

**IIFL Distribution Services
Limited**

**Standalone Financial Statements
as on 31st March, 2015**

Independent Auditor's Report

To the Members of IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2015, 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 Standalone Financial Statements

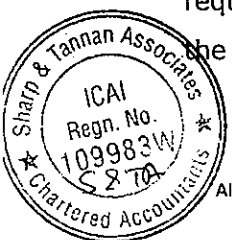
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

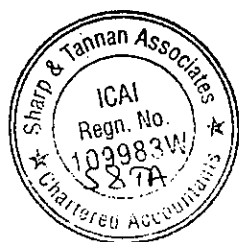
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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, 2015, and its profit and its cash flows for the year ended on that date.

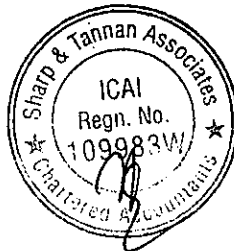
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) 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 26 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; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Place: Mumbai
Date: 6th May, 2015



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

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

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Annexure to the Auditors' Report

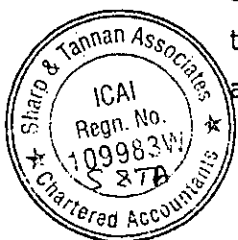
The Annexure referred to in our report to the members of **IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited)** ("the Company") for the year ended 31st March 2015. We report that:

1. The Company does not possess any fixed assets during the period, Paragraph 3 (i) (a) and (b) of the Order are not applicable to the Company.
2. The Company is not carrying on any manufacturing or trading activity. Therefore, Paragraph 3 (ii) (a), (b) and (c) of the Order are not applicable to the Company.
3. The Company has granted loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In the case of loan granted to the company listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loan are repayable on demand. Accordingly, Paragraph 3 (iii) (a) of the Order is not applicable in respect of repayment of the principal amount.

(b) There is no overdue amount in excess of Rs.1 lakh in respect of loan granted to Company listed in the register maintained under Section 189 of the Companies Act, 2013.

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 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 major weaknesses in the aforesaid internal control systems.
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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable to the Company, with the appropriate



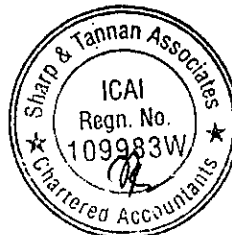
authorities. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable to the Company outstanding as at 31st March 2015 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 income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess.

(c) According to the information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.

8. 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.
9. As the Company has not borrowed from financial institution or bank or debenture holders during the year, Paragraph 3 (ix) of the Order is not applicable to the Company.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the Paragraph 3 (x) of the Order is not applicable.
11. The Company has not availed any term loan during the period. Therefore, Paragraph 3 (xi) of the Order is not applicable to the Company.
12. 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, we have neither come across any material fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

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



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

Tirtharaj Khot
Partner
Membership No.: (F) 037457

Place: Mumbai
Date: 6th May, 2015

STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LTD.)
BALANCE SHEET AS AT MARCH 31, 2015

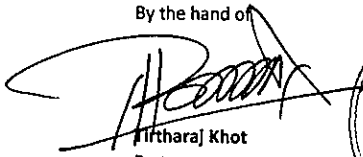
(Amount in ₹)

