LTD 2ND FLOOR, KHATAU BLDG, 44 BANK STREET, OFF SHAHID BHAGAT SING ROAD, Mumbai-400001	1,50,000	1,000	15,00,00,000
2.	INDIA INFOLINE FINANCE LIMITED* IIFL HOUSE, SUN INFOTECH PARK ROAD NO-16V, PLOT NO-B-23, THANE INDUSTRIAL AREA, WAGLE ESTATE, THANE, MAHARASHTRA 400604	88,503	1,000	8,85,03,000
3	CHHATTISGARH STATE ELECTRICITY BOARD (CSEB) PROVIDENT FUND TRUST SHED NO 1, DANGANIA RAIPUR - 492013	80,000	1,000	8,00,00,000
4.	CHHATTISGARH STATE ELECTRICITY BOARD GRATUITYAND PENSION FUND TRUST O/F ED FINANCE SHED NO 7 CSEB DANGANIA RAIPUR, CHHATTISGARH - 490001	75,000	1,000	7,50,00,000
5.	KANORIA CHEMICALS AND INDUSTRIES LTD. PARK PLAZA, 7TH FLOOR, 71 PARK STREET NEAR PARK, ST POST OFFICE, KOLKATA-700016	50,000	1,000	5,00,00,000
6.	PRAMERICA CREDIT OPPORTUNITIES FUND, CITIBANK N A, CUSTODY SERVICES 3RD FLR, TRENT HOUSE, G BLOCK PLOT NO. 60, BKC, BANDRA - EAST MUMBAI – 400098	40,000	1,000	4,00,00,000
7.	DADIBOYANA GURRAIAH C/O BHANWARLAL HNO15-21-150/18, SRI HANUMAN RES VIVEK NGR, KUKATPALLY NR SATBARA TEMPLE, HYDERABAD-500072	37,600	1,000	3,76,00,000
8.	YATHAM KRISHNAIAH 3-4-60 BAGH LINGAMPALLY, KACHIGUDA, HYDERABAD-500044	37,400	1,000	3,74,00,000
9.	NITISH JAIN BHARATI JAIN P O BOX NO 502345 BLOCK 5 M/S S P JAIN EDUCATION FZ LLC DUBAI INTERNATIONAL ACADEMI CITY DUBAI UA E – 111111	35,000	1,000	3,50,00,000
10	MADHU NIRMAL JAIN 101- A, ASHOK, THE GURU PRASAD CO.OP HSG SOC. LTD	27,500	1,000	2,75,00,000

	30, HANUMAN ROAD, VILE PARLE (E) MUMBAI – 400057			

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7. **List of holders of other privately placed Debentures as on August 17, 2012:**

ISIN: INE866I08097

UNSECURED SUBORDINATED REDEEMABLE NON CONVERTIBLE DEBENTURES issued on February 27, 2012

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED HDFC BANK LTD, CUSTODY SERVICES LODHA - I THINK TECHNO CAMPUS OFF FLR 8, NEXT TO KANJURMARG STN KANJURMARG EAST MUMBAI - 400 042	250	10,00,000	25,00,00,000
2.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED ED NRSM DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI 400001	250	10,00,000	25,00,00,000
3.	RELIANCE CAPITAL LIMITED 570, RECTIFIER HOUSE NAIGAUM CROSS ROAD NEXT TO ROYAL INDL.ESTATE,WADALA(W) MUMBAI – 400 031	250	10,00,000	25,00,00,000

ISIN: INE866I08105

UNSECURED SUBORDINATED REDEEMABLE NON CONVERTIBLE DEBENTURES issued on March 28, 2012

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	BIRLA SUN LIFE INSURANCE COMPANY LIMITED DEUTSCHE BANK AG DB HOUSE, HAZARIMAL SOMANI MARG POST BOX NO. 1142, FORT MUMBAI – 400 001	250	10,00,000	25,00,00,000

ISIN: INE866I07305

SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES issued on January 30, 2012

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	EMERGING INDIA FOCUS FUNDS Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East) Mumbai – 400051	22,500	10,000	22,50,00,000

ISIN: INE866I07313

SECURED RATED NON CONVERTIBLE NEGOTIABLE REDEEMABLE DEBENTURES issued on February 02, 2012

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	RELIGARE TRUSTEE COMPANY LIMITED - A/C RELIGA RE FIXED MATURITY PLAN - SERIES XI - PLAN F DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI 400001	80	10,00,000	8,00,00,000

ISIN: INE866I07321

UNSECURED REDEEMABLE NON CONVERTIBLE SUBORDINATED ZERO COUPON DEBENTURES issued on February 21, 2012

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	EMERGING INDIA FOCUS FUNDS Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East) Mumbai - 400051	50,000	10,000	50,00,00,000

ISIN: INE866I07339

SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES issued on March 02, 2012

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1.	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor C-38/39 G-Block, BKC, Bandra (East) Mumbai – 400051	30,000	10,000	30,00,00,000

Unsecured Redeemable Non Convertible Subordinated Debentures issued on January 21, 2012 as on August 17, 2012:

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	EMERGING INDIA FOCUS FUNDS Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East) Mumbai India 400051	50,000	10,000	500,000,000

Secured Redeemable Non Convertible Debentures issued on January 30, 2012 as on the August 17, 2012:

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)

Sr. No.	Name of Holder & Address	Number of Instruments	Face Value of the Instrument (in ₹)	Aggregate Amount (in ₹)
1	Emerging India Focus Funds Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor C-38/39 G-Block, BKC Bandra (East) Mumbai India 400051	22500	10000	225,000,000

Debt - equity ratio:

The debt-equity ratio of our Company prior to this Issue is based on a total outstanding consolidated debt of ₹ 59,384.31 million and consolidated shareholder funds amounting to ₹ 14,281.79 million as on March 31, 2012.

(₹ in millions)

Particulars[#]	Prior to the Issue (March 31, 2012)	Post the Issue
Secured loans	39,995.16	39,995.16
Un-secured loans	19,389.15	24,389.15
Total Debt	59,384.31	64,384.31
Share Capital	2,371.54	2,371.54
Outstanding Stock Option	-	-
Reserves	12,076.24	12,076.24
Less: Misc. expenditure (to the extent not written off or adjusted)	(165.99)	(165.99)
Total Shareholders Fund	14,281.79	14,281.79
Debt Equity Ratio (Number of times)	4.16	4.51

[#] *On a consolidated basis.*

* *The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of 5,000 million from the Issue, and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.*

For details on the total outstanding debt of our Company, please refer to the chapter titled *"**Financial Indebtedness**"* beginning on page 234 of this Prospectus.

Employee Stock Option Scheme

Pursuant to the approval given by the shareholders at their Extrordinary General Meeting held on October 23, 2007, our Company has implemented Employee Stock Options Plan, 2007 with the objective of rewarding the employees of our Company.

Under the said Scheme, our Company has granted 1,180,000 stock options to eligible employees. As on March, 2012 our Company has 4,92,000 stock options outstanding. These stock options vest in graded manner and shall be exercised within a specified period as per the terms of grants approved by the Compensation Committee.

OBJECTS OF THE ISSUE

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for the financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Fiscal 2013, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Other Confirmation

In accordance with the Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

The NCDs are in the nature of Subordinated Debt and will be eligible for Tier II capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business, except payments to be made by way of fees and commission to various IIFL Group companies that participate in the Issue as intermediaries.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

Further our Company undertakes that the Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following tax benefits *interalia*, will be available to the Debenture Holders as mentioned below. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to and redemption of the Debentures after consulting his tax advisor as alternate views are possible.

We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

To the Debenture Holder

A. INCOME-TAX

I. *To the Resident Debenture Holder*

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. No income tax is deductible at source as per the provisions of section 193 of the I.T Act on interest on debentures in respect of the following:

   (a) In case the payment of interest on debentures to resident individual or HUF Debenture Holder by a company in which the public are substantially interested in the aggregate during the financial year does not exceed ₹5000 provided the interest is paid by an account payee cheque;

   (b) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company BEFORE THE PRESCRIBED DATE OF CLOSURE OF BOOKS FOR PAYMENT OF DEBENTURE INTEREST.

   (c) When the resident Debenture Holder with PAN (not being a company or a firm or a senior citizen) submits a declaration in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil as per the provisions of section 197A (1A) of the I.T. Act. However, under section 197A (1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from deduction from tax at source if the aggregate of income of the nature referred to in the said section, *viz*. dividend, interest, etc. as prescribed therein, credited or paid or likely to be credited or paid during the Previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax, as may be prescribed in each year's Finance Act. To illustrate, as on April 1, 2012, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹200,000; in case of resident senior citizens (who are 60 or more years of age but less than 80 years of age at any time during the financial year) is ₹250,000 and in case of resident super senior citizens (who are 80 or more years of age at any time during the financial year) is ₹500,000 for Previous Year 2012-13. Senior citizens who are 65 years or more of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax i.e. ₹250,000 for FY 2012-13 provided that the tax due on total income of the person is NIL. In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act; Form No.15G WITH PAN / 15H WITH PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest.

   (d) On any securities issued by a company in a dematerialized form and is listed on recognized stock exchange in India. (w.e.f. June 1,2008).

2. Under section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding

the date of its transfer. Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 10% of capital gains calculated without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debenture from the sale consideration.

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax, then the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

In addition to the aforesaid tax, a surcharge of 5% of such tax liability, in the case of firms and domestic companies where the income exceeds ₹10,000,000 is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of taxpayers.

3. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions related to maximum amount not chargeable to tax, surcharge and education cess described at para 2 above would also apply to such short-term capital gains.

4. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. **HOWEVER IN CASE WHERE TAX HAS TO BE DEDUCTED AT SOURCE WHILE PAYING DEBENTURE INTEREST, THE COMPANY IS NOT REQUIRED TO DEDUCT SURCHARGE, EDUCATION CESS AND SECONDARY AND HIGHER EDUCATION CESS.**

II. *To the Non Resident Indians*

1. A nonresident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

   a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge, education cess and secondary & higher education cess), whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   b) Under section 115F of the I.T. Act, subject to the conditions and to the extent specified therein, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the I.T. Act in accordance with and subject to the provisions contained therein.

   c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and / or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

   d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable, to the effect that the

provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion into money of such assets.

2. In accordance with and subject to the provisions of Section 115I of the I.T. Act, Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case, please refer to para A (2, 3 and 4) for the tax implications arising on transfer of debentures.

3. Under Section 195 of the I.T. Act, the company is required to deduct tax at source at the rate of 20% on investment income and at the rate of 10% on any long-term capital gains and as referred to in section 115E; at the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian. The provisions related to surcharge and education cess described above would also apply to such income/gains.

4. As per section 90(2) of the I.T. Act read with the circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

5. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) or section 195 (3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

III. *To the FIIs*

In accordance with and subject to the provisions of section 115AD of the I.T. Act on transfer of debentures by FIIs, long term capital gains are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The cost indexation benefit will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions contained therein.

In addition to the aforesaid tax, in case of foreign corporate FIIs where the income exceeds ₹10,000,000, a surcharge of 2 % of such tax liability is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of taxpayers.

In accordance with and subject to the provisions of section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

The provisions at para II (4 and 5) above would also apply to FIIs.

IV. *To the Other Eligible Institutions*

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India be exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein.

B. WEALTH TAX

Wealth-tax is not levied on investment in debentures under section 2(ea) of the Wealth-tax Act, 1957.

C. GIFT TAX

Gift-tax is not levied on gift of debentures in the hands of the donor as well as the donee because the provisions of the Gift-tax Act, 1958 have ceased to apply in respect of gifts made on or after October 1,

1998. **HOWEVER, IF ANY INDIVIDUAL OR HUF, RECEIVES THESE DEBENTURES OF THE AGGREGATE VALUE OVER ₹ 50,000 FROM ANY PERSON OR PERSONS WITHOUT CONSIDERATION OR RECEIVES THESE DEBENTURES FOR A CONSIDERATION WHICH IS LESS THAN AGGREGATE FAIR MARKET VALUE OF THE DEBENTURES BY AN AMOUNT EXCEEDING FIFTY THOUSAND RUPEES, THERE WILL BE LIABILITY TO INCOME TAX TO THE EXTENT PROVIDED IN SECTION 56(2) (VII) OF THE INCOME TAX ACT 1961 TO SUCH RECEIVER. HOWEVER, THE DEBENTURES RECEIVED AS GIFTS FROM ANY RELATIVE AS DEFINED IN SECTION 56 (2) (VII) OF THE INCOME TAX ACT WILL NOT ATTRACT INCOME TAX LIABILITY IN THE HANDS OF THE RECEIVER.**

For Pritesh Mehta & Co
Chartered Accountants

Pritesh Mehta
(Proprietor)
Firm No 115857W
Membership No 49593
Mumbai
14 August 2012

SECTION IV - ABOUT OUR COMPANY

INDUSTRY

Unless otherwise indicated, all of the information in this section is derived from the websites of and publicly available documents from various sources, including but not limited to industry websites and publications. The data may have been re-classified by us for the purpose of presentation.

The information in this section has not been independently verified by us, the Lead Managers, the Co-Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Indian Economy

India is the largest democracy with a population of 1.2bn (Census 2011 estimate) and is also one of the fastest growing economies in the world. According to CIA World Factbook, India had an estimated GDP of approximately US$ 4.46 trillion (2011 estimate), which makes it the fourth largest economy in the world after the United States of America, China and Japan, in purchasing power parity terms.

Trends in GDP growth

Real GDP growth	2007	2008	2009	2010	2011	2012E
World	5.4	2.8	(0.7)	5.1	4.0	4.0
Advanced Economies	2.8	0.1	(3.7)	3.1	1.6	1.9
China	14.2	9.6	9.2	10.3	9.5	9.0
India	10.0	6.2	6.8	10.1	7.8	7.5
Brazil	6.1	5.2	(0.6)	7.5	3.8	3.6
Mexico	3.3	1.2	(6.2)	5.4	3.8	3.6
Russia	8.5	5.2	(7.8)	4.0	4.3	4.1

Source: IMF

Indian Financial Services Sector

The Indian financial services sector has seen considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in the recent years and the entry of sophisticated domestic and international players. Sectors such as banking, insurance, asset management and brokerage have been liberalised to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the non-banking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.

Structure of India's Financial Services Industry

The RBI is the central regulatory and supervisory authority for the Indian financial system. SEBI and the IRDA regulate the capital markets and insurance sector, respectively. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

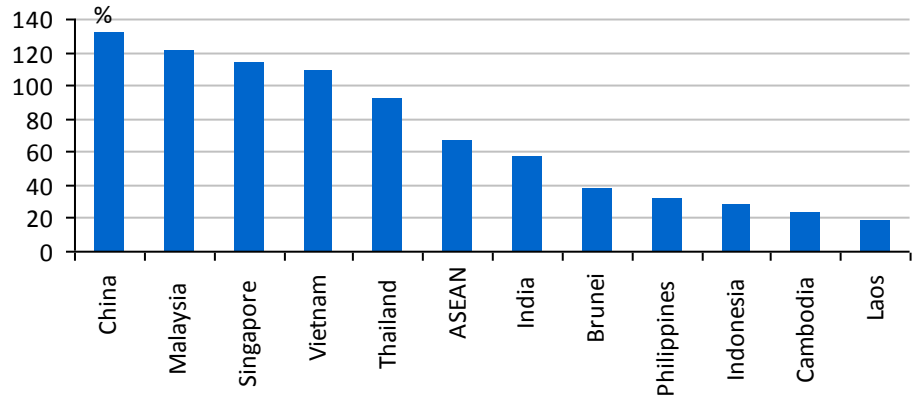
- Commercial banks;
- NBFCs ;
- Specialized financial institutions like the National Bank for Agriculture and Rural Development (NABARD), Export-Import Bank of India (EXIM Bank), the Small Industries Development Bank of India (SIDBI) and the Tourism Finance Corporation of India (TFCI);

- Securities brokers;
- Investment banks;
- Insurance companies;
- Mutual funds; and
- Venture capital funds.

Financial Intermediation and Bank Credit

Despite the rapid growth of the financial services, India remains an under-penetrated market in terms of financial intermediation. Loans/GDP at 56% compares favourably with the levels of Asian peers which are in the region of 60%-130%. The low penetration suggests rationing of credit among various constituents of the market. The penetration is even low in consumer and small business segments. Mortgage loans/GDP ratio at 9% compares even more favourably with 17%-41% for the other Asian countries. Strong growth prospects for India over the long-term would imply potential for increase in loans/GDP ratio as well. Outlook for opportunities in financial intermediation should be robust over the long term. (Source: CEIC)

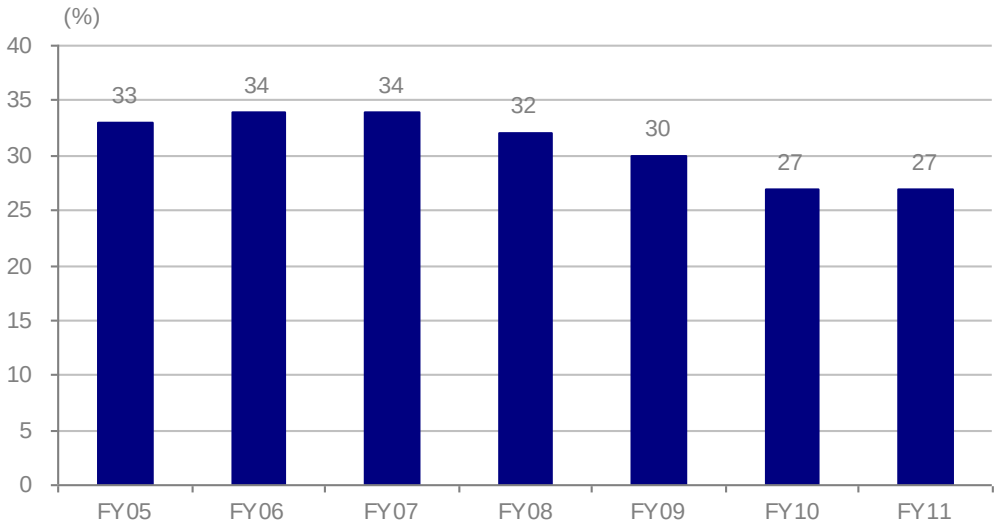
Loans/GDP ratio as at end 2010



Source: CEIC Note: For India, ratio is calculated for the YE 31 March 2011

Commercial banks are the large intermediaries in the financial services landscape by virtue of their distribution, ability to raise deposits through a licensed network and brand identity. However, a majority of the commercial banks have maintained their focus in lending on industrial and corporate loans as a legacy. As a result, lending to small businesses and consumers has always remained a smaller share of their overall lending portfolio. Lending to small businesses and consumers declined from 32% in FY08 to 27% in FY11. (Source: RBI)

Commercial banks share in business and consumer lending



Source: RBI

Non-Banking Finance Companies (NBFCs)

Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system, catering to a large market of niche customers, and have emerged as one of the major purveyors of retail and SME credit in India. It is a heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, such as accepting deposits, making loans and advances, providing leasing/hire purchase services, among others. There are over 12,000 NBFCs in India, (Source: Reserve Bank of India, Trends & Progress Report, November 2011) mostly in the private sector.

NBFCs can be divided into deposit taking NBFCs, i.e., those which accept deposits from the public and non-deposit taking NBFCs being those which do not accept deposits from the public.

Even though NBFCs perform functions similar to those of banks, there are a few differences:

1. NBFCs cannot accept demand deposits;

2. NBFCs are not a part of the payment and settlement system and as such cannot allow their customers to operate accounts through the issuance of cheques; and

3. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available for NBFC depositors.

NBFCs in India are classified into the following categories based on their activities –

1. Asset Finance company

2. Loan company

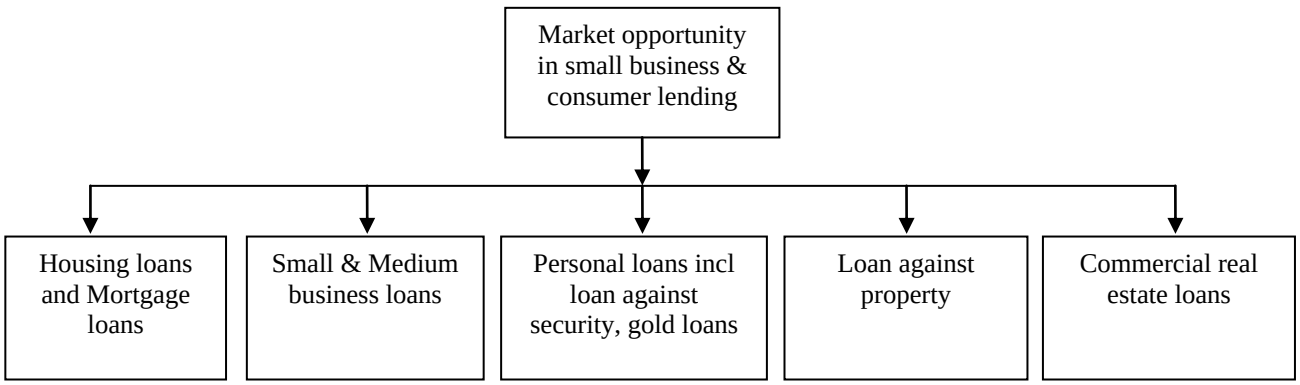
3. Infrastructure finance company

4. Investment Company

5. Core investment company

Opportunity landscape for NBFC spans across many products ranging from secured to unsecured products. Opportunity within each segment remains significantly large given the current low levels of penetration such as those for mortgage loans (9% of GDP vs 17-104% for other countries) (Source: IMF, European Mortgage Federation)

Opportunity landscape for NBFC



Key enablers of growth for NBFC

The core strength of NBFC lies in their presence in Tier II and Tier III cities, giving them a good understanding of the regional dynamics enabling them to build strong customer relationships. This coupled with product innovation and superior and timely product delivery, enables NBFC to maintain and enhance their edge despite rising competition intensity from banks.

Strong market penetration and high operating efficiency

NBFC have strengthened their presence in tier II and tier III cities where penetration is low. A significant part of the growth in NBFC is a form of substitution of credit typically to the unorganized sector, thereby contributing to the financial inclusion agenda.

Systems and process upgrade, focus on high-potential branches and enhanced orientation towards relationship based model enables NBFCs to deliver services very efficiently.

Product innovation and superior delivery

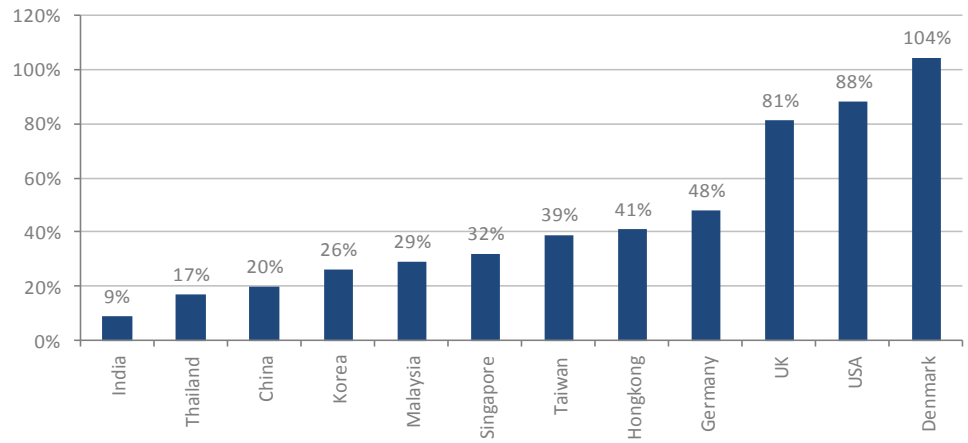
Given their deep understanding of customer needs, NBFCs focus on product innovation and customized product solutions. This helps the NBFCs maintain niche positioning and gives them an edge over the banks.

Diversification is pursued in a measured manner and largely restricted to activities that are related to the core segments.

Housing Finance Sector

Opportunity in the mortgage market remains very large. Mortgage loans/GDP ratio stands at 9% in FY11 (source: IMF, European Mortgage Federation). There is significant opportunity to grow this market driven by latent demand for housing, rising income levels and favourable affordability. Mortgage market has sustained over 25% CAGR over the last 10 years. Given the latent demand for mortgages, loan growth could be sustained at historical levels. The focus of most lenders in mortgage lending is confined to salaried urban middle to high income segments. The opportunity could be significantly expanded if the players were to focus on self employed segments as well. If the market landscape were to be expanded, potential growth rate could be even higher.

Mortgage loans/GDP ratio



Source: European Mortgage Federation, 2010, World Bank, 2010

Key drivers of demand:

1. Improved affordability:

A key driver of strong growth in mortgages over the last 10 years has been improved affordability. Rising disposable income, tax incentives and affordable interest rates have lead to improved affordability of households. Per capita net national income grew 15% CAGR during FY05 through FY11 (Source: CSO).

The Government of India (GOI) instituted several incentives for buying property by households which includes tax deduction on interest and principal repayment of home loans upto ₹150,000 and ₹200,000 respectively. The tax incentives were enhanced between FY03 and FY08 making home loans more affordable for households.

2. Increasing urbanization:

India has been witnessing rapid urbanization over the last 10 years. Urbanization rate stood at 28% in 2001 and is expected to have risen rapidly through 2011. Rapid urbanization, favourable demographics (60% of the population are between age group of 15-59 years – Source: GOI census data) are likely to create demand for new homes and hence demand for home loans.

According to CRISIL Research[##], housing stock is estimated to grow by 3.2-3.4 per cent per annum in urban areas and by 3.8-4.2 per cent annum in rural areas. In addition to the growth in housing stock, increase in finance penetration will support the industry growth. (Source: CRISIL Research, Retail Finance – Housing, August 2012)

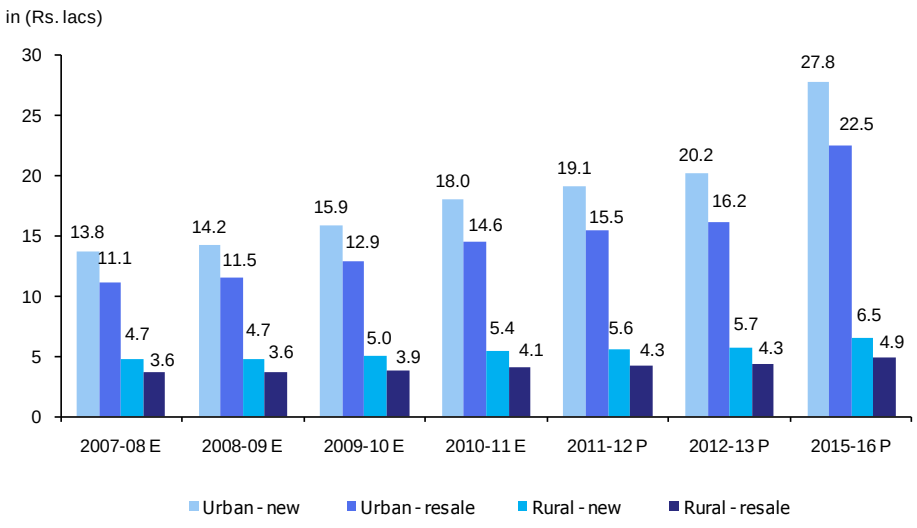
3. Rise in property prices in non-metro cities to drive increase in average ticket size

According to CRISIL Research, Average Ticket Size (ATS – a function of price per sq ft, area per unit, and the loan-to-value (LTV) ratio) is projected to increase by 7-9 per cent in 2011-12 despite stabilisation or price corrections in markets including Mumbai, Delhi-NCR region, Hyderabad and Chandigarh among others. Unsold inventories due to high interest rates may lead to further price corrections in some centres, impacting growth in ATS.

The ATS is projected to rise to ₹1.91 million in 2011-12 from ₹1.8 million in 2010-11, registering a y-o-y growth of 6.1 per cent as against 13.2 per cent witnessed in 2010-11. Our interactions with industry sources suggest that the rise in ATS will be driven by property price increases in urban pockets like Chennai, Pune, Bangalore, Ahmedabad and Kolkata.

In 2012-13, CRISIL Research estimates the ATS to grow by a marginally lower 5 – 7 % in anticipation of property prices stabilising in major metros. Increasing demand for lower priced home units will also restrain ATS growth. On account of rise in property prices and marginal increase in LTV ratio, the ATS in urban areas is expected to record a 5-year CAGR of 9.1 per cent by 2015-16. (Source: CRISIL Research, Retail Finance – Housing, August 2012)

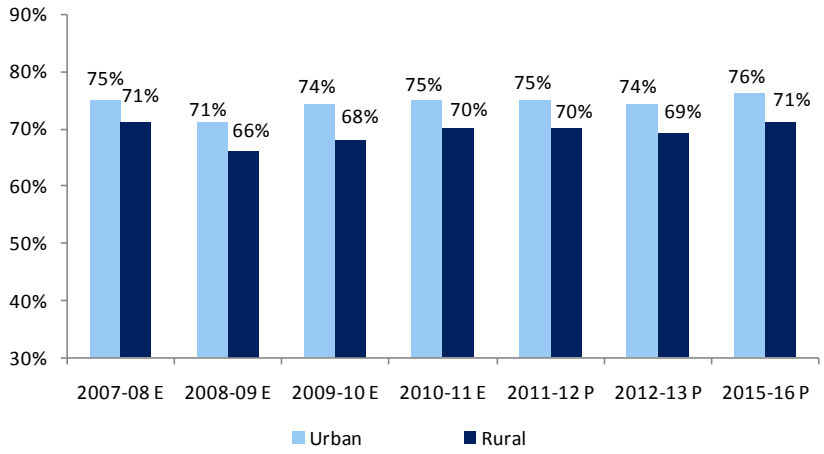
Average Ticket Size



Source: CRISIL Research, Retail Finance – Housing, August 2012

The average LTV ratio is estimated to be around 75 per cent in urban and 70 per cent in the rural area for 2010-11. In 2011-12, CRISIL Research projects average LTV ratio to remain around 75 per cent in urban areas and 70 per cent in rural areas. Factors such as regulatory obligations and prudent lending norms are expected to deter financiers from extending LTV beyond these levels.

Average loan-to-value ratio



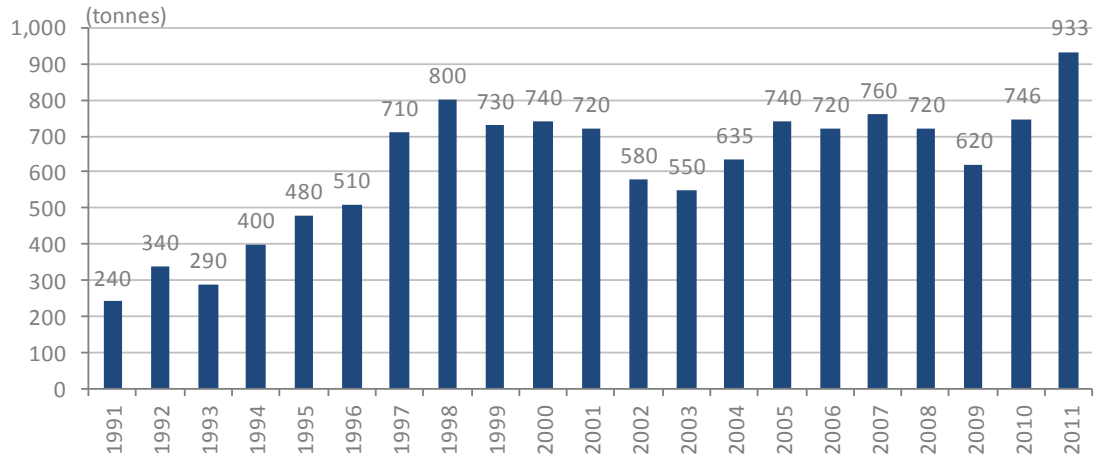
Source: CRISIL Research, Retail Finance – Housing, August 2012

GOLD LOANS

Overview of gold loan market

India is one of the largest markets for gold and accounts for around 10% of total world gold stock with an annual demand of around 700 tonnes, which witnessed sharp increase to over 900 tonnes in 2011 (source: IMaCS[$$]). Indian consumers have a strong preference for gold that emanates from cultural factors. Further, low level of financial inclusion and poor access to financial products and services make gold a safe and attractive investment proposition.

Annual purchases of Gold by India



Source: World Gold Council, IMaCS

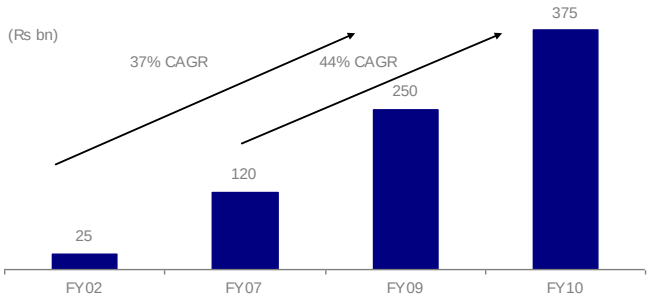
As of FY10, accumulated Gold stock in India is estimated at around 18,000 tonnes which translates into 10% of the total global gold stock (source: IMaCS). Further, Indians accounted for 20% of global gold jewellery demand. During the period 2002-09, annual gold demand has remained relatively stable at around 700 tonnes

despite the rise in prices from ₹ 15,026 to ₹ 51,150 per ounce. South India is the largest market accounting for 40% of gold demand, followed by West at around 25%, North at 20-25% and East at around 10-15% of annual Gold (source: IMaCS).Industry experts predict a favourable outlook for gold for coming years as well, as India registers strong growth that is expected to continue fuelling the appetite for gold. Further, growth in middle income classes and increase in the earning capacity of women; a core customer group for gold is expected to further boost the demand of gold loans.

Size and Potential of Gold Loans Market in India

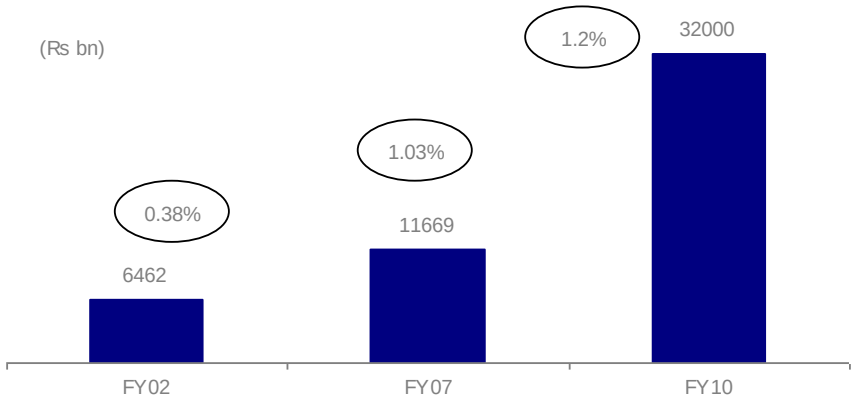
The organised gold loans market in India is estimated at around ₹ 350-400 billion in FY10 and estimated to increase to ₹ 520-550 billion in FY11 (source: IMaCS). At this size, the organised gold loans market translates into 1.2% of the value of total gold stock in India (source: IMaCS) and signifies a hugely under penetrated market with a large potential. The organised segment has registered a growth of 35-45% and is expected to continue growing at the same rate over the next few years (source: IMaCS).

Gold loan market in India



Source: IMaCS

Penetration of gold loans in India



Source: IMaCS

In addition to a growing organised gold loans market, in India, there is a large long-operated, un-organised gold loans market which is believed to be several times the size of organised gold loans market. There are no official estimates available on the size of this market which is marked with the presence of numerous pawnbrokers, money lenders and cooperative societies operating on a local level. These players are quite active in rural areas of India and provide loans against jewellery to families in need at interest rates in excess of 30 percent (source: IMaCS). These operators have a strong understanding of the local customer base and offer an advantage of immediate liquidity to customers in need, without requirements of any elaborate formalities and documentation. However, these players are largely un-regulated leaving the customers vulnerable to exploitation at the hands of these moneylenders and pawn-brokers. Going forward, we believe that as organised players, particularly NBFCs, become more aggressive in the gold loans market, a significant part of the gold loans should shift from the un-organised lenders to the organised lenders, thus fuelling a strong growth in the organised market. The RBI has recently capped loan to value ratios for gold lending at 60% (NBFC industry average of 70%-75%) and increased Tier I capital requirement for companies primarily involved in gold lending (such loans comprising 50% or more of their financial assets) to 12%. This is expected to drive some moderation in the growth hitherto

seen in this segment. However, underlying demand and promotion by banks and finance companies would continue to drive strong growth prospects over the long term.

Gold loans have shown a dynamic growth in the past and are expected to demonstrate the same in the future. The following are the key demand drivers of gold loans.

High Levels of indebtedness: The NSSO 2003 survey on situational assessment of farmers' indebtedness in the country estimated that 60.4 % of rural households were farmer households, and of them 48.6 % were indebted. The incidence of indebtedness was highest in Andhra Pradesh (82%) followed by Tamil Nadu (74.5 %), Punjab (65.4 %), Kerala (64.4 %), Karnataka (61.6 %) and Maharashtra (54.8 %).

Policy Focus: Government views gold loans as effective means to meet the potential micro-finance demand in India. In 2006-07, Government of Tamil Nadu set a target of jewel loans worth ₹ 60 billion (75% of the total loan disbursement target) for co-operatives in Tamil Nadu (source: IMaCS).

Increasing interest of the lenders in the segment: Given the recent rise in default rates in the personal loan category, banks have started focusing on the gold loans segment, as the segment offers attractive returns (though lower than personal loans) with very low levels of defaults.

Changing customer attitudes and preferences: Indian customers are experiencing changing psychographics ('debt-averse psychology') promoting creation of assets through growth in financial liabilities which is reflected in an annual growth of more than 35-40% in retail credit over the FY02-10 ***(source: IMaCS)***.

There is a strong view that gold loans market can be expanded to Northern and Western regions of India, if one were to launch a targeted promotion and consumer education campaign. Several large Finance companies started expansion efforts in these regions and the initial response has been favourable.

Key competitive advantages of gold lending NBFCs:

Fast Turnaround: NBFCs ensure disbursal of loans from a minute to an hour compared to banks, where the time to disburse the loans can range from 2-3 hours to 1-2 days (source: IMaCS). NBFCs have trained valuers at each of the branches to expedite the process. On the other hand, banks do have a panel of approved valuers, who visit the bank regularly, but on several occasions, the valuers are not available instantly.

Minimal documentation: NBFCs typically work on referrals and knowledge of local markets and check for only basic documents such as identity proof/residence proof, while banks insist on full compliance to KYC norms and also require new savings bank account to be opened by the customer with the bank, if the customer does not have one with the bank.

Higher comfort level to customers: Pledging of gold entails a sense of loss of pride for Indian customers. Hence, they are more comfortable in discreet transaction, which is difficult in the open and elaborate settings of a bank branch.

Ability to handle Cash Transactions: Around 75-80% of gold loans (source: IMaCS) are offered as cash. NBFCs have developed special cash handling capabilities and are not constrained by the norms for banks which restrict cash dealings.

Overview of loan against property

Loan against property is a secured avenue for lending to small businesses against their working capital and or project finance needs. The opportunity landscape is very large given that small businesses do not get adequate flow of credit from the commercial banks but make a significant contribution to the economic growth. According to Annual Survey of Industries estimate for 2008-09 published by Ministry of Statistics and Program Implementation, firms with capital invested with ₹100mn or below accounted for 21% of the capital invested by industry and 31% of the value of output. Bank financing accounted for less than 20% of the invested capital of these firms.

Overview of loan against security

Loan against security is yet another avenue for lending to small businesses as well as households to tide over their financing gaps that arise from time to time. Loan against security constitutes an insignificant part of the current market landscape. Potentially, this could be a significant opportunity given that many small and medium enterprises aspire to grow large. This product effectively serves the purpose of providing bridge financing for asset acquisition as well as infusion of capital into new ventures. There is no estimate of potential market available, however, given the role that small businesses play in the overall economic development, this would likely be a huge opportunity.

HEALTHCARE

(Source: India Brand Equity Foundation)

The Indian healthcare market is one of the prominent contributors to the country's gross domestic product (GDP) having attracted large number of players- domestic as well as international – during the past few years. Highly qualified doctors and scientists, state-of-the-art technology and low costs have helped India become an attractive global destination for medical tourism, clinical studies, and research and development (R&D) programs.

The sector offers massive growth potential and a chance to capitalise on its expansion, especially as the country sees a rise in the incidence of lifestyle-related diseases. A growing elderly population paired with a rise in income levels also emphasise the need for better facilities in the country.

The sector comprises the hospitals and allied sectors such as diagnostics and pathology, medical equipment and supplies, and medical tourism

Healthcare – Market Size and Potential

The US$ 50 billion-a-year health care industry has grown rapidly and is now the second-largest service-sector employer in the country, providing jobs to about 4.5 million people directly or indirectly. Currently, 8 per cent of India's GDP is spent on healthcare. By 2020, the Indian healthcare industry is estimated to be worth US$ 275.6 billion.

A growing economy, lifestyle related health issues, improving healthcare insurance penetration, government initiatives and increasing disposable income are the key drivers that will create a robust future for this industry.

The industry has witnessed the establishment of world class pharmaceutical manufacturing and emergence of a vibrant biotechnology industry. Medical tourism too has been rising in recent years. To conclude, the Indian healthcare sector is on a fast growth track.

Medical Equipment and Devices

On the back of relatively low customs duty rates (9.2 per cent – 25 per cent) combined with an increasing number of healthcare centres specialising in advanced surgery, India offers substantial opportunities for the direct supply of high-technology, specialised medical equipment, products and systems.

Healthcare - Government Initiatives

The Ministry of Health & Family Welfare proposes that domestic funding should be increased to at least 2 per cent of the GDP in the 12th Plan period.

The Government has increased the plan allocation for the public health spending to US$ 5.96 billion in 2011-12 from US$ 4.97 billion in 2010-11 and US$ 4.35 billion in 2009-10 respectively.

Note:

[##]Disclaimer of CRISIL Research

CRISIL limited has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy

or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

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OUR BUSINESS

In this section only, any reference to "we", "us" or "our" refers to India Infoline Finance Limited and its Subsidiaries. Unless stated otherwise, the financial data in this section is as per our reformatted consolidated financial statements and reformatted unconsolidated financial statements prepared in accordance with Indian GAAP set forth elsewhere in the Prospectus.

*The following information should be read together with the more detailed financial and other information included in this Prospectus, including the information contained in the chapter titled "**Risk Factors**" beginning on page* XI.

Overview

We are a systemically important non-deposit taking NBFC focusing on Mortgage Loans, Capital Market Finance, Gold Loan and Healthcare Finance. We are a subsidiary of India Infoline Limited ("IIFL"), a diversified financial services company. We offer a broad suite of lending and other financial products to our clients both retail and corporate. Our lending and other financial products include:

- ***Mortgage Loans,*** which includes Housing Loans and Loans against Property.
- ***Capital Market Finance,*** which includes Loans against Securities, Promoter Funding, Margin Funding, IPO financing and other structured lending transactions.
- ***Gold Loans,*** which includes finance against security of mainly used gold ornaments.
- ***Healthcare Finance***, which includes finance for medical equipments and project funding in the healthcare sector.

As on March 31, 2012, Mortgage Loans accounted for 44.70% of our Loan Book, Capital Market Finance accounted for 11.86% of our Loan Book and Gold Loans accounted for 41.07% of our Loan Book. Health Care Finance is a recent product which has been introduced in FY 2011.

We received a certificate of registration dated May 12, 2005 bearing registration no. - B-13.01792 from the Reserve Bank of India for carrying on activities of a Non Banking Financial Company. India Infoline Housing Finance Limited ("***IIHFL***"), and India Infoline Distribution Company Limited ("***IIDCL***") are our wholly owned subsidiaries. IIHFL received a certificate of registration from the National Housing Bank ("***NHB***") on February 3, 2009 to carry on the business of a housing finance institution.

Our Promoter, IIFL is a financial services organization having presence across India. The global footprint extends across geographies with offices in New York, London, Geneva, Hong Kong, Singapore, Dubai, Mauritius and Colombo. It is listed on BSE and NSE. IIFL Group's services and products include retail broking, institutional equities, commodities and currency broking, wealth advisory, credit & finance, insurance broking, asset management, financial products distribution & investment banking. The product/ services portfolio of IIFL caters to the diverse investment and strategic requirements of retail, institutional, corporate and affluent clients. As on March 31, 2012, IIFL has presence in over 4000 business locations which include over 1,900 branches and over 2,300 registered franchisees, spread across 959 cities in 28 states and union territories in India. We leverage extensively on the infrastructure, distribution network and insights of IIFL Group into market and customer needs.

Over the past several years, we have expanded our presence into markets that are of greater relevance to the products we offer. Portfolio performance and profitability are the factors that drive the branch network. As of March 31, 2012, we have a total of 1,323 branches – 34 branches for our Mortgage Loans and Healthcare Finance distribution network of which 32 branches are co-located with the branch network of IIFL Group and a total of 1297 gold loan branches out of which 1180 are exclusive Gold Loans branches. Our Capital Market Finance business is sourced through direct sales, branch network, retail and wealth teams of IIFL. As of March 31, 2012, we have an access to over 2,900 sales executives from the retail teams and over 120 sales executives from the wealth teams of IIFL for our Capital Market Finance business. Our Company's employee strength as on March 31, 2012 was 6,094.

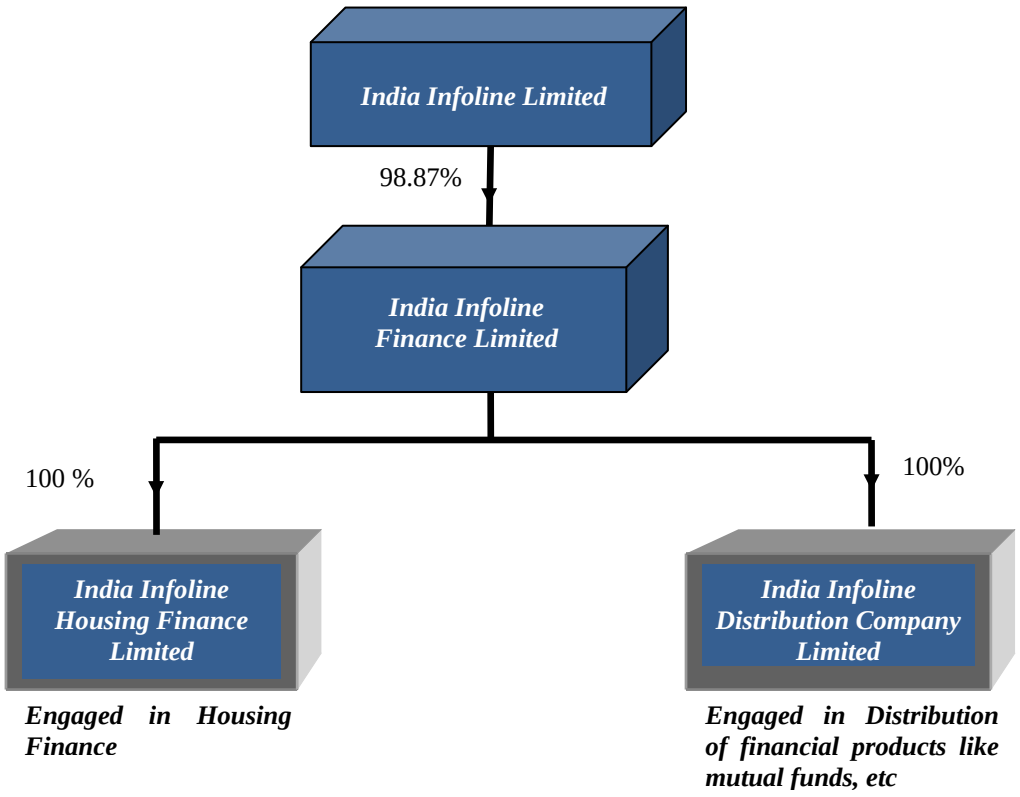
Our Consolidated Income from Operations and Profit after Tax (PAT) for the financial year ending March 31,

2012 was ₹ 9084.58 million and ₹ 1053.81 million respectively. Our Consolidated Income from Operation and Profit after tax has grown at a CAGR of 54.33% and 44.85% respectively over the last four years. Our Loan Book has grown at a CAGR of 63.82% over the last four years.

Operational & Financial Parameters (Consolidated)	FY 12	FY 11	FY 10	FY 09
Loan Book (₹ million)	67,464.86	32,889.74	16,267.84	9,560.35
Total Borrowings (₹ million)	59,384.31	22,930.41	10,199.42	2,256.85
Net Worth (₹ million)	14281.79	13,412.03	12,644.30	12,108.12
Debt Equity ratio (x)	4.16	1.71	0.81	0.19
Capital Adequacy Ratio (%)*	17.86	29.95	47.65	97.77
Net NPA (%)	0.40%	0.36%	0.46%	-
Net Interest Income (₹ million)	4080.49	2,263.14	1,741.85	1,665.06
Yield on Earning Assets (%)	16.76%	14.31%	17.01%	15.28%
Cost of Funds (%)	11.26%	9.43%	9.52%	9.67%
Net Interest Spread (%)	5.49%	4.88%	7.49%	5.61%
Net Interest Margin (%)	7.45%	7.17%	15.30%	13.95%
Cost to average assets	12.44%	9.04%	8.59%	8.16%
Cost to Income (%)	84.25%	74.20%	67.26%	63.90%
RoA (%)	1.63%	2.16%	2.94%	3.70%

**standalone*

Our Corporate Structure



OUR STRENGTHS

Our Parentage

We believe we benefit extensively from our Promoter, IIFL, which is a diversified financial services company with a pan-India presence. IIFL is a well established brand among retail, institutional and corporate investors in India. IIFL along with its subsidiaries offers a wide range of products and services including retail broking, institutional equities, commodities and currency broking, wealth advisory, credit & finance, insurance broking, asset management, financial products distribution & investment banking. IIFL offers advisory/ broking/ distribution services in certain overseas locations through its overseas subsidiaries. IIFL is currently listed on BSE and NSE. The IIFL brand is associated with trust, knowledge leadership and high quality services. We believe we have been able to leverage on our Promoter to grow our business, build relationships and also attract talent. We extensively leverage upon IIFL's distribution network and its understanding of the market and customer needs.

We draw upon a range of resources and shared resources from IIFL such as human resources, operations, information technology, accounts, legal & compliance, audit, administration, infrastructure, etc. We believe we can further leverage upon the branch network of IIFL for expansion, new product launch & building scale. For further information please refer to the chapter titled "***Our Promoter***" on page 93 of this Prospectus.

Secured Loan Book and Strong Asset Quality

Since 2008, we have been providing only secured finance which ensures lower NPAs and lesser recovery related problems. As of March 31, 2012, over 99% of our Loan Book on a consolidated basis is secured.

The Mortgage Loans are secured with a mortgage of residential property, land, commercial properties, which are either under construction or fully developed. Additionally, the disbursements are collaterally secured by a guarantee from the borrower or with a co-applicant. The Capital Market Finance loans are secured by specified equity shares, vested ESOPs, mutual fund units, structured notes bonds, debentures and collaterals approved by the Approval Committee ("***Approved Securities***"). As a policy, for Mortgage Loans we lend up to 65% of value of property for Loan Against Property and upto 80% for Home Loans. For our Capital Market Finance we finance upto 90% of value of the Approved Security depending on the type and liquidity of the Approved Security with a daily monitoring of margins. As per our existing policy, Gold Loans are secured against used gold ornaments upto 60% of the gold jewellery value. We believe this policy provides us a cushion against possible defaults. We believe that our robust credit approval mechanisms, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan portfolio.

We maintain provisions on our Loan Book on a conservative basis. Our provision coverage ratio is 28.07% of gross NPAs as on March 31, 2012. As on March 31, 2012 on a consolidated basis our net NPA constituted 0.40% of our Loan Book, as compared to 0.36% of our Loan Book as on March 31, 2011.

We are adequately capitalized to fund our growth

We are subject to capital adequacy ratio ("**CAR**") requirements prescribed by RBI. We are currently required to maintain a minimum of 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. As part of our governance policy, we ordinarily maintain capital adequacy higher than statutorily prescribed CAR. As of March 31, 2012 our capital adequacy ratio computed on the basis of applicable RBI requirement was 17.86% as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI for FY11.

Set forth below is our capital adequacy ratio for the last four fiscal years on a standalone basis.

Year	FY 2012	FY 2011	FY 2010	FY 2009
Capital Adequacy Ratio	17.86%	29.95%	47.65%	97.77%

Access to cost effective funding sources

Our fund requirements are currently predominantly sourced through term loans from banks, issue of redeemable non-convertible debentures on a private placement basis and cash credit from banks including working capital loans. We have accessed funds from a number of credit providers, including nationalized banks and private Indian banks. We believe that we have developed stable long term relationships with our lenders and have established a track record of timely servicing of our debts. We also place commercial paper and access inter-corporate deposits.

We believe that we have been able to achieve a relatively stable cost of funds despite the difficult conditions in the global and Indian economy and the resultant reduced liquidity and an increase in interest rates, primarily due to our improved credit ratings, effective treasury management and innovative fund raising programs. We believe we are able to borrow from a range of sources at competitive rates.

Set forth below is our Average Cost of Borrowing for the last four fiscal years on a consolidated basis.

Year	FY 2012	FY 2011	FY 2010	FY 2009
Average Cost of Borrowing	11.26%	9.43%	9.52%	9. 67%

Well Defined Processes

We believe our well defined business processes ensure complete independence of function and segregation of responsibilities. Our robust credit approval and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies and approving all loans at transaction level and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification and fraud and KYC check, personal meetings with clients and audit before disbursement of loans.

For our Mortgage Loans and Health Care Finance, the credit department evaluates proposals focusing on both the borrower and the security which includes evaluation of the security on various legal and technical parameters like title reports from empanelled lawyers. For our Capital Market Finance business, the credit department evaluates proposals focusing on both the borrower and the security with additional focus on quality and liquidity of security.

Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries. We believe our procedures have ensured that the eventual write off due to non recovery have remained less than 2% of Loan Book during the last three fiscals.

Access to Extensive Distribution and Branch Network

We have access to the pan India branch and distribution network of IIFL Group especially for our Mortgage Loans, Capital Market Finance and Healthcare Finance businesses. The Healthcare Finance & Mortgage Loan businesses are now integrating with the Gold Loan Branch Network based on the credit experience of the locations & competition presence & performance.

As of March 31, 2012, our Mortgage Loans and Healthcare Finance distribution network consists of 34 branches of which 32 branches are co-located with the branch network of IIFL Group With an access to about 79 relationship managers and a network of 208 DSAs and 19 FOSs. Our Capital Market Finance business is sourced across country by the existing retail & wealth teams of IIFL which include 2,900 sales executives from the retail team and 120 sales executive relationship managers from the wealth teams of IIFL all over India.

We have also established 1297 branches across 502 locations spread all around India for our Gold Loans business. Our exclusive Gold Loan branches have increased from 265 in March 31, 2011 to 1297 branches in March 31, 2012.

We believe that access to such an extensive distribution network enables us to service and support our existing customers from proximate locations which gives our customers easy access to our services and enables us to reach new customers. We believe we can leverage on this existing branch network for further expansion, new product launch and building scale.

Experienced Management Team

The Board of Directors comprises of 6 directors with significant experience in the banking and finance sector. The members of our executive management team have significant experience in the products and services offered by us. We believe that our senior management and talented and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses. We believe that the extensive relevant experience and financial acumen of our management and executives provides us with a distinct competitive advantage. Our management organization structure is designed to support each product line by a dedicated team of executives with substantial experience in their particular business segment.

Technology, Analytics and Credit bureau usage

We believe that our robust loan management system, analytics ability & extensive usage of the credit bureau and other allied KYC procedures offers us a significant competitive advantage. Our systems have the capability of end to end customer data capture, computation of income, margin monitoring, collateral data capture, and repayment management. Our loan approval is controlled by the loan application system. We believe our monthly analytics reports including–through–the-door and credit–information tracking are efficient tools for ensuring risk management-controls & compliance.

Our systems are custom designed for our services and help us reduce people contact time and enhance our processes and operational excellence. Our systems fully integrate businesses in every aspect bringing together various departments in simple transitions and customer information updates. Technology gives us the ability to integrate cash flows in real time and allows us better informed decision making with instantaneous access to record and information.

OUR STRATEGIES

Our key strategic priorities are as follows:

Focus on retail and secured lending

We wish to increase our focus on diversified secured loan portfolio in niche and promising segments including home loans, loans against property, loans against securities, gold loans etc by utilizing the gold loan branch network to reach across the country. This business is intended to provide scale & diversify the risk across geographies, industries & collaterals. We will try to continue to source a 100% secured book with high quality of credit.

Enhancing the product bouquet

We are focused on expanding our product portfolio, which now also includes financing for medical equipments and project loans. We believe by introducing new product lines we will be able to better satisfy our client needs and will further aid portfolio diversification. Further, this will help us to maintain relations with the customer throughout the product lifecycle and also offer us an opportunity for repeat business and cross selling of other products.

Widening the Distribution Network

A good reach is very important in our business. Business potential & competitor experience are some of the key factors considered for expansion. Portfolio performance and profitability are the factors that drive the branch network. Currently most of our businesses are present in key locations for sourcing businesses which have historically displayed a sound credit performance. We intend to further leverage on the distribution network by integrating all products with the Gold Loan Branch Network based on the credit experience of our team and the competitors.

Building a robust IT infrastructure and IT systems

We have our own proprietary system for loan processing & booking. The in-house loan application system has been built utilizing the expertise of the business & technology teams. We also source best in-class IT infrastructure from reputed vendors. We will continue to invest in our IT infrastructure as we believe technology & better system driven processes will aid us in growth without comprising on the quality of assets/customers.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business.

OUR PRODUCTS

Our product portfolio consists of Mortgage Loans, Capital Market Finance, Gold Loans and Healthcare Finance. In FY 2009, we have discontinued financing unsecured loans. Our product wise Loan Book on a consolidated basis is as under:

Break-Up - Product Wise

(₹in million)

Product (Consolidated)	March 31,			
	2012	2011	2010	2009
Mortgage Loan	30144.56	19,571.25	6,861.67	5,445.25
Capital Markets Financing	7496.75	11,560.83	8,429.45	2,327.20
Gold Loan	27706.43	1,288.40	-	-
Healthcare Financing	1515.61	139.96	-	-
Commodity Funding	503.03			
Personal Loan/Business Loan	98.49	329.30	976.72	1,787.90
Total Loan Book	**67,464.87**	**32,889.74**	**16,267.84**	**9,560.35**

Break-Up - Company Wise

(₹in million)

Name of Company	March 31,			
	2012	2011	2010	2009
India Infoline Finance Limited	64934.41	28,587.16	14,303.25	6,674.32
Moneyline Credit Limited	Merged in our Company	1,290.46	1,479.12	2,755.98
India Infoline Housing Finance Limited	2530.46	3,012.12	485.47	130.05
India Infoline Distribution Co. Limited	Nil	Nil	Nil	Nil
Total Loan Book	**67,464.87**	**32,889.74**	**16,267.84**	**9,560.35**

A. Mortgage Loans

Mortgage Loans include Retail Mortgage Loans and Corporate Mortgage Loans. These loans are bifurcated into Housing Loans and Loans Against Property.

As on March 31, 2012 our Mortgage Loans accounted for 44.7% of the consolidated Loan Book.

Mortgage Loans portfolio includes Housing Loans and Loans Against Property in the range of ₹ 0.5 million to ₹ 250 million categorized as retail and above ₹ 250 categorized as corporate as per the policy followed by our Company.

- Housing Loans includes finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes and for acquiring plots of land.
- Loan Against Property ("**LAPs**") is availed for, working capital requirements, for business use or acquisition of new property and for financing construction projects.

Housing Loans and LAPs are secured by equitable mortgage or a registered mortgage of the residential

property, land, under construction residential/ commercial properties and fully constructed properties, as applicable. We also obtain personal guarantees from all property owners. As a policy for the retail segment we lend up to 65% of value of property for Loan Against Property and upto 80% against value of property for Housing Loans. For the corporate segment we lend up to 50% of the value of the property. Additionally we also obtain personal guarantees from promoters, key shareholders and directors and all property owners including corporate guarantee of company, charge on sales receivables on the project, pledge of shares (in case of private limited/limited companies) from all property owners. The Corporate Mortgage Loans are availed by real estate developers and large corporates.

Pricing of Retail Mortgage Loans is driven by the risk profile of the borrower, the product and the market demand. Loan applications are sourced through direct sourcing model, DSA network & other alternate channels.

The pricing in case of Corporate Mortgage Loans is driven by the risk profile of the borrower, the product and the market demand.

End to end processing time for loan applications is typically within 20 working days from date of receipt of complete application.

The maximum tenure for Housing Loans is 240 months while the average sanction tenure is 153 months. The maximum tenure of Loans Against Property is 180 months while the average sanction tenure is 120 months.

B. Capital Market Finance

As of March 31 2012 our Capital Market Finance accounted for 11.86% of our Loan Book on a consolidated basis.

Capital Market Finance includes

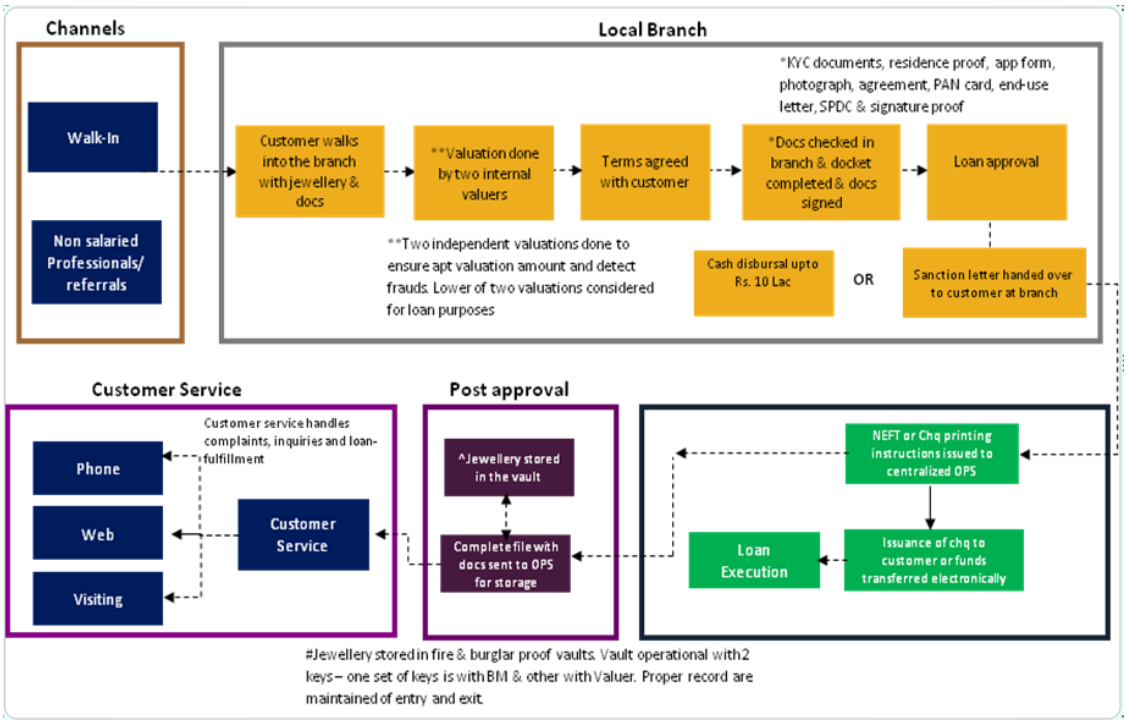
- Loan against Securities
- Margin funding for broking clients
- IPO financing
- Promoter Financing
- Open offer financing

Our Capital Market Finance products are secured by pledge of listed equity shares, vested ESOPs, mutual fund units, structured notes bonds, debentures and collaterals approved by the Credit Policy ("Approved Securities") and in appropriate cases by mortgage of real estate alongwith Approved Securities. Depending on the quality of the security, we lend up to 90 % value of the Approved Security except in case of IPO Financing where margins are dependent on Over Subscription of the Issue. The maximum tenure for Capital Market Finance is 12 months while the average tenure is three to four months.

The target customers are promoters, high net worth individuals, corporate & NBFCs, individuals, proprietary firms, corporate entities, private trusts or partnership of individuals and limited liability partnership. We provide single party loan exposure upto ₹1,800 million and group exposure upto ₹3,000 million, subject to RBI credit concentration norms.

We believe we have a competitive edge with respect to our Capital Market Finance business considering our margins, our ability to execute structured and unique transactions with quick turnaround, higher single party and group exposure as compared to peers, competitive rate of interest, and best in the class loan management system for superior client experience.

C. Gold Loans



As of March 31, 2012 Gold Loans accounted for 41.07% of the consolidated Loan Book.

Gold Loans are as per our policy offered with a minimum ticket size of ₹ 5,000 and maximum ticket size of ₹ 2,000,000 against security of used gold ornaments. We cater typically to individuals such as small businessmen, vendors, traders, farmers and salaried people, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us rather than by taking loans from banks and other financial institutions. We provide retail loan products based on the requirements of the borrower and have various schemes that have been developed to suit their borrowing requirements. The amount that we finance against the security of gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery valued as per our centralised policies and guidelines.

The pricing is driven by the risk profile of the borrower, the product and the market demand. The maximum tenure for Gold Loans is 12 months while the average tenure is 4 months. As a policy we currently lend up to 60% of the value of the gold jewellery for our Gold Loan. Our Gold Loans are therefore well collateralized because the actual value of the collateral in all cases will be higher than our appraised value.

Some of the our differentiators in this business are –

- Competitive rates with customized schemes to accommodate customer requirements
- Flexible payment option - monthly or quarterly payment facility

D. Health Care Financing

Health Care Financing includes

- Finance of new medical equipment, existing lien free equipment
- Finance of ancillary & refurbished equipment, receivables & brown field projects
- Balance transfer of existing loan

We provide health care finance to clinics, diagnostics/pathology centres, nursing homes, hospitals, medical/dental colleges against security of equipment, personal guarantee, and mortgage of property.

Personal guarantee is mandatory in all cases where loans are procured by individual doctors. We provide finance upto ₹ 2,500 million.

The pricing is driven by the risk profile of the borrower, the product and the market demand. The maximum tenure for Healthcare Financing as per our internal policy is 84 months while the average tenure is 61 months.

The Healthcare Financing team co-locates with the existing branch network of the mortgage & gold loan branches and further compliments the business strategy. Given the nature of the business which involves complex structures and deep understanding of the business segment often the sales leads are self originated. The sales leads are originated through branches across the country which is spearheaded by independent regional sales managers. In addition we have association with direct sales agents and alternate channel partners for sourcing the Health Care business. Most importantly our direct & preferential tie-ups with large & well reputed manufacturers of medical equipment aid in generating a large number of high quality leads.

End to end processing time for loan applications is typically 7-30 working days from date of receipt of the application.

Our Subsidiaries

India Infoline Housing Finance Limited

IIHFL is a wholly owned subsidiary of our Company. IIHFL received a Certificate of Registration from the National Housing Bank ("***NHB***") in February 2009 to carry on the business of a housing finance institution. IIHFL offers housing finance loans to individual borrowers & companies.

(₹in million)

Loan Book	March 31,			
	2012	2011	2010	2009
Mortgage Loan	2530.46	3,012.12	485.47	130.05

Financials of IIHFL for last four years

(₹in million)

Particulars	March 31,			
	2012	2011	2010	2009
Operational Income	403.31	218.37	52.99	3.44
PAT	35.94	64.20	19.54	0.79

India Infoline Distribution Company Limited

IIDCL, a wholly owned subsidiary of our Company, is in the business of retail distribution of financial products including mutual funds, fixed income investments, RBI Bonds and other savings products.

Financials of IIDCL for last four years

(₹in Million)

Total Income	March 31,			
	2012	2011	2010	2009
Operational Income	0,91	66.68	63.94	0.30
PAT	(0.65)	(0.61)	35.81	0.18

BRANCH NETWORK



Segment-wise geographical (North, South etc.) mix of business

PRODUCT	NORTH	WEST	SOUTH	EAST
Mortgage Loans	44.19%	43.51%	12.30%%	-
Capital Market Finance	17.94%	74.23%	2.02%	5.81%
Gold Loans Business	12.07%	31.58%	49.28%	7.07%
Healthcare	37.24%	30.75%	30.44%	1.57%

Segment wise Distribution of Branch

As of March 31, 2012, we have a total of 1,323 branches spread across 498 cities in 23 states and union territories in India.

Mortgage Loans

As of March 31, 2012, our Mortgage Loans distribution network consists of 34 branches of which 32 branches are co-located with the branch network of IIFL Group. In addition we have access to about 79 relationship managers. We also source our Mortgage Loans sales leads from our network of 208 DSAs, 19 FOS and other alternate channels.

Capital Market Finance

Capital market loan origination is sourced through direct sales, branch network, retails and wealth teams of IIFL. As of March 31, 2012, we have access to 2,900 sales executives from the retail teams and 120 sales

executive from the wealth teams of IIFL.

Gold Loans

As of March 31, 2012, our Gold Loans business is carried out through 1297 branches, which are supported by our exclusive network of about 6100 branch sales staff in 502 locations across the country. A typical branch would have four (4) employees, including the branch manager.

Healthcare Finance

As of March 31, 2012 our Healthcare Finance distribution network consists of 34 branches of which are co-located with the branch network of IIFL Group. In addition, we have expanded the team of relationship managers because of tie ups with healthcare manufacturers. The health care business also has association with direct sales agents and alternate channel partners for sourcing the business. Further, the business now has the capability to source from all IIFL locations, including the Gold branches thus significantly increasing the distribution capability.

OUR PROCESSES

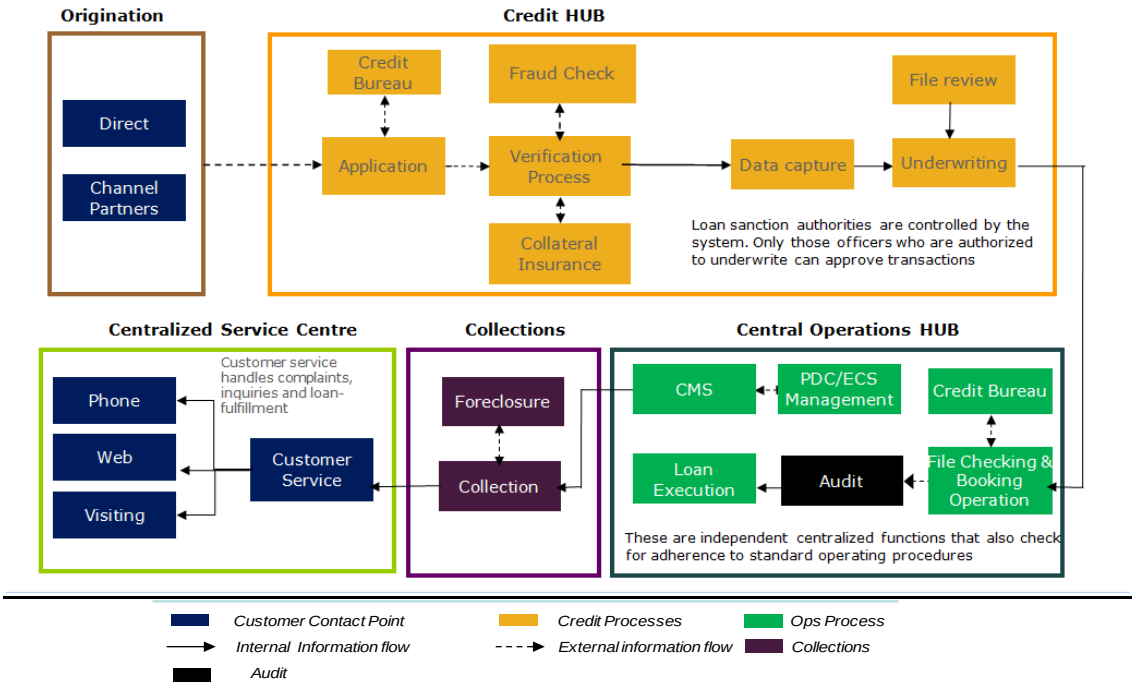
Our Credit Policy

For all our products, the credit policy is approved by the Board of Directors, senior management members, risk & audit committees. The policy ensures multiple checks through the process. The business model requiring independent operations & audit functions ensures a superior quality of loans through multiple check points & standard processes. Credit applications of big ticket customers are taken by various credit committees and at the board level depending on the value of the transaction. All loan proposals are audited.

Senior members of the teams are empowered at the local level to take credit decisions. Operations are an independent & centralized function that confirms to adherence with policy parameters.

Product specific processes

A. Mortgage Loans and Healthcare Finance



Initial Evaluation

In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters like:

- Past history of borrowing with us.
- Credit appraisal note is completed and signed by all required to approve.
- Completion of the prescribed loan documents, KYC documents as prescribed by RBI.

As a part of the verification process, our officers undertake the prescribed checks. The checks include document verification and personal discussion. We also undertake independent fraud control checks.

In addition to the aforesaid we also undertake credit and financial background check on each borrower and provide legal and technical evaluation of security. We also obtain a title search report. We also rely on external appraisals of all properties including valuations by international property consultants for large ticket Mortgage Loans. Title search is conducted by empanelled lawyers.

Credit Controls

Credit Control policies & procedures are laid down in product policies approved by the board of directors, other senior management and risk Only senior resources with relevant work experience are allocated authorities for transaction approvals.

External agencies for credit operations are appointed based on past experience, reputation and reference checks. High ticket loans move through a centralized underwriting process & committee approvals in addition to the local process. Dual underwriting helps in enhancing controls further.

Audit

The audit function reports independently to the Board of Directors. All loans go through an audit process at a transaction level. Final disbursal authority for all cases rests with the audit function. Loan disbursals require a case level sign off from audit in addition to approvals from the authorized signatories.

Operational controls

This is an independent & centralized function and additionally checks loans for adherence to policy parameters.

For every loan proposal, disbursals are approved by the central operations and audit. Upon loan disbursement approval, cheques instructions are issued centrally while printing is done at the respective locations.

Credit Score & Portfolio tracking reports

The credit score is utilized in the underwriting process for risk containment. A minimum score cut off is used and all cases below cut off are reviewed by senior credit members. The score predicts the likelihood of more than 91+ days delinquency on one or more trades in the next twelve months. It uses attributes based on credit behavior information, delinquency measures, days past due, amount past due, enquiries, trade attributes, age, type, mixture.

In addition, monthly portfolio quality reports are used for risk management. Performance is reviewed & TTD (Through-The-Door) population is monitored based on these reports. Extensive MISs by segments (salaried/self employed, commercial/residential, sourcing channels etc.) are used to monitor & review approval rates, delinquencies, performance etc. Thrust of business is monitored through sales reports. Underwriting efficiency is measured through application status reports that provide approval/rejection rates and work-in-progress.

Collections

Collections are done through in-house managers & agencies. External agencies are selected based on their prior experience, reputation & market references. These are managed by collection managers employed by our Company. The collections function is further complimented & strengthened by the involvement of the sales mangers & credit underwriters. These are resources that interact closely with the customer at the time of loan disbursal. Their involvement in the collection process ensures higher collection efficiency & better customer relationships.

B. CAPITAL MARKETS

Initial Evaluation

The sourcing of the client is done either by the direct sales team, wealth management RMs or the retail RMs. Most of the clients are already clients of the Broking and Wealth divisions of IIFL and hence have a track record of doing business with the IIFL Group.

In accordance with our credit norms, once a client has agreed to our commercial terms and has acceptable collateral for the loan, the evaluation is done following parameters:

- Past history of borrowing with us.
- Market intelligence on the borrower.
- Credit appraisal note is completed and signed by all required to approve.
- Various credit checks viz. SEBI, Watchoutinvestors, CIBIL, search engines, etc. on borrowers/ directors of the borrowing entity.
- Completion of the prescribed loan and KYC documents.

Pre-disbursement Audit and Operational Controls

This is an independent & centralized function and additionally checks loans for adherence to policy parameters. The documents are vetted and verified by an independent pre-audit team on their completeness and adherence to credit policy. Any kind of discrepancies are highlighted to the business team who then gets them rectified. Only upon satisfactory completion of pre-disbursement audit, the audit team authorises the credit limit in the loan management system.

Collateral and Risk management

The prices of the securities are updated on a daily basis on the basis of end of day file received from the stock exchanges. On volatile days price files are uploaded on a realtime basis. The clients are then intimated of the margin shortfalls on phones/ emails/ letters.

The collateral in the loan management system is matched with the securities lying with the depositories on a daily basis through an automated process by the operations team.

Margins on each of the loans are monitored on real time basis and further margin is called for as and when the need arises. This helps us to maintain comfortable margins and enables us to mitigate risks against potential defaults. Margin calls are sent to client on daily basis and in case of a shortfall when the client is unable to maintain the margin, the loan value is realised through the sale of the securities at the earliest. Our centralized risk management system helps us to monitor our client's credit exposure on a real time basis, enabling us to do margin calls on a dynamic basis and square-offs in a volatile environment.

Interest and principal repayments

Interest debit notes are issued to the clients on a monthly/ quarterly basis and follow-up is done by the business team for the collections. Penal interest is charged on delayed payment of interest. Ageing analysis

is done on the interest receivables and incase interest is not received upto a certain period; securities are sold to recover the same.

C. GOLD LOAN

Initial Evaluation

In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters like:

- Past history of borrowing with us.
- Market intelligence on the borrower provided by the business team.
- Credit appraisal note is completed and signed by all required to approve.
- Completion of the prescribed loan documents, KYC documents as prescribed by RBI.

As a part of the verification process, our officers undertake the prescribed checks. The checks include document verification, security verification including various prescribed tests at branch level for verifying the purity of gold and personal discussion. We also undertake background check on borrower.

Credit Controls and Audit

Approvals and disbursements authorisations are prescribed by an approval matrix. Approvals and disbursements upto ₹ 200,000 are processed at the branch levels while loans above ₹ 200,000 are disbursed and approved as per the approval matrix. All loans above ₹ 1,000,000 go through an audit process at a transaction level before disbursement. As part of our operational controls for ensuring compliance with the prescribed policies we undertake review of each loan file at our central office.

As a policy we undertake purity, process and vigilance audits on monthly basis.

