

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL DISTRIBUTION SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL DISTRIBUTION SERVICES LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

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



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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, 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 Section 143 (3) of the Act, based on our audit we report:

- 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 financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, 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.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

Place: Mumbai
Date: 2 May 2018

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **IIFL DISTRIBUTION SERVICES LIMITED** (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



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

Place: Mumbai
Date: 2 May 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT


(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us Sales Tax, Customs Duty, Excise Duty and Value Added Tax is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Service Tax and Goods and Service Tax which have not been deposited as on 31 March 2018 on account of disputes.



- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the year and hence reporting under clause (xi) of the is CARO 2016 not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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


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

Place: Mumbai
Date: 2 May 2018

IIFL DISTRIBUTION SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018


(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	512,000	512,000
(b) Reserves and Surplus	4	46,663,448	45,474,010
Sub total		47,175,448	45,986,010
(2) Non Current Liabilities			
(a) Long-term provisions	5	6,721,997	4,451,360
Sub total		6,721,997	4,451,360
(3) Current liabilities			
(a) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	6	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,254,373	875,008
(b) Other current liabilities	7	6,895,688	2,020,000
(c) Short-term provisions	8	17,521,193	26,832,567
Sub total		25,671,254	29,727,575
TOTAL		79,568,699	80,164,945
ASSETS			
(1) Non-current assets			
(a) Non-current investments	9	100,000	100,000
(b) Deferred Tax Asset (Net)	10	2,361,334	1,176,264
(c) Long-term loans & advances	11	5,878,607	3,845,551
Sub total		8,339,941	5,121,815
(2) Current assets			
(a) Trade receivables	12	22,523,503	18,400,960
(b) Cash and Cash Equivalents	13	749,399	53,246,959
(c) Short-term loans & advances	14	47,955,856	3,395,211
Sub total		71,228,758	75,043,130
TOTAL		79,568,699	80,164,945
See accompanying notes forming part of the financial statements			


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


Pankaj Fitkariwala
Director
(DIN: 07356813)


Umang Jagmohan Papneja
Director
(DIN: 07357053)

Place : Mumbai
Date: May 02, 2018

IIFL DISTRIBUTION SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	2017-2018	2016-2017
INCOME:			
Revenue from Operations	15	193,710,544	140,642,578
Other Income	16	2,534,233	3,768,269
Total Revenue		196,244,777	144,410,847
EXPENSES:			
Employee Benefit Expenses	17	162,235,517	104,935,867
Other Expenses	18	31,918,535	37,968,415
Finance Charges	19	186,357	24,442
Total Expenditure		194,340,409	142,928,724
Profit before tax		1,904,368	1,482,123
Tax expenses/(benefits) :			
Current tax		1,900,000	282,419
Deferred tax expenses/(Credit)		(1,185,070)	(125,828)
Mat Credit Entitlement		-	289,953
Short / (excess) provision for income tax		-	367,477
Total Tax Expenses		714,930	814,021
Profit for the year		1,189,438	668,102
Earning Per Share- Basic	20	232.31	130.49
Earning Per Share- Diluted	20	232.31	130.49
Face Value Per Share		100.00	100.00
See accompanying notes forming part of the financial statements			

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

Pankaj Fitkariwala
Director
(DIN: 07356813)

Umang Jagmohan Papneja
Director
(DIN: 07357053)