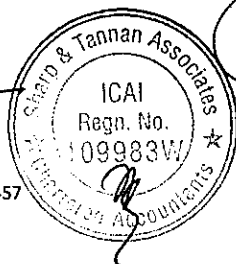
Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	512,000	128,000
(b) Reserve and Surplus	4	42,499,837	40,629,110
(c) Money received against share warrants		-	-
Sub total		43,011,837	40,757,110
(2) Share application money pending allotment			
		-	-
(3) Non Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term liabilities	5	-	90,453
(d) Long-term provisions	6	2,620,094	3,408,709
Sub total		2,620,094	3,499,162
(4) Current liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	7	2,200	-
(c) Other Current Liabilities	8	1,042,250	6,248,979
(d) Short-Term Provisions	9	20,745,749	11,784,583
Sub total		21,790,199	18,033,562
TOTAL		67,422,130	62,289,834
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub total		-	-
(b) Non-current investments	10	100,000	100,000
(c) Deferred tax assets (Net)	11	672,066	986,775
(d) Long-term loans & advances	12	590,871	1,022,973
(e) Other non-current assets		-	-
Sub total		1,362,937	2,109,748
(2) Current assets			
(a) Current Investments	13	6,900,000	-
(b) Inventories		-	-
(c) Trade receivables	14	23,943	306,291
(d) Cash and Cash equivalents	15	32,886,237	20,534,707
(e) Short-term loans & advances	16	26,249,013	39,339,089
(f) Other current assets		-	-
Sub total		66,059,193	60,180,086
TOTAL		67,422,130	62,289,834
See accompanying notes forming part of the standalone financial statements	1-30		

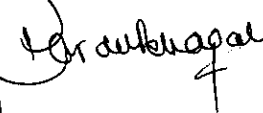
As per our attached report of even date

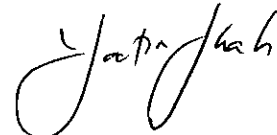
For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

For and on behalf of Board of Directors

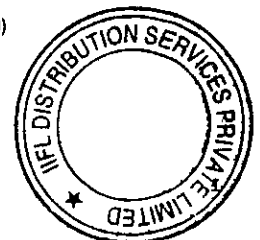
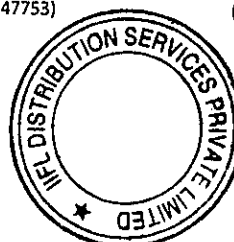

Artharaj Khot
Partner
Membership No.: (F) 037457




Karan Bhagat
Director
(DIN: 03247753)


Yatin Shah
Director
(DIN: 03231090)

Place : Mumbai
Date : May 6, 2015



STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LTD.)
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

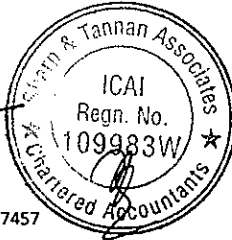
Particulars	Note No.	2014-2015	2013-2014
INCOME :			
Revenue From Operations	17	81,871,257	61,232,492
Other Income	18	3,891,782	4,302,101
Total Revenue		85,763,039	65,534,593
EXPENSES :			
Employee Benefit Expenses	19	61,045,137	46,406,259
Administration and other expenses	20	19,469,503	10,446,552
Finance cost	21	-	1,301,589
Depreciation		-	-
Provision & Write off		-	-
Total Expenditure		80,514,640	58,154,400
Profit before tax		5,248,399	7,380,193
Tax expenses :			
Current tax		1,906,457	3,046,944
Deferred tax expenses		314,709	(986,775)
Short / (excess) provision for income tax		772,506	217,365
Total Tax Expenses		2,993,672	2,277,534
Profit (loss) for the period		2,254,727	5,102,659
Earning Per Share- Basic	22	440.38	3,986.45
Earning Per Share- Diluted	22	440.38	3,986.45
Face Value Per Share		100.00	100.00
See accompanying notes forming part of the standalone financial statements	1-30		

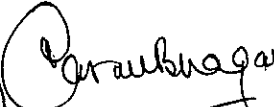
As per our attached report of even date

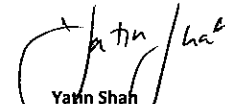
For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No. 109983W
By the hand of

For and on behalf of Board of Directors

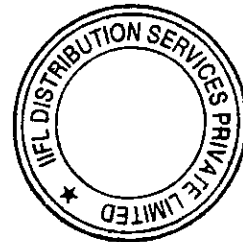

Nitharaj Khot
Partner
Membership No.: (F) 037457




Karan Bhagat
Director
(DIN: 03247753)


Yash Shah
Director
(DIN: 03231090)

Place : Mumbai
Date : May 6, 2015



STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LTD.)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