Collections

Collections are handled by respective branches. In case of interest payment defaults for two consecutive months, the case gets transferred to the recovery department.

Asset Quality

The Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms Directions") prescribed by the RBI require us to observe the norms on classification of our assets, treatment of a NPA and provisioning against the NPA. For detail on Prudential Norms Directions please refer to the chapter titled "***Key Regulations and Policies***" on page 309 of this Prospectus or reproduce relevant extracts here also.

Asset Classification

Set out below are the RBI Guidelines for asset classification:

Asset classification	The RBI Guidelines
Standard Assets	An asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

Asset classification	The RBI Guidelines
Sub-standard Assets	Means: (a) an asset which has been classified as non-performing asset for a period not exceeding 18 months; (b) an asset where the terms of the agreement regarding interest and / or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. Provided that the classification of infrastructure loan as a sub-standard asset shall be in accordance with the provisions of the relevant guidelines.
Doubtful Assets	Means: (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 18 months.
Loss Assets	Means: (a) an asset which has been identified as loss asset by the non-banking financial company or its internal or external auditor or by the Reserve Bank of India during the inspection of the non-banking financial company, to the extent it is not written off by the non-banking financial company; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non availability of security or due to any fraudulent act or omission on the part of the borrower.

The following table sets forth data regarding the classification of our credit exposure (net of write-offs and unpaid interest on NPAs) on a consolidated basis.

	As at March 31, 2012		As at March 31, 2011		As at March 31, 2010		As at March 31, 2009	
	₹million	**%**	**₹million**	**%**	**₹ million**	**%**	**₹ million**	**%**
Standard	**67086.97**	99.67	32,744.41	99.56	16,170.19	99.40	9,550.25	99.89
Non-Performing assets	**377.90**	0.35	145.33	0.44	97.65	0.60	10.10	0.11
Of which:								
Sub-standard	**85.91**	0.12	125.57	0.38	82.59	0.51	10.10	0.11
Doubtful assets	**286.39**	0.21	13.97	0.04	1.78	0.01	-	0.00
Loss assets	**5.60**	0.01	5.79	0.02	13.28	0.08	-	0.00
Total	**67464.87**	100	**32,889.74**	**100**	**16,267.84**	**100**	**9,560.35**	**100**

Provisioning and Write-offs

Statutory provisions are required to be made in respect of Sub-standard, Doubtful and Loss Assets as per RBI directives. The Board of Directors has approved a policy for making provisions against loans in default faster than that prescribed by RBI and we may make further provisions if we determine that it is prudent for a known and identified risk.

Given below is a description of the RBI Guidelines on provisioning and write-offs:

- **Loss assets**: The entire asset shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding should be provided for.

- **Doubtful assets:**

  (a) 100% provision to the extent to which the advance is not covered by the realisable value of the security

to which the non-banking financial company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;

(b) In addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:

Period for which the asset has been considered as doubtful	% of provision
Up to one year	20
One to three years	30
More than three years	50

- **Sub-standard assets**: A general provision of 10% of total outstanding shall be made.

- **Provisioning of Standard Assets:** In terms of the requirement of the circular dated January 17, 2011 issued by the RBI, our Company is also required to make a general provision at 0.25 per cent of the outstanding standard assets. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards standard assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. In terms of the aforementioned RBI requirements, our Company is allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25 percent of the total risk-weighted assets.

Given below is a description of our internal guidelines on provisioning and write-offs:

An account moves into non-accrual (of income) when it reaches 90 Days past due date ("***DPD***"). Interest accrued but not earned is reversed at this stage. The mortgage provisioning and write-off policy is as follows:

Delinquency stage	Action
180 DPD	▪ Fresh appraisal done ▪ Write Down 10% of **Principal Outstanding ("POS")** or write down to 90% of Quick Sale Value (QSV) whichever rule requires a higher write-off
360 DPD	▪ Additional 10% of POS (total write-off at this stage is 20% of POS or write down to 80% of QSV whichever rule requires higher write-off)
720 DPD	▪ Additional 25% of POS (total write-off at this stage is 45% of POS or write down to 55% of QSV whichever rule requires higher write-off)
1080 DPD	▪ Additional 25% of POS (total write-off at this stage is 70% of POS or write down to 30% of QSV whichever rule requires higher write-off)
1440 DPD	▪ Balance 30% of POS (total write-off at this stage is 100% of POS or write down to 0% of QSV whichever rule requires higher write-off)

In case of un-secured loans, the outstanding amount above 180 days is written off.

Based on our policy, our provisions as of March 31, 2012 stood ₹ 106.06 million more than that statutorily required by RBI.

NPAs

The following table sets forth, at the dates indicated, data regarding our NPAs:

	March 31			
Gross NPA %	**2012**	**2011**	**2010**	**2009**
Mortgage	0.31%	0.41%	0.42%	0.04%
Capital Market	0.18%	0.02%	0.18%	0.06%
Gold Loan	0.07%	0.01%	Nil	-
Healthcare	-	-	-	-
Total	**0.56%**	**0.44%**	**0.60%**	**0.11%**
Net NPA %		*2011*	*2010*	*2009*
Mortgage	0.21%	0.34%	0.36%	-
Capital Market	0.12%	0.01%	0.10%	-
Gold Loan	0.07%	0.01%	-	-
Healthcare	-	-	-	-
Total	**0.40%**	**0.36%**	**0.46%**	**-**

The above Gross NPA and Net NPA numbers segment-wise have been worked out as a percentage of the total Loan Book.

Collections are done through in-house managers & agencies. External agencies are selected based on their prior experience, reputation & market references. These are managed by collection managers employed by our Company. The collections function is further complimented & strengthened by the involvement of the sales mangers & credit underwriters. These are resources that interact closely with the customer at the time of loan disbursal. Their involvement in the collection process ensures higher collection efficiency & better customer relationships. Legal proceedings are initiated & followed up stringently on all NPA accounts. Our stringent recovery procedures have led to good collections & low NPAs on the book.

Funding Sources

We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and to have a large lender base. This helps us to raise resources at the most competitive rates, protect interest margins and maintain a diversified funding portfolio that enable us to achieve funding stability and liquidity. Our sources of funding comprise of term loans from banks, cash credits from banks, redeemable non convertible debentures and short term commercial paper.

Borrowings:

Please refer to the sections titled ***"Financial Statements"*** and ***"Financial Indebtedness"*** on pages 106 and 234 of this Prospectus.

Credit Rating:

Credit Rating Agency	Instrument	Date	Ratings	Rated Amount ₹ in Million
ICRA	Long Term Debt-NCD	July 24, 2012	ICRA(AA-) / Stable	7,500
ICRA	Long Term Debt Programme	July 24, 2012	ICRA(AA-) / Stable	200
ICRA	Long Term Non Convertible Debenture Programme	July 24, 2012	ICRA(AA-) / Stable	3,400
ICRA	Long Term Bank Facilities	July 24 2012	ICRA(AA-) / Stable	20,250
ICRA	Long Term Principle protected ELD	July 24, 2012	PP-MLD(ICRA)AA- / Stable	1,000

Credit Rating Agency	Instrument	Date	Ratings	Rated Amount ₹ in Million
ICRA	Long Term Principle protected ELD	July 24, 2012	PP-MLD(ICRA)AA- / Stable	1,000
ICRA	Subordinated Debt	July 24, 2012	ICRA(AA-) / Stable	5,000
ICRA	Short Term Debt	July 24, 2012	ICRA(A1+) / Stable	30,000
ICRA	Long Term Debt-NCD	July 24, 2012	ICRA(AA-) / Stable	2,000
CARE	Secured NCD	August 2, 2012	CARE AA-	7,500
CARE	Long Term Bank Facilities	August 2, 2012	CARE AA- (SO)	333.33
CRISIL	Short Term Debt	August 3, 2012	CRISIL A1+ / Stable	20,000
CRISIL	Long Term Debt-NCD	June 11, 2012	CRISIL AA-/Stable	3,000
CRISIL	Subordinated Debt Bond	May 07, 2012	CRISIL AA-/Stable	5,000
CRISIL	Long Term Bank Facilities	July 9, 2012	CRISIL AA-/Stable	12,150
CRISIL	Subordinated Debt Issue	August 13, 2012	CRISIL AA-/Stable	5,000
ICRA	Subordinated Debt Issue	August 14, 2012	ICRA (AA-) Stable	5,000

Increasingly we have depended on term loans from banks and issue of commercial paper from mutual funds & others as primary source of funding. We believe that we have developed stable long term relationships with our lenders and have established a track record of timely servicing of our debts.

Treasury Operations:

Our treasury operations are mainly focused on meeting our funding requirements and managing short term surpluses. Our fund requirements are currently predominantly sourced through loans from banks and issue of commercial papers to Mutual Funds and Financial Institutions. We believe that through our treasury operations we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirements of asset liability management. The objective is to ensure smooth functioning of all our operations and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest earning liquid assets and cash to optimize earnings. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities we also invest our temporary surplus funds with liquid debt based mutual funds. Our investments are made in accordance with the investment policy approved by the Board.

Capital Adequacy:

We are subject to capital adequacy ratio ("**CAR**") requirements prescribed by RBI. We are currently required to maintain a minimum of 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. As part of our governance policy, we maintain capital adequacy higher than statutorily prescribed CAR. As of March 31, 2011 our capital adequacy ratio computed on the basis of applicable RBI requirement was 17.86% as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI for FY11.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements on a standalone basis as of the dates indicated:

		As at March 31,		
	2012	2011	2010	2009
Capital Adequacy Ratio	17.86%	29.95%	47.65%	97.77%
Tier I Capital	15.46%	29.73%	47.65%	97.77%

Risk Management & Internal Controls:

The Company has a multi level Credit & Investment Committees consisting of directors of the board / HODs to consider credit and investment proposals. The major credit proposals are formally evaluated and approved by various committees. We have in place the Risk Management Committee and Asset Liability Management Committee (ALCO) consisting of directors and senior officials which regularly meets and reviews the policies, systems, controls and positions of credit and finance business. The risk committee reviews the risk management processes covering credit and underwriting controls, operations, technology, compliance risks, etc. The ALCO committee involves in balance sheet planning from risk return perspective including the strategic management of interest rate and liquidity risk. Towards this end, the ALCO committee reviews product pricing for various loans and advances, desired maturity profile and mix of the incremental asset and liabilities. It reviews the funding policies of the Company in the light of interest rate movements and desired fund mixes particularly fixed / floating rate funds, wholesale / retail funds, money market funding etc. from time to time.

The Company has invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of our business and the size of our operations. The Company has retained a reputed global firm, Ernst & Young as its Group Internal Auditor. The Company also retains a few specialized Audit firms to carry out specific / concurrent audit of some critical functions such as KYC process, branches audits, loan documentations audits etc. The Company also has an internal team of professionals at head office in Mumbai, supported by regional teams at zonal offices. The internal team undertakes some special situation audits and follows up on implementation of Internal Auditors' recommendations. The Auditors' reports and recommendations and rectifications / implementations are reviewed by the top management and Audit Committee at regular intervals. The internal processes have been designed to ensure adequate checks and balances at every stage. The processes are reviewed periodically by Internal Auditors as well as Audit Committee and amended as required. The Company also has to comply with several specific audits that are required by regulatory authorities and the reports are submitted to the regulators periodically.

Liquidity Risk

Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate price, or of appropriate tenure, to meet our business requirements. This risk is minimised through a mix of strategies, including asset securitisation and temporary asset liability gap.

We monitor liquidity risk through our ALCO Committee with the help of fortnightly and monthly liquidity and Asset Liability mismatch reviews. This involves the categorisation of all assets and liabilities in different maturity buckets, and evaluating them for any mismatches in any particular maturity bucket, especially in the short-term. The ALM Policy has capped the maximum mismatches in the various maturities in line with RBI guidelines.

To manage short term funding arrangements we borrow from working capital lines provided by banks, we also borrow from mutual funds by issuing short term instruments maturing up to 364 days. We also borrow from corporates through inter-corporate deposits.

Technology

We currently use in-house SQL based desktop application for loan procedure and booking. This system has the capability of end to end customer data capture, computation of income, and repayment management. The application provides flexibility, caters to the demands of a changing business environment thus providing a significant competitive advantage. Features include extensive data capture, document scanning & view option, capturing of complete verifications, income computation, customer level statement of accounts & performance tracking. The system reduces dependency on external vendors & allows quick enhancements with lesser cost implications.

Competition

Our primary competitors are public sector banks, private sector banks and foreign banks, co-operative banks, regional rural banks and NBFCs.

Employees

Our employee strength has grown to 6,094 employees as on March 31, 2012 from a humble beginning a few years back. None of our employees are represented by a labour union and we believe that our relations with our employees are good.

Remuneration to our employees comprises a fixed component as well as variable pay. The variable pay consists of direct incentives and shared incentives. Our direct and indirect incentives are linked to performance targets being achieved by the employees. We have an annual performance appraisal system for all employees. We also reward our employees through our liberalized ownership by means of stock options distribution.

We have an extensive training programme for our employees through a combination of classroom and virtual set-ups. We have tied up with leading training groups and academic institutions for delivery of training programmes to our employees.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Corporate Profile

Our Company was originally incorporated on July 7, 2004 as a private limited company under the provisions of the Companies Act as India Infoline Investment Services Private Limited. Pursuant to a resolution of our shareholders dated May 15, 2007, our Company converted to a public limited company with effect from July 10, 2007. A fresh certificate of incorporation consequent to the change of our name to India Infoline Investment Services Limited was granted to our Company on July 10, 2007 by the RoC , Maharashtra, Mumbai. Further the name of the Company was changed to India Infoline Finance Limited pursuant to Fresh Certificate of Incorporation dated November 18, 2011 issued by the RoC, Maharashtra, Mumbai.

Our Company has obtained a certificate of registration dated May 12, 2005 bearing registration no. - B-13.01792 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.

Our Company has following subsidiaries:

1. *India Infoline Distribution Company Limited (distribution of financial products)*

2. *India Infoline Housing Finance Limited (housing finance)*

For details please refer to the chapter titled "***Subsidiaries***" on page 104 of this Prospectus.

Change in registered office of our Company

The registered office of our Company was firstly changed from 24, Nirlon Complex, off Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra, India to 75, Nirlon Complex, off Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra, India with effect from October 17, 2006.

The registered office of our Company was further changed 75, Nirlon complex, off Western Express Highway, Goregaon (East) Mumbai-4000 063 to IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 with effect from April 24, 2010.

Main objects of our Company

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

1. To carry on the activities as investment company and to buy, sell, trade, invest, deal or to do broking in shares, stocks, debentures, bonds, derivatives, commodities, obligations, bills, securities, movable and immovable property and other investments.

2. To carry on the business of borrowing/lending money by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities to any person, individual, body-corporate, firm, organization, authority but the company shall not carry on banking business within the meaning of Banking Regulations Act, 1949.

Scheme of Amalgamation

A. Moneyline Credit Limited ("MCL"), a wholly owned subsidiary, has been amalgamated with the Company with effect from April 01, 2011. The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Judicature at Bombay *vide* order dated February 10, 2012 and filed with ROC on March 26, 2012. Pursuant to the Scheme, the Authorised Share Capital of the Company increased to ₹ 320 Crore. The appointed date for the Scheme of Arrangement was April 1, 2011 (the "**Appointed Date**") and the effective date for the Scheme of Amalgamation was March 26, 2012 (the "**Effective Date**"). The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

Pursuant to the Scheme, with effect from the Appointed Date and upon the scheme becoming effective:

1. All the assets (movable and immovable), liabilities and obligations shall be transferred to our Company.

2. Upon the scheme becoming effective, the entire equity share capital of Moneyline Credit Limited shall stand automatically cancelled and there will not be any issue and allotment of equity shares in our Company.

3. All employees of Moneyline Credit Limited in service on the Effective Date shall be deemed to have become the employees of our Company without any break in their service and on the basis of continuity of service.

4. Upon the Scheme becoming effective on the Effective Date, all legal proceedings by or against Moneyline Credit Limited shall be continued and enforced by or against our Company.

5. All contracts, deeds, bonds, agreements and other instruments subsisting as of the effective date pertaining to the Moneyline Credit Limited were continued in full force and effect, by or against our Company.

6. Upon the Scheme becoming effective, the authorized share capital of our Company shall stand increased, by the authorized share capital of Moneyline Credit Limited to an amount of ₹ 3,200,000,000 without any further act or deed on part of the Company including payment of stamp duty and Registrar of Companies Fees

7. Upon the Scheme becoming effective, Moneyline Credit Limited shall stand dissolved without being wound up.

8. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by our Company.

Key Agreements

A. Share subscription agreement dated January 18, 2008 entered into with Bennett, Coleman & Company Limited ("*BCCL*") and our Promoter.

Our Company has entered into a Share Subscription Agreement dated January 18, 2008 ("***SSA***") with BCCL and India Infoline Limited for the purpose of private equity investment by BCCL in our Company. Pursuant to the SSA, our Company issued of 173,650 Equity Shares at a price of ₹ 1,151.74 per Equity Share aggregating to an amount of ₹ 200 million on a preferential basis to BCCL. The SSA, amongst other things, provides that:

i. If in the event any present or future investor is offered any favourable rights, in respect of the shares held by such investor, whether against our Company or IIFL, such identical rights shall be deemed to have vested with BCCL;

ii. Our Company and IIFL have agreed to provide BCCL with exit options including (a) an initial public offering of equity shares of our Company in any recognized stock exchanges in India within a period of five years from the date of the SSA (b) IIFL shall have a right of first refusal and (c) BCCL shall have tag along rights.

iii. The shares subscribed to by BCCL under the SSA shall be locked in for a period of five years from the date of allotment or for such period as determined by the applicable law at the time of the proposed initial public offering.

iv. If in the event our Company issues or the Promoter transfers any shares or share linked securities to any entity engaged directly or indirectly in the media business, the price per equity share, for such issue,

shall be at least 130% of the price of conversion of equity shares issued under the SSA, other than in case of issue to entities other than entities under the BCCL group.

v. As long as BCCL holds any of the equity shares subscribed to under the Agreement, IIFL shall retain management control of our Company and there shall be no change in control;

vi. Our Company shall not sell, license, assign or in manner part with all or a part of any of the brands currently owned by our Company or acquired buy our Company in future without prior consent of BCCL.

The SSA further includes various customary clauses including representations and warranties, indemnity, dispute resolution etc.

B. Assignment Agreement dated March 21, 2012 between IDBI Bank Limited ("IDBI"), IDBI Trusteeship services limited and our Company; ("Assignment Agreement")

Pursuant to the terms of an Assignment Agreement our Company has assigned with effect from March 21, 2012 to IDBI, a certain portfolio of receivables in connection with certain loan facilities relating to gold loans amounting to ₹1297.74 millions (the "**IDBI Receivables**"), together with all right, title and interest therein under the relevant underlying loan and security documents relating to the IDBI Receivables as of March 21, 2012.

C. Assignment Agreement dated March 17, 2012 between ICICI Bank Limited ("ICICI") and our Company; ("Assignment Agreement")

Pursuant to the terms of an Assignment Agreement our Company has assigned with effect from March 17, 2012 to ICICI, a certain portfolio of receivables in connection with certain loan facilities relating to gold loans amounting to ₹ 1097.60 millions (the "**ICICI Receivables**"), together with all right, title and interest therein under the relevant underlying loan and security documents relating to the ICICI Receivables as of March 17, 2012.

D. Assignment Agreement dated March 28, 2012 between Dena Bank ("DENA") and Moneyline Credit Limited[#] (now merged with India Infoline Finance Ltd.); ("Assignment Agreement")

Pursuant to the terms of an Assignment Agreement our Company has assigned with effect from March 28, 2012 to DENA a certain portfolio of receivables in connection with certain loan facilities relating to mortgage loans amounting as below (the "**DENA Receivables**"), together with all right, title and interest therein under the relevant underlying loan and security documents relating to the DENA Receivables as of March 28, 2012.

Company	Amount (₹in million)
India Infoline Finance Limited *	2,249.07
India Infoline Housing Finance Limited	812.00
Total	**3,061.07**

** includes assignment from Moneyline Credit Limited worth ₹850.51 millions.*

[#] Our Company is in the process of amending the agreement to replace the name of Moneyline Credit Limited by inclusion of its name.

OUR MANAGEMENT

The Articles of Association of our Company require us to have not less than 3 and not more than 12 Directors. As on the date of this Prospectus, we have seven (7) Directors which include one (1) Whole-time Director, two (3) Non-Executive Director and three (3) Independent Directors. The Chairman of the Board of Directors is a non-executive director.

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in the Board of Directors. We have not appointed any "manager" within the meaning thereof under the provisions of the Act. Currently, we have seven (7) Directors on the Board of Directors.

Details relating to Directors

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
Mr. Nirmal Jain **Designation**: Non-Executive Director **DIN**: 00010535 **Nationality:** Indian **Occupation:** Business **Address:** 101-A, Ashoka Guruprasad CHS Limited, Hanuman Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India	45	Appointed as Director since Incorporation i.e. July 7, 2004	1. India Infoline Limited 2. India Infoline Distribution Company Limited 3. India Infoline Commodities Limited 4. India Infoline Insurance Services Limited 5. India Infoline Insurance Brokers Limited 6. IIFL Wealth Management Limited 7. India Infoline Housing Finance Limited 8. IIFL Energy Limited 9. IIFL Realty Limited 10. IIFL (Asia) Pte. Ltd 11. India Infoline Commodities DMCC, Dubai 12. India Infoline Trustee Company Limited
Mr. R. Venkataraman **Designation**: Non-Executive Director **DIN**: 00011919 **Nationality:** Indian **Occupation:** Service **Address:** 604, Glen Heights, Hiranandani Gardens, Powai, Andheri, Mumbai – 400 076, Maharashtra, India	45	Appointed as Director since Incorporation i.e. July 7, 2004	1. India Infoline Limited 2. India Infoline Distribution Company Limited 3. India Infoline Commodities Limited 4. India Infoline Insurance Services Limited 5. India Infoline Insurance Brokers Limited 6. IIFL Wealth Management Limited 7. India Infoline Housing Finance Limited 8. IIFL Energy Limited 9. IIFL Realty Limited 10. India Infoline Asset Management Company Limited 11. India Infoline Commodities DMCC, Dubai
Ms. Pratima Ram	61	Appointed as a Whole Time	NIL

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
Designation: Wholetime Director & Chief Executive Officer **DIN**: 03518633 **Nationality:** Indian **Occupation:** Professional **Address:** F-304, Central Park-I, Sector – 42, Gurgaon – 122 002, Haryana, India		Director on May 7, 2011 and confirmed at the Annual General Meeting on June 27, 2011 and re appointed on May 7, 2012	
Mr. Nilesh Vikamsey **Designation:** Independent Director **DIN:** 00031213 **Nationality:** Indian **Occupation:** Professional **Address:** 184, Kalpataru Habitat, Tower-A, Dr. S.S. Road, Parel, Mumbai – 400 012 Maharashtra, India	48	Appointed as Additional Director on March 29, 2007 and was confirmed as Director on September 10, 2007	1. Kimji Kunverji & Co 2. India Infoline limited 3. The Federal Bank Limited 4. Rodium Realty Limited 5. HLB Offices & Services Private Limited 6. TruNil Properties Private Limited 7. BarKat Properties Private Limited 8. ICAI Accounting Research Foundation
Mr. V K Chopra **Designation:** Independent Director **DIN:** 02103940 **Nationality:** Indian **Occupation:** Professional **Address:** 4-A, 4th Floor, Harmony Tower, Dr. E. Moses Road, Worli, Mumbai Maharashtra	67	Appointed as Additional Director on June 27, 2012	1. Pantaloon Retail India Limited 2. Rolta India Limited 3. Dewan Housing & Finance Limited 4. Metlife India Insurance Company Limited 5. Pegasus Asset Reconstruction Private Limited 6. Havells India Limited 7. Religare Asset Management Company Limited 8. Jaiprakash Associated limited 9. Responsive Industries Limited 10. Milestone Capital Advisors Limited 11. Milestone Home Finance Company Pvt. Limited 12. First Blue Home Finance Limited 13. SIDBI Venture Capital Limited 14. Reliance Capital Pension Fund Limited

Name, Designation, Nationality, DIN and Address	Age (years)	Date of Appointment	Other Directorships
			15. Spanco Limited
Mr. Mahesh Narayan Singh **Designation**: Independent Director **DIN**: 00066015 **Nationality:** Indian **Occupation:** Service **Address:** 61 Sagar Tarang Worli Sea Face, Worli Mumbai – 400 025 Maharashtra, India	70	Appointed as an Additional Director on September 25, 2009 and was confirmed as a Director on July 30, 2010	1. LIC Pension Fund Limited. 2. Invent Asset Securitization and Reconstruction Company (P) Limited 3. Invent ARC Private Limited
Mr. Sunil Kaul **Designation:** Additional Director **DIN:** 05102910 **Nationality:** United States of America **Occupation:** Professional **Address:** 2a Lincoln Roadd, #29-09, Singapore, 308364, Singapore	53	Appointed as an Additional Director on August 9, 2012	India Infoline Limited

Profile of Directors

Mr. Nirmal Jain, aged 45 years, is a non-executive Director of our Company and is one of the original Directors of our Company. He holds a Bachelors Degree in Commerce from University of Mumbai. He is a fellow member of the Institute of Chartered Accountants of India (held the 2nd rank) and also a cost accountant. He holds a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He started his career in 1989 with Hindustan Lever Limited, the Indian arm of Unilever, where he handled a variety of responsibilities, including export and trading in agro-commodities. In 1995 he founded Probity Research and Services Private Limited (later re-christened India Infoline) Mr. Jain subsequently launched www.indiainfoline.com in 1999. He is currently the Chairman of India Infoline Limited, our Promoter.

Mr. R. Venkataraman, aged 45 years, is a non-executive Director of our Company and is one of the original Directors of our Company. He is a B.Tech in electronics and electrical communications engineering from Indian Institute of Technology, Kharagpur and holds a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He has more than 20 years in the financial services sector. He is the Co-Promoter and an Executive Director of our Promoter. India Infoline Limited. Prior to joining the India Infoline Board in July 1999, he held senior managerial positions in ICICI Limited, ICICI Securities Limited, BZW and Taib Capital Corporation Limited. He was also the Assistant Vice President with G E Capital Services India Limited in their private equity division.

Ms. Pratima Ram, aged 61 years, is a Whole Time Director of our Company. She joined the Board of our Company in May 2011. She holds a Masters Degree in Arts from University of Virginia. She is a career banker and has more than 35 years in the financial services sector and has extensive experience in Corporate and International Banking. Prior to joining our Company, she held various senior management positions in State Bank of India including those of country head of State Bank of India's United States Operations based in New York. She has worked as CEO of South Africa Operations of SBI, based in Johannesburg. She has also headed Mergers & Acquisitions at SBI Capital Markets and has worked with Punj Lloyd as Group President, Finance.

Mr. Nilesh Vikamsey, aged 48 years, is an Independent Director of our Company. He joined the Board of our Company in March 2007. He holds a Bachelor's Degree in commerce from University of Mumbai. He is a practicing Chartered Accountant for 25 years and is a Senior Partner at Khimji Kunverji & Co., Chartered Accountants, a member firm of HLB International. He is an elected member of the Central Council, the Apex decision making body of Institute of Chartered Accountant of India ("***ICAI***"). He is also the Chairman of the Research Committee, Vice Chairman of the Corporate Laws & Corporate Governance Committee and member of various other committees at ICAI. He is Representative of the ICAI on the Committee for Improvement in Transparency, Accountability and Governance (ITAG) of South Asian Federation of Accountants (SAFA) & also on Committee constituted by Ministry of Corporate Affairs (MCA) on issues of applicability of Foreign Investments in LLPs.

He is member of Review, Reforms & Rationalization Committee ("***IMC***"), Member of Legal Affairs Committee of Bombay Chamber of Commerce and Industry ("***BCCI***"), member of Accounting and Auditing Committee of Bombay Chartered Accountant Society ("***BCAS***") and is also a member of the Core Group at BACS, member of the Corporate Members Committee of The Chamber of Tax Consultants ("***CTC***") & a Regular Contributor to WIRC Annual Referencer on "Bank Branch Audit". He is also an Independent Director on the Board of India Infoline Limited.

Mr. V. K. Chopra, aged 67 years is an Independent Director in our Company. He joined the Board of our Company in June 2012. He is a Fellow Member of The Institute of Chartered Accountants of India. He has held various top positions during his 39 years of experience in Banks; including 3 years as Chairman & Managing Director in Corporation Bank, Mangalore & SIDBI, Delhi/Lucknow; 3 years as Executive Director in Oriental Bank of Commerce and 31 years as General Manager, Central Bank of India, Mumbai; his last assignment being as a Whole Time Member in SEBI.

Mr. Mahesh Narayan Singh, aged 70 years, is an Independent Director of our Company. He joined the Board of our Company in September 2009. He is a Post-Graduate in Physics from Banaras Hindu University. Mr. Singh joined the 'Indian Police Service' in 1967. He received his initial training at the National Academy of Administration, Mussoorie and the National Police Academy, Mount Abu. He has, in his public service carreer spanning over a period of 35 years, worked as the chiefs of the crime branch of Mumbai Police, State CID and Anti-Corruption Bureau. He was the Commissioner of Police, Mumbai during period 2000-2002. He has been awarded the prestigious "Indian Police Medal" for meritorious services and "President's Police Medal" for distinguished services.

Mr. Sunil Kaul, aged 53 years is a non executive Director of our Company. He joined the Board of our Company in August 2012. He holds a post graduate degree in management from the Indian Institute of Management, Bangalore and a bachelor's degree in technology from the Indian Institute of Technology, Bombay. Mr. Sunil Kaul is Managing Director of Carlyle Group. Prior to joining Carlyle Group, Mr. Kaul served as the president of Citibank Japan, covering the bank's corporate and retail banking operations. He concurrently served as the chairman of Citi's credit card and consumer finance companies in Japan. Mr. Kaul has over 20 years experience in corporate and consumer banking of which more than 10 years have been in Asia. In his earlier roles, Mr. Kaul served as the head of Retail Banking for Citi in Asia Pacific. He has also held senior positions in Business Development for Citi's Global Transaction Services based in New York, Transaction Services Head for Citi Japan and Global Cash Business Management Head for ABN Amro, based out of Holland.

Remuneration of the Directors

The Board of Directors of our Company in their meeting held on April 25, 2007, have approved payment of sitting fees ₹ 20,000 to each Independent Director of our Company for attending every meeting of the Board and every meeting of Audit Committee and other committees of the Board, where applicable.

The Board of Directors have also approved, in its meeting held on April 28, 2009, payment of a sum not exceeding 1% of the Net Profits of our Company per annum as computed in a manner prescribed in section 309 (5) of the Companies Act in respect of the profit of each of the five financial years commencing from April 1, 2009, be determined and distributed as commission to the non executive directors of our Company in such manner as determined by the Board. Shareholders of our Company have, in the AGM held on July 17, 2009, approved the resolution of the Board of Directors for payment of commission to Non-Executive Directors of our Company.

Ms. Pratima Ram, Whole Time Director of the Company was re - appointed as "*Whole Time Director & Chief Executive Officer*" of the Company for period of one year with effect from May 7, 2012, which may be mutually extended by the Board and Ms. Pratima Ram provided that the overall tenure shall not exceed 5 years from the date of first appointment i.e. May 07, 2011. Ms. Pratima Ram is entitled to a salary of ₹ 450,600 per month, subject to the provisions of the Act.

Borrowing Powers of the Board

Pursuant to resolution passed by the shareholders of our Company at their AGM held on June 26, 2012 and in accordance with provisions of Section 293 (1)(d) of the Act, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 120,000 million (Rupees One hundred and twenty thousand million).

Interest of the Directors

All the directors of our Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the non-executive independent directors of our Company are entitled to sitting fees for every meeting of the Board or a committee thereof. The wholetime director of our Company is interested to the extent of remuneration paid for services rendered as an officer or employee of our Company.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them.

Our Company's directors have not taken any loan from our Company.

Debenture holding of Directors:

As on date, other than as disclosed below none of our Directors currently hold any debentures in our Company.

Sr. No.	Name of Director	No of Debentures held	Face Value (₹)	Aggregate Amount (₹)
1	Mr. Nirmal Jain	22,500	1,000	2,25,00,000
2	Mr. R. Venkataraman	500	1,000	5,00,000
3.	Mr. Mahesh Narayan Singh	1000	1,000	10,00,000

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

Name of Director	Date of Change	Reason
Mr. Arun Kumar Purwar	July 17, 2009	Appointment
Mr. Mahesh Narayan Singh	September 25, 2009	Appointment

Name of Director	Date of Change	Reason
Mr. Mukesh Kumar Singh	June 28, 2010	Resignation
Mr. Apul Nayyar	October 23, 2010	Resignation
Mr. Kapil Krishan	October 23, 2010	Appointment
Ms. Pratima Ram	May 7, 2011	Appointment
Mr. Kapil Krishnan	July 1, 2011	Resignation
Mr. Arun Kumar Purwar	June 26, 2012	Resignation
Mr. V K Chopra	June 26, 2012	Appointment
Mr. Sunil Kaul	August 9, 2012	Appointment

Shareholding of Directors, including details of qualification shares held by Directors

As per the provisions of our MOA and AOA, Directors are not required to hold any qualification shares.

Details of the Equity shares of ₹ 10 each held in our Company by our Directors, as on date, are provided in the table given below

Sr. No.	Name of Director	Number of Equity Shares held	Percentage of the total paid-up capital (%)
1.	Mr. Nirmal Jain*	4,950	0.00
2.	Mr. R. Venkataraman*	5,000	0.00

***shares held as nominee of India Infoline Limited*

Details of various committees of the Board

Our Company has constituted the following committees:

1. Audit Committee

The Audit Committee of our Company was constituted on October10, 2005 pursuant to Section 292A of the Act, as well as the RBI directions for NBFCs. The Audit Committee has been reconstituted on May 7, 2011. The committee currently comprises of 3 Directors.

The members of the Audit Committee as on date of this Prospectus are:

1. Mr. Nilesh Vikamsey (Chairman)
2. Mr. Mahesh Narayan Singh and
3. Ms. Pratima Ram

The terms of reference of the Audit Committee, *inter alia*, include:

i. To supervise the financial reporting process and all financial results, statements and disclosures and recommend the same to the Board.

ii. To have discussions with the auditors periodically about internal control systems, nature and scope of the audit before the audit commences as well as the post- audit session for observations of the auditors.

iii. To review the half yearly and annual financial statements before the submission to the Board.

iv. To ensure compliance of the internal control systems and review the adequacy of the internal control systems in our Company.

v. Reviewing with the management, performance of the internal and statutory auditors and fixing their remuneration.

vi. To ensure compliance with all the applicable accounting standards, legal requirements, Company's financial and risk management policies and other statutory requirements.

vii. Recommending to the Board the appointment, re-appointment and if requires the replacement or removal of the statutory auditors and fixation of their fees.

2. Compensation/Remuneration Committee

The Compensation/Remuneration Committee of our Company was constituted on September 26, 2007. The Compensation/Remuneration Committee was reconstituted on July 24, 2010.

The members of the Compensation Committee as on date of this Prospectus are:

1. Mr. Nirmal Jain,

2. Mr. R. Venkataraman,

3. Mr. Nilesh Vikamsey and

4. Mr. Mahesh Narayan Singh

The terms of reference of the Compensation Committee, *inter alia*, include:

i. Fixation of suitable remuneration package of all the Executive Directors and Non Executive Directors, Senior Employees and Officers i.e. Salary, Perquisites, Bonuses, Stock Options, Pensions etc.

ii. Determination of the fixed component and performance linked incentives alongwith the performance criteria to all employees of our Company.

iii. Service contracts, Notice Period, Severance fees of Directors and employees.

iv. Stock Option Details, if any, and whether to be issued at a discount as well as the period over which to be accrued and over which to be exercisable.

v. Any other task specifically entrusted by the Board.

3. Assets Liability Management Committee ("*ALCO*")

The Assets Liability Management Committee of our Company was constituted on April 25, 2007. ALCO was reconstituted on August 9, 2012.

The members of the Assets and Liabilities Committee as on date of this Prospectus are:

1. Mr. Nirmal Jain,

2. Ms. Pratima Ram,

3. Mr. V K Chopra,

4. Mr. Sunil Kaul, and

5. Mr. Dhruv Jain.

The terms of reference of the Asset Liability Management Committee, *inter alia*, include:

i. The ALCO is a decision making unit responsible for balance sheet planning from risk return perspective

including the strategic management of interest rate and liquidity risks.

ii. Each NBFC will have to decide on the role of its ALCO, its responsibility as also the decisions to be taken by it. The business and risk management strategy of the NBFC should ensure that the NBFC operates within the limits/ parameters set by the Board.

iii. The business issues that an ALCO would consider, inter alia, will include

a. product pricing for both deposits and advances,

b. desired maturity profile and mix of the incremental assets and liabilities,

c. prevailing interest rates offered by other peer NBFCs for the similar services/product, etc.

iv. In addition to monitoring the risk levels of the NBFC, the ALCO would review the results of and progress in implementation of the decisions made in the previous meetings.

v. The ALCO would also articulate the current interest rate view of the NBFC and base its decisions for future business strategy on this view.

vi. In respect of the funding policy, for instance, its responsibility would be to decide on source and mix of liabilities or sale of assets.

vii. It will have to develop a view on future direction of interest rate movements and decide on funding mixes between fixed vs. floating rate funds, wholesale vs. retail deposits, money market vs. capital market funding, domestic vs. foreign currency funding, etc.

4. Nomination Committee

The Nomination Committee of our Company was constituted on July 18, 2007. The Nomination Committee was reconstituted on July 24, 2010.

The members of the Nomination Committee as on date of this Prospectus are:

1. Mr. Nirmal Jain,

2. Mr. R Venkataraman,

3. Mr. Mahesh Narayan Singh and

4. Mr. Nilesh Vikamsey.

The nomination committee should undertake a process of due diligence to determine the 'fit and proper' status of existing elected directors/the person to be elected as a director.

Criteria: The nomination committee should determine the 'fit and proper' status of the existing elected directors/proposed candidates based on the broad criteria as mentioned hereunder:

(i) Educational Qualification

(ii) Experience and field of expertise

(iii) Track record

The nomination committee should meet before the acceptance of nominations in case of candidate to be elected and decide whether or not the person's candidature should be accepted based on the criteria mentioned above.

5. Risk Committee

The Risk Committee of our Company was constituted on March 29, 2007. The Risk Committee was reconstituted on August 9, 2012.

The members of the Risk Committee as on date of this Prospectus are:

1. Mr. Nilesh Vikamsey,
2. Mr. Nirmal Jain,
3. Mr. V K Chopra,
4. Mr. Sunil Kaul, and
5. Mr. Dhruv Jain.

The terms of reference of the Risk Committee, *inter alia*, include monitoring:

i. Liquidity risk

ii. currency risk

iii. interest Rate Risk

iv. Business risk

v. Operation risk

vi. Compliance Risk, accounting systems and controls

vii. Financial risk

viii. Concentration of loan and investment portfolio:

(a) Sectoral, (b) customer wise (c) Geography wise, (d) Real Estate (e) capital market

6. Credit and Investment Committees:

The Credit and Investment Committees of our Company as specified below were constituted on:

- Date of Constitution of Credit Committee: June 28, 2010
- Date of Constitution of Credit and Investment Committee: July 24, 2010
- Date of Reconstitution of Credit and Investment Committee: August 9, 2012

Approval Limits	Approvers
Upto ₹ 50 million	Ms. Pratima Ram
₹ 50 million - ₹ 250 million	Credit Committee I consists of – Mr. Dhruv Jain, Mr. R Mohan, Ms. Pratima Ram and Mr. R Venkataraman
₹ 250 million - ₹ 1,000 million	Credit Committee II consists of – Mr. Nirmal Jain, Mr. R Venkataraman, Mr. Dhruv Jain, Mr. R Mohan, and Ms. Pratima Ram
₹ 1000 million - ₹ 2,500	Group Committee consists of –

Approval Limits	Approvers
million	Mr. Nilesh Vikamsey, Ms. Pratima Ram, Mr. R Venkataraman, Mr. Nirmal Jain and Mr. V K Chopra
Over ₹ 2,500 million	Board of Directors of our Company. Group Committee will clear and present the proposal to the Board

7. Finance committee:

The Finance Committee of our Company was constituted on November 5, 2011:

The members of the Finance Committee as on date of this Prospectus are:

1. Mr. Nirmal Jain
2. Mr. R. Venkataraman
3. Ms. Pratima Ram

Terms of reference:

1. To undertake borrowings by way of availing financial facilities from any bank or financial institution or any corporate or by issuing commercial papers.
2. To determine and approve the terms and conditions of the financial facilities to be availed from any bank or financial institution or corporate or of commercial papers.

8. Debenture committee:

The Debenture Committee of our Company was constituted on November 5, 2011:

The members of the Debenture Committee as on date of this Prospectus are:

a. Mr. Nirmal Jain
b. Mr. R. Venkataraman
c. Ms. Pratima Ram

Terms of reference:

To determine and approve, by a Resolution passed at a Meeting of the Committee or by Resolution passed by Circulation,

1. the terms and conditions and number of the debentures to be issued,
2. the timing, nature, type, pricing and such other terms and conditions of the issue,
3. make changes to the Prospectus, to approve the Final Prospectus, and the issue thereof, and
4. to issue and allot the Debentures; and
5. to approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds.

Key Managerial Personnel:

Mr. Dhruv Jain, aged 43 years, currently is the Chief Financial Officer of the Company. He holds a Bachelor's Degree in commerce from University of Kolkatta. He is a fellow member of Institute of Chartered Accountant of India ("**ICAI**") and also a member of The Institute of Cost and works Accountant of India. He has worked with companies such as ITC Classic Finance Limited, Kotak Securities Ltd, Bharti Airtel Ltd & CitiFinancial Consumer Finance India Ltd.

Mr. *Mukesh Kumar Singh,* aged 41 years, currently heads our Gold Loan business. He is a Mechanical Engineer from MIT, Muzaffarpur and MBA Finance from Welingkar Institute of Management Development & Research, Mumbai. He joined India Infoline Group in 1997 as Research Analyst. In his career span of 14 years in India Infoline Group, he has worked in various departments such as Research Analyst, distribution of fixed deposits / GOI Bonds / Mutual Funds, stock broking, life insurance, gold loan, setting up distribution network across country etc. Currently, as President, he is heading Gold Loan and Life Insurance distribution business of India Infoline.

Mr. Sachin Grover, aged 38 years, currently heads our Mortgage business. He is a management graduate from University of Pune with more than 13 years of work experience in service industry. In his previous stint with Citigroup India he was instrumental in launch & aggressive growth of Mortgage business.

Mr. Anand Barua, aged 44, currently heads the Head of Credit Underwriting. He holds a Bachelor of Commerce (Hons) from University of Delhi. Has 19 years of experience in Banking and Financial Services having worked with ANZ Grindlays Bank, Standard Chartered and Citigroup. Has cross functional experience in banking and financial services with a deep understanding of secured and unsecured products.

Ms. Priya Kashyap, aged 35 years, currently heads our Credit Policy team. She has over 13 years experience with over 8 years in Citigroup. In her last assignment as the credit policy head she was instrumental in formulating credit policies, expanding credit analytics & implementing credit scoring models. In her last stint she also led the implementation of the first credit bureau in India.

Mr. S. Venu, aged 36 years, is currently Vice President - Operations. He has over 14 years of experience. He has completed his Post Graduation Diploma in Business Administration from Siva Sivani Institute of Management. He has worked with companies such as CitiFinancial Consumer Finance India Limited, ABN AMRO Bank N V and Bank of America N A. He is presently handling the Loan Operations and expenses processing of our Company. His past experience includes handling the unsecured underwriting, backend operations, financial control ops for credit card business and branch retail asset and liability operations.

Mr. Abizer Fakhruddin Motiwala, aged 42 years, is currently Vice President and heads our loan against Securities business. He is a commerce Graduate from Mumbai University. He has over 16 years of experience. He has worked with companies such as Birla Global finance limited, ECL Finance Limited and DSP Merrill Lynch Ltd. His past experience includes handling capital market products like loan against shares, IPO funding, structured lending and syndications. Currently, his job profile involves deals origination, team management and over all Capital markets NBFC activities.

Mr. Dilip Vaidya, aged 37 years, is currently the Company Secretary of our Company. He holds a Bachelors Degree in Commerce from University of Mumbai and is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company he has worked in companies such as Hathway Cable & Datacom Limited and Reliance Infrastructure Limited. He is the Compliance Officer for the Issue.

OUR PROMOTER

Profile of our Promoter

Our Promoter is India Infoline Limited.

India Infoline Limited ("***IIFL***") was originally incorporated on October 18, 1995 as "***Probity Research and Services Private Limited***" at Mumbai. India Infoline Limited commenced its operations as an independent provider of information, analysis and research covering Indian businesses, financial markets and economy, to institutional customers. India Infoline Limited became a public limited company on April 28, 2000 and the name of the company was changed to "Probity Research and Services Limited". The name of the company was further changed to India Infoline.com Limited on May 23, 2000 and later to India Infoline Limited on March 23, 2001. India Infoline Limited is listed on BSE and NSE.

IIFL is one of the leading players in the Indian financial services space. IIFL, offers advice and execution platform for the entire range of financial services covering products ranging from equities and derivatives, commodities, wealth management, asset management, insurance, fixed deposits, loans, investment banking, GoI bonds and other small savings instruments. As on March 31, 2012 a network of over 4,000 business locations spread over more than 900 cities and towns across India facilitates the smooth acquisition and servicing of a large customer base. All the offices of IIFL are connected with the corporate office in Mumbai using cutting edge networking technology.

Changes to the registered office:

Old Registered Office	Changed Registered Office	Date of Change
208-C, Agarwal Market, Vile Parle (East), Mumbai – 400 057, Maharashtra, India.	1, Snehdeep, Gokhale Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India.	August 6, 1999
1, Snehdeep, Gokhale Road, Vile Parle (East), Mumbai – 400 057, Maharashtra, India.	Building No.24, 1st Floor, Nirlon Complex, Off Western Express Highway, Goregaon (E), Mumbai – 400 063, Maharashtra, India.	January 15, 2001
Building No.24, 1st Floor, Nirlon Complex, Off Western Express Highway, Goregaon (E), Mumbai – 400 063, Maharashtra, India.	Building No. 75,Nirlon Complex, Off Western Express Highway, Goregaon East, Mumbai – 400 063, Maharashtra, India.	July 21, 2005
Building No. 75,Nirlon Complex, Off Western Express Highway, Goregaon East, Mumbai – 400 063, Maharashtra, India.	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle East, Thane – 400 604, Maharashtra, India.	April 24, 2010

Interest of our Promoter in our Company

Except as stated under the chapter titled "***Financial Statements***' beginning on page 106 of this Prospectus and to the extent of their shareholding in our Company, the Promoter does not have any other interest in our Company's business. Further, our Promoter has no interest in any property acquired by our Company in the last two years from the date of this Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Our Promoter does not propose to subscribe to this Issue.

We are a material subsidiary to IIFL. IIFL as on March 31, 2012 held investments worth ₹ 9723.15 million in our Company. IIFL has also provided corporate guarantee on behalf of our Company upto ₹34,648.30 million.

Further as on March 31, 2012 IIFL has also provided corporate guarantees to IIHFL upto ₹ 1,600.00 million. For further details of transactions between us and IIFL please refer to the section titled "***Notes to accounts for the Financial Year 2011-12 - Disclosures in respect of applicability of AS – 18 Related Party Disclosures***" in the chapter "***Financial Statements - Significant Accounting Policies and Notes to Accounts on the Reformatted Unconsolidated Financial Statements (Annexure 13)***".

Other Confirmations

Our Promoter has confirmed that they have not been identified as willful defaulters by the RBI or any government authority

No violations of securities laws have been committed by our Promoter in the past or are currently pending against them. Our Promoter has not been debarred or prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Details of Shares allotted to our Promoter during the last three Financial Years:

Sr. No.	Nature of Transaction	Date of Allotment	No. of Equity Shares	Issue Price (₹)
1.	Issue of Bonus Shares – 9 Equity Shares for every 1 Equity Share held by the Promoter	September 24, 2010	163,800,000	10

Details of Shares allotted to our Promoter Group entities during the last three Financial Years:

Sr. No.	Nature of Transaction	Date of Allotment	No. of Equity Shares	Issue Price (₹)
1.	Issue of Bonus Shares – 9 Equity Shares for every 1 Equity Share held by India Infoline Marketing Services Limited*	September 24, 2010	47,554,830	10

**India Infoline Marketing Services Limited ("IIMSL"), a wholly owned subsidiary of India Infoline Limited (IIL), has been merged with IIL with effect from April 1, 2011. The merger was sanctioned by the Hon'ble High Court of Judicature at Bombay; vide its order dated 27th April 2012. Pursuant to the merger all the investments of IIMSL stand transferred to IIL.*

Shareholding Pattern of our Promoter as on June 30, 2012

Category Code (I)	Category of Shareholders (II)	Number of Shareholders (III)	Total Number of Equity Shares (IV)	Number of Shares Held in dematerialized form (V)	Total Shareholding as a percentage of total number of Equity Shares		Shares pledged or otherwise encumbered	
					As a percentage of A+B (VI)	As a percentage A+B+C (VII)	Number of Equity Shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(A)	**Shareholding of promoter and promoter group of our Promoter**							
1	**Indian**							
a	Individuals/Hindu Undivided Family	4	87,862,510	87,862,510	30.39	30.39	0	0.00
b	Central Government/ State	0	0	0	0.00	0.00	0	0.00

Category Code (I)	Category of Shareholders (II)	Number of Shareholders (III)	Total Number of Equity Shares (IV)	Number of Shares Held in dematerialized form (V)	Total Shareholding as a percentage of total number of Equity Shares		Shares pledged or otherwise encumbered	
					As a percentage of A+B (VI)	As a percentage A+B+C (VII)	Number of Equity Shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
	Government							
c	Bodies Corporate	2	3,500,000	3,500,000	1.21	1.21	0	0.00
d	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
e	Any Other							
	Any Other Total	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(1)	6	91,362,510	91,362,510	31.60	31.60	0	0.00
2	**Foreign**							
a	Individuals(Non-Resident Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate i.e. OCBs	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Other (specify)							
	Any Other Total	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**6**	**91,362,510**	**91,362,510**	**31.36**	**31.60**	**0**	**0.00**
(B)	**Public Shareholding**							
1	**Institutions**							
a	Mutual Funds/UTI	10	12954235	12954235	4.48	4.48	0	0.00
b	Financial Institutions/Banks	4	2158500	2158500	0.74	0.74	0	0.00
c	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
d	Venture Capital Fund	0	0	0	0.00	0.00	0	0.00

Category Code (I)	Category of Shareholders (II)	Number of Shareholders (III)	Total Number of Equity Shares (IV)	Number of Shares Held in dematerialized form (V)	Total Shareholding as a percentage of total number of Equity Shares		Shares pledged or otherwise encumbered	
					As a percentage of A+B (VI)	As a percentage A+B+C (VII)	Number of Equity Shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
e	Insurance Companies	0	0	0	0.00	0.00	0	0.00
f	Foreign Institutional Investors	72	114548918	114548918	39.63	39.63	0	0.00
g	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
h	Any Other							
	Any other Total	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (1)	**86**	**129661653**	**129661653**	**44.85**	**44.85**	**0**	**0.00**
2.	**Non-Institutions**							
(a)	Bodies Corporate	662	6900199	6900199	2.39	2.39	0	0.00
(b)	Individuals							
(i)	Individual Shareholders holding nominal Share Capital value upto ₹1 lakh	37881	13668092	13530647	4.73	4.73	0	0.00
(ii)	Individual Shareholders holding nominal Share Capital value In excess of ₹1 lakh	46	16167976	16167976	5.59	5.59	0	0.00
(C)	**Any Other (specify)**							
	Clearing Member	203	382872	382872	0.13	0.13	0	0.00
	Market makers	-	-	-	-	-	0	0.00
	Office Bearers	4	1126304	1126304	0.39	0.39	0	0.00
	Foreign Nationals	3	1,074,996	1,074,996	0.37	0.37	0	0.00
	Non-Residents Indians (Repat)	441	17738141	17513141	6.13	6.13	0	0.00

Category Code (I)	Category of Shareholders (II)	Number of Shareholders (III)	Total Number of Equity Shares (IV)	Number of Shares Held in dematerialized form (V)	Total Shareholding as a percentage of total number of Equity Shares		Shares pledged or otherwise encumbered	
					As a percentage of A+B (VI)	As a percentage A+B+C (VII)	Number of Equity Shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
	Non-Residents Indians (Non-Repat)	120	6698570	6698570	2.31	2.31		
	Foreign Companies	2	1,825,000	1,825,000	0.63	0.63	0	0.00
	Directors and their relatives and friends	3	146250	146250	0.05	0.05	0	0.00
	Overseas Bodies Corporate	1	2,250,170	2,250,170	0.78	0.78	0	0.00
	Trust	4	79220	79220	0.03	0.03		
	Sub-Total (B)(2)	**39370**	**68057790**	**67695345**	**23.54**	**23.54**	**0**	**0.00**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**39456**	**197719443**	**197356998**	**68.40**	**68.40**	**0**	**0.00**
	Total - (A)+(B)	**39462**	**289081953**	**288719508**	**100.00**	**100.00**	**0**	**0.00**
(C)	**Share held by Custodian and against which Depository Receipts**							
C1	Promoter and Promoter group	0	0	0	0.00	0.00	0	0.00
C2	Public	0	0	0	0.00	0.00	0	0.00
	Grand Total (A)+(B)+(C)	**39462**	**289081953**	**288719508**	**100.00**	**100.00**	**0**	**0.00**

Shareholding of the promoter and promoter group of India Infoline Limited as on June 30, 2012

Sr. No.	Name of the shareholder (II)	Total Equity Shares held	Shares pledged or otherwise encumbered

(I)		Number (III)	As a % of grand total (A)+(B)+(C) (IV)	Number (V)	As a percentage (VI)= (V)/(III)X 100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VII)
1.	Mr. Nirmal Jain	51,200,000	17.71	0	0.00	0.00
2.	Ms. Madhu N Jain	16,600,000	5.74	0	0.00	0.00
3.	Mr. R Venkataraman	19,862,510	6.87	0	0.00	0.00
4.	Ms. Aditi Athavankar	200,000	0.07	0	0.00	0.00
5.	Orpheus Trading Private Limited	1,000,000	0.35	0	0.00	0.00
6.	Ardent Impex Private Limited	2,500,000	0.86	0	0.00	0.00
	Total	**91,362,510**	**31.60**	**0**	**0.00**	**0.00**

B. Shareholding of persons belonging to the category 'Public' and holding more than 1% of the Equity Shares of India Infoline Limited as on June 30, 2012

Sr. No.	Name of the shareholder	Number of Equity Shares	Shares as a percentage of total number of Equity Shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at Para 8(a) above)
1.	Carlyle Mauritius Investment Advisors, Limited. A/C Carlyle Mauritius III	28,761,409	9.95
2.	HWIC Asia Fund Class A Shares	27,910,000	9.65
3.	Deutsche Securities Mauritius Limited	24,487,374	8.47
4.	Mr. Bharat H Parajia	13,721,778	4.75
5.	Merrill Lynch Capital Markets Espana S.A. S.V.	9269588	3.21
6.	Tata Trustee Co. Ltd A/c Tata Mutual Fund – Tata Equity P/E Fund	9220500	3.19
7.	Mr. Satpal Khattar	8,950,085	3.10
8.	Bank Muscat S A O G A/C Bank Muscat India Fund	7,299,847	2.53
9.	Mr. Girish Kulkarni	5,598,426	1.94
10.	Mansukhlal Jain	3,010,000	1.04
11.	ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED	3200000	1.11
	Total	**141429007**	**48.92**

C. Details of Depository Receipts

Nil

D. Statement showing Holding of Depository Receipts, where underlying shares are in excess of 1 % of total number of Equity Shares

Nil

E. Statement showing voting pattern of shareholders if more than one class of Equity Shares issued by our Company

Not applicable

Board of directors of our Promoter as on the date of filing of this Prospectus

Sr. No.	Name of Director	Designation
1.	Mr. Nirmal Jain	Chairman
2.	Mr. R Venkataraman	Managing Director
3.	Mr. Arun Kumar Purwar	Independent Director
4.	Mr. Nilesh Vikamsey	Independent Director
5.	Mr. Kranti Sinha	Independent Director
6.	Mr. Sunil Kaul	Non-Executive Director
7.	Mr. Chandran Ratnaswami	Non-Executive Director
8.	Dr. S. Narayan	Additional Director

There has been no change in control of our Promoter during the last three years.

Changes in the board of directors in the last three years

Except, Mr. Sat Pal Khattar, a Non Executive Director of our Promoter, who resigned on October 27, 2010 and appointment of Mr. Sunil Kaul, Mr Chandran Ratnaswami and Dr. S. Narayan as Additional Directors on November 5, 2011, May 15, 2012 and August 01, 2012 respectively there have been no changes in the board of directors of our Promoter.

Financial Performance of our Promoter for the last two Financial Years on a standalone basis

(₹ in million)

Particulars	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILTIES		
(1) Shareholders' funds		
(a) Share Capital	578.05	572.82
(b) Reserves and Surplus	12,194.80	10,313.59
Sub total	**12,772.85**	**10,886.41**
(2) Share application money pending allotment	-	3.28
(3) Non Current Liabilities	-	-
(a) Other long-term liabilities	3.94	2.54
Sub total	**3.94**	**2.54**
(4) Current liabilities		
(a) Short-term borrowings	168.00	4,655.58
(b) Trade payables	7,212.17	8,775.94
(c) Other current liabilities	2,256.55	699.57

(d) Short-term provisions	39.18	4.09
Sub total	**9,675.90**	**14,135.18**
TOTAL	**22,452.69**	**25,027.41**
ASSETS		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	256.77	375.75
(ii) Intangible assets	4.34	15.08
(iii) Capital work-in-progress	1.06	9.25
Sub total	**262.17**	**400.08**
(b) Non-current investments	12,082.56	8,990.42
(c) Deferred tax assets (Net)	198.11	107.31
(d) Long-term loans & advances	1,130.20	980.95
Sub total	**13,410.87**	**10,078.68**
(2) Current assets		
(a) Current investments	10.00	1,010.50
(b) Inventories	395.38	532.21
(c) Trade receivables	2,529.03	4,234.62
(d) Cash and Bank Balances	4,578.16	6,267.86
(e) Short-term loans & advances	99.18	713.59
(f) Other current assets	1,167.90	1,789.87
Sub total	**8,779.65**	**14,548.65**
TOTAL	**22,452.69**	**25,027.41**

Particulars	**2011-2012**	**2010-2011**
INCOME		
Revenue from operations	5,485.48	6,803.97
Other Income	760.87	1,191.58
Total Revenue	**6,246.35**	**7,995.55**
EXPENDITURE		
a. Employee benefits expense	2,070.73	1,892.42
b. Finance cost	378.56	861.55
c. Depreciation and amortisation expense	314.41	240.76
d. Other expenses	2,879.03	3,268.19
Total expenditure	**5,642.73**	**6,262.92**
Profit before exceptional items	**603.62**	**1,732.63**
Exceptional items	143.60	-
Profit before tax	**747.22**	**1,732.63**
Tax expenses		
Current tax expense for current year	142.69	512.29
Deferred tax	(29.10)	(10.92)
Current tax expense for previous year	0.67	7.64
Total Tax expenses	**114.26**	**509.01**
Profit (loss) for the year	**632.96**	**1,223.62**
Earnings per equity share (Face Value ₹ 2)		

Basic	2.19	4.25
Diluted	1.95	3.74

IIFL Group

The IIFL Group is a diversified financial services sector group with established presence in India and many other countries. A brief description of the IIFL Group as on March 31, 2012 has been provided below:

Indian Subsidiaries of IIFL

Sr. No.	Name of the subsidiary	Indian/ Foreign	Business Activity	Regulator	Revenues FY 2011-12 (₹ in million)	PAT FY 2011-12 (₹ in million)
1.	India Infoline Commodities Limited	Indian	Commodity broking	MCA National Commodity & Derivatives Exchange Limited Multi Commodities Exchange	1031.85	28.46
2.	India Infoline Finance Limited	Indian	NBFC	MCA RBI	9103.70	1018.51
3.	India Infoline Housing Finance Limited	Indian	Housing Finance Company	MCA NHB	431.26	35.94
4.	India Infoline Distribution Company Limited	Indian	Distribution of financial products	MCA	0.91	(0.65)
5.	India Infoline Insurance Brokers Limited	Indian	Insurance Broker	MCA IRDA	857.91	26.48
6.	India Infoline Media and Research Services Limited	Indian	Media and Research	MCA	424.62	15.75
7.	IIFL Capital Limited	Indian	Stock Broker	MCA NSE/SEBI BSE/SEBI	11.69	2.91
8.	IIFL Realty Limited	Indian	Realty	MCA	574.65	(39.95)
9.	IIFL Wealth Management Limited	Indian	Wealth Management	MCA SEBI	1070.03	147.44
10.	India Infoline Trustee Company Limited	Indian - Trustee Company for proposed Mutual Fund	Trustee company	MCA SEBI	0.02	(0.97)
11.	IIFL (Thane) Private Limited	Indian	Realty	MCA	[-]	(7.88)
12.	IIFL Energy Limited	Indian	Financial Service	MCA	[-]	(0.03)

Sr. No.	Name of the subsidiary	Indian/ Foreign	Business Activity	Regulator	Revenues FY 2011-12 (₹ in million)	PAT FY 2011-12 (₹ in million)
13.	India Infoline Asset Management Company Limited	Indian	Asset Management Company	MCA SEBI	10.44	(23.00)
14.	India Infoline Insurance Services Limited	Indian	Corporate Agent	MCA IRDA	54.63	1.64
15.	IIFL Trustee Services Limited	Indian	Trustee Services	MCA	2.89	0.05
16.	IIFL Distribution Service Pvt. Ltd (earlier Finest Wealth Managers Private Limited)	Indian	Distributor	MCA	24.38	9.15
17.	IIFL Alternate Asset Advisors Limited	Indian	Investment Manager	MCA	0.26	0.04

Foreign Subsidiaries of IIFL

(₹in million)

Sr. No.	Name of the Entity	Located at	Business Activity	Regulator	Revenues FY 2011-12	PAT FY 2011-12
1	India Infoline Commodities DMCC	Dubai	Gold and Commodity exchange, Broking member	Dubai Gold and Commodities Exchange, Dubai	-	(1.79)
			Gold and Commodity exchange	Dubai Multi Commodities Centre, Dubai		
2	IIFL Wealth (UK) Ltd	UK	Financial Service	Financial Services Authority	14.84	(1.40)
3	IIFL Inc.	USA	Investment Advisor	Securities and Exchange Commission	70.29	1.39
		USA	FII	SEBI		
4	IIFL (Asia) Pte. Ltd.	Singapore	Investment holding company only, for IIFL Securities Pte Ltd and IIFL Capital Pte Ltd.	NIL	-	(178.04)
5	IIFL Capital Pte. Ltd *formerly known as IIFL Wealth Pte. Ltd.*	Singapore	Exempt Financial Advisor & Exempt Fund Manager	Monetary Authority of Singapore	35.11	(39.23)
6	IIFL Securities Pte. Ltd	Singapore	Dealing in Securities & Advising on Corporate Finance	Monetary Authority of Singapore	215.55	(43.64)

Sr. No.	Name of the Entity	Located at	Business Activity	Regulator	Revenues FY 2011-12	PAT FY 2011-12
			Dealing in Securities & Advising on Corporate Finance			
			Trading & Clearing member	Singapore Exchange Limited		
7	IIFL Securities Ceylon (Pvt) Ltd	Sri Lanka	Stock Broker of Colombo Stock Exchange	Securities Exchange Commission, Sri Lanka)	26.32	3.95
8	IIFL Capital Ceylon (Pvt) Ltd	Sri Lanka	Financial Service	Registrar of Companies, Srilanka	0.72	(1.81)
9	IIFL Private Wealth (Mauritius) Ltd	Mauritius	CIS License Manager & Category I Global Business License.	Financial Services Commission, Mauritius	37.88	0.73
10	IIFL Private Wealth (Suisse) SA	Swizerland	Swiss Financial Market Supervisory Authority	Financial Services activities/capital market related activities	-	-
11	IIFL Private Wealth Management (Dubai) Limited	Dubai	Advising on Financial Products or Credit, Arranging Credit or Deals in Investment	DFSA (Dubai Financial Services Authority)	1.47	(33.41)
12	IIFL Private Wealth Hong Kong Ltd	Hong Kong	Financial Service	Securities & Futures Commission	-	(6.00)
13	IIFL Capital Inc	USA	Financial Service	Securities Exchange Commission	N.A.	N.A.

OUR SUBSIDIARIES

1. India Infoline Distribution Company Limited ("*IIDCL*"):

IIDCL (CIN: U99999MH1996PLC132983) was incorporated in the state of Maharashtra under the provisions of Companies Act; on March 21, 1996 *vide* Registration no. 132983. The registered office of IIDCL is presently located as IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, MICR, Wagle East, Thane – 400 604, Maharashtra, India.

Principal Business

IIDCL is mainly engaged in the business of distribution of financial products and loan products.

Board of Directors

As on the date of this Prospectus, the board of directors of IIDCL comprises of Mr. Nirmal Jain, Mr. R Venkataraman, Mr. Mukesh Satyadeo Singh and Mr. R Mohan.

Shareholding Pattern

The shareholding pattern of IIDCL as on the date of this Prospectus is as follows:

Name of the shareholder	Number of shares	Percentage of Shareholding (%)
India Infoline Finance Limited	1,400,080	99.998
Mr. R Venkataraman*	10	0.001
Mr. Nirmal Jain*	5	0.00
Mr. Mukesh Kumar Singh*	1	0.00
Mr. Narendra Jain*	1	0.00
Mr. Sandeepa Vig Arora*	1	0.00
Mr. R. Mohan*	1	0.00
Mr. Amit Mehendale *	1	0.00
Total	**1,400,100**	**100.00**

***** *As a nominee of India Infoline Finance Limited*

2. India Infoline Housing Finance Limited ("*IIHFL*")

IIHFL (CIN U65993MH2006PLC166475) was incorporated under the provisions of Companies Act, as amended; on December 26, 2006 *vide* Registration No. 166475. It is registered with the National Housing Bank ("***NHB***") as housing finance company *vide* Registration No. 02.0070.09 dated February 3, 2009, and notified as a financial institution under SARFAESI Act *vide* Government notification dated June 23, 2010.

The registered office of IIHFL is presently located as IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle East, Thane – 400 604, Maharashtra, India.

Principal Business

IIHFL is engaged in the business of housing and related loan activities.

Board of Directors

As on the date of this Prospectus, the board of directors of IIHFL comprises of Mr. Nirmal Jain, Mr. R Venkataraman, Mr. Mukesh Satyadeo Singh and Mr. R Mohan.

Shareholding Pattern

The shareholding pattern of IIHFL as on the date of this Prospectus is as follows:

Name of the shareholder	Number of shares	Percentage of Shareholding (%)
India Infoline Finance Limited	10,899,400	99.99
Mr. Chintan Modi*	100	0.00
Mr. Narendra Jain*	100	0.00
Mr. R. Mohan*	100	0.00
Mr. L P Aggarwal*	100	0.00
Mr. Amit Mehendale*	100	0.00
Mr. Mukesh Kumar Singh*	100	0.00
Total	**10,900,000**	**100.00**

***** *As a nominee of India Infoline* Finance *Limited*

As on date our Company also holds 20,000,000 Preference Shares of IIHFL.

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT

To,
The Board of Directors
India Infoline Finance Limited
(Formerly, India Infoline Investment Services Limited)
Mumbai.

Dear Sirs,

We have examined the attached Reformatted unconsolidated financial information of **India Infoline Finance Limited**, formerly known as **India Infoline Investment Services Limited** (the "Company") annexed to this report, which is proposed to be included in the Prospectus of the Company in connection with the proposed issue of Unsecured, Redeemable, Non-Convertible Debentures (NCDs) aggregating to Rs. 2500 Million with an option to retain over-subscription upto Rs 2500 Million for issuance of additional NCDs in terms of the requirement of Paragraph B(1) of Part-II of Schedule II to the Companies Act, 1956 ("the Act"), Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("the Regulations") issued by Securities and Exchange Board of India (SEBI), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") and in terms of our engagement letter dated August 13, 2012. This financial information has been prepared by the Company and is approved by the debenture committee of the board of directors of the company.

We have examined this financial information taking into consideration the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.

1. Reformatted Unconsolidated Financial Statements as per Audited Unconsolidated Financial Statements of the Company

We have examined the following attached statements of the Company:

a) the "Reformatted Unconsolidated Statement of Assets and Liabilities" as at March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (Annexure 1) and the Notes forming part thereof (Annexure 4);

b) the "Reformatted Unconsolidated Statement of Profits and Losses" for each of the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (Annexure 2) and the Notes forming part thereof (Annexure 5);and

c) the "Reformatted Unconsolidated Statement of Cash Flows" for each of the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (Annexure 3),

together referred to as "Reformatted Unconsolidated Financial Statements".

These Reformatted Unconsolidated Financial Statements have been extracted from the Audited Unconsolidated Financial Statements of the Company and based on our examination of these Reformatted Unconsolidated Financial Statements, we state that:

(a) These Reformatted Unconsolidated Financial Statements have been presented in "Rupees in Million" solely for the convenience of readers;

(b) These Reformatted Unconsolidated Financial Statements have to be read in conjunction with the relevant Significant Accounting Policies and Notes to Financial Statements on the Reformatted Unconsolidated Financial Statements given as per Annexure 13;

(c) The figures of earlier years / Periods have been regrouped (but not restated) wherever necessary, to conform to the classification adopted for the Reformatted Unconsolidated Financial Statements;

(d) There are no extra-ordinary items that need to be disclosed separately in the Reformatted Unconsolidated Financial Statements; and

(e) There are no qualifications in the auditors' reports that require adjustments to the figures in the Reformatted Unconsolidated Financial Statements.

(f) These Reformatted Unconsolidated Financial Statements conform to the requirements of the Revised Schedule VI of the Companies Act, 1956.

2. **Other Unconsolidated Financial Information of the Company**

We have examined the following Other **Unconsolidated** Financial Information of the Company in respect of each years, wherever applicable, ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 proposed to be included in the Prospectus, and annexed to this report:

a) Statement of Contingent Liability (Annexure -6)

b) Statement of Dividends (Annexure 7)

c) Capitalisation Statement (Annexure 8)

d) Statement of Accounting Ratios (Annexure 9)

e) Statement of Tax Shelter (Annexure 10)

f) Statement of Secured Loans (Annexure -11)

g) Statement of Unsecured Loans (Annexure -12)

3. In our opinion, the "Reformatted Unconsolidated Financial Statements as per Audited Unconsolidated Financial Statements of the Company" and "Other Unconsolidated Financial Information of the Company" mentioned above for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 have been prepared in accordance with Paragraph B(1) of Part II of Schedule II to Act and the Regulations amended by time to time, by SEBI Act.

4. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

5. This report is intended solely for your information and for inclusion in the Prospectus in connection with the proposed issue of NCDs aggregating to Rs. 2500 Million with an option to retain over-subscription upto Rs. 2500 Million for issuance of additional NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Sharp & Tannan Associates

Chartered Accountants

ICAI Registration No.109983W

By the hand of

Place: Mumbai
Date : 27th August, 2012

Tirtharaj Khot
Partner
Membership No.:(F) 037457

Annexure 1

Statement of Reformatted Unconsolidated Assets and Liabilities

(₹ in million)

Particulars	Note No	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
I EQUITY AND LIABILITIES						
(1) Shareholders' funds						
(a) Share Capital	1	2,371.54	2,371.54	237.15	237.15	237.15
(b) Reserve and Surplus	2	11,953.38	10,858.80	12,321.39	11,845.88	11,225.02
		14,324.92	**13,230.34**	**12,558.54**	**12,083.03**	**11,462.17**
(2) Share application money pending allotment		-	-	-	-	-
(3) Non-Current Liabilities						
(a) Long-term borrowings	3	31,437.20	9,990.30	1,365.10	-	-
(b) Deferred tax liabilities (Net)		-	-	-	-	-
(c) Other Long-term liabilities		-	-	-	-	-
(d) Long-term provisions	4	161.55	71.50	-	-	-
		31,598.75	**10,061.80**	**1,365.10**	**-**	**-**
(4) Current liabilities						
(a) Short-term borrowings	5	20,339.36	8,932.11	6,590.00	500.00	5,344.37
(b) Trade payables		-	-	-	-	-
(c) Other current liabilities	6					
-Borrowings		6,407.74	1,908.00	1,250.00	-	-
-Others		3,170.19	1,951.90	132.06	964.11	5.01
(d) Short-term provisions	7	299.51	8.66	2.07	0.15	0.02
		30,216.80	**12,800.67**	**7,974.13**	**1,464.26**	**5,349.40**
TOTAL – EQUITY AND LIABILITIES		**76,140.47**	**36,092.81**	**21,897.77**	**13,547.29**	**16,811.57**
II ASSETS						
(1) Non-current assets						
(a) Fixed assets	8					
(i) Tangible assets		699.61	113.42	2.21	2.85	0.27
(ii)Intangible assets		0.22	-	-	-	-
(iii) Capital work-in-progress		12.15	-	-	-	0.65
(iv) Intangible assets under development		-	-	-	-	-
		711.98	**113.42**	**2.21**	**2.85**	**0.92**
(b) Non-current investments	**9**	4,420.15	3,417.27	2,442.06	1,647.06	521.06
(c) Deferred tax assets (Net)	**10**	115.40	30.04	7.18	5.60	6.14
(d) Long-term loans & advances	**11**					
-Loans		20,081.84	9,987.90	3,580.58	2,088.11	34.09
-Others		2,313.07	1,849.87	932.66	27.28	5.05
(e) Other non-current assets	**12**	405.16	-	68.71	152.36	186.89
		27,335.62	**15,285.08**	**7,031.19**	**3,920.41**	**753.23**
(2) Current assets						
(a) Current investments	**13**	3,041.93	1,000.50	934.69	2,381.27	8,292.08
(b) Inventories	**14**	107.39	223.83	113.69	1,108.36	-

(c) Trade receivables		-	-	-	-	-
(d) Cash and Bank balances	**15**	2,266.94	312.86	1,015.60	274.30	511.42
(e) Short-term loans & advances	**16**					
-Loans		39,526.19	18,579.13	10,713.30	4,639.36	6,018.14
-Others		2,496.03	251.97	1,962.31	1,162.89	-
(f) Other current assets	**17**	654.39	326.02	124.78	57.85	1,235.78
		48,092.87	**20,694.31**	**14,864.37**	**9,624.03**	**16,057.42**
TOTAL		**76,140.47**	**36,092.81**	**21,897.77**	**13,547.29**	**16,811.57**

Net worth		**As at March 31,**				
Particulars	**Note**	**2012**	**2011**	**2010**	**2009**	**2008**
Share Capital		2,371.54	2,371.54	237.15	237.15	237.15
Reserve and Surplus		11,953.38	10,858.80	12,321.39	11,845.88	11,225.02
Less : Miscellaneous expenditure		165.99	-	-	-	72.28
Total		**14,158.93**	**13,230.34**	**12,558.54**	**12,083.03**	**11,389.89**

Annexure 2

Statement of Reformatted Unconsolidated Profit & Losses

(₹ in million)

Particulars	**Note No**	**2011-2012**	**2010-2011**	**2009-2010**	**2008-2009**	**2007-2008**
Revenue						
Revenue from operations	18	8,681.27	4,255.09	1,623.92	1,559.70	1,511.03
Other Income	19	422.43	263.97	26.43	14.26	11.06
Total Revenue		**9,103.70**	**4,519.06**	**1,650.35**	**1,573.96**	**1,522.09**
Expenses						
Employee benefit expenses	20	1,044.39	600.24	295.61	260.59	51.71
Finance cost	21	4,616.53	2,070.42	192.41	253.34	817.25
Depreciation & amortization expenses	22	149.60	8.51	0.63	0.36	0.69
Other expenses	23	1,599.08	535.43	359.85	271.39	209.47
Provisions & Write off	24	254.11	110.04	139.39	-	52.77
Total Expenses		**7,663.71**	**3,324.64**	**987.89**	**785.68**	**1,131.89**
Profit/(Loss) before tax		**1,439.99**	**1,194.42**	**662.46**	**788.28**	**390.20**
Tax expenses :						
Current tax expense for current year		506.87	380.49	185.85	154.25	80.31
Deferred tax		(80.05)	(22.88)	(1.59)	0.56	(6.09)
Fringe benefit tax		-	-	-	2.88	0.42
Current tax expense relating to prior years		(5.34)	10.24	2.69	0.23	0.09
Total tax expense		**421.48**	**367.85**	**186.95**	**157.92**	**74.73**
Profit (loss) for the period		**1,018.51**	**826.57**	**475.51**	**630.36**	**315.47**

Annexure 3

Statement of Reformatted Unconsolidated Cash Flows

(₹ in million)

Particulars	As At March 31,2012	As At March 31,2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Cash flows from operating activities					
Net profit before taxation, and extraordinary item	1,439.99	1,194.42	662.46	788.28	390.06
Adjustments for:					
Depreciation	149.60	8.51	0.63	0.36	0.69
Provision for Doubtful Loans	79.47	(0.54)	4.40	-	17.78
Provision for Standard Loans	86.90	71.50	-	-	-
Provision for diminution in value of investments	2.03	-	-	-	34.99
Provision for Contingencies	46.71	-	-	-	-
Gratuity & Leave Enchasment	27.06	3.90	-	(0.02)	-
	391.77	**83.37**	**5.03**	**0.34**	**53.46**
Operating profit before working capital changes	**1,831.76**	**1,277.79**	**667.49**	**788.62**	**443.52**
Increase / (Decrease) in long term provisions	3.15	-	-	-	-
Increase / (Decrease) in short term provisions	(2.93)	(3.52)	1.92	0.15	-
Increase / (Decrease) in Other liabilities	1,438.30	1,879.71	(832.05)	959.09	(2.92)
Decrease / (Increase) in trade inventories	114.42	(110.14)	994.67	(1,108.36)	-
Decrease / (Increase) in long term loans & advances	(10,572.79)	(5,373.88)	(2,353.29)	(2,056.17)	(48.20)
Decrease / (Increase) in short term loans & advances	(23,191.11)	(8,137.50)	(6,873.36)	215.89	(3,941.72)
Decrease / (Increase) in other current assets	(333.69)	(209.23)	(66.92)	1,177.92	(907.40)
Decrease / (Increase) in other non-current assets	(111.86)	69.77	83.64	34.53	218.27
	(32,656.51)	**(11,884.79)**	**(9,045.39)**	**(776.95)**	**(4,681.97)**
Cash generated from operations	**(30,824.75)**	**(10,607.00)**	**(8,377.90)**	**11.67**	**(4,238.45)**
Tax (Paid) / Refund	(565.35)	(368.30)	(237.50)	(177.45)	(89.53)
Net cash from operating activities	**(31,390.10)**	**(10,975.30)**	**(8,615.40)**	**(165.78)**	**(4,327.98)**
Cash flows from investing activities					
Purchase of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	(748.16)	(156.97)	-	(2.28)	(0.80)
Proceeds of non-current investments	(2,539.81)	(295.21)	(795.00)	(1,126.00)	(521.06)
Purchase/Sale of current investments	(2,041.43)	(65.80)	1,446.60	5,910.81	(8,280.18)
Purchase of Investments (Subsidiaries)	1,536.92	(680.00)	-	-	-
Purchase consideration for amalgamation	76.06	-	-	-	-
Net cash from investing activities	**(3,716.42)**	**(1,197.98)**	**651.60**	**4,782.53**	**(8,802.04)**
Cash flows from financing activities					
Dividend paid	-	(138.27)	-	-	-
Share issue expenses	-	(16.50)	-	(9.50)	-
Proceeds of issue of share Capital/Premium	-	-	-	-	9,683.04

Proceeds from long term borrowings	25,946.64	9,283.20	2,615.10	-	-
Proceeds from short term borrowings	11,407.25	2,342.11	6,090.00	(4,844.37)	3,843.23
Net cash used in financing activities	**37,353.89**	**11,470.54**	**8,705.10**	**(4,853.87)**	**13,526.27**
Net increase in cash and cash equivalents	**2,247.37**	**(702.74)**	**741.30**	**(237.12)**	**396.25**
Opening Cash and cash equivalents	312.86	1,015.60	274.30	511.42	115.17
Closing Cash and cash equivalents	2,560.23	312.86	1,015.60	274.30	511.42

Annexure 4

Notes to the Statement of Reformatted Unconsolidated Assets and Liabilities

Note – 1

Share Capital ***(₹ in million)***

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Authorised :					
300,000,000 equity shares of ₹ 10 each	3,000.00	3,000.00	500.00	500.00	500.00
1,999,600 equity shares of ₹100 each#	199.96	-	-	-	-
150 Preference Shares of ₹ 100 each#	0.015	-	-	-	-
250 11% Non- cumulative redeemable preference shares of ₹ 100 each #	0.025	-	-	-	-
Total	**3,200.00**	**3,000.00**	**500.00**	**500.00**	**500.00**
Issued, Subscribed and Paid-up share capital					
237,154,030 Equity Shares of ₹ 10 each	2,371.54	2,371.54	237.15	237.15	237.15

During the year under review, Moneyline Credit Limited, a wholly owned subsidiary was merged with the Company pursuant to the order issued by Hon'ble High Court. The merger has been effected with the filing of the order of the Hon'ble High Court with Registrar of Companies on March 26, 2012. The appointed date of the merger was April 1, 2011. Accordingly, the financial results of Company for the period ended March 31, 2012 are prepared after giving effect to the said merger.