Place : Mumbai
Date: May 02, 2018

IIFL DISTRIBUTION SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	2017-2018	2016-2017
A. Cash flows from operating activities		
Net profit before tax	1,904,368	1,482,123
Adjustments for:		
Provisions for Gratuity	3,334,937	1,680,825
Provisions for Compensated Absences	1,884,585	670,080
Interest Income	(1,385,824)	(2,068,411)
Interest expenses	186,357	2,603
Profit on sale of Investments	(1,013,420)	(1,506,382)
Operating profit before working capital changes	4,911,003	260,838
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	(1,430,621)	(21,400,140)
Increase/ (Decrease) in Current/Non Current Liabilities	(7,005,206)	722,988
Cash generated from/(used in) operations	(3,524,824)	(20,416,314)
Net income tax(paid) / refunds	(3,930,623)	(2,110,604)
Net cash generated from/(used in) operating activities (A)	(7,455,447)	(22,526,918)
B. Cash flows from investing activities		
Purchase of Investments	(3,872,750,000)	(1,717,100,000)
Sale of Investments	3,873,763,420	1,748,606,382
Interest Received	1,385,824	2,068,411
Inter Corporate Deposit given	(89,999,439)	(139,500,000)
Inter Corporate Deposit received back	42,744,439	139,500,000
Net cash generated from/(used in) investing activities (B)	(44,855,756)	33,574,793
C. Cash flows from financing activities		
Inter Corporate Deposit taken	68,500,000	2,000,000
Inter Corporate Deposit repaid	(68,500,000)	(2,000,000)
Interest Paid	(186,357)	(2,603)
Net cash generated from/(used in) financing activities (C)	(186,357)	(2,603)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(52,497,560)	11,045,272
Opening Cash and Cash Equivalents	53,246,959	42,201,687
Closing Cash and Cash Equivalents (Refer Note 13)	749,399	53,246,959
See accompanying notes forming part of the financial statements		

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



Pankaj Fitkariwala
Director
(DIN: 07356813)



Umang Jagmohan Papneja
Director
(DIN: 07357053)

Place : Mumbai
Date: May 02, 2018

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 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

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. 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.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.8 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.

- Manpower services/ Advisory/ Trustee fees are accounted on accrual basis.
- Distribution Fee/ Commission recognized on accrual basis in accordance with the terms agreed with the counter party.



Note 1. Corporate Information:

IIFL Distribution Services Limited (the "Company") is a public limited company incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of IIFL Wealth Management Limited. The Company is engaged in providing manpower services to its associate companies.

Note 2. Significant Accounting Policies:

2.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. 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 the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 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.

2.4 Cash and cash equivalents:

Cash comprises cash on hand. Cash equivalents comprises demand deposits and short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.



2.9 Other Income Recognition:

- Interest Income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Profit or loss on sale of investments is recognized on the trade date reckoning the weighted average cost.

2.10 Translation of foreign currency items:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the Statement of Profit and Loss. 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.

2.11 Employee Benefits:

The Company's contribution towards Provident Fund is defined contribution and is accounted for on an accrual basis and recognised in the Statement of Profit and 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.

2.12 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.

2.13 Earnings per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The Company has not issued any financial Instrument that entitles or may entitle its holder to acquire equity shares in future.

2.14 Service tax/Goods and Services tax input credit:

Service tax/ Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.15 Borrowing cost:

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

2.16 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



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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:

Authorised :	As at March 31,2018	As at March 31,2017
10,000 (P. Y. 10,000) Equity Shares of ₹100/- each with voting Rights	1,000,000	1,000,000
Issued, Subscribed and Paid Up:		
5,120 (P. Y. 5,120) Equity shares of ₹100/- each fully paid.	512,000	512,000

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,120	512,000	5,120	512,000
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	5,120	512,000	5,120	512,000

(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 dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.

(d) Details of shares held by holding company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹100 each fully paid				
IIFL Wealth Management Limited & its nominees	5,120	100%	5,120	100%

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	5,120	100%	5,120	100%

(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	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
	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	-	-	-	-	-



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IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 4. Reserves and Surplus:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Surplus in the Statement of Profit and Loss		
Opening Balance	45,474,010	44,805,908
Addition: Profit during the Year	1,189,438	668,102
Closing Balance	46,663,448	45,474,010

Note 5. Long Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits:		
- Provision for Gratuity (Refer Note 17.1)	6,721,997	4,451,360
Total	6,721,997	4,451,360

Note 6: Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises - Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for Expenses	199,078	262,936
- Accrued Salaries and Benefits	276,287	110,156
- Provision for Expenses	779,008	501,916
Total	1,254,373	875,008

Details under the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	2017 - 18	2016 - 17
a) Principal amount and interest due thereon remaining unpaid to any supplier at the end year.	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-



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IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018**

Particulars	2017 - 18	2016 - 17
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.

