S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of IndoStar Asset Advisory Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of IndoStar Asset Advisory Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the "Annexure 1" 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

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(h) 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.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAGE8335
Place of Signature: Mumbai
Date: June 17, 2020

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Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: IndoStar Asset Advisory Private Limited

(i) According to the information and explanations given by the management, the Company does not have fixed assets. Accordingly, the provisions of clause 3(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any 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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and services tax and cess which have not been deposited on account of any dispute. The provisions relating to provident fund, employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

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(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R Batliboi & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102
UDIN: 20102102AAAAGE8335
Place: Mumbai
Date: June 17, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF INDOSTAR ASSET ADVISORY PRIVATE LIMITED LIMTED

Report on the Internal Financial Controls 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 IndoStar Asset Advisory Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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 issued by the Institute of Chartered Accountants of India. 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 with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these Ind AS financial statements 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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 With Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAGE8335
Place of Signature: Mumbai
Date: June 17, 2020

IndoStar Asset Advisory Private Limited

Balance sheet as at 31 March 2020
(Currency : Indian Rupees)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	4,71,68,245	3,82,57,521
Receivables			
Trade receivables	4	-	53,10,000
Loans	5	-	-
		4,71,68,245	**4,35,67,521**
Non-financial assets			
Current tax assets (net)	6	3,85,788	2,28,705
Deferred tax assets	7	13,19,464	2,878
Other non-financial assets	8	11,33,106	14,40,006
		28,38,358	**16,71,589**
TOTAL ASSETS		**5,00,06,603**	**4,52,39,110**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables			
(i) total outstanding to micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	9	37,30,101	43,22,268
		37,30,101	**43,22,268**
Non-financial liabilities			
Other non-financial liabilities	10	3,14,983	12,85,025
		3,14,983	**12,85,025**
TOTAL LIABILITIES		**40,45,084**	**56,07,293**
Equity			
Equity share capital	11	1,00,000	1,00,000
Other equity	12	4,58,61,519	3,95,31,817
TOTAL EQUITY		**4,59,61,519**	**3,96,31,817**
TOTAL LIABILITIES AND EQUITY		**5,00,06,603**	**4,52,39,110**

Significant Accounting Policies 2

As per our report of even date attached
For and on behalf of
For S R Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 17 June 2020

For and on behalf of the Board of Directors of
IndoStar Asset Advisory Private Limited

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 17 June 2020

IndoStar Asset Advisory Private Limited

Statement of profit and loss for the year ended 31 March 2020
(Currency : Indian Rupees)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
Fees and commission income	13	1,82,99,195	5,67,82,074
Interest Income	14	2,36,417	-
Total revenue from operations		**1,85,35,612**	**5,67,82,074**
Expenses			
Impairment on financial instruments	15	52,36,417	-
Depreciation and amortisation expenses	16	-	18,188
Other expenses	17	48,40,180	1,61,74,675
Total expenses		**1,00,76,597**	**1,61,92,863**
Profit before tax		**84,59,015**	**4,05,89,211**
Tax expense:	18		
1. Current tax		34,45,899	82,91,205
2. Deferred tax expense /(income)		(13,16,586)	(3,192)
Total tax expenses		**21,29,313**	**82,88,013**
Profit after tax		**63,29,702**	**3,23,01,198**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Remeasurements of the defined benefit plans		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**63,29,702**	**3,23,01,198**
Earnings per equity share	19		
Basic earnings per share (₹)		632.97	3,230.12
Diluted earnings per share (₹)		632.97	3,230.12
(Equity Share of face value of ₹ 10 each)			

As per our report of even date attached
For and on behalf of
For S R Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 17 June 2020

For and on behalf of the Board of Directors of
IndoStar Asset Advisory Private Limited