(a) **Reconciliation of number of equity shares outstanding at the beginning and at end of the year**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Number of shares outstanding at the beginning of the year	237,154,030	23,715,403	23,715,403	23,715,403	23,715,403
Number of shares Issued during the period - Bonus	-	213,438,627	-	-	-
Number of shares outstanding at the end of the year	**237,154,030**	**237,154,030**	**23,715,403**	**23,715,403**	**23,715,403**

Reconciliation of equity share capital outstanding at the beginning and at end of the year

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Issued, Subscribed and Paid-up share capital at beginning of the year	2371.54	237.15	237.15	237.15	237.15
Issued during the year - Bonus	-	2134.39	-	-	-
Issued, Subscribed and Paid-	**2371.54**	**2371.54**	**237.15**	**237.15**	**237.15**

up share capital at the end of the year					

(b) **Rights attached to equity shares**

The Company has only one class of issued equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

(c) **Details of shareholders holding more than 5% equity shares as at the end of the year**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Name of shareholder					
India Infoline Limited					
Number of shares	234,467,549	182,000,000	18,200,000	18,200,000	18,200,000
% holding in the class	98.87%	76.74%	76.74%	76.74%	76.74%
India Infoline Marketing Services Limited*					
Number of shares	-	52,838,700	5,283,870	-	-
% holding in the class	-	22.28%	22.28%	-	-
Orient Global Tamrind Fund PTE Limited					
Number of shares	-		-	5,283,870	5,283,870
% holding in the class				22.28%	22.28%

**India Infoline Marketing Services Limited ("IIMSL"), a wholly owned subsidiary of India Infoline Limited (IIL), has been merged with IIL with effect from April 1, 2011. The merger was sanctioned by the Hon'ble High Court of Judicature at Bombay; vide its order dated 27th April 2012. Pursuant to the merger all the investments of IIMSL stand transferred to IIL.*

(d) **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Particulars	March 31 2012	March 31 2011	March 31 2010	March 31 2009	March 31 2008
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Bonus issue	-	21,34,38,627	-	-	-

(e) **As at March 2012 -** The Company has implemented Employee Stock Option Scheme – 2007. Under the said scheme 4920,000 (Previous year 5,825,000), stock options are in force as on March 31, 2012.

As at March 2011 - The Company has implemented Employee Stock Option Scheme – 2007. Under the said scheme 5,825,000. Stock options are in force as on March 31, 2011. This is after augmentation of entitlement of bonus in ratio of 9:1 made during the financial year.

As at March 2010 - The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary Genera Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 1,325,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

As at March 2009 - The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary Genera Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 1,325,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

As at March 2008 - The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary General Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 13, 25,000 options entitling to a total of 13,25,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 7,60,000 options under this plan during the year 2007-08. The same are under vesting.

Note – 2

Reserves and Surplus **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Securities Premium Reserve					
Opening balance	8,657.48	10,808.37	10,808.37	10,817.87	1,251.99
Addition during the year	-	-	-	-	9,565.88
Deduction during the year , for issue of bonus shares and adjustment of share issue expenses.	-	2,150.89	-	9.50	-
Closing balance	**8,657.48**	**8,657.48**	**10,808.37**	**10,808.37**	**10,817.87**
General Reserve					
Opening balance	83.00	-	-	-	-
Addition due to transfer during the year from surplus in the Statement of Profit and Loss	-	83.00	-	-	-
Closing balance	**83.00**	**83.00**	**-**	**-**	**-**
Special Reserve (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)					
Opening balance	471.71	305.71	208.60	81.70	18.50
Addition due to merger of Moneyline Credit Limited with the Company (Refer Note 26)	19.90	-	-	-	-
Addition due to transfer during the year from surplus in the Statement of Profit and Loss	208.39	166.00	97.11	126.90	63.20
Closing balance	**700.00**	**471.71**	**305.71**	**208.60**	**81.70**
Debenture Redemption Reserve					
Opening balance	-	-	-	-	-

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Addition on account of NCD public issue	630.00	-	-	-	-
Closing balance	**630.00**	**-**	**-**	**-**	**-**
Surplus / (Deficit) in Statement of Profit and Loss					
Opening balance	1,646.61	1,207.31	828.91	325.45	73.18
Addition: Profit / (Loss) for the year	1,018.51	826.57	475.51	630.36	315.47
Addition due to merger of Moneyline Credit Limited with the Company (Refer Note 26)	56.15	-	-	-	-
Less: Appropriations	-	-	-	-	-
Interim Dividend	-	118.58	-	-	-
Dividend Distribution Tax	-	19.69	-	-	-
Special Reserve	208.39	166.00	97.11	126.90	63.20
General Reserve	-	83.00	-	-	-
Debenture Redemption Reserve	630.00	-	-	-	-
Closing balance	**1,882.88**	**1,646.61**	**1,207.31**	**828.91**	**325.45**
Total	**11,953.38**	**10,858.80**	**12,321.39**	**11,845.88**	**11,225.02**

Note -3

Long-term borrowings **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Secured Loans					
Loan from Banks (Secured against receivables) – Refer Note 5.1 below	21,129.17	7,625.00	750.00	-	-
Non Convertible Debentures (Secured Against Immovable Property, Stock and Book Debts) – Refer Note 5.2 below	8,768.89	2,365.30	615.10	-	-
Sub total	**29,898.06**	**9,990.30**	**1,365.10**	**-**	**-**
Unsecured Loans					
Non Convertible Debentures – Refer Note 5.3 below	1,539.14	-	-	-	-
Total	**31,437.20**	**9,990.30**	**1,365.10**	**-**	**-**

Long-term borrowings: Current maturities **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Secured Loans					
Loan from Banks (Secured against receivables) – Refer Note 3.1 below	5,078.74	875.00	1250.00	-	-
Non Convertible Debentures (Secured Against Immovable Property, Stock and Book Debts) – Refer Note 3.2 below	400.00	300.00	-	-	-
Sub total	**5,478.74**	**1,175.00**	**1,250.00**		

Unsecured Loans					
Non Convertible Debentures – Refer Note 3.3 below	929.00	733.00	-	-	-
Sub total	**929.00**	**733.00**	-	-	-
Amount disclosed under the head "Other current liabilities"	**(6,407.74)**	**(1,908.00)**	**(1,250.00)**		
Total	-	-	-	-	-

During the year 2011-2012, the Company has raised Secured Term Loans aggregating ₹ 18,250.00 million (Previous Year ₹ 7,750.00 million) from various banks.

The Company has also raised ₹ 8,384.90 million (P.Y. ₹ 2,783.20 million) by issue of Secured Non Convertible Debentures.

During the year 2010-2011, the Company has raised Term Loans aggregating ₹ 7,750.00 million from various banks. The same is secured against the receivables of the Company. The Company has also raised ₹ 2,783.20 million by issue of secured Non Convertible Debentures. The said debentures are secured against immovable property, stocks and book debts of the Company. The same are also guaranteed by India Infoline Ltd., the holding company. These debentures are redeemable at par over a period of 12 months to 38 months from the date of allotment depending upon the terms of issue.

During the year 2009-2010, company has obtained Term Loans of ₹ 1,000.00 million each from Axis bank and Yes Bank. The same is secured against the receivables of the company. The company has also raised ₹ 615.10 million by way of Non Convertible debentures. The same is secured against immovable Property, Stocks and Book Debts.

Note 3.1: Term Loans from Banks - Secured:

₹ millions

Maturities	**Non current**					
	March 31, 2012			**March 31, 2011**		
	1-3 years	**3-5 years**	**Total**	**1-3 years**	**3-5 years**	**Total**
Rate of interest *						
10.00 % to 11.00 %	-	-	-	3,000.00	-	3,000.00
11.01 % to 12.00 %	-	-	-	2,875.00	1,750.00	4,625.00
12.01 % to 13.00 %	16,879.17	4,250.00	21,129,17	-	-	-
Total	16,879.17	4,250.00	21,129,17	**5,875.00**	**1,750.00**	**7,625.00**

₹ millions

Maturities	**Non current**								
	March 31, 2010			**March 31, 2009**			**March 31, 2008**		
	1-3 years	**3-5 years**	**Total**	**1-3 years**	**3-5 years**	**Total**	**1-3 years**	**3-5 years**	**Total**
Rate of interest*									
9.00% to 10.00%	500.00	250.00	750.00	-	-	-	-	-	-
10.01 % to 11.00 %	-	-	-	-	-	-	-	-	-
11.01 % to 12.00 %	-	-	-	-	-	-	-	-	-
12.01 % to 13.00 %	-	-	-	-	-	-	-	-	-
Total	500.00	250.00	750.00	-	-	-	-	-	-

*The rate of interest for the above term loans are linked to the base rates of the banks and are subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

The above loans are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. The above loans are also guaranteed by India Infoline Limited, holding company.

Note 3.2: Non Convertible Debentures – Secured

₹ millions

Particulars	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
11.50 % Non-Convertible Debentures of Face value ₹10,000 Each Redeemable on 2-Mar-2017	300.00	-	-	-
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2016	202.41	-	-	-
11.90 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2016	2,896.85	-	-	-
11.50 % Non-Convertible Debentures of Face value ₹10,000 Each Redeemable on 30-Jan-15	225.00	-	-	-
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Dec-14	330.97	-	-	-
Equity Linked Non-Convertible Debentures Series I-018 of Face value ₹100,000 Each Redeemable on 18-Oct-14	77.50	-	-	-
Equity Linked Non-Convertible Debentures Series I-019 of Face value ₹100,000 Each Redeemable on 18-Oct-14	41.00	-	-	-
Equity Linked Non-Convertible Debentures Series I-014 of Face value ₹100,000 Each Redeemable on 13-Oct-14	32.00	-	-	-
Equity Linked Non-Convertible Debentures Series I-015 of Face value ₹100,000 Each Redeemable on 13-Oct-14	15.40	-	-	-
Equity Linked Non-Convertible Debentures Series I-016 of Face value ₹100,000 Each Redeemable on 13-Oct-14	38.50	-	-	-
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-14	3,417.46	-	-	-
Equity Linked Non-Convertible Debentures Series I-017 of Face value ₹100,000 Each Redeemable on 13-May-14	75.50	-	-	-
Equity Linked Non-Convertible Debentures Series I-012 of Face value ₹100,000 Each Redeemable on 29-Jul-13	56.50	56.50	-	-
Equity Linked Non-Convertible Debentures Series I-004 of Face value ₹100,000 Each Redeemable on 10-Sep-12	-	30.00	30.00	-
Equity Linked Non-Convertible Debentures Series I-003 of Face value ₹100,000 Each Redeemable on 9-May-13	30.00	30.00	-	-
Equity Linked Non-Convertible Debentures Series I-001 of Face value ₹100,000 Each Redeemable on 5-May-13	92.60	92.60	-	-
Equity Linked Non-Convertible Debentures Series I-002 of Face value ₹100,000 Each Redeemable on 5-	52.20	52.20	-	-

Particulars	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
May-13				
Equity Linked Non-Convertible Debentures Series I-009 of Face value ₹100,000 Each Redeemable on 30-Apr-13	50.00	50.00	-	-
Equity Linked Non-Convertible Debentures Series I-006 of Face value ₹100,000 Each Redeemable on 29-Apr-13	11.00	11.00	-	-
8.00 % Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 20-Apr-13	734.00	734.00	-	-
Equity Linked Non-Convertible Debentures Series I-010 of Face value ₹100,000 Each Redeemable on 19-Apr-13	10.00	10.00	-	-
12.20 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 16-Apr-13	80.00	-	-	-
Equity Linked Non-Convertible Debentures Series I-007 of Face value ₹100,000 Each Redeemable on 30-Mar-13	-	20.00	20.00	-
Equity Linked Non-Convertible Debentures Series I-008 of Face value ₹100,000 Each Redeemable on 30-Mar-13	-	4.00	4.00	-
Equity Linked Non-Convertible Debentures Series I-005 of Face value ₹100,000 Each Redeemable on 29-Mar-13	-	25.30	25.30	-
Equity Linked Non-Convertible Debentures Series I-013 of Face value ₹100,000 Each Redeemable on 4-Oct-12	-	86.20	86.20	-
Equity Linked Non-Convertible Debentures Series I-011 of Face value ₹100,000 Each Redeemable on 28-Jul-12	-	30.50	30.50	-
8.25 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 10-May-12	-	400.00	400.00	-
8.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 21-Apr-12	-	733.00	733.00	-
8.30 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 15-Sep-11	-	-	-	300.00
8.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 21-Apr-11	-	-	-	733.00
Total	**8,768.89**	**2,365.30**	**1,329.00**	**1,033.00**

As at March 2010 **₹ millions**

Particulars	Non Current
8.30 % Non-Convertible Debentures of Face value ₹10,00,000 Each Redeemable on 15-Sep-11	300.00
Equity Linked Non-Convertible Debentures Series I-004 of Face value ₹100,000 Each Redeemable on 10-Sep-12	30.00
Equity Linked Non-Convertible Debentures Series I-003 of Face value ₹100,000 Each Redeemable on 9-May-13	30.00
Equity Linked Non-Convertible Debentures Series I-001 of Face value ₹100,000 Each Redeemable on 5-May-13	92.60
Equity Linked Non-Convertible Debentures Series I-002 of Face value ₹100,000 Each Redeemable on 5-May-13	52.20
Equity Linked Non-Convertible Debentures Series I-009 of Face value ₹100,000 Each Redeemable on 30-Apr-13	50.00
Equity Linked Non-Convertible Debentures Series I-006 of Face value ₹100,000 Each Redeemable on 29-Apr-13	11.00
Equity Linked Non-Convertible Debentures Series I-007 of Face value ₹100,000 Each	20.00

Redeemable on 30-Mar-13	
Equity Linked Non-Convertible Debentures Series I-008 of Face value ₹100,000 Each Redeemable on 30-Mar-13	4.00
Equity Linked Non-Convertible Debentures Series I-005 of Face value ₹100,000 Each Redeemable on 29-Mar-13	25.30
Total	**615.10**

The above debentures are secured by way of charge over immoveable property and/or current assets, book debts, receivables (both present and future) and other assets of the Company. Debentures outstanding as on March 31, 2012, amounting to ₹ 734.00 million (Previous year ₹ 1,467.00 million) are secured by way of exclusive charge on certain receivables of the Company. Secured non convertible debentures aggregating to ₹ 2,365.30 million (Previous year ₹3,398.30 million) are also guaranteed by India Infoline Ltd., the holding Company.

During the year under review, Company successfully completed its maiden public issue of Secured Redeemable Non-Convertible Debentures ("NCDs") aggregating to ₹ 7,500.00 million. The Company has utilized the entire proceeds of NCD public issue for the stated purposes mentioned in the Final Prospectus dated July 29, 2011. During the year under review, Company extinguished 652,314 Secured Redeemable Non-Convertible Debentures aggregating to ₹ 652.31 million.

Pursuant to Section 117C of the Companies Act, 1956 read with circular issued by the Ministry of Company Affairs ("MCA"), the Company being an NBFC was required to create Debenture Redemption Reserve of a value equivalent to 50% of the debentures offered through a public issue. Accordingly, ₹ 630.00 million has been transferred to Debenture Redemption Reserve Account for the financial year ended March 31, 2012.

Note 3.3: Non Convertible Debentures – Unsecured **(₹ millions)**

Particulars	Non Current	
	March 31, 2012	March 31, 2011
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2019 (SBMIB VII – 7 years)	0.35	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2019 (SBMIB VI - 7 years)	0.05	-
12.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 28-Mar-2019 *	250.00	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 2-Mar-2019 (SBMIB V – 7 years)	0.09	-
12.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 27-Feb-2019 *	750.00	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 23-Feb-2019 (SBMIB IV – 7 years)	0.47	-
11.50% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 20-Feb-2019 *	500.00	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2019 (SBMIB III – 7 years)	0.25	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2019 (SBMIB II – 7 years)	0.03	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 18-Jan-2019 (SBMIB I – 7 years)	1.16	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2018 (SBDB V – 6 years)	1.79	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2018 (SBDB IV – 6 years)	1.44	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 1-Mar-2018 (SBDB III – 6 years)	2.41	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2018 (SBDB II – 6 years)	2.54	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 23-Jan-2018 (SBDB I – 6 years)	3.76	-

Particulars	Non Current	
	March 31, 2012	March 31, 2011
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2017 (SBMIB VII – 5 years)	2.33	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2017 (SBMIB VI – 5 years)	3.23	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 2-Mar-2017 (SBMIB V – 5 years)	3.13	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 23-Feb-2017 (SBMIB IV – 5 years)	3.79	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2017 (SBMIB III – 5 years)	4.77	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2017 (SBMIB II – 5 years)	3.30	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 18-Jan-2017 (SBMIB I – 5 years)	4.27	-
Total	1,539.14	**-**

* For these Non Convertible Debentures, the company has a call option, after 5 years from the date of allotment subject to prior approval from the Reserve Bank of India for redemption. The Non Convertible Debentures does not have any put option.

Note 4 : Long-term provisions **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Contingent Provision against standard assets	**161.55**	**71.50**	**-**	**-**	**-**

Note 5: Short-term borrowings **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Secured Loans					
Cash credit from banks	1,489.36	0.11	-	-	-
Loan from financial Institution	1,000.00	-	-	-	1,000.00
Sub total	**2,489.36**	**0.11**	**-**	**-**	**1,000.00**
Unsecured Loans					
Loan from banks	400.00	-	-	-	-
Commercial Paper	17,450.00	8,660.00	1,400.00	500.00	2,550.00
Non Convertible Debentures	-	272.00	5,190.00	-	1,794.37
Sub total	**17,850.00**	**8,932.00**	**6,590.00**	**500.00**	**4,344.37**
Total	**20,339.36**	**8,932.11**	**6,590.00**	**500.00**	**5,344.37**

The above secured borrowings are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. The above secured borrowings are also guaranteed by India Infoline Limited, holding company.

Note 6 : Other current liabilities **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Current maturities of long term borrowings	6,407.74	1,908.00	1,250.00	-	-
Sub-total	**6,407.74**	**1,908.00**	**1,250.00**	**-**	**-**
Other Payable					
Payable to Group/Holding Company	-	-	-	0.03	-

Interest accrued but not due on borrowings	862.60	178.87	10.54	-	-
Debenture application money received pending allotment	2.06	-	-	-	-
Payables on account of assignments	175.73	-	-	-	-
Temporary overdrawn bank balance as per books	1,483.33	1,686.89	-	961.33	-
Advances from customers	274.83	8.64	1.95	-	-
Payables to vendors for health care Loans	182.56	-	-	-	-
Contractually reimbursable expenses	125.16	37.37	77.75	1.98	0.80
Income received in advance	34.84	18.62	5.02	-	-
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	17.71	16.84	31.67	0.25	2.20
Other payables	11.37	4.67	5.13	0.52	2.01
Sub-total	**3,170.19**	**1,951.90**	**132.06**	**964.11**	**5.01**
Total	**9,577.93**	**3,859.90**	**1,382.06**	**964.11**	**5.01**

Note 7 : Short-term provisions **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Provision for expenses	275.01	8.29	2.07	0.15	-
Provision for Leave encashment	14.56	0.37	-	-	0.01
Provision for Gratuity	9.94	-	-	-	0.01
Total	**299.51**	**8.66**	**2.07**	**0.15**	**0.02**

Note 8 : Tangible and intangible assets **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Tangible Assets					
Premises	0.11	0.12	0.13	0.14	0.14
Computer	70.44	8.62	-	-	-
Electrical Equipment	145.78	20.11	0.45	0.59	-
Office Equipment	132.80	18.52	0.05	0.09	0.13
Air Conditions	29.93	2.72	0.29	0.37	-
Furniture & Fixture	320.55	63.33	1.29	1.66	-
Sub Total	**699.61**	**113.42**	**2.21**	**2.85**	**0.27**
Intangible Assets					
Software	0.22	-	-	-	-
Sub Total	**0.22**	-	-	-	-
Total	**699.83**	**113.42**	**2.21**	**2.85**	**0.27**
Capital Work-In-Progress	12.15	-	-	-	0.65
Grand Total	**711.98**	**113.42**	**2.21**	**2.85**	**0.92**

Note 9 : Non-current investments ₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unquoted, Trade, Long Term (valued at cost)					
Investment in Subsidiaries					
Equity shares	1,090.13	2,627.06	1,947.06	1,647.06	521.06
Preference Shares	300.00	300.00	300.00	-	-
Unquoted, Non Trade, Long Term (Valued at cost)	490.21	490.21	195.00	-	-
Non convertible Debentures - for Financing Real Estate Projects	2,539.82	-	-	-	-
Total	**4,420.15**	**3,417.27**	**2,442.06**	**1,647.06**	**521.06**

Note 10 : Deferred tax assets ₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
On provision for doubtful debts	49.11	6.69	7.02	5.53	6.04
On provision for standard assets	52.42	23.74	-	-	-
On depreciation	13.87	(0.11)	0.16	0.07	0.08
On gratuity	-	(0.28)	-	-	-
On preliminary expenses	-	-	-	-	0.02
Total	**115.40**	**30.04**	**7.18**	**5.60**	**6.14**

Note 11 : Long-term loans & advances ₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Loans & Advances					
- Secured	20,118.66	9,878.15	3,461.07	1,676.49	34.09
- Unsecured	18.33	125.58	135.78	427.89	-
Less : Provision for doubtful loans	(55.15)	(15.83)	(16.27)	(16.27)	-
Sub-total	**20,081.84**	**9,987.90**	**3,580.58**	**2,088.11**	**34.09**
Others loans & advances					
Inter corporate deposit – Unsecured	1,944.70	1,702.30	857.25	-	-
Deposits – Unsecured	231.98	60.47	1.06	1.89	0.74
Capital Advances – Unsecured	22.72	37.25	-	-	-
Advance income tax	113.67	49.84	74.35	25.39	4.31
Sub-total	**2,313.07**	**1,849.86**	**932.66**	**27.28**	**5.05**
Total	**22,394.91**	**11,837.76**	**4,513.24**	**2,115.39**	**39.14**

Note 12 : Other non-current assets ₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unamortised debenture issue	111.87	-	-	-	-

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
expenses					
Prepaid expenses	-	-	68.71	152.36	186.89
Fixed deposits	293.29	-	-	-	-
Total	**405.16**	**-**	**68.71**	**152.36**	**186.89**

Note 13 : Current investments

₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Quoted , Non - Trade , Current (valued At cost or market value whichever is lower)					
Equity	-	-	234.60	-	46.48
Certificate of Deposits	-	-	-	-	3,659.99
Unquoted , Non - Trade , Current (valued at cost or market whichever is less)					
Mutual Funds	360.00	1,000.50	700.09	2,381.27	4,585.61
Non convertible Debentures - for Financing Real Estate Projects	2,681.93	-	-	-	-
Total	**3,041.93**	**1,000.50**	**934.69**	**2,381.27**	**8,292.08**
Aggregate cost of Mutual Fund Units	360.00	1,000.50	700.18	2,381.37	4,585.83
Aggregate cost of Quoted investments	-	-	234.61	-	3,732.78
Aggregate cost of Unquoted investments	2,681.93	-	-	-	-
NAV of Mutual Fund Units	387.22	1,030.36	700.18	-	4,585.83
Aggregate Market value of Quoted investments	-	-	252.42	-	3,706.48

*Investment in units of DWS Mutual Fund made by the Company is subject to pledge/lien of Deutsche Bank for Overdraft facility provided to IIFL Realty Ltd, a fellow subsidiary.

Note 14 : Inventories **₹ millions**

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Mutual Fund	-	-	-	1092.60	-
Equity Shares	-	167.96	78.55	15.76	-
Options*	60.66	55.87	35.14	-	-
Non Convertible Debentures	46.73	-	-	-	-
Total	**107.39**	**223.83**	**113.69**	**1108.36**	**-**
Aggregate market value-stock on hand –Quoted	109.71	245.29	126.20	1108.36	-

***Held to cover possible payout in respect of certain Equity Linked Non-Convertible Debentures issued by the Company.

Note 15 : Cash and bank balances **₹ millions**

Particulars	As at March	As at March	As at March	As at March	As at March

	31, 2012	31, 2011	31, 2010	31, 2009	31, 2008
Cash on hand	266.26	-	-	-	-
Balances with banks	1,353.00	162.86	1,015.60	274.30	511.42
Fixed deposits	647.68	150.00	-	-	-
Total	**2,266.94**	**312.86**	**1,015.60**	**274.30**	**511.42**

Note 16 : Short-term loans & advances ₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Loans & Advances					
- Secured	39,497.67	18,571.82	10,533.92	4,180.93	6,018.14
- Unsecured	78.02	11.60	183.78	458.43	-
Less : Prov for doubtful loans	(49.50)	(4.29)	(4.40)	-	-
Sub-total	**39,526.19**	**18,579.13**	**10,713.30**	**4,639.36**	**6,018.14**
Others loans & advances					
Dues from customers -					
- Secured	1,959.71	209.53	73.17	20.73	-
- Unsecured	36.32	42.44	23.95	5.87	-
Inter corporate deposit – Unsecured	500.00	-	1,865.19	1,136.29	-
Sub-total	**2,496.03**	**251.97**	**1,962.31**	**1,162.89**	**-**
Total	**42,022.22**	**18,831.10**	**12,675.61**	**5,802.25**	**6,018.14**

Note 17: Other current assets ₹ millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unamortised debenture issue expenses	54.13	-	-	-	-
Prepaid expenses	588.77	315.36	104.74	37.89	54.07
Service tax input	9.67	9.94	20.04	19.89	20.48
Excess funding in Gratuity fund	-	0.85	-	-	-
Staff Loans	0.65	-	-	-	-
Others	1.17	(0.13)	-	0.07	1,161.23
Total	**654.39**	**326.02**	**124.78**	**57.85**	**1,235.78**

Annexure 5

Notes to the statement of Reformatted unconsolidated Profit and Losses

Note 18 : Revenue from operations ₹ millions

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Income from financing activities	8,475.50	4,013.42	1,364.88	1,377.07	1,254.54
Profit from sale of Investments and trading activities	169.97	193.32	140.58	(115.29)	89.86
Dividend income	35.80	48.35	118.46	297.92	166.63
Total	**8,681.27**	**4,255.09**	**1,623.92**	**1,559.70**	**1,511.03**

Note 19 : Other Income ₹ millions

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Processing fee	336.41	258.80	23.67	11.56	4.71
Interest on fixed deposits	44.16	0.50	-	-	2.68
Administration fee & other charges from customer	38.65	4.10	2.28	-	-
Miscellaneous income	3.24	0.57	0.48	2.71	3.67
Profit/(loss) on sale of fixed assets	(0.03)	-	-	-	-
Total	**422.43**	**263.97**	**26.43**	**14.27**	**11.06**

Note 20 : Employee benefit expenses ₹ millions

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Salaries and bonus	985.94	571.34	283.28	245.11	49.73
Contribution to provident and other funds	22.27	10.54	5.63	5.90	0.50
Gratuity	11.09	2.44	-	(0.02)	(0.13)
Staff Welfare Expenses	25.09	15.92	6.70	9.60	1.61
Total	**1,044.39**	**600.24**	**295.61**	**260.59**	**51.71**

Note 21 : Finance cost ₹ millions

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Interest Expenses	4,509.86	2,044.45	191.27	248.81	807.58
Other borrowing cost	106.67	25.97	1.13	4.53	9.67
Total	**4,616.53**	**2,070.42**	**192.40**	**253.34**	**817.25**

Note 22 : Depreciation and amortization expenses

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Depreciation of tangible assets	149.08	8.51	0.63	0.36	0.69
Amortisation of intangible assets	0.52	-	-	-	-
Total	149.60	8.51	0.63	0.36	0.69

Note 23 : Other expenses

₹ millions

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Advertisement	82.34	64.12	62.84	20.82	6.63
Direct operating expenses	37.69	32.82	11.48	7.28	17.72
Marketing Expenses	213.91	69.13	97.10	88.24	148.30
Bank Charges	67.82	1.26	0.15	0.07	0.05
Communication	70.91	28.83	23.10	45.00	5.03
Electricity	50.98	18.66	13.25	22.27	2.14
Legal & Professional Fees	97.40	61.03	36.88	18.18	16.00
Miscellaneous Expenses	9.31	1.26	0.41	0.05	0.78
Office expenses	287.82	28.68	14.52	10.77	1.46
Postage & Courier	14.09	12.64	7.10	3.08	0.95
Printing & Stationary	54.88	16.63	6.82	10.96	1.98
Rent	430.44	139.57	59.73	23.27	3.31
Repairs & Maintenance					
- Computer	-	-	-	-	-
- Others	43.06	11.32	6.39	3.92	0.83
Remuneration to Auditors :					
Audit Fees	0.63	0.23	0.23	0.17	0.17
Certification Expenses	0.08	0.03	0.07	0.06	-
Out Of Pocket Expenses	0.01	0.01	-	-	-
Software Charges	74.49	16.33	6.75	12.24	1.94
Travelling & Conveyance	63.22	32.88	13.04	5.01	2.18
Total	**1,599.08**	**535.43**	**359.86**	**271.39**	**209.47**

Note 24 : Provisions & write off ₹ millions

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Bad debts written off	39.00	39.07	134.99	-	-
Provision for Contingencies	46.71	-	-	-	-
Provision for diminution in value of investments	2.03	-	-	-	34.99
Provision for Doubtful	79.47	(0.54)	4.40	-	17.78

Loans					
Provision for Standard Loans	86.90	71.50	-	-	-
Total	**254.11**	**110.03**	**139.39**	**-**	**52.77**

Note 25 : Basic and Diluted Earnings per share ['EPS'"] computed in accordance with Accounting Standard(AS) 20 "Earnings per share"

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
BASIC					
Profit after tax as per statement of profit and loss	1,018.51	826.57	475.51	630.36	315.47
Number of Shares Subscribed	237.15	237.15	237.15	237.15	149.35
EPS (Rupees)	**4.29**	**3.49**	**2.01**	**2.66**	**2.11**
DILUTED					
Profit after tax as per statement of profit and loss	1,018.51	826.57	475.51	630.36	315.47
Number of Shares Subscribed	237.15	237.15	237.15	237.15	149.35
Add: Potential Equity Shares on Account conversion of Employees Stock Options.	4.92	5.83	8.59	1.48	1.77
Weighted Average number of Shares Outstanding	242.07	242.98	245.75	238.63	151.12
EPS (Rupees)	**4.21**	**3.40**	**1.93**	**2.64**	**2.09**

Annexure 6

Statement of Contingent Liability

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Disputed Income Tax/Interest tax demand contested in appeals not provided for	20.74	4.47	-	-	-
Guarantees and Counter Guarantees given	99.88	-	-	-	-
	120.62	**4.47**	**-**	**-**	**-**

Annexure 7

Statement of Dividends

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Dividend Rate	**-**	**50.00%**	**-**	**-**	**-**
Amount of Dividend (₹ Millions)	-	118.58	-	-	-
Amount of Dividend Distribution Tax	-	19.69	-	-	-

Annexure 8

Capitalization Statement

	As at March 31 , 2012	
Particulars	**Pre issue**	**Post issue**
Debt		
Long Term Loans	**37,845**	**42,845**

Short Term Loans	**20,339**	**20,339**
Total Debt	**58,184**	**63,184**
Shareholders' funds		
Share Capital	**2,372**	**2,372**
Reserves	**11,953**	**11,953**
Less: Miscellaneous Expenditure	**166**	**166**
Total Shareholders' funds	**14,159**	**14,159**
Long Term Debt to Equity Ratio(Number of times)	**2.67**	**3.03**
Debt to Equity Ratio(Number of times)	**4.11**	**4.46**

*** Assuming issue of Non Convertible Debenture amounting to ₹5000 mn has been completed on March 31, 2012.**

Annexure 9

Statement of Accounting Ratios

Particulars	As at March 31,				
	2012	**2011**	**2010**	**2009**	**2008**
BASIC					
Profit after tax as per statement of Profit and Loss (A)	1,018.51	826.58	475.50	630.36	315.46
Number of Shares Outstanding (B)	237.15	237.15	237.15	237.15	149.35
EPS (₹) (A) / (B)	**4.29**	**3.49**	**2.01**	**2.66**	**2.11**
DILUTED					
Profit after tax as per statement of Profit and Loss (A)	1,018.51	826.58	475.50	630.36	315.46
Number of Shares Outstanding (B)	237.15	237.15	237.15	237.15	149.35
Add: Potential Equity Shares on Account conversion of Employees Stock Options. (C)	4.92	5.83	8.59	1.48	1.77
Weighted Number of Shares Outstanding (D) -(B) + (C)	242.07	242.98	245.75	238.63	151.12
EPS (₹) (A) / (D)	**4.21**	**3.40**	**1.93**	**2.64**	**2.09**

Return on Net Worth

Particulars	As at March 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Profit after tax (A)	1,018.51	826.58	475.50	630.36	315.46
Net Worth (B)	14,158.91	13,230.33	12,558.52	12,083.02	11,389.88
Return on Net Worth (%) (A) / (B)	**7.19%**	**6.25%**	**3.79%**	**5.22%**	**2.77%**

Net Asset Value per Equity Share

Particulars	As at March 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Net Asset Value per Equity Share					
Net Worth (A)	14,158.91	13,230.33	12,558.52	12,083.02	11,389.88
Equivalent Number of Equity Shares (B)	237.15	237.15	23.72	23.72	23.72
Net Asset Value per Equity Share (₹) (A) / (B)	**59.70**	**55.79**	**529.55**	**509.50**	**480.18**

Note : Net Asset Value per share has reduced drastically in financial year 2010-2011 due to bonus issue.

Debt Equity Ratio

Particulars	As at March 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Debt (A)	58,184.31	20,830.41	9,205.10	500.00	5,344.37

Net Worth (B)	14,158.91	13,230.33	12,558.52	12,083.02	11,389.88
Ratio (A) / (B)	**4.11**	**1.57**	**0.73**	**0.04**	**0.47**

Annexure 10

Statement of Tax Shelter

Particulars	For the year ended March 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Profit before Taxes	1,439.99	1,194.42	662.46	788.27	390.06
Statutory Tax Rate	32.45%	33.22%	33.99%	33.99%	33.99%
Tax at Statutory Rate	467.20	396.76	225.17	267.94	132.58
Adjustment for Permanent Differences					
Disallowance u/s 14A	-	(1.50)	-	-	-
Gratuity	-	0.09	-	(0.00)	-
Depreciation	(34.81)	0.73	(0.27)	0.09	(0.33)
Others	(20.07)	-	-	(0.06)	(0.25)
Stamp duty on Increase of Share Capital	-	-	-	-	(2.08)
Securities Transaction Tax	-	-	-	-	(9.01)
Loan Loss Reserve	(213.08)	(70.69)	(4.40)	1.52	(17.78)
Appreciation in value of investments	0.29	19.90	(20.05)	34.99	(34.99)
Dividend income exempt	35.80	48.35	118.46	297.92	166.63
Income taxable under the head capital gains	160.25	113.50	43.87	33.86	43.61
Total due to permanent differences	**(71.62)**	**110.37**	**137.61**	**368.32**	**145.80**
Tax savings thereon	(23.24)	36.66	46.77	125.19	49.56
Capital Gains Tax	16.43	20.40	7.46	11.51	4.94
Rebate U/S 88E	-	-	-	-	7.65
Total Taxation	**506.87**	**380.49**	**185.85**	**154.25**	**80.31**
Fringe benefit tax provided in the books	-	-	-	2.88	0.42
Tax on profits before extra-ordinary items	**506.87**	**380.49**	**185.85**	**157.13**	**80.73**
Adjustments: Excess / Short Provision of Tax	(5.34)	10.24	2.69	0.23	0.09
Actual Provision for tax as per Statement of profit and loss	**501.53**	**390.73**	**188.54**	**157.36**	**80.82**

Annexure 11
Statement of Secured Loans

(₹ In Millions)

Description	Date of Disbursement / Allotment	Amount Outstanding as on March 31, 2012	Final Maturity Date
Term Loans			
Axis Bank Ltd	29-Mar-10	500.00	28-Mar-14
Axis Bank Ltd	28-Dec-11	1,250.00	27-Dec-15
Citicorp Finance (India) Ltd	13-Sep-11	1,000.00	12-Sep-12
Corporation Bank	29-Dec-11	1,000.00	28-Dec-16
ICICI Bank Ltd	28-Dec-10	1,000.00	28-Dec-13
ICICI Bank Ltd	29-Dec-10	1,000.00	28-Dec-13
ICICI Bank Ltd	03-Mar-11	500.00	28-Dec-13
ICICI Bank Ltd	21-Mar-11	500.00	28-Dec-13
ICICI Bank Ltd	28-Nov-11	2,000.00	28-Nov-14
IDBI Bank Ltd	15-Mar-11	250.00	15-Mar-15
IDBI Bank Ltd	31-Mar-11	500.00	15-Mar-15
IDBI Bank Ltd	29-Sep-11	1,000.00	28-Sep-15
IDBI Bank Ltd	15-Dec-11	1,000.00	28-Sep-15
IDBI Bank Ltd	22-Dec-11	1,000.00	28-Sep-15
IDBI Bank Ltd	31-Dec-09	333.34	30-Dec-13
Indian Overseas Bank	27-Jan-12	3,000.00	26-Jan-17
Karur Vysya Bank	29-Mar-12	500.00	28-Mar-17
Punjab National Bank	22-Mar-11	375.00	21-Dec-13
Punjab National Bank	21-Apr-11	1,000.00	21-Dec-13
Punjab National Bank	30-May-11	500.00	21-Dec-13
Punjab National Bank	27-Jun-11	500.00	21-Dec-13
Punjab National Bank	16-Sep-11	1,000.00	21-Dec-13
Punjab National Bank	12-Dec-11	1,000.00	21-Dec-13
Punjab & Sind Bank	22-Sep-11	500.00	21-Sep-14
Syndicate Bank Ltd	29-Oct-10	1,000.00	29-Oct-14
Syndicate Bank Ltd	29-Nov-10	1,000.00	29-Oct-14
Syndicate Bank Ltd	27-Dec-10	1,000.00	29-Oct-14
Union Bank of India	21-Mar-12	2,999.57	20-Mar-15
Cash Credit			
Allahabad Bank	19-Mar-12	492.22	
Dena Bank	31-Mar-12	100.05	
IDBI Bank Ltd	30-Mar-12	500.00	
IDBI Bank Ltd	31-Mar-12	397.09	
Secured NCD			
Secured Debentures (Series 1)	05-Mar-10	52.22	05-May-13
Secured Debentures (Series 2)	05-Mar-10	92.60	05-May-13
Secured Debentures (Series 3)	09-Mar-10	30.00	09-May-13

Secured Debentures (Series 4)	10-Mar-10	30.00	10-Sep-12
Secured Debentures (Series 5)	29-Mar-10	25.30	29-Mar-13
Secured Debentures (Series 6)	29-Mar-10	11.00	29-Apr-13
Secured Debentures (Series 7)	30-Mar-10	20.00	30-Mar-13
Secured Debentures (Series 8)	30-Mar-10	4.00	30-Mar-13
Secured Debentures (Series 9)	31-Mar-10	50.00	01-May-13
Secured Debentures (Series 10)	19-Apr-10	10.00	19-Apr-13
Secured Debentures (Series 11)	28-Apr-10	30.50	28-Jul-12
Secured Debentures (Series 12)	29-Apr-10	56.50	29-Jul-13
Secured Debentures (Series 13)	04-Jun-10	86.20	04-Oct-12
Secured Debentures (Series 14)	11-Oct-11	32.00	11-Oct-14
Secured Debentures (Series 15)	11-Oct-11	15.40	11-Oct-14
Secured Debentures (Series 16)	14-Oct-11	38.50	13-Oct-14
Secured Debentures (Series 17)	18-Oct-11	75.50	13-May-14
Secured Debentures (Series 18)	19-Oct-11	77.50	18-Oct-14
Secured Debentures (Series 19)	19-Oct-11	41.00	18-Oct-14
NCD - Public Issue - N1 - Option I	18-Aug-11	3,417.45	17-Aug-14
NCD - Public Issue - N2 - Option II	18-Aug-11	330.97	17-Dec-14
NCD - Public Issue - N3 - Option III	18-Aug-11	202.41	17-Aug-16
NCD - Public Issue - N4 - Option III	18-Aug-11	2,896.84	17-Aug-16
Reliance Mutual Fund	11-May-10	400.00	15-May-12
Standard Chartered Bank (Mauritius) Limited	20-Apr-10	733.50	20-Apr-12
Standard Chartered Bank (Mauritius) Limited	20-Apr-10	733.50	20-Apr-13
Emerging India Focus Fund	30-Jan-12	225.00	29-Jan-15
Religare Mutual Fund	02-Feb-12	80.00	16-Apr-13
ICICI Lombard General Insurance Company Limited	02-Mar-12	300.00	02-Mar-17
		38,795.16	

Annexure 12
Statement of Unsecured Loans

(₹ In Millions)

Description	Date of Disbursement / Allotment	Amount Outstanding as on March 31, 2012	Final Maturity Date
Commercial Paper			
Kanoria Chemicals Limited	22-Mar-12	200.00	3-Apr-12
JM Mutual Fund	26-Mar-12	650.00	3-Apr-12
Reliance Mutual Fund	19-Jan-12	500.00	16-Apr-12
Religare Mutual Fund	13-Feb-12	150.00	16-Apr-12
Kanoria Chemicals Limited	27-Mar-12	150.00	16-Apr-12
Birla Sun Life Insurance Ltd.	20-Jan-12	50.00	20-Apr-12
Religare Mutual Fund	27-Feb-12	150.00	20-Apr-12
Mohit Chugani	22-Mar-12	50.00	23-Apr-12
Indostar Capital Finance Pvt Ltd	27-Mar-12	500.00	27-Apr-12
Religare Mutual Fund	28-Mar-12	400.00	27-Apr-12
Religare Mutual Fund	9-Mar-12	170.00	2-May-12

Religare Mutual Fund	15-Mar-12	240.00	15-May-12
Kotak Mutual Fund	14-Mar-12	500.00	17-May-12
Canara Robeco Mutual Fund	17-Feb-12	500.00	18-May-12
Principal Mutual Fund	17-Feb-12	500.00	11-Jun-12
Taurus Mutual Fund	9-Mar-12	500.00	11-Jun-12
BNP Paribas Mf	16-Mar-12	1,000.00	15-Jun-12
Union Kbc Mutual Fund	19-Mar-12	250.00	15-Jun-12
The Jammu & Kashmir Bank Ltd	19-Mar-12	250.00	18-Jun-12
ICICI Prudential Mutual Fund	19-Mar-12	1,000.00	18-Jun-12
Axis Mutual Fund	26-Mar-12	500.00	18-Jun-12
ICICI Prudential Mutual Fund	20-Mar-12	2,000.00	19-Jun-12
Religare Mutual Fund	21-Mar-12	650.00	19-Jun-12
Principal Mutual Fund	21-Mar-12	500.00	20-Jun-12
ICICI Prudential Mutual Fund	22-Mar-12	1,000.00	21-Jun-12
Union Kbc Mutual Fund	22-Mar-12	250.00	21-Jun-12
Reliance Mutual Fund	22-Mar-12	1,500.00	21-Jun-12
Axis Mutual Fund	27-Mar-12	250.00	26-Jun-12
Pramerica Mutual Fund	28-Mar-12	250.00	27-Jun-12
ICICI Prudential Mutual Fund	28-Mar-12	1,000.00	27-Jun-12
JM Mutual Fund	29-Mar-12	550.00	28-Jun-12
Reliance Mutual Fund	29-Mar-12	500.00	28-Jun-12
IIFL Wealth Management Ltd	6-Mar-12	50.00	4-Jul-12
Unilazer Exports And Management Consultants Limited	9-Feb-12	100.00	7-Aug-12
Religare Mutual Fund	27-Jan-12	140.00	21-Jan-13
Kotak Mutual Fund	30-Mar-12	500.00	30-Mar-13
Term Loan			
ICICI Bank Ltd	30-Mar-12	400.00	13-Jun-12
Non-Convertible Debentures			
SBMIB SERIES I	18-Jan-12	4.27	18-Jan-17
SBMIB SERIES I	18-Jan-12	1.16	17-Jan-19
SBMIB SERIES II	7-Feb-12	3.30	06-Feb-17
SBMIB SERIES II	7-Feb-12	0.03	06-Feb-19
SBMIB SERIES III	7-Feb-12	4.77	06-Feb-17
SBMIB SERIES III	7-Feb-12	0.25	06-Feb-19
SBMIB SERIES IV	23-Feb-12	3.79	22-Feb-17
SBMIB SERIES IV	23-Feb-12	0.47	22-Feb-19
SBMIB SERIES V	2-Mar-12	3.13	01-Mar-17
SBMIB SERIES V	2-Mar-12	0.09	01-Mar-19
SBMIB SERIES VI	30-Mar-12	3.23	30-Mar-17
SBMIB SERIES VI	30-Mar-12	0.35	30-Mar-19
SBMIB SERIES VII	30-Mar-12	2.33	30-Mar-17
SBMIB SERIES VII	30-Mar-12	0.05	30-Mar-19
SBDB SERIES I	23-Jan-12	3.76	22-Jan-08
SBDB SERIES II	7-Feb-12	2.54	06-Feb-18

SBDB SERIES III	1-Mar-12	2.41	01-Mar-18
SBDB SERIES VI	30-Mar-12	1.44	30-Mar-18
SBDB SERIES V	30-Mar-12	1.79	30-Mar-18
Emerging India Focus Fund	21-Feb-12	500.00	20-Feb-19
HDFC Standard Life Insurance Company Limited	27-Feb-12	250.00	27-Feb-19
ICICI Prudential Life Insurance Company Ltd.	27-Feb-12	250.00	27-Feb-19
Reliance Capital Limited	27-Feb-12	250.00	27-Feb-19
Birla Sun Life Insurance Ltd.	28-Mar-12	250.00	28-Mar-19
		19,389.15	

Annexure 13

Significant Accounting Policies and Notes to Accounts on the Reformatted Unconsolidated Financial Statements

1. **Corporate Information**

The Company is a systematically important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration on May 12, 2005, enabling the Company to carry on business as Non-Banking Financial Company. The Company offer broad suite of lending and other financial products such as mortgage loan, gold loan, loan against securities and health care finance to retail and corporate clients. **During the year under review, the name of the Company was changed from "India Infoline Investment Services Limited" to "India Infoline Finance Limited" after receiving due approvals from the concerned regulatory authorities.** During the year under review, Moneyline Credit Limited, a wholly owned subsidiary, merged with the Company pursuant to order issued by Hon'ble High Court at the judicature of Bombay.

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 the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Reserve bank of India (RBI) as applicable to NBFCs. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 **Prudential norms:**

The Company follows the Reserve Bank of India ("RBI") Directions in respect of "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions, 2007) dated February 22, 2007, 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) as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and Guidance Notes 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 **Presentation and disclosure of financial statements:**

During the year ended March 31, 2012, the Revised Schedule VI as notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements.

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for the financial year ended March 31, 2012; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of twelve months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised /settled within twelve months from the date of financial statements are classified as current and other assets/ liabilities are classifies as non-current. Except accounting for dividend on investments in subsidiary companies, the adopted Revised Schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

2.4 **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. Difference between the actual result and estimates are recognized in the period in which the results are known / materialised.

2.5 **Fixed assets and depreciation and amortisation:**

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, or the rates specified in accordance with the provisions of schedule XIV of the Companies Act, 1956, whichever is higher. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of asset.

Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. Individual assets / group of similar assets costing upto ₹5,000 has been depreciated in full, in the year of purchase.

Estimated useful life of the assets is as under:

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

2.6 **Assignment of loan portfolio:**

The Company derecognises the loans assigned to other parties due to surrender of effective control on such 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 as and when incurred. Credit enhancement in the form of cash collateral provided by the Company is included under Cash and bank balance / Loans and advances, as applicable.

2.7 **Revenue recognition:**

The Company complies, in all material respects, with the Accounting Standards, 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.

- Income recognised and remaining unrealised for ninety days or more for all the loans, except Capital Market Financing loans, are reversed and are accounted as income when these are actually realised.

- Interest income on non-performing assets is recognised on cash basis.
- Dividend income is recognised when the right to receive payment is established.
- In respect of the other heads of income, the Company accounts the same on accrual basis.
- Processing fees received from customers is recognised as income on receipt basis.

2.8 **Preliminary expenses:**

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

2.9 **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.

2.10 **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 Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Provision on standard assets is made as per notification dated January 17, 2011 issued by RBI. All such provisions are classified as long term provisions.

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

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

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

2.11 **Taxes on income:**

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

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

each reporting date, the Company re-assesses unrecognized deferred tax assets. Deferred tax liability is recognised as and when arisen.

2.12 **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.

2.13 **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.

2.14 **Inventories:**

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

2.15 **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.

Notes to accounts for the Financial Year 2011-12

1. During the year under review, Moneyline Credit Limited, a wholly owned subsidiary was merged with the Company pursuant to the order issued by Hon'ble High Court. The merger has been effected with the filing of the order of the Hon'ble High Court with Registrar of Companies on March 26, 2012. The appointed date of the merger was April 1, 2011. Accordingly, the financial results of Company for the period ended March 31, 2012 are prepared after giving effect to the said merger.

   The erstwhile Moneyline Credit Limited was registered as NBFC with Reserve bank of India and was engaged in business of lending mortgage and personal loans.

   The amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by the Accounting standard (AS) 14 on "Accounting for Amalgamations" notified under the Companies (Accounting Standard) Rules. The scheme has, accordingly, been given effect to in these financial statements as under:

   All the Assets, Liabilities and Special Reserve have been transferred to the Company at value appearing in the books of accounts of Moneyline Credit Limited as on March 31, 2011. Excess of liabilities over assets amounting to ₹1.39 million is considered as goodwill and written off from the balance of Statement of Profit & Loss and net amount of ₹56.15 million (₹57.54 million -₹1.39 million) added in the Statement of Profit & Loss of the Company.

   Upon effectiveness of the Scheme, the authorised share capital of the Company increased to 3,200.00 million consisting of following:

(₹ millions)

Authorised Share Capital	March 31, 2012
30,00,00,000 equity shares (Previous year 30,00,00,000 equity shares) of ₹ 10 each	3,000.00

19,99,600 equity shares of ₹ 100 each	199.96
150 Preference Shares of ₹ 100 each	0.015
250 11% Non- cumulative redeemable preference shares of ₹ 100 each	0.025
Total	3,200.00

2. The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits". Details are given below

₹ millions

Assumptions	2011-12	2010-2011
Discount rate	8.50%	8.00%
Salary Escalation	5.00%	5.00%
Rate of return on plan assets	8.60%	8.00%
Change in Benefit Obligation		
Liability at the beginning of the year	2.44	-
Interest Cost	0.20	-
Current Service Cost	2.58	-
Liability Transferred in	0.59	3.01
Benefit paid	(0.10)	(0.06)
Actuarial (Gain)/ Loss on obligations	8.69	(0.51)
Liability at the end of the year	**14.40**	**2.44**
Amount Recognised in the Balance Sheet		
Liability at the end of the year	14.40	2.44
Fair value of plan Assets at the end of the year	(4.46)	(3.23)
Funded Status (Surplus)	9.94	(0.79)
Net Liability/(Asset) recognised in the Balance Sheet	**9.94**	**(0.79)**
Expenses Recognised in the Income statement		
Liability Transferred in	-	3.01
Interest Cost	0.20	-
Current Service Cost	2.58	-
Expected return on plan assets	(0.26)	-
Benefit Paid	-	(0.06)
Actuarial (Gain) or Loss	8.57	(0.51)
Expense Recognised in P&L	**11.09**	**2.44**
Balance Sheet reconciliation		
Opening Net liability	(0.79)	-
Net transfer in	(0.35)	-
Expenses as above	11.09	2.44
Employers contribution	(0.01)	(3.29)
Benefit paid	-	(0.06)
Net Liability/(Asset) recognised in the Balance Sheet	**9.94**	**(0.79)**

3. **Assignment of Loan portfolio :**

   During the year 2011-12, the Company has assigned loan portfolio to the extent of ₹ 4,644.42 million to various Banks.

4. As of March 31, 2012, we had certain contingent liabilities not provided for, including the following :

Particulars		(₹ millions)	
Sr. No.	Name of the Statute	March 31, 2012	March 31, 2011
(i)	In respect of Income tax demands	20.74	4.47
(ii)	Guarantees and Counter Guarantees	99.88	-
	Total	**120.62**	**4.47**

5. At the Balance Sheet date, there were outstanding commitments of capital expenditure of ₹ 120.63 million (net of advances) (Previous Year 92.64 million), out of the total contractual obligation entered upto the end of the year.

6. The Company has taken office premises on operating lease at various locations. Lease rents in respect of the same have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding as at March 31, 2012, are as under:

(₹ millions)

Minimum Lease Rentals	March 31, 2012	March 31, 2011
Up to one year	48.77	2.73
One to five years	1.77	0.67
Total	50.54	3.40

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

8. **Segment Reporting:**

   In the opinion of the management, there is only one reportable business segment (Financing & Investing) as envisaged by AS17 '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 segmentation 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.

9. There are no dues to micro & small enterprises (MSEs) outstanding for more than 45 days.

10. **Return on assets:**

    The return on assets for the financial year 2011-12 was 1.71% (Previous year 2.53%).

11. During the year under review, the Company witnessed fraud amounting to ₹ 12.17 million in its lending operations.

12. As on March 31, 2012 the gold loan portfolio comprises 36.34 % (Previous Year 0.02%) of the total asset of the Company.

13. **Disclosures in respect of applicability of AS – 18 Related Party Disclosures.**

(a) Related parties where control exists:

Nature of relationship	Name of party

Nature of relationship	Name of party
Holding company	India Infoline Limited
Direct Subsidiaries	Moneyline Credit Limited*
	India Infoline Housing Finance Limited
	India Infoline Distribution Company Limited
Fellow Subsidiaries	India Infoline Commodities Limited
	India Infoline Media & Research Services Limited
	IIFL Capital Limited
	India Infoline Trustee Company Limited
	India Infoline Asset Management Company Limited
	India Infoline Marketing Services Limited #
	India Infoline Insurance Services Limited ##
	India Infoline Insurance Brokers Limited ##
	IIFL Wealth Management Limited
	IIFL Realty Limited
	IIFL Alternate Asset Advisors Limited
	IIFL (Asia) Pte. Limited
	IIFL Capital Ceylon Limited
	IIFL Securities Ceylon (Pvt) Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth (Mauritius) Limited
	IIFL Private Wealth (Dubai) Limited
	India Infoline Commodities DMCC
	IIFL Inc. USA
	IIFL Wealth (UK) Limited
Group Companies	Finest Wealth Managers Private Limited
	IIFL Trustee Services Limited
	IIFL (Thane) Private Limited
	IIFL Energy Limited
	IIFL Capital Pte. Limited
	IIFL Securities Pte Limited
(b)Key Management Personnel	Nirmal Jain
	R Venkataraman
Other related parties:	Madhu Jain (wife of Mr. Nirmal Jain)
	Aditi Venkataraman (wife of Mr. R Venkataraman)
	India Infoline Venture Capital Fund

*Merged with the Company pursuant to the order issued by Hon'ble High Court. Refer note 26 for details.

India Infoline Marketing Services Limited ("IIMSL"), a wholly owned subsidiary of India Infoline Limited, merged with India Infoline Limited with effect from April 1, 2011. The merger was sanctioned by the Hon'ble High Court of Judicature at Bombay; *vide* its order dated 27th April 2012. The figures of previous year in respect of fellow subsidiaries include the amount of transactions with IIMSL and hence not comparable with current year figures.

These companies, being subsidiaries of IIMSL, were considered as group companies in previous year and hence not comparable with current year figures.

(C) Significant Transaction with Related Parties:

(₹ millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Other related parties	Total
Interest Income	-	166.89	-	4.18	-	171.07
	(160.70)	(223.19)	-	-	-	(383.88)
Interest Expense	129.81	-	-	1.53	-	131.34
	(599.76)	-	-	-	-	(599.76)
Service charges Income	-	-	-	2.64	-	2.64
	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
	(91.00)	(26.42)	-	-	-	(117.42)
ICD repaid/issued	-	2,037.50	-	-	-	2,037.50
	-	(1,409.69)	-	-	-	(1,409.69)
ICD taken/received	1,085.10	430.00	-	-	-	1,515.10
	-	(2,429.83)	-	-	-	(2,429.83)
Purchase / cancellation of assigned Portfolio / Foreclosures / EMIs	-	-	-	1,222.15	-	1,222.15
	-	-	-	(4,586.04)	-	(4,586.04)
Sale/cancellation assigned Portfolio/Foreclosures/EMIs	-	-	-	2,895.43	-	2,895.43
	-	-	-	-	-	-
Brokerage	0.49	-	-	-	-	0.49
	(1.99)	-	-	-	-	(1.99)
Investment (net)	-	-	-	-	-	-
	-	-	-	(680.00)	(190.00)	(870.00)
Advances returned (net) / reimbursement of expenses	49,953.54	1,264.86	-	6,663.59	-	57,881.99
	(167,540.71)	(5.85)	(0.58)	(5,817.80)	-	(173,364.93)
Advances taken (net) / allocation of expenses	49,953.54	1,264.86	-	6,663.59	-	57,881.99
	(167,540.71)	(5.85)	(0.58)	(5,817.80)	-	(173,364.93)

* Figures in bracket represent previous year's figure and are not comparable with current year classification due to merger.

Closing balance

(₹ millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Other related parties	Total
Sundry Payable	-	-	-	-	-	-
	-	-	-	-	-	-
Sundry receivables	-	2,444.70	-	-	-	2,444.70
	-	(1,702.30)	-	-	-	(1,702.30)

* Figures in bracket represent previous year's figure are not comparable with current year classification due to merger.

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

15. Disclosure as required under Notification No. DNBS. 200/CGM(PK)-2008 dated 01 August 2008 issued by Reserve Bank of India

16. **Capital Adequacy Ratio**

Items	As at March 2012	As at March 2011
CRAR (%)	17.86%	29.95%
CRAR - Tier I Capital (%)	15.46%	29.73%
CRAR - Tier II Capital (%)	2.40%	0.22%

b. Exposure to Real Estate

(₹ millions)

Category	As at March 2012	As at March 2011
a) Direct exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; - Upto ₹1.5 million - More than ₹ 1.5 million	 268.80 13,935.30	 2,58.80 10,059.80
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc.). Exposure would also include non-fund based (NFB) limits;	8,195.80	5,632.90
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	4,928.20	-
b. Commercial Real Estate.	293.50	-
b) Indirect Exposure		
Inter corporate loan	1944.70	837.20
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	1305.00	1305.00

c. Maturity pattern of certain items of assets and liabilities

(₹ millions)

	Liabilities		Assets	
	Borrowings from banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (one month)	1,488.94	2,800.00	11,906.92	892.49
Over one to 2 months	-	2,143.50	2,801.05	-
Over 2 to 3 months	400.00	12,850.00	4,699.35	125.00
Over 3 to 6 months	781.25	180.50	7,944.68	125.00
Over 6 to 12 months	4,297.92	1,805.50	15,530.23	1,224.30
Over 1 to 3 years	16,879.17	5,369.13	7,582.07	3,320.16
Over 3 to 5 years	4,250.00	3,415.38	3,362.48	-
Over 5 years	-	1,523.02	11,333.88	1,775.13
Total	**28,097.28**	**30,087.03**	**65,160.66**	**7,462.08**

17. **Asset classification** **(₹ millions)**

Asset Classification	Outstanding Balance	Provision
Standard Assets	64,565.91	161.55
	(28,481.20)	(71.50)
Sub-Standard Assets	85.91	8.59
	(98.19)	(15.31)
Doubtful Assets	277.00	90.46
	(1.99)	(0.89)
Loss Assets	5.60	5.60
	(5.79)	(3.93)

Note:

a. In terms of RBI circular a general provision of ₹161.55 million (Previous Year: 71.50 million) has been made during the year at 0.25 % of the Standard Assets under the head 'Provision on Standard loans' in Note 24.
b. Provision is created after considering credit for securities available against the loans.
Debentures and bonds subscribed by the Company for financing Real Estate Projects amounting to ₹5,221.74 million shown under Non –current and current investments are considered above in the standard assets mentioned above.
c. Figures in bracket represent previous year's figure.

18. **Particulars as per RBI Directions (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007).**

(₹ millions)

Liabilities Side :	**Amount Outstanding**	**Amount Overdue**
1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid :		
(a) Debentures:		
Secured	10,771.88	NIL
Unsecured (Other than falling within the meaning of public deposits)	1555.32	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	28206.37	NIL
(d) Inter – corporate loans and borrowings	1063.33	NIL
(e) Commercial Paper	17450.00	NIL
(f) Other Loans (specify nature)	NIL	NIL
Assets Side		**(₹ millions)**
2. Break – up of Loans and Advances including bills Receivables [Other than included in (4) below]		**Amount Outstanding**
(a) Secured		59,557.80
(b) Unsecured		4,859.32
3. Break- up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Other Loans counting towards AFC activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
4. Break – up of Investments: **(₹ millions)**		
Current Investments :		
1 Quoted :		

(i) Shares:	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	5221.74
(iii) Units of mutual funds	360.00
(iv) Government Securities	NIL
(v) Others (Certificate of Deposits)	NIL
2 Unquoted:	
(i) Shares:	-
(a) Equity	105.21
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
Long Term Investments :	
1 Quoted :	-
(i) Shares:	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2 Unquoted:	
(i) Shares:	
(a) Equity of subsidiary companies	1090.13
(b) Preference of subsidiary companies	300.00
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify) India Infoline Venture Capital Fund	385.00

5. Borrower group-wise classification of all assets financed as in (2) and (3) above: (₹ millions)

	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	2,444.70	2,444.70
(c) Other related parties	-	-	-
2 Other than related parties	59,557.80	2,414.62	61,972.42
Total	**59,557.80**	**4,859.32**	**64,417.12**

6. Investor group wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted) (₹ millions)

Category	**Market Value/break up or fair value or NAV**	**Book value (net of provisions)**
1 Related Parties**		
a) Subsidiaries	1,390.13	1390.13
b) Companies in the same group	-	-
(c) Other related parties	385.00	385.00
2 Other than related parties	5,714.16	5686.95
Total	**7,489.29**	**7,462.08**
** As per Accounting Standard of ICAI		

7. Other Information:

(₹ millions)

Particulars	**Amount**
(i) Gross Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	368.50
(ii) Net Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	263.85
(iii) Assets acquired in satisfaction of debt	-

Notes to accounts for the Financial Year 2010-11

1. The Company is a Non-Banking Financial Company registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration on May 12, 2005, enabling the Company to carry on business as Non – Banking Financial Company.

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

3. During the year, the Company has raised Term Loans aggregating ₹ 7,750.00 million from various banks. The same is secured against the receivables of the Company. The Company has also raised ₹ 2,783.20 million by issue of secured Non Convertible Debentures. The said debentures are secured against

immovable property, stocks and book debts of the Company. The same are also guaranteed by India Infoline Limited, the holding company. These debentures are redeemable at par over a period of 12 months to 38 months from the date of allotment depending upon the terms of issue.

4. Investment in DWS Short Maturity Fund- Institutional Growth Plan Units made by the Company is subject to pledge/lien of Deutsche Bank for overdraft facility provided to IIFL Realty Limited.

5. Segment Reporting:

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

   Secondary segmentation 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.

6. At the balance sheet date, there were outstanding commitments of capital expenditure of ₹ 92.64 million (net of advances) (Previous Year Nil), out of the total contractual obligation entered upto the end of the year.

7. The Company has implemented Employee Stock Option Scheme – 2007. Under the said scheme 5,825,000. Stock options are in force as on march 31, 2011. This is after augmentation of entitlement of bonus in ratio of 9:1 made during the financial year.

8. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

9. There are no dues to micro & small enterprises (MSEs) outstanding for more than 45 days.

10. **Disclosures in respect of applicability of AS – 18 Related Party Disclosures.**

Nature of relationship	Name of party
(a) Related parties where control exists:	
Holding Company	India Infoline Limited
Direct Subsidiaries	Moneyline Credit Limited
	India Infoline Housing Finance Limited
	India Infoline Distribution Company Limited
Fellow Subsidiaries	India Infoline Commodities Limited
	India Infoline Media and Research Services Limited
	IIFL Capital Limited
	India Infoline Trustee Company Limited
	India Infoline Asset Management Company Limited
	India Infoline Marketing Services Limited
	IIFL Wealth Management Limited
	IIFL Realty Limited
	IIFL (Asia) Pte. Limited
	IIFL Capital Ceylon Limited
	IIFL Securities Ceylon (Pvt) Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth Management (Dubai) Ltd.
	India Infoline Commodities DMCC

Nature of relationship	Name of party
	IIFL Inc.
	IIFL Wealth (UK) Limited
Group Companies	India Infoline Insurance Services Limited
	India Infoline Insurance Brokers Limited
	Finest Wealth Managers Private Limited
	IIFL Trustee Services Limited
	IIFL (Thane) Private Limited
	IIFL Energy Limited
	IIFL Capital Pte. Ltd
	IIFL Securities Pte. Ltd
	IIFL Private Wealth (Mauritius) Ltd
(b) Other related parties:	
Key Management	Nirmal Jain
	R.Venkatraman
Others	India Infoline Venture Capital Fund

(₹ in million)

C Significant Transaction with Related Parties:						
Nature of Transaction	**Holding Company**	**Fellow Subsidiaries**	**Group Companies**	**Direct Subsidiaries**	**Other related parties**	**Total**
Interest Income	160.70	223.19	-	-	-	383.88
	-	(36.50)	-	-	-	(36.50)
Interest Expenses	599.76	-	-	-	-	599.76
	(18.63)	-	-	(0.13)	-	(18.76)
Dividend Paid	91.00	26.42	-	-	-	117.42
	-	-	-	-	-	-
ICD repaid/issued	-	1,409.69	-	-	-	1409.69
	-	(5,143.65)	-	-	-	(5,143.65)
ICD taken/received	-	2,429.83	-	-	-	2,429.83
	-	(3,557.50)	-	-	-	(3,557.50)
Purchase of Portfolio/Foreclosures/EMIs	-	-	-	4,586.04	-	4,586.04
	-	-	-	(3,803.68)	-	(3,803.68)
Sale of Portfolio	-	-	-	-	-	-
	-	-	-	(463.85)	-	(463.85)
Brokerage	1.99	-	-	-	-	1.99
	(0.28)	-	-	-	-	(0.28)
Investment (net)	-	-	-	680.00	190.00	870.00
	-	-	-	(600.00)	(195.00)	(795.00)
Advances returned/ reimbursement of expenses	167,540.71	5.85	0.58	5,817.80	-	173,364.93
	(35,619.20)	(32.00)	(30.34)	(4,804.61)	-	(40,486.14)

C Significant Transaction with Related Parties:						
Nature of Transaction	**Holding Company**	**Fellow Subsidiaries**	**Group Companies**	**Direct Subsidiaries**	**Other related parties**	**Total**
Advances taken/ allocation of expenses	167,540.71	5.85	0.58	517.80	-	173,364.93
	(35,619.20)	(32.00)	(30.34)	(4,804.61)	-	(40,486.14)
Closing balances						
Nature of Transaction	**Holding Company**	**Fellow Subsidiaries**	**Group Companies**	**Direct Subsidiaries**	**Other related parties**	**Total**
Sundry receivables		1,702.30				1,702.30
	-	(2,722.44)	-	-		(2,722.44)

* Figures in bracket represent previous year's figure.

11. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same has been charged to Statement of profit and loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding as at March 31, 2011, are as under:

(₹ in million)

Minimum Lease Rentals	**2010-11**	**2009-10**
Up to one year	2.73	0.13
One to five years	0.67	Nil
Over five years	Nil	Nil
Total	**3.40**	**0.13**

12. 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:

Deferred Tax Assets

(₹ in million)

Sr. No.	Particulars	As at March 31,	
		2011	**2010**
a.	On Provision for Doubtful Debts	6.69	7.02
b.	On Provision for Standard assets	23.75	-
c.	On Depreciation	(0.11)	0.14
d.	On Gratuity	(0.28)	-
Total		**30.05**	**7.16**

13. The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits".

Details are given below

(₹ in million)

Assumptions	2010-2011
Discount rate	8.00%
Salary Escalation	5.00%
Rate of return on plan assets	8.00%
Change in Benefit Obligation	
Liability at the beginning of the year	-
Interest Cost	-
Current Service Cost	-
Liability Transferred in	(3.01)
Benefit paid	0.06
Actuarial (Gain)/ Loss on obligations	0.51
Liability at the end of the year	**(2.44)**
Amount Recognised in the Balance Sheet	
Liability at the end of the year	(2.44)
Fair value of plan Assets at the end of the year	3.23
Funded Status (Surplus)	0.79
Net Asset recognised in the balance sheet	**0.79**
Expenses Recognised in the Income statement	
Liability Transferred in	(3.01)
Interest Cost	-
Expected return on plan assets	-
Benefit Paid	0.06
Actuarial (Gain) or Loss	0.51
Expense Recognised in P&L	**(2.44)**
Balance Sheet reconciliation	
Opening Net liability	-
Liability at the end of the year	(2.44)
Employers contribution	3.29
Benefit Paid	0.06
Net Asset recognised in the balance sheet	**0.79**

14. **Details of current Investments are as under:**

Quoted, Non - Trade, Current (valued at cost or market value whichever is lower)

Scrip name	Face value (₹)	As at March 31, 2011		As at March 31, 2010	
		Numbers	₹ *in million*	Numbers	₹ *in million*
Aban Offhore Ltd	2	-	-	6 278	7.30
Aditya Birla Nuvo Ltd	10	-	-	6 121	5.55
Anant Raj Industries Ltd	2	-	-	1 11 015	14.77
Ansal Properties & Infrastructure Ltd	5	-	-	1 12 504	8.00

Scrip name	Face value (₹)	As at March 31, 2011		As at March 31, 2010	
		Numbers	₹ *in million*	Numbers	₹ *in million*
Apollo Tyres Ltd	1	-	-	1 01 323	4.97
Bajaj Electricals Ltd	2	-	-	31 145	4.98
Bajaj Holding And Investment Ltd	10	-	-	10 011	4.96
C E S C Ltd	10	-	-	27 403	10.49
Eveready Industries India Ltd	5	-	-	66 667	3.85
Gayatri Projects Ltd	10	-	-	13 297	5.11
Glaxosmithkline Consumer Healthcare Ltd	10	-	-	4 194	5.45
Gujarat Nre Coke Ltd	10	-	-	7 488	0.65
HCL Infosystems Ltd	2	-	-	36 088	4.91
HCL Technologies Ltd	2	-	-	24 039	7.10
Housing Development and Infrastructure Ltd	10	-	-	15 154	4.34
ICICI Bank Ltd	10	-	-	5 362	4.42
India Cement Ltd	10	-	-	45 146	5.75
Indiabulls Financial Services Ltd	2	-	-	1 15 543	12.14
Indusind Bank Ltd	10	-	-	41 032	5.46
IVRCL Infrastructures & Projects Ltd	2	-	-	67 512	11.21
Jai Balaji Industries Ltd	10	-	-	52 492	12.52
Jindal South West Holding Ltd	10	-	-	1 273	2.22
Jyoti Structure Ltd	10	-	-	35 250	4.96
Lupin Ltd	10	-	-	4068	5.85
Mahindra & Mahindra Ltd	5	-	-	6390	2.94
Mercator Lines Ltd	1	-	-	68 639	3.82
Mindtree Ltd	10	-	-	9542	5.09
Moser-Baer(India)Ltd	10	-	-	63 012	4.60
Patni Computer Systems Ltd	2	-	-	30 190	14.16
Piramal Healthcare Ltd	2	-	-	15 871	6.37
Prism Cement Ltd	10	-	-	47 973	2.62
Shree Renuka Sugars Ltd	1	-	-	1 76 140	12.56
Simplex Infrastructure Ltd	2	-	-	8 520	3.85
United Phosphorus Ltd	2	-	-	33 020	4.78
Voltas Ltd	1	-	-	42 188	6.43
Yes Bank Ltd	10	-	-	24 066	5.35
Zee Entertainment Enterprises Ltd	1	-	-	21 424	5.08
Total			**-**		**234.61**

15. **Basic and Diluted Earnings per share "EPS" computed in accordance with Accounting Standard (AS) 20**

"Earnings per share"

PARTICULARS		2010-11	2009-10
BASIC			
Profit after tax as per Statement of profit and loss *(₹ in million)*	**A**	826.58	475.50
Number of Shares Outstanding	**B**	237,154,030	237,154,030
EPS (₹)	**A/B**	**3.49**	**2.01**
DILUTED			
Profit after tax as per Statement of profit and loss*(₹ in million)*	**C**	826.58	475.50
Number of Shares Outstanding		237,154,030	237,154,030
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		5,825,000	8,591,164
Weighted Number of Shares Outstanding	**D**	242,979,030	245,745 194
EPS (₹)	**C/D**	**3.40**	**1.93**

16. **Disclosure as required under Notification No. DNBS. 200/CGM(PK)-2008 dated 01 August 2008 issued by Reserve Bank of India**

a) Capital Adequacy Ratio

Items	Current Year	Previous Year
CRAR (%)	29.95%	47.65%
CRAR - Tier I Capital (%)	29.73%	47.65%
CRAR - Tier II Capital (%)	0.22%	-

b) Exposure to Real Estate

(₹ in million)

Category	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; Upto ₹ 1.5 million More than ₹ 1.5 million	258.8 10,059.8	285.2 2256.0
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc.). Exposure would also include non-fund based (NFB) limits;	5,632.9	2,768.3
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	1,305.0	625.0

c) Maturity pattern of certain items of assets and liabilities

(₹ in Millions)

	Liabilities		Assets	
	Borrowings from banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (one month)	0.10	2923.30	9436.70	-
Over one to 2 months	-	1700.00	868.90	-
Over 2 to 3 months	-	4020.00	1279.70	-
Over 3 to 6 months	-	1100.00	1588.90	-
Over 6 to 1 year	375.00	252.00	648.10	-
Over 1 to 3 years	6375.00	2335.00	6112.30	1105.70
Over 3 to 5 years	1750.00	-	2175.90	-
Over 5 years	-	-	8908.00	3312.10
Total	**8500.10**	**12330.30**	**31018.64**	**4417.76**

17. **Asset classification**

(₹ in million)

Asset Classification	Outstanding Balance	Provision
Standard Assets	28,481.20	71.50
	(14,235.61)	-
Sub-Standard Assets	98.19	15.31
	(54.36)	(6.07)
Doubtful Assets	1.99	0.89
	-	-
Loss Assets	5.79	3.93
	(13.28)	(13.28)

Note:

a. In terms of RBI circular a general provision of ₹ 71.50 million (Previous Year: Nil) has been made during the year at 0.25 % of the Standard Assets under the head 'Provision on Standard loans' in the Profit & Loss account.

b. Provision is created after considering credit for securities available against the loans.

c. Figures in bracket represent previous year's figure.