Note: 7. Other current liabilities:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory Liabilities Payable	5,288,381	2,020,000
Book Overdraft	1,555,925	-
Others	51,382	-
Total	6,895,688	2,020,000

Note 8. Short Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Provision for employee benefits:		
- Provision for compensated absences	2,665,320	1,244,046
- Provision for Gratuity (Refer Note 17.1)	475,473	270,334
- Provision for Bonus	14,336,832	25,274,619
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS - ₹ 6,830,327/-) (Previous Year- ₹ 6,830,327/-)	43,568	43,568
Total	17,521,193	26,832,567



IIFL DISTRIBUTION SERVICES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 9. Non Current Investments (At cost):

(Amount in ₹)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Unquoted, Non Trade Investment:						
Investment in Equity Shares:						
Fineworthy Software Solutions Ltd.	10	10,000	100,000	10	10,000	100,000
Total			100,000			100,000
Aggregate Value of Quoted Investments			-			-
Aggregate Value of Unquoted Investments			100,000			100,000
Market Value of Quoted Investments			-			-

Note 10. Deferred Tax Asset (Net):

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken (credit) of ₹ 1,185,070/- (P.Y. ₹ 125,828/-) in the Statement of Profit and Loss towards deferred tax asset (net) during the year on account of timing differences

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets		
On Employee benefits	2,361,334	1,176,264
Total	2,361,334	1,176,264

Note 11. Long Term Loans & Advances:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered good		
Deposit with exchange	100,000	-
Loans and Advances to employees	928,415	1,025,982
Advance Income Tax (Net of provision for tax ₹ 3,214,653/-, Previous Year ₹ 1,482,190/-)	4,850,192	2,652,032
MAT credit	-	167,537
Total	5,878,607	3,845,551

Note 12. Trade Receivables:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	-	-
- Considered doubtful	-	-
Provision for doubtful receivables	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	22,523,503	18,400,960
- Considered doubtful	-	-
- Provision for doubtful receivables	-	-
Total	22,523,503	18,400,960



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IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 13. Cash and Cash Equivalents:**

(Amount in ₹)

Particulars	As at March 31,2018	As at March 31,2017
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Cash In Hand	30,392	5,165
Balances with Banks		
- In Current accounts	719,007	53,241,794
Total	749,399	53,246,959

Note 14. Short Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31,2018	As at March 31,2017
Inter Corporate Deposits (ICD) (Refer Note 26)		
- Unsecured, considered good	47,255,000	-
Other Loans and Advances (Unsecured, Considered good)		
- Loans and Advances to employees	700,856	1,071,658
-Goods and Services tax input credit	-	2,323,553
Total	47,955,856	3,395,211

Note 15. Revenue from Operations:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Manpower Service Fees	193,710,352	140,642,578
Distribution Fees	192	-
Total	193,710,544	140,642,578

Note 16. Other Income:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Interest Income		
- Inter Corporate Deposits (Refer Note 26)	1,385,824	2,068,411
- Staff loan	134,989	148,686
- Income tax refund	-	44,790
Income/Profit from Trading Activities-Mutual fund - Current Investments	1,013,420	1,506,382
Total	2,534,233	3,768,269

Note 17. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Salaries and Bonus	152,011,328	99,139,554
Contribution to Provident Fund and Other Funds (Refer Note 17.2)	3,815,050	2,755,919
Gratuity Expense (Refer Note 17.1)	3,334,937	1,680,825
Compensated Absences	1,884,585	670,080
Staff Welfare Expenses	1,189,617	689,489
Total	162,235,517	104,935,867

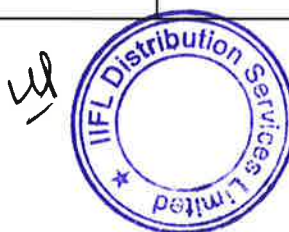
17.1 The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under:



