



# **India Infoline Insurance Services Limited**

**Standalone Financial Statements  
as on 31<sup>st</sup> March, 2014**



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirteenth Annual Report of your Company with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2014.

### Financial Results

(Amount in Rs.)

Particulars	2013-2014	2012-2013
Gross Total Income	3,15,00,744	3,16,87,781
Less: Expenditure	1,30,12,880	2,43,54,239
Profit Before Taxation	1,84,87,864	73,33,542
Less: Taxation - Current	45,80,406	21,17,566
- Deferred	1,22,640	1,93,998
-Short/Excess Provision for Income Tax	(25,65,727)	6,06,289
Net Profit After Tax	1,63,50,545	44,15,689

### Review of Business

Your Directors are pleased to inform that during the financial year under review, the Company has earned the net profit after tax of Rs. 1,63,50,545 as compared to previous year's net profit after tax of Rs. 44,15,689.

Your Company continued growth and performance on all parameters during the year.

### Dividend

With a view to conserve the resources of the Company for its future business operations, your Directors do not recommend any Dividend for the financial year under review.

India Infoline Insurance Services Limited  
CIN No.: U74140MH2000PLC129816

Corporate Office – IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Tel: (91-22) 4249 9000 .Fax: (91-22) 40609049  
Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604  
Tel: (91-22) 25806650. Fax: (91-22) 25806654 E-mail: [mail@indiainfoline.com](mailto:mail@indiainfoline.com) Website: [www.indiainfoline.com](http://www.indiainfoline.com)





### **Deposits**

During the period under review, your Company has not accepted / renewed any deposits with the meaning of Section 58A of the Companies Act, 1956 and Section 73 of the Companies Act, 2013 and the rules made thereunder.

### **Directors**

In accordance with the provisions of Section 152, other applicable provisions of the Companies Act, 2013 and in terms of applicable provisions of the Articles of Association of the Company Mr. Chintan Modi, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

### **Auditors**

M/s Sharp and Tannan Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. M/s Sharp and Tannan Associates have sought re-appointment and confirmed that their re-appointment, if made, shall be in accordance with the conditions as may be prescribed under the Companies Act, 2013. M/s. Sharp and Tannan Associates have also confirmed that they satisfy the criteria as provided in Section 141 of the Companies Act, 2013.

Your Board recommends appointment of M/s Sharp and Tannan Associates, Chartered Accountants, as the Statutory Auditors of the Company to hold office from this Annual General Meeting to the conclusion of the sixth Annual General Meeting thereafter.

### **Director's Responsibility Statement**

As required by Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2014, and of its profit for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on an ongoing concern basis.

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### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Since the company is engaged in the service industry, the company does not consume substantial energy. It is the policy of the management to keep abreast of technological developments in the field in which the company is operating and to ensure that the company uses the most suitable technology. The company had no foreign exchange earnings and outgo during the year.

### **Particulars of Employees**

There are no employees who are in receipt of remuneration in excess of the rates or amounts as specified under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

### **Secretarial Compliance Certificate**

A Secretarial Compliance Certificate as required in terms of the provisions of Section 383A of the Companies Act, 1956, as obtained from M/s. Mahesh M. Darji, Practising Company Secretary and is attached to this report.

### **Acknowledgements**

Your Directors take this opportunity to thank all the stakeholders for their continued support and assistance during the period under review. Your Directors would also like to thank the employees for their dedication towards the growth of the Company.

For and on behalf of the Board

**Pallab Mukherji**  
Director

**Chintan Modi**  
Director

Place: Mumbai

Date: May 10, 2014

**India Infoline Insurance Services Limited**  
CIN No.: U74140MH2000PLC129816

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### Independent Auditor's Report

#### To the Members of India Infoline Insurance Services Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **India Infoline Insurance Services Limited** ("the Company"), which comprise the balance sheet as at 31 March 2014, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

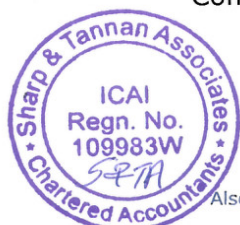
#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting



policies used and the reasonableness of the accounting estimates made by management, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the 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, 2003 ("the Order") issued by the central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13 September 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and



- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the board of directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Sharp & Tannan Associates  
Chartered Accountants  
Firm's registration no.109983W  
By the hand of

A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot  
Partner

Membership No:(F) 037457

Place: Mumbai  
Date : 10<sup>th</sup> May , 2014



## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **India Infoline Insurance Services Limited** ("the Company") for the year ended 31 March 2014. We report that:

1. (a) The Company has maintained adequate records to show full particulars, including quantitative details and situation of the fixed assets. However up-dation for the current year transactions and reconciliation with individual location record has been in progress.  
  
