



India Infoline Insurance Services Limited

Standalone Financial Statements

as on 31st March, 2017

(₹ in Millions)

Sharp & Tannan Associates

Chartered Accountants

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Independent Auditors' Report

To the Members of India Infoline Insurance Services Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

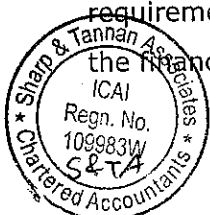
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the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

Auditor's Responsibility

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

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

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



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

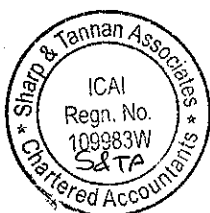
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

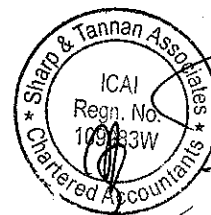
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A"; a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its financial statements, refer note no. 19 (ii) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 24 to the standalone financial statements.

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



Nirtharaj Khot
Partner

Membership No.: (F) 037457

Place: Mumbai
Date: 2nd May, 2017

Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditor's report to the members of **India Infoline Insurance Services Limited** ("the Company") for the year ended 31st March 2017. We report that:

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

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

(c) The Company does not have any immovable property. Therefore, paragraph 3 (i) (c) of the order is not applicable to the Company.
2. The Company is not carrying on any manufacturing or trading activity. Therefore, paragraph 3 (ii) of the order is not applicable to the Company.
3. The Company has granted loan to two companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

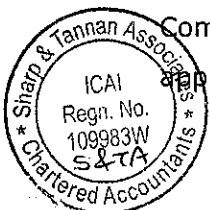
(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to companies listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable, Therefore, Paragraph 3 (iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits during the year from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.



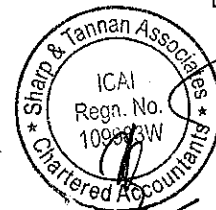
6. As per the information and explanations given to us, in respect of the class of industry the Company falls under, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Therefore, paragraph 3 (vi) of the Order is not applicable to the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company, with the appropriate authorities. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit with the appropriate authorities of disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
8. Based on our audit procedures and according to the information and explanations given to us, the Company has not borrowed from debentures holders or financial institution or bank or government during the year. Therefore, paragraph 3 (viii) of the Order is not applicable to the Company.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Therefore, paragraph 3 (ix) of the Order is not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided any for managerial remuneration. Therefore, paragraph 3 (xi) of the Order is not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3 (xii) of the Order is not applicable to the Company.



13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3 (xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Mumbai
Date: 2nd May, 2017

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



Tirtharaj Khot
Partner

Membership No.: (F) 037457

Annexure - B to the Auditors' Report

Independent Auditors' report to the members of India Infoline Insurance Services Limited ("the Company") on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

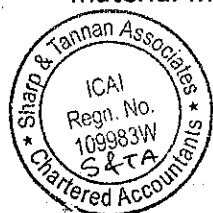
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

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

Auditors' Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

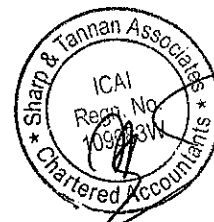
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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




Tirtharaj Khot
Partner

Membership No.: (F) 037457

Place: Mumbai
Date: 2nd May, 2017

INDIA INFOLINE INSURANCE SERVICES LIMITED
Standalone Balance Sheet As At March 31, 2017