IIFL DISTRIBUTION SERVICES LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Assumptions	2017-2018	2016-2017
Discount rate	7.71%	7.27%
Salary Escalation	7.50%	5.00%
Attrition rate	For service 4 years and below 15% p.a. & thereafter 7.50% p.a	For service 4 years and below 7.50% p.a. & thereafter 5% p.a
Change in Benefit Obligation	2017-2018	2016-2017
Liability at the beginning of the year	4,721,694	3,399,468
Interest Cost	343,267	267,198
Current Service Cost	1,112,429	604,212
Past Service Cost - Vested Benefit Incurred During the Period	(127,267)	-
Liability transferred in	269,786	192,354
Liability transferred out	(1,128,947)	(19,853)
Benefit paid	-	(531,100)
Actuarial (gain)/ Loss on obligations	2,006,508	809,415
Liability at the end of the year	7,197,470	4,721,694
Amount Recognised in the Balance Sheet	2017-2018	2016-2017
Liability at the end of the year	7,197,470	4,721,694
Fair Value of Plan Assets at the end of the year	-	-
Differences	7,197,470	4,721,694
Amount of (Liability)/ Asset Recognised in the Balance Sheet	7,197,470	4,721,694
Expenses Recognised in the Statement of Profit and Loss	2017-2018	2016-2017
Current Service cost	1,112,429	604,212
Interest Cost	343,267	267,198
Actuarial Gain or Loss	2,006,508	809,415
Past Service Cost - Vested Benefit Recognized During the Period	(127,267)	-
Expenses Recognised in the Statement of Profit and Loss	3,334,937	1,680,825
Balance Sheet Reconciliation	2017-2018	2016-2017
Opening Net liability	4,721,694	3,399,468
Expense as above	3,334,937	1,680,825
Net Transfer In	269,786	192,354
Net Transfer Out	(1,128,947)	-19,853
Benefit Paid Directly by the Employer	-	-531,100
Liability/(Asset) Recognised in Balance sheet	7,197,470	4,721,694

Experience Adjustment	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Present Value of the Obligation	7,197,470	4,721,694	3,399,468	21,74,972	30,41,377
Fair Value of Plan Assets	-	-	-	-	-
Surplus) or Deficit)	7,197,470	4,721,694	3,399,468	21,74,972	30,41,377
Experience adjustment on Liability – (gain) / loss	894,168	530,425	2,169,192	3,41,612	1,65,229
Experience adjustment on Asset - gain / (loss)	-	-	-	-	-



IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018**

Note: The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

17.2 Defined Contribution Plans:

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

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Contribution to Provident Fund	3,760,161	2,731,571
Contribution to ESIC	53,413	22,908
Contribution to Labour Welfare Fund	1,476	1,440
Total	3,815,050	2,755,919

Note 18. Other Expenses:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Direct Operating Expenses	834,779	623,046
Bank Charges	26,147	29,666
Communication Expenses	1,304,340	1,588,931
Electricity Expenses	301,232	929,152
Legal and Professional Charges	715,812	438,966
Miscellaneous Expenses	59,927	86,704
Office Expenses	100,851	123,990
Postage and Courier Expenses	75,031	223,174
Printing and Stationery	333,532	739,565
Rent Expenses (Refer Note 28)	16,931,551	16,994,964
Rates and Taxes	13,351	31,289
Repairs and maintenance:		
- Others	62,957	162,579
Remuneration to Auditors:		
- Statutory Audit (net of service tax input credit)	300,000	150,000
- Swachh Bharat Cess	750	375
Software Charges/ Technology Cost	835,324	3,195,096
Travelling and Conveyance	10,022,951	12,650,918
Total	31,918,535	37,968,415

Note 19. Finance Charges:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Interest Expenses		
- Inter corporate deposits (Refer Note 26)	186,357	2,603
- Delayed payment of taxes	-	21,839
Total	186,357	24,442



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IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 20. Basic and Diluted Earnings Per Share:**

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'.

Particulars		2017-2018	2016-2017
BASIC & DILUTED EPS			
Profit after tax as per Statement of Profit and Loss	A	1,189,438	668,102
Weighted Average Number of Shares	B	5,120	5,120
Face Value of Equity Shares (₹) fully paid		100	100
Basic & Diluted EPS (₹)	A/B	232.31	130.49

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

Note 22. Capital and Other Commitments:

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

Note 23. Contingent Liabilities at Balance Sheet date:

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

Note 24. There are no pending litigations by and on the Company as on the balance sheet date.

Note 25. Segment Reporting:

In the opinion of the management, there is only one reportable business segment of providing manpower services as envisaged by Accounting Standard 17 'Segment Reporting', as prescribed under Section 133 of the Act. 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.