(b) The Company has formulated a programme of physical verification of its fixed assets in a phased manner. In accordance with this program, a physical verification of certain fixed assets has been carried out by management during the year. The assets physically verified and book balances were under reconciliation, which in view of the management is not expected to be material in nature. In our opinion, the periodicity of verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
2. The Company is not carrying on any manufacturing or trading activity. Therefore, the provisions of sub clause (a), (b) and (c) of clause (ii) of paragraph 4 of the Order are not applicable to the Company.
3. The Company has neither granted nor taken any loans from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted or taken any loans, the provisions of sub clause (a), (b), (c), (d), (e), (f) and (g) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct of major weaknesses in the aforesaid internal control systems.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in to a register in pursuance of section 301 of the companies act, 1956 and those brought to our notice have been so entered.  
  
(b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are not comparable since



the prevailing market prices of such services in view of the management are not readily available.

6. The Company has not accepted any deposits from the public of the nature, which attracts the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules made there under. Therefore, the provision of clause (vi) of paragraph 4 of the Order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. 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 have not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. Therefore, the provision of clause (viii) of paragraph 4 of the Order is not applicable to the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities. Based on the information furnished to us, there are no undisputed statutory dues as on 31<sup>st</sup> March 2014, which are outstanding for a period exceeding six months the date they became payable.  
  
(b) According to the information and explanations given to us, there are no cases of non-deposit with the appropriate authorities of disputed dues of sales tax/income tax/customs tax/wealth tax/service tax /excise duty and cess.
10. At the end of the financial year, the Company has neither accumulated losses nor has incurred cash loss during the financial year covered by our audit, and in the immediately preceding financial year.
11. As the Company has not borrowed from financial institution or bank or debenture holders during the year clause 4(xi) of the order is not applicable to the Company.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the Company, in our opinion, need not maintain relevant documents and record.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.





14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
15. The Company has not granted any guarantee for loans taken by others from bank or financial institutions. Therefore, the provision of clause (xv) of paragraph 4 of the Order is not applicable to the Company.
16. The Company has not availed any term loan during the year. Therefore, the provision of clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
18. The Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the companies Act, 1956. Therefore, the provision of clause (xviii) of paragraph 4 of the Order is not applicable to the Company.
19. The Company has not issued any debentures during the year. Therefore, the provision of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. The Company has not raised any money through a public issue during the year. Therefore, the provision of clause (xx) of paragraph 4 of the Order is not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by management.

Place: Mumbai  
Date : 10<sup>th</sup> May , 2014



Sharp & Tannan Associates  
Chartered Accountants  
Firm's registration no.109983W  
By the hand of

A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot  
Partner  
Membership No:(F) 037457



**INDIA INFOLINE INSURANCE SERVICES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

(Amount in ₹)

Particulars	Note No.	As At March 31, 2014	As At March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	28,06,300	28,06,300
(b) Reserves and Surplus	4	21,45,46,520	19,81,95,975
<b>Sub total</b>		<b>21,73,52,820</b>	<b>20,10,02,275</b>
<b>(2) Non Current Liabilities</b>			
(a) Long - term borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provision		-	-
<b>Sub total</b>		<b>-</b>	<b>-</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade Payables	5	-	56,320
(c) Other Current Liabilities	6	25,000	4,11,812
(d) Short Term Provision	7	2,12,518	68,13,491
<b>Sub total</b>		<b>2,37,518</b>	<b>72,81,623</b>
<b>TOTAL</b>		<b>21,75,90,338</b>	<b>20,82,83,898</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	8	21,738	63,80,411
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
<b>Sub total</b>		<b>21,738</b>	<b>63,80,411</b>
(b) Non - Current Investment		-	-
(c) Deferred Tax Assets (Net)	9	2,30,27,620	2,31,50,260
(d) Long-term loans and advances	10	12,27,28,191	15,10,36,341
(e) Other non current assets		-	-
<b>Sub total</b>		<b>14,57,55,811</b>	<b>17,41,86,601</b>
<b>(2) Current Assets</b>			
(a) Current investments	11	-	2,64,54,111
(b) Inventories		-	-
(c) Trade Receivable	12	2,80,628	-
(d) Cash and Bank Balance	13	7,15,32,025	11,95,146
(e) Short term Loans and advances	14	136	67,629
(f) Other current assets		-	-
<b>Sub total</b>		<b>7,18,12,789</b>	<b>2,77,16,886</b>
<b>TOTAL</b>		<b>21,75,90,338</b>	<b>20,82,83,898</b>
See accompanying notes forming part of the financial statements	1 to 24		