(₹ in Millions)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	2.81	2.81
(b) Reserves and Surplus	4	70.74	28.73
Sub total		73.55	31.54
(2) Non Current Liabilities			
(a) Long - term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provision		-	-
Sub total		-	-
(3) Current Liabilities			
(a) Short-term borrowings	5	-	2.50
(b) Trade Payables		-	-
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and		-	-
(c) Other Current Liabilities	6	0.03	0.04
(d) Short Term Provision	7	0.17	-
Sub total		0.20	2.54
TOTAL		73.75	34.08
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	0.04	0.19
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
Sub total		0.04	0.19
(b) Non - Current Investment		-	-
(c) Deferred Tax Assets (Net)	9	14.27	15.89
(d) Long-term loans and advances	10	20.77	16.39
(e) Other non current assets		-	-
Sub total		35.04	32.28
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade Receivable		-	-
(d) Cash and Bank Balance	11	38.66	1.61
(e) Short term Loans and advances	12	0.01	-
(f) Other current assets		-	-
Sub total		38.67	1.61
TOTAL		73.75	34.08
See accompanying notes forming part of the standalone financial statements	1 to 25		

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

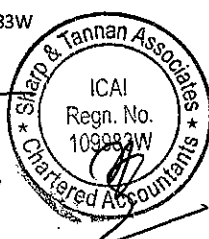
Firm's Registration No. 109983W

By the hand of

Artharaj Khot

Partner

Membership No. : (F) 037457



Place : Mumbai

Dated : May 2, 2017

For and on behalf of Board of Directors

P. Jain

Narendra Jain

Director

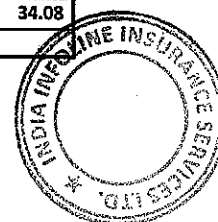
(DIN : 01984467)

AS

Anil Mascarenhas

Director

(DIN : 03575717)



INDIA INFOLINE INSURANCE SERVICES LIMITED
Standalone Statement of Profit & Loss For the Period Ended March 31, 2017

(₹ in Millions)

Particulars	Note No.	2016-2017	2015-2016
INCOME			
Revenue from Operations	13	45.00	-
Other income	14	1.43	3.00
Total Revenue		46.43	3.00
EXPENSES			
a. Employee benefits expense	15	-	5.78
b. Finance costs	16	0.02	0.27
c. Depreciation and amortisation expense	8	0.05	0.07
d. Administration and other expenses	17	0.10	17.89
Total Expenses		0.17	24.01
Profit before tax		46.26	(21.01)
Tax Expense :			
Current tax expense		2.58	-
Deferred tax		1.62	6.48
Short / (excess) provision for Income Tax		0.05	0.66
Total Tax expenses		4.25	7.14
Net profit after tax		42.01	(28.15)
Earning Per Share			
Earning Per Share - Basic	18	149.72	(100.32)
Earning Per Share - Diluted	18	149.72	(100.32)
Face Value of Share		10.00	10.00
See accompanying notes forming part of the standalone financial statements	1 to 25		

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

Tirtharaj Khot

Partner

Membership No. : (F) 037457



For and on behalf of Board of Directors

Narendra Jain

Narendra Jain

Director

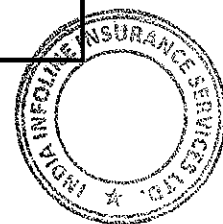
(DIN : 01984467)

Anil Mascarenhas

Anil Mascarenhas

Director

(DIN : 03575717)



Place : Mumbai

Dated : May 2, 2017

INDIA INFOLINE INSURANCE SERVICES LIMITED
Standalone Cash Flow Statement For The Year Ended March 31, 2017

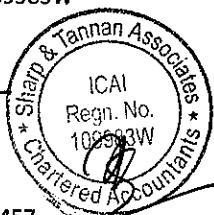
(₹ in Millions)

