

Annexure NY

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF

INDIA INFOLINE FINANCE LIMITED

We have audited the accompanying Special Purpose Standalone Financial Information of **INDIA INFOLINE FINANCE LIMITED** (the "Company"), which comprise the Condensed Standalone Balance Sheet as at 31 December 2017, the Condensed Standalone Statement of Profit and Loss, and the Condensed Standalone 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.

An 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 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 Matters

Comparative figures for the nine months ended 31 December 2016 are unaudited.

The financial statements of the Company for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on May 04, 2017.

Our opinion is not modified in respect of these matters.



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.

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



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

MUMBAI, 15 February 2018


INDIA INFOLINE FINANCE LIMITED
CONDENSED STANDALONE BALANCE SHEET AS AT DECEMBER 31, 2017

Particulars	As at December 31, 2017 Audited	As at March 31, 2017 Audited
I EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share Capital	2,807,010,610	3,554,995,110
(b) Reserve and Surplus	32,082,976,809	29,560,118,427
Sub-Total	34,889,987,419	33,115,113,537
(2) Share application money pending allotment		
(3) Non-Current Liabilities		
(a) Long-term borrowings	49,780,435,335	58,172,225,126
(b) Other Long-term liabilities	236,377,167	1,019,101,741
(c) Long-term provisions	716,584,209	650,701,812
Sub-Total	50,733,396,711	59,842,028,679
(4) Current Liabilities		
(a) Short-term borrowings	58,130,888,987	45,086,023,498
(b) Trade payables	414,727,662	298,833,674
(c) Other current liabilities		
- Current maturities of long term borrowings	20,682,511,954	11,603,842,788
- Others	7,443,744,248	5,436,566,775
(d) Short-term provisions	124,696,720	803,468,578
Sub-Total	86,796,569,571	63,228,735,313
TOTAL	172,419,953,701	156,185,877,529
II ASSETS		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	528,087,970	521,079,970
(ii) Intangible assets	14,516,671	2,202,168
(iii) Capital work-in-progress	29,476,925	12,895,776
(iv) Intangible assets under development	-	-
Sub-Total	572,081,566	536,177,914
(b) Non-current investments	19,065,593,012	18,655,099,715
(c) Deferred tax assets (Net)	1,169,246,500	1,099,061,963
(d) Long-term loans & advances		
- Loans	50,292,914,384	46,073,272,688
- Others	1,398,797,781	1,469,624,369
(e) Other non-current assets	163,610,000	484,788,325
Sub-Total	72,090,161,677	67,781,847,060
(2) Current assets		
(a) Current investments	13,639,773,743	10,341,564,117
(b) Trade receivables	501,184,340	1,092,343,003
(c) Cash and Bank balances	12,281,856,036	17,349,291,779
(d) Short-term loans & advances		
- Loans	67,545,515,193	53,827,941,094
- Others	3,010,956,628	2,582,783,354
(e) Other current assets	2,778,424,318	2,073,723,206
Sub total	99,757,710,458	87,867,852,555
TOTAL	172,419,953,701	156,185,877,529

See accompanying selected explanatory notes forming part of the Special Purpose Standalone Financial Information.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Place : Mumbai
Dated: February 15, 2018

For and on behalf of the Board of Directors
of India Infoline Finance Limited


Nirmal Jain
Whole Time Director
DIN : 00010535


Prabodh Agrawal
Chief Financial Officer


R. Venkataraman
Whole Time Director
DIN : 00011919


Gajendra Thakur
Company Secretary

INDIA INFOLINE FINANCE LIMITED
CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED DECEMBER 31, 2017

Particulars	April'17 to Dec'17 Audited	April'16 to Dec'16 Unaudited
Revenue		
Revenue from operations	18,209,814,090	16,832,479,403
Other Income	397,232,228	85,479,413
Total Revenue	18,607,046,318	16,917,958,816
Expenses		
Employee benefit expenses	2,017,471,461	1,582,980,676
Finance cost	9,047,788,416	9,194,406,933
Depreciation & amortisation expenses	99,769,111	117,309,962
Other expenses	1,379,842,341	1,210,328,366
Provisions & write off	2,194,820,333	920,778,690
Total Expenses	14,739,691,662	13,025,804,628
Profit before tax	3,867,354,656	3,892,154,188
Tax expenses		
Current Tax	1,387,300,000	1,468,891,786
Deferred tax	(70,184,537)	(125,858,366)
Current tax expense relating to prior years	(5,983,148)	-
Total tax expenses	1,311,132,315	1,343,033,420
Profit for the period	2,556,222,341	2,549,120,768
Earnings Per Share (Not annualised)		
- Basic	10.57	10.27
- Diluted	8.92	9.64
Face Value Per Equity Share	10.00	10.00

See accompanying selected explanatory notes forming part of the Special Purpose Standalone Financial Information.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