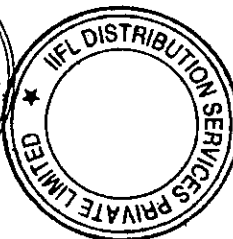
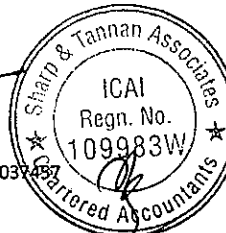
(Amount in ₹)

PARTICULARS	2014-2015	2013-2014
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	5,248,399	7,380,193
Adjustments For:		
Provisions for Gratuity	896,241	3,041,377
Provisions for Leave Encashment	288,807	1,031,026
Dividend Received	-	(1,030,464)
Interest Income	(3,454,463)	(2,925,102)
Interest Expense	-	1,301,589
Operating Profit Before Working Capital Changes	2,978,985	8,798,618
Changes in working Capital :		
(Increase) / Decrease in Trade Receivables	282,348	603,594
(Increase) / Decrease in Short Term Loans & Advances	13,090,076	(39,042,839)
(Increase) / Decrease in Long Term Loans & Advances	432,102	(968,473)
Increase / (Decrease) in Trade Payables	2,200	-
Increase / (Decrease) in Other Liabilities	(5,206,729)	6,149,882
Increase / (Decrease) in Long-term liabilities	(90,453)	90,453
Increase / (Decrease) in Long-term provisions	(2,187,669)	-
Increase / (Decrease) in Short Term Provisions	9,175,172	11,108,979
Cash Generated From Operations	18,476,031	(13,259,785)
Tax (Paid) / Refund	(2,678,963)	(9,093,962)
Net cash from operating activities (A)	15,797,068	(22,353,748)
B. Cash flows from investing activities		
Purchase/Sale of Investments (net)	(6,900,000)	12,520,316
Net cash from investing activities (B)	(6,900,000)	12,520,316
C. Cash flows from financing activities		
Dividend Received	-	1,030,464
Interest Expenses	-	(1,301,589)
Interest Income	3,454,463	2,925,102
Net cash used in financing activities (C)	3,454,463	2,653,977
Net increase in cash and cash equivalents (A+B+C)	12,351,530	(7,179,454)
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents		
Opening Cash on hand and balances with banks	20,534,707	27,714,160
Closing Cash on hand and balances with banks	32,886,237	20,534,707
Net Increase/(Decrease) in Cash and Cash Equivalents	12,351,530	(7,179,454)
See accompanying notes forming part of the standalone financial statements Note No. 1-30		

As per our attached report of even date

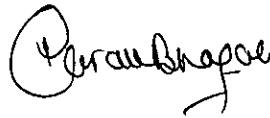
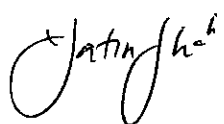
For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No. 109983W
By the hand of


Nitharaj Khot
Partner
Membership No.: (F) 037497



Place : Mumbai
Date : May 6, 2015

For and on behalf of Board of Directors

Karan Bhagat
Director
(DIN: 03247753)

Yatin Shah
Director
(DIN: 03231090)

**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 1. Corporate Information:

IIFL Distribution Services Limited (The Company) is incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of IIFL Wealth Management Limited, the Company is engaged in the business of wealth management services to HNI/UHNIs and advising leading Indian/multinational business houses on their corporate treasury. The company has additionally engaged in providing manpower services to its holding companies and fellow subsidiaries for Wealth Management Services.

Note 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 as prescribed under section 133 of Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Act (to the extent applicable or to the extent notified). 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 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. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. 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:

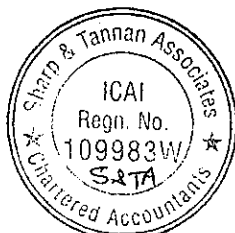
Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in 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 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*	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



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

2.4 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.

2.5 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.