Particulars	2016-2017	2015-2016
Cash Flows From Operating Activities		
Profit/(Loss) before Taxation, And Extraordinary Item	46.26	(21.01)
Adjustments For:		
Depreciation & Amortisation	0.05	0.07
Provisions for Gratuity	-	(0.01)
Provisions for Leave Encashment	-	0.09
Interest Expenses	0.02	0.27
Profit /Loss on sale of Fixed Assets	-	(0.08)
Dividend Income	-	-
Operating Profit/(Loss) Before Working Capital Changes	46.33	(20.67)
(Increase) / Decrease in Trade Receivable	-	0.36
(Increase) / Decrease in Short Term Loans & Advances	(0.01)	67.50
(Increase) / Decrease in Long Term Loans & Advance	(1.91)	11.01
Increase / (Decrease) in Trade Payables	-	-
Increase / (Decrease) in Short-term borrowings	(2.50)	2.50
Increase / (Decrease) in Current Liabilities	(0.02)	(2.58)
Increase / (Decrease) in Short Term Provision	-	(1.26)
Increase / (Decrease) in Long Term Provision	-	(0.31)
Cash Generated From Operations	41.89	56.55
Tax (Paid) / Refund	(4.92)	(0.09)
Net cash flow from / (used in) operating activities (A)	36.97	56.64
Cash Flows From Investing Activities		
Purchase/Sale of Fixed Assets (net)	0.10	(0.17)
Interim dividend	-	-
Dividend Distribution tax on interim dividend	-	-
Net cash flow from / (used in) investing activities (B)	0.10	(0.17)
Cash Flows From Financing Activities		
(Repayment) / Proceeds of Long-Term Borrowings	-	-
Interim dividend	-	(124.88)
Dividend Distribution tax on interim dividend	-	(25.42)
Interest Expenses	(0.02)	(0.27)
Net cash flow from / (used in) financing activities (C)	(0.02)	(150.57)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	37.05	(94.10)
Cash and cash equivalents at beginning of Year (Refer Note 11)	1.61	95.71
Cash and cash equivalents at end of Year (Refer Note 11)	38.66	1.61
Net Increase/(Decrease) in Cash and Cash Equivalents	37.05	(94.10)
See accompanying notes forming part of the standalone financial statements Note 1 to 25		

As per our attached report of even date

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

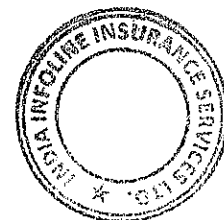
Tirtharaj Khot
Partner
Membership No. : (F) 037457



For and on behalf of Board of Directors

Narendra Jain
Director
(DIN : 01984467)

Anil Mascarenhas
Director
(DIN : 03575717)



Place : Mumbai
Dated : May 2, 2017

INDIA INFOLINE INSURANCE SERVICES LIMITED

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

Note 1. Corporate Information

India Infoline Insurance Services Limited (The Company) is a subsidiary of IIFL Holdings Limited. The Company was a Corporate Insurance Agent and is presently not engaged in any specific insurance related activities.

Note 2. Significant Accounting Policies:**2.1. Basis of accounting and preparation of financial statements:**

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

2.2. Use of Estimates:

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

2.3. Fixed assets and Depreciation and Amortization:

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

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

In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets.

Estimated useful life of the assets is as under:

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

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

2.4. Translation of foreign currency items:

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

2.5. Revenue Recognition:

Commission income on first year premium on insurance policies is recognized, when an insurance policy sold by the Company is accepted by the principal insurance company.

2.6. Other Income Recognition:

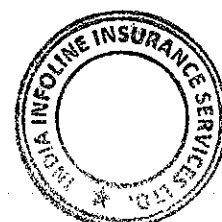
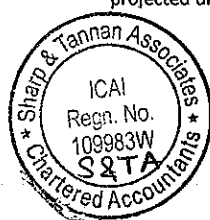
- a) Interest Income is recognized on accrual basis.
- b) Dividend income is recognized when the right to receive payment is established.
- (c) Capital Gain/ Loss is recognized on the date of trade.

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 Profit & loss account.

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.



INDIA INFOLINE INSURANCE SERVICES LIMITED

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

2.8. Provisions, Contingent Liabilities and Contingent Assets:

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent Assets are neither recognized nor disclosed in the financial statements.

2.9. 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 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.