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IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 26. Related Party Disclosures:**

Related party disclosures for the year ended March 31, 2018.

a) List of Related parties:

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Investment Adviser and Trustee Services Limited IIFL Asset Management Limited IIFL Trustee Limited IIFL Alternate Asset Advisors Limited IIFL Wealth Finance 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 Capital (Canada) Ltd. IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	IIFL Securities Limited (Formerly known as India Infoline Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited IIFL Management Services Limited India Infoline Insurance Brokers Limited Clara Developers Private Limited IIFL Facilities Services Limited Samasta Microfinance Ltd IIFL Wealth (UK) Limited IIFL Capital Inc. Ayusha Dairy Pvt. Limited IIFL Asset Reconstruction Limited
Other related Parties	Mr. Karan Bhagat Mr. Yatin Shah Mr. Amit Shah Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Dhara Shah Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment India Alternatives Investment Advisors Private Limited (Fellow subsidiary upto 31st March 2017)



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IIFL DISTRIBUTION SERVICES LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
b) Significant Transactions with Related Parties:

(Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Manpower Service Fees:					-
IIFL Captial Pte Limited	-	-	2,852,018	-	2,852,018
IIFL Private Wealth Management Hong Kong Limited	-	-	(2,915,729)	-	(2,915,729)
	-	-	326,228	-	326,228
	-	-	(333,805)	-	(333,805)
IIFL Securities Pte Limited	-	-	2,852,018	-	2,852,018
	-	-	(2,915,729)	-	(2,915,729)
IIFL Wealth Management Limited	-	93,840,040	-	-	93,840,040
	-	(67,238,654)	-	-	(67,238,654)
IIFL Investment Adviser & Trustee Services Limited	-	-	9,384,011	-	9,384,011
	-	-	(6,723,868)	-	(6,723,868)
IIFL Wealth Finance Limited	-	-	37,536,016	-	37,536,016
	-	-	(26,895,461)	-	(26,895,461)
IIFL Asset Management Limited	-	-	46,920,023	-	46,920,023
	-	-	(33,619,332)	-	(33,619,332)
Interest Income on ICD:					
IIFL Wealth Management Limited	-	1,379,318	-	-	1,379,318
	-	(1,730,877)	-	-	(1,730,877)
IIFL Investment Adviser & Trustee Services Limited	-	-	6,506	-	6,506
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	(337,534)	-	(337,534)
Interest Expenses:					
IIFL Wealth Management Limited	-	186,357	-	-	186,357
	-	-	-	-	-
IIFL Asset Management Limited	-	-	(2,603)	-	(2,603)
Rent Expenses:					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	-	16,910,412	16,910,412
	-	-	-	(16,910,412)	(16,910,412)
Guest House Rent Expenses:					
IIFL Properties Private Limited	-	-	-	(150,000)	(150,000)
Other Funds Received:					
IIFL Wealth Management Limited	-	359,501	-	-	359,501
	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	636,979	-	636,979
	-	-	-	-	-
IIFL Asset Management Limited	-	-	503,852	-	503,852
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	57,701	-	57,701
	-	-	-	-	-
India Infoline Housing Finance Limited	-	-	-	112,783	112,783
	-	-	-	-	-
India Infoline Limited	-	-	-	107,421	107,421
	-	-	-	-	-