2.6 Taxation:

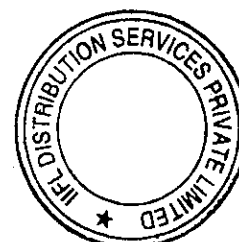
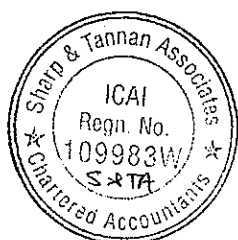
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Income Tax

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 Tax

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. The deferred tax asset is recognised or unrecognised, to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. At each reporting date, the Company re-assesses unrecognized deferred tax assets. Deferred tax liability is recognised as and when arises.



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

Minimum Alternate Tax (MAT)

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

2.7 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

- Manpower Service Fees are accounted on accrual basis.
- Distribution Fee/Commission is recognized on accrual basis in accordance with the terms agreed with the counter party

2.8 Other Income Recognition:

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

2.9 Translation of foreign currency items :

Foreign currency transactions are recorded in the reporting currency 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. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

2.10 Employee Benefits:

The company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit & loss. The Company has provided "Compensated Absences" on the basis of actuarial valuation.

Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

2.11 Operating Leases:

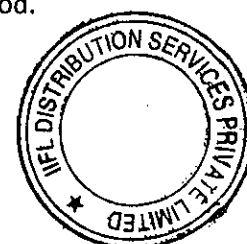
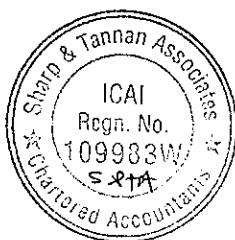
Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & loss in accordance with Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India.

2.12 Preliminary Expenses

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

2.13 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.



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

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 all potential equity shares.

Note 3. Share Capital:

a) The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹100 as follows: (Amount in ₹)

Authorised :	As at March 31, 2015	As at March 31, 2014
10,000 (Previous Year 5,000) Equity Shares of ₹100/- each with voting Rights	1,000,000	500,000
Issued, Subscribed and Paid Up:		
5,120 (Previous Year 1,280) Equity shares of ₹100/- each fully paid. Out of the above 3,840 shares of ₹100/- is issued as bonus shares	512,000	128,000
Total	512,000	128,000

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	1,280	128,000	1,280	128,000
Add: Issued during the year as Bonus shares	3,840	384,000	-	-
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	5,120	512,000	1,280	128,000

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 ₹ 100/-each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

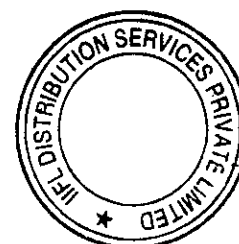
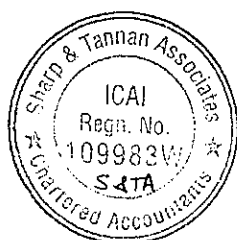
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Equity Shares held by holding company/ultimate holding company and their subsidiaries.

Particulars	March 31, 2015		March 31, 2014	
	Numbers	% holding	Numbers	% holding
Equity shares of ₹10 each fully paid				
IIFL Wealth Management Limited	5,120	100 %	1,280	100 %

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Numbers	% holding	Numbers	% holding
IIFL Wealth Management Limited	5,120	100 %	1,280	100 %



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

f) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting year:-

PARTICULARS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Equity shares allotted as fully paid by way of bonus shares	3,840	-	-	-	-
Equity shares allotted as fully paid up pursuant to contract for consideration other than cash	-	-	-	-	-
Equity shares bought back by the company	-	-	-	-	-

Note 4. Reserve and surplus:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Surplus/Deficit in statement of Profit & Loss		
Opening Balance: As per last Financial Statement	40,629,110	35,526,451
Addition: Profit during the year	2,254,727	5,102,659
Less: Utilisation during the year (Issue of Bonus Shares)	384,000	-
Total	42,499,837	40,629,110

Note 5. Other Long Term Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Statutory Liabilities Payable	-	90,453
Total	-	90,453

Note 6. Long Term Provisions:

(Amount in ₹)

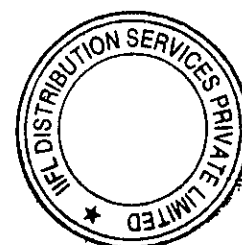
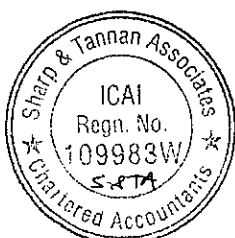
Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits :		
- Provisions for Gratuity	2,070,875	2,616,861
- Provision for Leave Encashment	549,219	791,848
Total	2,620,094	3,408,709

Note 7. Trade Payable:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Outstanding dues of micro and small enterprises	-	-
Outstanding dues of other than micro and small enterprises	2,200	-
Total	2,200	-

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.