18. **Particulars as per RBI Directions (as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007).**

		₹ in millions
Liabilities Side :	**Amount Outstanding**	**Amount Overdue**
1. Loans and advances availed by the NBFCS inclusive of interest accrued there on but not paid :		
(a) Debentures:		
Secured	3,545.20	-
Unsecured (Other than falling within the meaning of public deposits)	291.30	-
(b) Deferred Credits	-	-
(c) Term Loans	8,512.70	-
(d) Inter – corporate loans and borrowings	-	-
(e) Commercial Paper	8,660.00	-
(f) Other Loans (specify nature)	-	-

Assets Side:

₹ in millions

2. Break – up of Loans and Advances including bills Receivables [Other than included in (4) below]	**Amount Outstanding**
(a) Secured	28,450.10
(b) Unsecured	2568.50

(₹ in millions)

3. Break- up of Leased Assets and stock on hire and other assets counting towards AFC activities	Amount Outstanding
(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	-

(₹ in millions)

4. Break – up of Investments:	
Current Investments :	
1 Quoted :	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Deposits)	
2 Unquoted:	
(i) Shares:	-
(a) Equity	105.20
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
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:	

4. Break – up of Investments:	
(a) Equity	2,627.10
(b) Preference	300.00
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	1000.50
(iv) Government Securities	-
(v) Others (please specify) India Infoline Venture Capital Fund	385.00

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

(₹ in million)

	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	1,702.30	1,702.30
(c) Other related parties	-	-	-
2 Other than related parties	28,450.10	866.20	29,316.30
Total	28,450.10	2,568.50	31,018.60

(₹ in millions)

6. Investor group wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted)		
Category	**Market Value/break up or fair value or NAV**	**Book value (net of provisions)**
1 Related Parties **		
a)Subsidiaries	2,927.10	2,927.10
b)Companies in the same group	-	-
(c) Other related parties	385.00	385.00
2 Other than related parties	1,135.60	1,105.70
Total	**4,447.60**	**4,417.80**
** As per Accounting Standard of ICAI		

(₹in millions)

Other Information:	
Particulars	**Amount**
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	106.00
(ii) Net Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	85.80
(iii) Assets acquired in satisfaction of debt	-

Notes to Accounts for Financial Year 2009-10

Notes to accounts:

1. The Company is Non-banking Financial Company registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act 1934 and primarily engaged in lending and related activities. The Company received the certificate of registration from on 12th May 2005, enabling the Company to carry on business as a Non – banking Finance Company.

2. The company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company/fellow subsidiaries/group companies, which are termed as 'Shared Services'. Such shared services paid by the holding company/fellow subsidiaries/group companies, are reimbursed on an actual basis and estimates are used only where actuals were difficult to determine.

3. During the year company has obtained Term Loans of ₹ 1,000 million each from Axis bank and Yes Bank. The same is secured against the receivables of the company. The company has also raised ₹ 615.10 million by way of Non Convertible debentures. The same is secured against immovable Property, Stocks and Book Debts.

4. Segment Reporting:

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

   Secondary segmentation 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.

5. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

   a) Nature of relationship — **Name of party**

   Related parties where control exists:

Holding company	India Infoline Limited
Direct Subsidiaries	India Infoline Distribution Company Limited Moneyline Credit Limited India Infoline Housing Finance Limited
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Media & Research Services Ltd. India Infoline Commodities DMCC IIFL Capital Ltd. India Infoline Marketing Services Limited. IIFL Realty Ltd. IIFL Wealth Management Ltd. IIFL Asia Pte Ltd. IIFL Inc IIFL Wealth UK Ltd India Infoline Asset Management Company Ltd India Infoline Trustee Company Ltd
Group Companies	India Infoline Insurance Services Ltd. India Infoline Insurance Brokers Ltd. IIFL Capital Pte. Limited

IIFL Securities Pte. Ltd
IIFL Energy Ltd.
Unval Industries Pvt Ltd

Other related parties:

Key Management Personnel — Nirmal Jain
R Venkataraman
India Infoline Venture Capital Fund

b) Significant Transaction with Related Parties:

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Total
Interest Income on ICD	-	36.50	-	-	36.50
	-	(0.08)	-	-	(0.08)
Interest Expenses	18.63	-	-	0.13	18.76
	-	-	-	-	-
Referral Fees paid	-	-	-	-	-
	-	(5.22)	-	-	(5.22)
ICD repaid/issued	-	5,143.65	-	-	5,143.65
	-	(387.07)	-	-	(387.07)
ICD taken/received	-	3,557.50	-	-	3,557.50
	-	-	-	-	-
Purchase of Shares & Securities including Future & Option	1,494.96	-	-	-	1,494.96
	(249.27)	-	-	-	(249.27)
Sale of Shares & Securities including Future & Option	1,887.32	-	-	-	1,887.32
	(1,581.62)	-	-	-	(1,581.62)
Brokerage	0.28	-	-	-	0.28
	(2.02)	-	-	-	(2.02)
Investment	-	-	-	600.00	600.00
	-	-	-	(37.55)	(37.55)
Advances returned/ reimbursement of expenses	35,619.20	32.00	30.34	4,804.61	40,486.14
	(15,043.56)	(3,073.15)	(65.37)	(1,654.89)	(19,836.96)
Advances taken/ allocation of expenses	35,619.20	32.00	30.34	4,804.61	40,486.14
	(15,043.56)	(2,323.92)	(65.37)	(1,654.89)	(19,087.74)
Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Total
Sundry payables	-	-	-	-	-
	-	-	-	-	-

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Total
Sundry receivables	-	2,722.44	-	-	2,722.44
	-	(1,136.29)	-	-	(1,136.29)

* Figures in bracket represent previous year's figure.

6. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of profit and loss.The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2010, are as under:

(₹ in million)

Minimum Lease Rentals	2009-10	2008-09
Up to one year	0.13	0.39
One to five years	Nil	Nil
Over five years	Nil	Nil
Total	**0.13**	**0.39**

7. The company has recognized deferred tax assets for the year ended on 31st March 2010 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:

Deferred Tax Assets

(₹ in million)

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
1	On Provision for Doubtful Debts	7.02	5.53
2	On Depreciation	0.14	0.05
	Total	**7.16**	**5.58**

8. Company has taken securitised mortgage loan portfolio from its subsidiary Moneyline Credit Ltd amounting to ₹ 3,803.68 million and also has given mortgage loan portfolio to its subsidiary India Infoline Housing Finance Ltd amounting to ₹463.85 million.

9. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

10. There are no dues to micro & small enterprises (MSEs) outstanding for more than 45 days.

11. The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary General Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 13,25,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

12. Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20

"Earnings per share"

PARTICULARS		2009-10	2008-2009
BASIC			

PARTICULARS		2009-10	2008-2009
Profit after tax as per Statement of profit and loss *(₹ in million)*	**A**	475.50	630.36
Number of Shares Subscribed	**B**	23,715,403	2,37,15,403
EPS (₹)	**A/B**	**20.05**	**26.58**
DILUTED			
Profit after tax as per Statement of profit and loss *(₹ in million)*	**C**	475.50	630.36
Number of Shares Subscribed		23,715,403	2,37,15,403
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		90,000	90,000
Weighted Number of Shares Outstanding	**D**	23,805,403	2,38,05,403
EPS (₹)	**C/D**	**19.97**	**26.48**

13. Particulars as per NBFC Directions (as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007).

(₹ in million)

LIABILITIES SIDE :	Amount Outstanding	Amount Overdue
1. Loans and advances availed by the NBFCS inclusive of interest accured there on but not paid :		
(a) Debentures: Secured	616.20	-
Unsecured	5,198.40	-
(Other than falling within the meaning of public deposits)	-	
(b) Deferred Credits	-	-
(c) Term Loans	2,001.10	-
(d) Inter – corporate loans and borrowings	-	-
(e) Commercial Paper	1,400.00	-
(f) Other Loans (specify nature) - Secured Loans against security of fixed deposits and shares	-	-

ASSETS SIDE:

(₹ in million)

2. Break – up of Loans and Advances including bills Receivables	
[Other than included in (4) below]	
(a) Secured	13,963.00
(b) Unsecured	3,877.00
3. Break- up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(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:	
Current Investments :	
1 **Quoted :**	
(i) Shares: (a) Equity	234.60

(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Deposits)	
2 **Unquoted:**	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	700.10
(iv) Government Securities	-
(v) Others (please specify)	-
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	1,947.00
(b) Preference	300.00
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	195.00

(₹ in million)

5.Borrower group-wise classification of all assets financed as in (2) and (3) above:			
	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1 Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	2,722.40	2,722.40
(c) Other related parties	-	-	-
2 Other than related parties	13,963.00	1,154.60	15,117.60
Total	13,963.00	3,877.00	17,840.00

(₹ in million)

6. Investor group wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted)		
Category	**Market Value/break up or fair value or NAV**	**Book value (net of provisions)**
1 Related Parties **		
(d) Subsidiaries	2,247.10	2,247.10
(e) Companies in the same group	-	-
(f) Other related parties	-	-
	-	-
2 Other than related parties	1,129.60	1,129.60
	-	-
Total	**3,376.70**	**3,376.70**

** As per Accounting Standard of ICAI		
7. Other Information:		
Particulars		**Amount**
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	69.70
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	51.00
(iii) Assets acquired in satisfaction of debt	-	-

14. In accordance with Notification No.DNBS. 200/CGM(PK)-2008 dated 01 August, 2008, following are the disclosures of Annex I

Items	Current Year	Previous Year
CRAR (%)	47.64%	97.77%
CRAR - Tier I Capital (%)	47.64%	97.77%
CRAR - Tier II Capital (%)	0	0

(₹ in million)

Asset Classification	Outstanding Balance	Provision
Standard Assets	14,235.61	-
Sub-Standard Assets	54.36	6.07
Doubtful Assets	-	-
	-	-
Loss Assets	13.28	13.28
	-	-

Exposure to Real Estate

(₹ in million)

Category	Current Year (31/03/2010)	Previous Year (31/03/2009)
a) Direct exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 1.5 million may be shown separately)	2,541.23	2,450.62
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	2,768.25	1,008.07
Investments in Mortgage Backed Securities (MBS) and		
other securitised exposures -		
a. Residential,	-	-
b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National	625.00	25.00
Housing Bank (NHB) and Housing Finance Companies (HFCs).		

Asset Liability Management

(₹ in millions)

Maturity pattern of certain items of assets and liabilities									
Liabilities	**1 day to 30/31 days (one month)**	**Over one to 2 months**	**Over 2 to 3 months**	**Over 3 to 6 months**	**Over 6 to 1 year**	**Over 1 to 3 years**	**Over 3 to 5 years**	**Over 5 years**	**Total**
Borrowings from banks					580.00	1,170.00	250.00	0.00	2,000.00
Market Borrowings	2,350.00	2,000.00	390.00	-	-	2,470.00	0.00	0.00	7,210.00
Assets									
Advances	6,660.00	30.00	30.00	670.00	1,640.00	5,760.00	570.00	2,480.00	17,840.00
Investments	700.00	-	-	-	240.00	-	-	2,440.00	3,380.00

Notes to Accounts for Financial Year 2008-09

Notes to accounts:

1. This Company was incorporated on 7th July 2004 and had applied for registration as Non-Banking Financial Institution with Reserve Bank of India. A certificate for Registration was received on 12th May 2005.

2. The company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company/fellow subsidiaries/group companies, which are termed as 'Shared Services'. Such shared services paid by the holding company/fellow subsidiaries/group companies, are reimbursed on an actual basis and estimates are used only where actuals were difficult to determine.

3. Segment Reporting:

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

   Secondary segmentation 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.

4. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

Nature of relationship	Name of party
a) **Related parties where control exists**:	
Holding company	India Infoline Limited
Direct Subsidiaries	India Infoline Distribution Company Limited Moneyline Credit Limited India Infoline Housing Finance Limited
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Media & Research Services Ltd. India Infoline Commodities DMCC IIFL Capital Ltd. India Infoline Marketing Services Limited. IIFL Realty Ltd. IIFL Wealth Management Ltd. IIFL Ventures Ltd. IIFL Asia Pte Ltd. IIFL Inc
Group Companies	India Infoline Insurance Services Ltd. India Infoline Insurance Brokers Ltd. IIFL Capital Pte. Limited IIFL Securities Pte. Ltd
b) **Other related parties**:	
(a) Key Management Personnel	Nirmal Jain R Venkataraman

c) **Significant Transaction with Related Parties:**

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Total
Interest Income on ICD	-	0.08	-	-	0.08
	(117.05)	-	-	-	(117.05)
Referral Fees paid	-	5.22	-	-	5.22
	-	-	-	-	-
ICD repaid/issued	-	387.07	-	-	387.07
	(2,709.60)	-	-	-	(2,709.60)
ICD taken/received	-	-	-	-	-
	(2,709.60)	-	-	-	(2,709.60)
Purchase of Shares & Securities including Future & Option	249.27	-	-	-	249.27
	(7,279.56)	-	-	-	(7,279.56)
Sale of Shares & Securities including Future & Option	1,581.62	-	-	-	1,581.62
	(7,279.56)	-	-	-	(7,279.56)
Brokerage	2.02	-	-	-	2.02
	(0.22)	-	-	-	(0.22)
Investment	-	-	-	-	-
	-	-	-	(198.02)	(198.02)
Finance (including Equity Contribution in cash)	-	-	-	37.55	37.55
	(4,949.03)	-	-	(1,491.49)	(6,440.52)
Finance (including Equity Contribution other than cash)	-	-	-	-	-
	(93.02)	-	-	-	(93.02)
Advances returned/ reimbursement of expenses	15,043.56	3,073.15	65.37	1,654.89	19,836.96
	(34,400.63)	(7,594.41)	-	-	(41,995.04)
Advances taken/ allocation of expenses	15,043.56	2,323.92	65.37	1,654.89	19,087.74

	(34,538.40)	(7,594.41)	-	-	(42,132.81)

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Direct Subsidiaries	Total
Sundry payables					-
	-	-	-	-	-
Sundry receivables		1,136.29	-	-	1,136.29
	-	-	-	-	-

*** Figures in bracket represent previous year's figure.**

5. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of profit and loss.The agreements are executed for a period ranging 1 to 5 years with a renewable clause and so are as follows:

(₹ in million)

Minimum Lease Rentals	2008-09	2007-08
Up to one year	0.39	-
One to five years	Nil	-
Over five years	Nil	-
Total	**0.39**	-

6. The company recognized deferred tax assets for the year ended on 31st March 2009 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:

Deferred Tax Assets

(₹ in million)

Sr. No.	Particulars	As at 31.03.2009	As at 31.03.2008
1	On Preliminary Expenses		0.02
2	On Provision for Doubtful Debts	5.53	6.04
3	On Depreciation	0.05	0.08
	Total	**5.58**	**6.14**

7. Company has reduced its Gross block and accumulated depreciation for those assets having zero net block as on 31st March 2009 amounting to ₹ 1.95 million.

8. Company has taken securitised mortgage & personal loan portfolio from its subsidiary Moneyline Credit Ltd amounting to ₹ 3,799.66 million.

9. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

10. There are no dues to micro & small enterprises (MSEs) outstanding for more than 45 days.

11. The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary General Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 13,25,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

12. Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 "Earnings per share"

PARTICULARS		2008-09	2007-2008
BASIC			
Profit after tax as per Statement of profit and loss *(₹ in million)*	**A**	630.36	315.46
Number of Shares Subscribed	**B**	2,37,15,403	14,934,921
EPS (₹)	**A/B**	**26.58**	**21.12**
DILUTED			
Profit after tax as per Statement of profit and loss *(₹ in million)*	**C**	630.36	315.46
Number of Shares Subscribed		2,37,15,403	14,934,921
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		90,000	177,049
Weighted Number of Shares Outstanding	**D**	2,38,05,403	15,111,970
EPS (₹)	**C/D**	**26.48**	**20.87**

13. Particulars as per NBFC Directions (as required in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998).

(₹ in million)

Particulars		
LIABILITIES SIDE :	**Amount Outstanding**	**Amount Overdue**
1. Loans and advances availed by the NBFCS inclusive of interest accrued there on but not paid :		
(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	50.00	-
(f) Public Deposits	-	-
Other Loans (specify nature) - Secured Loans against security of fixed deposits and shares	-	-

(₹ in million)

2. Break- up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :	
(a) In the form of Unsecured debentures	-
(b) In the form of partly secured debentures ie. Debentures where there is a short fall in the value of security	-
(c) Other public deposits	-

Assets Side:

(₹ in million)

3. Break – up of Loans and Advances including bills Receivables	
[Other than included in (4) below]	
(a) Secured	5,786.10
(b) Unsecured	2,605.00

(₹ in million)

4. Break- up of Leased Assets and stock on hire and hypothecation loans counting towards El/HP activities	
(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) Hypothecation loans counting towards EL/PH activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

(₹ in million)

5. Break – up of Investments:	
Current Investments :	
1 **Quoted :**	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Deposits)	
2 **Unquoted:**	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	2,381.20
(iv) Government Securities	-
(v) Others (please specify)	-
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)	-

5. Break – up of Investments:	
2 **Unquoted:**	
(i) Shares: (a) Equity	1.647.10
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

(₹ in million)

6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1 Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	1,136.30	1,136.30
(c) Other related parties	-	-	-
2 Other than related parties	5,786.10	1,468.70	7,254.80
Total	5,786.10	2,605.00	8,391.10

(₹ in million)

7.Investor group wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted)		
Category	**Market Value/break up or fair value or NAV**	**Book value (net of provisions)**
1 Related Parties **		
(d) Subsidiaries	1,647.10	1,647.10
(e) Companies in the same group	-	-
(f) Other related parties	-	-
2 Other than related parties	-	-
Total	1,647.10	1,647.10
** As per Accounting Standard of ICAI		

(₹ in million)

8. Other Information:		
Particulars		
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	6.10
(ii) Net Non-Performing Assets		
(a) Related parties	-	-

8. Other Information:		
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

In accordance with Notification No.DNBS. 200/CGM(PK)-2008 dated 01 August, 2008, following are the disclosures of Annex I

Items	Current Year	Previous Year
CRAR (%)	97.77%	72.44%
CRAR - Tier I Capital (%)	97.77%	72.44%
CRAR - Tier II Capital (%)	0	0

Exposure to Real Estate

Category	Current Year (31/03/2009)	Previous Year (31/03/2008)
a) Direct exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 1.5 million may be shown separately)	2,450.62	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1,008.07	-
Investments in Mortgage Backed Securities (MBS) and		
other securitised exposures -		
a. Residential,	-	-
b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National	25.00	
Housing Bank (NHB) and Housing Finance Companies (HFCs).		

(₹ in million)

Asset Liability Management									
Maturity pattern of certain items of assets and liabilities									
Liabilities	**1 day to 30/31 days (one month)**	**Over one to 2 months**	**Over 2 to 3 months**	**Over 3 to 6 months**	**Over 6 to 1 year**	**Over 1 to 3 years**	**Over 3 to 5 years**	**Over 5 years**	**Total**
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	500.00	-	-	-	-	-	-	-	500.00
Assets									
Advances		-	308.50					-	308.50
Investments	2381.30	-	-	-	-	-	-	-	2,381.30

Notes to Accounts for Financial Year – 2007-08

1. This Company was incorporated on 7th July 2004 and had applied for registration as Non-Banking Financial Institution with Reserve Bank of India. A certificate for Registration was received on 12th May 2005.

2. The company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company, which are termed as 'Shared Services'. In case of such shared services paid by Holding Company, expenses were identified and recovered based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation.

3. During the Year, the company has acquired new subsidiaries from its holding company India Infoline Limited as detailed below.

Name of Subsidiary	Amount Invested (₹ in millions)	Nature of Business
India Infoline Distribution Company Limited	85.13	Loan Finance
India Infoline Housing Finance Limited*	25.00	Housing Finance
Moneyline Credit Limited	410.93	Personal Finance

*India Infoline Housing Finance Limited has not started Commercial Production till March 31, 2008

4. During the year the Company raised funds through preferential allotment of 1.65 Millions equity shares to India Infoline Limited, 3.96 millions equity shares to Orient Global Tamarind Fund Pte. Ltd. and 0.17 Million equity shares to Bennett Coleman and Company Limited.

5. The Company also made right issue of 5.93 millions equity shares to the existing shareholders.

6. The company had also raised funds through issue of Non Convertible Debentures (NCD) during the year.

7. The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary General Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 13, 25,000 options entitling to a total of 13,25,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 7,60,000 options under this plan during the year 2007-08. The same are under vesting

8. Segment Reporting:

   Segment information for the year ended 31st March 2008.

   Primary segment information (by business segment)

Sr. No	Particulars	Financing, Share Trading & Investment Activities	Others	Total (₹)
I	**Segment Revenue**			
	External	1,522.06	0.03	1,522.09
		(289.45)	-	(289.45)
	Inter-segment	-	-	-
ii	**Segment Expenses**	1,017.90	-	1,017.90
		(141.16)	-	(141.16)

Sr. No	Particulars	Financing, Share Trading & Investment Activities	Others	Total (₹)
ii	**Segment Result**	504.16	0.03	504.19
		(430.61)	-	(148.28)
	Less: Unallocated Expenses	-	-	114.13
				(59.25)
	Operating Profit	-	-	390.06
				(89.03)
	Interest Expense	-	-	-
	Interest & Misc Income	-	-	-
	Profit from Ordinary Activities			390.06
				(89.03)
	Less: Taxation			74.60
				(24.50)
	Net Profit after Tax			315.46
				(64.54)
iii	Segment Assets	16,345.20	-	16,345.20
		(2,882.69)	-	(2,882.69)
	Unallocated Corporate assets			518.35
				(115.87)
	Total Assets			16,863.54
				(2,998.56)
iv	Segment Liabilities	5,349.38	-	5,349.38
		(1,508.91)	-	(1,508.91)
	Unallocated Corporate Liabilities			124.28
				(25.98)
	Total Liabilities			5,473.66
				(1,534.90)
v	Capital Expenditure	0.20	-	0.20
		(0.20)	-	(0.20)
	Unallocated Capital Expenditure			2.75
				(1.95)
vi	Depreciation	0.04	-	0.04
		(0.03)	-	(0.03)
	Unallocated Depreciation			0.65
				(0.65)
vii	Non-Cash expenditure			
	other than depreciation	-	-	-
		-	-	-

(Figures in bracket represent previous year figure)

9. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

Nature of relationship	**Name of party**
Related parties where control exists:	
Holding company	India Infoline Limited
Subsidiaries	India Infoline Distribution Company Limited

Moneyline Credit Limited
India Infoline Housing Finance Limited

Fellow Subsidiaries

India Infoline Commodities Limited
India Infoline Insurance Services Limited
India Infoline Insurance Brokers Limited
India Infoline Media & Research Services Limited
India Infoline Marketing Services Limited
India Infoline Commodities DMCC
IIFL Realty Limited
IIFL Wealth Management Limited
IIFL Ventures Limited
IIFL Capital Limited
IIFL Asia Pte Limited
IIFL Inc

Other related parties:

(a) Key Management Personnel

Nirmal Jain
R Venkataraman

Significant Transaction with Related Parties

(₹ in million)

Nature of Transaction	Subsidiaries	Holding Company	Key Managerial Personnel	Total
Investment (Refer Schedule E)	198.02	-	-	198.02
	-	-	-	-
Purchases of shares & Securities including Futures & Options	-	7,279.56	-	7,279.56
	-	(9,472.03)	-	(9,472.03)
Sales of Shares & Securities including Futures & Options	-	7,606.69	-	7,606.69
	-	(9,759.42)	-	(9,759.42)
Brokerage Expenses	-	0.22	-	0.22
	-	(2.81)	-	(2.81)
Interest Expenses	-	117.05	-	117.05
	-	(69.44)	-	(69.44)
Finance (including Equity Contribution in Cash	-	4,949.03	-	4,949.03
	-	(1,050.00)	-	(1,050.00)
Finance (including Equity Contribution other than cash)	-	93.02	-	93.02
	-	-	-	-
Advances returned/ reimbursement of expenses	-	2,709.60	-	2,709.60
	-	(7,662.64)	-	(7,662.64)
Advances taken/ allocation of expenses	-	2,709.60	-	2,709.60
	-	(7,316.14)	-	(7,316.14)

Outstanding as at March 31,2008:

Nature of Transaction	Subsidiaries	Holding Company	Key Managerial Personnel	Total
	-	-	-	-
Sundry Receivables	-	(334.51)	-	(334.51)
Sundry payable	-	-	-	-

		(665.84)	-	(665.84)

*** Figures in bracket represent previous years figure.**

The transaction between group companies comprise of extension and return of temporary advances granted, allocation of expenses, reimbursement of expenses, etc. and all these transaction are accounted through maintenance of current account.

10. Major Components of Deferred Tax Assets and Liability:

Deferred Tax Asset

(₹ in million)

Sr.No.	Particulars	As at 31.03.2008	As at 31.03.2007
1	On Preliminary Expenses	0.02	0.03
2	On Provision for Doubtful Debts	6.04	-
3	On Gratuity	-	0.05
4	On Current Year Depreciation	0.08	-
	Total	**6.14**	**0.08**

11. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

12. There are no dues to micro & small enterprises (MSEs) outstanding for more than 45 days

13. Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 "Earnings per share"

PARTICULARS		2007-2008	2006-2007
BASIC			
Profit after tax as per Statement of profit and loss *(₹ in million)*	A	315.46	64.54
Number of Shares Subscribed	B	14,934,921	5,115,068
EPS	**A/B**	**21.12**	**12.62**
DILUTED			
Profit after tax as per Statement of profit and loss *(₹ in million)*	C	315.46	64.54
Number of Shares Subscribed		14,934,921	5,115,068
Add: Potential Equity Shares on Account conversion of Employees Stock Options		177,049	-
Weighted Number of Shares Outstanding	D	15,111,970	5,115,068
EPS	**C/D**	**20.87**	**12.62**

14. Previous years figures are regrouped and rearranged wherever necessary.

15. PARTICULARS AS PER NBFC DIRECTIONS (as required in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998)

As on 31 March 2008

(₹ in million)

Particulars		
LIABILITIES SIDE :	**Amount Outstanding**	**Amount Overdue**
1. Loans and advances availed by the NBFCS inclusive of interest accured there on but not paid :		
(a) Debentures: Secured	1,000.00	-
Unsecured	1,794.40	-
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter – corporate loans and borrowings	-	-
(e) Commercial Paper	2,550.00	-
(f) Public Deposits	-	-
Other Loans (specify nature) - Secured Loans against security of fixed deposits and shares	-	-
2. Break- up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of Unsecured debentures	-	
(b) In the form of partly secured debentures ie. Debentures where there is a short fall in the value of security	-	
(c) Other public deposits	-	

Particulars	
ASSETS SIDE:	**Amount outstanding**
3. Break – up of Loans and Advances including bills Receivables [Other than included in (4) below]	
(a) Secured	6,069.60
(b) Unsecured	-
4. Break- up of Leased Assets and stock on hire and hypothecation loans counting towards El/HP activities	
(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) Hypothecation loans counting towards EL/PH activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
5. Break – up of Investments:	
Current Investments :	
1 **Quoted :**	
(i) Shares: (a) Equity	46.50
(b) Preference	-

(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Commercial Deposits)	3,660.00
2 **Unquoted:**	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	4,585.60
(iv) Government Securities	-
(v) Others (please specify)	-
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	521.00
(b) Preference	
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1 Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-		
(c) Other related parties	-	-	-
2 Other than related parties	6,069.60	-	6,069.60
Total	6,069.60	-	6,069.60

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
Category	**Market Value/break up or fair value or NAV**	**Book value (net of provisions)**	
1 Related Parties **			

(d) Subsidiaries	521.00	521.00	
(e) Companies in the same group	-	-	
(f) Other related parties	-	-	
2 Other than related parties	8,292.10	8,327.10	
Total	8,813.10	8,525.10	
** As per Accounting Standard of ICAI			
8. Other Information:			
Particulars		**Amount**	
(i) Gross Non-Performing Assets			
(a) Related parties	-	-	
(b) Other than related parties	-	32.00	
(ii) Net Non-Performing Assets			
(a) Related parties	-	-	
(b) Other than related parties	-	14.20	
(iii) Assets acquired in satisfaction of debt	-	-	

AUDITORS' REPORT

(Consolidated)

To,
The Board of Directors
India Infoline Finance Limited

(Formerly, India Infoline Investment Services Limited)
Mumbai.

Dear Sirs,

We have examined the attached Reformatted consolidated financial information of **India Infoline Finance Limited**, formerly known as **India Infoline Investment Services Limited** (the "Company") and its subsidiaries namely, (1) India Infoline Distribution Company Limited, (2) India Infoline Housing Finance Limited and (3) Moneyline Credit Limited (Consolidated for premerger periods with the company ended March 31, 2008, 2009, 2010 and 2011) (collectively referred to as the "Group"), annexed to this report, which is proposed to be included in the Prospectus of the Company in connection with the proposed issue of Unsecured, Redeemable, Non-Convertible Debentures (NCDs) aggregating to Rs. 2500 Million with an option to retain over-subscription upto Rs 2500 Million for issuance of additional NCDs in terms of the requirement of Paragraph B(1) of Part-II of Schedule II to the Companies Act, 1956 ("the Act"), Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("the Regulations") issued by Securities and Exchange Board of India (SEBI), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 (the "SEBI Act") and in terms of our engagement letter dated August 13, 2012. This financial information has been prepared by the Company and is approved by the debenture committee of the board of directors of the company.

We have examined these financial information taking into consideration the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.

1. **Reformatted Consolidated Financial Statements as per Audited Consolidated Financial Statements of the Group.**

   We have examined the following attached statements of the Group:

   a) the "Reformatted Consolidated Statement of Assets and Liabilities" as at March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (Annexure 14) and the schedules forming part thereof (Annexure 17);

   b) the "Reformatted Consolidated Statement of Profits and Losses" for each of the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (Annexure 15) and the schedules forming part thereof (Annexure 18);and

   c) the "Reformatted Consolidated Statement of Cash Flows" for each of the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (Annexure 16),

   together referred to as "Reformatted Consolidated Financial Statements".

These Reformatted Consolidated Financial Statements have been extracted from the Audited Consolidated Financial Statements of the Group and based on our examination of these Reformatted Consolidated Financial Statements, we state that:

(a) These Reformatted Consolidated Financial Statements have been presented in "Rupees in Million" solely for the convenience of readers;

(b) These Reformatted Consolidated Financial Statements have to be read in conjunction with the relevant Significant Accounting Policies and Notes to Accounts on the Reformatted Consolidated Financial Statements given as per Annexure 26;

(c) The figures of earlier years / Periods have been regrouped (but not restated) wherever necessary, to conform to the classification adopted for the Reformatted Consolidated Financial Statements;

(d) There are no extra-ordinary items that need to be disclosed separately in the Reformatted Consolidated

Financial Statements; and

(e) There are no qualifications in the auditors' reports that require adjustments to the figures in the Reformatted Consolidated Financial Statements.

(f) These Reformatted Consolidated Financial Statements conform to the requirements of the Revised Schedule VI of the Companies Act, 1956.

2. **Other Consolidated Financial Information of the Group.**

We have examined the following Other **Consolidated** Financial Information of the Group in respect of each years, wherever applicable, ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 proposed to be included in the Prospectus, and annexed to this report:

a) Statement of Contingent Liability (Annexure -19)

b) Statement of Dividends (Annexure 20)

c) Capitalisation Statement (Annexure 21)

d) Statement of Accounting Ratios (Annexure 22)

e) Statement of Tax Shelter (Annexure 23)

f) Statement of Secured Loans (Annexure -24)

g) Statement of Unsecured Loans (Annexure -25)

3. In our opinion, the "Reformatted Consolidated Financial Statements as per Audited Consolidated Financial Statements of the Group" and "Other Consolidated Financial Information of the Group" mentioned above for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 have been prepared in accordance with Paragraph B(1) of Part II of Schedule II to Act and the Regulations amended by time to time, by SEBI Act.

4. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

5. This report is intended solely for your information and for inclusion in the Prospectus in connection with the proposed issue of NCDs aggregating to Rs. 2500 Million with an option to retain over-subscription upto Rs. 2500 Million for issuance of additional NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Sharp & Tannan Associates

Chartered Accountants

ICAI Registration No.109983W

By the hand of

Tirtharaj Khot
Partner
Membership No.:(F) 037457

Place: Mumbai
Date : 27th August, 2012

Annexure 14

Statement of Reformatted Consolidated Assets and Liabilities **₹millions**

Particulars	Note No	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
I EQUITY AND LIABILITIES						
(1) Shareholders' funds						
(a) Share Capital	**1**	2,371.54	2,371.54	237.15	237.15	237.15
(b) Reserve and Surplus	**2**	12,076.24	11,040.48	12,407.13	11,870.97	11,189.28
		14,447.78	**13,412.02**	**12,644.28**	**12,108.12**	**11,426.43**
(2) Share application money pending allotment		-	-	-	-	-
(3) Non-Current Liabilities						
(a) Long-term borrowings	**3**	32,237.20	11,523.63	1,865.10	1,756.85	1,701.44
(b) deferred tax liabilities (Net)		-	-	-	-	-
(c) Other Long-term liabilities		-	-	-	-	-
(d) Long-term provisions	**4**	177.82	82.37	1.21	0.43	-
		32,415.02	**11,606.00**	**1,866.31**	**1,757.28**	**1,701.44**
(4) Current liabilities						
(a) Short-term borrowings	**5**	20,339.36	8,932.11	7,084.32	500.00	5,344.37
(b) Trade payables		-	-	-	-	-
(c) Other current liabilities	**6**					
-Borrowings		6,807.74	2,474.67	1,250.00	-	-
-Others		3,486.56	2,495.82	621.73	1,225.82	596.03
(d) Short-term provisions	**7**	302.06	16.34	13.95	3.98	5.10
		30,935.72	**13,918.94**	**8,970.00**	**1,729.80**	**5,945.50**
TOTAL – EQUITY AND LIABILITIES		**77,798.52**	**38,936.96**	**23,480.59**	**15,595.20**	**19,073.37**
II ASSETS						
(1) Non-current assets						
(a) Fixed assets	8					
(i) Tangible assets		699.61	125.48	17.38	31.10	20.40
(ii) intangible assets		0.22	0.74	1.86	4.95	3.20
(iii) Goodwill (on Consolidation)		16.42	34.48	34.48	34.48	34.48
(iv) Capital work-in-progress		12.15	37.49	-	0.91	3.83
(v) Intangible assets under development		-	-	-	-	-
		728.40	**198.19**	**53.72**	**71.44**	**61.91**
(b) Non-current investments	**9**	3,030.02	490.21	195.00	-	-
(c) deferred tax assets (Net)	**10**	126.12	44.40	22.04	36.64	46.28
(d) Long-term loans & advances	**11**					
-Loans		22,492.74	13,520.82	4,404.30	2,625.91	1,543.83
-Others		2,333.13	2,068.14	1,180.59	57.28	29.10
(e) Other non-current assets	**12**	515.31	302.01	408.78	152.36	506.89
		28,497.32	**16,425.58**	**6,210.71**	**2,872.19**	**2,126.10**
(2) Current assets						
(a) Current investments	**13**	3,041.93	1,000.52	934.79	2,381.37	8,292.30

(b) Inventories	**14**	107.39	223.83	113.69	1,108.36	-
(c) Trade receivables		-	-	-	-	-
(d) Cash and Bank balances	**15**	2,537.45	841.51	1,720.87	807.48	561.60
(e) Short-term loans & advances	**16**					
-Loans		39,644.34	19,342.03	11,851.18	6,987.60	7,805.68
-Others		2,582.32	569.73	2,461.10	1,239.99	39.31
(f) Other current assets	**17**	659.37	335.57	134.53	126.77	186.47
		48,572.80	**22,313.19**	**17,216.16**	**12,651.57**	**16,885.36**
TOTAL - ASSETS		**77,798.52**	**38,936.96**	**23,480.59**	**15,595.20**	**19,073.37**

Net worth		**As at March 31,**				
Particulars	**Note**	**2012**	**2011**	**2010**	**2009**	**2008**
Share Capital		2,371.54	2,371.54	237.15	237.15	237.15
Reserve and Surplus		12,076.24	11,040.48	12,407.13	11,870.97	11,189.28
Less : Miscellaneous expenditure		165.99	-	-	-	72.28
Total		**14,281.79**	**13,412.02**	**12,644.28**	**12,108.12**	**11,354.15**

Annexure 15

Statement of Reformatted Consolidated Profit and Loss **₹ millions**

Particulars	**Note No**	**2011-2012**	**2010-2011**	**2009-2010**	**2008-2009**	**2007-2008**
Revenue						
Revenue from operations	**18**	9,084.58	4,711.27	2,120.83	2,280.20	1,601.56
Other Income	**19**	451.29	483.65	218.80	101.08	43.35
Total Revenue		**9,535.87**	**5,194.92**	**2,339.63**	**2,381.28**	**1,644.91**
Expenses						
Employee benefit expenses	**20**	1,092.74	687.11	380.27	481.14	204.38
Finance cost	**21**	4,798.31	2,213.04	279.93	424.07	819.19
Depreciation & amortisation expenses	**22**	149.60	16.98	11.56	16.44	13.92
Other expenses	**23**	1,730.16	741.98	453.66	538.86	277.20
Provisions & Write off	**24**	263.36	195.35	448.21	61.18	52.77
Total Expenses		**8,034.17**	**3,854.46**	**1,573.63**	**1,521.69**	**1,367.46**
Profit/(Loss) before tax		**1,501.70**	**1,340.46**	**766.00**	**859.59**	**277.45**
Tax expenses :						
Current tax expense for current year		528.14	427.62	210.11	163.58	80.60
Deferred tax		(81.74)	(22.33)	14.59	9.64	(43.89)
Fringe benefit tax		-	-	-	3.46	1.27
Current tax expense relating to prior years		1.49	12.66	3.38	(8.28)	0.10
Total tax expense		**447.89**	**417.95**	**228.08**	**168.40**	**38.08**
Profit (loss) for the period		**1,053.81**	**922.51**	**537.92**	**691.19**	**239.37**

Annexure 16
Statement of Reformatted Consolidated Cash Flows

₹ millions

Particulars	As At March 31,2012	As At March 31,2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Cash flows from operating activities					
Net profit before taxation, and extraordinary item	1,501.70	1,340.45	766.01	859.59	277.46
Adjustments for:					
Depreciation	149.60	16.98	11.56	16.44	52.52
Provision for Doubtful Loans	79.30	2.03	8.59	-	17.78
Provision for Standard Loans	95.32	82.50	-	-	-
Provision for diminution in value of investments	2.03	-	-	-	-
Provision for Contingencies	46.71	-	-	-	-
Share of Profit	-	-	-	-	0.51
Gratuity & Leave Encashment	25.92	2.06	0.31	0.73	4.74
	398.88	**103.57**	**20.46**	**17.17**	**75.55**
Operating profit before working capital changes	**1,900.58**	**1,444.02**	**786.47**	**876.76**	**353.01**
Increase / (Decrease) in long term provisions	0.13	-	0.79	0.43	-
Increase / (Decrease) in short term provisions	(2.02)	(5.52)	9.66	(1.85)	87.97
Increase / (Decrease) in Other liabilities	1,252.56	1,973.56	(604.09)	629.79	588.37
Decrease / (Increase) in trade inventories	116.45	(110.14)	994.67	(1,108.36)	-
Decrease / (Increase) in long term loans & advances	(9,259.92)	(7,182.29)	(2,876.48)	(1,102.44)	(1,543.83)
Decrease / (Increase) in short term loans & advances	(22,361.61)	(8,524.84)	(6,084.70)	(382.60)	(4,773.97)
Decrease / (Increase) in other current assets	(323.80)	(208.42)	(7.76)	59.70	(186.47)
Decrease / (Increase) in other non-current assets	(108.85)	60.13	83.64	34.53	(506.89)
	(30,687.06)	**(13,997.52)**	**(8,484.27)**	**(1,870.80)**	**(6,334.82)**
Cash generated from operations	**(28,786.48)**	**(12,553.50)**	**(7,697.80)**	**(994.04)**	**(5,981.81)**
Tax (Paid) / Refund	(585.92)	(425.03)	(247.31)	(166.57)	(117.92)
Net cash from operating activities	**(29,372.40)**	**(12,978.53)**	**(7,945.11)**	**(1,160.61)**	**(6,099.73)**
Cash flows from investing activities					
Purchase of fixed assets, including intangible assets, Capital work-in-progress and Capital advances	(697.86)	(161.46)	6.16	(25.97)	(113.61)
Pre-acquisition Profit on purchase of Subsidiary Companies	-	-	-	-	(2.04)
share of Profit	-	-	-	-	(0.51)
Purchase of non-current investments	(2,541.84)	(295.21)	(195.00)	-	-

Proceeds from sale/maturity of current investments	(2,041.40)	(65.73)	1,446.58	5,910.93	(8,245.40)
Net cash from investing activities	**(5,281.10)**	**(522.40)**	**1,257.74**	**5,884.96**	**(8,361.56)**
Cash flows from financing activities					
Dividend paid	-	(138.27)	-	-	-
Share issue expenses	-	(16.50)	(1.75)	(9.50)	-
Proceeds of issue of share Capital/Premium	-	-	-	-	9,683.04
Proceeds from long term borrowings	25,046.63	10,883.20	1,358.25	55.41	-
Proceeds from short term borrowings	11,407.25	1,847.78	6,584.32	(4,844.38)	5,544.68
Net cash used in financing activities	**36,453.88**	**12,576.21**	**7,940.82**	**(4,798.47)**	**15,227.72**
Net increase in cash and cash equivalents	**1,800.38**	**(924.72)**	**1,253.45**	**(74.12)**	**766.43**
Opening Cash and cash equivalents	1,136.21	2,060.93	807.48	881.60	115.17
Closing Cash and cash equivalents	2,936.59	1,136.21	2,060.93	807.48	881.60

Annexure 17
Notes to the statement of Reformatted Consolidated Asset and Liabilities

Note 1

Share Capital

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Authorised :					
300,000,000 equity shares of ₹ 10 each	3,000.00	3,000.00	500.00	500.00	500.00
1,999,600 equity shares of ₹100 each#	199.96	-	-	-	-
150 Preference Shares of ₹ 100 each#	0.015	-	-	-	-
250 11% Non- cumulative redeemable preference shares of ₹ 100 each #	0.025	-	-	-	-
Total	**3,200.00**	**3,000.00**	**500.00**	**500.00**	**500.00**
Issued, Subscribed and Paid-up share capital					
237,154,030 Equity Shares of ₹ 10 each	2,371.54	2,371.54	237.15	237.15	237.15

During the year under review, Moneyline Credit Limited, a wholly owned subsidiary was merged with the Company pursuant to the order issued by Hon'ble High Court. The merger has been effected with the filing of the order of the Hon'ble High Court with Registrar of Companies on March 26, 2012. The appointed date of the merger was April 1, 2011. Accordingly, the financial results of Company for the period ended March 31, 2012 are prepared after giving effect to the said merger.

(a) Reconciliation of number of equity shares outstanding at the beginning and at end of the year

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Number of shares outstanding at the beginning of the year	237,154,030	23,715,403	23,715,403	23,715,403	23,715,403
Number of shares Issued	-	213,438,627	-	-	-

during the period - Bonus					
Number of shares outstanding at the end of the year	**237,154,030**	**237,154,030**	**23,715,403**	**23,715,403**	**23,715,403**

Reconciliation of equity share capital outstanding at the beginning and at end of the year

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Issued, Subscribed and Paid-up share capital at beginning of the year	2371.54	237.15	237.15	237.15	237.15
Issued during the year - Bonus	-	2134.39	-	-	-
Issued, Subscribed and Paid-up share capital at the end of the year	**2371.54**	**2371.54**	**237.15**	**237.15**	**237.15**

(b) Rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

(c) Details of shareholders holding more than 5% equity shares as at the end of the year

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Name of shareholder					
India Infoline Limited					
Number of shares	234,467,549	182,000,000	18,200,000	18,200,000	18,200,000
% holding in the class	98.87%	76.74%	76.74%	76.74%	76.74%
India Infoline Marketing Services Limited*					
Number of shares	-	52,838,700	5,283,870	-	-
% holding in the class	-	22.28%	22.28%	-	-
Orient Global Tamrind Fund Pte Limited					
Number of shares	-		-	5,283,870	5,283,870
% holding in the class				22.28%	22.28%

*India Infoline Marketing Services Limited ("IIMSL"), a wholly owned subsidiary of India Infoline Limited (IIL), has been merged with IIL with effect from April 1, 2011. The merger was sanctioned by the Hon'ble High Court of Judicature at Bombay; *vide* its order dated 27th April 2012. Pursuant to the merger all the investments of IIMSL stand transferred to IIL.

(d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31 2012	March 31 2011	March 31 2010	March 31 2009	March 31 2008
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Bonus issue	-	21,34,38,627	-	-	-

(e) **As at March 2012 -** The Company has implemented Employee Stock Option Scheme – 2007. Under the said scheme 4,920,000 (Previous year 5,825,000), stock options are in force as on March 31, 2012.

As at March 2011 - The Company has implemented Employee Stock Option Scheme – 2007. Under the said scheme 5,825,000. Stock options are in force as on March 31, 2011. This is after augmentation of entitlement of bonus in ratio of 9:1 made during the financial year.

As at March 2010 - The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary Genera Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 1,325,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

As at March 2009 - The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary Genera Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 1,325,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

As at March 2008 - The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary General Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 13, 25,000 options entitling to a total of 13,25,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 7,60,000 options under this plan during the year 2007-08. The same are under vesting.

Note 2

Reserves and Surplus

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Securities Premium Reserve					
Opening balance	8,655.74	10,806.62	10,808.37	10,817.87	1,251.99
Addition during the year	-	-	-	-	9,565.88
Deduction during the year, for issue of bonus shares and adjustment of share	-	2,150.89	1.75	9.50	-

issue expenses.					
Closing balance	**8,655.74**	**8,655.73**	**10,806.62**	**10,808.37**	**10,817.87**
General Reserve					
Opening balance	83.00	-	-	-	-
Addition due to transfer during the year from surplus in the Statement of Profit and Loss	-	83.00	-	-	-
Closing balance	**83.00**	**83.00**	**-**	**-**	**-**
Special Reserve (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)					
Opening balance	508.68	323.18	220.75	81.72	18.52
Addition due to transfer during the year from surplus in the Statement of Profit and Loss	216.32	185.50	102.43	139.04	63.20
Closing balance	**725.00**	**508.68**	**323.18**	**220.76**	**81.72**
Debenture Redemption Reserve					
Opening balance	-	-	-	-	-
Addition on account of NCD public issue	630.00	-	-	-	-
Closing balance	**630.00**	**-**	**-**	**-**	**-**
Surplus / (Deficit) in Statement of Profit and Loss					
Opening balance	1,793.07	1,277.33	841.84	289.69	115.55
Addition: Profit / (Loss) for the year	1,053.81	922.51	537.92	691.19	239.38
Less : Pre-acquisition Profit					2.04
Less: Appropriations					
Goodwill write off on Moneyline Credit Limited Merger	18.06	-	-	-	-
Interim Dividend	-	118.58	-	-	-
Dividend Distribution Tax	-	19.69	-	-	-
Special Reserve	216.32	185.50	102.43	139.04	63.20
General Reserve	-	83.00	-	-	-
Debenture Redemption Reserve	630.00	-	-	-	-
Closing balance	**1,982.50**	**1,793.07**	**1,277.33**	**841.84**	**289.69**
Total	**12,076.24**	**11,040.48**	**12,407.13**	**11,870.97**	**11,189.28**

Note 3

Long-term borrowings **₹ millions**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Secured Loans					
Loan from Banks (Secured against receivables) – Refer Note 5.1 below	21,929.17	9,158.33	1,250.00	-	-
Non Convertible Debentures (Secured Against Immovable Property, Stock and Book Debts) – Refer Note 5.2 below	8,768.89	2,365.30	615.10	-	-
Sub total	**30,698.06**	**11,523.63**	**1,865.10**	**-**	**-**

Unsecured Loans					
Inter Corporate borrowings	-	-	-	1,756.85	1,701.44
Non Convertible Debentures – Refer Note 5.3 below	1,539.14	-	-	-	-
Total	**32,237.20**	**11,523.63**	**1,865.10**	**1,756.85**	**1,701.44**

Long-term borrowings: Current maturities

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Secured Loans					
Loan from Banks (Secured against receivables) – Refer Note 3.1 below	5478.74	1441.67	1250.00	-	-
Non Convertible Debentures (Secured Against Immovable Property, Stock and Book Debts) – Refer Note 3.2 below	1329.00	1033.00	-	-	-
Sub total	6807.74	2474.67	**1250.00**	**-**	**-**
Unsecured Loans					
Non Convertible Debentures – Refer Note 3.3 below	-	-	-	-	-
Amount disclosed under the head "Other current liabilities"	(6807.74)	(2474.67)	(1250.00)		
Sub total	(6807.74)	(2474.67)	(1250.00)	**-**	**-**
Total	-	-	**-**	**-**	**-**

During the year 2011-2012, the Company has raised Secured Term Loans aggregating ₹ 18,250.00 millions (Previous Year ₹ 7,750.00 millions) from various banks.

The Company has also raised ₹ 8,384.90 millions (P.Y. ₹ 2,783.20 millions) by issue of Secured Non Convertible Debentures.

During the year 2010-2011, the Company has raised Term Loans aggregating ₹ 9,350.00 millions from various banks. The same is secured against the receivables of the Company. The Company has also raised ₹ 2,783.20 millions by issue of secured Non Convertible Debentures. The said debentures are secured against immovable property, Stocks and Book Debts of the Company. The same are also guaranteed by India Infoline Ltd., the holding company. These debentures are redeemable at par over a period of 12 months to 38 months from the date of allotment depending upon the terms of issue.

During the year 2009-2010 company has obtained Term Loans of ₹ 2,500.00 millions from Axis various banks. The same is secured against the receivables of the company. The company has also raised ₹ 615.10 millions by way of Non Convertible debentures. The same is secured against immovable Property, Stocks and Book Debts.

Note 3.1: Term Loans from Banks - Secured:

₹ millions

Maturities	Non current					
	March 31, 2012			March 31, 2011		
	1-3 years	3-5 years	Total	1-3 years	3-5 years	Total
Rate of interest*						
10.00 % to 11.00 %	-	-	-	3,333.33	-	3,333.33

11.01 % to 12.00 %	-	-	-	3,675.00	2,150.00	5,825.00
12.01 % to 13.00 %	17,679.17	4,250.00	21,929.17	-	-	-
Total	**17,679.17**	**4,250.00**	**21,929.17**	**7,008.33**	**2,150.00**	**9,158.33**

Maturities	**Non current**								
	March 31, 2010			**March 31, 2009**			**March 31, 2008**		
	1-3 years	**3-5 years**	**Total**	**1-3 years**	**3-5 years**	**Total**	**1-3 years**	**3-5 years**	**Total**
Rate of interest*									
9.00% to 10.00%	833.33	416.67	1,250.00	-	-	-	-	-	-
10.01 % to 11.00 %	-	-	-	-	-	-	-	-	-
11.01 % to 12.00 %	-	-	-	-	-	-	-	-	-
12.01 % to 13.00 %	-	-	-	-	-	-	-	-	-
Total	**833.33**	**416.67**	**1,250.00**	**-**	**-**	**-**	**-**	**-**	**-**

*The rate of interest for the above term loans are linked to the base rates of the banks and are subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

The above loans are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. The above loans are also guaranteed by India Infoline Limited, holding company.

Note 3.2: Non Convertible Debentures – Secured

₹ millions

Particulars	**Non Current**		**Current**	
	March 31, 2012	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
11.50 % Non-Convertible Debentures of Face value ₹10,000 Each Redeemable on 2-Mar-2017	300.00	-	-	-
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2016	202.41	-	-	-
11.90 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Aug-2016	2,896.85	-	-	-
11.50 % Non-Convertible Debentures of Face value ₹10,000 Each Redeemable on 30-Jan-15	225.00	-	-	-
11.70 % Non-Convertible Debentures of Face value ₹1,000 Each Redeemable on 18-Dec-14	330.97	-	-	-
Equity Linked Non-Convertible Debentures Series I-018 of Face value ₹100,000 Each Redeemable on 18-Oct-14	77.50	-	-	-
Equity Linked Non-Convertible Debentures Series I-019 of Face value ₹100,000 Each Redeemable on 18-Oct-14	41.00	-	-	-
Equity Linked Non-Convertible Debentures Series I-014 of Face value ₹100,000 Each Redeemable on 13-Oct-14	32.00	-	-	-
Equity Linked Non-Convertible Debentures Series I-015 of Face value ₹100,000 Each Redeemable on 13-Oct-14	15.40	-	-	-
Equity Linked Non-Convertible Debentures Series I-016 of Face value ₹100,000 Each Redeemable on 13-Oct-14	38.50	-	-	-
11.70 % Non-Convertible Debentures of Face value	3,417.46	-	-	-

Particulars	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
₹1,000 Each Redeemable on 18-Aug-14				
Equity Linked Non-Convertible Debentures Series I-017 of Face value ₹100,000 Each Redeemable on 13-May-14	75.50	-	-	-
Equity Linked Non-Convertible Debentures Series I-012 of Face value ₹100,000 Each Redeemable on 29-Jul-13	56.50	56.50	-	-
Equity Linked Non-Convertible Debentures Series I-004 of Face value ₹100,000 Each Redeemable on 10-Sep-12	-	30.00	30.00	-
Equity Linked Non-Convertible Debentures Series I-003 of Face value ₹100,000 Each Redeemable on 9-May-13	30.00	30.00	-	-
Equity Linked Non-Convertible Debentures Series I-001 of Face value ₹100,000 Each Redeemable on 5-May-13	92.60	92.60	-	-
Equity Linked Non-Convertible Debentures Series I-002 of Face value ₹100,000 Each Redeemable on 5-May-13	52.20	52.20	-	-
Equity Linked Non-Convertible Debentures Series I-009 of Face value ₹100,000 Each Redeemable on 30-Apr-13	50.00	50.00	-	-
Equity Linked Non-Convertible Debentures Series I-006 of Face value ₹100,000 Each Redeemable on 29-Apr-13	11.00	11.00	-	-
8.00 % Non-Convertible Debentures of Face value ₹ 1,000,000 Each Redeemable on 20-Apr-13	734.00	734.00	-	-
Equity Linked Non-Convertible Debentures Series I-010 of Face value ₹100,000 Each Redeemable on 19-Apr-13	10.00	10.00	-	-
12.20 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 16-Apr-13	80.00	-	-	-
Equity Linked Non-Convertible Debentures Series I-007 of Face value ₹100,000 Each Redeemable on 30-Mar-13	-	20.00	20.00	-
Equity Linked Non-Convertible Debentures Series I-008 of Face value ₹100,000 Each Redeemable on 30-Mar-13	-	4.00	4.00	-
Equity Linked Non-Convertible Debentures Series I-005 of Face value ₹100,000 Each Redeemable on 29-Mar-13	-	25.30	25.30	-
Equity Linked Non-Convertible Debentures Series I-013 of Face value ₹100,000 Each Redeemable on 4-Oct-12	-	86.20	86.20	-
Equity Linked Non-Convertible Debentures Series I-011 of Face value ₹100,000 Each Redeemable on 28-Jul-12	-	30.50	30.50	-
8.25 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 10-May-12	-	400.00	400.00	-
8.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 21-Apr-12	-	733.00	733.00	-
8.30 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 15-Sep-11	-	-	-	300.00
8.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 21-Apr-11	-	-	-	733.00
Total	**8,768.89**	**2,365.30**	**1,329.00**	**1,033.00**

As at March 2010

₹ millions

Particulars	Non Current
8.30 % Non-Convertible Debentures of Face value ₹10,00,000 Each Redeemable on 15-Sep-11	300.00
Equity Linked Non-Convertible Debentures Series I-004 of Face value ₹100,000 Each Redeemable on 10-Sep-12	30.00
Equity Linked Non-Convertible Debentures Series I-003 of Face value ₹100,000 Each Redeemable on 9-May-13	30.00
Equity Linked Non-Convertible Debentures Series I-001 of Face value ₹100,000 Each Redeemable on 5-May-13	92.60
Equity Linked Non-Convertible Debentures Series I-002 of Face value ₹100,000 Each Redeemable on 5-May-13	52.20
Equity Linked Non-Convertible Debentures Series I-009 of Face value ₹100,000 Each Redeemable on 30-Apr-13	50.00
Equity Linked Non-Convertible Debentures Series I-006 of Face value ₹100,000 Each Redeemable on 29-Apr-13	11.00
Equity Linked Non-Convertible Debentures Series I-007 of Face value ₹100,000 Each Redeemable on 30-Mar-13	20.00
Equity Linked Non-Convertible Debentures Series I-008 of Face value ₹100,000 Each Redeemable on 30-Mar-13	4.00
Equity Linked Non-Convertible Debentures Series I-005 of Face value ₹100,000 Each Redeemable on 29-Mar-13	25.30
Total	**615.10**

The above debentures are secured by way of charge over immoveable property and/or current assets, book debts, receivables (both present and future) and other assets of the Company. Debentures outstanding as on March 31, 2012, amounting to ₹ 734.00 millions (Previous year ₹ 1,467.00 millions) are secured by way of exclusive charge on certain receivables of the Company. Secured non convertible debentures aggregating to ₹ 2,365.30 millions (Previous year ₹3,398.30 millions) are also guaranteed by India Infoline Ltd., the holding Company.

During the year under review, Company successfully completed its maiden public issue of Secured Redeemable Non-Convertible Debentures ("NCDs") aggregating to ₹ 7,500.00 millions. The Company has utilized the entire proceeds of NCD public issue for the stated purposes mentioned in the Final Prospectus dated July 29, 2011. During the year under review, Company extinguished 652,314 Secured Redeemable Non-Convertible Debentures aggregating to ₹ 652.31 millions.

Pursuant to Section 117C of the Companies Act, 1956 read with circular issued by the Ministry of Company Affairs ("MCA"), the Company being an NBFC was required to create Debenture Redemption Reserve of a value equivalent to 50% of the debentures offered through a public issue. Accordingly, ₹ 630.00 millions has been transferred to Debenture Redemption Reserve Account for the financial year ended March 31, 2012

Note 3.3: Non Convertible Debentures – Unsecured

₹ millions

Particulars	Non Current	
	March 31, 2012	March 31, 2011
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2019 (SBMIB VII – 7 years)	0.35	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2019 (SBMIB VI - 7 years)	0.05	-
12.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 28-Mar-2019 *	250.00	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 2-Mar-2019 (SBMIB V – 7 years)	0.09	-
12.00 % Non-Convertible Debentures of Face value ₹1,000,000 Each	750.00	-

Particulars	Non Current	
	March 31, 2012	March 31, 2011
Redeemable on 27-Feb-2019 *		
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 23-Feb-2019 (SBMIB IV – 7 years)	0.47	-
11.50% Non-Convertible Debentures of Face value ₹1,000,000 Each Redeemable on 20-Feb-2019 *	500.00	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2019 (SBMIB III – 7 years)	0.25	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2019 (SBMIB II – 7 years)	0.03	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 18-Jan-2019 (SBMIB I – 7 years)	1.16	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2018 (SBDB V – 6 years)	1.78	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2018 (SBDB IV – 6 years)	1.44	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 1-Mar-2018 (SBDB III – 6 years)	2.40	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2018 (SBDB II – 6 years)	2.54	-
12.25% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 23-Jan-2018 (SBDB I – 6 years)	3.76	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2017 (SBMIB VII – 5 years)	2.33	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 30-Mar-2017 (SBMIB VI – 5 years)	3.23	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 2-Mar-2017 (SBMIB V – 5 years)	3.13	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 23-Feb-2017 (SBMIB IV – 5 years)	3.79	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2017 (SBMIB III – 5 years)	4.77	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 7-Feb-2017 (SBMIB II – 5 years)	3.30	-
12.75% Non-Convertible Debentures of Face value ₹1000 Each Redeemable on 18-Jan-2017 (SBMIB I – 5 years)	4.27	-
Total	**1,539.14**	**-**

*For these Non Convertible Debentures, the company has a call option, after 5 years from the date of allotment subject to prior approval from the Reserve Bank of India for redemption. The Non Convertible Debentures does not have any put option.

Note 4

Long-term provisions

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Contingent Provision against standard assets	177.82	82.37	1.21	0.43	-

Note 5

Short-term borrowings **₹ millions**

	As at March	As at March	As at March	As at March	As at March

	31, 2012	31, 2011	31, 2010	31, 2009	31, 2008
Secured Loans					
Cash credit from banks	1,489.36	0.11	494.32	-	-
Loan from financial Institution	1,000.00	-	-	-	1,000.00
Sub total	**2,489.36**	**0.11**	**494.32**	**-**	**1,000.00**
Unsecured Loans					
Loan from banks	400.00	-	-	-	-
Commercial Paper	17,450.00	8,660.00	1,400.00	500.00	2,550.00
Non Convertible Debentures	-	272.00	5,190.00	-	1,794.37
Sub total	**17,850.00**	**8,932.00**	**6,590.00**	**500.00**	**4,344.37**
Total	**20,339.36**	**8,932.11**	**7,084.32**	**500.00**	**5,344.37**

The above secured borrowings are secured by way of first pari passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. The above loans are also guaranteed by India Infoline Limited, holding company.

Note 6

Other current liabilities **₹ millions**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Current maturities of long term borrowings	6,807.74	2,474.67	1,250.00	-	-
Sub-total	6,807.74	2,474.67	1,250.00	-	-
Other Payable					
Payable to Group/Holding Company	-	-	-	38.25	47.88
Interest accrued but not due on borrowings	875.34	194.15	10.54	-	-
Debenture application money received pending allotment	2.06	-	-	-	-
Payables on account of assignments	189.33	-	25.10	-	-
Temporary overdrawn bank balance as per books	1,623.87	1,903.90	305.60	1,104.76	423.67
Advances from customers	381.30	180.84	76.37	40.12	48.91
Payables to vendors for health care Loans	182.56	-	-	-	-
Contractually reimbursable expenses	167.27	172.47	157.11	39.04	64.80
Income received in advance	34.84	18.62	5.02	-	-
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	18.63	21.16	35.68	2.43	8.38
Other payables	11.36	4.68	6.31	1.22	2.39
Sub-total	**3,486.56**	**2,495.82**	**621.73**	**1,225.82**	**596.03**
Total	**10,294.30**	**4,970.49**	**1,871.73**	**1,225.82**	**596.03**

Note 7

Short-term provisions

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Provision for expenses	277.50	15.67	9.82	0.16	0.52
Provision for Leave encashment	14.62	0.67	1.08	2.17	2.45
Provision for Gratuity	9.94	-	3.05	1.65	2.13
Total	**302.06**	**16.34**	**13.95**	**3.98**	**5.10**

Note 8

Fixed Assets

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Tangible Assets					
Premises	0.11	0.12	0.13	0.14	0.14
Computer	70.44	10.00	3.80	7.04	1.62
Electrical Equipment	145.78	20.97	1.75	2.66	3.41
Office Equipment	162.73	24.57	2.06	4.89	3.96
Furniture & Fixture	320.55	69.82	9.64	16.37	11.27
Sub total	**699.61**	**125.48**	**17.38**	**31.10**	**20.40**
Intangible Assets					
Software	0.22	0.74	1.86	3.35	-
Non Compete Fees		-		1.60	**3.20**
Sub total	**0.22**	**0.74**	**1.86**	**4.95**	**3.20**
Total	**699.83**	**126.22**	**19.24**	**36.05**	**23.60**
Capital Work-In-Progress	12.15	37.49	-	0.91	3.83
Grand Total	**711.98**	**163.71**	**19.24**	**36.96**	**27.43**

Note 9

Non-current investments

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unquoted, Non-Trade, Long Term (valued at cost)					
Units of India Infoline venture Capital Fund (IIFL Opportunity fund)	385.00	385.00	195.00	-	-
Arch Pharmalabs Limited	105.21	105.21	-	-	-
Non convertible Debentures - for Financing Real Estate Projects	2539.81	-	-	-	-
Total	**3030.02**	**490.21**	**195.00**	**-**	**-**

Note 10

Deferred Tax Asset

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:

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Depreciation	14.28	3.14	7.19	4.06	4.24
On Gratuity/Leave Encashment	-	(0.50)	1.04	0.74	0.18
Provision for doubtful debts	49.57	8.93	8.45	5.53	6.04
Provision for Standard Assets	56.04	26.89	-	-	-
Other	6.23	5.94	5.36	26.31	35.82
Total	**126.12**	**44.40**	**22.04**	**36.64**	**46.28**

Note 11

Long-term loans & advances

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Loans & Advances					
- Secured	22,530.97	13,417.83	4,095.28	1,865.19	1,085.54
- Unsecured	18.33	125.58	328.27	779.30	458.29
Less : Provision for doubtful loans	(56.56)	(22.59)	(19.25)	(18.58)	-
Sub-total	**22,492.74**	**13,520.82**	**4,404.30**	**2,625.91**	**1,543.83**
Others loans & advances					
Inter corporate deposit – Unsecured	1,944.70	1,922.30	1,077.30	-	-
Capital Advances – Unsecured	22.74	0.01	10.59	-	21.28
Deposits – Unsecured	237.27	73.70	-	15.64	-
Advance income tax (net of provisions)	128.42	72.13	92.70	41.64	7.82
Sub-total	**2,333.13**	**2,068.14**	**1,180.59**	**57.28**	**29.10**
Total	**24,825.87**	**15,588.96**	**5,584.89**	**2,683.19**	**1,572.93**

Note 12

Other non-current assets

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unamortized debenture issue expenses	111.86	-	-	-	-
Prepaid expenses	4.31	7.32	68.71	152.36	186.89

Fixed deposits	399.14	294.69	340.07	-	320.00
Total	**515.31**	**302.01**	**408.78**	**152.36**	**506.89**

Note 13

Current investments

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Quoted , Non - Trade , Current (valued At cost or market value whichever is lower)					
Equity	-	-	234.61	-	46.48
Certificate of Deposits					3,660.00
Unquoted , Non - Trade , Current (valued at cost or market whichever is less)					
Mutual Funds	360.00	1,000.52	700.18	2,381.37	4,585.82
Non convertible Debentures - for Financing Real Estate Projects	2,681.93	-	-	-	-
Total	**3,041.93**	**1,000.52**	**934.79**	**2,381.37**	**8,292.30**
Aggregate cost of Mutual Fund Units	360.00	1,000.52	700.18	2,381.37	4,585.83
Aggregate cost of Quoted investments	-	-	234.61	-	3,732.78
Aggregate cost of Unquoted investments	2,681.93	-	-	-	-
NAV of Mutual Fund Units	387.22	1,030.36	700.18	-	4,585.83
Aggregate Market value of Quoted investments	-	-	252.42	-	3,706.48

*Investment in units of DWS Mutual Fund made by the Company is subject to pledge/lien of Deutsche Bank for Overdraft facility provided to IIFL Realty Ltd, a fellow subsidiary.

Note 14

Inventories

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Mutual Fund	-	-	-	1092.60	-
Equity Shares	-	167.96	78.55	15.76	-
Options*	60.66	55.87	35.14	-	-
Non Convertible Debentures	46.73	-	-	-	-
Total	**107.39**	**223.83**	**113.69**	**1108.36**	**-**
Aggregate market value-stock on hand –Quoted	109.71	245.29	126.20	1108.36	-

***** Held to cover possible payout in respect of certain Equity Linked Non-Convertible Debentures issued by the Company.

Note 15

Cash and bank balances

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Cash on hand	266.79	279.50	0.54	0.54	0.77
Balances with banks	1,622.98	411.17	1,691.39	779.49	536.83
Fixed deposits	647.68	150.84	28.94	27.45	24.00
Total	**2,537.45**	**841.51**	**1,720.87**	**807.48**	**561.60**

Note 16

Short-term loans & advances **₹ millions**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Loans & Advances					
- Secured	39,615.82	19,334.72	11,507.13	5,976.63	7,432.14
- Unsecured	78.02	11.60	348.45	1,010.97	373.54
Less : Provision for doubtful loans	(49.50)	(4.29)	(4.40)	-	-
Sub-total	**39,644.34**	**19,342.03**	**11,851.18**	**6,987.60**	**7,805.68**
Others loans & advances					
Dues from customers -					
- Secured	2,039.80	462.54	347.33	42.66	18.96
- Unsecured	42.52	107.19	248.58	61.04	20.35
Inter corporate deposit – Unsecured	500.00	-	1,865.19	1,136.29	-
Sub-total	**2,582.32**	**569.73**	**2,461.10**	**1,239.99**	**39.31**
Total	**42,226.66**	**19,911.76**	**14,312.28**	**8,227.59**	**7,844.99**

Note 17

Other current assets

₹ millions

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unamortized debenture issue expenses	54.13	-	-	-	-
Prepaid expenses	591.85	321.47	109.37	98.68	89.62
Service tax input	10.11	11.02	23.28	25.04	24.07
Excess funding in Gratuity fund	1.46	1.52	-	-	-
Staff Loans	0.65	0.51	0.71	1.81	-
Others	1.17	1.05	1.17	1.24	72.78
Total	**659.37**	**335.57**	**134.53**	**126.77**	**186.47**

Annexure 18
Notes to the statement of Reformatted Consolidated Profit and Losses

Note 18

Revenue from operations

₹ millions

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Income from financing	8,878.81	4,469.60	1,861.79	2,097.57	1,345.07

activities					
Profit from sale of Investments and trading activities	169.97	193.32	140.58	(115.29)	89.86
Dividend income	35.80	48.35	118.46	297.92	166.63
Total	**9,084.58**	**4,711.27**	**2,120.83**	**2,280.20**	**1,601.56**

Note 19

Other Income **₹ millions**

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Processing fee	345.01	340.89	53.64	72.99	6.43
Interest on fixed deposits	44.44	25.22	17.59	7.62	4.63
Administration fee & other charges from customer	57.71	49.89	79.27	17.10	12.25
Miscellaneous income	4.13	67.65	68.30	3.37	20.04
Total	**451.29**	**483.65**	**218.80**	**101.08**	**43.35**

Note 20

Employee benefit expense

₹ millions

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Salaries and bonus	1,034.97	655.23	362.36	453.50	190.38
Contribution to provident and other funds	22.44	11.33	5.68	10.07	5.50
Gratuity	9.95	1.07	1.40	(0.98)	2.31
Staff Welfare Expenses	25.38	19.48	10.83	18.55	6.19
Total	**1,092.74**	**687.11**	**380.27**	**481.14**	**204.38**

Note 21

Finance Cost

₹ millions

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Interest Expenses	4,686.59	2,183.79	266.88	419.53	809.52
Other borrowing cost	111.72	29.25	13.05	4.54	9.67
Total	**4,798.31**	**2,213.04**	**279.93**	**424.07**	**819.19**

Note 22

Depreciation & amortisation expenses

₹ millions

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Depreciation of tangible assets	149.08	15.39	8.47	13.72	12.32
Amortisation of intangible assets	0.52	1.59	3.09	2.72	1.60
Total	**149.60**	**16.98**	**11.56**	**16.44**	**13.92**

Note 23

Other expenses

₹ millions

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Advertisement	84.68	65.96	60.43	23.25	6.70
Direct operating expenses	58.54	55.61	33.53	21.38	22.79
Marketing Expenses	300.31	169.58	124.95	269.53	157.04
Bank Charges	67.89	5.35	0.74	0.79	0.28
Communication	71.50	33.19	27.52	55.76	13.63
Electricity	58.61	28.69	15.93	27.34	4.59
Legal & Professional Fees	103.36	79.00	46.54	28.01	24.18
Miscellaneous Expenses	9.43	1.50	2.09	0.65	3.56
Office expenses	289.11	41.31	16.43	15.61	4.51
Postage & Courier	14.63	14.48	7.82	5.32	1.24
Printing & Stationary	55.32	21.02	7.54	14.89	3.91
Rent	432.99	153.61	72.31	43.58	21.50
Repairs & Maintenance					
- Computer	0.32	3.45	1.21	2.62	0.62
- Others	43.06	11.32	6.39	3.92	0.83
Remuneration to Auditors :					
Audit Fees	0.73	0.40	0.40	0.34	0.33
Certification Expenses	0.11	0.07	0.08	0.07	-
Out Of Pocket Expenses	0.02	0.02	-	-	-
Software Charges	74.49	16.47	7.41	13.11	2.10
Travelling & Conveyance	65.16	40.95	22.34	12.70	9.39
Total	**1,730.16**	**741.98**	**453.66**	**538.86**	**277.20**

Note 24

Provision & write off

₹ millions

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Bad debts written off	40.00	110.95	440.02	60.03	-
Provision for Contingencies	46.71	-	-	-	-
Provision for diminution in value of investments	2.03	-	-	-	34.99
Provision for Doubtful Loans	79.30	2.03	8.19	1.15	17.78
Provision for Standard Loans	95.32	82.37	-	-	-
Total	**263.36**	**195.35**	**448.21**	**61.18**	**52.77**

Note 25

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share"

Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
BASIC					
Profit after tax as per statement of profit and loss	1,053.81	922.50	537.92	691.19	237.34

Number of Shares Subscribed	237.15	237.15	237.15	237.15	149.35
EPS (Rupees)	4.44	3.89	2.27	2.91	1.59
DILUTED					
Profit after tax as per statement of profit and loss	1,053.81	922.50	537.92	691.19	237.34
Number of Shares Subscribed	237.15	237.15	237.15	237.15	149.35
Add: Potential Equity Shares on Account conversion of Employees Stock Options.	4.92	5.83	8.59	1.48	1.77
Weighted Average number of Shares Outstanding	242.07	242.98	245.75	238.63	151.12
EPS (Rupees)	4.35	3.80	2.19	2.90	1.57

Annexure 19

Statement of Contingent Liability

India Infoline Finance Limited

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Disputed Income Tax/Interest tax demand/Service tax contested in appeals not provided for	**20.75**	4.47	-	-	-
Guarantees and Counter Guarantees given	**99.88**	-	-	-	-
	120.63	**4.47**	-	-	-

India Infoline Distribution Company Limited

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Disputed Income Tax/Interest tax demand/Service tax contested in appeals not provided for	**15.32**	**16.85**	-	-	-
Guarantees and Counter Guarantees given	-	-	-	-	-
	15.32	**16.85**	-	-	-

Annexure 20
Statement of Dividends

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Dividend Rate	-	**50.00%**	-	-	-
Amount of Dividend (₹ Millions)	-	118.58	-	-	-
Amount of Dividend Distribution Tax	-	19.69	-	-	-

Annexure 21
Capitalization Statement

	As at March 31 , 2012	
Particulars	**Pre issue**	**Post issue**
Debt		
Long Term Loans	39,045	44,045
Short Term Loans	20,339	20,339
Total Debt	**59,384**	**64,384**
Shareholders' funds		
Share Capital	2,372	2,372
Reserves	12,076	12,076
Less: Miscellaneous Expenditure	166	166
Total Shareholders' funds	**14,282**	**14,282**
Long Term Debt to Equity Ratio(Number of times)	2.73	3.08
Debt to Equity Ratio(Number of times)	4.16	4.51

*** Assuming issue of Non Convertible Debenture amounting to ₹5000 mn has been completed on March 31, 2012.**

Annexure 22
Statement of Accounting Ratios

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
BASIC					
Profit after tax as per statement of Profit and Loss (A)	1,053.81	922.50	537.92	691.19	237.34
Number of Shares Outstanding (B)	237.15	237.15	237.15	237.15	149.35
EPS (₹) (A) / (B)	4.44	3.89	2.27	2.91	1.59
DILUTED					
Profit after tax as per statement of Profit and Loss (A)	1,053.81	922.50	537.92	691.19	237.34
Number of Shares Outstanding (B)	237.15	237.15	237.15	237.15	149.35
Add: Potential Equity Shares on Account conversion of Employees Stock Options. (C)	4.92	5.83	8.59	1.48	1.77
Weighted Number of Shares Outstanding (D) -(B) + (C)	242.07	242.98	245.75	238.63	151.12
EPS (₹) (A) / (D)	**4.35**	**3.80**	**2.19**	**2.90**	**1.57**

Return on Net Worth

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Profit after tax (A)	1,053.81	922.51	537.92	691.18	237.33
Net Worth (B)	14,281.79	13,412.03	12,644.30	12,108.12	11,354.15
Return on Net Worth (%) (A) / (B)	**7.38%**	**6.88%**	**4.25%**	**5.71%**	**2.09%**

Net Asset Value per Equity Share

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Net Asset Value per Equity Share					
Net Worth (A)	14,281.79	13,412.03	12,644.30	12,108.12	11,354.15
Equivalent Number of Equity Shares (B)	237.15	237.15	23.72	23.72	23.72
Net Asset Value per Equity Share(₹) (A) / (B)	**60.22**	**56.55**	**533.17**	**510.56**	**478.77**

Note : Net Asset Value per share has reduced drastically in financial year 2010-2011 due to bonus issue.