As per our attached report of even date

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

  
**Pirtharaj Khot**  
Partner  
Membership No. : (F) 037457



**For and on behalf of Board of Directors**

  
**Pallab Mukherji**  
Director

  
**Chintan Modi**  
Director

Place : Mumbai  
Dated : May 10, 2014

**INDIA INFOLINE INSURANCE SERVICES LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014**

(Amount in ₹)

Particulars	Note No.	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>INCOME</b>			
Revenue from Operations	15	2,58,33,265	3,12,26,344
Other income	16	56,67,479	4,61,437
<b>Total Revenue</b>		<b>3,15,00,744</b>	<b>3,16,87,781</b>
<b>EXPENSES</b>			
Employee benefit expenses	17	-	1,51,637
Financial Charges		-	-
Depreciation & amortisation expenses	8	63,49,949	1,09,67,800
Other Expenses	18	66,62,931	1,32,34,802
<b>Total Expenses</b>		<b>1,30,12,880</b>	<b>2,43,54,239</b>
<b>Profit before tax</b>		<b>1,84,87,864</b>	<b>73,33,542</b>
<b>Tax Expense</b>			
(a) Current tax expense for current year		45,80,406	21,17,566
(b) Current tax expense relating to prior years		(25,65,727)	6,06,289
(c) Net Current tax Expense		20,14,679	27,23,855
(d) Deferred tax		1,22,640	1,93,998
<b>Total Tax expenses</b>		<b>21,37,319</b>	<b>29,17,853</b>
<b>Net profit after tax</b>		<b>1,63,50,545</b>	<b>44,15,689</b>
Earning Per Share			
Earning Per Share - Basic	19	58.26	15.73
Earning Per Share - Diluted	19	58.26	15.73
Face Value of Share		10.00	10.00
See accompanying notes forming part of the financial statements	1 to 24		

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**



**Pallab Mukherji**  
Director



**Chintan Modi**  
Director

Place : Mumbai  
Dated : May 10, 2014.

**INDIA INFOLINE INSURANCE SERVICES LIMITED**  
**Cash Flow Statement for the year ended March 31, 2014**

(Amount in ₹)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before Taxation, And Extraordinary Item	1,84,87,864	73,33,542
<b>Adjustments For:</b>		
Depreciation & Amortisation	63,49,949	1,09,67,800
Interest Expenses	-	-
Profit /Loss on sale of Fixed Assets	3,28,982	21,617
Dividend Income	(3,16,154)	(54,111)
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>2,48,50,641</b>	<b>1,82,68,848</b>
(Increase) / Decrease in Trade Receivable	(2,80,628)	19,40,950
(Increase) / Decrease in Short Term Loans & Advances	67,492	2,22,90,918
(Increase) / Decrease in Long Term Loans & Advance	1,08,67,067	(1,98,96,714)
Increase / (Decrease) in Trade Payables	(56,320)	56,320
Increase / (Decrease) in Current Liabilities	(3,86,812)	1,46,829
Increase / (Decrease) in Short Term Provision	(66,00,973)	26,04,631
<b>Cash Generated From Operations</b>	<b>2,84,60,467</b>	<b>2,54,11,782</b>
Tax (Paid) / Refund	1,54,26,398	(27,76,918)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>4,38,86,865</b>	<b>2,26,34,864</b>
<b>Cash Flows From Investing Activities</b>		
Purchase/Sale of Fixed Assets (net)	(3,20,251)	30,167
Purchase/Sale of Investments (net)	2,64,54,111	(2,64,54,111)
Dividend Income	3,16,154	54,111
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>2,64,50,014</b>	<b>(2,63,69,833)</b>
<b>Cash Flows From Financing Activities</b>		
(Repayment) / Proceeds of Long-Term Borrowings	-	-
Interest Expenses	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>7,03,36,879</b>	<b>(37,34,969)</b>
<b>Cash and cash equivalents at beginning of Year</b>	<b>11,95,146</b>	<b>49,30,119</b>
<b>Cash and cash equivalents at end of Year(Refer Note 13)</b>	<b>7,15,32,025</b>	<b>11,95,146</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>7,03,36,879</b>	<b>(37,34,973)</b>

1. Cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) "cash flow statement".
2. Previous years' figures have been re-grouped / re-arranged wherever considered necessary.

As per our attached report of even date

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

  
**Tirtharaj Khot**  
Partner


Membership No. : (F) 037457

Place : Mumbai  
Dated : May 10, 2014



**For and on behalf of Board of Directors**

  
**Pallab Mukherji**  
Director

  
**Chintan Modi**  
Director



## INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

### 1. Corporate information:

India Infoline Insurance Services Limited (The Company) is a subsidiary of IIFL Holdings Limited (Formerly known as India Infoline Limited). The Company is a Corporate Insurance Agent and undertake business activities related to the same and earns commission income and related income.

### 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) and the relevant provisions of the Companies Act, 1956. 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, 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, which-ever is higher.

Depreciation is charged from the month in which new assets are put to use. No depreciation is charges 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.

Estimated useful life of the assets is as under:

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

#### 2.4 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. Renewal commission on policies is accounted for on receipt basis.



## INDIA INFOLINE INSURANCE SERVICES LIMITED

### Notes forming part of the Financial Statements for the Year ended March 31, 2014.

Income other than Dividend is recognized on accrual basis. Dividend Income is recognized when the right to receive payment is established.

#### 2.5 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.

#### 2.6 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.

#### 2.7 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.

#### 2.8 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.





## INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

### 2.9 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.

Current investments have been valued at the lower of cost and fair value. Long-term investments have been valued at cost, except that any permanent diminution in their value has been provided for in ascertaining their carrying amount.

### 2.10 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.

The financial statements have been prepared under historical cost convention on an accrual basis in compliance with all material aspects of the applicable Accounting Standards in India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company.

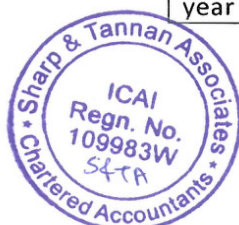
### 3. Share Capital:

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
<b>Authorised :</b>		
5,00,000(P.Y. 5,00,000) Equity Shares of `10/- each with Voting rights	50,00,000	50,00,000
<b>Issued, Subscribed and Paid Up:</b>		
2,80,630 (P.Y.2,80,630) Equity Shares of ` 10/- each fully paid-up each	28,06,300	28,06,300
<b>Total</b>	<b>28,06,300</b>	<b>28,06,300</b>

#### a) Reconciliation of the shares outstanding:

Particulars	As At March 31, 2014		As At March 31, 2013	
	Numbers	Amount	Numbers	Amount
Issued subscribed and Paid up at the beginning of the year	2,80,630	28,06,300	2,80,630	28,06,300
Add: Issued during the Year	-	-	-	-
Less: Equity Shares bought back	-	-	-	-
Issued subscribed and Paid up at the End of the year	2,80,630	28,06,300	2,80,630	28,06,300





## INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

**b) 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.

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

Particulars	As At March 31, 2014		As At March 31, 2013	
	Numbers	% holding	Numbers	% holding
IIFL Holdings Limited (Formerly known as India Infoline Limited)	2,80,630	100	2,80,630	100

**4. Reserve and Surplus:**

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
<b>Security Premium Account</b>		
Opening Balance	71,93,700	71,93,700
Addition during the Year	-	-
<b>Closing Balance</b>	<b>71,93,700</b>	<b>71,93,700</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	19,10,02,275	18,65,86,586
Addition Profit/(Loss) during the Year	1,63,50,545	44,15,689
<b>Closing Balance</b>	<b>20,73,52,820</b>	<b>19,10,02,275</b>
<b>Total</b>	<b>21,45,46,520</b>	<b>19,81,95,975</b>