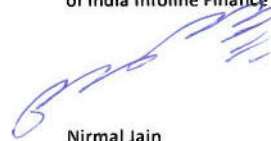


Pallavi A. Gorakshakar
Partner
Membership No.: 105035



Place : Mumbai
Dated: February 15, 2018

For and on behalf of the Board of Directors
of India Infoline Finance Limited



Nirmal Jain
Whole Time Director
DIN : 00010535



Prabodh Agrawal
Chief Financial Officer



R. Venkataraman
Whole Time Director
DIN : 00011919



Gajendra Thakur
Company Secretary

INDIA INFOLINE FINANCE LIMITED
 CONDENSED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2017

Particulars	April'17 to Dec'17 Audited	April'16 to Dec'16 Unaudited
1. Cash flows from operating activities	(14,851,038,582)	14,558,578,130
2. Cash flows from investing activities	(2,865,661,547)	(20,745,416,749)
3. Cash flows from financing activities	12,768,667,597	8,745,687,865
4. Net increase/(decrease) in cash and cash equivalents	(4,948,032,532)	2,558,849,246
5. Cash and cash equivalents at beginning of period	9,418,296,152	3,669,567,232
6. Cash and cash equivalents at end of period	4,470,263,620	6,228,416,478
Cash and cash equivalents as per cash flow statement	4,470,263,620	6,228,416,478
Add: Term Deposits considered in Investing activities	7,811,592,416	7,966,926,072
Cash and Bank Balances as per Balance Sheet	12,281,856,036	14,195,342,550

See accompanying selected explanatory notes forming part of the Special Purpose Standalone Financial Information.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
 Chartered Accountants



Pallavi A. Gorakshakar
 Partner
 Membership No.: 105035

For and on behalf of the Board of Directors
 of India Infoline Finance Limited



Nirmal Jain
 Whole Time Director
 DIN : 00010535



R. Venkataraman
 Whole Time Director
 DIN : 00011919



Prabodh Agrawal
 Chief Financial Officer



Gajendra Thakur
 Company Secretary



Place : Mumbai
 Dated: February 15, 2018

INDIA INFOLINE FINANCE 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

Note 1: Basis of Preparation

These Special Purpose Standalone Financial Information which comprises the Condensed Standalone Balance Sheet as at 31 December 2017, the Condensed Standalone Statement of Profit and Loss and the Condensed Standalone Cash Flow Statement for the nine months then ended, and the selected explanatory notes ("Special Purpose Standalone Financial Information") 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 India Infoline Finance 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 specified u/s 133 of the Companies Act, 2013.

Particulars	(Amount in Rs)	
	December 31, 2017	December 31, 2016
	Audited	Unaudited
Basic EPS		
Profit after Tax as per statement of profit and loss	2,55,62,22,341	2,54,91,20,768
Less: Preference Dividend & DDT on Preference Dividend on Non-Convertible Preference Shares	4,80,77,111	11,31,52,678
Profit after Tax attributable to Equity shareholders	A	2,43,59,68,090
Weighted average number of equity shares outstanding	B	23,71,54,065
Basic EPS (Rupees) (Not annualised)	A/B	10.57
Diluted EPS		
Profit after Tax as per statement of profit and loss	2,55,62,22,341	2,54,91,20,768
Less: Preference Dividend & DDT on Preference Dividend on Non-Convertible Preference Shares	4,80,77,111	11,31,52,678
Profit after Tax attributable to Equity shareholders	C	2,43,59,68,090
Weighted average number of equity shares outstanding	23,71,89,678	23,71,54,065
Add: Potential Equity Shares	4,40,91,627	1,55,88,296
Weighted average number of equity shares outstanding	D	25,27,42,361
Diluted EPS (Rupees) (Not annualised)	C/D	9.64
Face Value per share		10.00

Note 4: Capital and Other Commitments

At the Balance Sheet date, the total outstanding commitments of capital investments amounts to Rs.60,00,00,000/- (Previous year March 31, 2017 – Nil) and capital expenditure amounts to Rs.3,89,92,625/- (Previous year March 31, 2017 – Rs.5,18,93,603/-)



INDIA INFOLINE FINANCE 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)

Note 5: Contingent Liabilities at Balance Sheet date

Particulars	(Amount in Rs)	
	December 31, 2017	March 31, 2017
	Audited	Audited
In respect of Income Tax Demands*	21,17,86,109	29,07,18,390

*The Company has filed appeal against the said demands raised by the department.

Note 6: 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.

Note 7: Segment Reporting:

In the opinion of the management, there is only one reportable business segment (financing & investing) as envisaged by Accounting Standard - 17 'Segment Reporting', as specified u/s 133 of the Companies Act, 2013. 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 geographical areas within India.

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

For and on behalf of the Board of Directors
of India Infoline Finance Limited

Nirmal Jain
Whole Time Director
DIN: 00010535

R. Venkataraman
Whole Time Director
DIN: 00011919

Prabodh Agrawal
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Date : February 15, 2018