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

Note 8. Other Current Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Accrued Salaries and Benefits	366,453	3,780,570
Contractually Reimbursable expenses	2,385	3,997
Statutory Liabilities Payable	660,912	2,454,412
Other Liabilities payables	12,500	10,000
Total	1,042,250	6,248,979

Note 9. Short Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits :		
- Provision for Gratuity	104,097	424,516
- Provision for Leave Encashment	109,909	239,178
- Bonus Payable	20,140,228	11,062,492
(b) Others		
- Provision for expenses	391,515	58,397
Total	20,745,749	11,784,583

Note 10. Non Current Investments:

(Amount in ₹)

Particulars	As at March 31, 2015			As at March 31, 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Unquoted: Non Traded Investment:						
Investment in Equity :						
Fineworthy Software Solutions Ltd.	₹10	10,000	100,000	₹10	10,000	100,000
Total			100,000			100,000

Note 11. Deferred Tax Liability/Assets (Net):

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
On Gratuity	672,066	986,775
Total	672,066	986,775

Note 12. Long Term Loans & Advances:

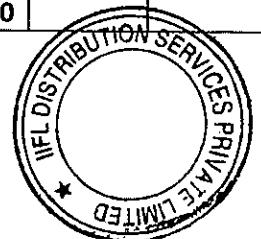
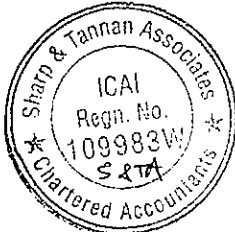
(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Deposits Paid (Secured, considered good)	84,952	-
Prepaid Expense (Unsecured , considered good)	241,933	-
Advance Income Tax (Net of provision of tax ₹ 4,653,401/-, Previous Year ₹ 16,975,933/-)	263,986	1,022,973
Total	590,871	1,022,973

Note 13. Current Investments:

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Units	Amount	Units	Amount
Non Trade Investment: Quoted				
IIFL Liquid Mutual Fund - Direct Plan - Growth (NAV ₹ 1,117.7024)	6,193.28	6,900,000	-	-
Total	6,193.28	6,900,000		



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

Note 14. Trade Receivables:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six months		
- Considered good	-	-
- Considered doubtful	-	-
Outstanding for a period less than six months		
- Considered good	23,943	306,291
- Considered doubtful	-	-
Total	23,943	306,291

Note 15. Cash and Bank Balance:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash In Hand	-	-
Balances with Banks		
- In Current accounts	32,886,237	20,534,707
- In Deposit accounts	-	-
Total	32,886,237	20,534,707

Note 16. Short term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, Considered good		
- Loan to Holding Company	25,960,026	39,103,424
- Other Loans and Advances	288,987	235,665
Total	26,249,013	39,339,089

Note 17. Revenue from operations:

(Amount in ₹)

Particulars	2014-2015	2013-2014
Manpower Service Fees	81,476,274	58,159,102
Distribution Fees	(99,880)	1,296,366
Commission Income	460,863	1,666,671
Profit and Loss from Trading activities	34,000	110,353
Total	81,871,257	61,232,492

Note 18. Other Income:

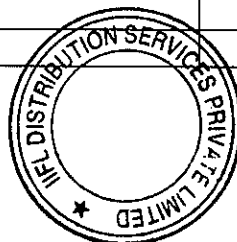
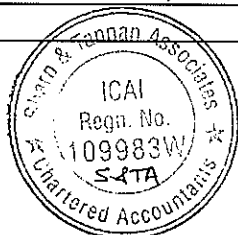
(Amount in ₹)