**5. Trade Payable:**

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
Trade Payable:		
-Trade Payables*	-	56,320
<b>Total</b>	<b>-</b>	<b>56,320</b>

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

**6. Other Current Liabilities:**

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
Contractually reimbursable expenses	22,500	50,067
Statutory Liabilities Payable	2,500	3,61,745
<b>Total</b>	<b>25,000</b>	<b>4,11,812</b>



# INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

## 7. Short Term Provision:

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
Provision for Expenses	2,12,518	68,13,491
<b>Total</b>	<b>2,12,518</b>	<b>68,13,491</b>

## 8. Fixed Asset

(Amount in ₹)

ASSETS	GROSS BLOCK (AT COST)			
	As At March 31, 2013	Additions	Deductions / Adjustments during the year	As At March 31, 2014
<b>Tangible Assets (Owned)</b>				
Air Conditioner	1,92,30,951	-	18,06,493	1,74,24,458
Computer	2,83,69,546	-	4,11,611	2,79,57,935
Electrical Equipment	2,39,31,527	-	3,88,947	2,35,42,580
Furniture & Fixture	6,53,19,324	-	29,31,585	6,23,87,739
Office Equipment	5,47,27,531	-	9,08,193	5,38,19,338
<b>Total</b>	<b>19,15,78,879</b>	<b>-</b>	<b>64,46,829</b>	<b>18,51,32,050</b>
<b>Grand Total</b>	<b>19,15,78,879</b>	<b>-</b>	<b>64,46,829</b>	<b>18,51,32,050</b>
<b>Previous Year</b>	<b>19,20,98,029</b>	<b>-</b>	<b>5,19,150</b>	<b>19,15,78,879</b>

(Amount in ₹)

ASSETS	ACCUMULATED DEPRECIATION			
	As At March 31, 2013	For the year	Deductions / Adjustments during the year	As At March 31, 2014
<b>Tangible Assets (Owned)</b>				
Air Conditioner	1,89,69,140	2,57,095	18,01,849	1,74,24,386
Computer	2,83,69,546	-	4,11,611	2,79,57,935
Electrical Equipment	2,38,69,025	62,429	3,88,946	2,35,42,508
Furniture & Fixture	6,51,17,127	1,88,898	29,27,500	6,23,78,525
Office Equipment	4,88,73,623	58,41,527	9,08,192	5,38,06,958
<b>Total</b>	<b>18,51,98,461</b>	<b>63,49,949</b>	<b>64,38,098</b>	<b>18,51,10,312</b>
<b>Grand Total</b>	<b>18,51,98,461</b>	<b>63,49,949</b>	<b>64,38,098</b>	<b>18,51,10,312</b>
<b>Previous Year</b>	<b>17,46,98,027</b>	<b>1,09,67,800</b>	<b>4,67,365</b>	<b>18,51,98,461</b>





# INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

(Amount in ₹)

ASSETS	NET BLOCK	
	As At March 31, 2014	As At March 31, 2013
<b>Tangible Assets (Owned)</b>		
Air Conditioner	72	2,61,811
Computer	-	-
Electrical Equipment	72	62,502
Furniture & Fixture	9,214	2,02,197
Office Equipment	12,380	58,53,901
<b>Total</b>	<b>21,738</b>	<b>63,80,411</b>
<b>Grand Total</b>	<b>21,738</b>	<b>63,80,411</b>
<b>Previous Year</b>	<b>63,80,411</b>	<b>1,74,00,003</b>

## 9. Deferred Tax Assets (Net):

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
Depreciation	2,30,27,620	2,31,50,260
<b>Total</b>	<b>2,30,27,620</b>	<b>2,31,50,260</b>

## 10. Long-term loans and advances:

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
<b>Unsecured Considered Good</b>		
Advance Income Tax (Net of Provision of Tax of ₹1,29,60,857(Previous Year ₹ 2,01,62,387)	11,15,28,478	12,89,69,560
Deposit with others	1,11,99,713	2,20,66,781
<b>Total</b>	<b>12,27,28,191</b>	<b>15,10,36,341</b>

## 11. Current Investments:

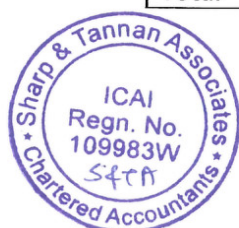
(Amount in ₹)