2.10. 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:

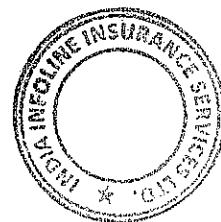
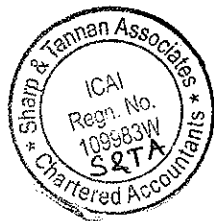
Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market / 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) declare by the Mutual Funds at the balance sheet date is considered as the fair value.

2.12. Earnings Per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit after Tax or loss by the weighted average number of equity shares outstanding during the period. The diluted earnings per share for equity shareholders have been computed by dividing the Net Profit after Tax or loss by the weighted average number of shares after giving dilutive effect of the outstanding stock options.

2.13. Preliminary Expenses :

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



INDIA INFOLINE INSURANCE SERVICES LIMITED

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

NOTE 3.Share Capital

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

Particulars	As At March 31, 2017	As At March 31, 2016
Authorized Shares:		
5,00,000(P.Y. 5,00,000) Equity Shares of ₹10/- each with Voting rights	5.00	5.00
Issued, Subscribed and Paid Up:		
2,80,630 (P.Y.2,80,630) Equity Shares of ₹10/- each fully paid-up each	2.81	2.81
Total	2.81	2.81

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

b) Reconciliation of the shares outstanding:

Particulars	As At March 31, 2017	
	No. of Shares	Amount (in Millions)
Issued subscribed and Paid up at the beginning of the year	2,80,630	2.81
Add: Issued during the Year	-	-
Less: Equity Shares bought back	-	-
Issued subscribed and Paid up at the End of the year	2,80,630	2.81

Particulars	As At March 31, 2016	
	No. of Shares	Amount (in Millions)
Issued subscribed and Paid up at the beginning of the year	2,80,630	2.81
Add: Issued during the Year	-	-
Less: Equity Shares bought back	-	-
Issued subscribed and Paid up at the End of the year	2,80,630	2.81

c) Terms/rights attached to equity shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Equity shares held by holding company / ultimate holding and their subsidiaries :

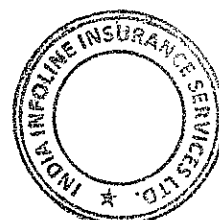
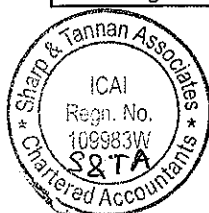
Particulars	As At March 31, 2017	
	No. of Shares	% of holding in the class
Equity shares of ₹ 10/- each fully paid		
IIFL Holdings Limited	2,80,630	100%

Particulars	As At March 31, 2016	
	No. of Shares	% of holding in the class
Equity shares of ₹ 10/- each fully paid		
IIFL Holdings Limited	2,80,630	100%

e) Details of shareholders holding more than 5% shares in the company:

Particulars	As At March 31, 2017	
	No. of Shares	% holding in the class
Equity shares of ₹ 10/- each fully paid		
IIFL Holdings Limited	2,80,630	100%

Particulars	As At March 31, 2016	
	No. of Shares	% holding in the class
Equity shares of ₹ 10/- each fully paid		
IIFL Holdings Limited	2,80,630	100%



4. Reserve and Surplus:

(₹ in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
Security Premium Account		
Opening Balance	7.19	7.19
Addition during the Year	-	-
Closing Balance	7.19	7.19
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	21.54	199.99
Addition Profit/(Loss) during the Year	42.01	(28.15)
Closing Balance	63.55	171.84
Amounts transferred from:		
Less: Interim dividend	-	124.88
Less: Tax on dividend	-	25.42
Closing Balance	63.55	21.54
Total	70.74	28.73

5. Short-term Borrowings:

(₹ in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
Unsecured Loans		
ICD - IIFL Holdings Limited	-	2.50
Total	-	2.50