Particulars	2014-2015	2013-2014
Interest Income	3,473,044	3,270,309
Dividend Income	-	1,030,464
Capital Gains	418,738	1,328
Total	3,891,782	4,302,101

Note 19. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2014-2015	2013-2014
Salaries and Bonus	56,792,476	41,448,094
Contribution to Provident and other funds**	1,427,161	880,786
Staff Welfare Expenses	1,640,452	3,458
Gratuity Expenses*	896,241	3,041,377
Leave Encashment Expenses	288,807	1,032,544
Total	61,045,137	46,406,259



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

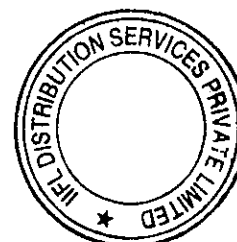
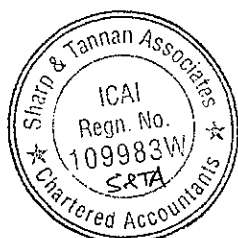
* The Company is recognizing and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under : (Amount in ₹)

Assumptions	2014-2015	2013-2014
Discount rate previous year	9.14%	8.00%
Salary Escalation previous year	5.00%	5.00%
Discount rate current year	7.92%	9.14%
Salary Escalation Current year	5.00%	5.00%
Change in Benefit Obligation	2014-2015	2013-2014
Liability at the beginning of the year	3,041,377	-
Interest Cost	277,982	-
Current Service Cost	528,449	551,368
Liability transferred in	-	2,490,009
Liability transferred out	(1,762,646)	-
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	89,810	-
Liability at the end of the year	2,174,972	3,041,377
Amount Recognised in the Balance Sheet	2014-2015	2013-2014
Liability at the end of the year	(2,174,972)	(3,041,377)
Fair value of plan Assets at the end of the year	-	-
Funded Status (Surplus/ Deficit)	(2,174,972)	(3,041,377)
Amount of (Liability)/ Asset Recognised in the balance sheet	(2,174,972)	(3,041,377)
Expenses Recognised in the Income statement	2014-2015	2013-2014
Current Service cost	528,449	551,368
Interest Cost	277,982	-
Net Transfer In	-	2,490,009
Actuarial Gain or Loss	89,810	-
Expense Recognised in P & L	896,241	3,041,377
Balance Sheet reconciliation	2014-2015	2013-2014
Opening Net liability	(3,041,377)	-
Expense as above	(896,241)	(3,041,377)
Net Transfer In	-	-
Net Transfer Outs	17,62,646	-
(Liability)/Asset Recognised in Balance sheet	(21,74,972)	(30,41,377)

****Defined Contribution Plans:**

The Company has recognised the following amounts as an expense and included in the Employee Benefit Expenses. (Amount in ₹)

Particulars	2014-2015	2013-2014
Contribution to provident and other fund	1,402,874	875,316



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

Note 20. Administration and Other Expenses:

(Amount in ₹)

Particulars	2014-2015	2013-2014
Bank Charges	19,834	9,170
Books & Periodicals	21,515	-
Direct Operating Expenses	221,545	2,759
Communication Expenses	593,585	1,402,739
Electricity Expenses	446,289	89,491
Legal and Professional Fess	536,284	122,754
Miscellaneous Expenses	29,356	56,480
Office Expenses	3,548,738	154,481
Subscription	380,569	36,372
Postage and courier	51,734	-
Printing and Stationary Charges	483,009	994,818
Provision for doubtful debts and bad debts	-	25,031
Rent Expenses	4,876,536	600,000
Repairs & Maintenance		
- Computer	-	-
- Others	14,649	-
Remuneration to Auditors		
- Statutory Audit	12,500	10,000
Software Charges	36,226	1,026,047
Travelling and Conveyance	8,197,134	5,916,410
Total	19,469,503	10,446,552

Note 21. Finance Cost:

(Amount in ₹)

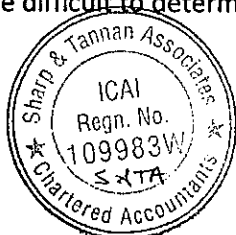
Particulars	2014-2015	2013-2014
Interest Expense	-	1,301,589
Total	-	1,301,589

Note 22. 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		2014-2015	2013-2014
BASIC & DILUTED			
Profit after tax as per Statement of Profit and Loss	A	2,254,727	5,102,659
Weighted Average Number of Shares Subscribed	B	5,120	1,280
Face Value of Equity Shares (₹) fully paid		100	100
Basic & Diluted EPS (₹)	A/B	440.38	3,986.45

Note 23. 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.