Particulars	As At March 31, 2014		As At March 31, 2013	
	Units	Amount	Units	Amount
<b>Unquoted, Non-Trade, Current (valued at cost or market whichever is less) Mutual Funds</b>				
Reliance Liquid Fund - Treasury Plan - Growth Plan -Growth Option – LFIG (NAV- ₹2 857.2537)	-	-	9457.759	2,64,54,111
<b>Total</b>				<b>2,64,54,111</b>

## 12. Trade Receivable:

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
<b>Trade Receivable (Unsecured, considered good, unless otherwise stated)</b>		
- Outstanding for a period exceeding six months	-	-
- Outstanding for a period Less than six months	2,80,628	
<b>Total</b>	<b>2,80,628</b>	<b>-</b>





# INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

## 13. Cash and Bank Balance:

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
Cash and Cash Equivalents		
Balances with banks	-	-
- In Current Accounts	7,15,32,025	11,95,146
<b>Total</b>	<b>7,15,32,025</b>	<b>11,95,146</b>

## 14. Short-term Loans and Advances:

(Amount in ₹)

Particulars	As At March 31, 2014	As At March 31, 2013
Unsecured Considered Good		
Other Loans & Advances	136	67,629
<b>Total</b>	<b>136</b>	<b>67,629</b>

## 15. Revenue from Operations:

(Amount in ₹)

Particulars	2013-2014	2012-2013
Commission Income	2,58,33,265	3,12,26,344
<b>Total</b>	<b>2,58,33,265</b>	<b>3,12,26,344</b>

## 16. Other Income:

(Amount in ₹)

Particulars	2013-2014	2012-2013
Interest Income	32,64,173	3,85,709
Dividend Income – from Current Investment	3,16,154	54,111
Capital Gains – on Current Investment	16,71,820	-
Miscellaneous income	86,351	-
Loss on Sale of Fixed Assets (Net)	3,28,981	21,617
<b>Total</b>	<b>56,67,479</b>	<b>4,61,437</b>

## 17. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2013-2014	2012-2013
Salaries & Wages	-	89,744
Staff Welfare Expenses	-	61,893
<b>Total</b>	<b>-</b>	<b>1,51,637</b>

## 18. Other Expenses:

(Amount in ₹)

Particulars	2013-2014	2012-2013
Advertisement	-	4,755
Books & Periodicals	-	593
Brokerage related Expenses	76,263	2,99,522
Arbitration Charges	-	30,000
Bank Charges	3,247	203



# INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

Communication	3,79,840	8,94,209
Electricity	54,921	15,00,708
Legal and professional charges	(7,998)	6,13,945
Office expenses	-	2,46,032
Subscription	-	2,651
Postage and courier	-	5,020
Printing and stationery	-	8,742
Old Balances Write off/(write back) (Net)	24,34,179	92,38,282
Rent	4,30,051	4,10,732
Insurance	-	5,435
Rates & taxes	32,02,062	38,36,730
<b>Repairs &amp; Maintenance</b>		-
- Computer	-	569
- Others	56,959	45,347
<b>Remuneration to Auditors :</b>		-
As auditors - statutory audit	25,000	25,000
Certification work and other matters		-
Out of pocket expenses	8,393	2,035
Software Charges	-	(40,78,818)
Travelling and conveyance	-	93,745
Miscellaneous expenses	14	49,365
<b>Total</b>	<b>66,62,931</b>	<b>1,32,34,802</b>

19. 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.

(Amount in ₹)

Particulars		2013-14	2012-13
<b>BASIC &amp; DILUTED</b>			
Profit/(Loss) after tax as per Statement of Profit and Loss	A	1,63,50,545	44,15,689
Weighted Number of Shares Subscribed	B	2,80,630	2,80,630
Face Value per share		10	10
Basic & Diluted EPS (Rupees)	A/B	58.26	15.73

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

21. 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



## INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

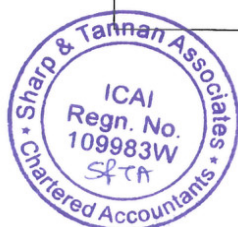
### 22. Segment Reporting:

In the opinion of the management, there is only one reportable business segment as envisaged by AS 17 'Segment Reporting', as prescribed by Companies (Accounting Standard) Rules, 2006. 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.

