

**INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION**

**TO THE BOARD OF DIRECTORS OF**

**IIFL Distribution Services Limited**

We have audited the accompanying Special Purpose Financial Information of **IIFL Distribution Services Limited (the "Company")**, which comprise the Condensed Balance Sheet as at 31 December 2017, the Condensed Statement of Profit and Loss, and the Condensed Cash Flow Statement for the Nine months then ended, and the selected explanatory notes (together referred to as the "Special Purpose Financial Information"). This Special Purpose Financial Information has been prepared by the management of the Company in accordance with the recognition and measurement principles laid down in the Accounting Standards 25 'Interim Financial Reporting' (AS 25) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, for the purpose of filing with National Stock Exchange Limited and BSE Limited together referred to as (the "Stock Exchanges") pursuant to the requirements of regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with clause I.A.2(f) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 (together referred to as the "Regulation").

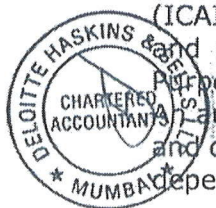
**Management's Responsibility for the Special Purpose Financial Information**

Management of the Company is responsible for the preparation of this Special Purpose Financial Information that gives a true and fair view of the state of affairs, its profit and cash flows of the Company, in accordance with the recognition and measurement principles laid down in the AS 25 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Special Purpose Financial Information 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 this Special Purpose Financial Information based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Financial Information is free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material



A handwritten signature in blue ink, appearing to be "Anand", written over the text "Director / Authorized Signatory".

## Deloitte Haskins & Sells LLP

misstatement of the Special Purpose Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Special Purpose Financial Information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management of the Company.

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 aforesaid Special Purpose Financial Information prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, give a true and fair view of the state of affairs of the Company as at 31 December 2017, and of its profit and its cash flows for the nine months then ended.

### Other Matter

Comparative figures for the nine months ended 31 December 2016 are unaudited. Our opinion is not modified in respect of this matter.

### Restriction on use

This report has been issued at the request of the Company for filing with the Stock Exchanges pursuant to the requirements of the Regulation. As a result, our report may not be suitable for any another purpose. Our report is intended solely for the information of the Stock Exchanges and the Board of Directors of the Company and is not intended to be and shall not be used by anyone other than these specified parties without our prior written consent.

**Certified True Copy**

For IIFL Distribution Services Limited

Director / Authorized Signatory

MUMBAI, 14 February 2018

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



Pallavi A. Gorakshakar  
(Partner)  
(Membership No.105035)

IIFL DISTRIBUTION SERVICES LIMITED  
CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2017

(Amount in ₹)

Particulars	As at Dec 31, 2017	As at Mar 31, 2017
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's funds</b>		
(a) Share Capital	512,000	512,000
(b) Reserves and Surplus	46,616,095	45,474,010
(c) Money received against share warrants	-	-
<b>Sub total</b>	<b>47,128,095</b>	<b>45,986,010</b>
<b>(2) Share application money pending allotment</b>	-	-
<b>(3) Non Current Liabilities</b>		
(a) Long-term borrowings	-	-
(b) Deferred Tax Liability	-	-
(c) Other Long-term liabilities	-	-
(d) Long-term provisions	7,650,472	4,451,360
<b>Sub total</b>	<b>7,650,472</b>	<b>4,451,360</b>
<b>(4) Current liabilities</b>		
(a) Short-term borrowings	-	-
(b) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,135,660	875,008
(c) Other current liabilities	5,958,283	2,020,000
(d) Short-term provisions	11,021,989	26,832,567
<b>Sub total</b>	<b>18,115,932</b>	<b>29,727,575</b>
<b>TOTAL</b>	<b>72,894,499</b>	<b>80,164,945</b>
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
<b>(a) Fixed assets</b>		
(i) Tangible assets	-	-
(ii) Intangible assets	-	-
(iii) Capital work-in-progress	-	-
(iv) Intangible assets under development	-	-
<b>Sub total</b>	-	-
(b) Non-current investments	100,000	100,000
(c) Deferred Tax Asset (Net)	2,109,453	1,176,264
(d) Long-term loans & advances	5,661,682	3,845,551
(e) Other non-current assets	-	-
<b>Sub total</b>	<b>7,871,135</b>	<b>5,121,815</b>
<b>(2) Current assets</b>		
(a) Current investments	-	-
(b) Inventories	-	-
(c) Trade receivables	26,176,374	18,400,960
(d) Cash and Cash Equivalents	2,958,435	53,246,959
(e) Short-term loans & advances	35,743,060	3,132,771
(f) Other current assets	145,495	262,440
<b>Sub total</b>	<b>65,023,364</b>	<b>75,043,130</b>
<b>TOTAL</b>	<b>72,894,499</b>	<b>80,164,945</b>
See accompanying selected explanatory notes forming part of the special purpose financial information		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors



*Pravin A. Gorakshakar*  
Pravin A. Gorakshakar

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For IIFL Distribution Services Limited

Place : Mumbai  
Date: February 14, 2018

Director / Authorized Signatory

*Anu Ravi Jain*

Anu Ravi Jain  
Director  
(DIN: 01001502)

*Umang Jagmohan Papneja*

Umang Jagmohan Papneja  
Director  
(DIN: 07357053)



IIFL DISTRIBUTION SERVICES LIMITED  
CONDENSED STATEMENT OF PROFIT AND LOSS FOR NINE MONTHS ENDED DECEMBER 31, 2017

(Amount in ₹)

Particulars	Nine months ended 31 Dec 2017	Nine months ended 31 Dec 2016
	Audited	Unaudited
<b>INCOME:</b>		
Revenue from Operations	148,884,163	100,736,181
Other Income	1,367,011	2,846,285
<b>Total Revenue</b>	<b>150,251,174</b>	<b>103,582,466</b>
<b>EXPENSES:</b>		
Employee Benefit Expenses	125,518,311	76,213,482
Other Expenses	23,010,630	28,230,889
Finance Charges	186,357	9,981
Depreciation and Amortisation	-	-
Provision & Write off	-	-
<b>Total Expenditure</b>	<b>148,715,298</b>	<b>104,454,352</b>
<b>Profit before tax</b>	<b>1,535,876</b>	<b>(871,886)</b>
Tax expenses :		
Current tax	1,326,980	-
Deferred tax charge/(Credit)	(933,189)	(1,118,052)
Short / (excess) provision for income tax	-	18,680
<b>Total Tax Expenses</b>	<b>393,791</b>	<b>(1,099,372)</b>
<b>Profit for the year</b>	<b>1,142,085</b>	<b>227,486</b>
Earning Per Share- Basic & Diluted	223.06	44.43
Face Value Per Share	100.00	100.00
See accompanying selected explanatory notes forming part of the special purpose financial information		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



Pallavi A. Gorakshakar  
Partner

For and on behalf of the Board of Directors



Anu Ravi Jain  
Director  
(DIN: 01001502)



Umang Jagmohan Papreja  
Director  
(DIN: 07357053)



Place : Mumbai  
Date : February 14, 2018



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For IIFL Distribution Services Limited

Director / Authorized Signatory

IIFL DISTRIBUTION SERVICES LIMITED  
CONDENSED CASH FLOW STATEMENT FOR NINE MONTHS ENDED DECEMBER 31, 2017

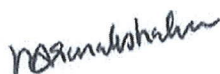
(Amount in ₹)

Particulars	Nine months ended 31 Dec 2017	Nine months ended 31 Dec 2016
	Audited	Unaudited
A. Cash flows used in operating activities	(16,469,178)	(36,261,522)
B. Cash flows used in investing activities	(33,632,989)	(4,153,715)
C. Cash flows used in financing activities	(186,357)	-
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(50,288,524)</b>	<b>(40,415,237)</b>
Opening Cash and Cash Equivalents	53,246,959	42,201,687
Closing Cash and Cash Equivalents	<b>2,958,435</b>	<b>1,786,450</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	2,958,435	1,786,450
Add: In Fixed Deposits with original maturity more than 3 months	-	-
<b>Cash and Cash Equivalents as per Condensed Standalone Balance Sheet</b>	<b>2,958,435</b>	<b>1,786,450</b>
See accompanying selected explanatory notes forming part of the special purpose financial information		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors



Pallavi A. Gorakshakar  
Partner



Anu Ravi Jain  
Director  
(DIN: 01001502)



Umang Jagmohan Papneja  
Director  
(DIN: 07357053)



Place : Mumbai  
Date: February 14, 2018



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For IIFL Distribution Services Limited

Director / Authorized Signatory



## IIFL DISTRIBUTION SERVICES LIMITED

Selected Explanatory Notes forming part of the Special Purpose Financial Information as at and for the nine months ended on December 31, 2017

### Note 1: Basis of Preparation

These Special Purpose Financial Information which comprise the Condensed Balance Sheet as at 31 December 2017, the Condensed Statement of Profit and Loss, and the Condensed Cash Flow Statement for the nine months then ended, and the selected explanatory notes have been prepared under the historical cost convention and accrual basis of accounting, unless otherwise stated and in accordance with the recognition and measurement principles laid down in the Accounting Standards 25 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, for the purpose of filing with National Stock Exchange Limited and BSE Limited pursuant to the requirements of regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with clause I.A.2(f) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 in relation to the Draft Composite Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst IIFL Holdings Limited and India Infoline Media & Research Services Limited and India Infoline Limited and IIFL Wealth Management Limited and India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders.

### Note 2: Principal Accounting Policies

The accounting policies followed by IIFL Distribution Services Limited (the "Company") in preparation of these Special Purpose Standalone Financial Information as at and for the nine months ended December 31, 2017 are consistent with those used in preparation of the financial statements of the Company for the year ended March 31, 2017.

**Note 3:** Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard 20 'Earnings per share' as prescribed u/s 133 of the Companies Act, 2013.

(Amount in ₹)

PARTICULARS		Nine months ended	Nine months ended
		31 Dec 2017	31 Dec 2016
		Audited	Unaudited
<b>BASIC EPS</b>			
Profit after tax as per Condensed Standalone Statement of Profit and Loss	A	1,142,085	227,486
Weighted Average Number of Shares Subscribed	B	5,120	5,120
Face Value of Equity Shares (₹) fully paid		100.00	100.00
Basic & Diluted EPS (₹)	A/B	223.06	44.43

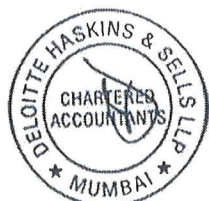
### Note 4: Capital and Other Commitments

The Company does not have any outstanding commitments of capital expenditure, as on the balance sheet date.

### Note 5: Contingent Liabilities at Balance Sheet date

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

**Note 6:** There are no pending litigations by and on the Company as on the balance sheet date.



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For IIFL Distribution Services Limited

Director / Authorized Signatory



**IIFL WEALTH MANAGEMENT LIMITED**

Selected Explanatory Notes forming part of the Special Purpose Standalone Financial Information as at and for the nine months ended on December 31, 2017 (Continued)

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**Note 7: Segment Reporting:**

In the opinion of the management, there is only one reportable business segment of providing manpower services as envisaged by AS 17 'Segment Reporting', as prescribed under Section 133 of the Companies Act, 2013. Accordingly, no separate disclosure for segment reporting is required to be made in the Special Purpose Standalone Financial Information 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.

**Note 8:** Previous figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current period's presentation.

For and on behalf of Board of Directors



**Anu Ravi Jain**  
Director  
(DIN: 01001502)



**Umang Jagmohan Papneja**  
Director  
(DIN: 07357053)

Place : Mumbai  
Date : February 14, 2018



**Certified True Copy**

For IIFL Distribution Services Limited



Director / Authorized Signatory