6. Other Current Liabilities:

(₹ in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
Statutory Liabilities Payable	0.03	0.01
Other Payables	-	0.03
Total	0.03	0.04

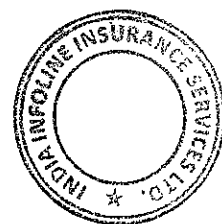
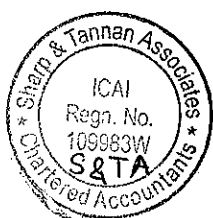
7. Provisions:

(₹ in Millions)

Particulars	As At March 31, 2017	
	Non Current	Current
Provision for tax (Net of Advance Income Tax & TDS ₹ 0.17 millions) Previous Year ₹ NIL	-	0.17
Total	-	0.17

(₹ in Millions)

Particulars	As At March 31, 2016	
	Non Current	Current
Provision for tax	-	-
Total	-	-



NOTE 8. FIXED ASSETS

Tangible Assets:

(₹ in Millions)

ASSETS	GROSS BLOCK (AT COST)			
	As on 01.04.2016	Additions	Deductions	As at 31.03.2017
Tangible Assets (Owned)				
Computer	5.35	-	(0.98)	4.37
Electrical Equipment	1.70	-	(0.31)	1.39
Furniture & Fixture	10.06	-	(1.52)	8.54
Office Equipment	11.70	-	(2.54)	9.16
Total	28.81	-	(5.35)	23.46
Previous Year	183.79	0.30	155.28	28.81

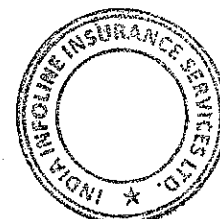
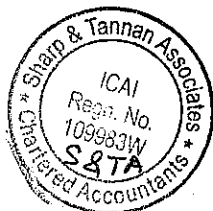
(₹ in Millions)

ASSETS	ACCUMULATED DEPRECIATION			
	As on 01.04.2016	For the Year	Adjustments/ Deductions	Upto 31.03.2017
Tangible Assets (Owned)				
Computer	5.35	-	(0.98)	4.37
Electrical Equipment	1.65	0.01	(0.31)	1.35
Furniture & Fixture	10.04	0.02	(1.52)	8.54
Office Equipment	11.59	0.02	(2.45)	9.16
Total	28.63	0.05	(5.26)	23.42
Previous Year	183.79	0.07	155.23	28.63

(₹ in Millions)

ASSETS	NET BLOCK	
	As at 31.03.2017	As at 31.03.2016
Tangible Assets (Owned)		
Computer	-	-
Electrical Equipment	0.04	0.05
Furniture & Fixture*	0.00	0.02
Office Equipment	-	0.12
Total	0.04	0.19
Previous Year	0.19	-

*Amount is less than ₹0.01 million, hence shown as ₹0.00 million.



9. Deferred Tax Assets (Net):**(₹ in Millions)**

Particulars	As At March 31, 2017	As At March 31, 2016
Depreciation	14.27	15.89
Total	14.27	15.89

10. Long-term loans and advances:**(₹ in Millions)**

Particulars	As At March 31, 2017	As At March 31, 2016
Unsecured Considered Good		
Advance Income Tax (Net of Provision of Tax of ₹12.21 millions (Previous Year ₹7.36 millions)	13.92	16.39
Mat Credit Entitlement	6.85	-
Total	20.77	16.39

11 Cash and Bank Balance:**(₹ in Millions)**

Particulars	As At March 31, 2017	As At March 31, 2016
Cash and Cash Equivalents		
Balances with banks :	-	-
In Current Accounts*	38.66	1.61
Total	38.66	1.61

*Includes cheques on hand ₹ NIL (Previous year ₹ 0.06 millions)

12. Short-term Loans and Advances:**(₹ in Millions)**

Particulars	As At March 31, 2017	As At March 31, 2016
Unsecured Considered Good		
Service Tax Input Credit Receivable	0.01	-
Total	0.01	-