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

Note 24. Capital and Other Commitments

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

Note 25. The Company does not have any contingent liability not provided for, as on the balance sheet date of preparing financial statement.

Note 26. There are no pending litigations by and on the Company as on the balance sheet date.

Note 27. Segment Reporting:

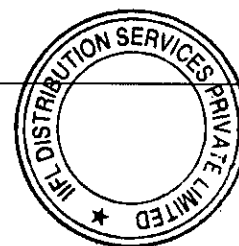
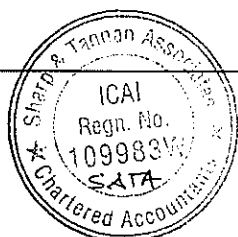
In the opinion of the management, there is only one reportable business segment as envisaged by AS 17 'Segment Reporting', as prescribed by Companies (Accounting Standard) Rules, 2006. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the 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.

Note 28. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2015

a) List of Related parties:

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited (Formerly India Infoline Limited)
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Investment Adviser and Trustee Services Limited (Formerly IIFL Trustee Services Limited) India Infoline Asset Management Company Limited India Infoline Trustee Company Limited IIFL Alternate Asset Advisors Limited India Alternative Investment Advisors Private Limited IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Private Wealth Hong Kong Limited IIFL Private Wealth (Mauritius) Limited IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Realty Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

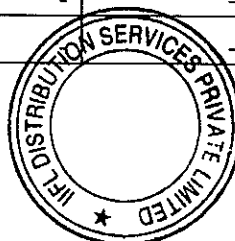
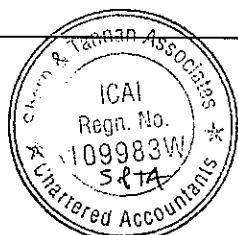
Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

	India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Private Limited) IIFL Asset Reconstruction Limited
Key Management Personnel	Karan Bhagat Yatin Shah
Other related Parties	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited

(b) Significant Transactions with Related Parties:

(Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Brokerage-Authorised Person :					
India Infoline Commodities Limited	-	-	-	460,863	460,863
	-	-	-	(1,666,671)	(1,666,671)
Manpower Service Fees:					
IIFL Capital Pte Limited	-	-	2,857,052	-	2,857,052
	-	-	-	(1,739,569)	(1,739,569)
IIFL Private Wealth Management Hong Kong Ltd	-	-	309,459	-	309,459
	-	-	-	(301,283)	(301,283)
IIFL Securities Pte Limited	-	-	2,857,052	-	2,857,052
	-	-	-	(1,739,569)	(1,739,569)
IIFL Wealth Management Limited	-	67,584,803	-	-	67,584,803
	-	(48,119,378)	-	-	(48,119,378)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	-	-	(5,569,303)	-	(5,569,303)
India Infoline Asset Management Company Limited	-	-	7,867,907	-	7,867,907
	-	-	(690,000)	-	(690,000)
Interest Income on ICD:					
IIFL Wealth Management Limited	-	3,454,463	-	-	3,454,463
	-	(2,925,102)	-	-	(2,925,102)
Interest Expenses:					
India Infoline Finance Limited	-	-	-	-	-
	-	-	-	(1,301,589)	(1,301,589)
Sale of Inventories:					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(166,209,033)	-	-	(166,209,033)
Other Funds Received:					
IIFL Wealth Management Limited	-	1,505,887	-	-	1,505,887
	-	-	-	-	-
Other Funds Paid:					
IIFL Holdings Ltd (Formerly India Infoline Limited)	1,231,637	-	-	-	1,231,637
	-	-	-	-	-
India Infoline Limited (Formerly India Infoline Distribution Co. Ltd)	-	-	-	34,828	34,828
	-	-	-	(1,976,468)	(1,976,468)