### 23. Related Party Disclosures:

#### Related parties and their relationship:

Nature of relationship	Name of party
<b>a) Holding Company</b>	IIFL Holdings Limited (Formerly Known as India Infoline Limited)
<b>b) Fellow Subsidiaries</b>	India Infoline Insurance Brokers Limited India Infoline Finance Limited IIFL Realty Limited IIFL Wealth Management Limited India Infoline Commodities Limited IIFL Capital Limited India Infoline Commodities DMCC IIFL Private Wealth Management Dubai Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Wealth UK Limited IIFL Securities Ceylon (Pvt) Limited* IIFL Private Wealth Hong Kong Limited India Infoline Media & Research Services Limited IIFL Capital Ceylon Limited** IIFL Private Wealth (Mauritius) Limited IIFL Private Wealth (Suisse) SA. IIFL Capital Inc. India Infoline Limited (Formerly known as India Infoline Distribution Company Limited.)
<b>c) Group Companies</b>	India Infoline Housing Finance Limited IIFL Investment Advisors And Trustee Services Limited (Formerly known as IIFL Trustee Services Limited) IIFL Distribution Services Private Limited (Formerly known as Finest Wealth Managers Private Limited) IIFL Securities Pte. Limited) IIFL Capital Pte. Limited India Infoline Asset Management Company Limited India Infoline Alternate Asset Advisors Limited India Infoline Trustee Company Limited





# INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

d) Key Management Personnel	Nirmal Jain R Venkataraman
e) Other related parties	Madhu Jain (wife of Mr. Nirmal Jain) Aditi Venkataraman(wife of Mr. R. Venkatraman) India Infoline Foundation

(\*) IIFL Securities Ceylon (Pvt) Limited was related party up to 30<sup>th</sup> December 2013.

(\*\*) IIFL Capital Ceylon Limited was related party up to 20<sup>th</sup> March 2014.

## f) Significant Transactions with Related Parties:

				(Amount in ₹)
Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
<b>Interest Income</b>				
India Infoline Insurance Brokers Limited	-	1,80,840	-	1,80,840
	-	-	-	-
IIFL Holdings Limited (Formerly Known as India Infoline Limited)	-	-	-	-
	(3,85,709)	-	-	(3,85,709)
<b>Advance Given (Max)</b>				
India Infoline Insurance Brokers Limited	-	100,00,000	-	100,00,000
	-	-	-	-
IIFL Holdings Limited (Formerly Known as India Infoline Limited)	-	-	-	-
	(1,64,79,623)	-	-	(1,64,79,623)
<b>Advance Given Received back (Max)</b>				
India Infoline Insurance Brokers Limited	-	100,00,000	-	100,00,000
	-	-	-	-
IIFL Holdings Limited (Formerly Known as India Infoline Limited)	-	-	-	-
	(1,64,79,623)	-	-	(1,64,79,623)
<b>Allocation / Reimbursement of Expense Paid</b>				
IIFL Holdings Limited (Formerly Known as India Infoline Limited)	-	-	-	-
	(28,25,331)	-	-	(28,25,331)
<b>Other Received</b>				
India Infoline Finance Limited	-	45,500	-	45,500
	-	-	-	-
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	4,15,556	-	4,15,556
	-	-	-	-
IIFL Holdings Limited (Formerly Known as India Infoline Limited)	-	-	-	-
	(61,409)	-	-	(61,409)
India Infoline Media & Research Services Limited	-	9,39,800	-	9,39,800
	-	(3,50,996)	-	(3,50,996)



# INDIA INFOLINE INSURANCE SERVICES LIMITED

Notes forming part of the Financial Statements for the Year ended March 31, 2014.

g) Outstanding as on March 31, 2014

(Amount in ₹)

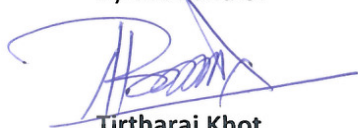
Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Total
Sundry Payable	-	-	-	-
	-	-	-	-
Sundry Receivable	-	-	-	-
	-	-	-	-

- i) Figures in bracket represent previous year figures
- ii) Related parties are identified and certified by the management.

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

As per our attached report of the even date.

For Sharp & Tannan Associate  
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



Pallab Mukherji  
Director



Chintan Modi  
Director

Place : Mumbai  
Date : May 10, 2014