13. Revenue from Operations:**(₹ in Millions)**

Particulars	2016 - 2017	2015 - 2016
Commission Income	45.00	-
Total	45.00	-

14. Other Income:**(₹ in Millions)**

Particulars	2016 - 2017	2015 - 2016
Interest Income	0.94	3.00
Capital Gains On Current Investments	0.49	-
Total	1.43	3.00

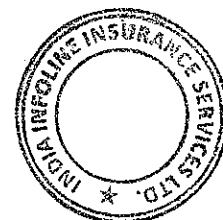
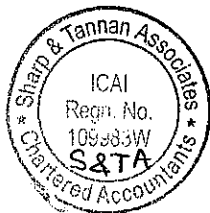
15 Employee Benefit Expenses :**(₹ in Millions)**

Particulars	2016 - 2017	2015 - 2016
Salaries & Wages	-	5.38
Contribution to provident and other funds	-	0.24
Gratuity	-	(0.01)
Staff Welfare Expenses	-	0.08
Leave Encashment	-	0.09
Total	-	5.78

The Company does not have any employee during the financial year 2016-17, hence disclosure as per AS 15 is not made.

16. Finance Cost**(₹ in Millions)**

Particulars	2016-2017	2015-2016
Interest Expenses on Borrowings	0.02	0.27
Total	0.02	0.27



17. Other Expenses**(₹ in Millions)**

Particulars	2016-2017	2015-2016
Advertisement	-	0.01
Books & Periodicals*	-	0.00
Brokerage related Expenses	-	1.71
Banks charges*	0.00	-
Communication	-	1.09
Electricity *	(0.00)	0.53
Exchange and Statutory dues	-	(0.03)
Legal and professional charges	-	0.11
Office expenses	-	0.50
Subscription	-	0.03
Postage and courier	-	0.01
Printing and stationery	-	0.37
Old Balances Write off/(write back) (Net)	-	10.27
Rates & taxes*	0.00	0.01
Repairs & Maintenance	-	-
- Others	-	0.06
Remuneration to Auditors :	-	-
As auditors - statutory audit	0.03	0.03
Out of pocket expenses*	0.00	0.00
Software Charges	-	0.28
Travelling and conveyance	-	1.11
Miscellaneous expenses	-	0.02
(Profit)/Loss on sale of assets	0.07	(0.08)
Total	0.10	17.89

Amount is less than ₹0.01 million, hence shown as ₹0.00 million.

18. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard(AS) – 20 'Earnings per share' as prescribed by Companies (Accounting Standard) Rules, 2006.

Particulars	2016 - 2017	2015 - 2016
BASIC & DILUTED		
Profit/(Loss) after tax as per Statement of Profit and Loss (A) (₹ in Millions)	42.01	(28.15)
Weighted Number of Shares Subscribed (B)	2,80,630	2,80,630
Face Value per share	10	10
Basic & Diluted EPS (Rupees) (A/B)	149.72	(100.32)

19. (i) The Company does not have any contingent liability not provided for, as on the balance sheet date of preparing financial statement.

(ii) The Company is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

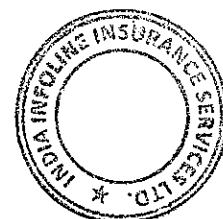
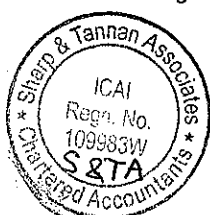
20. The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / subsidiaries / group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses 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.