Debt Equity Ratio

Particulars	As at March 31,				
	2012	2011	2010	2009	2008
Debt (A)	59,384.31	22,930.41	10,199.42	2,256.85	7,045.81
Net Worth (B)	14,281.79	13,412.03	12,644.30	12,108.12	11,354.15
Ratio (A) / (B)	**4.16**	**1.71**	**0.81**	**0.19**	**0.62**

Annexure 23
Statement of Tax Shelter (Consolidated)

Particulars		For the year ended March 31,			
	2012	2011	2010	2009	2008
Profit before Taxes	1,501.70	1,340.45	766.01	859.59	277.46
Statutory Tax Rate	32.45%	33.22%	33.99%	33.99%	33.99%
Tax at Statutory Rate	487.23	445.26	260.37	292.17	94.26
Adjustment for Permanent Differences					
Disallowance u/s 14A	-	(1.50)	-	-	-
Gratuity	-	3.87	(2.48)	0.96	(2.44)
Depreciation	(34.40)	(3.25)	(5.66)	(3.68)	(6.18)
Others	(20.07)	(0.02)	(0.16)	(0.03)	(0.58)
Stamp duty on Increase of Share Capital	-	0.25	-	(0.90)	(2.72)
Securities Transaction Tax	-	-	-	-	(9.01)
Loan Loss Reserve	(216.25)	(69.12)	(5.77)	0.37	(17.78)
Appreciation in value of investments	0.29	19.90	(20.05)	34.99	(34.99)
Change in accounting policy	-	-	-	40.05	-
Dividend income exempt	35.80	48.35	118.46	297.92	166.63
Income taxable under the head capital gains	160.26	113.50	43.87	33.86	43.61
Total due to permanent differences	**(74.37)**	**111.98**	**128.21**	**403.54**	**136.54**
Tax savings thereon	(24.13)	37.20	43.58	137.16	46.41
Capital Gains Tax	16.43	20.40	7.46	11.51	4.94
Rebate U/S 88E	-	-	-	-	7.65
Adjustment against bought forward losses	0.36	(1.88)	(22.48)	(7.85)	35.41
Total Taxation	**528.14**	**426.59**	**201.76**	**158.67**	**80.60**
Fringe benefit tax provided in the books	-	-	-	3.46	1.27
MAT provision U/s 115JB	-	1.03	8.35	4.94	-
Tax on profits before extra-ordinary items	**528.14**	**427.62**	**210.11**	**167.07**	**81.87**
Adjustments: Excess / Short Provision of Tax	1.49	12.66	3.38	(8.31)	0.10
Actual Provision for tax as per Statement of profit and loss	**529.63**	**440.28**	**213.49**	**158.76**	**81.97**

Annexure 24
Statement of Secured Loans

(₹ In Millions)

Description	Date of Disbursement / Allotment	Amount Outstanding as on March 31, 2012	Final Maturity Date
Term Loans			
Axis Bank Ltd	29-Mar-10	500.00	28-Mar-14
Axis Bank Ltd	28-Dec-11	1,250.00	27-Dec-15
Axis Bank Ltd	31-Aug-10	150.00	31-Aug-14
Axis Bank Ltd	03-Sep-10	300.00	31-Aug-14
Axis Bank Ltd	29-Sep-10	750.00	28-Sep-14
Citicorp Finance (India) Ltd	13-Sep-11	1,000.00	12-Sep-12
Corporation Bank	29-Dec-11	1,000.00	28-Dec-16
ICICI Bank Ltd	28-Dec-10	1,000.00	28-Dec-13
ICICI Bank Ltd	29-Dec-10	1,000.00	28-Dec-13
ICICI Bank Ltd	03-Mar-11	500.00	28-Dec-13
ICICI Bank Ltd	21-Mar-11	500.00	28-Dec-13
ICICI Bank Ltd	28-Nov-11	2,000.00	28-Nov-14
IDBI Bank Ltd	15-Mar-11	250.00	15-Mar-15
IDBI Bank Ltd	31-Mar-11	500.00	15-Mar-15
IDBI Bank Ltd	29-Sep-11	1,000.00	28-Sep-15
IDBI Bank Ltd	15-Dec-11	1,000.00	28-Sep-15
IDBI Bank Ltd	22-Dec-11	1,000.00	28-Sep-15
IDBI Bank Ltd	31-Dec-09	333.33	30-Dec-13
Indian Overseas Bank	27-Jan-12	3,000.00	26-Jan-17
Karur Vysya Bank	29-Mar-12	500.00	28-Mar-17
Punjab National Bank	22-Mar-11	375.00	21-Dec-13
Punjab National Bank	21-Apr-11	1,000.00	21-Dec-13
Punjab National Bank	30-May-11	500.00	21-Dec-13
Punjab National Bank	27-Jun-11	500.00	21-Dec-13
Punjab National Bank	16-Sep-11	1,000.00	21-Dec-13
Punjab National Bank	12-Dec-11	1,000.00	21-Dec-13
Punjab & Sind Bank	22-Sep-11	500.00	21-Sep-14
Syndicate Bank Ltd	29-Oct-10	1,000.00	29-Oct-14
Syndicate Bank Ltd	29-Nov-10	1,000.00	29-Oct-14
Syndicate Bank Ltd	27-Dec-10	1,000.00	29-Oct-14
Union Bank of India	21-Mar-12	2,999.57	20-Mar-15
Cash Credit			
Allahabad Bank	19-Mar-12	492.22	
Dena Bank	31-Mar-12	100.05	
IDBI Bank Ltd	30-Mar-12	500.00	
IDBI Bank Ltd	31-Mar-12	397.09	
Secured NCD			
Secured Debentures (Series 1)	05-Mar-10	52.22	05-May-13

Secured Debentures (Series 2)	05-Mar-10	92.60	05-May-13
Secured Debentures (Series 3)	09-Mar-10	30.00	09-May-13
Secured Debentures (Series 4)	10-Mar-10	30.00	10-Sep-12
Secured Debentures (Series 5)	29-Mar-10	25.30	29-Mar-13
Secured Debentures (Series 6)	29-Mar-10	11.00	29-Apr-13
Secured Debentures (Series 7)	30-Mar-10	20.00	30-Mar-13
Secured Debentures (Series 8)	30-Mar-10	4.00	30-Mar-13
Secured Debentures (Series 9)	31-Mar-10	50.00	01-May-13
Secured Debentures (Series 10)	19-Apr-10	10.00	19-Apr-13
Secured Debentures (Series 11)	28-Apr-10	30.50	28-Jul-12
Secured Debentures (Series 12)	29-Apr-10	56.50	29-Jul-13
Secured Debentures (Series 13)	04-Jun-10	86.20	04-Oct-12
Secured Debentures (Series 14)	11-Oct-11	32.00	11-Oct-14
Secured Debentures (Series 15)	11-Oct-11	15.40	11-Oct-14
Secured Debentures (Series 16)	14-Oct-11	38.50	13-Oct-14
Secured Debentures (Series 17)	18-Oct-11	75.50	13-May-14
Secured Debentures (Series 18)	19-Oct-11	77.50	18-Oct-14
Secured Debentures (Series 19)	19-Oct-11	41.00	18-Oct-14
NCD - Public Issue - N1 - Option I	18-Aug-11	3,417.45	17-Aug-14
NCD - Public Issue - N2 - Option II	18-Aug-11	330.97	17-Dec-14
NCD - Public Issue - N3 - Option III	18-Aug-11	202.41	17-Aug-16
NCD - Public Issue - N4 - Option III	18-Aug-11	2,896.84	17-Aug-16
Reliance Mutual Fund	11-May-10	400.00	15-May-12
Standard Chartered Bank (Mauritius) Limited	20-Apr-10	733.50	20-Apr-12
Standard Chartered Bank (Mauritius) Limited	20-Apr-10	733.50	20-Apr-13
Emerging India Focus Fund	30-Jan-12	225.00	29-Jan-15
Religare Mutual Fund	02-Feb-12	80.00	16-Apr-13
ICICI Lombard General Insurance Company Limited	02-Mar-12	300.00	02-Mar-17
		39,995.15	

Annexure 25
Statement of Unsecured Loans

(₹ In Millions)

Description	Date of Disbursement / Allotment	Amount Outstanding as on March 31, 2012	Final Maturity Date
Commercial Paper			
Kanoria Chemicals Limited	22-Mar-12	200.00	3-Apr-12
JM Mutual Fund	26-Mar-12	650.00	3-Apr-12
Reliance Mutual Fund	19-Jan-12	500.00	16-Apr-12
Religare Mutual Fund	13-Feb-12	150.00	16-Apr-12
Kanoria Chemicals Limited	27-Mar-12	150.00	16-Apr-12
Birla Sun Life Insurance Ltd.	20-Jan-12	50.00	20-Apr-12
Religare Mutual Fund	27-Feb-12	150.00	20-Apr-12
Mohit Chugani	22-Mar-12	50.00	23-Apr-12
Indostar Capital Finance Pvt Ltd	27-Mar-12	500.00	27-Apr-12
Religare Mutual Fund	28-Mar-12	400.00	27-Apr-12
Religare Mutual Fund	9-Mar-12	170.00	2-May-12
Religare Mutual Fund	15-Mar-12	240.00	15-May-12
Kotak Mutual Fund	14-Mar-12	500.00	17-May-12
Canara Robeco Mutual Fund	17-Feb-12	500.00	18-May-12
Principal Mutual Fund	17-Feb-12	500.00	11-Jun-12
Taurus Mutual Fund	9-Mar-12	500.00	11-Jun-12
BNP Paribas Mf	16-Mar-12	1,000.00	15-Jun-12
Union Kbc Mutual Fund	19-Mar-12	250.00	15-Jun-12
The Jammu & Kashmir Bank Ltd	19-Mar-12	250.00	18-Jun-12
ICICI Prudential Mutual Fund	19-Mar-12	1,000.00	18-Jun-12
Axis Mutual Fund	26-Mar-12	500.00	18-Jun-12
ICICI Prudential Mutual Fund	20-Mar-12	2,000.00	19-Jun-12
Religare Mutual Fund	21-Mar-12	650.00	19-Jun-12
Principal Mutual Fund	21-Mar-12	500.00	20-Jun-12
ICICI Prudential Mutual Fund	22-Mar-12	1,000.00	21-Jun-12
Union Kbc Mutual Fund	22-Mar-12	250.00	21-Jun-12
Reliance Mutual Fund	22-Mar-12	1,500.00	21-Jun-12
Axis Mutual Fund	27-Mar-12	250.00	26-Jun-12
Pramerica Mutual Fund	28-Mar-12	250.00	27-Jun-12
ICICI Prudential Mutual Fund	28-Mar-12	1,000.00	27-Jun-12
JM Mutual Fund	29-Mar-12	550.00	28-Jun-12
Reliance Mutual Fund	29-Mar-12	500.00	28-Jun-12
IIFL Wealth Management Ltd	6-Mar-12	50.00	4-Jul-12
Unilazer Exports And Management Consultants Limited	9-Feb-12	100.00	7-Aug-12
Religare Mutual Fund	27-Jan-12	140.00	21-Jan-13
Kotak Mutual Fund	30-Mar-12	500.00	30-Mar-13
Term Loan			
ICICI Bank Ltd	30-Mar-12	400.00	13-Jun-12

Non-Convertible Debentures			
SBMIB SERIES I	18-Jan-12	4.27	18-Jan-17
SBMIB SERIES I	18-Jan-12	1.16	17-Jan-19
SBMIB SERIES II	7-Feb-12	3.30	06-Feb-17
SBMIB SERIES II	7-Feb-12	0.03	06-Feb-19
SBMIB SERIES III	7-Feb-12	4.77	06-Feb-17
SBMIB SERIES III	7-Feb-12	0.25	06-Feb-19
SBMIB SERIES IV	23-Feb-12	3.79	22-Feb-17
SBMIB SERIES IV	23-Feb-12	0.47	22-Feb-19
SBMIB SERIES V	2-Mar-12	3.13	01-Mar-17
SBMIB SERIES V	2-Mar-12	0.09	01-Mar-19
SBMIB SERIES VI	30-Mar-12	3.23	30-Mar-17
SBMIB SERIES VI	30-Mar-12	0.35	30-Mar-19
SBMIB SERIES VII	30-Mar-12	2.33	30-Mar-17
SBMIB SERIES VII	30-Mar-12	0.05	30-Mar-19
SBDB SERIES I	23-Jan-12	3.76	22-Jan-08
SBDB SERIES II	7-Feb-12	2.54	06-Feb-18
SBDB SERIES III	1-Mar-12	2.41	01-Mar-18
SBDB SERIES VI	30-Mar-12	1.44	30-Mar-18
SBDB SERIES V	30-Mar-12	1.79	30-Mar-18
Emerging India Focus Fund	21-Feb-12	500.00	20-Feb-19
HDFC Standard Life Insurance Company Limited	27-Feb-12	250.00	27-Feb-19
ICICI Prudential Life Insurance Company Ltd.	27-Feb-12	250.00	27-Feb-19
Reliance Capital Limited	27-Feb-12	250.00	27-Feb-19
Birla Sun Life Insurance Ltd.	28-Mar-12	250.00	28-Mar-19
		19,389.15	

Annexure 26

Significant Accounting Policies and Notes to Accounts on the Reformatted Consolidated Financial Statements

1. Corporate Information

The Company is a systematically important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration on May 12, 2005, enabling the Company to carry on business as Non-Banking Financial Company. The Company offer broad suite of lending and other financial products such as mortgage loan, gold loan, loan against securities and health care finance to retail and corporate clients. **During the year under review, the name of the Company was changed from "India Infoline Investment Services Limited" to "India Infoline Finance Limited" after receiving due approvals from the concerned regulatory authorities.** During the year under review, Moneyline Credit Limited, a wholly owned subsidiary, merged with the Company pursuant to order issued by Hon'ble High Court at the judicature of Bombay.

2. Significant Accounting Policies:

2.1 Basis of consolidation:

i. Basis of preparation of financial statements:

The individual Balance Sheet and Statement of profit and loss of India Infoline Finance Limited ('the Company') and its subsidiaries ('companies and / or subsidiaries'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Council of The Institute of Chartered Accountants of India.

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 the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Reserve bank of India (RBI) as applicable to NBFCs. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Principles of consolidation:

The financial statements of the group companies of India Infoline Finance Limited 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 the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The effects of all inter-group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

iii. Presentation and disclosure of financial statements:

During the year ended March 31, 2012, the Revised Schedule VI as notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Pursuant to applicability of Revised Schedule VI on presentation of financial statements for the financial year ended March 31, 2012; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of twelve months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised /settled within twelve months from the date of financial statements are classified as current and other assets/ liabilities are classifies as non-current. Except accounting for dividend on investments in subsidiary companies, the adopted Revised Schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

iv. List of subsidiaries consolidated:

The individual Balance Sheet as at March 31, 2012 and statement of profit and loss for the year ended March 31, 2012 of following subsidiaries are included in consolidation:

India Infoline Distribution Company Limited (IIDCL)

India Infoline Housing Finance Ltd (IIHFL)

2.2 Use of estimates:

The presentation 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. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

2.3 Fixed asset, depreciation and amortization :

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below, or the rates specified in accordance with the provisions of schedule XIV of the Companies Act, 1956, which-ever is higher. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. Individual assets / group of similar assets costing upto ₹5,000 has been depreciated in full, in the year of purchase.

Estimated useful life of the assets is as under:

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

2.4 Assignment of loan portfolio:

The Company derecognises the loans assigned to other parties due to surrender of effective control on such 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 as and when incurred. Credit enhancement in the form of cash collateral provided by the Company is included under Cash and bank balance / Loans and advances, as applicable.

2.5 Revenue recognition:

The Company complies, in all material respects, with the Accounting Standards, 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.
- Income recognised and remaining unrealised for ninety days or more for all the loans, except Capital Market Financing loans, are reversed and are accounted as income when these are actually realised.
- Interest income on non-performing assets is recognised on cash basis.
- Dividend income is recognised when the right to receive payment is established.
- In respect of the other heads of income, the Company accounts the same on accrual basis.
- Processing fees received from customers is recognised as income on receipt basis.

2.6 Preliminary expenses:

Preliminary Expenses are written off in the financial year in which it is incurred.

2.7 Employee benefits:

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

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

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

2.8 Provisions, Contingent liabilities and Contingent assets:

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Provision on standard assets is made as per notification dated January 17, 2011 issued by RBI. All such provisions are classified as long term provisions.

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

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

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

2.9 Taxes on income:

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. At each reporting date, the Company re-assesses unrecognized deferred tax assets. 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. Deferred tax liability is recognised as and when arisen.

2.10 Operating leases:

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

2.11 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.

2.12 Inventories:

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

2.13 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.

Notes to Consolidated Financial Statements for FY 2011-12

1. The summary of consolidated Financial Statements represents consolidation of accounts of the Company with its following subsidiaries, all incorporated within India, as detailed below:

Subsidiary	Proportion of ownership interest	
	March 31, 2012	March 31, 2011
India Infoline Distribution Company Limited	100%	100%
India Infoline Housing Finance Limited	100%	100%

2. The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits". Details are given below

₹ millions

Assumptions	2011-12	2010-2011
Discount rate	8.50%	8.00%
Salary Escalation	5.00%	5.00%
Rate of return on plan assets	8.60%	8.00%
Change in Benefit Obligation		
Liability at the beginning of the year	3.53	3.05
Interest Cost	0.28	0.23
Current Service Cost	3.01	2.48
Liability Transferred in	0.59	(0.97)
Benefit paid	(0.10)	(0.06)
Actuarial (Gain)/ Loss on obligations	7.17	(0.60)
Liability at the end of the year	**14.48**	**4.12**
Amount Recognised in the Balance Sheet		
Liability at the end of the year	(14.48)	(4.12)
Fair value of plan Assets at the end of the year	5.99	5.58
Funded Status (Surplus)	11.40	1.46
Net Liability/(Asset) recognised in the Balance Sheet	**11.40**	**1.46**
Expenses Recognised in the Income statement		
Liability Transferred in	-	(0.97)

Assumptions	2011-12	2010-2011
Interest Cost	0.28	0.23
Current Service Cost	3.01	2.48
Expected return on plan assets	(0.37)	-
Benefit Paid	-	(0.06)
Actuarial (Gain) or Loss	7.03	(0.60)
Expense Recognised in P&L	**9.95**	**1.07**
Balance Sheet reconciliation		
Opening Net liability	(1.16)	3.05
Net transfer in	(0.35)	-
Expenses as above	9.95	1.07
Employers contribution	(0.01)	(5.58)
Benefit paid	-	(0.06)
Net Liability/(Asset) recognised in the Balance Sheet	**8.49**	**(1.52)**

3. **Assignment of Loan portfolio :**

   During the year 2011-12, the company has assigned loan portfolio to the extent of ₹ 5,456.43 millions to various Banks.

4. As of March 31, 2012, we had certain contingent liabilities not provided for, including the following

Particulars		₹ millions	
Sr. No.	Name of the Statute	March 31, 2012	March 31, 2011
(i)	In respect of Income tax demands	20.74	5.99
(ii)	In respect of Service tax demands	15.32	15.32
(iii)	Guarantees and Counter Guarantees	99.88	-

5. At the balance sheet date, there were outstanding commitments (net of advances) of capital expenditure of ₹ 120.63 millions (Previous Year ₹ 93.18 millions) out of the total contractual obligation entered during the year.

6. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to statement of Profit and Loss.The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2012, are as under:

₹ millions

Minimum Lease Rentals	March 31, 2012	March 31, 2011
Up to one year	48.77	2.73
One to five years	1.77	0.67
Total	**50.54**	**3.40**

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

8. Segment Reporting:

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

Secondary segmentation 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.

9. There are no dues to Micro and small enterprises (MSEs) outstanding for more than 45 days.

10. Return on assets:

The return on assets for the financial year 2011-12 was 1.68% (Previous year 2.37%).

11. During the year under review, the Company witnessed fraud amounting to ₹ 12.17 millions in respect in our lending operations.

12. As on March 31, 2012 the gold loan portfolio comprises 35.56 % (Previous Year 1.28%) of the total asset of the Company.

13. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

(a) Related parties where control exists:

Nature of relationship	Name of party
Holding Company	India Infoline Limited
Direct Subsidiaries	India Infoline Housing Finance Limited
	Moneyline Credit limited*
	India Infoline Distribution Company Limited
Fellow Subsidiaries	India Infoline Commodities Limited
	India Infoline Media & Research Services Limited
	IIFL Capital Limited
	India Infoline Trustee Company Limited
	India Infoline Asset Management Company Limited
	India Infoline Marketing Services Limited #
	India Infoline Insurance Services Limited##
	India Infoline Insurance Brokers Limited##
	IIFL Wealth Management Limited
	IIFL Realty Limited
	IIFL Alternate Asset Advisors Limited
	IIFL (Asia) Pte. Limited
	IIFL Capital Ceylon Limited
	IIFL Securities Ceylon (Pvt) Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth (Mauritius) Limited
	IIFL Private Wealth (Dubai) Limited
	India Infoline Commodities DMCC

	IIFL Inc. USA
	IIFL Wealth (UK) Limited
Group Companies	Finest Wealth Managers Private Limited
	IIFL Trustee Services Limited
	IIFL (Thane) Private Limited
	IIFL Energy Limited
	IIFL Capital Pte. Ltd
	IIFL Securities Pte. Ltd
(b) Other related parties:	
Key Management	Mr.Nirmal Jain
	Mr.R.Venkatraman
Other related parties:	Madhu Jain (wife of Mr. Nirmal Jain)
	Aditi Venkataraman (wife of Mr. R Venkataraman)
	India Infoline Venture Capital Fund

*Merged with the Company pursuant to the order issued by Hon'ble High Court.

India Infoline Marketing Services Limited ("IIMSL"), a wholly owned subsidiary of India Infoline Limited, merged with India Infoline Limited with effect from April 1, 2011. The merger was sanctioned by the Hon'ble High Court of Judicature at Bombay; *vide* its order dated 27th April 2012. The figures of previous year in respect of fellow subsidiaries include the amount of transactions with IIMSL and hence not comparable with current year figures.

These companies, being subsidiaries of IIMSL, were considered as group companies in previous year and hence not comparable with current year figures.

(c) Significant Transaction with Related Parties

₹ millions

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Other related parties	Total
Interest Income on ICD	0.80	166.89	-	-	167.69
	(160.70)	(223.19)	(19.82)	-	(403.71)
Interest Expenses on ICD	131.93	-	-	-	131.93
	(599.76)	-	-	-	(599.76)
Dividend Paid	-	-	-	-	-
	(91.00)	(26.42)	-	-	(117.42)
Brokerage	0.49	-	-	-	0.49
	(1.99)	-	-	-	(1.99)
Investments	-	-	-	-	-
	-	-	-	(190.00)	(190.00)
ICD repaid/issued	-	2,037.50	-	-	2,037.50
	-	(1,409.69)	(220.00)	-	(1,629.69)
ICD taken/received	1,085.10	430.00	-	-	1,515.10
	-	(2,429.83)	(220.00)	-	(2,649.83)
Advances Returned (net) / reimbursement of expenses	50,330.35	1,264.87	-	-	51,595.22
	(167,717.01)	(7.43)	(60.28)	-	(167,784.72)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Other related parties	Total
Advances taken (net) / allocation of expenses	50,330.35	1,264.87	-	-	51,595.22
	(167,717.01)	(7.43)	(60.28)	-	(167,784.72)
Nature of Transaction	**Holding Company**	**Fellow Subsidiaries**	**Group Companies**	**Other related parties**	**Total**
Sundry payables	-	-	-	-	-
	-	-	-	-	-
Sundry receivables	-	2,444.70	-	-	2,444.70
	-	(1,702.30)	(220.00)	-	(1,922.30)

* Figures in bracket represent previous year's figure and are not comparable with current year classification due to merger.

14. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

15. Previous year's figures are regrouped and rearranged wherever necessary.

Notes to Consolidated Financial Statements for FY 2010-11

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

2. At the balance sheet date, there were outstanding commitments (net of advances) of capital expenditure of ₹ 93.18 mn. (Previous Year ₹ 0.12 mn.) out of the total contractual obligation entered during the year.

3. During the year, the Company has raised Term Loans aggregating ₹ 9350.00 mn. from various banks. The same is secured against the receivables of the Company. The Company has also raised ₹ 2783.20 mn. by issue of secured Non Convertible Debentures. The said debentures are secured against immovable property, Stocks and Book Debts of the Company. The same are also guaranteed by India Infoline Limited, the holding company. These debentures are redeemable at par over a period of 12 months to 38 months from the date of allotment depending upon the terms of issue.

4. DWS Short Maturity Fund- Institutional Growth Plan Units are subject to pledge/lien of Deutche Bank for overdraft facility provided to IIFL Realty Limited.

5. The Company has implemented Employee Stock Option Scheme – 2007. Under the said scheme 5,825,000. Stock options are in force as on March 31, 2011. This is after augmentation of entitlement of bonus in ratio of 9:1 made during the financial year.

6. Segment Reporting:

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

Secondary segmentation 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.

7. 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:

Deferred Tax Asset

(₹ in million)

Particulars	2010-2011	2009-2010
Depreciation	3.14	7.19
On Gratuity/Leave Encashment	(0.50)	1.04
Provision for doubtful debts	8.93	8.45
Provision for Standard Assets	26.89	-
Preliminary Expenses	-	0.02
Other	5.92	5.36
Total	**44.39**	**22.05**

8. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

a) Related parties where control exists:

Nature of relationship	Name of party
(a) Related parties where control exists:	
Holding Company	India Infoline Limited
Fellow Subsidiaries	India Infoline Commodities Limited
	India Infoline Media and Research Services Limited
	IIFL Capital Limited
	India Infoline Trustee Company Limited
	India Infoline Asset Management Company Limited
	India Infoline Marketing Services Limited
	IIFL Wealth Management Limited
	IIFL Realty Limited
	IIFL (Asia) Pte. Limited
	IIFL Capital Ceylon Limited
	IIFL Securities Ceylon (Pvt) Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth Management (Dubai) Ltd.
	India Infoline Commodities DMCC
	IIFL Inc.
	IIFL Wealth (UK) Limited
Group Companies	India Infoline Insurance Services Limited
	India Infoline Insurance Brokers Limited
	Finest Wealth Managers Private Limited
	IIFL Trustee Services Limited
	IIFL (Thane) Private Limited
	IIFL Energy Limited

Nature of relationship	Name of party
	IIFL Capital Pte. Ltd
	IIFL Securities Pte. Ltd
	IIFL Private Wealth (Mauritius) Ltd
(b) Other related parties:	
Key Management	Nirmal Jain
	R.Venkatraman
Others	India Infoline Venture Capital Fund

b) Significant Transaction with Related Parties

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Other related parties	Total
Interest Income on ICD	160.70	223.19	19.82	-	403.71
	-	(36.56)	-	-	(36.56)
Interest Expenses on ICD	599.76	-	-	-	599.76
	(18.63)	(60.68)	-	-	(79.31)
Dividend Paid	91.00	26.42	-	-	117.42
	-	-	-	-	-
Brokerage	1.99	-	-	-	1.99
	(0.28)	-	-	-	(0.28)
Hire Charges Income	-	-	-	-	-
	-	(3.60)	-	-	(3.60)
Sale of Fixed Assets (Net Block)	-	-	-	-	-
	-	(6.39)	-	-	(6.39)
Investments	-	-	-	190.00	190.00
	-	-	-	(195.00)	(195.00)
ICD repaid/issued	-	1,409.69	220.00	-	1,629.69
	-	(5,363.70)	(1,808.36)	-	(7,172.06)
ICD taken/received	-	2,429.83	220.00	-	2,649.83
	-	(3,557.50)	(51.51)	-	(3,609.01)
Advances returned/ reimbursement of expenses	1,67,717.01	7.43	60.28	-	1,67,784.72
	(35,982.60)	(76.61)	(45.50)	-	(36,104.71)
Advances taken/ allocation of expenses	1,67,717.01	7.43	60.28	-	1,67,784.72
	(35,982.60)	(38.39)	(45.50)	-	(36,066.49)
Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Other related parties	Total
Sundry receivables	-	1,702.30	220.00	-	1,922.30
	-	(2,722.44)	(220.05)	-	(2,942.49)

9. The summary of consolidated Financial Statements represents consolidation of accounts of the Company with its following subsidiaries, all incorporated within India, as detailed below:

Subsidiary	Proportion of ownership interest	
	31.03.2011	31.03.2010
India Infoline Distribution Company Limited	100%	100%
India Infoline Housing Finance Limited	100%	100%
Moneyline Credit Limited	100%	100%

10. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of profit and loss.The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2011, are as under:

(₹ in million)

Minimum Lease Rentals	2010-11	2009-10
Up to one year	2.73	3.14
One to five years	0.67	Nil
Over five years	Nil	Nil
Total	**3.40**	**3.14**

11. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

12. There are no dues to Micro and small enterprises (MSEs) outstanding for more than 45 days.

13. Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 "Earnings per share"

(₹in million)

PARTICULARS		2010-2011	2009-2010
BASIC			
Profit after tax as per Statement of profit and loss	A	922.50	537.92
Number of Shares Subscribed	B	23 71 54 030	23 71 54 030
EPS (₹)	**A/B**	**3.89**	**2.27**
DILUTED			
Profit after tax as per Statement of profit and loss	C	922.50	537.92
Number of Shares Subscribed		23 71 54 030	23 71 54 030
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		58 25 000	85 91 164
Weighted Number of Shares Outstanding		24 29 79 030	24 57 45 194
EPS (₹)		**3.80**	**2.19**

14. Details of Current Investments:

Quoted, Non - Trade, Current (valued At cost or market value whichever is lower)

(₹ in million)

Scrip name	Face value	As at March 31, 2011		As at March 31, 2010	
		Numbers	Amount	Numbers	Amount
Aban Offhore Ltd	2	-	-	6 278	7.30
Aditya Birla Nuvo Ltd	10	-	-	6 121	5.55
Anant Raj Industries Ltd	2	-	-	1 11 015	14.77
Ansal Properties & Infrastructure Ltd	5	-	-	1 12 504	8.00
Apollo Tyres Ltd	1	-	-	1 01 323	4.97
Bajaj Electricals Ltd	2	-	-	31 145	4.98
Bajaj Holding And Investment Ltd	10	-	-	10 011	4.96
C E S C Ltd	10	-	-	27 403	10.49
Eveready Industries India Ltd	5	-	-	66 667	3.85
Gayatri Projects Ltd	10	-	-	13 297	5.11
Glaxosmithkline Consumer Healthcare Ltd	10	-	-	4 194	5.45
Gujarat Nre Coke Ltd	10	-	-	7 488	0.65
HCL Infosystems Ltd	2	-	-	36 088	4.91
HCL Technologies Ltd	2	-	-	24 039	7.10
Housing Development And	10	-	-	15 154	4.34

Scrip name	Face value	As at March 31, 2011		As at March 31, 2010	
		Numbers	Amount	Numbers	Amount
Infrastructure Ltd					
ICICI Bank Ltd	10	-	-	5 362	4.42
India Cement Ltd	10	-	-	45 146	5.75
Indiabulls Financial Services Ltd	2	-	-	1 15 543	12.14
Indusind Bank Ltd	10	-	-	41 032	5.46
IVRCL Infrastructures & Projects Ltd	2	-	-	67 512	11.21
Jai Balaji Industries Ltd	10	-	-	52 492	12.52
Jindal South West Holding Ltd	10	-	-	1 273	2.22
Jyoti Structure Ltd	10	-	-	35 250	4.96
Lupin Ltd	10	-	-	4068	5.85
Mahindra & Mahindra Ltd	5	-	-	6390	2.94
Mercator Lines Ltd	1	-	-	68 639	3.82
Mindtree Ltd	10	-	-	9542	5.09
Moser-Baer(India)Ltd	10	-	-	63 012	4.60
Patni Computer Systems Ltd	2	-	-	30 190	14.16
Piramal Healthcare Ltd	2	-	-	15 871	6.37
Prism Cement Ltd	10	-	-	47 973	2.62
Shree Renuka Sugars Ltd	1	-	-	1 76 140	12.56
Simplex Infrastructure Ltd	2	-	-	8 520	3.85
United Phosphorus Ltd	2	-	-	33 020	4.78
Voltas Ltd	1	-	-	42 188	6.43
Yes Bank Ltd	10	-	-	24 066	5.35
Zee Entertainment Enterprises Ltd	1	-	-	21 424	5.08
Total			**-**		**234.61**

15. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

16. Previous year's figures are regrouped and rearranged wherever necessary.

Notes to Consolidated Financials for FY 2009-10

1. The company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company/fellow subsidiaries/group companies, which are termed as 'Shared Services'. Such shared services paid by the holding company/fellow subsidiaries/group companies, are reimbursed on an actual basis and estimates are used only where actuals were difficult to determine.

2. Company has reduced its Gross block and accumulated depreciation for those assets having zero net block as on 31st March 2010 amounting to ₹ 0.98 mn. The Company has also regrouped assets amounting to ₹ 4.06 million.

3. The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary Genera Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 1,325,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

4. Segment Reporting:

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

   Secondary segmentation 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.

5. The company recognized deferred tax assets for the year ended on 31st March 2010 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:

   Deferred Tax Asset

   (₹ in million)

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
1	On Preliminary Expenses	0.02	0.03
2	On Provision for Doubtful Debts	8.45	5.53
3	On Gratuity	1.04	0.74
4	On Current Year Depreciation	7.19	4.06
5	On Business Loss	5.36	26.29
	Total	**22.05**	**36.65**

6. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

Nature of relationship	**Name of party**
Related parties where control exists:	
Holding company	India Infoline Limited
Subsidiaries	India Infoline Distribution Company Limited Moneyline Credit Limited India Infoline Housing Finance Limited
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Media & Research Services Ltd. India Infoline Commodities DMCC IIFL Capital Ltd. India Infoline Marketing Services Limited. IIFL Realty Ltd. IIFL Wealth Management Ltd. IIFL (Asia) Pte Ltd IIFL Inc IIFL Wealth UK Ltd India Infoline Asset Management Company Ltd India Infoline Trustee Company Ltd
Group Companies	India Infoline Insurance Services Ltd. India Infoline Insurance Brokers Ltd. IIFL Capital Pte. Limited IIFL Securities Pte. Ltd IIFL Energy Ltd.

	Unval Industries Pvt Ltd

Other related parties:

Key Management Personnel	Mr. Nirmal Jain Mr. R Venkataraman
	India Infoline Venture Fund

Significant Transaction with Related Parties

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Interest Income on ICD	-	36.56	-	36.56
	-	(0.08)	-	(0.08)
Interest Expenses on ICD	18.63	60.68	-	79.31
	-	-	(170.73)	(170.73)
Hire Charges Income	-	3.60	-	3.60
	-	-	-	-
Referral Fees paid	-	-	-	-
	-	(5.22)	-	(5.22)
Sale of Fixed Assets (Net Block)	-	6.39	-	6.39
ICD repaid/issued	-	5,363.70	1,808.36	7,172.06
	-	(387.07)	(82.95)	(470.02)
ICD taken/received	-	3,557.50	51.51	3,609.01
	-	-	(138.36)	(138.36)
Purchase of Shares & Securities including Future & Option	1,494.96	-	-	1,494.96
	(249.27)	-	-	(249.27)
Sale of Shares & Securities including Future & Option	1,887.32	-	-	1,887.32
	(1,581.62)	-	-	(1,581.62)
Brokerage	0.28	-	-	0.28
	(2.02)	-	-	(2.02)
Advances returned/ reimbursement of expenses	35,982.60	76.61	45.50	36,104.71
	(15,165.52)	(3,295.01)	(11.66)	(18,472.19)
Advances taken/ allocation of expenses	35,982.60	38.39	45.50	36,066.49
	(15,117.64)	(2,584.01)	(11.66)	(17,713.31)
Sundry payables				-
	-	-	(1,795.07)	(1,795.07)
Sundry receivables	-	2,942.49	-	2,942.49

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
	-	(1,136.29)	-	(1,136.29)

7. The summary of consolidated Financial Statements represents consolidation of accounts of the Company with its following subsidiaries, all incorporated within India, as detailed below:

Subsidiary	Proportion of ownership interest	
	31.03.2010	31.03.2009
India Infoline Distribution Company Limited	100%	100%
India Infoline Housing Finance Limited	100%	100%
Moneyline Credit Limited	100%	100%

8. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of profit and loss.The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum lease rentals outstanding as at March 31, 2010, are as follows:

(₹ in million)

Minimum Lease Rentals	2009-10	2008-09
Up to one year	3.14	1.04
One to five years	Nil	Nil
Over five years	Nil	Nil
Total	**3.14**	**1.04**

9. At balance sheet date, there were outstanding commitments for capital expenditure (net of advance) to the tune of ₹ 0.12 million (previous year ₹ nil) of the total contractual obligation entered during the year.

10. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

11. There are no dues to Micro and small enterprises (MSEs) outstanding for more than 45 days.

12. Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share"

PARTICULARS		2009-2010	2008-2009
BASIC			
Profit after tax as per Statement of profit and loss *(₹ in million)*	A	537.92	691.19
Number of Shares Subscribed	B	23,715,403	23,715,403
EPS (₹)	**A/B**	**22.68**	**29.15**
DILUTED			
Profit after tax as per Statement of profit and loss *(₹ in million)*	C	537.92	691.19
Number of Shares Subscribed		23,715,403	23,715,403
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		90,000	90,000
Weighted Number of Shares Outstanding		23,805,403	23,805,403
EPS (₹)		**22.60**	**29.04**

13. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

14. Previous years figures are regrouped and rearranged wherever necessary.

Notes to Accounts for Consolidated Financials for FY 2008-09

1. The company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company/fellow subsidiaries/group companies, which are termed as 'Shared Services'. Such shared services paid by the holding company/fellow subsidiaries/group companies, are reimbursed on an actual basis and estimates are used only where actuals were difficult to determine.

2. The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary Genera Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 1,325,000 options entitling to a total of 1,325,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 90,000 options under this plan during the year 2008-09. The same are under vesting.

3. Segment Reporting:

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

   Secondary segmentation 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.

4. The company recognized deferred tax assets for the year ended on 31st March 2009 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:

   Deferred Tax Asset

(₹ in million)

Sr. No.	Particulars	As at 31.03.2009	As at 31.03.2008
1	On Preliminary Expenses	0.03	0.02
2	On Provision for Doubtful Debts	5.53	6.04
3	On Gratuity	0.74	0.18
4	On Current Year Depreciation	4.06	4.24
5	On Business Loss	26.29	35.80
	Total	**36.65**	**46.28**

5. **Disclosures in respect of applicability of AS – 18 Related Party Disclosures.**

Nature of relationship	**Name of party**
Related parties where control exists:	
Holding company	India Infoline Limited
Subsidiaries	India Infoline Distribution Company Limited

	Moneyline Credit Limited India Infoline Housing Finance Limited
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Media & Research Services Ltd. India Infoline Commodities DMCC IIFL Capital Ltd. India Infoline Marketing Services Limited. IIFL Realty Ltd. IIFL Wealth Management Ltd. IIFL Ventures Ltd. IIFL (Asia) Pte Ltd IIFL Inc
Group Companies	India Infoline Insurance Services Ltd. India Infoline Insurance Brokers Ltd. IIFL Ca pital Pte. Limited IIFL Securities Pte. Ltd

Other related parties:

Key Management Personnel	Mr. Nirmal Jain Mr. R Venkataraman

Significant Transaction with Related Parties

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Interest Income on ICD	-	0.08	-	0.08
	-	-	-	-
Interest Expenses on ICD	-	-	170.73	170.73
	(117.05)	-	(1.86)	(118.91)
Referral Fees paid	-	5.22	-	5.22
	-	-	-	-
Business Support	-	-	-	-
	-	-	(2.10)	(2.10)
ICD repaid/issued	-	387.07	82.95	470.02
	(2,719.67)	-	-	(2,719.67)
ICD taken/received	-	-	138.36	138.36
	(2,719.67)	-	(1,701.44)	(4,421.11)
Purchase of Shares & Securities including Future & Option	249.27	-	-	249.27
	(7,279.56)	-	-	(7,279.56)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Sale of Shares & Securities including Future & Option	1,581.62	-	-	1,581.62
	(7,279.56)	-	-	(7,279.56)
Brokerage	2.02	-	-	2.02
	(0.22)	-	-	(0.22)
Finance (including Equity Contribution in cash)	-	-	-	-
	(4,949.03)	-	-	(4,949.03)
Finance (including Equity Contribution other than cash)	-	-	-	-
	(93.02)	-	-	(93.02)
Advances returned/ reimbursement of expenses	15,165.52	3,295.01	11.66	18,472.19
	(35,014.47)	(7,670.75)	(38.84)	(42,724.06)
Advances taken/ allocation of expenses	15,117.64	2,584.01	11.66	17,713.31
	(35,098.92)	(7,670.75)	(38.84)	(42,808.50)
Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Sundry payables	-	-	1,795.07	1,795.07
	(47.88)	-	(1,701.44)	(1,749.32)
Sundry receivables	-	1,136.29	-	1,136.29
	-	-	-	-

6. The summary of consolidated Financial Statements represents consolidation of accounts of the Company with its following subsidiaries, all incorporated within India, as detailed below:

Subsidiary	Proportion of ownership interest	
	31.03.2009	31.03.2008
India Infoline Distribution Company Limited	100%	100%
India Infoline Housing Finance Limited	100%	100%
Moneyline Credit Limited	100%	100%

7. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of profit and loss.The agreements are executed for a period ranging 1 to 5 years with a renewable clause and so are as follows:

(₹ in million)

Minimum Lease Rentals	2008-09	2007-08
Up to one year	1.04	0
One to five years	Nil	0
Over five years	Nil	0
Total	1.04	**0**

8. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

9. There are no dues to Micro and small enterprises(MSEs) outstanding for more than 45 days.

10. Company has reduced its Gross block and accumulated depreciation for those assets having zero net block as on 31st March 2009 amounting to ₹3.80 mn.

11. Basic and Diluted Earnings per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share"

PARTICULARS		2008-2009	2007-2008
BASIC			
Profit after tax *(₹ in million)*	A	691.19	237.34
Number of Shares Subscribed	B	23,715,403	14,934,921
EPS (₹)	**A/B**	**29.15**	**15.89**
DILUTED			
Profit after tax *(₹ in million)*	C	691.19	237.34
Number of Shares Subscribed		23,715,403	14,934,921
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		90,000	177,049
Weighted Number of Shares Outstanding		23,805,403	15,111,970
EPS (₹)		**29.04**	**15.71**

12. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

13. Previous years figures are regrouped and rearranged wherever necessary.

Notes to Consolidated Financials for FY 2007-08

1. During the Year, the company has acquired new subsidiaries as detailed below.

(₹ in million)

Name of Subsidiary	Amount Invested	Nature of Business
India Infoline Distribution Company Limited	85.13	Distribution of Loan Products
India Infoline Housing Finance Limited*	25.00	Housing Finance
Moneyline Credit Limited	410.93	Personal Finance

*India Infoline Housing Finance Limited has not started commercial production till March 31, 2008.

2. During the year the Company raised funds through preferential allotment of 1.65 Millions equity shares to India Infoline Limited, 3.96 Millions equity shares to Orient Global Tamarind Fund Pte. Ltd. and 0.17 million equity shares to Bennett Coleman and Company Limited.

3. The Company also made right issue of 5.93 million equity shares to the existing shareholders.

4. The company had also raised funds through issue of Non Convertible Debentures (NCD) during the year.

5. The company pursuant to approval of "Employee Stock Option Scheme 2007" (ESOP 2007) at the Extra ordinary General Meeting of the shareholders of the company held on October 23, 2007 providing for issue of 13, 25,000 options entitling to a total of 13,25,000 shares to the employees of the company, its holding and subsidiaries including directors of the company (except an employee or director who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company at any time) whether in India or at overseas location, has granted 7,60,000 options under this plan during the year 2007-08. The same are under vesting.

6. The company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company, which are termed as 'Shared Services'. In case of such shared services paid by Holding Company, expenses were identified and recovered based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation.

7. Major Components of Deferred Tax Assets and Liability:

Deferred Tax Asset

(₹ in million)

Sr.No.	Particulars	As at 31.03.2008
1	On Preliminary Expenses	0.02
2	On Provision for Doubtful Debts	6.04
3	On Gratuity	0.18
4	On Current Year Depreciation	4.24
5	On Business Loss	35.80
	Total	**46.28**

8. Segment Reporting:

Segment information for the year ended 31st March 2008.
Primary segment information (by business segment)

(₹ in million)

Sr. No.	Particulars	Finance & Investment Activity	Mortgage Loan & Distribution	Others	Total (₹)
I	**Segment Revenue**				
	External	1,535.45	119.16	0.08	1,654.70
	Inter-segment	7.74	-	-	7.74
Ii	**Segment Expenses**	1,016.33	245.27	-	1,261.59
Ii	**Segment Result**	511.39	(126.10)	0.08	385.37
	Less: Unallocated Expenses	-	-	-	107.91
	Operating Profit	-	-	-	277.46
	Interest Expense	-	-	-	-
	Interest & Misc Income	-	-	-	-

Sr. No.	Particulars	Finance & Investment Activity	Mortgage Loan & Distribution	Others	Total (₹)
	Profit from Ordinary Activities				277.46
	Less: Taxation				38.08
	Net Profit after Tax				239.37
iii	Segment Assets	14,702.44	12,009.30	-	26,711.74
	Unallocated Corporate assets				(7,506.89)
	Total Assets				19,204.85
Iv	Segment Liabilities	5,344.37	1,701.44	-	7,045.81
	Unallocated Corporate Liabilities				732.62
	Total Liabilities				7,778.42
V	Capital Expenditure		5.04	-	5.04
	Unallocated Capital Expenditure				56.87
vi	Depreciation		0.91	-	0.91
	Unallocated Depreciation				52.94
vii	Non-Cash expenditure				
	other than depreciation	-	-	-	18.63
	(Figures in bracket represent previous years figure)				

9. Disclosures in respect of applicability of AS – 18 Related Party Disclosures.

Nature of relationship	**Name of party**
Related parties where control exists:	
Holding company	India Infoline Limited
Susidiaries	India Infoline Distribution Company Limited Moneyline Credit Limited India Infoline Housing Finance Limited
Fellow Subsidiaries	India Infoline Commodities Limited India Infoline Insurance Services Limited India Infoline Insurance Brokers Limited India Infoline Media & Research Services Limited India Infoline Marketing Services Limited India Infoline Commodities DMCC IIFL Realty Limited IIFL Wealth Management Limited IIFL Ventures Limited IIFL Capital Limited IIFL Asia Pte Limited IIFL Inc

(b) **Other related parties**:

Key Management Personnel	Mr. Nirmal Jain Mr. R Venkataraman

Significant Transaction with Related Parties

(₹ in million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
Purchases of shares & Securities including Futures & Options	7,279.56	-	-	7,279.56
Sales of Shares & Securities including Futures & Options	7,279.56	-	-	7,279.56
Brokerage Expenses	0.22	-	-	0.22
Interest Expenses	117.05	14.44	-	131.49
Finance (Including Equity Contribution in Cash)	4,949.03	1,701.44	-	6,650.47
Finance (including Equity Contribution other than cash)	93.02	162.50	-	255.52
Advances returned/ reimbursement of expenses	2,709.60	120.53	-	2,830.13
Advances taken/ allocation of expenses	2,709.60	137.89	-	2,847.49
Business Support Services	-	2.10	-	2.10
Outstanding as on March 31, 2008				
Payables	1,459.37	1,701.44	-	3,160.81

The transaction between group companies comprise of extension and return of temporary advances granted, allocation of expenses, reimbursement of expenses, etc. and all these transaction are accounted through maintenance of current account.

10. The summary of consolidated Financial Statements represents consolidation of accounts of the Company with its following subsdiaries, all incorporated within India, as detailed below:

Subsidiary	Proportion of ownership interest	
	31.03.2008	31.03.2007
India Infoline Distribution Company Limited	100%	-
India Infoline Housing Finance Limited	100%	-
Moneyline Credit Limited	100%	-

11. Information under paragraphs 3 and 4 of part II to schedule VI of the Companies Act is stated to the extent applicable.

12. There are no dues to Micro and small enterprises(MSEs) outstanding for more than 45 days

13. Basic and Diluted Earning per share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share"

PARTICULARS		2007-2008
BASIC		
Profit after tax *(₹ in million)*	A	237.34
Number of Shares Subscribed	B	14,934,921
EPS (₹)	A/B	15.89
DILUTED		
Profit after tax *(₹ in million)*	C	237.34
Number of Shares Subscribed		14,934,921
Add : Potential Equity Shares on Account conversion of Employees Stock Options		177,049
Weighted Number of Shares Outstanding	D	15,111,970
EPS (₹)	C/D	15.71

14. Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

    Previous years figures are regrouped and rearranged wherever necessary.

MATERIAL DEVELOPMENTS

Except as stated below, there have been no material developments since March 31, 2012 there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability of the Company or the value of its assets or its ability to pay its liabilities with the next 12 months.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements on a standalone basis as of the dates indicated:

	As at June 30, 2012	As at March 31, 2012
Capital Adequacy Ratio	16.11%	17.86%
Tier I Capital	13.90%	15.46%
Tier II Capital	2.21%	2.40%

FINANCIAL INDEBTEDNESS

As on June 30, 2012, our Company has outstanding secured borrowing of approximately ₹ 37,841.38 million and unsecured borrowing of approximately ₹ 25,005.91 million. A summary of all the outstanding secured and unsecured borrowing together with a brief description of certain significant terms of such financing arrangements are as under:

A. India Infoline Finance Limited

Secured Loan Facilities

Name of the Lender , facility and details of documentation	Amount Sanctioned (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
Allahabad Bank *Cash Credit Facility* Sanction Letter dated February 22, 2012 Deed of Hypothecation dated March 3, 2012	500.00	249.72	First *pari passu* charge on receivables (excluding receivables pertaining to capital market exposure) and all current assets subject to a minimum asset cover of 1.25 times. Corporate guarantee by IIFL.	On Demand
Axis Bank *Term Loan* Sanction Letter dated March 26, 2010 Term Loan Agreement dated March 27, 2010 Deed of Hypothecation dated March 27, 2012	1,000.00	500.00	First *pari passu* charge on the standard assets portfolio of receivables (both present and future) pertaining to mortgage loans of our Company. Our Company shall allocate assets of 1.25 times for the same. Corporate Guarantee of IIFL	Equal yearly installments at the end of the 12th, 24th, 36th and 48th month from the date of first disbursal.
Axis Bank *Term Loan* Sanction Letter dated December 20, 2011 Term Loan Agreement dated December 26, 2011 Hypothecation Agreement dated December 26, 2011	1,250.00	1093.8	First *pari passu* charge by way of hypothecation of book debts/receivables pertaining to standard mortgage loan assets and gold loan of our Company with a minimum asset cover of 1.25 times of the term loan amount. Corporate Guarantee of IIFL	8 equal half yearly installments starting from 6 month from the first date of disbursement
Citicorp Finance (India) Ltd. *Term Loan* Sanction letter dated August 23, 2011 Loan Agreement dated	1000.00	1000.00	*Pari passu* charge on standard consumer finance receivables subject to a minimum cover of 1.25 times.	Bullet Repayment at the end of 1 year

Name of the Lender , facility and details of documentation	Amount Sanctioned (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
September 12, 2011 Deed of Hypothecation dated September 12, 2011				
Corporation Bank *Term Loan* Sanction letter dated December 23, 2011 Loan Agreement dated December 26, 2011 Hypotecation Agreement dated December 26, 2011	1000.00	1000.00	First *pari passu* charge by way of hypothecation on standard assets portfolio of receivables (excluding capital market receivables) with minimum asset cover of 1.25 times. Corporate guarantee by IIFL.	16 equal quarterly installment of ₹ 6.25 crore after initial moratorium period of 15 months.
Dena Bank *Cash Credit Facility* Sanction Letter dated Janauary 13, 2012 Deed of Hypothecation dated March 28, 2012	500.00	0.00	First *pari passu* charge on receivables of the Company(Standard category assets only) to the extent 1.25 times of the loan amount. Corporate guarantee by IIFL.	On Demand
ICICI Bank Limited *Term Loan* Credit arrangement letter letter dated October 21, 2010 Rupee Loan Facility Agreement dated December 4, 2010 Deed of hypothecation dated 4 December, 2010	3,000.00	3,000.00	First *pari passu* charge by way of hypothecation on the standard assets portfolio of receivables subject to a minimum cover of 1.25 times. Corporate guarantee by IIFL.	Entire outstanding amount to be repaid on expiry of 3 years from the date of first disbursement of the facility.
ICICI Bank Limited *Term Loan* Credit arrangement letter dated September 29, 2011 Rupee Loan Facility Agreement dated October 24, 2011 Deed of Hypothecation	2,000.00	2,000.00	First *pari passu* charge by way of hypothecation on the standard assets portfolio of receivables subject to a minimum cover of 1.25 times. Corporate guarantee by IIFL.	Equal installments starting from end of each quarter after moratorium of 18 months

Name of the Lender , facility and details of documentation	Amount Sanctioned (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
dated October 25, 2011				
IDBI Bank Limited *Term Loan* Sanction letter dated September12, 2011, modified on September 27, 2011 Loan Agreement dated September 29, 2011 Deed of Hypothecation dated September 29, 2011	3000.00	3000.00	First *Pari Passu* charge on current assets (excluding receivables pertaining to capital market exposure) with an asset coverage of 1.25 times of the loan, both present and future. Corporate guarantee of IIFL.	Repayable in 3 equal annual installments starting from the end of second year starting from the date of 1st disbursement.
IDBI Bank Limited *Cash Credit Facility* Sanction letter dated March 27, 2010, modified on September 12, 2011 Deed of Hypothecation dated dated September 29, 2011	1000.00	0.02	First *Pari Passu* charge on current assets (excluding receivables pertaining to capital market exposure) of our Company both present and future with an asset coverage of 1.25 times. Corporate guarantee of IIFL.	On demand, out of internal accruals of our Company
IDBI Bank Limited *Term Loan* Sanction letter dated March 27, 2010, modified on September 17, 2010, October 30, 2010, February 28, 2011 and September 27, 2011 Loan Agreement dated December 30, 2010 Hypothecation Agreement dated December 30, 2010	750.00	750.00	First *Pari Passu* charge over entire current assets (in the form of receivables, book debts, bills whether documentary or clean, outstanding monies recievables) of our Company both present and future with an asset coverage of 1.25. Corporate guarantee of IIFL.	Repayable in 3 equal annual installments starting from the end of second year starting from the date of 1st disbursement.
IDBI Bank Limited *Term Loan* Sanction Letter dated December 16, 2009 Term Loan Agreement dated December 30, 2009	500.00	333.33	First *pari passu* charge on the current assets (receivables) both present and future with asset coverage ratio of 1.25 times Corporate guarantee of IIFL	3 Equal yearly installments after 12 months from the first disbursement.

Name of the Lender , facility and details of documentation	Amount Sanctioned (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
Indian Overseas Bank *Term Loan* Sanction letter dated January 04, 2012 modified by sanction letter dated January 25, 2012 Deed of Hypothecation dated January 27, 2012 Deed of Hypothecation dated December 30, 2009	3,000.00	3,000.00	First *pari passu* charge on the standard assets of mortgage and consumer receivables. Corporate guarantee by IIFL.	Repayment in 5 years with 15 months of moratorium period and 16 equal quarterly instalments of ₹ 187.5 million.
Karur Vysya Bank *Term Loan* Sanction Letter dated March 13, 2012 modoified on March 22, 2012 Term Loan Agreement dated March 27, 2012	500.00	500.00	First *pari passu* charge by way of hypothecation on the standard asset portfolio of the receivables with asset coverage ratio of 1.25 times Corporate guarantee of IIFL	16 quarterly installments afer an initial moratorium of 1 year from the date of disbursement
Punjab and Sind Bank *Term Loan* Sanction letter dated August 1, 2011 Hypothecation Agreement dated September 16, 2011	500.00	500.00	First *pari passu* charge by way of hypothecation of book debts/ receivables pertaining to standard mortgage loan assets subject to a minimum asset cover of 1.25 times. Corporate guarantee by IIFL.	8 quarterly installments of ₹62.5 million each commencing after a moratorium of 1 year from the date of first disbursement
Punjab National Bank *Term Loan* Sanction Letter dated November 11, 2010 (amended on February 26, 2011) Term Loan Agreement dated March 5, 2011 Deed of Hypothecation	5,000.00	3750.00	First *pari passu* charge on the receivables of our Company including future movable assets with asset coverage of 1.25 times the loan amount, to be maintained on standard mortgage loan assets. Corporate guarantee of IIFL	8 quarterly installments after a moratorium period of 1 year from the date of first disbursement.

Name of the Lender , facility and details of documentation	Amount Sanctioned (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
dated March 5, 2011				
Syndicate Bank *Term Loan* Sanction letter dated August 11, 2010 Composite Hypothecation Agreement dated October 29, 2010	3,000.00	3,000.00	First *pari passu* charge on current assets/receivables of our Company in respect of mortgage loans, SME loans, gold loans and personal loans (excluding receivables from commercial real estate advances) with minimum security coverage of 1.30 times. Corporate guarantee of IIFL.	Principal amount of ₹ 3000 million to be repaid in 4 annual installments of ₹ 750 million each. Repayment holiday period of 12 months.
Syndicate Bank *Term Loan* Sanction letter dated March 19, 2012 modified on May 11,2012. Composite Hypothecation Agreement dated May 25, 2012	1,000.00	1,000.00	First *pari passu* charge on current assets/ receivables of the company in respect of Mortgage Loans, SME Loans, Gold Loans and Personal Loans (excluding receivables arising out of Commercial Real Estate and amount due but not paid) with minimum security coverage of 1.30. Corporate guarantee by IIFL	The principal amount of ₹ 1000 million shall be repaid in 4 annual instalments of ₹ 250 million each. Repayment holiday of 12 months.
Standard Chartered Bank *Overdraft Facility* Sanction letter dated February 14, 2012 Memorandum of Hypothecation dated March 28, 2012	500.00	0.00	First *pari passu* charge on receivables secured by a minimum cover of 1.25 times. Corporate guarantee by IIFL.	On Demand
Union Bank of India *Term Loan* Sanction letter dated February 28, 2012 Loan Agreement dated March 13, 2012 Hypothecation Agreement dated March 13, 2012	3000.00	2999.62	First *pari passu* charge by way of hypothecation on standard assets portfolio of receivables (excluding capital market receivables) subject to a minimum cover of 1.33 times. Corporate guarantee by IIFL.	10 equal quarterly installments of ₹ 30 crores each commencing after 9 months from the date of first disbursement

Name of the Lender , facility and details of documentation	Amount Sanctioned (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
Total outstanding Bank Borrowings for India Infoline Finance Limited is ₹ 27,676.49 million				

B. India Infoline Housing Finance Limited

Name of the Lender and nature and date of the loan agreement	Amount Sanctioned and availed (in ₹ million)	Principal Amount Outstanding as on June 30, 2012 (in ₹ million)	Security	Repayment Date/ Schedule
Axis Bank *Term Loan* Sanction Letter dated August 26, 2010 Term Loan Agreement dated August 31, 2010 Hypothecation Agreement dated August 31, 2010	600.00	450.00	First *pari passu* charge on the standard assets portfolio of receivables pertaining to housing loans/Loan Against Property of IIHFL subject to minimum cover of 1.25 times Corporate guarantee of IIFL	Equal yearly installments at the end of the 12th, 24th, 36th and 48th month from the date of first disbursal
Axis Bank *Term Loan* Sanction Letter dated September 23, 2010 Term Loan Agreement dated September 29, 2010 Hypothecation Agreement dated September 28, 2010	1000.00	750.00	First *pari passu* charge on the standard assetsportfolio of receivables pertaining to housing loans/LAP of IIHFL subject to minimum cover of 1.25 times Corporate guarantee of IIFL	Equal yearly installments at the end of the 12th, 24th, 36th and 48th month from the date of first disbursal
Total outstanding Bank Borrowings for India Infoline Housing Finance Limited: ₹ 1,200 million				

Restrictive Covenants

Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such activities. For instance, our Company , inter-alia, is required to obtain the prior written consent in the following instances:

- Change in the capital structure of our Company;
- Changes in the management set up;
- Enter into any borrowing or non-borrowing arrangements, either secured or unsecured, with any other lender or financial institution;
- Formulate any scheme for merger, amalgamation, reconstruction or consolidation;

- Implement any scheme of expansion or diversification or modernization other than routine capital expenditure;
- Undertake guarantee obligations on behalf of any other company, firm or person;
- Creation of any encumbrance or lien on the property in favour of any other party;
- Amending the MoA and AoA of our Company;
- Invest any funds by way of deposits or loans in the share capital of any other concern so long as money is due to the bank.

Non-Convertible Debentures (Secured)

1. Our Company has issued 862 indexed linked, principal protected secured, guaranteed, redeemable, non convertible debentures of face value of ₹100,000 each ("***NCD-1***") on a private placement basis to Ms Padma Dalmia, Microware Software Services Private Limited, Mr. Vineet Nayyar, Mr. Ravinder Kumar Sachdev, Mr. Puneet Sachdev and Teksol India Private limited with an object of increasing our resources to meet its requirements of funds to carry on the business operations of our Company. Axis Trustee Services Limited has been appointed as the debenture trustee *vide* agreement dated September 3, 2010.

The NCD-1 outstanding as on date are:

Issued and Paid-up Value (in ₹ million)	Series	Date of Allotment	Date of Redemption	Rating
86.20	I-013	June 4, 2010	October 4, 2012	"PP MLD[ICRA]AA"

Security:

- First pari-passu mortgage (English Mortgage) and charge in the form of legal registered mortgage on the property being at first floor, Shop no. G 22B, situated at revenue survey number 1001/1, Paiki Town planning scheme number 4. Final plot number 110 Paiki, City Survey Number 7396, Muncipal Survey Number 1/12/94 *of* village Unjha, Taluka Unjha District Mehsana in Gujarat.
- First pari passu charge on the receivables of our Company equal to the value of the NCD-1 save and except receivables in respect of issue of Principal Protected Secured Guaranteed Redeemable Non-Convertible Debentures (NCDs) of ₹ 412.1 million comprising of Series "I-013" on a private placement basis.
- An unconditional and irrevocable guarantee by IIFL, guaranteeing the payment of principal amount and other amounts such as interest etc, in respect of the NCD-1.

2. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 4,121 indexed linked, principal protected secured, guaranteed, redeemable, non convertible debentures of face value of ₹ 100,000 each ("***NCD-2***") on a private placement basis to various investors. Axis Trustee Services Limited has been appointed as the debenture trustee *vide* agreement dated June 1, 2010.

The NCD-2 outstanding as on date are:

Issued and Paid-up Value (in ₹ million)	Series	Date of Allotment	Date of Redemption	Credit Rating
412.10	I-001	March 5, 2010	May 5, 2013	"PP MLD[ICRA]AA-" with stable outlook"
	I-002	March 5, 2010	May 5, 2013	
	I-003	March 9, 2010	May 9, 2013	
	I-004	March 10, 2010	September 10,	

Issued and Paid-up Value (in ₹ million)	Series	Date of Allotment	Date of Redemption	Credit Rating
			2012	
	I-005	March 29, 2010	March 29, 2013	
	I-006	March 29, 2010	April 29, 2013	
	I-007	March 30, 2010	March 30, 2013	
	I-008	March 30, 2010	March 30, 2013	
	I-009	March 31, 2010	May 1, 2013	
	I-010	April 19, 2010	April 19, 2013	
	I-011	April 28, 2010	July 28, 2012	
	I-012	April 29, 2010	July 29, 2013	

Security:

- First pari-passu mortgage (English Mortgage) and charge over the property being at first floor, Shop no. G 22B, situated at revenue survey number 1001/1, paiki town planning scheme number 4, final plot number 110 Paiki, City Survey Number 7396, Muncipal Survey Number 1/12/94 of village Unjha, Taluka Unjha District Mehsana in Gujarat.

- A first pari-passu charge on the receivables of our Company equal to the value of debentures save and except in respect of issue of Principal Protected Secured Guaranteed Redeemable Non-Convertible Debentures (NCDs) of ₹ 412.1 million comprising of Series – "I-001" to Series – "I-012" on a private placement basis).

- An unconditional and irrevocable guarantee by IIFL, in respect of the payment in full of the redemption amount. Interest and all other amounts due in respect of the debentures.

3. Our Company has issued 2200 secured, guaranteed, transferable, redeemable, non convertible debentures of face value of ₹ 1,000,000 each ("***NCD-3***") on a private placement basis to Standard Chartered Bank (Mauritius) Limited – Debt with an object of increasing its resources to meet its requirements of funds to carry on its business operation, refinancing of existing debt, working capital and other general corporate purpose. IDBI Trusteeship Services Limited has been appointed as the debenture trustee *vide* agreement dated May 18, 2010. NCD-3 are listed on the NSE.

The NCD-3 outstanding as on date are:

Issued and Paid-up Value (in ₹ million)	Date of Allotment	Date of Redemption	Credit Rating
734	April 20, 2010	April 20, 2013	[ICRA] AA- (stable) by ICRA with stable outlook

Security:

- First pari passu charge by way of a legal mortgage over the property being at first floor shop number G 22B situated in revenue survey number 1001/1 Paiki Town Planning Scheme number 4. Final plot number 110 Paiki, City Survey Number 7396, Muncipal Survey Number 1/12/94 of village Unjha, Taluka Unjha District Mehsana in Gujarat.

- The specific first charge by way of hypothecation over the mortgage receivables in favour of the debenture trustee.

- Unconditional and irrevocable guarantee by IIFL in favour of the debenture trustee.

4. Our Company has made a public issue of secured, redeemable, non convertible debentures of face value of

₹ 1000 each (NCD – 4) aggregating to ₹ 7,500 million. IDBI Trusteeship Services Limited has been appointed as the debenture trustee *vides* agreement dated July 19, 2011.

The NCD-4 outstanding as on date are:

Issued and Paid-up Value (in ₹ million)	Series/Option	Date of Allotment	Date of Redemption	Credit Rating
6,847.69	**N1**	August 18, 2011	August 17, 2014	[ICRA] AA- (stable) by ICRA CARE AA- by CARE
	N2	August 18, 2011	December 17, 2014	
	N3	August 18, 2011	August 17, 2016	
	N4	August 18, 2011	August 17, 2016	

Security:

- First pari passu charge in favour of the debenture trustee over the immovable property situated at first floor, shop number G 22B, situated in revenue survey number 1001/1 Paiki Town Planning Scheme number 4. Final plot number 110 Paiki, City Survey Number 7396, Muncipal Survey Number 1/12/94 of village Unjha, Taluka Unjha District Mehsana in Gujarat.

- First pari passu charge over the current assets, book debts, receivables both present and future and such other assets of our Company other than the assets that have been exclusively charged by our Company to the extent of 1.1 times of the debentures outstanding at any point of time.

5. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 2,799 indexed linked, principal protected secured, redeemable, non convertible debentures of face value of ₹ 100,000 each ("***NCD-5***") on a private placement basis to various investor IDBI Trustee Services Limited has been appointed as the debenture trustee *vide* agreement dated October 10, 2011.

The NCD-5 outstanding as on date are:

Issued and Paid-up Value (in ₹million)	Series	Date of Allotment	Date of Redemption	Credit Rating
279.90	I-014	October 11, 2011	October 11, 2014	"PP MLD[ICRA]AA-" with stable outlook"
	I-015	October 11, 2011	October 11, 2014	
	I-016	October 14, 2011	October 13, 2014	
	I-017	October 18, 2011	May 13, 2014	
	I-018	October 19, 2011	October 18, 2014	
	I-019	October 19, 2011	October 18, 2014	

Security:

- First pari passu charge over the immovable property situated at first floor, shop number G 22B, situated in revenue survey number 1001/1 Paiki Town Planning Scheme number 4. Final plot number 110 Paiki, City Survey Number 7396, Muncipal Survey Number 1/12/94 of village Unjha, Taluka Unjha District Mehsana in Gujarat.

- The specific first charge by way of hypothecation over the receivables of the company in favour of the debenture trustee.

6. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 22,500 secured, redeemable, non convertible debentures of face value of ₹ 10,000 each ("***NCD-6***") on a private placement basis to investor IDBI Trustee Services Limited has been appointed as

the debenture trustee *vide* agreeement dated January 30, 2012.

The NCD-6 outstanding as on date are:

Issued and Paid-up Value (in ₹ million)	Date of Allotment	Redemption Date	Credit Rating
225	January 30, 2012	January 29, 2015	[ICRA]AA-" with stable outlook

Security:

First pari passu charge in favour of the Debenture Trustee on the book debts/receivables other than the assets that have been exclusively charged by our Company.

7. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 30,000 secured, redeemable, non convertible debentures of face value of ₹ 10,000 each ("***NCD-7***") on a private placement basis to investor IDBI Trustee Services Limited has been appointed as the debenture trustee *vide* agreement dated February 01, 2012.

The NCD-7 outstanding as on date are:

Issued and Paid-up Value (in ₹ millions)	Date of Allotment	Redemption Date	Credit Rating
300	March 02, 2012	March 02, 2017	"[ICRA]AA- with stable outlook"

Security:

First pari passu charge in favour of the debenture trustee on the book debts/receivables other than the assets that have been exclusively charged by our Company.

8. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 80 secured, redeemable, non convertible debentures of face value of ₹ 1,000,000 each ("***NCD-8***") on a private placement basis to investor IDBI Trustee Services Limited has been appointed as the debenture trustee *vide* agreement dated February 02, 2012.

The NCD-8 outstanding as on date are:

Issued and Paid-up Value (₹ in ₹ millions)	Date of Allotment	Redemption Date	Credit Rating
80	February 02, 2012	April 16, 2013	CRISIL AA- with stable outlook

Security

First pari passu charge in favour of the debenture trustee on the book debts/receivables other than the assets that have been exclusively charged by our Company.

Restrictive Covenants

Many of our agreements with respect to the non-convertible debentures include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the debenture trustee and the respective investors before carrying out such activities. For instance, inter-alaia, our Company is required to obtain the prior written consent in the following instances:

- Formulate any scheme for merger, amalgamation or consolidation;

- Creation of any encumbrance or lien on the property in favour of any other party;
- Change in composition of the Board of Directors, which may amount to change in control under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
- Declare or pay any dividened to its shareholders during any financial year unless it has paid the installment of principal and interest then due and payable on the Debentures, or has made provision satisfactory to the Trustees for making such payment.
- Sell or dispose of the property or create any charge or lien by way of hypothecation, pledge or otherwise howsoever or other encumbrance of any kind whatsoever; and
- Amending the MoA and AoA of our Company;

Our Company has from time to time, obtained the consent to undertake certain corporate actions and enter into various transactions. Our Company has acquired requisite consents in order to undertake the present Issue.For further information on restrictive covenants, please refer to the chapter titled "***Risk Factors***" on page XI of this Prospectus.

Unsecured facilities

Commercial Papers

Our Company has issued the following commercial papers:

(*as on June 30, 2012*)

No	Party	Issue / Value Date	Maturity Date	Amount (₹ in million)
1	AXIS MUTUAL FUND	11-Jun-12	31-Aug-12	1000
2	AXIS MUTUAL FUND	8-Jun-12	7-Sep-12	500
3	BNP PARIBAS MF	28-Jun-12	27-Sep-12	1000
4	BOROSIL GLASS WORKS LTD.	15-May-12	12-Jul-12	70
5	BOROSIL GLASS WORKS LTD.	15-May-12	12-Jul-12	100
6	CANARA ROBECO MUTUAL FUND	18-May-12	17-Aug-12	500
7	CANARA ROBECO MUTUAL FUND	25-Jun-12	24-Sep-12	1000
8	CANARA ROBECO MUTUAL FUND	27-Jun-12	26-Sep-12	250
9	EMERGING INDIA FOCUS FUNDS	11-Apr-12	9-Apr-13	280
10	EMERGING INDIA FOCUS FUNDS	8-May-12	7-May-13	290
11	ICICI PRUDENTIAL MUTUAL FUND	19-Jun-12	18-Sep-12	3000
12	ICICI PRUDENTIAL MUTUAL FUND	28-Jun-12	27-Sep-12	1000
13	IIFL WEALTH MANAGEMENT LTD	6-Mar-12	4-Jul-12	50
14	JM MUTUAL FUND	20-Jun-12	18-Sep-12	1500
15	JM MUTUAL FUND	21-Jun-12	20-Sep-12	500
16	KANORIA CHEMICALS LIMITED	11-Jun-12	10-Sep-12	150
17	KOTAK MUTUAL FUND	7-Jun-12	6-Sep-12	2000
18	KOTAK MUTUAL FUND	21-Jun-12	20-Sep-12	1000
19	KOTAK MUTUAL FUND	30-Mar-12	30-Mar-13	500
20	MOHIT CHUGANI	31-May-12	13-Jul-12	50
21	PRAMERICA MUTUAL FUND	21-Jun-12	20-Sep-12	250
22	PRAMERICA MUTUAL FUND	13-Apr-12	12-Apr-13	100
23	PRINCIPAL MUTUAL FUND	28-Jun-12	24-Sep-12	500
24	RELIANCE MUTUAL FUND	26-Jun-12	7-Sep-12	500

No	Party	Issue / Value Date	Maturity Date	Amount (₹ in million)
25	RELIANCE MUTUAL FUND	27-Jun-12	7-Sep-12	500
26	RELIANCE MUTUAL FUND	29-May-12	29-May-13	500
27	RELIANCE MUTUAL FUND	30-May-12	29-May-13	500
28	RELIANCE MUTUAL FUND	4-Jun-12	4-Jun-13	500
29	RELIGARE MUTUAL FUND	26-Jun-12	25-Sep-12	650
30	RELIGARE MUTUAL FUND	27-Jun-12	26-Sep-12	1000
31	RELIGARE MUTUAL FUND	27-Jan-12	21-Jan-13	140
32	RELIGARE MUTUAL FUND	16-Apr-12	5-Apr-13	150
33	RELIGARE MUTUAL FUND	20-Apr-12	17-Apr-13	170
34	RELIGARE MUTUAL FUND	27-Apr-12	23-Apr-13	400
35	RELIGARE MUTUAL FUND	2-May-12	2-May-13	170
36	RELIGARE MUTUAL FUND	15-May-12	9-May-13	240
37	RELIGARE MUTUAL FUND	19-Jun-12	17-Jun-13	105
38	UNILAZER EXPORTS AND MANAGEMENT CONSULTANTS LIMITED	9-Feb-12	7-Aug-12	100
39	UNION KBC MUTUAL FUND	21-Jun-12	20-Sep-12	250
40	UNION KBC MUTUAL FUND	22-Jun-12	21-Sep-12	250
41	UNION KBC MUTUAL FUND	25-Jun-12	24-Sep-12	250
42	UTI MUTUAL FUND	6-Jun-12	5-Sep-12	1500
	Total			23,465.00

Unsecured Redeemable Non Convertible Debentures

Our Company has issued the following Unsecured Redeemable Non Convertible Debentures:

1. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 750 unsecured, redeemable, non convertible subordinated debentures of face value of ₹ 1,000,000 each ("***NCD-9***") on a private placement basis.

The NCD-9 outstanding as on date are:

Issued & Paid up Value (in ₹ million)	Date of Allotment	Redemption Date	Credit Rating
750	February 27, 2012	February 26, 2019	"[ICRA]AA-with stable outlook" 'CRISIL AA-/Stable' by CRISIL Limited

2. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 50,000 unsecured, redeemable, non convertible subordinated zero coupon debentures of face value of ₹ 10,000 each ("***NCD-10***") on a private placement basis.

The NCD-10 outstanding as on date are:

Issued & Paid up Value (in ₹ million)	Date of Allotment	Redemption Date	Credit Rating
500	February 21, 2012	February 20, 2019	"[ICRA]AA-" with stable outlook 'CRISIL AA-/Stable' by CRISIL Limited

3. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 250 unsecured, redeemable, non convertible subordinated zero coupon debentures of face value of ₹ 10,00,000 each ("***NCD-11***") on a private placement basis to various investors.

The NCD-11 outstanding as on date are:

Issued & Paid up Value (in ₹ million)	Date of Allotment	Redemption Date	Credit Rating
250	March 28, 2012	March 28, 2019	[ICRA]AA-" with stable outlook 'CRISIL AA-/Stable' by CRISIL Limited

4. In order to increase our resources to meet its requirements of funds to carry on our business operations our Company issued 29,957 non convertible subordinated debentures of face value of ₹ 1000 each on a private placement basis to various investor

The NCDs outstanding as on date are:

Issued and Paid-up Value (in ₹ million)	Series	Date of Allotment	Date of Redemption	Credit Rating*
4.27	SBMIB SERIES I	January 18, 2012	January 18, 2017	ICRA AA- CRISIL AA-
1.16	SBMIB SERIES I	January 18, 2012	January 17, 2019	ICRA AA- CRISIL AA-
3.297	SBMIB SERIES II	February 07, 2012	February 06, 2017	ICRA AA- CRISIL AA-
0.03	SBMIB SERIES II	February 07, 2012	February 06, 2019	ICRA AA- CRISIL AA-
4.769	SBMIB SERIES III	February 07, 2012	February 06, 2017	ICRA AA- CRISIL AA-
0.25	SBMIB SERIES III	February 07, 2012	February 06, 2019	ICRA AA- CRISIL AA-
3.789	SBMIB SERIES IV	February 23, 2012	February 22, 2017	ICRA AA- CRISIL AA-
0.474	SBMIB SERIES IV	February 23, 2012	February 22, 2019	ICRA AA- CRISIL AA-
3.129	SBMIB SERIES V	March 2, 2012	March 01, 2017	ICRA AA- CRISIL AA-
0.088	SBMIB SERIES V	March 02, 2012	March 01, 2019	ICRA AA- CRISIL AA-
3.234	SBMIB SERIES VI	March 30, 2012	March 30, 2017	ICRA AA- CRISIL AA-
0.350	SBMIB SERIES VI	March 30, 2012	March 30, 2019	ICRA AA- CRISIL AA-
2.330	SBMIB SERIES VII	March 30, 2012	March 30, 2017	ICRA AA- CRISIL AA-
0.050	SBMIB SERIES VII	March 30, 2012	March 30, 2019	ICRA AA- CRISIL AA-
27.22				

**All ratings in this series have a stable outlook*

Issued and Paid-up Value (in ₹ million)	Series	Date of Allotment	Date of Redemption	Credit Rating
3.755	SBDB SERIES I	January 23, 2012	January 22, 2008	ICRA AA- CRISIL AA-

2.54	SBDB SERIES II	February 07, 2012	February 06, 2018	ICRA AA- CRISIL AA-
2.406	SBDB SERIES III	March 1, 2012	February 29, 2018	ICRA AA- CRISIL AA-
1.44	SBDB SERIES VI	March 30,2012	March 30,2018	ICRA AA- CRISIL AA-
1.79	SBDB SERIES V	March 30,2012	March 30,2018	ICRA AA- CRISIL AA-
1.76	SBDB SERIES VI	April 04,2012	April 04,2018	ICRA AA- CRISIL AA-
13.691				

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

Except as stated below on the date of this Prospectus, there has been no default in payment of principal or interest on any existing secured or unsecured loans and debt instruments issued by the Issuer in the past:

Gearing (defined as Total Debt/ Tangible Networth) of the Company which had grown 2.9 times for our Promoter on a consolidated basis and of our Company on a consolidated and stand alone basis under the offer document of ₹2200 Million.