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

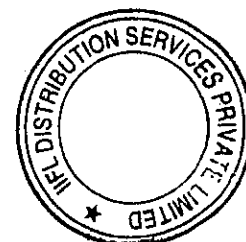
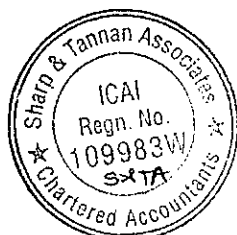
Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
India Infoline Media & Research Services Limited	-	-	-	455,186	455,186
	-	-	-	-	-
IIFL Wealth Management Limited	-	8,279,967	-	-	8,279,967
	-	(160,002)	-	-	(160,002)
India Infoline Asset Management Company Limited	-	-	903,413	-	903,413
	-	-	-	-	-
ICD Taken:					
India Infoline Finance Limited	-	-	-	-	-
	-	-	-	(300,000,000)	(300,000,000)
ICD Repaid:					
India Infoline Finance Limited	-	-	-	-	-
	-	-	-	(300,000,000)	(300,000,000)
ICD Given:					
IIFL Wealth Management Limited	-	15,500,000	-	-	15,500,000
	-	(66,495,505)	-	-	(66,495,505)
ICD Received back:					
IIFL Wealth Management Limited	-	31,415,000	-	-	31,415,000
	-	(30,362,087)	-	-	(30,362,087)
Allocation / Reimbursement of Expenses Paid:					-
IIFL Wealth Management Limited	-	7,121,993	-	-	7,121,993
	-	(4,650,963)	-	-	(4,650,963)

(h) Amount due to / from related parties (Closing balances): (Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
ICD Given:					
IIFL Wealth Management Limited	-	25,960,027	-	-	25,960,027
	-	(38,766,010)	-	-	(38,766,010)
Sundry receivables					
IIFL Private Wealth Management Hong Kong Ltd	-	-	-	-	-
	-	-	-	(337,414)	(337,414)
India Infoline Commodities Limited	-	-	-	23,943	23,943
	-	-	-	(174,539)	(174,539)

Note :

- I Figures in bracket represents previous year figures.
- II Related parties are identified and certified by the management



**STANDALONE FINANCIALS OF IIFL DISTRIBUTION SERVICES LIMITED
(FORMERLY KNOWN AS IIFL DISTRIBUTION SERVICES PRIVATE LIMITED)**

Notes forming part of the Financial Statements for the year ended March 31, 2015 (Continued)

Note 29. Earnings And Expenses in Foreign Currency:

(Amount in ₹)

Particulars	2014-2015	2013-2014
Earnings in Foreign Currency		
Manpower Service Fee	6,023,564	3,780,421
Total	6,023,564	3,780,421

Note 30. Previous year figures have been regrouped, re-classified and rearranged, wherever considered necessary.

As per our attached report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No. 109983W

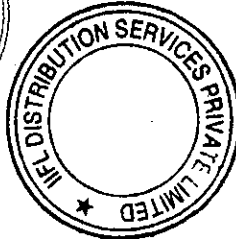
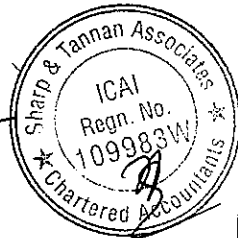
By the hand of



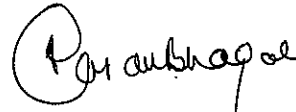
Tirtharaj Khot

Partner

Membership. No.: (F) 037457



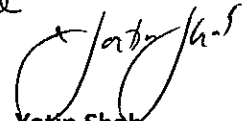
For and on behalf of Board of Directors



Karan Bhagat

Director

(DIN: 03247753)



Yatin Shah

Director

(DIN: 03231090)

Place : Mumbai

Date : May 6, 2015