21. Segment Reporting:

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

22. Commitment:

At the balance sheet date, there were outstanding commitments of capital expenditure of ₹ 0.03 millions (Previous year ₹ 0.05 millions) out of the total contractual obligation entered during the year



INDIA INFOLINE INSURANCE SERVICES LIMITED

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

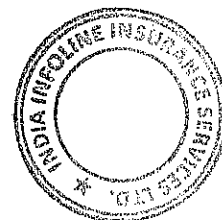
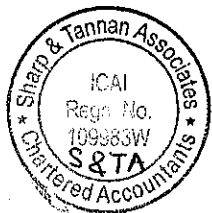
23. (a) Disclosure in respect of applicability of AS 18 - Related Party Disclosure:

 Related Party Disclosures for the Year ended 31st March, 2017

A) List of Related parties and their relationship:

Nature of relationship	Name of party
Holding Company	IIFL Holdings Limited
Fellow Subsidiaries	India Infoline Commodities Limited
	India Infoline Insurance Brokers Limited
	5Paiza Capital Limited (Formerly IIFL Capital Limited)
	India Infoline Finance Limited
	India Infoline Limited
	India Infoline Media & Research Services Limited
	IIFL Wealth Management Limited
	IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty limited)*
	IIFL Wealth UK Limited
	IIFL Capital Inc
	India Infoline Foundation
Group Companies	India Infoline Housing Finance Limited
	Samasta Microfinance Limited w.e.f 1 st March 2017
	Ayusha Dairy Private Limited w.e.f 1 st March 2017
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Asset Reconstruction Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Distribution Services Limited
	IIFL Investment Advisers & Trustee Services Limited (Formerly IIFL Trustee Services Limited)
	India Alternatives Investment Advisors Private Limited-ceased to be Group Company wef 30th March 17
	IIFL Asia Pte Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Assets Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc.
	IIFL Private Wealth (Suisse) SA.
Other related parties	Nirmal Jain
	R Venkataraman
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt. Limited

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



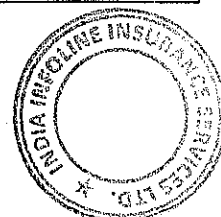
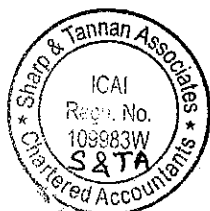
INDIA INFOLINE INSURANCE SERVICES LIMITED

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

b) Significant Transactions with Related Parties:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Interest Income				
India Infoline Insurance Brokers Limited	-	0.11	-	0.11
	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	0.84	-	0.84
	(-)	(2.12)	(-)	(2.12)
India Infoline Commodities Limited	-	-	-	-
	(-)	(0.85)	(-)	(0.85)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(0.03)	(-)	(0.03)
Interest Expense				
India Infoline Commodities Limited	-	-	-	-
	(-)	(0.01)	(-)	(0.01)
India Infoline Finance Limited	-	-	-	-
	(-)	(0.09)	(-)	(0.09)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(0.04)	(-)	(0.04)
India Infoline Media & Research Services Limited	-	-	-	-
	(-)	(0.02)	(-)	(0.02)
IIFL Holdings Limited	0.02	-	-	0.02
	(0.12)	(-)	(-)	(0.12)
Rent Expense				
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(1.50)	(-)	(1.50)
Dividend				
IIFL Holdings Limited	-	-	-	-
	(124.88)	(-)	(-)	(124.88)
ICD Given (Max)				
India Infoline Media & Research Services Limited	-	36.00	-	36.00
	(-)	(86.00)	(-)	(86.00)
India Infoline Commodities Limited	-	-	-	-
	(-)	(85.00)	(-)	(85.00)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(4.00)	(-)	(4.00)
India Infoline Insurance Brokers Limited	-	10.00	-	10.00
	(-)	(-)	(-)	(-)
ICD Received back (Max)				
India Infoline Media & Research Services Limited	-	36.00	-	36.00
	(-)	(153.50)	(-)	(153.50)
India Infoline Commodities Limited	-	-	-	-
	(-)	(85.00)	(-)	(85.00)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(4.00)	(-)	(4.00)
India Infoline Insurance Brokers Limited	-	10.00	-	10.00
	(-)	(-)	(-)	(-)
ICD Taken				
India Infoline Finance Limited	-	-	-	-
	(-)	(3.50)	(-)	(3.50)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(7.50)	(-)	(7.50)
India Infoline Media & Research Services Limited	-	-	-	-
	(-)	(2.50)	(-)	(2.50)
IIFL Holdings Limited	-	-	-	-
	(2.50)	(-)	(-)	(2.50)
ICD Taken Returned (Max)				
India Infoline Commodities Limited	-	-	-	-
	(-)	(-)	(-)	(-)
India Infoline Finance Limited	-	-	-	-
	(-)	(3.50)	(-)	(3.50)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(7.50)	(-)	(7.50)
India Infoline Media & Research Services Limited	-	-	-	-
	(-)	(2.50)	(-)	(2.50)
IIFL Holdings Limited	2.50	-	-	2.50
	(-)	(-)	(-)	(-)