SECTION VI - ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Public Issue of NCDs aggregating upto ₹2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs, aggregating to a total of up to ₹5,000 million.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application Size	The minimum number of NCDs per application form will be calculated on the basis of the total number of NCDs applied for across all series of NCDs (i.e. Option I, Option II and Option III) under each such Application Form and not on the basis of any specific option
Mode of allotment	Dematerialised as well as physical
Terms of Payment	Full amount on application
Trading Lot	1 (one) NCD
Who can Apply	**Category I** ▪ Public Financial Institutions, Statutory Corporations, Scheduled Commercial Banks; ▪ Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; ▪ Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; ▪ Venture Capital funds registered with SEBI; ▪ Insurance Companies registered with the IRDA; ▪ National Investment Fund; and ▪ Mutual Funds registered with sebi.. **Category II** ▪ Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; ▪ Public/private charitable/religious trusts which are authorised to invest in the NCDs; ▪ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; ▪ Partnership firms in the name of the partners; and ▪ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) authorized to invest in the NCDs. **Category III*** ▪ Resident Indian individuals; and ▪ Hindu Undivided Families through the Karta.

With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹0.5 million, across all series of NCDs, (Option I and/or Option II and/or Option III) shall be grouped together, ("Reserved Individual Portion**") while applications by applicants who apply for NCDs aggregating to a value exceeding ₹0.5million, across all series of NCDs, (Option I and/or Option II and/or Option III), shall be separately grouped together, ("**Unreserved Individual Portion**").*

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable

statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, the applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please refer to "***Issue Procedure***" on page 262 of this Prospectus.

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Nature of the NCDs

The terms of the NCDs offered pursuant to the Issue are as follows:

Options	I	II	III
Tenure	72 Months		
Frequency of Interest Payment	Monthly	Annually	NA
Minimum Application	₹5,000 (5 NCDs) (for all options of NCDs, namely Options I, II and III, either taken individually or collectively)		
In Multiples of	1 NCD after the minimum applicaton		
Face Value of NCDs (₹ / NCD)	₹1,000		
Issue Price (₹ / NCD)	₹1,000		
Mode of Interest Payment/Redemption	Through Various options available	Through Various options available	Redemption through various options available
Coupon (%) for NCD Holders	12.75% per annum	12.75% per annum	NA
Effective Yield (per annum)	13.52%	12.75%	12.75%
Redemption Date	72 months from the Deemed Date of Allotment		
Redemption Amount (₹/NCD)	Face Value of the NCDs plus any interest that may have accrued	Face Value of the NCDs plus any interest that may have accrued	₹ 2054.50
Deemed Date of Allotment	Date of issue of the Allotment advice		
Nature of Indebtedness	Un-Secured Redeemable Subordinated Debt		

Credit Rating	
CRISIL	'CRISIL AA-/Stable'
ICRA	'[ICRA]AA- Stable'

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the nominee of the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

As per clause (ix) of Section 193 of the IT Act, no tax is required to be deducted at source on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident individual NCD holders), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD holders are claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD holders should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.

The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the record date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Payment of Interest

Monthly Payment of Interest

For NCDs subscribed under Option I, the relevant interest will be paid on the first day of the subsequent month. However, the first interest for the period between the Deemed Date of allotment and the end of the relevant month shall be aggregated and paid alongwith the interest for the following month, payable on the on the first day of the subsequent month and the last interest payment, which shall be made at the time of redemption of the NCD on a pro rata basis.

Please note that if the interest payment through NECS to Applicants alloted NCDs under Option I is unsuccessful, the Company shall subsequently make interest payments to such Applicants on annual basis as provided for in Option II, shall be dispatched under registered post through cheques only.

Annual Payment of Interest

For NCDs subscribed under Option II, the relevant interest will be paid on the first day of April of every year. The first interest payment will be made on April 1, 2013 for the period commencing from the Deemed Date of Allotment till March 31, 2013. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.

Payment of Interest to NCD Holders

Payment of Interest will be made to those NCD holders whose names appear in the register of Debenture Holders (or to first holder in case of joint-holders) as on record date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NECS, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD holders. The terms of this facility (including towns where this facility

would be available) would be as prescribed by RBI. Refer to the paragraph on "***Manner of Payment of Interest/Refund/Redemption***".

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 7(seven) days prior to the record date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be.
A tax deduction certificate will be issued for the amount of tax so deducted.

Redemption Amount – Option III

In case of Option III NCDs shall be redeemed at ₹ 2,054.50 per NCD at the end of 72 months from the Deemed Date of Allotment.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed maturity date. The date of maturity for NCDs subscribed under all the options is 72 months, respectively, from the Deemed Date of Allotment.

Deemed Date of Allotment

Deemed date of allotment shall be the date of issue of the Allotment Advice / regret.

Application Size

Each application should be for a minimum of 5 NCDs and multiples of 1 NCD thereafter. The minimum application size for each application for NCDs would be ₹ 5,000 (for all options of NCDs namely, Option I, Option II and Option III NCDs either taken individually or collectively) and in multiples of ₹ 1,000 thereafter (for all options of NCDs namely, Option I, Option II and Option III NCDs either taken individually or collectively).

Applicants can apply for any or all options of NCDs offered hereunder (any/all options) using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The face value of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund/ unblock the excess amount paid on application to the applicant in accordance with the terms of this Prospectus. For further details please refer to the paragraph on "***Interest on Application Money"*** beginning on page 256 of this Prospectus.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 3 (three) working days prior to the date on which interest is due and payable, or the date of redemption or as prescribed by the relevant stock exchange(s).

Manner of Refund (except ASBA Application)/Payment of Interest

The manner of payment of interest / refund in connection with the NCDs is set out below:

- ***For NCDs applied / held in Demat form:***

  The bank details will be obtained from the Depositories for payment of Interest / refund (except ASBA Applications)/ redemption as the case may be. Applicants who have applied for or are holding the NCDs in Demat form, are advised to immediately update their bank account details as appearing on the records of

the depository participant. Please note that failure to do so may result in delays in credit of refunds to the applicant at the applicant's sole risk, and the Lead Managers, Co-Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

- ***For NCDs held in physical form:***

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

The mode of interest/ refund/ redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. NECS

Payment of interest/ refund/ redemption shall be undertaken through NECS for NCD Holders/Applicants having an account at the centers mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the Magnetic Ink Character Recognition (MICR) code, Indian Financial System Code (IFSC) code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest / refund / redemption is through NECS for NCD Holders/ Applicants having a bank account at any of the abovementioned centers.

3. RTGS

NCD Holders/ Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amount exceeds ₹ 0.2 million, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible NCD Holders/ Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the record date. Charges, if any, levied by the NCD Holders/ Applicants' bank receiving the credit would be borne by the NCD Holders/ Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest / refund / redemption shall be undertaken through NEFT wherever the NCD Holders/ Applicants' bank has been assigned the Indian Financial System Code ("***IFSC***"), which can be linked to a Magnetic Ink Character Recognition *("**MICR**")*, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the NCD Holders/ Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the NCD Holders/ Applicants through this method.

5. Registered Post/Speed Post

For all other NCD Holders/ Applicants, including those who have not updated their bank particulars with the MICR code or those Applicants who have been alloted Option I NCDs and if the interest payment through NECS to such Applicants is unsuccessful and their payment option is changed to Option II, the interest payment / refund / redemption orders shall be dispatched under registered post for value up to ₹1,500 and through Speed Post/ Registered Post for refund orders /interest

payment/redemption orders of ₹ 1,500 and above.

Please note that NCD Holders/ Applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the NCD Holders/ Applicants' bank account are mandatorily required to be given for printing on the refund orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company/ Registrar at least 7 (seven) days prior to the record date failing which the refund orders/ warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company.
Bank account particulars will be printed on the refund orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Our Company, at its sole discretion, subject to applicable statutory and/or regulatory requirements, may consider granting of a loan facility to the holders of NCDs against the security of such NCDs. Such loans shall be subject to the terms and conditions as may be decided by our Company from time to time.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD Holder for the aggregate amount **("*Consolidated Certificate*")** for each type of NCDs. The applicant can also request for the issue of NCD certificates in denomination of one NCD **("*Market Lot*").**

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by NCD holders

NCDs held in physical form:

No action would ordinarily be required on the part of the NCD holder at the time of redemption and the redemption proceeds would be paid to those NCD holders whose names stand in the register of NCD holders maintained by us on the record date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of NCD holders maintained by us on the record date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the paragraph on *"Payment on Redemption"* given below.

NCDs held in Demat form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption including Redemption Premium

The manner of payment of redemption is set out below:

NCDs held in physical form:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 11 Working Days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD holders whose names stand in the register of NCD holders maintained by us on the record date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) days prior to the record date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the record date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to the NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in Demat form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the record date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD holders.

Our liability to NCD holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Put / Call Option

No Put / Call Option for any Series of NCDs.

Redemption Date

All the NCDs issued in this Issue will be redeemed at the expiry of 72 months from the Deemed Date of Allotment.

Right to Reissue NCD(s)

Subject to the provisions of the Act, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place, in accordance with the applicable rules and regulations. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Act. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Act shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by us may be used for the same. The NCDs 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 transfer 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.

For NCDs held in Demat form:

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in Demat form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialised form, he can choose to dematerialise the securities through his DP.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of Information

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

Notices

All notices to the NCD holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Trustees for the NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD holders. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD holder(s) shall discharge us *pro tanto* to the NCD holder(s).
The Debenture Trustee will protect the interest of the NCD holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection.

Interest on Application Money

Interest on application monies received which are used towards allotment of NCDs

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 upto one day prior to the Deemed Date of Allotment, at the rate of 4% per annum. However no interest is to be paid on application amount to the ASBA Applicants.

Our Company has a right to withdraw the Issue at anytime 2 (two) days prior to Issue Closing Date for receiving subscription in the Issue. Our Company shall in the event of such withdrawal, subject to receipt of a minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875.00 million, allot NCDs to all applicants who have applied for NCDs upto one day prior to the date by which Company gives notice for withdrawal of Issue. Further 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 applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) or 3 (three) days from the date of receipt of the application (being the date of presentation of each application as acknowledged by the Bankers to the Issue) whichever is later upto one day prior to the Deemed Date of Allotment, at the rate of 4 % per annum. *However, it is clarified that in the event that our Company does not receive a minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875.00 million our Company will not allot any NCDs to applicants.*

Please note no interest is to be paid on application monies to the ASBA Applicants.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant.

Interest on application monies received which are liable to be refunded

Our Company shall pay interest on application money which is liable to be refunded to the applicants in accordance with the provisions of the SEBI Debt Regulations and/or the Companies Act, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate of 4% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the applicant, to the sole/first applicant. However no interest is to be paid on application monies to the ASBA Applicants.

In the event our Company does not receive a minimum subscription of 75 % of the Base Issue, i.e. ₹ 1,875.00 million on the date of closure of the Issue, the entire subscription shall be refunded to the applicants within Twelve (12) Working Days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to pay the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant. Please refer to "***Rejection of Application***" at page 276 of this Prospectus.

TERMS OF THE ISSUE

Authority for the Issue

Pursuant to resolution passed by the shareholders of our Company at their AGM held on June 26, 2012 and in accordance with provisions of Section 293 (1)(d) of the Act, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 120,000 million (Rupees One hundred and twenty thousand million).

At the meeting of the Board of Directors of our Company, held on August 9, 2012 the Directors have approved the issue of NCDs to the public upto an amount not exceeding ₹ 5,000 million.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/NSE and BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute direct obligations of our Company and shall rank subordinate to the claims of other creditors of the Company. The claims of the NCD holders shall be subordinate to the claims of any secured creditors, subject to applicable statutory and/or regulatory requirements.

Debenture Redemption Reserve

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of our Company until the redemption of the debentures. The Ministry of Corporate Affairs has, through its circular dated April 18, 2002, ("***Circular***"), specified that the quantum of DRR to be created before the redemption liability actually arises in normal circumstances should be '*adequate*' to pay the value of the debentures plus accrued interest/ Redemption amount, (if not already paid), till the debentures are redeemed and cancelled. The Circular however further specifies that, for NBFCs like our Company, (NBFCs which are registered with the RBI under Section 45-IA of the RBI Act), the adequacy of the DRR will be 50% of the value of debentures issued through the public issue. Accordingly our Company is required to create a DRR of 50% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be carved out of the profits of our Company only if there is profit for the particular year and there is no obligation on the part of our Company to create DRR if there is no profit for the particular year. Our Company shall credit adequate amounts to DRR, from its profits every year until such NCDs are redeemed. The amounts credited to DRR shall not be utilized by our Company except for the redemption of the NCDs.

Face Value

The face value of each NCD shall be ₹ 1,000.

NCD holder not a Shareholder

The NCD holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

Rights of NCD holders

Some of the significant rights available to the NCD holders are as follows:

1. The NCDs shall not, except as provided in the Act, confer upon the holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD holders for their consideration. In terms of Section 219(2) of the Act, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.
2. Subject to applicable statutory/regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs 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 NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. The registered NCD 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 NCDs, either in person or by proxy, at any meeting of the concerned NCD holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD holders will be maintained in accordance with Section 152 of the Act and all interest/ redemption amounts and principal sums becoming due and payable in respect of the NCDs 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 NCD holders as on the record date. Further as the NCDs issued are also being issued in Demat form, the Depositories shall also maintain the updated register of holders of the NCDs in Demat Form.
6. Subject to compliance with RBI requirements, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.
7. The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of the Base Issue, i.e. ₹ 1875.00 million, prior to closure of the issue, the entire subscription shall be refunded to the Applicants within twelve (12) working days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

Market Lot & Trading Lot

As per the Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment refer to chapter titled "***Issue Procedure***" beginning on page 262 of this Prospectus.

Nomination facility to NCD holder

In accordance with Section 109A of the Act, the sole NCD holder or first NCD holder, along with other joint NCD holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCD. A person, being a nominee, becoming entitled to the NCD by reason of the death of the NCD holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in the prescribed manner, any person to become

entitled to the NCD(s), in the event of his death, during the minority. A nomination shall stand rescinded upon sale of a NCD by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCD is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office or at such other addresses as may be notified by us.

NCD holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For nominations made in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue or extension, our Company shall ensure that notice of such early closure/extension is given one day prior to such early date of closure through advertisement/s in a leading national daily newspaper.

Issue Opens on	September 5, 2012
Closing Date*	September 18, 2012

** Application and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") during the Issue Period as mentioned above by the Members of the Syndicate, Trading Members and designated branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchange Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor any Member of the Syndicate, Trading Members or designated branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under RBI requirements and as provided in our Articles of Association. Please refer to the chapter titled "***Summary of Main Provisions of the Articles of Association***" beginning on page 315 of this Prospectus.

ISSUE PROCEDURE

Our Company, the Lead Managers and Co-Lead Managers would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and ensure that their Application does not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Prospectus.

This chapter applies to all categories of Applicants. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs

Please note that the Applicants cannot apply in this Issue by filling in the application form directly through the online interface of BSE and NSE.

1. How to Apply?

i. Applicants may use any of the following facilities for making Applications:

(a) ASBA Applications through the Members of Syndicate and trading members of the Stock Exchange(s) only in the Specified Cities, ("**Syndicate ASBA**");
(b) ASBA Applications through SCSBs;
(c) Non ASBA Applications through the Members of Syndicate and trading members of the Stock Exchange(s); and
(d) Non ASBA Applications through the Members of Syndicate and trading members of the Stock Exchange(s) for applicants who intend to hold the NCDs in physical form.

ii. Availability of Prospectus and Application Forms

The Abridged Prospectus containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from our Registered Office, Lead Managers, Co-Lead Managers, Lead Brokers, designated branches of the SCSB and Trading members. Additionally the Prospectus, Abridged Prospectus and the Application Form is available for download on the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively and the websites of the Lead Managers at www.axisbank.com, www.sbicaps.com, www.edelweissfin.com, www.trustgroup.co.in and www.iiflcap.com and the Co-Lead Managers at www.rrfinance.com/rrfcl.com and www.karvy.com.

Trading members are required to download the forms from stock exchanges platforms and submit these forms along with cheques/drafts/payment instrument to the collecting banks.

iii. Who can Apply

The following categories of persons are eligible to apply in the Issue:

Category I

- Public financial institutions, statutory corporations, scheduled commercial banks, co-operative banks and regional rural banks, which are authorised to invest in the NCDs;
- Indian Provident funds, pension funds, superannuation funds and gratuity fund, which are authorised to invest in the NCDs;
- Venture capital funds registered with SEBI;
- Insurance companies registered with the IRDA;
- National Investment Fund;
- Mutual Funds registered with SEBI;

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008.

Category III*

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

**With respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹0.5 Million, across all series of NCDs, (Option I and/or Option II and/or Option III),shall be grouped together as Reserved Individual Portion while applications by applicants who apply for NCDs aggregating to a value exceeding ₹0.5 Million, across all series of NCDs, (Option I and/or Option II and/or Option III), shall be separately grouped together as Unreserved Individual Portion.*

Note: *Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/ or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.*

Applications cannot be made by:

- Minors without a guardian*;
- Foreign nationals;
- Persons resident outside India including without limitation Foreign Institutional Investors, Non Resident Indians, Qualified Foreign Investors and Overseas Corporate Bodies.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers, Co-Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of the investors. Our Company, the Lead Managers and/or the Co-Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

Grouping of Applications

For the purposes of the basis of allotment:

a) *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, **(" Institutional Portion");**

b) *Applications received from Category II applicants:* Applications received from Category II, shall be grouped together, **("Non-Institutional Portion");**

c) *Applications received from Category III applicants:* Further with respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹ 0.5 million, across all series of NCDs (Option I and/or Option II and/or Option III), shall be grouped together, **("Reserved Individual Portion")** while applications by applicants who apply for NCDs aggregating to a value exceeding ₹ 0.5 million, across all series of NCDs (Option I and/or Option II and/or Option III), shall be separately grouped together, **("Unreserved Individual**

Portion").

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" "***Reserved Individual Portion***" and "***Unreserved Individual Portion***" are individually referred to as "***Portion*****"** and collectively referred to as **"*Portions*"**

Applications 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 Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and Regional Rural Banks

Scheduled Banks, Co-operative Banks and Regional Rural Banks can apply in this public issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorisation. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are

incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Companies, bodies corporate and societies registered under the applicable laws in India

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Category I Applicants, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form, failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Investments made pursuant to a power of attorney by Category II and Category III Applicants, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of an ASBA Application pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers and Co-Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Form subject to such terms and conditions that our Company and the Lead Manager and Co-Lead Managers may deem fit.

2. Escrow Mechanism

We shall open Escrow Account(s) with Escrow Collection Bank(s) in whose favour the non-ASBA Applicants, applying through cheques shall make out the cheque or demand draft in respect of their Application. Cheques or demand drafts for the application amount received from Applicants would be deposited in the Escrow Account.

Details of the the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the websites of the Lead Managers at www.axisbank.com, www.sbicaps.com, www.edelweissfin.com, www.trustgroup.co.in and www.iiflcap.com and the Co-Lead Managers at www.rrfinance.com/rrfcl.com and www.karvy.com. A link to the said web pages shall also be available on the website of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively. A link shall also be provided to the above mentioned websites in the Application Form as well.

Upon receipt of necessary communication from the Lead Managers and Co-Lead Managers to the Issue, as per the provisions of the Escrow Agreement, the Bankers to the Issue shall transfer the monies from the

Escrow Accounts to a separate bank account **("*Public Issue Account*").**

The Fees for Lead Managers and Co-Lead Managers shall be paid out of the Public Issue Account once listing/ trading approvals are received from Stock Exchanges, upon receipt of instructions from the Lead Managers and Co-Lead Managers as provided for in the Escrow Agreement.

The balance amount in the Escrow Accounts, after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund and interest on Application Amount to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Escrow Collection Banks will act in terms of this Prospectus and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein.

3. Filing of the Prospectus with ROC

A copy of the Prospectus is filed with the Registrar of Companies, Mumbai, Maharashtra, in terms of section 58 and section 60 of the Act.

4. Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

5. Procedure for Application

a) Non-ASBA Applications

i. Applications through the Members of the Syndicate/ Trading Members of the Stock Exchanges through Collecting Banks without using ASBA Facility

All Application Forms (available for download on the websites of the Stock Exchanges, the Lead Managers and Co-Lead Managers and also available in physical form as mentioned above) duly completed and accompanied by account payee cheques / drafts shall be submitted with the Members of the Syndicate, Trading Members of the Stock Exchanges before the closure of the Issue. The Applications are to be submitted to the Members of the Syndicate and Trading Members on a timely manner so that the details can be uploaded by the closure of banking hours on to the Stock Exchange platform. The cheque/bank draft can be drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the Bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres of the Escrow Collection Bank. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected and the collecting bank shall not be responsible for such rejections. Payment though stockinvest would also not be allowed as the same has been discontinued by the RBI *vide* notification No. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

All cheques / bank drafts accompanying the application should be crossed "A/c Payee only" and (a) all cheques / bank drafts accompanying the applications made by eligible applicants must be made payable to "India Infoline Finance Limited- NCD Escrow".

The Members of the Syndicate/ Trading Members of the Stock Exchanges, upon receipt of the Non-ASBA Applications, shall upload all the details of the applications on the online platform of the Stock Exchanges. The Members of the Syndicate/ Trading Members of the Stock Exchanges shall thereafter submit the physical Application Form along with the cheque/ bank draft to the Escrow Collection Banks.

Applicant's Bank Account Details

It is mandatory for all the Applicants who have a Demat Account to apply for NCDs to be allotted in dematerialised form. The Registrar to the Issue will obtain the Applicant's bank account details from the Depository. The applicant should note that on the basis of the name of the applicant, PAN details, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the applicant's DP account, the applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP Accounts as these bank account details would be printed on the refund order(s) or used for refunding through electronic mode, as applicable. Please note that failure to do so could result in delays in credit of refunds to applicants at the applicant's sole risk and neither the Lead Managers, Co-Lead Managers, our Company, the Refund Banker(s) nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Applicant's Depository Account Details

ALL APPLICANTS WHO HAVE A DEMAT ACCOUNT SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, PAN DETAILS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

Applicant should note that on the basis of name of the applicant, PAN details, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, PAN, bank account details for printing on refund orders or used for refunding through electronic mode, as applicable and occupation **("*Demographic Details*").** Hence, applicants should carefully fill in their Depository Account details in the Application Form. Applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

These Demographic Details would be used for all correspondence with the applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund/interest order and the Demographic Details given by applicant in the Application Form would not be used for these purposes by the Registrar.

Refund Orders/Allotment Advice would be mailed at the address of the applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of Refund Orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the applicant's sole risk and neither we nor the Lead Managers or the Co-Lead Managers or the Registrars shall be liable to compensate the applicant for any losses caused to the applicant due to any such delay or liable to pay any interest for such delay.

However in case of applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund Orders /Allotment Advice, the demographic details obtained from the Depository of the applicant shall be used.

In case no corresponding record is available with the Depositories that matches all three parameters, namely, the Depository Participant's identity (DP ID), Client ID and PAN, then such applications are liable to be rejected.

ii. Applications for allotment of physical NCDs by Applicants who do not have a Demat Account

All Applicants who do not have a Demat Account and intend to apply for NCDs in physical form, should submit the Application Forms duly completed and accompanied by account payee cheques / drafts and the Know Your Customer ("KYC") documents with the Members of the Syndicate, Trading

Members of the Stock Exchanges. The cheque/bank draft can be drawn on any bank, including a co-operative bank and is member or sub-member of the Bankers' clearing-house and located at the place where the Application Form is submitted, i.e. where the designated collection centres of the Escrow Collection Banks are located. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected and the Escrow Collection Banks shall not be responsible for such rejections. Payments though stockinvest would also not be allowed as the same has been discontinued by the RBI *vide* notification No.DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form. No cash payments shall be accepted.

All cheques / bank drafts accompanying the application should be crossed "A/c Payee only" and (a) all cheques / bank drafts accompanying the applications made by eligible applicants must be made payable to "India Infoline Finance Limited – NCD Escrow".

KYC Documents to be submitted by Applicants who do not have a Demat account and are applying for NCDs in the Physical Form

a. Self-attested copy of the proof of identification (for individuals);

Any of the following documents shall be considered as a verifiable proof of identification:

- Passport;
- Voter's ID;
- Driving Licence;
- Government ID Card;
- Defence ID Card;
- Photo PAN Card
- Photo Ration Card.

b. Self-attested copy of the PAN card (incase of a minor, the guardian shall also submit the self attested copy of his/ her PAN card);

c. Self-attested copy of the proof of residence;

Any of the following documents shall be considered as a verifiable proof of residence:

- ration card issued by the GoI;
- valid driving license issued by any transport authority of the Republic of India;
- electricity bill (not older than three months);
- landline telephone bill (not older than three months);
- valid passport issued by the GoI;
- AADHAAR Letter issued by Unique Identification Authority of India ("UIDAI");
- voter's Identity Card issued by the GoI;
- passbook or latest bank statement issued by a bank operating in India;
- leave and license agreement or agreement for sale or rent agreement or flat maintenance bill;
- Registered Office address in case of applicants under Category I or Category II; or
- life insurance policy.

d. Copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

Applicants applying for allotment of NCDs in physical form, by signing the Application Form, confim to the Company, the Lead Managers, Co-Lead Managers and the Registrar that they donot hold any Demat account in India.

The Members of the Syndicate/ Trading Members of the Stock Exchanges shall on receipt of the completed Application Form along with the KYC Documents and the cheque/ draft, provide an

acknowledgment of the application to the Applicant. After verification of the KYC documents submitted by the Applicant along with the application, the Members of the Syndicate/ Trading Members of the Stock Exchanges shall upload all such details of the Applicant that is required for the purpose of allotment based on the Application Form on the online platform of the Stock Exchanges.

The Members of the Syndicate/ Trading Members of the Stock Exchanges shall thereafter submit the physical Application Form (duly stamped by such Members of the Syndicate/ Trading Members of the Stock Exchanges) along with the cheque/ bank draft and the KYC Documents to the Escrow Collecting Bank(s).

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the banking branches (escrow banks) are available. Details of such banking branches are available on the websites of the Lead Managers at www.axisbank.com, www.sbicaps.com, www.edelweissfin.com, www.trustgroup.co.in and www.iiflcap.com and the Co-Lead Managers at www.rrfinance.com/rrfcl.com and www.karvy.com. A link to the said web pages shall also be available on the website of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively.

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the banking branches (escrow banks) are available. Details of the the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the websites of the Lead Managers at www.axisbank.com, www.sbicaps.com, www.edelweissfin.com, www.trustgroup.co.in and www.iiflcap.com and the Co-Lead Managers at www.rrfinance.com/rrfcl.com and www.karvy.com. A link to the said web pages shall also be available on the website of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively. A link shall also be provided to the above mentioned websites in the Application Form as well.

b) ASBA Applications

Procedure for Application through the Members of the Syndicate/ Trading Members of the Stock Exchanges using the Applications Supported by Blocked Amount ("ASBA") facility and Applications through SCSBs using ASBA facility

This section is for the information of the Applicants proposing to subscribe to the Issue through the ASBA Process ("**ASBA Investors**"). Please note that application through ASBA is optional for all categories of Applicants. The Lead Managers, Co-Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, Lead Managers, Co-Lead Managers, Lead Brokers, our directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http:/ /www.sebi.gov.in/cms/sebi_data/attachdocs/1325570097787.html. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Applicants should also ensure that Application Forms submitted to the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Syndicate to deposit the Application Form from ASBA Applicants (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-

asba.html). ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the ASBA Account is maintained (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

Those Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. The filled in Application Form containing instructions to SCSB to block the Application Amount shall be submitted to the designated branches of the SCSBs. The ASBA Applications can also be submitted with the Member of the Syndicate at the Syndicate ASBA Centres (only in Specified Cities) or with the Trading Members of the Stock Exchanges at the Syndicate ASBA Centres (only in Specified Cities), who shall in turn forward the same to the SCSBs, in accordance with the circulars issued by SEBI in this regard from time to time. The Members of Syndicate and Trading Members of the Stock Exchange shall accept ASBA Applications only at the Syndicate ASBA Centres and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Care should be taken that such Application Forms should bear the stamp of the relevant SCSB, Members of the Syndicate or trading members of the Stock Exchanges, otherwise they are liable to be rejected.

ASBA Application in electronic mode will only be available with such SCSBs who provide such facility. In case of application in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

Mode of payment

The Applicant applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form or through which the Application is being made in case of electronic ASBA Application, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the Application Form until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred into the Public Issue Account maintained by us as per the provisions of section 73(3) of the Companies Act. The balance amount remaining blocked in the ASBA Accounts, if any, after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue, the Lead Managers and Co-Lead Managers to the respective SCSB.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account with the SCSB, details of which have been provided by the Applicant in the Application Form, does not have sufficient funds equivalent to the amount payable on application mentioned in the Application Form. Subsequent to the acceptance of the application by the SCSB, the Registrar would have a right to reject the application on any of the technical grounds.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account within twelve (12) Working Days of receipt of such instruction. There will be no interest paid on any such refunds.

Depository account and bank details for Applicants applying under the ASBA Process

IT IS MANDATORY FOR ALL THE APPLICANTS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR NCDs IN DEMATERIALISED FORM. ALL APPLICANTS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S

NAME, PAN DETAILS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM.

Applicants applying under the ASBA Process should note that on the basis of name of these Applicants, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository demographic details of these Applicants such as PAN, address for printing on Allotment advice and occupation ("Demographic Details"). Hence, Applicants applying under the ASBA Process should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with such Applicants including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Applicants in the Application Form would not be used for any other purposes by the Registrar. Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Applicants applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking the funds would be mailed at the address of the ASBA Applicant as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent NCDs are not allotted to such ASBA Applicants. ASBA Applicants may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered.

Note that any such delay shall be at the sole risk of the ASBA Applicants and none of us, the SCSBs, the Members of the Syndicate or Trading Member shall be liable to compensate the Applicant applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) Client ID, (b) the DP ID and (c) the PAN Number, then such applications are liable to be rejected.

6. Instructions for completing the Application Form

A. Submission of Application Form (Non-ASBA)

General Instructions

- Applications to be made in prescribed form only;
- The forms to be completed in block letters in English;
- Information provided by the Applicants in the Application Form will be uploaded on to the Stock Exchanges Platform system by the Members of the Syndicate, Trading Members of the Stock Exchanges as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Applications should be made by Karta in case of HUF. Please ensure PAN details of the HUF is mentioned and not of Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- Every applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form. In case of Joint Applicants, PAN of all Joint Applicants is compulsory;
- Applicants (other than those applying for Allotment of NCDs in physical form) should correctly mention their DP ID and Client ID in the Application Form. For the purpose of evaluating the validity of Applications, the Demographic Details of Applicants shall be derived from the DP ID and Client ID mentioned in the Application Form;
- Applicants applying for Allotment of NCDs in physical form should submit the KYC documents as mentioned above. The Registar shall withhold dispatch of the Physcial NCD certificates till the proper KYC doecuments are recieved;

- All applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All applicants are required to tick the relevant box of the "Mode of Application" in the Application Form choosing either ASBA or Non-ASBA mechanism;
- All Application Forms (except in case of Application Forms through ASBA mechanism) duly completed together with cheque/bank draft for the amount payable on application must be delivered before the closing of the Issue to any of the Members of the Syndicate and Trading Members of the Stock Exchanges, who shall upload the same on the Stock Exchange Platform before the closure of the Issue;
- All Applicants applying through Non-ASBA mechanism shall mention the Application Number, Sole/ first Applicant's name and the phone number on the reverse side of the cheque and demand draft;
- No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge the same;
- Ensure that you select the correct option while filling in the Application Form. Where the applicants have not indicated their choice of the relevant Series of NCDs, the Company shall allot Option II NCDs to all valid applications.

Further Instructions for ASBA Applicants

- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch, otherwise the concerned SCSB shall reject the Application;
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five applications can be made from one single ASBA Account;
- For ASBA Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges and/or SCSB. Application Forms which do not bear the stamp is liable to be rejected.

ALL APPLICATIONS BY CATEGORY I APPLICANTS SHALL BE RECEIVED ONLY BY THE LEAD MANAGERS/ CO-LEAD MANAGERS/ LEAD BROKERS AND THEIR RESPECTIVE AFFILIATES.

All Applicants should apply for one or more option of NCDs in a single Application Form only.

Our Company would allot Option II NCDs to all valid applications, wherein the applicants have not indicated their choice of NCDs.

B. Permanent Account Number

The applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act (Except for Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market). In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount o**f** transaction. Any Application Form, without the PAN will be rejected, irrespective of the amount of transaction. It is to be specifically noted that the applicants should not submit the GIR number instead of the PAN as the Application will be rejected on this ground.

C. Terms of Payment

The face value for the NCDs is payable on application only. In case of allotment of lesser number of NCDs than the number applied, our Company shall refund/ unblock the excess amount paid on application to the

applicant.

7. General Instructions

Do's

- Check if eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account in the allotment of NCDs in Dematerailsed form through the Members of the Syndicate and Trading Members are correct, as allotment of NCDs to these applicants will be in the dematerialized form only;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
- Ensure that the Applications are submitted to the Members of the Syndicate and Trading Members on a timely manner so that the details can be uploaded by 5 pm;
- Ensure that the Applicant's name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant;
- Ensure that you mention your PAN allotted under the IT Act;
- Ensure that the Demographic Details are updated, true and correct in all respects (except in case where the application is for NCDs in physical form);
- Ensure the use of an Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchanges or the Members of the Syndicate (except in case of electronic ASBA Applications) to whom the application is submitted;
- If applying for NCDs in physical form ensure the KYC documents are submitted along with the Application Form and the date of birth is mentioned on the Application Form;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities, as applicable to each category of investor, to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
- Ensure that you select the correct option while filling in the Application Form. Where the applicants have not indicated their choice of the relevant Series of NCDs, the Company shall allot Option II NCDs to all valid applications;
- Incase you are submitting an Application Form to a trading member ensure that he is located in a town / city that has a escrow banking facility. (list of such locations are available on the websites of Stock Exchanges, the Company, Lead managers, and Co-Lead Managers, a link for the same being available in the Application Form;
- Ensure that you receive an acknowledgement from the Designated Branch, the Trading Member of the Stock Exchanges or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form;

Do's for ASBA Applicants in addition to the above mentioned general instructions

- Ensure that you specify ASBA as the 'Mode of Application' and use the Application Form bearing the stamp of the relevant SCSB, Trading Members of the Stock Exchanges or the Members of the Syndicate (except in case of electronic Application Forms) to whom the application is submitted;
- Ensure that your Application Form is submitted either at a Designated Branch of an SCSB where the ASBA Account is maintained, with a Trading Member of the Stock Exchanges at the Syndicate ASBA Centres (in Specified Cities) or with the Members of the Syndicate at the Syndicate ASBA Centres (in Specified Cities) and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- ASBA Applicants applying through a Member of the Syndicate/ Trading Member should ensure that the Application Form is submitted to such Member of the Syndicate/ Trading Member only in the Specified Cities. ASBA Applicants should also ensure that Application Forms submitted to the Members of the Syndicate/ Trading Member in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Members of the Syndicate/ Trading Member to deposit the Application Form from ASBA Applicants (A list of such designated branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html). ASBA Applicants Applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch, of a SCSB where the

ASBA Account is maintained (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, with a Trading Member of the Stock Exchanges or to the Members of the Syndicate;
- In case you are submitting the Application Form to a Member of the Syndicate, please ensure that the SCSBs with whom the ASBA Account specified in the Application Form is maintained, has a branch specified for collecting such Application Forms in the location where the Application Form is being submitted.

Don'ts:

- Do not apply for lower than the minimum application size;
- Do not pay the application amount in cash or by money order or by postal order or by stockinvest;
- Do not fill up the Application Form such that the NCDs applied for exceeds the issue size and/or investment limit applicable to such investor under laws or regulations applicable to such investor or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application Form will be rejected on this ground;
- Do not submit the Application Forms without the full Application Amount;
- Do not submit Application Forms in non-ASBA mode to any of the Collection Centres of the Bankers to the Issue/ Registrar/Company;

Don'ts for ASBA Applicants in addition to the above mentioned general instructions

- Payment of Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA;
- Do not send your physical Application Form by post. Instead submit the same to a Trading Member of the Stock Exchanges or to a Member of the Syndicate at the Specified Cities, as the case may be;
- Do not submit more than five Application Forms per ASBA Account;
- Do not submit the Application Form with a Member of the Syndicate or Trading Member of the Stock Exchanges, at a location other than where the Syndicate ASBA Centres are located (Specified Cities); and
- Do not submit ASBA Applications to a Member of the Syndicate or the Trading Members of the Stock Exchanges unless the SCSB where the ASBA Account is maintained as specified in the Application Form, has named at-least one Designated Branch, as displayed on the SEBI website (www.sebi.gov.in/pmd/scsb-asba.html) in the relevant area for the Members of the Syndicate or the Trading Members of the Stock Exchanges to deposit the Application Forms.

8. Other Instructions

A. Joint Applications

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 and at the address mentioned therein. PAN for all Joint applicants is compulsory.

B. Additional/ Multiple Applications

An applicant is allowed to make one or more applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ 5,000 and in multiples of ₹ 1,000 thereafter, for each application. Any application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, any application made by any person in his individual capacity and an application made by such person in his capacity as a karta of a Hindu Undivided family and/or as joint applicant, shall not be deemed to be a multiple application but for the

purpose of deciding whether the applicant will be considered under the Reserved Individual Portion or Unreserved Individual Portion, two or more applications, as above, will be clubbed together.

For the purposes of allotment of NCDs under the Issue, applications shall be grouped based on the PAN, i.e. applications under the same PAN shall be grouped together and treated as one application. Two or more applications will be deemed to be multiple applications if the sole or first applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple application for the aforesaid purpose if the PAN number of the sole or the first applicant is one and the same.

C. Depository Arrangements

As per the provisions of Section 68B of the Act, the allotment of NCDs of our Company can be made in both dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode) as well as physical form.

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Please note that tripartite agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

i. Tripartite Agreement dated November 28, 2007 and December 20, 2007 between us, the Registrar to the Issue and CDSL and NSDL, respectively for offering depository option to the investors,
ii. An applicant who wishes to apply for NCDs in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application,
iii. The applicant seeking allotment of NCDs in the Electronic Form must necessarily fill in the Demographic Details in the Application Form,
iv. NCDs allotted to an applicant in the Electronic Account Form will be credited directly to the applicant's respective beneficiary account(s),
v. For subscription in electronic form, names in the Application Form should be identical to those appearing in the account details in the depository.
vi. Non-transferable Allotment Advice/refund orders will be directly sent to the applicant by the Registrars to this Issue,
vii. If incomplete/incorrect details are given in the Application Form, it will be rejected.
viii. For allotment of NCDs in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, our Company would not be liable for losses, if any,
ix. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. NSE and BSE have connectivity with NSDL and CDSL,
x. Interest/ redemption amount or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on record date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the record date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of ten (10) Working Days.
xi. The trading of the NCDs shall be in dematerialized form only.

D. Communications

- All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the applicant and its application.
- Applicants can contact the Compliance Officer of our Company/Lead Managers/ Co-Lead

Managers or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non- receipt of Allotment Advice / credit of NCDs in depository's beneficiary account / refund orders, etc., applicants may contact the Compliance Officer of our Company/Lead Manager/ Co-Lead Managers or Registrar to the Issue.

9. Rejection of Application

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not duly signed by the sole/joint applicants (in the same sequence as they appear in the records of the depository), signature of sole and/ or joint applicant(s) missing;
- Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- In case of partnership firms, NCDs may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
- Date of Birth for First/ Sole Applicant for persons applying for allotment of NCDs in physical form not mentioned in the Application Form;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons;
- PAN of the Applicant not mentioned in the Application Form except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number furnished instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India including Applications by OCBs;
- Any application for an amount below the minimum application size;
- Application for number of NCDs, which are not in multiples of one;
- Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Application Form does not have applicant's depository account details (i.e. DP ID & Client ID) and has not opted for Allotment of NCDs in physical form;
- Applications accompanied by Stockinvest/money order/postal order;
- Application Forms not delivered by the applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Prospectus and the Application Form;
- In case the subscription amount is paid in cash;
- In case no corresponding record is available with the Depositories that matches three parameters namely, client ID, PAN and the DP ID;
- Applications submitted directly to the Escrow Collection Banks, if such bank is not the SCSB;
- Application Form accompanied with more than one cheque;
- For applications in demat mode, DP ID/Client ID/PAN as per Electronic file does not match with depository records
- Application not uploaded in to the Electronic files of Stock exchanges
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- ASBA Application Forms not being signed by the ASBA Account holder;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications where clear funds are not available in the Applicant's bank account as per final certificates from Escrow Collection Banks;

- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- ASBA Applications submitted to the Members of Syndicate or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

Kindly note that The ASBA Applications being submitted with the Member of the Syndicate or with the Trading Members of the Stock Exchanges should be submitted at the Syndicate ASBA Centres (only in Specified Cities). Further, ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one Designated Branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1343901524048.html).

For further instructions regarding application for the NCDs, investors are requested to read the Application Form.

10. Allotment Advice / Refund Orders

The unutilised portion of the application money will be refunded to the Applicant on the Designated Date and no later than twelve (12) working days from the Issue Closing Date in the manner as provided below:

a) In case of Applications made by Non-ASBA applicants on the Stock Exchange through the Members of the Syndicate/ Trading Members of the Stock Exchanges by making payment though cheques, the unutilised portion of the application money (includes refund amounts payable to unsuccessful Applicants and also the excess amount paid on Application) will be credited to the Bank Account of the Applicant as per the banking account details (i) available with the depositories for Applicants having Demat accounts and (ii) as provided in the Application Form for others by way of any of the following modes:

i. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
ii. NECS – Payment of refund would be done through NECS for Investors having an account at any of the 91 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
iii. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
iv. RTGS – If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
v. For all other Investors (non-ASBA) the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Investor and payable at par.
vi. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force and are permitted by the SEBI from time to time.

b) In case of ASBA Applications, the unutilised portion of the application money shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue, the Lead Managers and the Co-Lead Managers to the respective SCSBs.

Further,

- Allotment of NCDs shall be made within a time period of twelve (12) Working Days from the date of closure of the Issue;
- Credit to demat account will be given no later than twelve (12) Working Days from the date of the closure of the Issue;
- Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within twelve (12) Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every officer in default shall, on and from expiry of eight days, be liable to repay the money with interest at the rate of 15% as prescribed under Section 73 of the Companies Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Our Company will provide adequate funds to the Registrars to the Issue, for this purpose.

11. Retention of oversubscription

Our Company is making a public Issue of NCDs aggregating upto ₹ 2,500 million with an option to retain oversubscription of NCDs up to ₹ 2,500 million.

12. Basis of Allotment

The registrar will aggregate the applications based on the applications received through an electronic book from the stock exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

a) *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, **("*Institutional Portion*");**
b) *Applications received from Category II applicants:* Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*");**
c) *Applications received from Category III applicants:* Further with respect to applications received from Category III applicants, applications by applicants who apply for NCDs aggregating to a value not more than ₹ 0.5 million, across all series of NCDs (Option I and/or Option II and/or Option III), shall be grouped together, **("*Reserved Individual Portion*")** while applications by applicants who apply for NCDs aggregating to a value exceeding ₹ 0.5 million, across all series of NCDs (Option I and/or Option II and/or Option III), shall be separately grouped together, **("*Unreserved Individual Portion*")**.

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" "***Reserved Individual Portion***" and "***Unreserved Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as **"*Portions*"**

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue upto ₹ 2,500 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Basis of Allotment for NCDs

(a) Allotments in the first instance:

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs upto 40% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Lead Managers/ Co-Lead Managers/ SCSB (Designated Branch or online acknowledgement);
ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs upto 10% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/ Trading Members/ SCSB (Designated Branch or online acknowledgement));
iii. Applicants belonging to the Unreserved Individual Portion, in the first instance, will be allocated NCDs upto 25% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/ Trading Members/ SCSB (Designated Branch or online acknowledgement));
iv. Applicants belonging to the Reserved Individual Portion, in the first instance, will be allocated NCDs upto 25% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Members of the Syndicate/ Trading Members/ SCSB (Designated Branch or online acknowledgement));

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come first-serve basis, based on the date of upload of each application in to the Electronic Book with Stock Exchanges, in each Portion subject to the Allocation Ratio.

(b) Under Subscription:

Under subscription, if any, in Reserved Individual Portion or Unreserved Individual Portion shall first be met by inter-se adjustment between these two sub-categories. Thereafter, if there is any under subscription in any Portion, priority in allotments will be given in the following order:

i. Reserved Individual Portion
ii. Unreserved Individual Portion
iii. Non-Institutional Portion
iv. Institutional Portion
v. on a first come first serve basis.

For each Portion, all applications uploaded in to the Electronic Book with Stock Exchanges would be treated at par with each other. Allotment within a day would be on proportionate basis, where NCDs applied for exceeds NCDs to be allotted for each Portion respectively.

Minimum allotments of 5 NCDs and in multiples of 1 NCD thereafter would be made in case of each valid application.

(c) Allotments in case of oversubscription:

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of NCDs to the applicants on a first come first basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion).

(d) Proportionate Allotments: For each Portion, on the date of oversubscription:

i) Allotments to the applicants shall be made in proportion to their respective application size, rounded off to the nearest integer,
ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference,
iii) In the event, there are more than one applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(e) Applicant applying for more than one series of NCDs:

If an applicant has applied for more than one series of NCDs, and in case such applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers, Co-Lead Managers and Designated Stock Exchange.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers, Co-Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Our Company would allot Option II NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant Series of NCDs.

Please note in case KYC documents are not proper, Registrar shall hold back physical certificate alloted to the applicant pending receipt of complete KYC documents from Applicant and the Company shall keep in abeyance the payment of interest or other benefits, till such time. The Company shall also not be liable to pay interest for delay in depatch of the certificate incase of delay casued due to non reciept of proper KYC documents to the satisfaction of the Registrar.

13. Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their applications at any time prior to the closure of the Issue.

Pre-closure: Our Company, in consultation with the Lead Managers and Co-Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription for NCDs aggregating to75% of the Base Issue. Our Company shall allot NCDs with respect to the applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

14. Utilisation of Application Money

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

15. Utilisation of Issue Proceeds

i. All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Act.
ii. Details of all monies utilised out of Issue shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
iii. Details of all unutilised monies out of issue of NCDs, if any, shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
iv. We shall utilize the Issue proceeds only upon allotment of NCDs as stated in this Prospectus and on receipt of the minimum subscription of 75% of the Base Issue; and
v. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property; however the Issue Proceeds may be used for issuing Loans against securities.

Listing

The NCDs offered through this Prospectus are proposed to be listed on the NSE and BSE. Our Company has obtained an 'in-principle' approvals for the Issue from the NSE *vide* their letter dated August 27, 2012 and from BSE *vide* their letter dated August 27, 2012. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by NSE and/ or BSE, our Company will forthwth repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at NSE and/ or BSE are taken within twelve (12) working days from the date of closure of the Issue. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our Company, its Promoters and Board of Directors that may or may not have an adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company as of the date of this Prospectus.

Save as disclosed hereinbelow, there are no pending proceedings pertaining to:

- *matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature; and*
- *criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule XIII to the Act.*

Further from time to time, we have been and continue to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings. We believe that the number of proceedings in which we are / were involved is not unusual for a company of our size doing business in India. All legal proceedings which are in the normal course of our business and are of a civil nature have been disclosed by clubbing the aggregate number of litigations and the amounts involved therein.

IIFL in the normal course of broking and depository service caters to a large client base. In the course of such activities arbitration matters/client complaints/grievances/ exchange references etc. are received by IIFL through SEBI/ exchanges/depository/forums, etc. The same are resolved in the normal course of business from time to time. Also in the normal course of broking and depository business, pursuant to the exchanges/ depositories normal inspections / observations/ findings, etc. exchanges / depositories had issued warnings / minor monetary penalties, etc. against IIFL. These are paid and suitable corrective / rectification actions are taken by IIFL and reported to exchanges/ depositories from time to time. Similarly, IIFL has received requests / notices / summons from various regulatory authorities / enforcement agencies seeking submissions/ appearance /production of information / documents etc. relating to some of the clients/ transactions etc. with regard to their investigation/ enquiries and the same are submitted / attended to / complied with by IIFL from time to time. These investigations / enquiries are basically in the nature of requests / notices / summons for submission of information/ documents which are duly complied with by IIFL. These are not material and are not likely to have any material effect on the operations and finances of IIFL. Thus all these litigations below ₹1 crore that are of a civil nature and are in the normal course of our business have been disclosed by clubbing the aggregate amounts involved.

Litigations against our Company

Criminal Cases

1. Mr. Sthanmurthy Vishwanathan and Ms. Meera Vishwanathan ("**Complainants**") have filed criminal complaint number 65/Misc/08 ("**Complaint**") in the Court of Metropolitan Magistrate, 26th Court, Borivali, Mumbai ("**Court**") against our Company, IIFL and the directors of our Company (collectively referred to as the "**Accused**") alleging that the Accused had connived and misappropriated securities entrusted to them, causing losses of about ₹30 million to the Complainant and thereby committing offences under section 409, read with section 34 and 113 of the IPC.

   The Court took cognizance of the Complaint *vide* its order dated February 25, 2008 and ordered an investigation by the Kasturba Marg police station, in which the Accused were exonerated as the dispute was found to be civil in nature. The Complainants challenged the investigation report dated July 17, 2008, alleging that it was vague and made an application for re-investigation of the Complaint. The Court allowed this application *vide* its order dated January 8, 2010 and ordered re-investigation. The Court has further issued process under the IPC *vide* its order dated March 8, 2011 ("**Order**").

The investigating authorities have submitted the re-investigation report dated September 26, 2010 stating that there is no prima-facie case against the Accused. The re-investigation report further recommends that the Complainants and his representative be prosecuted under section 120B read with section 211 of the IPC for conspiring against the Accused, so as to pressurize the Accused into waiving off the Complainants' debit balance of ₹1.2 million with the Accused. The accused filed an Appeal (No. 43 of 2011) before the Sessions Court at Dindoshi for setting aside the issuance of summons. The Sessions court has stayed the proceedings of the lower Court and the matter is currently pending.

Civil Case

1. Mr. Rameswar Choudhary ("**Petitioner**") filed the writ petition number 13124 of 2012 dated June 22, 2012 before the High Court of Kolkata against Union of India, India Infoline Limited, our Company & Ors under Article 226 of the Constitution of India. The Petitioner has sought for a writ of mandamus directing the CBI to initiate investigation against the financial mismanagement and fraud by IIFL and our Company and also to investigate the role of the state respondents into such fraud. The matter is currently pending.

Consumer Cases

1. Mr. Surender Kumar ("**Complainant**") filed a consumer complaint number 365/08 against our Company before the District Consumer Disputes Redressal Forum, New Delhi alleging execution of unauthorized trades resulting in losses to the Complainant. The aggregate amount claimed by the Complainant is ₹ 0.45 million. The matter is currently pending.

2. Mr. Kuldeep Singh ("**Complainant**") filed a consumer complaint bearing number 366/08 against our Company before the District Consumer Disputes Redressal Forum, New Delhi alleging execution of unauthorized trades resulting in losses to the Complainant. The aggregate amount claimed by the Complainant is ₹ 0.55 million. The matter is currently pending.

3. Smt. Malavika Nanda ("**Complainant**") filed a consumer complaint miscellaneous case number 93/2012 (arising out of C.D. Case number 242 of 2012 dated August 14, 2012) ("**Complaint**") against our Company before the District Consumer Disputes Redressal Forum, Khurda, Bhubaneswar alleging that our Company is going to auction the gold ornaments of an approximate value of ₹2.4 million without intimating the Complainant with the support of some hidden clause. Aggrieved, the Complainant filed the Complaint praying that our Company be directed not to auction the valuable gold ornaments till the disposal of the original case. The Forum *vide* order dated August 14, 2012 directed our Company not to take any coercive action against the Complainant subject to payment of ₹ 0.12 million and interest. The matter is currently pending.

Litigations by our Company

Criminal Cases

1. Our Company filed a criminal complaint number 10250/SS/2008 ("**Complaint**") in the Court of Chief Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai against Mr. Jay Chandiramani ("**Accused**") under section 138 and 141 of the Negotiable Instruments Act, 1881, whereby our Company has claimed that a cheque dated April 25, 2008 amounting to ₹ 0.19 million issued by the Accused was dishonoured. Our Company served a demand notice dated May 22, 2008 upon the Accused, directing the Accused to make the payment within fifteen days, to which no response was received, subsequent to which the complaint was filed. The matter is currently pending.

2. Our Company has filed a complaint dated June 5, 2012 ("**Complaint**") against M/s Dear Investment ltd viz Mr. Sanjay Dalmia, Jitendra Sinha, Mr. Murlidhar Vyas, Mr. Suraj Gurung, Mr. Jitendra Kumar Sinha and Manohar Ram (together referred as "**Accused**") for cheating in Vanrai Police station, Goregaon East, Mumbai. The Accused has made false representation to our Company regarding the pledge of shares and suppressed vital information regarding the said shares being preferential shares and about the same being kept in lock in period, also original share certificates of the pledged shares under the supplemental pledge agreement were never delivered by the Accused to our Company and only certain share warrants were delivered. Our Company alleges that the Accused deceived us and our

officer in parting of ₹ 15-20 crores approx as loan to M/s Dalmia Housing Finance limited from time to time. Aggrieved, our Company has filed the Complaint against the Accused. The matter is currently pending.

3. Our Company has filed a complaint dated May 22, 2012 ("**Complaint**") against M/s Dalmia Housing Finance ltd viz Mr. Sanjay Dalmia, Mr Pradeep Kumar, Mr. Murlidhar Vyas and Mr. Sanjay Jalan (together referred as "**Accused**") in Vanrai Police station, Goregaon East, Mumbai for cheating. The Accused has made false representation to our Company regarding pledge of shares and about the same being kept in lock in period, the original share certificates of the pledged shares under the supplemental pledge agreement were never delivered by the Accused to our Company, by suppressing this vital information and by making false representation to our Company, the Accused deceived our Company and our officer in parting of ₹ 15-20 crores approx as loan to the M/s Dalmia Housing Finance ltd from time to time. Aggrieved, our Company has filed the Complaint against the Accused. The matter is currently pending.

4. Our company has lodged an FIR bearing number 228 before the south west delhi police station against mr. Arun thomas ("**Accused**") for cheating, criminal breach of trust and misappropriation for an amount of ₹ 0.23 million. Our company alleges that the accused had pledged fake and spurious gold jewels. The matter is currently pending.

5. Our company has lodged an FIR bearing number 323 before the officer in charge girish park police station against kashinath banerjee, surajit manik, bhola shaw and manoj singh (together referred to as the "**Accused**") for misappropriation of company's fund and cheating the company for an amount of ₹ 2 million in relation to its business of loan against gold. The matter is currently pending.

6. Our company has lodged an FIR bearing number 293/11 before the inspector in charge uttarpara police station against mr. Ranjith kumar roy and others (together referred to as the "**Accused**") for misappropriation of company's fund and cheating the company for an amount of ₹ 3 million in relation to its business of loan against gold. The matter is currently pending.

7. Our company has filed an FIR number 754/2011 before the police station at vijayawada against Mrs kavitha for cheating, criminal breach of trust, theft and misappropriation of jewels to the tune of ₹ 8.49 million. The matter is currently pending.

8. Our Company has filed an FIR number 537/2011 before the police station at Sahakar Nagar Police Station against Geeta Ghate , Sangeeta Bhilare , Umesh Ambekar and others for cheating, criminal breach of trust, theft and misappropriation of jewels to the tune of ₹ 2.07 million. The matter is currently pending.

Cases filed under Section 138, Negotiable Instruments Act, 1881

1. Our Company has filed two cases under Section 138, Negotiable Instruments Act, 1881 against loan against security clients which relate to the dishonouring of cheques received by IIFL towards payment of outstanding loan amount. The amount involved in these two cases is approximately ₹ 117 million. Both the matters are under settlement.

Tax cases

1. The Deputy Commissioner of Income Tax issued a notice of demand number OE/II/136/26/2009-2010 dated November 20, 2009 under section 156 of the Income Tax Act, 1961 to our Company demanding payment of an amount of ₹ 4.47 million as income tax determined against us for the assessment year 2007-2008. The matter is pending.

Civil cases

1. Our Company filed individual summary suits against Ms. Suby Sajan, Mr. Kiran G Magavi, Mr. Ajay Kumar Chugh, Mr. Sushil Kumar Bansal, Mr. Kaushik Shah, Mr. Mukesh Kanji Bhanushali, Mr. Vinodhchandra Motilal Modh, Mr. Dinesh Mehta, Mr. Wasim M Shaikh, Mr. Sunil kukreja, Ms. Smita Vora, Mr. Shayamlal Daulatram Vachhani, Mr. Debabrata Chatterjee, Ms. Nancy Joachim Lasrado, Mr. K.T. Ashoka, Mr. Muraleedharan Narayan Kutty, Mr. Naresh Kumar Shah, M Kanniyakkumar, Ms

Mumtaz H Panjwani, Mr. Vikram T Shah, Mr. P. Suresh, Mr. A Janardhana Reddy, Ms. Renu Deepak Keswani, Mr. Samsul Alom, Mr. Dhirubhai Labhubhai Narol, M/s Actal, Mr. Paramjeet Singh Saluja, Ms Cherukuri Sujata, Mr. Sivarajan and Ajay Kumar Chug HUF respectively (referred to as "**Defendants**") before the High Court of Judicature at Bombay.

The Defendants had in their individual capacities approached our Company for finance facilities for trading in securities/commodities/derivatives. The aggregate of all amounts due and payable to our Company is ₹ 23.04 million. Subsequently, our Company has issued various demand notices calling upon the Defendants to make payment of the amounts due. Upon not receiving any communication from the Defendants, our Company has instituted the aforementioned suits before the High Court of Judicature at Bombay against each of the Defendants praying for decrees directing them to clear the dues along with interest at the rate of 24% from the date of filing of each of the suits till the payment and realization of each of the outstanding amounts. All the matters are currently pending.

2. Our Company filed a summary suit number (L) 207 of 2010 dated January 25, 2011 before the High Court of Judicature at Bombay against Sthanumurthy V Viswanathan ("**Defendant 1**") and IIFL ("**Defendant 2**") (together referred to as the "**Defendants**"). Defendant 1 had opened a dematerialized account with Defendant 2 for the purpose of trading in securities and had approached our Company for availing financing facilities to finance its trading activities. Our Company claimed that there was a debit balance of ₹ 27.90 million in the account of Defendant 1 pursuant to trading and that the Defendant 1 failed and neglected to make payment of the said amount. Hence our Company sold the shares lying in the account of Defendant 1 leaving a net debit balance of ₹ 1.25 million. Our Company further claims that they had issued notice dated March 14, 2008 calling upon Defendant 1 to make payment but Defendant 1 neglected to pay the above said amount. Our Company further claims that the amount outstanding, due and payable by Defendant 1 as per the statement of account dated January 24, 2011 is ₹ 2.12 million. Hence our Company filed the present suit praying that the Defendant 1 be ordered and decreed to pay an amount of ₹ 2.12 million together with interest at the rate of 24 % per annum. The matter is currently pending.

3. Our Company ("**Petitioner**") filed a writ petition number 7508 of 2012 ("**Writ**") dated March 06, 2012 before the High Court of Bangalore ("**Bangalore High Court**") against the State of Karnataka ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the notice dated August 17, 2011 seeking to bring the Petitioner under the provisions of the Karnataka Money Lenders Act, 1961 and the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The Petitioner has submitted that the said notice is illegal and unconstitutional and violative of the Reserve Bank of India Act, 1934. The matter is currently pending.

Money line Credit Limited (Merged into our Company)

1. Moneyline Credit Limited (now merged with India Infoline Finance Ltd.) has filed 184 cases under section 138 of the Negotiable Instruments Act, 1881 against various clients in relation to the dishonoring of cheques received by IIFL towards payment of EMI or outstanding dues of personal loans. The aggregate amount involved in these cases is approximately ₹ 2.9 million. The cases are pending at various their stages of adjudication.

2. Moneyline Credit Limited (now merged with India Infoline Finance Limited) has filed 993 cases under Section 25 of the Payment and Settlement System Act, 2007 against various clients which relate to the dishonouring of ECS received towards payment of EMI or outstanding dues of personal loans. The aggregate amount involved in these cases is approximately ₹ 11 million. The matters are pending at various stages of adjudication.

3. Moneyline Credit Limited (now merged with India Infoline Finance Limited) has filed 31 cases for execution of award issued by Sole Arbitrator against various clients with regard to payment of outstanding dues of personal loans. The aggregate amount involved in these cases is approximately ₹ 23 million. In 13 cases we have received attachment orders from High Court of Mumbai & Jaipur. The matters are currently pending.

4. Moneyline Credit Limited (now merged with India Infoline Finance Limited) has filed 410 cases before Sole Arbitrator against various clients which relate to payment of outstanding dues of personal loans.

The aggregate amount involved in these cases is approximately ₹ 230 million. The cases are pending at various stages of adjudication.

Litigations against our Promoter

Criminal Cases

1. Ms. Romila Kapoor ("**Complainant**") filed a complaint case number 502/2009 dated August 27, 2009 before the Additional Chief Judicial Magistrate at Sealdah against Mr. Tarique Mondal ("**Accused 1**"), Mr. Jaypatee Singh Duggar ("**Accused 2**"), Mr. Nirmal Jain ("**Accused 3**"), Mr. R Venkataraman ("**Accused 4**"), Mr. Nilesh Vikamsey ("**Accused 5**") and Mr. Satpal Khattar ("**Accused 6**") (collectively referred to as the "**Accused**"). Accused 1 is the relationship manager and Accused 2 is the owner of the franchisee office of IIFL and Accused 3 to Accused 6 are the directors of IIFL. The Complainant claims that Accused 1 and 2 approached her for opening a dematerialized account stating that they are the franchisees of IIFL. The Complainant handed over a sum of ₹ 0.05 million and signed certain papers as part of opening the dematerialized account. The Complainant further claims that on receiving no information about the dematerialized account, the Complainant rushed to the office of IIFL, where she came to know that the Accused conspired with each other, forging the signature of the Complainant and cheated her of more than ₹ 4.9 million. The Complainant further claims that the Accused 3 to 6 had full knowledge and positive interference of the ill activities of the Accused 1 and 2. Hence, aggrieved the Complainant has filed the present complaint accusing the Accused of having committed an offence under section 420, 468, 471, 406, 409 and 120B of the IPC and praying that the court be pleased to pass an order directing the Beniapukur police station for investigation over this matter, treating this complaint as an FIR in pursuance of section 156 (3) of Criminal Procedure Code, 1973. The matter is pending.

2. M. Shakeel Khan ("**Complainant**") filed a criminal complaint number 1813 of 2008 dated July 24, 2008 before the Court of Additional Chief Metropolitan Magistrate, Patiala House, New Delhi ("**Court**") against India Infoline Securities Private Limited (currently IIFL) ("**Accused 1**"), Mr. Nirmal Jain ("**Accused 2**"), Mr. R. Venkatraman ("**Accused 3**") and Mr. Sanjay Sharma ("**Accused 4**") (collectively referred to as "**Accused**"). The Complainant had opened a dematerialized account with Accused 1 and transferred all his holdings from his dematerialized account maintained with Elite Management Services. Subsequently, the Complainant claims that he decided to close the dematerialized account with Accused 1, but Accused 1 refused to transfer shares into the Complainant's account. The Complainant further claims that Accused 1 had illegally and without authorization sold the shares in conspiracy with Accused 2 to 4 and thus the Accused caused financial loss to the Complainant. Hence, the Complainant filed the present complaint under section 200 of the Criminal Procedure Code, 1973 praying that the court be pleased to summon and try the Accused for an offence under section 409, 420 and 120-B of the Indian Penal Code, 1860. The Complainant also filed an application under section 156 (3) of the Criminal Procedure Code, 1973. Subsequently the Court *vide* order dated October 12, 2009 took cognizance of the offence under section 409/34 of the Indian Penal Code, 1860 and issued summons to the Accused. Aggrieved, Accused had filed individual miscellaneous criminal cases bearing numbers CRL. M.C.No. 2053, CRL. M.C.No. 2054, CRL. M.C.No. 2055 and CRL. M.C.No. 2056 of 2010 before the High Court of Delhi under section 482 of the Criminal Procedure Code, 1973 for quashing the criminal proceedings pending before the Metropolitan Magistrate Court, Patiala House, in criminal case number 1813 of 2008. The Court *vide* order dated January 14, 2010 admitted the petitions and stayed the proceedings of Patiala House Court. The matters are currently pending.

3. GHCL Employees Stock Option Trust ("**Complainant**") filed a complaint case number 1689 of 2008 dated November 24, 2008 ("**Complaint**") before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi ("**Court**") against India Infoline limited ("**Accused 1**"), Nirmal Jain ("**Accused 2**"), Kanti Sinha ("**Accused 3**"), Venkataraman Rajamani ("**Accused 4**"), Arun kumar Purwar ("**Accused 5**"), Nilesh Shivji Vikamsey ("**Accused 6**") and Nimish Ramesh Mehta ("**Accused 7**") (together referred to as "**Accused**"). The trustees of the Complainant had opened a dematerialized account with IIFL, after which the Complainant kept on purchasing shares. Subsequently, IIFL *vide* letter dated April 30, 2008 informed the Complainant of an outstanding debit of ₹ 104.8 million and the existence of lien on the 2,046,195 shares purchased by the Complainant. The Complainant claims that the said amount was duly paid by the Complainant and later on, it transpired that the correct amount as reflecting in the statement of account of the Complainant was ₹ 102.28 million. Further, the

Complainant also alleged that, IIFL instead of refunding the excess amount of ₹ 2.52 million asked the Complainant to clear the debits of five companies and on failure IIFL sold off 67,000 shares belonging to the Complainant illegally and without any authorization. Aggrieved the Complainant filed the Complaint to try and punish the Accused under section 403/406/409/420/477-A/34/120B of the Indian Penal Code, 1860.

Aggrieved by this summons order all the Accused filed quashing petition challenging the said Summoning order before the Delhi High Court. Delhi High Court by its order dated December 14, 2009 quashed and set aside the complaint /summons against all the directors and Company Secretary on all the charges/grounds. As against the Company the charges of Cheating has been dropped and only the charges of Criminal Breach of Trust has been allowed to be continued. The Complainant trust has filed an appeal against the High Court order in the Supreme Court and the appeal is pending, however, the High Court order has not been stayed by Supreme Court.

GHCL Employees Stock Option Trust ("**Petitioner**") filed a special leave petition (criminal) bearing number 3086 of 2010 dated March 17, 2010 ("**Petition**") against IIFL before the Supreme Court of India along with an application for ex-parte stay dated March 17, 2010 to stay the operation of order dated December 14, 2009 ("**Order**"). The Petitioner filed the Petition against the Order passed by the High Court of Delhi partly quashing the summoning order dated September 27, 2008 ("**Order 1**"), issued by the Metropolitan Magistrate, New Delhi summoning IIFL to face trial for the offences under section 406, 409, 415, 477A,34/120B of the IPC. The Order held that no offence of cheating is made out against IIFL. Supreme Court has not granted any stay on the High Court order dt.14/12/09 and the matter is currently pending before the Supreme Court of India.

4. GHCL Employees Stock Option Trust ("**Complainant**") filed a complaint case number 5835 of 2008 ("**Complaint**") before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi ("**Court**") against IIFL ("**Accused 1**"), Mr. Nirmal Jain ("**Accused 2**"), Mr. Kanti Sinha ("**Accused 3**"), Mr. R. Venkataraman ("**Accused 4**"), Mr. Arun Kumar Purwar ("**Accused 5**"), Mr. Nilesh Vikamsey ("**Accused 6**") and Mr. Nimish Ramesh Mehta ("**Accused 7**") (collectively referred to as "**Accused**"). The trustees of the Complainant had opened a dematerialized account with IIFL, after which the Complainant purchased shares. Subsequently, IIFL *vide* letter dated April 30, 2008 informed the Complainant of an outstanding debit of ₹ 104.8 million and the existence of lien on the 2,046,195 shares purchased by the Complainant. The Complainant claims that the said amount was duly paid by the Complainant and subsequently, it transpired that the correct amount as reflecting in the statement of account of the Complainant was ₹ 102.28 million. Further, the Complainant also alleged that, IIFL instead of refunding the excess amount of ₹ 2.52 million asked the Complainant to clear the debits of five companies and on failure IIFL sold 67,000 shares belonging to the Complainant illegally and without any authorization. Aggrieved the Complainant filed the Complaint to try and punish the Accused under sections 403, 406, 409, 420, 477-A, 34 and 120B of the IPC. The matter is currently pending.

5. GHCL Employees Stock Option Trust (**"Complainant**") filed a complaint case number 312 of 2009 dated November 24, 2008 ("**Complaint**") before the Court of Additional Chief Judicial Magistrate, Patiala Ho**use C**ourt, New Delhi ("**Court")** against IIFL ("**Accused 1"),** Mr. Nirmal Jain ("**Accused 2")**, Mr. Kanti Sinha **("Accused 3**"), Mr. R. Venkataraman ("**Accused 4"**), Mr. Arun Kumar Purwar ("**Accused 5**"), Mr. Nilesh Vikamsey ("**Accused 6**") and Mr. Nimish Ramesh Mehta ("**Accused 7**") (together referred to as "**Accused**"). The trustees of the Complainant had opened a dematerialized account with IIFL, after which the Complainant purchased shares. Subsequently, IIFL *vide* letter dated April 30, 2008 informed the Complainant of an outstanding debit of ₹ 104.8 million and the existence of lien on the 2,046,195 shares purchased by the Complainant. The Complainant claims that the said amount was duly paid by the Complainant and later on, it transpired that the correct amount as reflecting in the statement of account of the Complainant was ₹ 102.28 million. Further, the Complainant also alleged that, IIFL instead of refunding the excess amount of ₹ 2.52 million asked the Complainant to clear the debits of five companies and on failure IIFL sold 100,000 shares belonging to the Complainant illegally and without any authorization. Aggrieved the Complainant filed the Complaint against the Accused under sections 403, 406, 409, 420, 477-A, 34 and 120B of the IPC. The matter is currently pending.

6. GHCL Employees Stock Option Trust (**"Complainant**") file**d** a complaint case number 5836 of 2008 dated November 11, 2008 **("Complaint**") before the Court of Additional Chief Judicial Magistrate,

Patiala House Court, New Delhi **("Court**") against IIFL **("Accused 1")**, Mr. Nirmal Jain **("Accused 2**"), Mr. Kanti Sinha **("Accused 3**"), Mr**.** R. Venkataraman **("Accused 4**"**)**, Mr. Arun Kumar Purwar **("Accused 5**"), Mr. Nilesh Vikamsey **("Accused 6**") and Mr**.** Nimish Ramesh Mehta **("Accused 7**") (collectively referred to as the "**Accused**"). The trustees of the Complainant had opened a dematerialized account with IIFL, after which the Complainant purchased shares. Subsequently, IIFL *vide* letter dated April 30, 2008 informed the Complainant of an outstanding debit of ₹ 104.8 million and the existence of lien on the 2,046,195 shares purchased by the Complainant. The Complainant claims that the said amount was duly paid by the Complainant and subsequently, it transpired that the correct amount as reflecting in the statement of account of the Complainant was ₹ 102.28 million. Further, the Complainant also alleged that, IIFL instead of refunding the excess amount of ₹ 2.52 million asked the Complainant to clear the debits of five companies and on failure IIFL sold off the 266,727 shares belonging to the Complainant illegally and without any authorization. Aggrieved the Complainant filed the Complaint against the Accused under sections 403, 406, 409, 420, 477-A, 34 and 120B of the IPC. The matter is currently pending.

7. **S**adashiv Pandurang Mantri ("**Complainant**") filed a complaint before the Kothrud police station against IIFL and the employees of IIFL (collectively referred to as the "**Accused**"), alleging that the Accused had done unauthorized buying and selling of shares from the account of the Accused. The complaint was filed alleging an offence under sections 406, 420, 467, 468 and 34 of the IPC. The Authority after the investigation filed the final report with the Judicial Magistrate Class I ("**Court**") stating that the allegations of the Complainant are false and that the said complaint was filed with the intention of getting refund from IIFL. The matter is curently pending before the Court.

8. Mr. Sthanmurthy Vishwanathan and Ms. Meera Vishwanathan ("**Complainant**") has filed criminal complaint number 65/Misc/08 ("**Complaint**") in the Court of Metropolitan Magistrate, 26th Court, Borivali, Mumbai ("**Court**") against our Company, IIFL and the directors of our Company (collectively referred to as the "**Accused**") alleging that the Accused had connived and misappropriated securities entrusted to the Accused, causing losses of about ₹ 30 million to the Complainant and thereby committing offences under section 409, read with sections 34 and 113 of the IPC.

   The Court took cognizance of the Complaint *vide* its order dated February 25, 2008 and ordered an investigation by the Kasturba Marg police station, in which the Accused were exonerated as the dispute was found to be civil in nature. The Complainant challenged the investigation report dated July 17, 2008, alleging that it was vague and made an application for re-investigation of the Complaint. The Court allowed this application *vide* its order dated January 8, 2010 and ordered re-investigation.

   The police station has submitted the re-investigation report dated September 26, 2010 stating that there is no prima-facie case against the Accused under the Act. The re-investigation report further recommends that the Complainant and his representative be prosecuted under section 120B read with section 211 of the IPC for conspiring against the Accused, so as to pressurize the Accused into waiving off the Complainant's debit balance of ₹ 1.22 million. The Court has without considering the Reinvestigation Report, issued process under various sections of IPC *vide* its order dated March 8, 2011 ("**Order**").

   The accused filed an Appeal (No. 43 of 2011) before the Sessions Court at Dindoshi for setting aside the issuance of summons. The Sessions court has stayed the proceedings of the lower Court and the matter is currently pending.

9. Mr. Ram Pravesh Singh ("**Complainant**") filed a complaint case number 1006 (c) of 2008 dated June 30, 2008 ("**Complaint**") before the Court of Sessions and District Judicial Magistrate, Muzaffarpur ("**Court**") against IIFL, Mr. Nirmal Jain, Mr. R Venkatraman, Mr. Satlpal Khattar, Mr. Nilesh Vikamsey, Mr. Kranti Sinha and Mr. Rajiv Kumar (together referred to as the "**Accused**"). The Complainant had opened a dematerialized account with the Accused and claims to have issued cheques in the name of IIFL amounting to ₹ 0.32 million. The Complainant further alleges that even after encashing all the cheques amounting to ₹0.32 million, Accused have not delivered neither a single share nor ID password nor ledger password to the complainant. Subsequently, the Complainant *vide* letters dated February 2, 2008 and February 18, 2008 called upon the Accused to refund the money with interest. Further, the Complainant claims that the Accused had issued a legal notice dated February 27, 2008 demanding payment of ₹0.06 million to the Accused within seven days. Aggrieved the Complainant filed the Complaint accusing the Accused of having committed criminal conspiracy,

cheating, breach of trust and criminal misappropriation and praying that the Court be pleased to take cognizance of the offence and also issue summons for their appearance. The Court *vide* order dated August 16, 2008 took cognizance under sections 409, 420 and 120B of the IPC. Mr. Nirmal Jain and Mr. R. Venkatraman filed petition number 41984 of 2009 dated November 24, 2009 before the High Court of Patna for setting aside the order dated August 16, 2008 of the Court. The matter is currently pending.

10. Mr. Satyaprakash Agarwal and Family ("**Complainants**") lodged a complaint dated March 11, 2008 ("**Complaint**") with the Joint Commissioner of Police against IIFL. The Complainants claims that IIFL had caused a loss to them through their agreement which confers all rights to IIFL to deal with the Complainants shares as they wish. Further the Complainant alleges IIFL of selling their shares at throwaway prices in the name of recovery of margin money resulting in a loss of ₹6.3 million. Aggrieved the Complainant filed the Complaint requesting the authority to take appropriate action against the managing director and senior officers of IIFL. The matter is currently pending.

11. Mrs. Aarti Gunjikar ("**Complainant**") lodged a complaint number CR. No. 47/00 dated January 31, 2009 ("**Complaint**") with Bandra police station against IIFL, Mr. Vinit Kumar, Mr. Nirmal Jain, Mr. R. Venkataraman, Mr. Nitin Khandelwal, Mr. Sandesh Nandode and Mr. Chintan Modi (collectively, the "**Accused**") under sections 409, 420, 506 and 120 (B) of the IPC. Subsequently Mr. Nitin Khandelwal and Mr. R. Venkataraman were arrested by the police on April 6, 2009 and July 16, 2009 respectively. On July 16, 2009 the Complainant entered into a settlement with the Accused whereby the Complainant agreed to withdraw her Complaint against the Accused on the payment of ₹ 1.8million. An application for bail number 217/BA/09 dated April 9, 2009 was filed in the Court of the Additional Chief Metropolitan Magistrate, 12th Court, Bandra, Mumbai under section 437 of the Code of Criminal Procedure, 1973 ("**Code**") on for the release of Mr. Nitin Khandelwal. Similarly an application for bail number 427/BA/09 was filed in the Court of the Additional Chief 9th Court, Bandra, Mumbai under section 437 of the Code on July 17, 2009 for the release of Mr. Venkataraman. Bail was granted and Mr. Nitin Khandelwal and Mr. Venkataraman were released from police detention after a period of 3 days. IIFL in a letter dated February 25, 2010 to the Additional Commissioner of Police, West Region, Carter Road, Bandra, Mumbai submitted that the Complainant had leveled false charges of cheating, criminal breach of trust against the Accused thereby leading to their detention. Mr. Nirmal Jain, Mr. R. Venkatraman, Mr. Chintan Modi and Mr. Nitin Khandelwal filed criminal writ petition 1927/2010 dated June 23, 2010 with the High Court of Judicature at Bombay for appropriately directing the investigating authorities from taking any further action and set aside the complaint filed by the Complainant. The High Court *vide* order dated October 25, 2010 directed that the investigating authorities should not take any coercive steps against the Accused. In the meantime, Bandra Police has filed its final Report in March 2011 before the Additional Chief Metropolitan Magistrate, 12th Court, Bandra, Mumbai, whereby, no charge has been made against Mr. Nirmal Jain, Mr. R. Venkatraman, Mr. Chintan Modi and Mr. Nitin Khandelwal and they have been acquitted. The matter is currently pending only against the ex-relationship manager i.e. Mr. Vineet Kumar.