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IIFL DISTRIBUTION SERVICES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Other Funds Paid:					-
India Infoline Limited	-	-	-	75,275	75,275
India Infoline Finance Limited	-	-	-	14,134	14,134
IIFL Alternate Asset Advisors Limited	-	-	1,044,340	-	1,044,340
IIFL Wealth Management Limited	-	8,927,692 (5,442,513)	-	-	8,927,692 (5,442,513)
IIFL Investment Adviser & Trustee Services Limited	-	-	242,636	-	242,636
IIFL Wealth Finance Limited	-	-	1,082,073	-	1,082,073
IIFL Asset Management Limited	-	-	175,048	-	175,048
ICD Taken:					-
IIFL Asset Management Limited	-	-	(2,000,000)	-	(2,000,000)
IIFL Wealth Management Limited	-	68,500,000	-	-	68,500,000
ICD Repaid:					-
IIFL Asset Management Limited	-	-	(2,000,000)	-	(2,000,000)
IIFL Wealth Management Limited	-	68,500,000	-	-	68,500,000
ICD Given:					-
IIFL Wealth Management Limited	-	85,000,000 (119,500,000)	-	-	85,000,000 (119,500,000)
IIFL Wealth Finance Limited	-	-	(20,000,000)	-	(20,000,000)
IIFL Investment Adviser & Trustee Services Limited	-	-	4,999,439	-	4,999,439
ICD Received back:					-
IIFL Wealth Management Limited	-	37,745,000 (119,500,000)	-	-	37,745,000 (119,500,000)
IIFL Wealth Finance Limited	-	-	(20,000,000)	-	(20,000,000)
IIFL Investment Adviser & Trustee Services Limited	-	-	4,999,439	-	4,999,439
Allocation / Reimbursement of Expenses Paid:					
IIFL Wealth Management Limited	-	1,674,635 (6,255,592)	-	-	1,674,635 (6,255,592)



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IIFL DISTRIBUTION SERVICES LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Allocation / Reimbursement of Expenses Received:					
		960,993			9 60 993
IIFL Wealth Management Limited		(1,008,045)			(10 08 045)
			480,496		4 80 496
IIFL Wealth Finance Limited			(504,022)		(5 04 022)
	-		480,497	-	480,497
IIFL Asset Management Limited	-	-	(504,023)	-	(504,023)

(c) 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					
	-	47,255,000	-	-	47,255,000
IIFL Wealth Management Limited	-	-		-	-
Sundry receivables					
		11,712,040			11,712,040
IIFL Wealth Management Limited	-	(8,327,760)	-	-	(8,327,760)
IIFL Investment Adviser & Trustee Services Limited			910,652	-	910,652
	-	-	(978,171)	-	(978,171)
IIFL Asset Management Limited			5,833,560	-	5,833,560
	-	-	(5,036,601)	-	(5,036,601)
IIFL Wealth Finance Limited			3,741,021	-	3,741,021
	-	-	(4,058,428)	-	(4,058,428)
IIFL Private Wealth Hong Kong Limited			326,229	-	326,229
	-	-	-	-	-

Note:
I) Figures in bracket represents previous year figures.

II) Related parties are identified and certified by the management, which has been relied upon by the auditors.

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IIFL DISTRIBUTION SERVICES LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 27. Earnings and Expenses in Foreign Currency:**

(Amount in ₹)

Particulars	2017-2018	2016-2017
Earnings in Foreign Currency		
Manpower Service Fee	6,030,264	6,165,263
Sub Total	6,030,264	6,165,263
Expenses in Foreign Currency		
Travelling Expense	73,690	-
Sub Total	73,690	-

Note 28. Lease Arrangements:

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 16,931,551/- (PY ₹ 16,994,964/-) have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding as at March 31, 2018 are as under:

(Amount in ₹)

Minimum Lease Rentals	As At March 31,2018	As At March 31,2017
Up to one year	12,682,809	16,910,412
One to five years	-	12,682,809
Over five years	-	-

Note 29. Details of Inter Corporate Deposits:

a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note 26. The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates ranging from 9.25% to 9.50% p.a. for the purpose of meeting working capital and business requirements of the borrowers.

b) The Outstanding balance of Inter Corporate Deposits as on March 31, 2018, with related parties is detailed under the table of related party transactions appearing under Note 26

Note 30. Scheme of Arrangements:

Arrangement amongst IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), India Infoline Finance Limited ("IIFL Finance"), IIFL Wealth Management Limited ("IIFL Wealth") and the Company and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth, the holding company of the Company, to the Company, on a going-concern basis.

The Appointed Date for the transfer is opening hours of 1 April 2018. The Scheme will be given effect to upon receipt of requisite approvals of NCLT and other authorities.

Note 31. Previous year figures have been regrouped, re-classified and rearranged, wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors

Pankaj Fitkariwala
Director
(DIN: 07356813)

Umang Jagmohan Papneja
Director
(DIN: 07357053)