Allocation / Reimbursement of Expense Paid				
India Infoline Limited	-	-	-	-
	(-)	(2.28)	(-)	(2.28)
India Infoline Media & Research Services Limited	-	-	-	-
	(-)	(0.41)	(-)	(0.41)
Other Received				
India Infoline Finance Limited*	-	0.00	-	0.00
	(-)	(0.01)	(-)	(0.01)
India Infoline Limited*	-	0.00	-	0.00
	(-)	(0.06)	(-)	(0.06)
India Infoline Media & Research Services Limited*	-	0.00	-	0.00
	(-)	(0.13)	(-)	(0.13)
IIFL Holdings Limited	-	-	-	-
	(-)	(-)	(-)	(-)
India Infoline Insurance Brokers Limited	-	-	-	-
	(-)	(0.01)	(-)	(0.01)
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)*	-	0.00	-	-
	(-)	(-)	(-)	(-)
Others Paid				
India Infoline Insurance Brokers Limited*	-	-	-	-
	(-)	(0.00)	(-)	(0.00)
India Infoline Limited*	-	-	-	-
	(-)	(0.55)	(-)	(0.55)
India Infoline Media & Research Services Limited*	-	-	-	-
	(-)	(0.00)	(-)	(0.00)

Amount is less than ₹0.01 million, hence shown as ₹0.00 million.

c) Outstanding as on March 31, 2017

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Short-term borrowings				
IIFL Holdings Limited	-	-	-	-
	(2.50)	(-)	(-)	(2.50)
Other current liabilities				
IIFL Real Estate Limited (Formerly IIFL Facilities Services Limited & IIFL Realty Limited)	-	-	-	-
	(-)	(-)	(-)	(-)
Short term Loans and advances				
India Infoline Media & Research Services Limited	-	-	-	-
	(-)	(-)	(-)	(-)

i) Figures in bracket represent previous year figures

ii) Related parties are identified and certified by the management.

NOTE 24 . Disclosure pertaining to MCA Circular No.G.S.R. 308(E) dated March 30, 2017 on Specified Bank Notes (SBNS):

	SBNS*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 31.12.2016	-	-	-

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

25. Previous figures are regrouped, reclassified and rearranged wherever considered necessary to Confirm to current year's presentation.

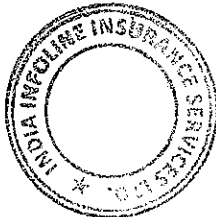
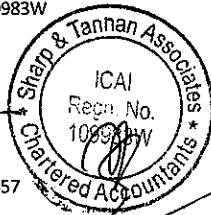
As per our attached report of even date.

Chartered Accountants
Firm's Registration no. 109983W

By the hand of

Vijayaraj Khot
Partner

Membership No. : (F) 037457



For and on behalf of Board of Directors

Narendra Jain
Narendra Jain
Director
(DIN : 01984467)

Anil Mascarenhas
Anil Mascarenhas
Director
(DIN : 03575717)

Place : Mumbai
Dated : May 2, 2017