12. Ms. Monalika Mishra ("**Complainant**") filed a complaint case number 1007 (c) of 2008 dated June 30, 2008 ("**Complaint**") before the Court of Sessions and District Judicial Magistrate, Muzaffarpur ("**Court**") against IIFL, Mr. Nirmal Jain, Mr. R Venkatraman, Mr. Satlpal Khattar, Mr. Nilesh Vikamsey, Mr. Kranti Sinha and Mr. Rajiv Kumar (together referred to as the "**Accused**") under section 409, 420 and 120 B of the Indian Penal Code, 1860. The Complainant had opened a dematerialized account with the Accused and claims to have issued cheques in the name of IIFL amounting to ₹ 0.75 million. The Complainant further claims that the cheques amounting to ₹ 0.75 million were encashed by the Accused. The Complainant alleges the Accused of having performed unauthorized illegal trading resulting in huge loss to the Complainant. Aggrieved the Complainant filed the Complaint accusing the Accused of having committed criminal conspiracy, cheating, breach of trust and criminal misappropriation and praying that the Court be pleased to take cognizance of the offence and also issue summons for their appearance. The Court *vide* order dated August 16, 2008 took cognizance under sections 409, 420 and 120B of the IPC. Mr. Nirmal Jain and Mr. R. Venkatraman filed petition number 41983 of 2009 dated November 24, 2009 before the High Court of Patna for setting aside the order dated August 16, 2008 of the Court. The matter is currently pending.

13. Dr. Sudhir Kumar Singh filed a complaint case number 1008 (c) of 2008 dated June 30, 2008 ("**Complaint**") before the Court of Sessions and District Judicial Magistrate, Muzaffarpur ("**Court**") against IIFL, Mr. Nirmal Jain, Mr. R Venkatraman, Mr. Satlpal Khattar, Mr. Nilesh Vikamsey,

Mr.Kranti Sinha and Mr. Rajiv Kumar (together referred to as the "**Accused**") under section 409, 420 and 120 B of the Indian Penal Code, 1860. The Complainant had opened a dematerialized account with the Accused and claims to have issued cheques in the name of IIFL amounting to ₹ 2.6 million. The Complainant further claims that the cheques amounting to ₹ 2.6 million were encashed by the Accused. The Complainant further alleges the Accused of having performed unauthorized illegal trading. Aggrieved the Complainant filed the Complaint accusing the Accused of having committed criminal conspiracy, cheating, breach of trust and criminal misappropriation and praying that the Court be pleased to take cognizance of the offence and also issue summons for their appearance. The Court *vide* order dated August 16, 2008 took cognizance under sections 409, 420 and 120B of the IPC. Mr. Nirmal Jain and Mr. R. Venkatraman filed petition number 41950 of 2009 dated November 23, 2009 before the High Court of Patna for setting aside the order dated August 16, 2008 of the Court. The matter is currently pending.

14. Mr. JV Bodat, Cooperative labour officer and minimum wages act supervisor ("**Complainant**") filed a criminal case number 974/09 dated March 4, 2009 ("**Complaint**") before the court of Judicial Magistrate, Ankleshwar against IIFL and Mr. Nirmal Jain (together referred to as the "**Accused**"). The Complainant had visited IIFL on January 31, 2009 and came to the conclusion that IIFL comes under the Minimum Wages Act ("**Act**") and further, IIFL was investigated under the Act. The Complainant alleges IIFL of not keeping or maintaining records and registers which is a punishable crime under the Act. Hence the Complainant filed the Complaint praying that action be taken against the Accused under section 9 (b) of the Act. The matter is currently pending.

15. Mr. D.P. Makwana ("**Complainant**") filed a criminal case number 414/2010 dated April 12, 2010 ("**Complaint**") before the Chief Metropolitan Magistrate at Ahmedabad against IIFL and Mr. Nirmal Jain (together referred to as the "**Accused**"). The Complainant alleged IIFL of violating the provisions of Section 8(3) of the Apprentices Act, 1961 and of having committed an offence punishable under Section 30(1)(c) read with Section 32 of the Act by not filling up any posts as against 9 posts to be filled by apprentices. The Complainant further alleged IIFL of having saved an amount of ₹ 0.06 million payable towards stipend, by not filling up the posts of apprentices during the period from August 1, 2009 to October 15, 2009 as required under the Act. Hence the Complainant filed the Complaint praying that action be taken against the Accused and the Accused be punished considering the evidence. The matter is currently pending.

16. Ms Chandrani Shaw ("**Complainant**") filed a complaint number C 4482/2010 dated July 12, 2010 before the Chief Judicial Magistrate, Alipore against Mr. Rabindra Nath Sen and Mr. Arijit Chowdhary (employees of IIFL) ("**Accused**"). The Complainant had opened a demat account with IIFL. The Complainant alleges the Accused of entering into a criminal conspiracy and thereby inducing the Complainant of delivering cheque for purchase of shares on the condition that the cheque could be encashed only on the consent of the Complainant and that the Accused had withdrawn an amount of ₹ 0.27 million from the Complainants account without her consent. Hence aggrieved the Complainant filed the present complaint praying that the complaint be sent to O/S Bhowanipore Police Station for treating the same as an FIR under section 156 (3) of the Criminal Procedure Code, 1963 and to start investigation. The Chief Judicial Magistrate *vide* order dated June 30, 2010 send the complaint to O/S Bhowanipore Police Station for treating the same as an FIR and to start investigation and submit report to the Chief Judicial Magistrate under sections 420,406,460,467,471,34, 120B of the Indian Penal Code 1860. The matter is currently pending.

17. Ensemble ("**Complainant**") filed a criminal complaint bearing CC No. 86 of SW of 2009 before the Metropolitan Magistrate 29th Court ("**Court**") against the directors of IIFL including Mr. Nirmal Jain, Mr. Nilesh Vikamsey, Mr. R Venkatraman and Mr. Arun K Purwar **("Accused**") alleging offences under sections 403, 406, 420, 504, 506 read with section 34 of Indian Penal Code, 1860. The Accused appointed the Complainant to carry out interior designing work at IIFL's office at Indiabulls, Lower Parel. The Complainant alleged the Accused of illegally repudiating the agreement dated June 2, 2008 stating delay on the part of the Complainant. The Complainant further alleges the Accused of having illegally misappropriated the valuable property of the Accused for their personal use. Further, the Complainant alleges the Accused of cheating, misappropriation of funds, criminal breach of trust etc. Aggrieved the Complainant filed the Complaint for initiating investigation under section 156(3) of Criminal Procedure Code. The Court ordered for Investigation under section 156 (3) of Criminal Procedure Code, 1963 by N.M. Joshi Marg Police station ("**Authority**"). Subsequently, the Authority filed its report concluding that the dispute between the parties is civil in nature and that private

arbitration before the High Court is pending. The matter is currently pending before the Court for acceptance of the police report.

18. Mr. Gautam Anil Kumar Chakraberty ("**Complainant**") lodged a first information report number 84 of 2011 dated March 05, 2011 with Gangapur Police Station, Nashik against IIFL alleging offence under section 420, 406 of the Indian Penal Code, 1860. The Complainant had accused IIFL of misappropriating the Complainant's shares. IIFL has filed a reply with Gangapur Police Station, Nashik stating that the Complainant was aware of the matter at all the time and the complaint is false and malicious. The matter is currently pending.

19. A First Information Report (Case No. 200) has been registered on August 17, 2011 against Arijit Dhar, Arindam Sarkar and Nilesh Gupta all of whom are employees of IIFL in the Lake Police station, Kolkata, on the basis of a complaint made by one Mr. Arunava Patra.under sections 348, 153Aand 114 of the IPC All the Accused have been granted bail by an order of the Chief Judicial Magistrate at Alipore dated August 23, 2011. The case is pending.

20. An FIR (No. 1651/2011) has been registered against employees of IIFL on September 21, 2011 on the basis of a complaint filed by P. Balakrishnan in the Thrikkakara Police station, Aluva for the offences of misappropriation, criminal breach of trust, cheating, forgery etc. u/s 403,405,406, 409, 420,463, 464, 465, 467, 468, 470, 471 and 34 of IPC. The case is pending.

21. Mr. Rajesh Sharma has filed an application No.Cr.M.C./129/2012 and Cr.M.A. 486 of 2012 under Section 482 of the Code of Criminal Procedure before the Delhi High Court seeking quashing of proceedings initiated by IIFL before the Metropolitan Magistrate at Tis Hazari under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

22. A complaint has been filed by Mr. Satbir Singh Kochhar against IIFL and its directors for unauthorized trade in the Wagle Police Police Station, Wagle Estate, Thane u/s 406,409, 419 and 120 (B) of the IPC. The Complaint is currently pending.

23. A complaint (No. 99/M/2010) was filed by Mr. Gustad Anklesaria before the Metropolitan Magistrate's Court, 32nd court, Bandra against IIFL and its Directors for the offence of unauthorized trade, criminal breach of trust, forgery u/s 409, 465, 467, 471, 474 of IPC. The Court directed the Santacrus Police Station to conduct an enquiryinto the matter. The complaint is currently pending.

24. A complaint has been filed by Mr. Laxminarayan Soni in the Ghantaghar Police Station at Udaipur against IIFL u/s 406.420.467,468, 471 of the IPCunauthorized trading in his account. The said Police Station registered FIR 9/2012 on January 24, 2012 based on the said complaint. The case is currently pending.

25. Mrs. Gauri Manjunath Jonniya has filed a complaint in the Office of the Deputy Commissioner of Police, Economic Offences Wing, Crime Branch, Nagpur against IIFL for misuse of her IRDA License, forgery, criminal breach of trust etc u/s 467 & 409 of IPC. The case is currently pending.

26. IIFL has filed Complaint dated August 22, 2011 against Santosh Maudgil and others at Crime Branch, Ambala for Forgery and Impersonation by ex-employees Mr. Luv Bhatia and others u/s 467, 420 of IPC. Accordingly, FIR has been registered and FIR No. 113 of 2012 was assigned. The case is currently pending.

27. The complaint is filed by Namo Jain against IIFL at Chief Judicial Magistrate Court, Meerut for cheating and Criminal Breach of trust u/s 406 and 420 of IPC. The case is pending.

28. IIFL has received a notice dated March 26, 2012 from the Economic Offences Wing, Azad Maidan Police Station, Mumbai with regard to a complaint of criminal breach of trust and misappropriation filed by one Renu Deepak Keswani. The matter is pending.

29. The Navi Mumbai Muncipal Corporation filed the complaint having C.C. No. 1898 of 2009 in the Metropolitan Magistrate's Court, Belapur CBD, Navi Mumbai against M/s India Infoline Ltd. and Mr. R. Venkatraman under section 152(1) (g), (h) (k) of Bombay Provincial Muncipal Corporation Act, 1949 for non payment of cess tax. The EOW has filed its report closing the matter.

30. Sushma Aggarwal filed criminal complaint (No. 1470/2011) before the Additional Chief Judicial Magistrate, Meerut against Nirmal Jain and others for misappropriation, forgery and cheating. The Court issued summons against the Accused. The Accused filed an application under S. 482 of the CrPC for quashing of the criminal proceedings before the Allahabad High Court. The Allahabad High Court directed the Accused to file a discharge application before the Magistrate and further directed that no coercive action shall be taken against the Accused for a period of 4 months or till the disposal of application whichever is earlier. The matter is currently pending.

31. Mr. Sudhir Gupta filed a Complaint (no. 43 of 2011) before the Executive Magistrate, 3rd Court, Kolkata against India Infoline Limited & others seeking protective action from the police due to allegedly coercive acts of the agents of IIFL. The matter is pending.

32. Ms. Seema Bulsara, Mrs. Kumud Bulsara & Mr. Ratilal Bulsara have filed complaint No. P. E. 78/2011 before the Economic Offences Wing, Azad Maidan Police Station, Mumbai against IIFL with regard to the alleged unauthorized trade in their trading account by company officials. IIFL has provided required informationand documents to the concerned Police authorities and the matter is currently pending.

33. Mr. Brijesh Kumar Rathod has filed complaint number P.E. 05/2011 against IIFL before Economic Offences Wing, Azad Maidan Police Station, Mumbai, with regard to alleged unauthorized trades in his trading account. IIFL has provided all required documents to EOW and statements of the concerned persons are recorded. The case is currently pending.

34. EOW Unit No.III, M.P. Market, Mumbai sent Notice dated 23/09/2011 to IIFL to provide Information /documents of the clients namely Ranu Jain, Faiyaz Manglorkar and Rajesh Nair. The matter is currently pending.

35. IIFL has received a Notice dated November 25, 2011_u/s 91of Cr.P.C. from CBI Kolkata to provide information/ documents of its clients Mr. Awadesh Gupta, Mr. Amit Gupta, Smt. Soumya Gupta. All required documents have been provided. The matter is currently pending.

36. IIFL has received a Notice dated October 20, 2011 from Economic Offences Wing, Azad Maidan Police Station, Mumbai u/s 91 of Cr. P. C. to provide documents of client Ms. Yesha Shah. All the required documents have been provided. The matter is currently pending.

37. IIFL has received a Notice dated January 18, 2012 from Sr. Police Inspector, Navrangpura Police station, Ahmedabad u/s 91 of Cr. P. C. to provide information and documents of client Mr. Alkeshkumar Patel. All required information/documents have been provided. The matter is currently pending

38. IIFL has received a Notice dated January 17, 2012 from Crime Investigation Dept, Kolkata Crime Branch, West Bengal us/ 91 of Cr. P. C. to provide information and documents of client Mr. Ravindra Shukla. All required information and documents have been submitted. The matter is currently pending.

39. Navi Mumbai Municipal Corporation ("**Complainant**") has fiiled a case against IIFL ("**Accused**") being complaint case number 1898/2009 under section 152 L (1) (g) (h) (k) of Bombay Provincial Municipal Corporation Act 1949 before Judicial Magistrate First Class Court, at Belapur, Navi Mumbai. The Complainant has filed the case as IIFL failed to furnish their returns to the Complainant within the limitation as provided under BPMC Act. The said case is pending.

40. Mr. Arun Gupta had filed a criminal complaint against IIFL for cheating. The said case was settled *vide* an agreement dated January 4, 2012, but the complainant has not appeared before court to withdraw the said case. Aggrieved a revision application was filed. The matter is currently pending.

SEBI Notices

1. SEBI had issued notices and had instituted adjudication proceedings against IIFL for violation of SEBI (Stock Broker and Sub broker) Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 1995 *vide* notices dated November 28, 2008 and September 10, 2001

respectively. After enquiry charges against IIFL in both these matters were dropped *vide* adjudication orders dated June 15, 2009 and October 15, 2003 respectively.

2. SEBI had instituted adjudication proceedings and IIFL for violation xof SEBI (Stock Broker and Sub broker) Regulations, 1992 and violation of SEBI (Depository Participant) Regulations, 1996 and Depositories Act, 1996 *vide* notices dated September 08, 2008 and August 27, 2009 respectively. IIFL had entered into consent proceedings and proceedings were dropped by SEBI by passing consent orders dated June 05, 2009 and May 18, 2010 respectively.

3. SEBI, in the matter of IFSL Limited, *vide* an interim order dated September 28, 2005 and confirmatory order dated June 16, 2006, directed India Infoline Securities Private Limited (erstwhile subsidiary of IIFL which was subsequently merged with India Infoline Limited) not to buy, sell or deal in securities of a listed company namely IFSL Limited on behalf of the persons identified in the said orders some of which were clients of IIFL at that point of time.

4. SEBI *vide* an interim order dated October 5, 2005 ("Order 1") passed under section 11 and 11 B of the Securities and Exchange Board of India Act 1992 in the matter of Ind Tra Deco Limited, had advised among others, India Infoline Securities Private Limited (erstwhile subsidiary of IIFL which was subsequently merged with India Infoline Limited) not to buy, sell or deal in securities of Ind Tra Deco Limited till further orders. Subsequently, *vide* order dated June 20, 2006 ("Order 2") had confirmed the above said directions. Later, SEBI *vide* order dated September 18, 2009 revoked the directions passed *vide* Order 1 and Order 2, and dropped the pending proceedings.

5. SEBI *vide* an order dated March 21, 2006 issued in the matter of Lalit Dua advised IIFL to exercise due care so that only persons with proven credentials of giving fair and truthful information and analysis are allowed to give advice on its portal so that the portal is not misused by persons giving advice purely on considerations of personal gains.

6. SEBI had by the following letters advised IIFL to:

Sr. No.	**Date**		
I	July 13, 2010	In initial public offering of Parabolic Drugs Limited SEBI advised IIFL to gear up its back office system and ensure efficient control to minimize PAN mismatches while making data entry in initial public offer biddings in future.	IIFL compliance to avoid recurrence of such mismatches and the same was confirmed to SEBI *vide* IIFL's replies dated July 30, 2010 and August 27, 2010.
II	June 18, 2008	Osian LPG Bottling Limited wherein SEBI had advised IIFL to be careful and to ensure that the shares sold / purchased by IIFL's clients are credited / debited to respective client's account directly instead of through IIFL's beneficiary account.	Complied with the same and rectified in IIFL's system.
III	February 09, 2011	This notice was pertaining to non bid applications in initial public offering of Coal India Ltd. SEBI advised IIFL not to act as syndicate member in the initial public offerings till resolution of such matters.	As per SEBI advice, IIFL had resolved the issues

7. SEBI by its adjudication notice dated November 27, 2009 has alleged of violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 in IIFL's dealings relating to shares of a particular scrip ("**Shares**"). IIFL has stopped trading in the Shares as submitted in reply to SEBI dated January 8, 2010. The matter is currently pending.

8. SEBI by its enquiry notice number Enq/PS/196960/2010 dated March 03, 2010 ("**Enquiry Notice**") has alleged that IIFL is in violation of provisions of SEBI (Stock Brokers and Sub brokers) Regulations, 1992 by executing trades on behalf of clients restrained from buying, selling and dealing in the shares of a certain scrip and has asked IIFL to show cause as to why proceedings should not be initiated under regulation 25 of the SEBI (Intermediaries) Regulations, 2008 against IIFL. IIFL replied to the Enquiry Notice *vide* letter dated March 31, 2010 stating that the debarred entities were responsible for the violation and that IIFL was unable to detect the violation due to technical problems. SEBI has passed a consent order dated November 24, 2010 disposing the proceedings against IIFL.

9. SEBI by its enquiry notice dated April 27, 2010 has alleged of violation of provisions of SEBI (Stock Brokers and Sub brokers) Regulations, 1992. IIFL has clarified on factual inaccuracies and has submitted a reply submitted to SEBI. Proceedings are currently pending with SEBI.

10. SEBI *vide* an adjudication proceedings notice dated December 09, 2010 ("**Notice**") has alleged violation of clause A(1) and A(2) of regulation 7 of Code of Conduct for Stock Brokers specified in the SEBI (Stock Broker and Sub Broker) Regulations, 1992 in dealing in shares of a particular scrip. IIFL has replied to the Notice *vide* letters dated February 10, 2011 and March 10, 2011, denying such allegations and requesting SEBI for a personal hearing. A person hearing was granted to IIFL *vide* SEBI's letter dated April 01, 2011. The proceedings are currently pending before SEBI.

11. IIFL has filed an appeal (Appeal No. 58/2012) before the Securities Appellate Tribunal against the SEBI Adjudication order No. BM/AO-7/2012 dated January 12, 2012 passed by the Adjudicating Officer against India Infoline Securities Limited (merged with India Infoline Limited w.e.f. February 02, 2007) which, inter alia, alleges that the Appellant has violated the provisions of Clause A (1) and A(2) of the Code of Conduct as specified in Schedule II read with Regulation 7 of SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992. The said order has imposed a penalty of ₹ 0.5, million under section 15HB of SEBI Act on the Appellant. The proceedings are pending.

Labour Cases

1. Mr. Sachin Mahadev Bali ("**Complainant**") has filed complaint no. 29/2009 dated January 17, 2009 ("**Complaint**") at the Industrial Court, Mumbai ("**Industrial Court**") against IIFL and Mr. R. Venkat (collectively, the "**Respondents**") alleging that IIFL had indulged in unfair labour practices under section 28 read with items 9 and 10 of schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 ("**Violations**") by not allowing him to resume duty on and from July 4, 2008 even though he was a permanent employee of IIFL and by making him a victim of enforced unemployment. The Complainant has further alleged that the balance of convenience is in his favour in this case. The Complainant has prayed that the Industrial Court declare that Respondents have been indulging in Violations, that the Industrial Court direct the Respondents to cease and desist to engage in Violations and allow the Complainant to resume duty or pay him arrears from July, 2008 at the rate of ₹6,500 per month along with special compensation of ₹ 0.025 million for enforced unemployment.

   The Respondents have filed a reply dated February 9, 2009 stating that the Industrial Court does not have the competence to entertain complaints against the Violations, that the Complainant has made false statements in his complaint and that the Complainant has not suffered any loss and the balance of convenience is in the Respondents' favour. The Respondents have stated that the Complainant was aware that his services were going to be terminated and was duly informed and offered one month's salary as compensation. The Industrial Court passed an order dated February 25, 2009 ("**Order**"), partly allowing the Complaint, reinstating the Complainant and directing the Respondents not to terminate services of the Complainant without prior permission of the Industrial Court.

   The Complainant thereafter filed miscellaneous criminal complaint no. 54/2009 ("**Criminal Complaint**") at the Eight Labour Court, Mumbai alleging that the Respondents had breached the Order. The Respondents have filed a reply dated July 8, 2010 stating that the Criminal Complaint is misconceived and that the Complainant failed to report for duty even upon being called to do so by the Respondents and the Respondent has already paid the dues of the Complainant. The matter is currently pending.

2. Swetesh Shaileshbhai Modi ("**Applicant**") filed a recovery application number 52/2010 dated May 10, 2010 before the Honourable Judge, Labour Court at Bharuch ("**Court**") against IIFL under section 33(c)(2) of the Industrial Disputes Act, 1947. The Applicant claims that he is an employee of IIFL with effect from September 10, 2008 and his monthly salary was ₹ 7,500 per month. The Applicant alleges IIFL of not having paid his outstanding legal salary amounting to ₹ 0.02 million from October 1, 2008 to January 17, 2009. Aggrieved the applicant filed the recovery application dated May 10, 2010 praying that the IIFL be directed to pay the legal outstanding dues of ₹ 0.02 million and costs for the application. IIFL filed its reply dated September 20, 2010 stating that the applicant is not an employee of IIFL. The matter is currently pending.

3. The Labour Commissioner has referred the complaint of Rajiv Rammurty Mishra ("**Applicant**") against IIFL by way of reference (L.C.C) number 86/09 dated May 18, 2009 to the Honourable Labour Court at Bharuch. The Applicant claims that he was employed as a marketing executive with IIFL and was drawing a monthly salary of ₹ 0.01 million. The Applicant had claimed an amount of ₹ 0.15 as incentive bonus and demanded the recovery of the said amount from IIFL. Subsequently, the Applicant alleges that IIFL removed him from service without any notice. Aggrieved the Applicant filed the present application praying that the Court be pleased to declare the termination of service of the Applicant as illegal, arbitrary and against the principles of natural justice and that IIFL be directed to reinstate the Applicant with full back wages. IIFL *vide* its reply dated June 5, 2010 states that the Applicant is an employee of India Infoline Marketing and Services Limited which is a sister concern of IIFL and hence the name of IIFL has to be deleted from the case. The matter is currently pending.

4. Tejasbhai Amrutlal Raihatha ("**Applicant**") filed a recovery application number 362/2010 dated May 04, 2010 ("**Application**") before the Labour Court at Ahmedabad against IIFL under section 33 (c) (2) of the Industrial Disputes Act, 1947. The Applicant claims that he had joined IIFL on November 21, 2009 as a team leader and was promised a monthly salary of ₹ 0.01 million. The applicant further claims that he has the right to take his whole salary till January 29, 2010 with notice period and two months salary from IIFL amounting to ₹ 0.06 million. Hence the Applicant has filed the Application for the recovery of ₹ 0.06 million. IIFL *vide* its reply dated January 4, 2011 denied all the claims of the Applicant. The matter is currently pending.

5. Jigesh Aehta ("**Applicant**") filed a recovery application number 762/2010 dated September 24, 2010 ("**Application**") before the Labour Court at Ahmedabad against IIFL under section 33 (c) of the Industrial Disputes Act, 1947. The Applicant claims that he had joined IIFL on November 23, 2009 and was promised a monthly salary of ₹ 0.01 million. The Applicant further alleged IIFL of terminating the Applicant from his Job on May 17, 2010 without notice and any fault. Aggrieved the Applicant filed the Application for recovery of ₹ 0.04 million from IIFL as pending salary, notice salary etc. IIFL is yet to file its reply. The matter is currently pending.

6. V.S. Pujara ("**Complainant**") filed a complaint bearing number 930/10 dated March 12, 2010 against Nirmal Jain, Jayeshbhai Chheda, Prutiviraj D. Raol (collectively, the "**Accused**") under section 7 of The Employment exchange (Compulsory Notification of Vacancies) Act, 1959 ("**Act**") in the court of Metropolitan Magistrate ("**Court**") whereby the Complainant, an officer with the Employment exchange, Ahmedabad ("**Employment exchange**") has claimed that the Accused, employees of IIFL satisfying the definition of 'employer' under section 2(2)(c) of the Act are in breach of the provisions of the Act which require the Employment exchange to be intimated regarding vacancies available in the organization. Accordingly, the Complainant has submitted that the Accused be punished as per law. The matter is currently pending.

7. Suminder Singh ("**Applicant**") filed an application number 873 of 2009 ("**Application**") dated May 13, 2010 before the Labour Court, Karkodama, Delhi against IIFL. The Applicant claims that he was an employee of IIFL and was promised a monthly salary of ₹ 0.007 million. The Applicant further alleged that he was terminated illegally from service on February 26, 2008 without payment of salary for the month of January, 2008. Hence aggrieved the Applicant filed the Application for reinstatement along with arrears due to the Applicant. IIFL *vide* its reply dated September 29, 2010 stated that the claim petition is false and frivolous. The matter is currently pending.

8. The Labour Officer filed a complaint bearing number 262/2010 dated August 11, 2010 before the Labour Court, Lucknow against IIFL, Nirmal Jain and Ranbir Singh (together referred to as the "**Respondent**") for nonpayment of bonus amounting to ₹ 1.12 millon to its employees. Subsequently,

the Labour Court, Lucknow issued a summons dated January 28, 2011 seeking appearance of the Respondent. IIFL is yet to file its reply. The matter is currently pending.

9. The Labour Officer filed a complaint bearing number 706/2010 dated August 11, 2010 before the Labour Court, Lucknow against IIFL, Nirmal Jain and Ranbir Singh (together referred to as the "**Respondent**") under section 20 (2) of the Minimum Wages Act, 1948. The Complainant further alleges that IIFL has arrears in payment of minimum wages amounting to ₹ 0.063 million. Subsequently, the Labour Court, Lucknow issued a summons seeking appearance of the Respondent. IIFL is yet to file its reply.

10. Anil Kumar ("**Applicant**") filed an application number 796 of 2009 ("**Application**") dated November 23, 2007 before the Labour Court, Karkodama, Delhi against IIFL. The Applicant claims that he was an employee of IIFL and was promised a monthly salary of ₹ 0.001 million. The Complainant further alleged that he was terminated illegally from service on April 10, 2008 without payment of salary for the month of February and March 2008. Hence aggrieved the Complainant filed the Complaint for reinstatement along with arrears in salary due to the Complainant. IIFL *vide* its reply dated September 29, 2010 stated that the claim petition is false and frivolous. The matter is currently pending.

11. Mansuri Javed Hussain Mohammadasidiq ("**Applicant**") filed a statement of claim bearing reference number 882/2009 against IIFL before the Labour Court, Surat ("**Court**") under the relevant provisions of the Industrial Disputes Act and other applicable labour laws whereby the Applicant has claimed that his services as a relationship manager with the Surat branch of IIFL were illegally terminated without adequate notice and/or retrenchment compensation on grounds of display of unwillingness for reduction of salary. IIFL *vide* its reply dated July 23, 2010 denied all claims. IIFL further submitted that the services of the Applicant had not been terminated and that he had left the organization on his own volition. The matter is currently pending.

12. Chinmay Nayak ("**Applicant**") filed an application number C.S. 558 of 2009 before the Civil Judge (Senior Division), Balasore, Orissa ("**Civil Court**") against Nirmal Jain and the branch manager of IIFL, Balasore. The Applicant claims that he was an employee of IIFL and his services were terminated without notice. The Applicant has claimed a total amount of ₹ 0.20 million as arrears and damages. The Civil Court issued summons on Nirmal Jain *vide* order dated May 23, 2009. IIFL filed a writ petition number 1510/2011 before the High Court of Orissa at Cuttack ("**High Court**") their written statement for both the parties and the matter is currently pending.

13. Ms. Tejul Gupta ("**Applicant**") filed an application number 43 of 2009 against IIFL before the authority of Payment of Wages Act, 1936 and the Deputy Labour Commissioner, Agra (collectively called the "**Authorities**") for payment of ₹ 0.05 million, amounting to 10 times his wages. The Authorities directed IIFL to pay the Applicant ₹ 10,800 as arrears along with damages *vide* order December 22, 2009.

14. The Labour Officer filed a complaint bearing number 18/2011before the Labour Court, Muzafarnagar against IIFL, Nirmal Jain (together referred to as the "Respondent") under section 20 (2) of the Minimum Wages Act, 1948. The Complainant further alleges that IIFL has arrears in payment of minimum wages amounting to ₹ 0.07 million. Subsequently, the Labour Court, Muzafarnagar issued a summons seeking appearance of the Respondent. IIFL is yet to file its reply.

15. The Labour Inspector filed a Complaint No. No.11354/2010 (13909/2010) before the Metropolitan Court Hajaratganj at Lucknow against IIFL, Nirmal Jain (together referred to as the Respondent). Vide an order dated February 27, 2011 the Court levied a nominal fine on the Respondent and dismissed the matter.

16. Nirmal Jain and other directors of India Infoline Marketing Services have received a notice dated February 2, 2012 from the Office of the District Labour Officer at Mayurbhanj, Baripada, requiring them to renew the Registration Certificate for India Infoline Marketing Services. The said matter is pending.

17. Hemal Yogeshbhai Pandya ("**Applicant**") filed a recovery application number 33//2012 dated June 28, 20102 ("**Application**") before the Labour Court at Kanbivga, Bharuch against IIFL under section 33 (c) (2) of the Industrial Disputes Act, 1947. The Applicant claims that he had joined IIFL in 2011 in

sales section and was promised a monthly salary of 11,000. The Applicant further claims that he has the right to take his whole salary for March and April of ₹ 20,926. Hence the Applicant has filed the Application for the recovery of 20,926. The matter is currently pending.

Arbitration Cases

1. T.N.T. Raajasekar and Ananthy Rajasekar (together referred to as the "**Claimants**") initiated a private arbitration proceeding against IIFL ("**Respondent**"). IIFL entered into a Lease Agreement dated September 11, 2007 ("**Lease Agreement**") with the Claimants in respect of the premise "Ananthi's Rajendra Towers", Madipakkam, Chennai ("**Property**") on various terms and conditions as mentioned in the Lease Agreement on a monthly rental of ₹ 0.45 million and a total security deposit of ₹ 4.48 million. The Claimant, claimed that IIFL unilaterally terminated the Lease Agreement *vide* termination notice dated October 14, 2009 and demanded refund of security deposit and to take possession of the Property immediately. The claimant further claimed a total sum of ₹ 33.86 million as dues and damages inter alia for the alleged damage caused to the Property, the rent for the remaining lease period, nonpayment of service tax on the monthly rents being paid for the Property. IIFL *vide* its reply dated December 1, 2010 requested the refund of security deposit amounting to ₹ 4.79 million and cost to the tune of ₹ 5 million be imposed on the Claimant. The said matter is currently pending.

2. Ensemble Infrastructure (India) Limited ("**Ensemble**") initiated an arbitration proceedings against IIFL under clause 16 of the Agreement dated June 02, 2008 ("**Agreement**") between IIFL and Ensemble to carry out interior designing work at IIFL's office at Indiabulls, Lower Parel, Mumbai. Ensemble *vide* its statement of claims dated November 12, 2009 submitted before the sole arbitrator alleged IIFL of illegally repudiating the Agreement and a claim of ₹ 57.66 million was made to compensate for the loss occasioned to it on account of the premature termination of the Agreement by IIFL. A counter claim of ₹ 87.73 million was made by IIFL seeking compensation for the loss on account of Complainant's failure to comply with its obligations under the agreement and finish the work within the agreed timelines. The matter is currently pending before the sole arbitrator.

3. IIFL entered into a lease deed dated January 14, 2008 ("**Lease Agreement**") with Central Business Services Limited (CBSL) in respect to the premise situated at no. 1, Shakespeare Sarani, 4th floor, Kolkata, ("**Property**"). CBSL had disconnected the electricity to the said premises and filed a civil suit in the City Civil Court at Calcutta being case no. T.S. No. 2883 of 2010 to the effect that IIFL should not be allowed to take electricity directly from CESC Limited or from the landlord, ABL International Ltd. Upon our opposing the same, the City Civil Court refused to pass any order. Thereafter, IIFL moved the High Court of Judicature at Calcutta ("High Court") under Section 9 of the Arbitration Act for restoration of electricity being AP. No. 456 of 2010. After hearing, a consent order dated August 17, 2010 ("**Consent Order**") was passed by the High Court. By the said Consent Order, IIFL agreed to deposit the disputed service charges with the special officers appointed by the High Court, and CBSL reconnected electricity upon payment by IIFL of all agreed charges other than disputed Service Charges. In January 2011, IIFL decided to vacate the 4th floor premises, and accordingly we issued a notice on behalf of IIFL terminating the lease wef close of business on 31 March 2011. CBSL disputed the right of IIFL to terminate a registered lease but agreed to accept vacant possession of the 4th floor premises without prejudice to its right and contention. CBSL has also filed an application in the High Court bearing G.A. No. of 2011 in A.P. No 456 of 2010 whereby IIFL had deposited disputed service charges with the special officers appointed by the High Court, and has prayed for such deposit to be made over to Jain Industrial Services, the alleged service provider. As per the order of the High Court, IIFL has deposited in Joint Receivers Bank Account with UCO Bank, High Court Branch, Kolkata the amount of ₹ 8.92 million. The application is currently pending in the High Court. CBSL has also issued a letter dated 24th June 2011 to IIFL claiming an amount of ₹ 155.11 million for determination of Lease Deed and Service Agreement. The matter is currently pending.

4. There are 28 arbitration cases pending before the arbitral tribunal of NSE/BSE against IIFL. The aggregate amounts involved in these litigations are ₹ 19.3 million. The matter is currently pending.

Civil Cases

1. IIFL filed an arbitration petition bearing number ARBP/921/2010 dated April 24,2010 ("**Petition**") before the High Court of Judicature at Bombay against Shankarlal Vasumal Keswani ("**Respondent")** to set aside a part of the award dated November 18, 2009 ("**Award**") dealing with "extraneous Transactions" passed by the Arbitral Tribunal, NSE. The Respondent was a constituent of IIFL and regularly carried out trades on both NSE and BSE in both the cash segment and 'futures and options' segment. IIFL claimed that the Respondents regular trading left a large debit balance in his account and the value of the securities kept with IIFL as collateral was not sufficient to cover the debit balance. Subsequently, IIFL sold off the shares in the Respondents account and called upon him to pay the remaining balance amount of ₹14.41 million. The Petitioner later invoked arbitration proceedings as per the NSE rules against the Respondent for the recovery of an amount of ₹7.02 million which comprised of the principal debit ledger balance of ₹6.50 million for the transactions undertaken by the Respondent in cash and 'futures and options' segment of the NSE and interest thereon. The Respondent in its defense raised a counter claim of ₹ 25.37 million. The Arbitrator *vide* Award directed the Respondent to pay an amount of ₹6.26 million with interest at the rate of 12 % per annum and considered the remaining claim amount to be extraneous to the present arbitration matter. The Arbitrator also rejected the counter claim of the Respondent. Subsequently, IIFL filed an application under section 33 for modifications in the Award. The Arbitrator *vide* award dated January 15, 2010 declined the application. Aggrieved IIFL filed the present Petition. The Hon'ble Bombay High Court has remanded back the matter. IIFL has filed a fresh application bearing number CM/M-0021/2012 before the NSE and the same is pending.

2. Shankarlal Vasumal Keswani ("**Petitioner")** filed an arbitration petition bearing numbe**r 1279 o**f 2010 dated April 3, 2010 ("**Petition**") before the High Court of Judicature at Bombay **against IIFL** to set aside the award dated November 18, 2009 ("**Award**"). I**IFL f**iled an arbitration reference number CM/M-0134/2009 before the Arbitration Tribunal of the NSE for the alleged recovery of ₹ 6.50 million together with interest aggregating to ₹ 7.03 million. The Petitioner claims that all the transactions that were carried out after March 18, 2008 where without the authorization of the Petitioner and filed a counter claim dated October 23, 2009 ("**Counter Claim**") claiming an amount of ₹25.37 million. Subsequently the Arbitrator *vide* Award directed the Petitioner to pay an amount of ₹6.26 million with interest at the rate of 12 % per annum and rejected the counter claim of the Petitioner. Aggrieved the Petitioner filed the Petition. The Hon'ble Bombay High Court has remanded back the matter. IIFL has filed a fresh application bearing number CM/M-0021/2012 before the NSE and the same is pending.

3. Mr. Rameswar Choudhary ("**Petitioner**") filed the writ petition number 13124 of 2012 dated June 22, 2012 before the High Court of Kolkata against Union of India, India Infoline Limited, our Company & Ors under Article 226 of the Constitution of India. The Petitioner has sought for a writ of mandamus directing the CBI to initiate investigation against the financial mismanagement and fraud by IIFL and our Company and also to investigate the role of the state respondents into such fraud. The matter is currently pending.

4. There are around 27 civil cases in which IIFL is a party and the aggregate amount involved in these litigations are ₹16.78 million.

Litigations by our Promoter

Criminal cases

1. IIFL filed a complaint dated March 28, 2011 before the Additional Commissioner of Police, Economic Offences Wing, Mumbai against Mrs. Renu Keshwani and Mrs. Shankar Keshwani (together referred to as the "**Accused**"). The Accused were a constituent of IIFL. IIFL claims that the Accused had regularly traded in the securities market through IIFL by availing funds from our Company and that the Accused were required to maintain a certain level of margin as against the funds he borrowed from our Company, and in case of default our Company could ask IIFL to sell the available shares and securities. Further, pursuant to the trading the Accused had amassed a huge debit balance and the value of securities kept with IIFL as collateral by the Accused were not sufficient to cover the debit balance. Subsequently, on January 21, 2008 the stock markets crashed and IIFL sold some of the collateral shares to minimize the debit in the account of the Accused. Further the Accused was called upon to clear the remaining debit balance. IIFL claimed that the Accused through fraudulent and dishonest

promises and by misrepresentation induced IIFL to retain the collateral shares which resulted in a loss of ₹ 48.16 million. Hence aggrieved IIFL filed the present complaint praying that a FIR be lodged against the Accused under section 415, 417 and 420 read with section 120 B of the Indian Penal Code, 1860. The matter is currently pending.

2. IIFL filed a criminal complaint dated February 23, 2011 against Prem Agarwal and other directors of Cap Financial Services (collectively, the "**Accused**") under section 120-B read with section 465/468-471, 420 and 511 of the Indian Penal Code, 1860 ("**Act**") with the Additional Commissioner of Police, Economic Offences Wing, Crime Branch, CID ("**EOW**") alleging that the Accused is guilty of a conspiracy to cheat people by issuing false and misleading buy calls on shares of companies with weak financial status via Short Messaging Service ("**SMS**") using the name of IIFL and its website. A reminder to take appropriate legal action against the Accused was sent by IIFL to the EOW on March 23, 2011. A request was received by IIFL on April 28, 2011 via email from the Sr. Inspector of Police, Cyber Police Station, Crime Branch, CID, BKC, Mumbai ("**Cyber Police Station**") requesting details regarding the SMS that had been circulated by the Accused. The response to the same was provided by IIFL via email on May 03, 2011. Subsequently on June 08, 2011 IIFL sent a reminder to the EOW and the Cyber Police Station to initiate appropriate legal action against the Accused at the earliest.

3. IIFL ("Complainant") filed a Criminal Complaint dated March 21, 2012 in the court of Metropolitan Magistrate 29th Court against directors of Ensemble Infrastructure including Vikas Rathod & Nilesh Rathod (Accused) for offences u/s 384, 385,403,406,409,418,420,465,467,468,471,477, 477A r/w 120B of IPC. Accused was appointed by the Complainant to carry out interior designing work at IIFL's office at Lower parel. The Accused failed to complete the work in the stipulated time and thereafter filed false and forged bills in a connected arbitration. The matter is pending.

4. IIFL filed a Criminal Complaint dated August 24, 2011 at the Vile Parle (E) Police Station and the Cyber Crime Cell against Mr. Ravish Qureshi, an ex employee for unauthorized trade and hacking of accounts in IIFL's system. IIFL has complained of offences u/s 65 & 66 of Information Technology Act, 200 and offences u/s 381, 403, 405, 406, 408, 409, 416, 417, 418 and 420 of I.P.C. The complaint is pending.

5. IIFL filed a Criminal Complaint dated August 8, 2011 at the Borivali (W) Police Station against Ms. Seema Bulsara, Mr. Ratilal Bulsara, Mrs. Kumud Bulsara & Mr. Mukti Sharma (Mukti Laheri) for offence of forgery, fabricating and preparing false documents, cheating etc. u/s 465, 467, 468, 471, 420 r/w 34 of IPC. The Complaint is pending.

6. IIFL filed Complaint dated February 22, 2012 against Mr. Tulsi Ram Nimade at the Cyber Crime Cell of the BKC Police Station, Mumbai for commission offence u/s 66A of Information Technology Act, 2000 Amendment -2009 and for the offences of Extortion, Defamation, threatening etc u/s 383, 384, 499, 500, 501 & 504 of IPC. The Complaint is pending.

7. IIFL filed a complaint dated May14, 2012 against Mr. Ashish Mitra, Arunava Patra and Mr. Rajib Kumar Adak for coming out with false allegations and complaints against IIFL and also in instigating other clients to do the same. Further IIFL claims that they threatened the employees of IIFL and demanded money to stop their illegal activities. Aggrieved IIFL lodged a complaint with Wagle Police Station, Thane for the offences under sections 383,385,499,501,& 120B of IPC. The said complaint is pending.

8. IIFL filed a criminal complaint (No. 36/1/2010) under section 200 of the Criminal Procedure Code against Kuldeep Singh and Surender Kumar at Metropolitan Magistrate's Court at Tis Hazari, Delhi for offences under section 378, 408, 406 and 120B read with section 34 of Indian Penal Code. The matter is pending.

9. IIFL filed a criminal complaint (FIR No. 175 of 2012) at Nerul Police Station, Navi Mumbai under section 420 and 34 of Indian Penal Code and 43/66 (b) of Information Technology Act against Mr. Sunder Singh, Mukesh Singh, Vikram Singh, Vipin Kuril, Ashish Tiwari who are IIFL's ex-employees and Mr. Chandan. The matter is pending.

10. IIFL filed criminal complaint dated March 26, 2010 against Mr. Raman bhai Patel, Madhuben Patel and Mr. Prashant Patel under sections 405, 406, 415, 419, 420, 427, 467 and 209 of Indian Penal Code and 68A of the Companies Act, 1956. The matter is currently pending.

Cases filed under Section 138, Negotiable Instruments Act, 1881

1. There are 150 cases filed by IIFL under Section 138, Negotiable Instruments Act, 1881 against various clients which relate to the dishonouring of cheques received by IIFL towards payment of outstanding dues. The aggregate amount involved in these cases is approximately ₹ 40 million. Out of 150 cases, 110 cases are withdrawn, rest 40 cases are pending at various stages of adjudication.

Civil Cases

1. IIFL ("**Petitioner**") filed a writ petition number 33199/2008 ("**Writ**") dated November 8, 2008 before the High Court of Kerala, Eranakulam ("**Kerala High Court**") against the State of Kerala ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the validity of section 10A of the Kerala Stamp Act, 1959 ("**Act**") as amended by the Kerala Finance Act, 2007. Section 10A of the Act relates to the deduction of stamp duty by a member of the stock exchange or any intermediary thereof. The Respondent had issued Notices to the Petitioner under section 10A of the Act seeking to levy stamp duty on the transactions done by the clients of the Petitioner through their trading accounts via internet and to recover the same from the Petitioner. Aggrieved the Petitioner has filed the Writ praying inter alia that section 10A of the Act be struck down as being ultra vires of article 286 of the Constitution, restrain the Respondents from levying the contract notes issued and being issued by the Petitioner from Mumbai on transaction of shares/securities. The Petitioner further prayed that the operation of section 10 A of the Act be stayed pending disposal of the writ and also to stay all further proceedings and attempts to recover the stamp duty allegedly payable by the Petitioner in respect of the contract notes issued. The Kerala High Court passed an order dated November 13, 2008 directing the Petitioner to quantify the stamp duty liable to be paid by the Petitioner under section 10A of the Act and staying all recovery proceedings against the Petitioner pending the disposal of the Writ. The matter is currently pending.

2. IIFL ("**Petitioner**") filed a writ petition number 1650 of 2012 ("**Writ**") dated January 27, 2012 before the High Court of Madhya Pradesh ("**Jabalpur High Court**") against the State of Madhya Pradesh ("**Respondent**") under Article 226 of the Constitution of India ("**Constitution**") challenging the demand notice dated December 1, 2012 issued by the state of Madhya Pradesh seeking to levy stamp duty on the transactions done by the clients of the Petitioner through their trading accounts. The contention raised by the Petition in that unless there is a provision made under the Act, no demand for payment of stamp duty in such transaction can be made by the Respondent state. The Madhya Pradesh High Court passed an order dated February 10, 2012 directing that no coercive steps be taken against the petitioner till further consideration of the interim prayer. The matter is currently pending.

3. IIFL filed an arbitration petition number ARBP/922/2010 of 2010 dated April 21, 2010 before the High Court of Judicature at Bombay against Renu Deepak Keswani ("**Respondent**") to set aside the award dated November 18, 2009 ("**Award**"). The Respondent was a constituent of IIFL and ad carried out trades on the NSE and BSE in both the cash segment and 'futures and options' segment. IIFL claimed that pursuant to the Respondents trading there was a large debit balance amounting to ₹ 30.49 million in her trading account and the value of collateral security kept with IIFL was not sufficient to cover the debit balance. Further, IIFL claimed that the Petitioner was repeatedly called to clear the debit balance. Subsequently, IIFL sold the shares in the Respondents account and called the Respondent to pay the remaining debit balance in her account after credit of the sale price of the said shares. On failure to recover the said amount IIFL filed an arbitration application before the Arbitrator, NSE claiming an amount of ₹32.63 million. The Arbitrator *vide* Award rejected the claim of IIFL. Subsequently an application under section 33 of the Arbitration and Conciliation Act, 1996 was filed by IIFL for modification of the Award. The Arbitrator *vide* award dated January 15, 2010 rejected the application. Aggrieved, IIFL filed the present petition to set aside the Award. The matter is set aside by the High Court by consent and IIFL has filed fresh claim bearing number CM/M-00202012 at NSE which is pending as of date.

4. State Bank of India (SBI) has filed an Original Application (OA No. 76 of 2011) before the Debt Recovery Tribunal II on April 7, 2011 against Ensemble and Others for recovery of an amount of ₹

205.84 million from Ensemble. Ensemble has claimed that IIFL is its debtor and it has to recover an amount of ₹ 30 million from IIFL. On this basis, SBI has made IIFL a party to the proceedings. IIFL has contested its joinder as a party and the matter is currently pending.

5. Kishorebhai Babubhai Patel and Bakul Babubhai Patel (together referred to as the "Plaintiffs") filed a civil suit number 222/2008 ("Suit") along with an application for injunction both dated January 24, 2008 before the Honourable City Civil Court at Ahmedabad ("Court") against IIFL. The Plaintiff had opened a dematerialized account with IIFL and was buying and selling shares through the Respondent. The Plaintiff claims that the statement of account for the purchase and sale of some shares needs to be settled and that the Plaintiffs are ready and willing to settle the account. The Plaintiff further alleged IIFL of not giving any details about the amount payable by the Plaintiff and also states that IIFL is threatening the Plaintiff to buy and sell and dispose of the shares and securities of the Plaintiff at a reduced price. Aggrieved the Plaintiff filed the present suit praying that IIFL be directed to give account of the Plaintiff and to settle the account and further restrain IIFL from selling or disposing of the Plaintiffs shares. The court *vide* an order dated January 24, 2008 granted an exparte injunction ("Injunction Order"). Subsequently the Plaintiff filed an application dated February 18, 2008 before the Court in case number 222/2008 for taking action against IIFL, Mr. R. Venkataraman and some other employees ("Defendents") of IIFL for breach of the Injunction Order, alleging that the shares of the Plaintiffs were sold on January 31, 2008. The Court *vide* order dated February 4, 2009 ("Order 1") allowed the application and directed IIFL to transfer the shares of the Plaintiffs sold in breach of the Injunction Order and the defendants were called upon to show cause as to why they should not be sent to civil prison and also issued bailable warrants against the Defendants. Subsequently, the Court *vide* Order dated July 9, 2008 confirmed that the injunction will continue till disposal of the suit. IIFL filed a civil application number 12135/2009 in order number 389/200 against the order dated July 9, 2008 confirming the exparte injunction granted till disposal of the Suit. Aggrieved, the Defendant filed an appeal from order number 116/2009 with civil application number 10458/2009 ("Civil Application 1") before the High Court of Gujarat challenging Order 1. The Civil Application was admitted *vide* order dated March 24, 2009.Subsequently the Plaintiffs filed another civil application number 10458/2009 in order number 116/2009 before the High Court of Gujarat alleging that the mandatory order passed for restoring the position is not complied with. The matter is currently pending.

6. Mr. Suresh Chandra Parekh ("Respondent") has sent a notice dated April 1, 2011 ("Notice") to IIFL alleging unauthorized trading from his account and asking for the removal of the directors of IIFL in the Respondent's alleged capacity as a shareholder. IIFL replied to the Notice *vide* letter dated April 29, 2011, disputing the allegations in the Notice as baseless and denying that the Respondent was a Shareholder of IIFL. IIFL also filed a petition number 73/284/2011 before the Company Law Board ("CLB") praying the CLB to stop the Respondent from circulating a notice for removal of Mr. Nirmal Jain as director of IIFL. The matter is currently pending.

7. ORG Marg Research Limited has filed Suit No. 494 of 2001 against IIFL before the High Court of Mumbai, for perpetual injunction restraining IIFL from publishing the Plaintiff's reports on its website and damages of ₹. 60 Crores together with interest thereon at the rate of 18% pa. The matter is pending.

8. There are 38 cases filed by IIFL for the recovery of money. The aggregate amounts involved in these litigations are ₹37.07 million. The matter is currently pending.

Arbitration Recovery Cases

1. IIFL has initiated recovery proceedings before the arbitral tribunal of NSE/ BSE in eight different matters and the aggregate amount involved in these litigations are ₹36.28 million. The matter is currently is pending.

Consumer Cases

1. There are 113 consumer cases in which IIFL is a party and the aggregate amount involved in the litigation is ₹ 51.17 million. The matter is currently pending.

Litigation against our Directors

CriminalCases

1. Nirmal Kumar Jain and R Venkataraman (together referred to as the "**Applicants**") filed a criminal revision application number 799 dated July 20, 2009 ("**Revision Application**") before the High Court of Madhya Pradesh, at Indore under section 397 (1) of the Criminal Procedure Code, 1973. Anand Bangur ("**Complainant**") had lodged a complaint with the Police Station, Madhav Nagar ("**Authority**") stating that his trading account was hacked and stock transactions were carried out without his consent. The Authority after investigation registered a crime number 263/2005 and arrayed the Applicants as co-accused. Subsequently the Applicants had filed a miscellaneous criminal case number 936/2007 under section 482 of the Criminal Procedure Code, 1973 before the High Court of Madhya Pradesh ("**Court 1**") for quashing the charge sheet and the criminal proceedings pending before the Chief Judicial Magistrate, Ujjain in crime number 263/2005 and in criminal case number 1979/2005 under sections 72 and 85 of the Information and Technology Act, 2000 and under sections 420, 421 and 120 B of the Indian Penal Code, 1860. The Court 1 *vide* order dated April 23, 2009 dismissed the miscellaneous criminal case 936/2007 on the ground that the charge was not yet framed. However, Mr. S. Sriram was acquitted by the High Court. However, thereafter, Chief Judicial Magistrate, Ujjain issued fresh summons against S. Sriram. Hence aggrieved by the Order of the Chief judicial Magistrate issuing summons despite being acquitted by the High Court, Mr. S. Sriram had filed Revision Application before the Session Court for setting aside the Order of issuing summons. The matter is currently pending.

2. For further details on litigations against our Directors please see serial numbers 1, 2, 3, 4, 5, 6, 9, 12, 13, 14, 15 and 17 in "***Outstanding Litigations – Litigations against our Promoters – Criminal Cases***" and serial number 1 in "***Outstanding Litigations – Litigations against our Company – Criminal Cases***" in this Prospectus.

Labour Cases

1. Mr. Sachin Mahadev Bali ("**Complainant**") has filed complaint no. 29/2009 dated January 17, 2009 ("**Complaint**") at the Industrial Court, Mumbai ("**Industrial Court**") against IIFL and Mr. R. Venkatraman (collectively, the "**Respondents**") alleging that IIFL had indulged in unfair labour practices under section 28 read with items 9 and 10 of schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 ("**Violations**") by not allowing him to resume duty on and from July 4, 2008 even though he was a permanent employee of IIFL and by making him a victim of enforced unemployment. The Complainant has further alleged that the balance of convenience is in his favour in this case. The Complainant has prayed that the Industrial Court declare that Respondents have been indulging in Violations, that the Industrial Court direct the Respondents to cease and desist to engage in Violations and allow the Complainant to resume duty or pay him arrears from July, 2008 at the rate of ₹6,500 per month along with special compensation of ₹ 0.025 million for enforced unemployment.

   The Respondents have filed a reply dated February 9, 2009 stating that the Industrial Court does not have the competence to entertain complaints against the Violations, that the Complainant has made false statements in his complaint and that the Complainant has not suffered any loss and the balance of convenience is in the Respondents' favour. The Respondents have stated that the Complainant was aware that his services were going to be terminated and was duly informed and offered one month's salary as compensation. The Industrial Court passed an order dated February 25, 2009 ("**Order**"), partly allowing the Complaint, reinstating the Complainant and directing the Respondents not to terminate services of the Complainant without prior permission of the Industrial Court.

   The Complainant thereafter filed miscellaneous criminal complaint no. 54/2009 ("**Criminal Complaint**") at the Eight Labour Court, Mumbai alleging that the Respondents had breached the Order. The Respondents have filed a reply dated July 8, 2010 stating that the Criminal Complaint is misconceived and that the Complainant failed to report for duty even upon being called to do so by the Respondents and the Respondent has already paid the dues of the Complainant. The matter is currently pending.

2. The Labour Officer filed a complaint bearing number 262/2010 dated August 11, 2010 before the Labour Court, Lucknow against IIFL, Nirmal Jain and Ranbir Singh (together referred to as the "**Respondent**") for nonpayment of bonus amounting to ₹ 11,16,500 to its employees. Subsequently, the

Labour Court, Lucknow issued a summons dated January 28, 2011 seeking appearance of the Respondent. IIFL is yet to file its reply.

3. The Labour Officer filed a complaint bearing number 706/2010 dated August 11, 2010 before the Labour Court, Lucknow against IIFL, Nirmal Jain and Ranbir Singh (together referred to as the "**Respondent**") under section 20 (2) of the Minimum Wages Act, 1948. The Complainant further alleges that IIFL has arrears in payment of minimum wages amounting to ₹ 62,832. Subsequently, the Labour Court, Lucknow issued a summons seeking appearance of the Respondent. IIFL is yet to file its reply.

4. V.S. Pujara ("**Complainant**") filed a complaint bearing number 930/10 dated March 12, 2010 against Nirmal Jain, Jayeshbhai Chheda, Prutiviraj D. Raol (collectively, the "**Accused**") under section 7 of The Employment exchange (Compulsory Notification of Vacancies) Act, 1959 ("**Act**") in the court of Metropolitan Magistrate ("**Court**") whereby the Complainant, an officer with the Employment exchange, Ahmedabad ("**Employment exchange**") has claimed that the Accused, employees of IIFL satisfying the definition of 'employer' under section 2(2)(c) of the Act are in breach of the provisions of the Act which require the Employment exchange to be intimated regarding vacancies available in the organization. Accordingly, the Complainant has submitted that the Accused be punished as per law. The matter is currently pending.

Consumer Cases

1. Ms. Vijaya Ghanshyam Hatvar ("**Complainant**") filed a consumer complaint against IIFL and Nirmal Jain bearing number 209 of 2009 ("**Complaint**") before the District Consumer Disputes Redressal Forum, Nagpur alleging unauthorized sale of shares by IIFL resulting in losses of ₹ 0.53 million to the Complainant. The matter is currently pending.

2. Ms. Anjali Ghanashyam Hatvar ("**Complainant**") filed a consumer complaint against IIFL and Nirmal Jain bearing number 208 of 2010 ("**Complaint**") before the District Consumer Disputes Redressal Forum, Nagpur alleging unauthorized sale of shares resulting in losses of ₹ 0.63 million. The matter is currently pending.

3. Mr. Ghanashyam Kashiram Hatvar ("Complainant") filed a consumer complaint bearing number 207 of 2010 ("Complaint") against IIFL and Nirmal Jain before the District Consumer Disputes Redressal Forum, Nagpur alleging unauthorized sale of shares resulting in losses of ₹ 0.8 million. The matter is currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on August 9, 2012 the Directors approved the issue of NCDs to the public upto an amount not exceeding ₹ 5,000 million.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: NSE/LIST/179183-E DATED AUGUST 27, 2012 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OF PROJECT OF THIS 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 Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN *VIDE* ITS LETTER DATED AUGUST 27, 2012 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER: -

a) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS DRAFT OFFER DOCUMENT; OR

b) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

c) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO

DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY 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 FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 12, 2005 BEARING REGISTRATION NO. B-13.01792 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.

Listing

An application will be made to NSE and BSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by NSE and/ or BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 working days from the date of allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

The written consents of Directors of our Company, Company Secretary and Compliance Officer, our Statutory Auditor, the Chartered Accountant issuing statement of tax benefit, the legal advisor, the Lead Managers, Co-Lead Managers, the Registrar to the Issue, Escrow Collection Bank(s), Refund Bank, Credit Rating Agencies, the Bankers to our Company, Auditor issuing the "Statement of Tax Benefits" certificate, the Debenture Trustee, and the Lead Brokers to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 58 and 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus with Stock Exchanges.

The consents of the Statutory Auditors of our Company, namely Sharp and Tannan Associates, Chartered Accountants for (a) inclusion of their name as the Statutory Auditor, (b) examination reports on Reformatted Consolidated Financial Statements and the Reformatted Unconsolidated Financial Statements in the form and context in which they appear in this Prospectus, have been obtained and the same will be filed along with a copy of this Prospectus with the Designated Stock Exchange.

Expert Opinion

Except the report by CRISIL dated August 13, 2012, in respect of the credit ratings issued thereby for this Issue which furnishes the rationale for its rating, our Company has not obtained any expert opinions.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration

thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875.00 million, the entire subscription shall be refunded to the applicants within twelve (12) Working Days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

Filing of the Draft Prospectus

The Draft Prospectus was filed with the Stock Exchanges on August 17, 2012 in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website(s).

Debenture Redemption Reserve

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of our Company until the redemption of the debentures. The Ministry of Corporate Affairs has, through its circular dated April 18, 2002, **("Circular"),** specified that the quantum of DRR to be created before the redemption liability actually arises in normal circumstances should be 'adequate' to pay the value of the debentures plus accrued interest, (if not already paid), till the debentures are redeemed and cancelled. The Circular however further specifies that, for NBFCs like our Company, (NBFCs which are registered with the RBI under Section 45-IA of the RBI Act), the adequacy of the DRR will be 50% of the value of debentures issued through the public issue. Accordingly, our Company is required to create a DRR of 50% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be carved out of the profits of our Company only and there is no obligation on the part of our Company to create DRR if there is no profit for the particular year. Our Company shall credit adequate amounts of DRR, from its profits every year until such NCDs are redeemed. The amounts credited to DRR shall not be utilized by our Company except for the redemption of the NCDs.

Issue Related Expenses

The expenses of this Issue include, among others, Fees for the Lead Managers, Co-Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses to be incurred for the Issue size of upto ₹ 5,000 Million (assuming the full subscription including the retention of over subscription of upto ₹ 2,500 Million) are as follows:

(₹ in million)

Activity	Amount
Lead Management Fee (Lead Managers and Co-Lead Managers)	45
Advertising and Marketing Expenses and Brokerage	100
Printing, Stationery and Distribution	20
Others (Debenture Trustee Fees, Registrar Fee, Credit Rating Fee, Legal Fees, Stamp Duty & Registration expense etc.)	20
Total	**185**

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Underwriting

The Issue has not been underwritten.

Details regarding the public issue during the last three years by our Company and other listed companies under the same management within the meaning of section 370(1B):

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act during the last three years.
Our Company has not made any public issue of Equity Shares in the last five years.

Our Company has made the following Publuc Issue of debentures and rights issuances in the last five years:

Date of Allotment	Type of Issue	No. of Equity Shares/ Debentures	Face Value (in ₹)	Issue Price per Equity Share/ Debentures (in ₹)	Nature of consideration
February 6, 2008	Rights Issue of equity Shares	5,928,850	10	1,014	Cash
July 29, 2012	Public issue of debentures	7,500,000	1,000	1,000	Cash

Previous Issue

Other than the issue of 7,500,000 Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each aggregating to 7,500 million in the year 2011- 2012 our Company has previously not made any public issues of Equity Shares or Debentures.

Other than as specifically disclosed in this Prospectus, our Company has not issued any securities for consideration other than cash.

Commissions and Brokerage on previous issue

₹ 34,846,520 was incurred in the financial year ended March 31, 2012 towards commission and brokerage in connection with the public issue of secured non convertible debentures of face value ₹1,000.00 each aggregating to ₹ 7,500.00 million pursuant to the prospectus dated July 29, 2012;

Stock Market Data

Our Non-Convertible Debentures are currently listed on BSE and NSE. As our Non-Convertible Debentures are actively (company to confirm) traded on both BSE and NSE, stock market data has been given separately for each of these Stock Exchanges in Annexure I.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2012 our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt aggregating to an outstanding amount of ₹ 11,637.03 millions. Apart from the above, there are no outstanding debenture bonds, redeemable preference shares or other instruments issued by our Company that are outstanding.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by the Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared/recommended by our Company on the Equity Shares for the Financial Years ended March 31, 2008, 2009, 2010, 2011 and 2012.

(₹in million)

	Year ended as at March 31				
	2012	**2011**	**2010**	**2009**	**2008**
Final Dividend	Nil	Nil	Nil	Nil	Nil
Interim Dividend	Nil	₹ 5 per Equity Share held as on July 24, 2010 amounting to ₹ 118,577,015 alongwith ₹ 20,152,164 on account of tax on dividend	Nil	Nil	Nil

Disclosure of Track Record of Lead Managers/ Co-Lead Managers to Issue

The details of the track record of the respective Lead Managers/ Co-Lead Managers to the Issue, as required by

SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers/ Co-Lead Managers to the Issue.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The MoU between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, Compliance Officer and/ or Lead Managers/ Co-Lead Managers to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted. The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg,
Bhandup (West),
Mumbai – 400 078,
Maharashtra, India
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329
Toll Free: 1-800-22-0320
Email ID: iifl.ncd@linkintime.co.in
Investor Grievance ID: iifl.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sanjog Sud
SEBI Registration No.: INR000004058

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Mr. Dilip Vaidya has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance officer of our Company are as follows:

Mr. Dilip Vaidya

IIFL Centre,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013,
Maharashtra, India
E-mail: dilip.vaidya@indiainfoline.com
Tel.: +91 22 4249 9184
Fax: +91 22 2495 4313

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Prospectus.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain laws applicable to the Non-Banking Financial Companies in India as well as certain other Indian Laws and foreign laws, which are applicable to our Company and our business. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended toprovide general overview to you and is neither designed nor intended to substitute for professional legal advice.

REGULATIONS AND POLICIES

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. The following description is a summary of laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

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 such as the Trade Marks Act, 1999 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***"), and the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- an NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and
- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC ("***NBFC-D***") or as a non-deposit accepting NBFC ("***NBFC-ND***"). NBFCs registered with RBI are further classified as:

- asset finance companies;
- investment companies;
- Core Investment Company;
- loan companies and/or
- infrastructure finance companies.

Our Company has been classified as an NBFC-ND-SI.

Systemically Important NBFC-NDs

All NBFC-ND with an asset size of ₹ 1000 million or more as per the last audited balance sheet will be considered as a systemically important NBFC-ND. RBI by a notification dated June 4, 2009 has clarified that once an NBFC reaches an asset size of ₹ 1000 million or above, it shall come under the regulatory requirement for systemically important ND-NBFC, despite not having such assets on the date of the last balance sheet.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 10%. Further the CRAR requirements were increased so as it should not be less than 12% by March 31, 2010 and 15% by March 31, 2011.

Rating of NBFCs

All NBFCs with an asset size of ₹ 1,000 million are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, (the **"*Prudential Norms – ND*"),** amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against sub-Standard Assets, Doubtful Assets and Loss Assets in the manner provided for in the Prudential Norms Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25 per cent of the outstanding standard assets. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum

of 1.25 per cent of the total risk-weighted assets.
Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1,2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 10% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-ND shall not exceed 100% of the Tier I capital.

Tier -I Capital, has been defined in the Prudential Norms – ND as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds, has been defined in the Prudential Norms – ND as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the Prudential Norms – ND, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55; (c) general provisions 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 per cent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which 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 NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20,000,000 (Rupees twenty million only). For this purpose, the RBI Act has defined "net owned fund" to mean:

the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, and (iii) other intangible assets; and further reduced by the amounts representing,

i. investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
ii. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no.'s, etc. of its Registered Office, names and addresses of its directors / auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 1,000 million or more or holding public deposits of ₹ 200 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Corporate Governance

Pursuant to RBI circular (DNBS.PD/CC 94/03.10.042/2006-07) dated May 8, 2007, the RBI has proposed certain corporate governance guidelines for the consideration of all NBFC–ND with an asset size of ₹ 1000 million or more. The guidelines recommend that such NBFCs constitute an Audit Committee, a Nomination Committee (to ensure that fit and proper persons are nominated as directors on their respective boards) and a Risk Management Committee to institute risk management systems. The guidelines have also issued instructions relating to credit facilities to directors, loans and advances to relatives of the directors of the said NBFCs or to the directors of other companies and their relatives and other entities, timeframe for recovery of such loans, etc. Such NBFCs are also required to frame internal corporate governance guidelines based on the guidelines issued by the RBI on May 8, 2007.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the Statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/ loss for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Other Regulations

Applicable Foreign Investment Regime

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion (DIPP), GoI which is regulated by the FIPB.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("***FEMA Regulations***") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As laid down by the FEMA Regulations, no prior consent and approval is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

Foreign Direct Investment

FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy ("FDI Policy") by the DIPP. FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route (other than in prohibited sectors) may be brought in through the

approval route.
Further:

- As per the sector specific guidelines of the Government of India, 100% FDI/ NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.
- Minimum Capitalisation Norms for fund based NBFCs:
- For FDI up to 51% - US$ 0.5 million to be brought upfront
- For FDI above 51% and up to 75% - US $ 5 million to be brought upfront
- For FDI above 75% and up to 100% - US $ 50 million out of which US $ 7.5 million to be brought upfront and the balance in 24 months.
- Minimum capitalization norm of US $0.5 million is applicable in respect of all permitted non fund based NBFCs with foreign investment
- Foreign investors can set up 100% operating subsidiaries without the condition to disinvest a minimum of 25% of its equity to Indian entities, subject to bringing in US$ 50 million as at (b) (iii) above(without any restriction on number of operating subsidiaries without bringing in additional capital)
- Joint ventures operating NBFC's that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capital inflow as stated above.

Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

Laws relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Fiscal Legislations

Our Company is subject to certain fiscal legislations such as the Income Tax Act, 1961 and The Central Sales Tax Act, 1956.

SECTION VIII - SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Act the main provisions of the AoA relating to the issue and allotment of debentures and matters incidental thereto. Please note that the each provision herein below is numbered as per the corresponding article number in the AoA. All defined terms used in this section have the meaning given to them in the AoA. Any reference to the term "Article" hereunder means the corresponding article contained in the AoA.

1. The Regulations contained in Table "A" in Schedule I to the Act, hereinafter referred to as Table "A" shall be deemed to be incorporated with the form part of these Articles with the exception of such portions of Table "A" as are hereinafter expressly or by necessary implication excluded altered or modified.

SHARE CAPITAL AND VARIATION OF RIGHTS

1. a) The Authorised Share Capital of the Company shall be in accordance with the clause V (a) of the Memorandum of Association of the Company.

   b) Minimum paid up capital of the Company shall be ₹ 500,000

2. The Company in a general meeting may, from time to time, by Ordinary Resolution increase the Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms & conditions, and with such rights and privileges annexed thereto, as the general meeting shall direct and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right as to dividends and in the distribution of the assets of the Company and with a right of voting at general meetings of the Company.

3. Subject to the provisions of Act, the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons at such price on such terms and conditions and at such time as they think fit and with full power and subject to the sanction of the Company in General Meeting to give any person the option to call for or be alloted shares of any class of the Company either at a premium or at par or at a discount subject to the provision of section 78 and 79 of the Act, provided that option to call shall not be given to any person except with the consent of the General Meeting.

4. Where at any time after the expiry of two years from the formation of the Company or any time after the expiry of one year from the allotment of shares made for the first time after formation of the Company, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares;

   (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares in the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

   (b) Such offer shall be made by a notice specifying the number of shares offered and stipulating a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

   (c) The offer aforesaid 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; and the notice referred to hereinabove shall contain a statement of this right; and

   (d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off such shares in such manner as the Board think most beneficial to the Company;

5. Notwithstanding anything contained in the preceding clause, the Company may:

   i. by a Special Resolution is passed in general meeting; or

   ii. where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting, and the central government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company;

   iii. issue further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

6. Subject to the provision of clauses of this Article and subject to the provisions of the Act, the Directors shall have full power and authority to issue further share capital from time to time including to decide as to the manner in which such further capital may be issued, to whom the same may be issued, the issue price or consideration including the terms of payment thereof and whether the same may be issued for cash or for consideration other than cash.

7. Subject to the provisions of the Act, the Company in general meeting, from time to time, by Ordinary Resolution alter the conditions of its Memorandum of Association so as to:

   (a) increase its share capital by such amount as it thinks expedient by issuing new shares;

   (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

8. If at any time share capital is divided into different classes, the right attached to any class of shares (unless otherwise provided by the terms of the issue of shares of that class) may subject to the provisions of the Sections 106 and 107 of the Act be modified, commuted, effected, abrogated or varied (whether or not the company is being wound up) with the consent in writing of the holders of not less then three- fourth of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of that class of shares and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting.

GENERAL MEETING

1. A General Meeting of the Company may be called by giving not less than Twenty One days clear notice.

2. The accidental omissions to give any such notice or the non-receipt of any such notice by any of the members to whom it should be given shall not invalidate any resolution passed or proceeding held at any such meeting.

3. Five members present personally shall be quorum for all purpose at any General Meeting.

4. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business.

5. The directors shall on the requisition of such member or members of the Company as is specified in Section 169 of the Act forthwith proceed duly to call an Extraordinary General Meeting of the Company and in the case of such requisition the provisions of the said Section shall have effect.

6. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there is no such Chairman or if at any meeting or if he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their member to be the Chairman and in default of their doing so, the members present shall choose one of the directors to be the Chairman, and if no director present be

willing to take the Chair, shall on a show of hands, elect one of the members to be the Chairman of the meeting. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman so elected shall exercise all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of poll, he shall be the Chairman for the rest of the meeting.

7. At any General Meeting a resolution put to the vote of the meeting shall unless a poll is demanded be decided on a show of hands.

8. Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that before by one or more member holding shares of prescribed amount and having the right to vote on the resolution and present in person or by proxy.

9. The demand for poll may be withdrawn at any time by the person or persons who made the demand.

10. The Chairman of a General Meeting may with the consent of the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

VOTING

1. Subject to any rights or restrictions for the time being attached in any class or classes of shares the voting shall be done by following way :

   (a) On a show of hand, every members holding Equity Share or Shares and present in person shall have one vote, and

   (b) On a poll he shall have number of vote as the number of shares held by him.

DIRECTORS

1. (a) Unless and until otherwise determined by the Company in general meeting the number of Directors shall not be less than 3 (Three) and more than 12 (Twelve) including nominee Directors.

   (b) The following are the present Directors of the company:

   Shri Nirmal Jain

   Shri Rajamani Venkataraman

   Shri Mukesh Kumar Singh

   Shri R Mohan

   Shri Nilesh Vikamsey

   (c) Quorum for the Board meeting shall be two Directors or 1/3 rd of the total strength of the Board whichever is higher.

2. A Director shall not be required to hold any share in the capital of the Company to qualify him as a Director.

3. The Directors may at any time appoint any person as Directors to fill any casual vacancy or as an additional Director to their number subject to the maximum number herein before provided in Article 29 (a) above and the Additional Director so appointed shall retain his office until the next annual general meeting and shall then be eligible for reappointment by the Company in that meeting.

4. The office of Directors shall be vacated in accordance with the provisions contained in the act and also if he is removed from his office in accordance with the provisions of the Act.

5. Subject to the provisions of any agreement for the time being in force the Company may by an ordinary resolution remove any Director and may also by an ordinary resolution appoint a person in his place, but special notice shall be required in either case.

6. If at any time the Company obtains any loans or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority, or public body (hereinafter called 'The Institution') debentures or debenture-stock and enters into any contract or arrangement with the institution whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or debenture-stock or provides any assistance to the Company in any manner whatsoever and it is a term of the relative loan, assistance or contract or arrangement that the Institution shall have the right to appoint one or more Director or Directors to the Board of the Company, then subject to the provisions of Section 255 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement the institution shall be entitled to appoint one or more Director or Directors, as the case may be, to the Board of the Company, and to remove from office any Director so appointed and to appoint another in his place or in the place a Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company.

7. The Director or Directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists or so long as the Institution holds any shares of the Company in terms thereof.

8. The Directors shall receive out of the funds of the Company a sum as the Board may from time to time determine for every meeting attended by him. The Directors shall also be entitled to be paid travelling, hotel and other reasonable expense incurred in connection with their attendance at Board meetings or any committee thereof or otherwise in the execution of their duties as Directors.

9. If any Directors shall be called upon to perform extra services either as Technical Advisory or otherwise, or to make special exertion for any of the purpose of the Company or giving special attention to the business of the Company or as a member of a committee of the Directors, then subject to Section 198, 309 and 310 and 314 of the Act, the Directors may pay remuneration which may be either in addition to or in substitution of any other remuneration to which he may be entitled.

MANAGING DIRECTOR / WHOLETIME DIRECTOR

1. The Board may from time to time appoint one or more Directors to be Managing Directors or Whole time Directors for such terms, and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) as it may think fit, and a Director so appointed shall not, while holding that office, be subject to retirement by rotation. But his appointment shall be subject to determination ipso facto if he ceases from any case to be a Director of the Company & General Meeting resolve that his tenure of office of Managing Director/Whole time Director be determined.

SEAL

1. **The seal, its custody and use**.

   The Board shall provide a Common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu of the same, and the Board shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

   The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

2. **Deeds how executed.**

Every Deed or other instrument, to which the seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 22 (a).

AUDIT

1. In every year, the accounts of the Company shall be examined and audited at least once by an Auditor who shall be duly appointed. If the Auditor has been appointed by the Company in a General Meeting, his remuneration shall be fixed by the Company in General Meeting and where the Auditor has been appointed by the Board of Directors of the Company, his remuneration may be fixed by the Directors

SECRECY

1. Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall observe strict secrecy in respect of all transaction of the Company with the customers and the state of accounts with individuals and in matters relating there to and shall not reveal in the discharge of his duties except when required to do so by the Directors as such or by any meeting or by Court of law or by the person to whom such matters relate and except so for as may be necessary in order to comply with any of the provisions in these presents contained.

WINDING UP

1. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets, shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the Capital paid up or which ought to have been paid up as at the Commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the member shall be more than sufficient to repay the whole of the capital at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this article is to be without prejudice to the rights of the holder of shares issued upon special terms and conditions.

2. If the Company shall be wound up whether voluntary, or otherwise, Liquidators may with the sanction of a Special Resolution, divide amongst the members in specie or kind any part of the assets of the Company as the Liquidators, with the like sanction, shall think fit.

INDEMNITY

1. Subject to Section 201 of the Act, every Director, officer or agent for the Company shall be indemnified out of the Company's fund against any liability incurred by him in defending any proceedings, whether, civil or criminal, in which judgements is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by court.

SECTION IX -OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts which are or may be deemed material shall be attached to the copy of the Prospectus to be delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the filing of this Prospectus with SEBI until the Issue Closing Date.

Material Contracts to the Issue

1. Memorandum of Understanding dated August 16, 2012 between the Company, the Co- Lead Managers and the Lead Managers.

2. Memorandum of Understanding dated August 14, 2012 between the Company and the Registrar to the Issue.

3. Debenture Trust Agreement dated August 14, 2012 executed between the Company and the Debenture Trustee.

4. The agreed form of the Debenture Trust Deed to be executed between the Company and the Debenture Trustee.

5. Escrow Agreement dated August 25, 2012 executed by the Company, the Registrar, the Escrow Collection Bank(s), Lead Managers and the Co-Lead Managers.

Material Documents

1. Certificate of Incorporation of the Company dated July 7, 2004, issued by Registrar of Companies, Maharashtra, Mumbai.

2. Fresh Certificate of Incorporation dated July 10, 2007, issued by Registrar of Companies, Maharashtra, Mumbai.

3. Fresh Certificate of Incorporation dated November 18, 2011, issued by Registrar of Companies, Maharashtra, Mumbai.

4. Memorandum and Articles of Association of the Company.

5. The certificate of registration No. B-13.01792 dated May 12, 2005 issued by Reserve Bank of India u/s 45IA of the Reserve Bank of India, 1934.

6. Credit rating letter dated August 14, 2012 from ICRA and credit rating letter dated August 13, 2012 from CRISIL, granting credit ratings to the NCDs.

7. Copy of the Board Resolution dated August 9, 2012 approving the Issue.

8. Resolution passed by the shareholders of the Company at the Annual General Meeting held on June 26, 2012 approving the overall borrowing limit of Company.

9. Resolution for the re-appointment of Ms. Pratima Ram for period of one year with effect from May 7, 2012.

10. Consents of the Directors, Lead Managers, Co- Lead Managers, Debenture Trustee, Lead Brokers, Credit Rating Agencies for the Issue, the Chartered Accountant issuing statement of tax benefit, Company Secretary and Compliance Officer, Legal Advisor to the Issue, Bankers to the Issue, Bankers to the Company and the Registrar to the Issue, to include their names in this Prospectus.

11. The consents of the Statutory Auditors of our Company, namely M/s Sharp & Tannan Associates for inclusion of their names as the Statutory Auditors.

12. The examination report of the Statutory Auditors dated August 27, 2012 in relation to the Reformatted Consolidated Summary Financial Statements included herein.

13. The examination report of the Statutory Auditors dated August 27, 2012 in relation to the Reformatted Unconsolidated Summary Financial Statements included herein.

14. Annual Reports of the Company for the last five Financial Years 2007 – 08 to 2011 – 12.

15. A statement of tax benefits dated August 14, 2012 received from Pritesh Mehta & Co., Chartered Accountants regarding tax benefits available to us and our debenture holders;

16. Due Diligence certificate dated August 27, 2012 filed by the Lead Managers

17. Due Diligence certificate filed by the Debenture Trustee.

18. Tripartite Agreement dated November 28, 2007 and December 20, 2007 between us, the Registrar to the Issue and CDSL and NSDL, respectively for offering depository option to the investors.

19. Copy of the Shareholders' resolution appointing the Whole Time Director and Chief Executive Officer of the Company dated June 27, 2011.

20. Share Subscription Agreement dated January 18, 2008 with BCCL.

21. Sanctioned scheme of amalgamation of Moneyline Credit Limited with India Infoline Finance Limited and order of the Hon'ble High Court of Bombay dated February 10, 2012.

22. Company's Employee Stock Option Scheme, 2007.

23. In-principle Approval letters dated August 27, 2012 issued by NSE and BSE for the Issue.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the applicants subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

We, the undersigned, hereby certify and declare that all relevant provisions of the Companies Act, and the guidelines issued by the Government of India and/or the regulations/guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Prospectus are true and correct.

Signed by the Directors of our Company

_____	_____
Mr. Nirmal Jain	**Mr. Nilesh Vikamsey**
_____	_____
Mr. R. Venkataraman	**Ms. Pratima Ram**
_____	_____
Mr. V K Chopra	**Mr. Mahesh Narayan Singh**

_____
Mr. Sunil Kaul

Date: August 27, 2012

Place: Mumbai

ANNEXURE I

Stock Market Data

Our Non-Convertible Debentures are currently listed on BSE and NSE. As our Non-Convertible Debentures are actively (company to confirm) traded on both BSE and NSE, stock market data has been given separately for each of these Stock Exchanges.

The high and low prices recorded on NSE and BSE for the preceding three FYs and the number of Non-Convertible Debentures traded on the days the high and low prices were recorded are stated below.

NSE - 01-04-2011-TO-31-03-2012 - IIISLN1N

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N1	24-Aug-11	970	932.5	939.89	3413	32.39
IIISL	N1	25-Aug-11	972	900	965.36	4378	41.6
IIISL	N1	26-Aug-11	980.1	940	972.47	2051	19.9
IIISL	N1	29-Aug-11	980	950	976.68	1769	17.26
IIISL	N1	30-Aug-11	987	960	980.77	2614	25.54
IIISL	N1	02-Sep-11	981	975	979.68	1081	10.59
IIISL	N1	05-Sep-11	990	941	980	2048	20.05
IIISL	N1	06-Sep-11	987	975.05	980	1124	11.02
IIISL	N1	07-Sep-11	983.8	978	981.21	611	5.99
IIISL	N1	08-Sep-11	985	970	980.91	5414	52.81
IIISL	N1	09-Sep-11	984	979	980.12	404	3.96
IIISL	N1	12-Sep-11	984	976	982.64	2835	27.78
IIISL	N1	13-Sep-11	982	977.1	977.87	1469	14.39
IIISL	N1	14-Sep-11	984	951	980	800	7.82
IIISL	N1	15-Sep-11	982	970.5	979.72	1253	12.28
IIISL	N1	16-Sep-11	981.8	975.25	980.25	469	4.59
IIISL	N1	19-Sep-11	983	978	982	1283	12.58
IIISL	N1	20-Sep-11	983	978	982.13	1527	14.97
IIISL	N1	21-Sep-11	983.5	980	982.04	468	4.59
IIISL	N1	22-Sep-11	982.99	955	980	1031	10.12
IIISL	N1	23-Sep-11	982.99	961.1	981.83	871	8.53
IIISL	N1	26-Sep-11	982	970	981.97	949	9.29
IIISL	N1	27-Sep-11	981.9	976	980	3231	31.66
IIISL	N1	28-Sep-11	982	980	980.1	486	4.76
IIISL	N1	29-Sep-11	999	978	988.59	1263	12.47
IIISL	N1	30-Sep-11	1005	970	998.89	3673	36.65
IIISL	N1	03-Oct-11	990	975.6	980.39	311	3.05
IIISL	N1	04-Oct-11	980.05	977	979.41	274	2.68
IIISL	N1	05-Oct-11	982.5	970	980.13	569	5.57
IIISL	N1	07-Oct-11	984	971	980.58	242	2.37
IIISL	N1	10-Oct-11	998	980	991.09	2404	23.8
IIISL	N1	11-Oct-11	989.5	981.6	985	584	5.75
IIISL	N1	12-Oct-11	986	983	984.99	331	3.26
IIISL	N1	13-Oct-11	996	980	994.46	7226	71.84
IIISL	N1	14-Oct-11	994.99	985.65	993.99	8234	81.81
IIISL	N1	17-Oct-11	990.45	988	988.1	210	2.08
IIISL	N1	18-Oct-11	994	988	990	339	3.36
IIISL	N1	19-Oct-11	1000	990	998.22	17424	173.68
IIISL	N1	20-Oct-11	1005	991	1000.23	39587	395.89
IIISL	N1	21-Oct-11	1002.5	1000	1002.25	1574	15.76
IIISL	N1	24-Oct-11	1002.49	995.04	1001.45	1955	19.57
IIISL	N1	24-Oct-11	1002.49	995.04	1001.45	1955	19.57

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N1	25-Oct-11	1004.8	1000.3	1001.61	319	3.19
IIISL	N1	26-Oct-11	1002.95	1000.25	1001.69	160	1.6
IIISL	N1	28-Oct-11	1003.9	995.01	1000.77	1513	15.14
IIISL	N1	31-Oct-11	1003.8	1000	1001.33	500	5.01
IIISL	N1	01-Nov-11	1001.99	1000.9	1001.23	688	6.89
IIISL	N1	02-Nov-11	1002.75	1000	1000.83	930	9.31
IIISL	N1	03-Nov-11	1001.99	1000.35	1000.54	261	2.61
IIISL	N1	04-Nov-11	1001.9	999.5	1000.61	1827	18.29
IIISL	N1	08-Nov-11	1001.75	1000	1000.75	997	9.98
IIISL	N1	09-Nov-11	1001.9	990.25	1000.84	1171	11.7
IIISL	N1	11-Nov-11	1001.5	1000	1000.71	813	8.13
IIISL	N1	14-Nov-11	1002	999	1000.89	635	6.35
IIISL	N1	15-Nov-11	1004.75	1000.75	1001.05	1517	15.19
IIISL	N1	16-Nov-11	1003	1000.9	1002.12	2533	25.36
IIISL	N1	17-Nov-11	1004	1000	1001.2	689	6.91
IIISL	N1	18-Nov-11	1003	1000.75	1002.96	2609	26.14
IIISL	N1	21-Nov-11	1003	1000	1000.7	3699	37.08
IIISL	N1	22-Nov-11	1001.2	970	999.93	488	4.85
IIISL	N1	23-Nov-11	1000	980	998.55	1063	10.6
IIISL	N1	24-Nov-11	1000	965	998	585	5.83
IIISL	N1	25-Nov-11	1002	986	1000.86	1532	15.33
IIISL	N1	28-Nov-11	1002.5	995	1002.05	901	9.03
IIISL	N1	29-Nov-11	1002	990	1000.18	483	4.83
IIISL	N1	30-Nov-11	1003.5	994.01	1003.5	403	4.03
IIISL	N1	01-Dec-11	1005	990	1000.79	1307	13.11
IIISL	N1	02-Dec-11	1001.9	1000.5	1000.89	345	3.45
IIISL	N1	05-Dec-11	1001.35	1000	1000.38	210	2.1
IIISL	N1	07-Dec-11	1002.15	999	1001.15	776	7.77
IIISL	N1	08-Dec-11	1002.5	996.02	997.54	594	5.94
IIISL	N1	09-Dec-11	1000.5	966	999.97	286	2.84
IIISL	N1	12-Dec-11	1002.5	1000	1000	286	2.86
IIISL	N1	13-Dec-11	1000.9	996.03	1000.01	1010	10.1
IIISL	N1	14-Dec-11	1000.9	993.1	999	809	8.09
IIISL	N1	15-Dec-11	1000.3	995.5	995.5	130	1.3
IIISL	N1	16-Dec-11	1001	993	998.8	829	8.28
IIISL	N1	19-Dec-11	1099.99	990.01	1000.02	314	3.16
IIISL	N1	20-Dec-11	1010	999.5	999.65	507	5.07
IIISL	N1	21-Dec-11	1000.9	999.95	1000	545	5.45
IIISL	N1	22-Dec-11	1000.9	983.01	999	356	3.56
IIISL	N1	23-Dec-11	1010	999	999.25	686	6.86
IIISL	N1	26-Dec-11	1001.95	999	999.41	307	3.07
IIISL	N1	27-Dec-11	1001.35	985.15	999.69	258	2.58
IIISL	N1	28-Dec-11	1001.25	987.06	997.11	399	3.98
IIISL	N1	29-Dec-11	1001.35	987.01	1000.03	1121	11.18
IIISL	N1	30-Dec-11	1001	982.35	998.74	1078	10.77
IIISL	N1	02-Jan-12	1000.9	996.5	998.97	1283	12.82
IIISL	N1	03-Jan-12	1000.85	990	995.6	788	7.87
IIISL	N1	04-Jan-12	1001	990.2	995.5	376	3.75
IIISL	N1	05-Jan-12	1000.65	960	999	510	5.09
IIISL	N1	06-Jan-12	1000.01	993.5	1000	12843	128.42
IIISL	N1	09-Jan-12	1010	980.1	1005.31	3970	39.77
IIISL	N1	10-Jan-12	1008.35	1002	1005.72	7054	70.91
IIISL	N1	11-Jan-12	1008.4	1004	1007	1581	15.92
IIISL	N1	12-Jan-12	1007	1003	1006.99	2339	23.55
IIISL	N1	13-Jan-12	1007	990.5	1005.53	4795	48.21

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N1	16-Jan-12	1007	1003	1004.94	2158	21.69
IIISL	N1	17-Jan-12	1006.1	997.55	1004.25	3715	37.31
IIISL	N1	18-Jan-12	1014.99	995.02	1004.98	1343	13.5
IIISL	N1	19-Jan-12	1007	999.01	1003	3154	31.63
IIISL	N1	20-Jan-12	1007	1002	1004.44	6644	66.67
IIISL	N1	23-Jan-12	1007.9	1002.5	1006.02	9518	95.73
IIISL	N1	24-Jan-12	1009.9	1005.9	1006.4	7637	76.88
IIISL	N1	25-Jan-12	1017.9	1005.99	1015.8	7685	77.66
IIISL	N1	27-Jan-12	1019.5	1005.1	1017.62	1192	12.08
IIISL	N1	30-Jan-12	1013.01	1008	1013	215	2.17
IIISL	N1	31-Jan-12	1016.85	1014	1014.87	297	3.02
IIISL	N1	01-Feb-12	1017.9	1010	1015	1233	12.5
IIISL	N1	02-Feb-12	1017.1	1010	1010.75	2755	27.96
IIISL	N1	03-Feb-12	1027.5	1003	1020.7	2905	29.62
IIISL	N1	06-Feb-12	1017.37	1005	1013.25	182	1.85
IIISL	N1	07-Feb-12	1015	1010.1	1013.96	778	7.88
IIISL	N1	08-Feb-12	1016	1005.2	1016	717	7.24
IIISL	N1	09-Feb-12	1011.01	1008.01	1009.94	191	1.93
IIISL	N1	10-Feb-12	1011	1009	1010	70	0.71
IIISL	N1	13-Feb-12	1024.98	1004.3	1019.7	1847	18.79
IIISL	N1	14-Feb-12	1021	1012.25	1016.68	540	5.49
IIISL	N1	15-Feb-12	1024	1009.01	1019	1317	13.4
IIISL	N1	16-Feb-12	1013.75	1000.01	1013.75	75	0.76
IIISL	N1	17-Feb-12	1033	1010.52	1020.34	1466	14.9
IIISL	N1	21-Feb-12	1028.95	1016.01	1028.18	1760	17.98
IIISL	N1	22-Feb-12	1025	1020.35	1024.31	755	7.71
IIISL	N1	23-Feb-12	1022	1001.1	1020.66	580	5.9
IIISL	N1	24-Feb-12	1025.03	1015.1	1024.55	1610	16.45
IIISL	N1	27-Feb-12	1025	1016.25	1024.65	1195	12.24
IIISL	N1	28-Feb-12	1025	1019.5	1025	737	7.55
IIISL	N1	29-Feb-12	1025	1018.01	1024.92	258	2.64
IIISL	N1	01-Mar-12	1029.49	1016.2	1025.89	877	8.99
IIISL	N1	02-Mar-12	1033.95	1015.01	1029.73	1463	14.96
IIISL	N1	03-Mar-12	1018.01	982.21	1018.01	12	0.12
IIISL	N1	05-Mar-12	1028.09	1020	1025.03	3810	38.97
IIISL	N1	06-Mar-12	1024	1020.01	1021.58	1444	14.76
IIISL	N1	07-Mar-12	1026	1007	1024.92	2140	21.9
IIISL	N1	09-Mar-12	1033.4	1020	1025.39	230	2.36
IIISL	N1	12-Mar-12	1024.9	1005.1	1020.4	108	1.1
IIISL	N1	13-Mar-12	1020	1005.6	1017	524	5.32
IIISL	N1	14-Mar-12	1020	1011.01	1013.42	1630	16.53
IIISL	N1	15-Mar-12	1014	1006	1013.5	158	1.6
IIISL	N1	16-Mar-12	1018.99	1010	1018.52	703	7.11
IIISL	N1	19-Mar-12	1025	1009.26	1017.06	427	4.34
IIISL	N1	20-Mar-12	1025	1010.01	1022.96	1303	13.3
IIISL	N1	21-Mar-12	999	949	962.39	812	7.82
IIISL	N1	22-Mar-12	978	958.01	963.51	64	0.62
IIISL	N1	23-Mar-12	975	960	974.99	62	0.6
IIISL	N1	26-Mar-12	975	965	968.33	10	0.1
IIISL	N1	27-Mar-12	970	963	970	64	0.62
IIISL	N1	28-Mar-12	970	961	961	256	2.46
IIISL	N1	29-Mar-12	961	961	961	90	0.86
IIISL	N1	30-Mar-12	966	961	965.49	135	1.3

NSE - 01-04-2011-TO-31-03-2012 - IIISLN2N

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N2	24-Aug-11	980	950	961.43	343	3.29
IIISL	N2	25-Aug-11	980	950	980	106	1.02
IIISL	N2	26-Aug-11	980	959	966.18	104	1
IIISL	N2	29-Aug-11	980	923	973.23	169	1.63
IIISL	N2	30-Aug-11	967	943	965.05	45	0.43
IIISL	N2	02-Sep-11	979	955.05	969.3	39	0.37
IIISL	N2	05-Sep-11	966	955	965.47	21	0.2
IIISL	N2	06-Sep-11	980	966.05	973.33	111	1.08
IIISL	N2	07-Sep-11	998	930	972	77	0.75
IIISL	N2	08-Sep-11	980	970	971	58	0.56
IIISL	N2	09-Sep-11	990	970	978	55	0.54
IIISL	N2	12-Sep-11	986.8	960	981.28	172	1.67
IIISL	N2	13-Sep-11	990	937	980	143	1.38
IIISL	N2	14-Sep-11	980	950	979.41	74	0.72
IIISL	N2	19-Sep-11	962	962	962	5	0.05
IIISL	N2	20-Sep-11	980	980	980	50	0.49
IIISL	N2	22-Sep-11	980	970	972.64	524	5.09
IIISL	N2	23-Sep-11	979	970	978.66	67	0.65
IIISL	N2	26-Sep-11	980	968	975.66	160	1.56
IIISL	N2	27-Sep-11	965	955	961.27	85	0.82
IIISL	N2	28-Sep-11	980	960	978.63	165	1.6
IIISL	N2	29-Sep-11	980	951	958.87	154	1.48
IIISL	N2	30-Sep-11	980	971	978.38	180	1.76
IIISL	N2	03-Oct-11	980	960.99	977.2	173	1.68
IIISL	N2	04-Oct-11	973	963	967.5	160	1.55
IIISL	N2	05-Oct-11	979.5	964	964	135	1.32
IIISL	N2	07-Oct-11	978	965	978	9	0.09
IIISL	N2	10-Oct-11	950	950	950	5	0.05
IIISL	N2	11-Oct-11	961.5	961.5	961.5	8	0.08
IIISL	N2	12-Oct-11	966	966	966	5	0.05
IIISL	N2	13-Oct-11	974	960	963.12	21	0.2
IIISL	N2	14-Oct-11	970	964.5	964.82	72	0.7
IIISL	N2	17-Oct-11	970	965	965	50	0.48
IIISL	N2	18-Oct-11	965	965	965	30	0.29
IIISL	N2	19-Oct-11	1000	966	997.54	219	2.16
IIISL	N2	20-Oct-11	1003	990	1003	245	2.45
IIISL	N2	21-Oct-11	1005	1000	1002.94	236	2.36
IIISL	N2	24-Oct-11	1002	974.2	1001.49	243	2.43
IIISL	N2	24-Oct-11	1002	974.2	1001.49	243	2.43
IIISL	N2	25-Oct-11	1002	1001.5	1001.93	47	0.47
IIISL	N2	26-Oct-11	1002	1002	1002	20	0.2
IIISL	N2	28-Oct-11	1001.5	1000.5	1000.66	162	1.62
IIISL	N2	31-Oct-11	1190	1001.25	1003.81	313	3.16
IIISL	N2	01-Nov-11	1009	1002.05	1009	101	1.01
IIISL	N2	02-Nov-11	1005	1001.95	1005	110	1.1
IIISL	N2	03-Nov-11	1005	1005	1005	100	1.01
IIISL	N2	04-Nov-11	1005	1002	1002	408	4.09
IIISL	N2	08-Nov-11	1002.05	1000.1	1001	805	8.06
IIISL	N2	09-Nov-11	1001.5	1000.5	1001	605	6.06
IIISL	N2	11-Nov-11	1016	1001	1001	615	6.17
IIISL	N2	14-Nov-11	1001.1	1000.9	1000.9	200	2

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N2	15-Nov-11	1001.35	1000	1000	252	2.52
IIISL	N2	16-Nov-11	1001.25	1000	1000.95	250	2.5
IIISL	N2	17-Nov-11	1001.15	1000.75	1000.75	775	7.76
IIISL	N2	18-Nov-11	1001.15	1000.75	1001	1105	11.06
IIISL	N2	21-Nov-11	1001	1000	1000.46	1257	12.58
IIISL	N2	22-Nov-11	1001	1000.45	1000.45	240	2.4
IIISL	N2	23-Nov-11	1001	1000	1001	150	1.5
IIISL	N2	24-Nov-11	1000	994.9	1000	56	0.56
IIISL	N2	25-Nov-11	1001.35	1000	1000.02	3572	35.73
IIISL	N2	28-Nov-11	1001.15	999	999	820	8.2
IIISL	N2	29-Nov-11	1000.25	998	998.82	256	2.56
IIISL	N2	30-Nov-11	1001	999.25	1000	238	2.38
IIISL	N2	01-Dec-11	1000	999.75	999.75	100	1
IIISL	N2	02-Dec-11	1000	999.75	1000	32	0.32
IIISL	N2	05-Dec-11	1000.2	999	999.7	275	2.75
IIISL	N2	07-Dec-11	1001.5	999.95	999.95	321	3.21
IIISL	N2	08-Dec-11	1000	999.91	999.91	535	5.35
IIISL	N2	09-Dec-11	1000.9	1000.2	1000.2	75	0.75
IIISL	N2	12-Dec-11	1000	998	1000	405	4.05
IIISL	N2	13-Dec-11	1000.1	1000	1000	110	1.1
IIISL	N2	14-Dec-11	1000.9	1000.15	1000.15	200	2
IIISL	N2	15-Dec-11	1000	999.5	999.5	65	0.65
IIISL	N2	16-Dec-11	1000.8	999	999.32	1265	12.64
IIISL	N2	19-Dec-11	1000.15	999	999	95	0.95
IIISL	N2	20-Dec-11	1001.15	999.4	999.4	240	2.4
IIISL	N2	21-Dec-11	1000.9	999.95	1000	365	3.65
IIISL	N2	22-Dec-11	1000.9	999.9	999.9	110	1.1
IIISL	N2	23-Dec-11	1001	999.9	999.99	211	2.11
IIISL	N2	26-Dec-11	1001.65	1001.25	1001.25	25	0.25
IIISL	N2	27-Dec-11	999.75	999	999	300	3
IIISL	N2	29-Dec-11	1001.35	999.85	999.88	145	1.45
IIISL	N2	30-Dec-11	1010	1000.65	1010	47	0.47
IIISL	N2	04-Jan-12	1001	1000	1000	80	0.8
IIISL	N2	05-Jan-12	1012.1	1012.1	1012.1	6	0.06
IIISL	N2	06-Jan-12	1000	999	999.31	326	3.26
IIISL	N2	09-Jan-12	1010	999.2	1008.22	284	2.86
IIISL	N2	10-Jan-12	1008	1006.6	1007	99	1
IIISL	N2	11-Jan-12	1007	1007	1007	50	0.5
IIISL	N2	16-Jan-12	1007	1003	1003	100	1
IIISL	N2	18-Jan-12	1007	1004	1005.5	40	0.4
IIISL	N2	19-Jan-12	1007	1000	1006	1222	12.26
IIISL	N2	20-Jan-12	1000.01	1000.01	1000.01	25	0.25
IIISL	N2	24-Jan-12	1009	1008	1008.88	25	0.25
IIISL	N2	25-Jan-12	1026	1014	1026	469	4.78
IIISL	N2	27-Jan-12	1013	1011	1012.1	60	0.61
IIISL	N2	30-Jan-12	1013	1004	1010.63	220	2.22
IIISL	N2	31-Jan-12	1025	1022.5	1023.7	126	1.29
IIISL	N2	01-Feb-12	1025	1010	1025	165	1.68
IIISL	N2	03-Feb-12	1035	1001.15	1035	150	1.54
IIISL	N2	06-Feb-12	1004.5	1001.1	1004.5	80	0.8
IIISL	N2	07-Feb-12	1030	1025	1030	164	1.68
IIISL	N2	08-Feb-12	1060	1035	1035	100025	1060.26
IIISL	N2	09-Feb-12	1030	1010	1030	211	2.13
IIISL	N2	10-Feb-12	1025	1006.01	1025	55	0.55
IIISL	N2	13-Feb-12	1059.9	1010	1035	14815	156.95

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N2	14-Feb-12	1030	1030	1030	50	0.52
IIISL	N2	15-Feb-12	1229.9	1033.05	1089.55	485	5.55
IIISL	N2	23-Feb-12	1030	1030	1030	5	0.05
IIISL	N2	24-Feb-12	1000.01	1000.01	1000.01	15	0.15
IIISL	N2	27-Feb-12	1030	1000	1030	102	1.03
IIISL	N2	28-Feb-12	1030	1000.01	1030	63	0.64
IIISL	N2	29-Feb-12	1025	1025	1025	50	0.51
IIISL	N2	01-Mar-12	1025	1021	1025	105	1.08
IIISL	N2	02-Mar-12	1025	1018	1025	156	1.59
IIISL	N2	05-Mar-12	1025	950.2	1025	31	0.32
IIISL	N2	06-Mar-12	1025	1025	1025	5	0.05
IIISL	N2	07-Mar-12	1025	1024.99	1024.99	115	1.18
IIISL	N2	09-Mar-12	1040	1000.01	1022	230	2.37
IIISL	N2	12-Mar-12	1025	1011.01	1024.08	90	0.92
IIISL	N2	13-Mar-12	1025	1025	1025	45	0.46
IIISL	N2	14-Mar-12	1022	1015	1020	3	0.03
IIISL	N2	19-Mar-12	1020	980.1	1020	45	0.45
IIISL	N2	20-Mar-12	1025	998.25	1024.26	64	0.65
IIISL	N2	27-Mar-12	999.1	999.1	999.1	8	0.08
IIISL	N2	28-Mar-12	1000	982.1	982.1	54	0.53
IIISL	N2	29-Mar-12	1015.9	1010	1013.3	15	0.15
IIISL	N2	30-Mar-12	1005.01	967.7	1005.01	96	0.95

NSE - 01-04-2011-TO-31-03-2012 - IIISLN3N

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N3	05-Sep-11	960	960	960	30	0.29
IIISL	N3	07-Sep-11	960	960	960	2	0.02
IIISL	N3	21-Oct-11	960	960	960	280	2.69
IIISL	N3	24-Oct-11	959	959	959	25	0.24
IIISL	N3	24-Oct-11	959	959	959	25	0.24
IIISL	N3	25-Oct-11	960	959	959	115	1.1
IIISL	N3	02-Nov-11	960	960	960	15	0.14
IIISL	N3	08-Nov-11	960	960	960	25	0.24
IIISL	N3	11-Nov-11	960	960	960	5	0.05
IIISL	N3	18-Nov-11	970	970	970	5	0.05
IIISL	N3	29-Nov-11	960	960	960	3	0.03
IIISL	N3	08-Dec-11	975	975	975	5	0.05
IIISL	N3	09-Dec-11	975	975	975	15	0.15
IIISL	N3	14-Feb-12	970	970	970	5	0.05
IIISL	N3	17-Feb-12	968	968	968	10	0.1
IIISL	N3	21-Feb-12	975	970.2	975	100	0.97
IIISL	N3	22-Feb-12	970	970	970	10	0.1
IIISL	N3	23-Feb-12	970	970	970	10	0.1

NSE - 01-04-2011-TO-31-03-2012 - IIISLN4N

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N4	24-Aug-11	1017	913.21	920.76	250846	2356.36
IIISL	N4	25-Aug-11	960.95	926	952.63	139707	1326.34
IIISL	N4	26-Aug-11	955	939	940.6	23958	226.62

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N4	29-Aug-11	946	931.1	934.48	10240	96.3
IIISL	N4	30-Aug-11	947	936.05	940.03	16016	150.56
IIISL	N4	02-Sep-11	940	921	930.27	15675	145.71
IIISL	N4	05-Sep-11	937.9	928.05	935.44	7618	71.24
IIISL	N4	06-Sep-11	939.9	932	933.29	6782	63.4
IIISL	N4	07-Sep-11	939.69	933	938.06	6425	60.19
IIISL	N4	08-Sep-11	939.63	933.11	935.39	9330	87.49
IIISL	N4	09-Sep-11	938	934	937.05	8276	77.5
IIISL	N4	12-Sep-11	938.9	934.8	937.18	10886	102
IIISL	N4	13-Sep-11	938.8	934.6	936.4	9369	87.76
IIISL	N4	14-Sep-11	937.9	933.05	937.07	13641	127.79
IIISL	N4	15-Sep-11	941.6	937	939.86	19524	183.34
IIISL	N4	16-Sep-11	944	937	938.43	9392	88.25
IIISL	N4	19-Sep-11	940.1	937.01	939.7	9280	87.21
IIISL	N4	20-Sep-11	940.87	936.25	939.39	16113	151.46
IIISL	N4	21-Sep-11	940	938	939.1	3608	33.9
IIISL	N4	22-Sep-11	939.75	938	939.11	5681	53.36
IIISL	N4	23-Sep-11	939	935.2	937.89	3730	34.94
IIISL	N4	26-Sep-11	935.88	921	928.04	8911	83.07
IIISL	N4	27-Sep-11	931.2	926.15	930.27	3677	34.15
IIISL	N4	28-Sep-11	932	926.01	927.65	4864	45.21
IIISL	N4	29-Sep-11	934.7	922.07	929.27	5987	55.65
IIISL	N4	30-Sep-11	929.9	887.45	927.91	4372	40.62
IIISL	N4	03-Oct-11	929.87	922	923.18	3340	30.86
IIISL	N4	04-Oct-11	925	921	921.69	4286	39.54
IIISL	N4	05-Oct-11	925.3	921.35	922.77	5492	50.69
IIISL	N4	07-Oct-11	927	924.25	925.25	2101	19.43
IIISL	N4	10-Oct-11	930	920.15	928.39	8651	80.1
IIISL	N4	11-Oct-11	930.85	925.01	929.64	5504	51.09
IIISL	N4	12-Oct-11	932	927.3	930.66	7454	69.38
IIISL	N4	13-Oct-11	931.99	927.01	930.92	6780	63.09
IIISL	N4	14-Oct-11	939	932	937.37	1926	18
IIISL	N4	17-Oct-11	942.9	934.1	940.03	3773	35.46
IIISL	N4	18-Oct-11	948.63	940.01	947.1	5896	55.74
IIISL	N4	19-Oct-11	952	946.26	951.54	2131	20.24
IIISL	N4	20-Oct-11	959	948.05	957.12	5849	55.95
IIISL	N4	21-Oct-11	963	957.11	961.85	3764	36.15
IIISL	N4	24-Oct-11	963	956.5	958.31	2756	26.45
IIISL	N4	24-Oct-11	963	956.5	958.31	2756	26.45
IIISL	N4	25-Oct-11	961	951.03	957.44	3546	33.99
IIISL	N4	26-Oct-11	958.97	952.05	958.21	2443	23.4
IIISL	N4	28-Oct-11	962	956.94	961.67	3017	28.96
IIISL	N4	31-Oct-11	965.4	961	964.21	1657	15.96
IIISL	N4	01-Nov-11	968.5	961.11	967.58	2511	24.25
IIISL	N4	02-Nov-11	976	963	966.6	1796	17.37
IIISL	N4	03-Nov-11	968	966.45	966.89	938	9.07
IIISL	N4	04-Nov-11	968	965.06	966.59	1650	15.95
IIISL	N4	08-Nov-11	969.99	966.01	968.3	944	9.14
IIISL	N4	09-Nov-11	972	967.01	971.28	2043	19.84
IIISL	N4	11-Nov-11	971	967.01	969.78	2308	22.38
IIISL	N4	14-Nov-11	969.34	967	967.8	1802	17.45
IIISL	N4	15-Nov-11	969	963	964.39	3718	35.91
IIISL	N4	16-Nov-11	973	961.07	963.58	986	9.5
IIISL	N4	17-Nov-11	967	959.51	960.08	3004	28.87
IIISL	N4	18-Nov-11	962	956.01	956.34	3507	33.57

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N4	21-Nov-11	960	953	953.18	1858	17.74
IIISL	N4	22-Nov-11	953	950	950.9	463	4.41
IIISL	N4	23-Nov-11	954.86	945	946.03	1819	17.24
IIISL	N4	24-Nov-11	949	943.01	944.63	2261	21.4
IIISL	N4	25-Nov-11	949.45	938	942.88	5661	53.3
IIISL	N4	28-Nov-11	946.45	940	942.64	1266	11.94
IIISL	N4	29-Nov-11	943	931	942.2	765	7.2
IIISL	N4	30-Nov-11	944.9	940.21	942.91	1078	10.16
IIISL	N4	01-Dec-11	947.99	942.34	946.45	1648	15.58
IIISL	N4	02-Dec-11	952.46	945.61	951.29	2304	21.83
IIISL	N4	05-Dec-11	952.7	944	951.13	541	5.14
IIISL	N4	07-Dec-11	955.92	948	953.73	2124	20.19
IIISL	N4	08-Dec-11	958.5	950.01	957.91	1893	18.08
IIISL	N4	09-Dec-11	958.9	951	958.68	864	8.27
IIISL	N4	12-Dec-11	959.5	954.13	957.33	1524	14.58
IIISL	N4	13-Dec-11	959	954.07	958.7	2107	20.18
IIISL	N4	14-Dec-11	959.4	955.4	957.21	980	9.38
IIISL	N4	15-Dec-11	956	950	954.24	3486	33.26
IIISL	N4	16-Dec-11	965	952.42	955.13	7911	75.61
IIISL	N4	19-Dec-11	953.5	945	947	2282	21.65
IIISL	N4	20-Dec-11	952	942	942.75	1768	16.72
IIISL	N4	21-Dec-11	946	940	942.21	2308	21.75
IIISL	N4	22-Dec-11	944	941	942.43	2239	21.09
IIISL	N4	23-Dec-11	944	938.01	941.39	1585	14.91
IIISL	N4	26-Dec-11	948.5	938.31	939.99	642	6.03
IIISL	N4	27-Dec-11	940	938	938	2425	22.76
IIISL	N4	28-Dec-11	939.95	935.1	939.45	1149	10.78
IIISL	N4	29-Dec-11	939.83	935	935.99	2948	27.58
IIISL	N4	30-Dec-11	940.5	935	938.55	2712	25.44
IIISL	N4	02-Jan-12	945.56	938.2	944.64	1313	12.38
IIISL	N4	03-Jan-12	942.95	941.25	942.23	411	3.87
IIISL	N4	04-Jan-12	950	939.1	947	3230	30.56
IIISL	N4	05-Jan-12	953.8	946	947.23	2343	22.24
IIISL	N4	06-Jan-12	946.85	940.01	945.82	900	8.51
IIISL	N4	09-Jan-12	951.98	942	944.24	523	4.94
IIISL	N4	10-Jan-12	948.18	942	945.5	462	4.37
IIISL	N4	11-Jan-12	958	943.1	955.44	5125	48.89
IIISL	N4	12-Jan-12	963.1	951.5	960.14	5908	56.66
IIISL	N4	13-Jan-12	963.49	956.1	961.47	1056	10.15
IIISL	N4	16-Jan-12	964.53	960	964.27	1101	10.59
IIISL	N4	17-Jan-12	964.89	958.05	959.8	1007	9.68
IIISL	N4	18-Jan-12	1000	960	961.16	2884	27.75
IIISL	N4	19-Jan-12	980	959.26	961.82	2957	28.43
IIISL	N4	20-Jan-12	964	955.01	960.27	6157	59.19
IIISL	N4	23-Jan-12	965	950.5	963.87	6618	63.49
IIISL	N4	24-Jan-12	964.25	957	961.71	10421	100.18
IIISL	N4	25-Jan-12	964.99	959.61	961.86	3277	31.52
IIISL	N4	27-Jan-12	963.4	959.01	960.79	1597	15.34
IIISL	N4	30-Jan-12	960	959.26	959.93	641	6.15
IIISL	N4	31-Jan-12	970	951.1	964.8	11394	109.9
IIISL	N4	01-Feb-12	970	961.5	967.16	2962	28.61
IIISL	N4	02-Feb-12	969.99	965.55	967.44	711	6.88
IIISL	N4	03-Feb-12	969.79	967	967	955	9.25
IIISL	N4	06-Feb-12	975.9	966	974.79	4180	40.66
IIISL	N4	07-Feb-12	976.7	970	975.49	2557	24.92

Symbol	Series	Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	Total Traded Quantity	Turnover (₹ in Lacs)
IIISL	N4	08-Feb-12	984	972	977.68	5288	51.64
IIISL	N4	09-Feb-12	980	973.01	975.12	2283	22.3
IIISL	N4	10-Feb-12	975	970.85	972.05	1075	10.46
IIISL	N4	13-Feb-12	979.95	973	978.03	3263	31.83
IIISL	N4	14-Feb-12	979.9	975.11	975.33	298	2.91
IIISL	N4	15-Feb-12	978.35	973	976.22	2540	24.8
IIISL	N4	16-Feb-12	978.98	972	973.92	904	8.82
IIISL	N4	17-Feb-12	980.05	940.01	976.81	5383	52.53
IIISL	N4	21-Feb-12	982.3	970.5	978.69	9496	92.86
IIISL	N4	22-Feb-12	979.85	962.1	973.24	6056	59.24
IIISL	N4	23-Feb-12	978	970.5	972.06	1528	14.9
IIISL	N4	24-Feb-12	974.49	965.5	971.29	3208	31.13
IIISL	N4	27-Feb-12	976.9	967.01	974.3	12356	120.42
IIISL	N4	28-Feb-12	980	968.15	978.47	1222	11.93
IIISL	N4	29-Feb-12	982.7	969.76	980	7264	71.17
IIISL	N4	01-Mar-12	987	977.01	980.01	37560	368.52
IIISL	N4	02-Mar-12	981	978.5	980.29	6407	62.79
IIISL	N4	03-Mar-12	983.5	980	980	85	0.83
IIISL	N4	05-Mar-12	981	977.65	980.65	11001	107.83
IIISL	N4	06-Mar-12	981.4	978.42	979.96	2727	26.72
IIISL	N4	07-Mar-12	981	978.25	979.77	3512	34.41
IIISL	N4	09-Mar-12	980	976.56	979.76	5337	52.27
IIISL	N4	12-Mar-12	982	979	980.47	4307	42.23
IIISL	N4	13-Mar-12	982.99	978.5	980.93	4186	41.04
IIISL	N4	14-Mar-12	982	980	981.99	6262	61.48
IIISL	N4	15-Mar-12	990.7	981	989.63	14102	139.41
IIISL	N4	16-Mar-12	993.55	987.01	992.12	750	7.44
IIISL	N4	19-Mar-12	993.5	990	990.58	5577	55.25
IIISL	N4	20-Mar-12	1000.95	990.02	997.87	9614	95.73
IIISL	N4	21-Mar-12	970.1	922	928.51	6958	64.61
IIISL	N4	22-Mar-12	940	922	929.15	4486	41.66
IIISL	N4	23-Mar-12	930	900.1	927.8	3202	29.65
IIISL	N4	26-Mar-12	928.99	917.2	920.32	3714	34.23
IIISL	N4	27-Mar-12	923.75	918.27	919.48	9771	90.15
IIISL	N4	28-Mar-12	923.5	917	919.99	2832	26.08
IIISL	N4	29-Mar-12	922.98	919	919.48	1382	12.72
IIISL	N4	30-Mar-12	923.97	920	921.09	884	8.14

Source :- www.nseindia.com

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Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
24-Aug-11	985.5	937.1	959.22	4172	4061462
25-Aug-11	984	950	960	181	174750
26-Aug-11	980	960	975.79	440	428332
29-Aug-11	984.95	976	984.95	103	100652
30-Aug-11	988	975	983.1	248	243533
02-Sep-11	989	960	989	169	166443
05-Sep-11	985	972.1	980.1	1344	1313827
06-Sep-11	984.74	979.99	983.99	265	260488
07-Sep-11	984	972.1	979.07	412	403189
08-Sep-11	976.05	976	976.01	105	102481
09-Sep-11	985	962	984.9	18	17663
12-Sep-11	981.9	980.25	980.25	167	163751

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
13-Sep-11	980	980	980	3	2940
14-Sep-11	984	982.8	984	305	299957
15-Sep-11	982	975	981.98	31	30334
20-Sep-11	980	974	980	15	14640
21-Sep-11	972.1	972.1	972.1	305	296490
22-Sep-11	984	981	984	50	49062
26-Sep-11	983	971	981	86	84078
27-Sep-11	983.5	983.5	983.5	25	24587
28-Sep-11	983.5	983.5	983.5	9	8851
29-Sep-11	984	976.1	982.85	71	69685
03-Oct-11	983	970	983	76	74086
04-Oct-11	970	970	970	10	9700
07-Oct-11	979	970	970	50	48590
10-Oct-11	980	970	980	156	152582
11-Oct-11	980	980	980	79	77420
12-Oct-11	979	979	979	10	9790
13-Oct-11	984.9	972.1	984.9	27	26505
17-Oct-11	994.5	994	994.5	30	29830
18-Oct-11	984	981	984	510	501810
19-Oct-11	994	984	994	510	506840
21-Oct-11	991.15	985	991.15	40	39511
26-Oct-11	985.15	985.15	985.15	5	4925
31-Oct-11	1000	986	1000	540	536220
04-Nov-11	999	993	993	320	319560
09-Nov-11	992	992	992	5	4960
11-Nov-11	990.01	990.01	990.01	10	9900
14-Nov-11	992	990.01	990.01	50	49510
15-Nov-11	992	992	992	100	99200
17-Nov-11	1000	993	999	556	552464
18-Nov-11	999	995.01	999	10	9954
21-Nov-11	993	989.01	993	50	49630
22-Nov-11	991.42	991.42	991.42	30	29742
23-Nov-11	999.5	980.2	997	561	552336
25-Nov-11	994.5	987.01	992.66	326	323641
29-Nov-11	992.15	992.15	992.15	100	99215
30-Nov-11	995.1	995	995.1	410	407962
01-Dec-11	1002	997	1002	219	219377
02-Dec-11	1009	1001	1001.24	132	132227
05-Dec-11	995	995	995	25	24875
13-Dec-11	1010	994.2	994.2	2	2004
19-Dec-11	982.11	982.11	982.11	5	4910
20-Dec-11	981.71	981.71	981.71	20	19634
21-Dec-11	984.11	984.11	984.11	5	4920
23-Dec-11	990	990	990	15	14850
27-Dec-11	986.21	986.18	986.21	30	29585
02-Jan-12	988.05	988.03	988.05	10	9880
05-Jan-12	990	990	990	10	9900
10-Jan-12	993.03	993.03	993.03	10	9930
12-Jan-12	988.01	988.01	988.01	50	49400
13-Jan-12	1014.44	986.2	1005.99	110	108722
16-Jan-12	990.01	990	990.01	135	133650
17-Jan-12	997.14	997.14	997.14	5	4985
19-Jan-12	1014.99	1014.99	1014.99	2	2029
20-Jan-12	1003.5	1003.5	1003.5	9	9031
23-Jan-12	997.01	997.01	997.01	25	24925
24-Jan-12	1002.09	1001.01	1002.09	83	83092

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
25-Jan-12	1012.99	1003.01	1012.69	61	61529
27-Jan-12	1015	1015	1015	2	2030
30-Jan-12	1018	1018	1018	1	1018
31-Jan-12	1017.9	1006	1008	41	41387
01-Feb-12	1015	1010	1010	30	30380
02-Feb-12	1015	1005	1005	42	42380
03-Feb-12	1023.15	1023.15	1023.15	5	5115
06-Feb-12	1015	1015	1015	21	21315
08-Feb-12	1010	1001.7	1010	146	146505
09-Feb-12	1010	1008	1008	29	29270
14-Feb-12	1008.05	1008.05	1008.05	50	50402
16-Feb-12	1010.01	1010.01	1010.01	10	10100
17-Feb-12	1020	1006.01	1019.99	400	406073
21-Feb-12	1018.01	1013.51	1018.01	170	172676
22-Feb-12	1025	1015.15	1020	160	162765
24-Feb-12	1001.6	1001.6	1001.6	150	150240
27-Feb-12	1020.05	1017.01	1018.02	25	25470
28-Feb-12	1020.5	1020	1020.5	150	153050
29-Feb-12	1017.1	1017.1	1017.1	10	10171
01-Mar-12	1022	1019.01	1019.01	155	157961
02-Mar-12	1025	1020	1025	107	109175
05-Mar-12	1021	1021	1021	10	10210
07-Mar-12	1020.17	1020.17	1020.17	101	103037
09-Mar-12	1021.01	1021.01	1021.01	10	10210
13-Mar-12	1020	1020	1020	5	5100
14-Mar-12	1024.99	1024.99	1024.99	25	25624
15-Mar-12	1014	1005.01	1005.01	150	151650
21-Mar-12	963.99	955	960	136	130094
22-Mar-12	992.99	961	969.02	40	38760
23-Mar-12	960.21	960.21	960.21	5	4801
26-Mar-12	1000	1000	1000	1	1000

BSE - IIISLNCDII (934817)_d

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
24-Aug-11	965	965	965	20	19300
26-Aug-11	971.05	966	966	200	193955
29-Aug-11	965	965	965	3	2895
30-Aug-11	961	961	961	50	48050
05-Sep-11	998.75	967.25	983	27	26216
07-Sep-11	975	801	975	65	54675
08-Sep-11	1062	971	971	10	10165
09-Sep-11	975	972	972.5	11	10710
12-Sep-11	970	970	970	1	970
13-Sep-11	971	971	971	20	19420
16-Sep-11	988	911	988	5	4863
19-Sep-11	994	993.95	994	78	77531
20-Sep-11	994	960.1	994	20	19536
22-Sep-11	976	976	976	17	16592
23-Sep-11	976	976	976	25	24400
28-Sep-11	968	968	968	25	24200
20-Oct-11	1000	967.5	1000	141	136450
26-Oct-11	985	985	985	1	985
09-Nov-11	1010	1010	1010	1	1010
11-Nov-11	1001.95	1001.95	1001.95	80	80156

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
14-Nov-11	998.02	998.02	998.02	20	19960
16-Nov-11	1002.9	996	996	172	171969
22-Nov-11	999	999	999	2	1998
24-Nov-11	1039.99	1039.99	1039.99	20	20799
29-Nov-11	999.99	960.1	999.99	10	9800
30-Nov-11	999.99	999.99	999.99	85	84999
01-Dec-11	988.06	988.06	988.06	20	19761
02-Dec-11	991	991	991	16	15856
09-Dec-11	993	993	993	5	4965
14-Dec-11	957.21	957.21	957.21	48	45946
16-Dec-11	1038.99	1038.99	1038.99	5	5194
19-Dec-11	981.01	981.01	981.01	1	981
20-Dec-11	981	957.21	957.21	20	19239
30-Dec-11	983.51	983.51	983.51	3	2950
04-Jan-12	1033	1030	1030	7	7225
05-Jan-12	1050	1030	1030	86	88600
06-Jan-12	1030	995.01	995.01	132	135260
10-Jan-12	1005	1005	1005	10	10050
11-Jan-12	1049.36	1010	1037.9	31	32043
12-Jan-12	1015	1015	1015	1	1015
13-Jan-12	1015	1015	1015	4	4060
16-Jan-12	1040	1030	1040	50	51540
17-Jan-12	1015	990.01	990.01	50	49750
19-Jan-12	1029.99	1029.94	1029.97	15	15449
20-Jan-12	1028.52	1028.52	1028.52	5	5142
23-Jan-12	1030	995.21	995.21	13	13042
24-Jan-12	1005	996.11	996.11	10	10005
25-Jan-12	1029.99	1029.99	1029.99	10	10299
27-Jan-12	996.22	992.01	996.22	90	89449
03-Feb-12	1025	1020	1024	100	102400
06-Feb-12	1022	1010	1010	3	3042
07-Feb-12	1010.61	1010.61	1010.61	30	30318
08-Feb-12	1044.99	1044.99	1044.99	10	10449
09-Feb-12	1012.1	1012.07	1012.07	30	30362
10-Feb-12	1012.07	1010	1010	79	79901
13-Feb-12	1044.99	1044.99	1044.99	50	52249
16-Feb-12	1045	1045	1045	20	20900
21-Feb-12	1045	1012	1012.44	117	121711
22-Feb-12	1059	1010.01	1010.01	620	641430
28-Feb-12	1059.99	1010.01	1010.01	35	35600
02-Mar-12	1010.01	1010.01	1010.01	66	66660
03-Mar-12	1059.99	1059.99	1059.99	5	5299
07-Mar-12	1010.01	1010.01	1010.01	5	5050
12-Mar-12	1094.8	1010	1094.8	200	210480
13-Mar-12	1010.01	1010.01	1010.01	5	5050
16-Mar-12	1059.8	1059.8	1059.8	5	5299
19-Mar-12	1025	1025	1025	12	12300
22-Mar-12	1049.9	1011.5	1011.5	100	104606
26-Mar-12	1020	1005.01	1020	22	22306
28-Mar-12	1005.01	1005.01	1005.01	7	7035
30-Mar-12	1017	1007	1017	55	55876

BSE - IIISLNIII1 (Iiislncdiii1)_d

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
27-Feb-12	976	976	976	11	10736
01-Mar-12	1171	975.1	1025	170	182474
02-Mar-12	1225	977	1025	168	184168
03-Mar-12	999	999	999	39	38961
20-Mar-12	1180	970	1020	400	431500
23-Mar-12	1025	820	1025	450	409995

BSE - IIISLNIII2 (Iiislncdiii2) _d

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
24-Aug-11	980	912.1	921.35	201922	190010638
25-Aug-11	959	932.5	952.05	196351	186178477
26-Aug-11	955	938	940.42	12529	11841564
29-Aug-11	964	932.32	935.32	6342	5984108
30-Aug-11	942	936	940	9147	8592179
02-Sep-11	944	925	930.21	5546	5170920
05-Sep-11	937	932	936.11	4856	4543505
06-Sep-11	937	932.5	933.17	3202	2992821
07-Sep-11	940.01	934	938.29	10420	9776508
08-Sep-11	938.5	934.95	936.59	3757	3523268
09-Sep-11	939	933	937.9	3638	3406549
12-Sep-11	938	933	934.97	3028	2832423
13-Sep-11	936.99	875	935	3092	2892078
14-Sep-11	937.69	934	935.41	3428	3208976
15-Sep-11	941.55	935.15	938.55	2662	2499069
16-Sep-11	941	935.76	937.79	1340	1257285
19-Sep-11	941	938	939.11	5565	5227246
20-Sep-11	941.85	936.15	938.1	3298	3100836
21-Sep-11	940.1	937.1	939.19	4641	4357869
22-Sep-11	939.6	938.2	938.88	870	816762
23-Sep-11	938.75	935	936.45	2955	2765345
26-Sep-11	935	927.01	927.31	4277	3982204
27-Sep-11	931.4	927.4	931.4	1464	1360377
28-Sep-11	958	928	928.77	242	225298
29-Sep-11	930.98	925	929.99	1238	1149681
30-Sep-11	929.25	926.05	926.37	331	306914
03-Oct-11	928	920	921.75	1088	1005854
04-Oct-11	927.97	918.26	918.6	588	541917
05-Oct-11	925	920	922	364	336130
07-Oct-11	928	924	927.39	3091	2863119
10-Oct-11	928	920.51	924.04	1809	1672049
11-Oct-11	928	926	927.02	493	457250
12-Oct-11	934.5	929.25	933.04	1719	1602148
13-Oct-11	933.04	930	930.77	2215	2061095
14-Oct-11	937	932.02	935.75	329	307290
17-Oct-11	941.5	934.15	941.5	658	616959
18-Oct-11	949.95	939.2	947.07	698	659275
19-Oct-11	955	948	953.39	2705	2577226
20-Oct-11	960	951.1	959.35	753	720795
21-Oct-11	962.49	955.05	960.3	466	447477
24-Oct-11	961.05	954	955.8	852	816465
25-Oct-11	959.35	953.05	954.71	525	501313
26-Oct-11	959.9	954.5	955.74	200	191173
28-Oct-11	961	956.03	960	967	928224
31-Oct-11	963.8	960	963.75	1793	1724631

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
01-Nov-11	969.7	960.4	966.07	1024	989771
02-Nov-11	967	964	964.83	219	211292
03-Nov-11	968.4	965.11	966.44	550	531541
04-Nov-11	968.7	964.3	965.66	472	455675
08-Nov-11	969.5	967.01	967.01	215	208185
09-Nov-11	972.5	964	972.01	575	558301
11-Nov-11	973.65	966.9	967.1	1163	1126144
14-Nov-11	971	968	968	370	358631
15-Nov-11	970	965.6	966	1609	1556632
16-Nov-11	965	961.04	963.58	473	455578
17-Nov-11	965	960	960.55	515	494970
18-Nov-11	960.15	955.5	955.5	1088	1042561
21-Nov-11	957.74	954	954.58	888	848141
22-Nov-11	956.9	951	951.6	571	543682
23-Nov-11	953.99	944	944.94	4149	3937134
24-Nov-11	950	944	946.65	2430	2300728
25-Nov-11	950	940	941	2038	1918636
28-Nov-11	944.5	941.5	943.29	983	926580
29-Nov-11	944.95	940	940.26	750	705882
30-Nov-11	944.94	941.25	941.28	396	373008
01-Dec-11	946.89	944	946	458	432593
02-Dec-11	952.99	948.99	950	381	361911
05-Dec-11	954.99	948	950.69	779	740550
07-Dec-11	955	950	952.96	690	656400
08-Dec-11	957.5	952.07	957	366	349410
09-Dec-11	956.01	953	956	155	148030
12-Dec-11	960	956.02	960	1846	1768587
13-Dec-11	958.5	955	958.5	755	722268
14-Dec-11	959.95	954.01	955.7	188	179884
15-Dec-11	955.5	951.1	953.86	895	852280
16-Dec-11	957	953.01	953.93	1332	1271490
19-Dec-11	952	947	948.74	1317	1251268
20-Dec-11	948	944	944.31	479	453539
21-Dec-11	946	945	945	459	433765
22-Dec-11	945	943.25	944.95	114	107719
23-Dec-11	942.5	938	941.94	710	668912
26-Dec-11	942.01	939	939.03	1105	1038966
27-Dec-11	941.5	938	938	1383	1298557
28-Dec-11	938	936	936	64	59924
29-Dec-11	938	938	938	45	42210
30-Dec-11	938	935	937.9	616	577651
02-Jan-12	943.89	912	941.17	156	145632
03-Jan-12	946	943.1	945.94	303	286431
04-Jan-12	950	941	949.99	785	743012
05-Jan-12	955	945	945	1495	1419682
06-Jan-12	949.49	912	945	94	88527
09-Jan-12	945	944	945	68	64255
10-Jan-12	949.99	946.05	946.11	178	168603
11-Jan-12	954.7	946	953.99	1433	1362611
12-Jan-12	957	951.01	955.42	3862	3689259
13-Jan-12	958.7	957	958.33	867	830702
16-Jan-12	962	959.7	962	810	778467
17-Jan-12	962.5	960.1	960.75	7708	7409712
18-Jan-12	963	959.05	960.03	1489	1429921
19-Jan-12	961.45	960	961.45	99	95047
20-Jan-12	960.01	959	959.25	11620	11154746

Date	High Price (in ₹)	Low Price (in ₹)	Close Price (in ₹)	No. of Shares	Total Turnover (in ₹)
23-Jan-12	960	955	960	2921	2802674
24-Jan-12	962	958.5	960.17	1643	1577187
25-Jan-12	962	958.05	960	1847	1774996
27-Jan-12	961.99	952.32	957.99	365	349423
30-Jan-12	961.8	959	959.13	1310	1257476
31-Jan-12	963	959.2	962	2329	2237968
01-Feb-12	962.45	955	961.51	3432	3296023
02-Feb-12	964.7	962.7	964.7	509	490850
03-Feb-12	966.6	960.01	966.5	368	355252
06-Feb-12	974.5	967	973.62	848	823457
07-Feb-12	977.5	967.02	972.72	461	448307
08-Feb-12	977.25	971.55	973	1139	1108529
09-Feb-12	980	973	976.23	2210	2160042
10-Feb-12	976.33	971.01	971.01	237	230225
13-Feb-12	977	971	974.53	303	295043
14-Feb-12	978.95	974	976.01	5904	5758718
15-Feb-12	990	960	973	2585	2519794
16-Feb-12	975.1	969	970.46	3131	3041025
17-Feb-12	980	966.25	974.74	533	517926
21-Feb-12	980.95	970.01	975.61	881	858935
22-Feb-12	980.5	972	972.03	245	239179
23-Feb-12	974	971.3	972	280	272331
24-Feb-12	971	967	969	930	900380
27-Feb-12	976.99	972	973.32	270	262981
28-Feb-12	978.2	970.01	974.07	501	487622
29-Feb-12	979.6	975.01	977.11	1314	1283584
01-Mar-12	980.8	977.26	977.82	258	252415
02-Mar-12	980	977.29	979.95	632	618765
03-Mar-12	982	977	978.15	20319	19916627
05-Mar-12	980	978	978.37	488	477717
06-Mar-12	979.97	977	978.59	1516	1482557
07-Mar-12	980	978.5	979.77	777	761043
09-Mar-12	980	978.5	979.98	928	909369
12-Mar-12	982	977.03	982	1978	1939138
13-Mar-12	984	981	981.73	741	727939
14-Mar-12	984.67	977.21	982.47	759	745907
15-Mar-12	990	980	989.89	3836	3773725
16-Mar-12	995.49	992	994.66	1067	1059970
19-Mar-12	995	992	992.47	1623	1611225
20-Mar-12	999.9	992	994.83	4099	4070642
21-Mar-12	993.5	926	929.57	9553	9058520
22-Mar-12	931	928.66	928.79	1522	1415192
23-Mar-12	931	926.15	928.96	1647	1529771
26-Mar-12	928.5	919	920.5	1447	1334340
27-Mar-12	924.7	919	920	1022	941494
28-Mar-12	939.9	917.5	920.02	4164	3865126
29-Mar-12	927	919	920.02	1090	1003476
30-Mar-12	922.5	921	922.5	959	884330

(*Source:www.bseindia.com*)

The high and low of closing prices, volume and Total Turnover of Non-Convertible Debentures traded on the respective dates during the last six months is as follows:

BSE – IIISLNCDI (934816)

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	No. of Trades	Total Turnover (₹)
July, 2012	1042.5	982	1020	2898	48	2919165
June, 2012	1004.99	950	983	1689	31	1650310
May, 2012	995.99	946.01	989.99	571	28	552917
April, 2012	984.99	941	956	1388	65	1334427
March, 2012	1025	955	1000	745	26	747622
February, 2012	1025	1001.6	1017.1	1398	44	1415912

** high and Low is based on daily prices.*
(*Source: www.bseindia.com*)

BSE - IIISLNCDII (934817)

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	No. of Trades	Total Turnover (₹)
July, 2012	1221	1039.16	1105	1456	54	1565581
June, 2012	1141.25	1032	1040	835	49	875541
May, 2012	1089.9	1001.01	1010.45	517	46	530971
April, 2012	1099.5	1011	1059.51	1381	52	1441844
March, 2012	1094.8	1005.01	1017	482	28	499961
February, 2012	1059.99	1010	1010.01	1094	34	1128362

** high and Low is based on daily prices.*
(*Source: www.bseindia.com*)

BSE - IIISLNIII1 (Iiislncdiii1)

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	No. of Trades	Total Turnover (₹)
July, 2012	1130	950	1015	107	8	109080
June, 2012	1000	1000	1000	20	1	20000
April, 2012	1000	1000	1000	50	1	50000
March, 2012	1225	820	1025	1227	16	1247098
February, 2012	976	976	976	11	1	10736

** high and Low is based on daily prices.*
(*Source: www.bseindia.com*)

BSE – IIISLNIII2 (Iiislncdiii2)

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	No. of Trades	Total Turnover (₹)
July, 2012	1017	950	1014.57	45651	738	45512728
June, 2012	995.9	946.05	978	9881	309	9588300
May, 2012	959.25	920.5	946	32040	752	29941215
April, 2012	936	915.01	924.2	18879	638	17493756
March, 2012	999.9	917.5	922.5	60425	924	58379288
February, 2012	990	955	977.11	26081	494	25350203

** high and Low is based on daily prices.*
(*Source: www.bseindia.com*)

NSE – 01-02-2012-TO-31-07-2012 - IIISLN1N

Month	Date of High Price	High* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)	Date of Low Price	Low* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)
July, 2012	14-Jul-12	1030	1022	10.45	4-Jul-12	989	173	1.71
June, 2012	14-Jun-12	994	323	3.2	4-Jun-12	957.01	20	0.19
May, 2012	15-May-12	984.5	49	0.47	4-May-12	950	856	8.2
April, 2012	4-Apr-12	981.99	50	0.49	23-Apr-12	960.5	268	2.56
March, 2012	2-Mar-12	1033.95	1463	14.96	28-Mar-12	961	256	2.46
					28-Mar-12		90	0.86
February, 2012	21-Feb-12	1028.95	1760	17.98	09-Feb-12	1008.01	191	1.93

** high and Low is based on daily prices.*
(Source: www.nseindia.com)

NSE – 01-02-2012-TO-31-07-2012IIISLN2N

Month	Date of High Price	High* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)	Date of Low Price	Low* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)
July, 2012	17-Jul-12	1138	193	2.12	5-Jul12	1039.5	121	1.26
June, 2012	8-Jun-12	1060	100	1.06	8-Jun-12	1026	210	2.16
May, 2012	25-May-12	1032	49	0.5	11-May-12	970.2	10	0.1
April, 2012	27-Apr-12	1097.99	233	2.42	3-Apr-12	1000.1	5	0.05
March, 2012	6-Mar-12	1025	5	0.05	28-Mar-12	982.1	54	0.53
	5-Mar-12		31	0.32				
	2-Mar-12		156	1.59				
	1-Mar-12		105	1.08				
February, 2012	15-Feb-12	1229.9	485	5.55	24-Feb-12	1000.10	15	0.15

** high and Low is based on daily prices.*
(Source: www.nseindia.com)

NSE – 01-02-2012-TO-31-07-2012IIISLN3N

Month	Date of High Price	High* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)	Date of Low Price	Low* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)
July, 2012	17-Jul-12	1045	20	0.21	3-Jul-12	915	200	1.87
June, 2012	27-Jun-12	990	5	0.05	4-Jun-12	960	25	0.24
March, 2012	16-May-12	931.2	2	0.2	15-May-12	776	10	0.8
February, 2012	21-Feb-12	975	100	0.97	17-Feb-12	968	10	0.1

** high and Low is based on daily prices.*
(Source: www.nseindia.com)

NSE – 01-02-2012-TO-31-07-2012IIISLN4N

Month	Date of High Price	High* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)	Date of Low Price	Low* (in ₹)	Volume (No. of Shares)	Total Turnover (₹ in lacs)
July, 2012	30-Jul-12	1020	5103	51.85	4-Jul-12	959	7077	68.09
June, 2012	19-Jun-12	994.99	5671	55.97	19-Jun-12	944.5	884	8.37
May, 2012	17-May-12	959.99	8374	78.72	9-May-12	920.7	1701	15.68
April, 2012	16-Apr-12	935	1934	18.07	2-Apr-12	905.1	2860	26.2
March, 2012	20-Mar-12	1000.95	9614	95.73	29-Mar-12	919	1382	12.72
February, 2012	29-Feb-12	982.7	7264	74.17	3-Feb-12	9.69	955	9.25

** high and Low is based on daily prices.*
(Source: www.nseindia.com)

In the event the high, or low or closing price of the Non-Convertible Debentures are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.

India Infoline Finance Ltd

Rating Table

Instrument	Rated Amount	Rating Outstanding
		August-12
Subordinate debt programme	Rs 500 crores	[ICRA]AA- (stable outlook) assigned
Long term bank lines	Rs 2,025 crores	[ICRA]AA- (stable outlook) reaffirmed
Subordinate debt programme	Rs 500 crores	[ICRA]AA- (stable outlook) reaffirmed
Long term debt Programme	Rs 750 crores	[ICRA]AA- (stable outlook) reaffirmed
Long term debt programme	Rs 20 crores	[ICRA]AA- (stable outlook) reaffirmed
Long term debt programme	Rs 340 crores	[ICRA]AA- (Stable outlook) reaffirmed
Long term principle protected Equity Linked Debenture	Rs 100 crores	PP-MLD [ICRA]AA- / Stable outlook reaffirmed
Long term principle protected Equity Linked Debenture	Rs 100 crores	Reassigned to PP-MLD [ICRA]AA- / Stable outlook from [ICRA]AA- pp (SO)/ [ICRA]AA- pp (stable outlook)
Short term debt programme	Rs 3,000 crore	[ICRA]A1+ reaffirmed
Short term debt programme (Of Erstwhile India Infoline Marketing Services Limited)	Rs 300 crores	Reassigned to [ICRA]A1+ from [ICRA]A1+(SO)
STD programme for IPO Funding	Rs 1000 crores	Withdrawal of [ICRA]A1+ rating

Rating of [ICRA]AA- (pronounced ICRA double A minus) with stable outlook has been assigned to Rs 500 crores subordinate debt programme of India Infoline Finance Limited (IIFL) [1]. Rating of [ICRA]AA- (pronounced ICRA double A minus) with stable outlook has been reaffirmed to the Rs 2,025 crores long term bank lines, Rs 750 crores, Rs 340 crores and Rs 20 crores long term debt programme and Rs 500 crores Subordinate Debt Programme of IIFL . The rated amount of Rs 300 crores STD programme at India Infoline Marketing Services Limited has been transferred to India Infoline Finance Limited and the rating reassigned to [ICRA]A1+ from [ICRA]A1+(SO) assigned earlier. ICRA has reaffirmed the [ICRA]A1+ (pronounced ICRA A one plus) rating assigned to Rs 3000 crores short term debt programme of IIFL. ICRA has reaffirmed the PP-MLD [ICRA]AA- (stable outlook) assigned to Rs 100 crores Long term principle protected Equity Linked Debenture and reassigned the rating of [ICRA]AA- pp (SO)/ [ICRA]AA- pp (stable outlook) assigned to another Rs 100 crores Long term principle protected Equity Linked Debenture to PP-MLD [ICRA]AA- / Stable outlook. ICRA has withdrawn the [ICRA]A1+ rating assigned to Rs 1000 crores STD programme for IPO Funding.

The ratings reflects IIFL's parentage of India Infoline Ltd's (IIL), group's strong networth, established presence in retail and institutional retail broking business, diversified business revenues with reasonable contribution from distribution income and significant income from financing book, robust risk management systems and comfortable liquidity profile. The ratings are constrained by the cyclical nature of IIL's primary business being dependent on the domestic capital markets and the moderate seasoning of the financing businesses that have yet to demonstrate steady performance through business cycles. ICRA has taken note of significant ramp-up of IIFL's financing book in FY12 and going forward, the ratings would be sensitive to IIFL's ability to profitably manage these relatively new lines of business, along with maintaining superior asset quality.

IIFL has almost doubled its portfolio during FY12, mainly driven by growth in gold loans. As of 31-Mar-12, the loan book stood at Rs. 6,746 crore as compared to Rs 3,288 crores as of 31-Mar-11. Gold loans, as a percentage of overall advances increased to ~41% as on March '12 from ~3% as on March '11. Mortgages have also witnessed ~50% growth in FY12 and constituted 45% of overall advances as on March '12. The mortgage book is contributed by LAP (~89%), and Home Loans (~11%). The overall advances in capital market have reduced to 11% as on Mar-12 as compared to 35% as on Mar-11. The capital market financing book is constituted by margin funding (53%) and Loan against Shares (47%). IIFL had stopped unsecured personal loans from FY09 onwards and accordingly the book is steadily running down. In terms of new business segments, apart from gold loans, the company had also started financing medical equipments in FY11 in order to have a diversified lending book.

[1] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

IIFL has expanded its branches for gold financing to ~1300 as on Mar-12 and has also hired aggressively to staff the new branches. Given that the company has recently forayed in this business and rapidly expanded its footprint; the operating expenses on account of this business is higher than industry average and accordingly the return on assets is lower than industry average. ICRA has also taken note of lower business volumes in gold loans as a result of regulatory changes, which has capped the incremental LTVs at 60% for NBFCs. Accordingly; the profitability of gold loan business is expected to get moderated with lower disbursements. However, the company has significantly scaled down its branch expansion plans and is looking to leverage its existing branch network to cross-sell mortgage loans and other distribution products (mutual funds, insurance etc) for attaining better efficiencies.

IIFL's reported asset quality indicators remained comfortable despite marginal increase with Gross NPA and Net NPA of 0.61% and 0.44% as on Mar-12 as compared to 0.37% and 0.30% as on Mar-11. However, it may be noted that IIFL's book size has quadrupled over the past two years and its lending book is relatively unseasoned. Scaling up of mortgage book, which is a long tenure product, has happened only in the recent times and the gold loan business of the company is also only a year old. Furthermore, IIFL is exposed to concentration and credit risks associated with the commercial LAP and promoter funding. IIFL's ability to maintain the asset quality along with the portfolio growth and the competitive pressure would be closely monitored by ICRA and it would be a key rating sensitivity.

On consolidated basis (consumer lending business and capital market financing business), IIFL reported 76% increase in its net interest income to Rs 412 crore in FY12 from Rs 234 crore in FY11 led by the 105% increase in the lending book. However, operating costs also more than doubled to Rs. 297 crore in FY12 as compared to Rs. 166 crore in FY11 on account of significant branch expansion in Gold loan business. Accordingly, increase in the net Profit after Taxes was fairly muted to Rs 105 crores in FY12 as compared to 92 crore in FY11. The gearing increased to 4.11 as on 31st March 2012 as compared to 1.71 as on 31st March 2011 with scaling up of financing book. The return on networth improved marginally and stood at 7.57% in FY12 as compared to 7.08% in FY11.

The liquidity profile of IIFL is comfortable with strong networth, unutilized bank lines and moderate gearing at 4.11. The CRAR is also comfortable at ~17.86% as on Mar-2012.

Company Profile

India Infoline Finance Ltd

IIFL, a 99% owned subsidiary of India Infoline Ltd, is characterised as a systemically important non deposit taking NBFC. IIFL, along with its subsidiary, is currently engaged in the business activities of margin funding and consumer funding. The group has merged two subsidiaries of India Infoline Finance Limited (IIFL); namely Moneyline Credit Limited with IIFL and India Infoline Marketing Services Limited with IIL w.e.f. 1st April 2011.

On consolidated basis, IIFL reported Net Profits of Rs 105 crores on a Total Income of Rs 953 crores in FY11-12 as compared to Rs 92 crores on a Total Income of Rs 520 crores in FY10-11. IIFL has scaled up its lending business and its total loan portfolio stood at Rs 6,746 crores as on 31st March 2012 as compared to Rs 3,288 crores as on 31st March 2011.

India Infoline Ltd

IIL was founded in 1995 and the group is engaged in equity broking, portfolio management services, depository services, investment banking, distribution of mutual funds, insurance products and other financial products, commodity broking, margin funding, consumer loan funding and wealth management. IIL group's consolidated networth (including minority interest) strengthened to Rs 1754 crores as on March 31, 2012.

IIL, on consolidated basis reported Profit After Tax (net of minority interest) of Rs 136 crores on a Total Income of Rs 1886.5 crores in FY11-12 as compared with a net Profits of Rs 214 crores on a Total Income of Rs 1473.9 crores in FY10-11.

August 2012

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Rating Rationale

August 14, 2012
Mumbai

India Infoline Finance Limited

'CRISIL AA-/Stable' assigned to subordinated debt issue

Total Bank Loan Facilities Rated	Rs.12.15 Billion
Long-Term Rating	CRISIL AA-/Stable (Reaffirmed)
Short-Term Rating	CRISIL A1+ (Reaffirmed)

(Refer to Annexure 1 for details on facilities)

Rs.5.0 Billion Subordinated Debt Issue	CRISIL AA-/Stable (Assigned)
Rs.20.0 Billion Short-Term Debt Programme	CRISIL A1+ (Reaffirmed)
Rs.3.0 Billion Non-Convertible Debentures	CRISIL AA-/Stable (Reaffirmed)
Rs.5.0 Billion Subordinate Bond	CRISIL AA-/Stable (Reaffirmed)

CRISIL has assigned its '**CRISIL AA-/Stable**' rating to the Rs.5.0-billion subordinated debt issue of India Infoline Finance Ltd (part of the India Infoline group), and has reaffirmed its ratings on India Infoline Finance Ltd's bank facilities and other debt instruments at '**CRISIL AA-/Stable/CRISIL A1+**'.

The ratings continue to reflect the India Infoline group's strong market position in the equity broking business, increasing diversification (particularly into the relatively less-volatile retail lending business), and adequate capitalisation. These rating strengths are partially offset by the group's average resource profile, and susceptibility of its earnings to uncertainties inherent in capital-market-related businesses.

For arriving at the ratings, CRISIL has combined the business and financial risk profiles of all the India Infoline group companies, as these entities have strong operational and financial intra-group linkages, common promoters and senior management, as well as a shared brand name.

India Infoline Finance Ltd's parent, India Infoline Ltd, is one of the leading players in the retail broking segment in India, with a large client base of over 1 million as on March 31, 2012 across multiple product lines and a large retail network across India, covering 3000 business locations (340 branches and 2350 franchisees) as on March 31, 2012. It also has a good market position in the institutional broking segment. India Infoline Ltd has maintained a strong market share of 1.8 per cent of the aggregate volumes (cash and derivatives segments) on the Bombay Stock Exchange and the National Stock Exchange in 2011-12 (refers to financial year, April 1 to March 31).

CRISIL Complexity Levels are assigned to various types of financial instruments. The CRISIL Complexity Levels are available on www.crisil.com/complexity-levels. Investors are advised to refer to the CRISIL Complexity Levels for instruments that they desire to invest in. Investors may also call the CRISIL Helpline at +91 22 3342 3047 / + 91 22 3342 3064 with queries on specific instruments.

The India Infoline group has also diversified into non-broking businesses such as retail finance, third-party financial product distribution and wealth management, to partially offset the inherent volatility in earnings from its core broking business. The retail finance portfolio has shown a healthy year-on-year growth of around 90 per cent, albeit on a small base, to Rs.62.2 billion as on March 31, 2012. The portfolio primarily consists of retail mortgage and gold loans, together constituting around 85 per cent of the total outstanding portfolio. However, the portfolio growth is expected to moderate in the near term--especially in the gold loan portfolio, which is expected to be impacted by the recent guidelines issued by the Reserve Bank of India (RBI). The assets under advisory in the wealth management business were sizeable at Rs.235 billion as on March 31, 2012. The India Infoline group also has a strong market position in the insurance and other products distribution business, and is one of the leading non-bank life insurance distributors in India. However, given the current economic condition, the India Infoline group's ability to pursue a profitable growth in the non-broking businesses will be a rating monitorable.

The India Infoline group's capitalisation is adequate, underpinned by a large net worth of Rs.17.54 billion and a gearing of 3.6 times as on March 31, 2012. However, CRISIL believes that, with the expected steady growth in the retail finance business, the India Infoline group's consolidated gearing will gradually increase to around 5 times over the medium term.

The India Infoline group's resource profile remains average, with high dependence on wholesale funding from banks. Also, around 38 per cent of the total borrowing of the group, as on March 31, 2012, was in the form of short-term loans. The India Infoline group had raised Rs.7.5 billion by issuing retail non-convertible debentures in August 2011 (outstanding Rs.6.85 billion as on March 31, 2012) through India Infoline Finance Ltd. However, CRISIL will continue to monitor the group's ability to diversify its resource profile and raise long-term resources at competitive rates to manage asset liability mismatches in the retail finance portfolio.

Also, while the India Infoline group is diversifying into non-capital-market businesses, its existing core capital-market-related businesses continue to hinge on economic, political, and social factors that control investor sentiments. Because of inherent cyclicality in these businesses, the group's broking volumes and related earnings are highly dependent on the level of activity in the capital market. CRISIL believes that the India Infoline group's equity broking and related businesses, which continue to constitute a sizeable portion of the group's total income, will remain exposed to cyclicality in earnings.

Outlook: Stable

CRISIL believes that the India Infoline group will maintain its strong market position in the equity broking segment over the medium term, supported by its improving business diversification and its adequate capital position. The outlook may be revised to 'Positive' if the India Infoline group reports significant improvement in its market position and earnings profile across its various businesses. Conversely, the outlook may be revised to 'Negative' if there is weakening in the India Infoline group's capitalisation or earnings profile, or there is significant deterioration in the asset quality of the group's retail finance business.

About the Group

The India Infoline group, through its main companies, India Infoline Ltd, India Infoline Finance Ltd, India Infoline Commodities Ltd, IIFL Wealth Management Ltd, and IIFL (Asia) Pte Ltd, offers a wide range of financial products and services, including equities and commodity broking, investment banking and wealth management, distribution of life insurance and other products, and retail finance.

India Infoline Finance Ltd (formerly, India Infoline Investment Services Ltd) is a majority owned (98.86 per cent) subsidiary of India Infoline Ltd, which is the holding company of the India Infoline group. India Infoline Finance Ltd, along with its subsidiaries, is engaged in consumer-financing and margin-funding businesses. For 2011-12, India Infoline Finance Ltd, on consolidated basis, reported a profit after tax (PAT) of around Rs.1.05 billion on a total income of Rs.9.54 billion, against a PAT of Rs.0.92 billion on a total income of Rs.5.19 billion for the previous year.

The India Infoline group reported a PAT of Rs.0.52 billion on a total income of Rs.5.83 billion for the quarter ended June 30, 2012, against a PAT of Rs.0.27 billion on a total income of Rs.3.60 billion for the corresponding period of the previous year. The India Infoline group had reported a profit after tax (PAT) of Rs.1.32 billion on a total income of Rs.18.86 billion for 2011-12, against a PAT of Rs.2.11 billion on a total income of Rs.14.74 billion for the previous year.

Annexure 1 - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs. Billion)	Rating	Facility	Amount (Rs. Billion)	Rating
Long-Term Bank Facility	9.75	CRISIL AA-/ Stable	Long-Term Bank Facility	9.75	CRISIL AA-/ Stable
Short-Term Bank Facility	0.40	CRISIL A1+	Short-Term Bank Facility	0.40	CRISIL A1+
Cash Credit Facility	1.50	CRISIL AA-/ Stable	Cash Credit Facility	1.50	CRISIL AA-/ Stable
Overdraft Facility	0.50	CRISIL AA-/ Stable	Overdraft Facility	0.50	CRISIL AA-/ Stable
Total	12.15	--	Total	12.15	--

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