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 17 June 2020

IndoStar Asset Advisory Private Limited

Statement of Cash flows for the year ended 31 March 2020
(Currency : Indian Rupees)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash Flow from Operating Activities**		
	Net profit before tax	84,59,015	4,05,89,211
	Adjustments for :		
	Depreciation and amortisation expense	-	18,188
	Operating profit before working capital changes	**84,59,015**	**4,06,07,399**
	Adjustments:		
	(Increase)/Decrease in trade receivables	53,10,000	(53,10,000)
	(Increase)/Decrease in other non-financial assets	3,06,900	1,38,78,986
	Increase/(Decrease) in trade payable	-	(97,44,506)
	Increase/(Decrease) in other financial liabilities	(5,92,167)	42,12,834
	Increase/(Decrease) in other non-financial liabilities	(9,70,042)	9,48,124
	Cash (used in)/generated from operating activities	**1,25,13,706**	**4,45,92,837**
	Taxes paid	(36,02,982)	(68,78,211)
	Net cash (used in)/generated from operating activities (A)	**89,10,724**	**3,77,14,626**
B	**Cash flows from investing activities**	-	-
	Net cash (used in)/generated from investing activities (B)	-	-
C	**Cash Flow from Financing Activities**	-	-
	Net cash (used in)/generated from financing activities (C)	-	-
	Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**89,10,724**	**3,77,14,626**
	Cash and Cash Equivalents at the beginning of the year	3,82,57,521	5,42,895
	Cash and Cash Equivalents at the end of the year	**4,71,68,245**	**3,82,57,521**
	Reconciliation of cash and cash equivalents with the balance sheet		
	Cash on hand	2,300	2,300
	Balances with banks		
	- in current accounts	4,71,65,945	3,82,55,221
	Total	**4,71,68,245**	**3,82,57,521**

As per our report of even date attached
For and on behalf of
For S R Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 17 June 2020

For and on behalf of the Board of Directors of
IndoStar Home Finance Private Limited

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 17 June 2020

IndoStar Asset Advisory Private Limited

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2020
(Currency : Indian Rupees in lakhs)

(a) Equity share capital of face value of ₹ 10/- each	Note	Amount
Balance as at 1 April 2018		1,00,000
Shares issued during the period		-
Balance as at 31 March 2019	11	**1,00,000**
Balance as at 31 March 2019		1,00,000
Shares issued during the period		-
Balance as at 31 March 2020	11	**1,00,000**

(b) Other equity

Particulars	Reserves and surplus	Total
	Retained earnings	
Balance as at 1 April 2018	**72,30,619**	**72,30,619**
Profit for the year	3,23,01,198	3,23,01,198
Gain/loss on re-measurement of defined benefit plans	-	-
Fair value changes in investments measured at OCI		-
Total comprehensive income	**3,23,01,198**	**3,23,01,198**
Balance as at 31 March 2019	**3,95,31,817**	**3,95,31,817**
Balance as at 31 March, 2019	3,95,31,817	3,95,31,817
Profit for the year	63,29,702	63,29,702
Total comprehensive income	**63,29,702**	**63,29,702**
Balance as at 31 March 2020	**4,58,61,519**	**4,58,61,519**

As per our report of even date attached
For and on behalf of
For S R Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 17 June 2020

For and on behalf of the Board of Directors of
IndoStar Home Finance Private Limited

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 17 June 2020

Notes to the financial statements for the year ended 31 March 2020

1 Corporate Information

Indostar Asset Advisory Private Limited ('the Company' or 'IAAPL') was incorporated on 21 February 2013 and is domiciled in India. The Company is wholly owned subsidiary of Indostar Capital Finance Limited. The Company is primarily engaged in business of investment advisory and asset management services.

2 Basis of Preparation and Significant accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement of assets and liabilities of the Company as on balance sheet dates, within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the Company/ or its counterparties

2.3 Significant Accounting Policies

a) Financial Instruments

Financial assets and financial liabilities can be termed as financial instruments.

(i) Classification of Financial Instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss (FVTPL) such as derivative liabilities. Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied.

(ii) Assessment of business model and cash flows for financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;

(iii) The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test

Subsequent to the assessment to the relevant business model of the financial assets, the Company assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

(iii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

(iv) Classification of Financial Instruments as per business model and SPPI test

Bank balances and Trade Receivables

The Company measures bank balances and trade receivables at amortised cost. Trade receivables are measured at transaction price.

(v) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

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(vi) Derecognition of financial assets

A financial asset such as trade receivables or a part of financial asset is derecognised when the right to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:
- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows.

A transfer only qualifies for derecognition if either:
- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(vii) Derecognition of Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

b) Fair Value Measurement

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments at fair value on each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred, if any.

c) Property plant and equipments

Recognition and measurement

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Company	Useful life as prescribed by Schedule II of the Companies Act 2013
Computers	3 years	3 years

Leasehold improvement is amortised on Straight Line Method over the lease term, subject to a maximum of 60 months.

Useful life of assets different from prescribed in Schedule II of the Act has been estimated by management and supported by technical assessment.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of sale.

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

d) Intangible assets

Recognition and measurement

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition

Amortisation

Intangible assets are amortised using the straight line method over a period of 3 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

e) Impairment

(i) Financial Assets

(a) Expected Credit Loss (ECL) principles for Financial assets

Trade Receivables

The Company applies the simplified approach for computation of ECL on trade receivables as allowed as per Ind AS 109.

(iii) Non-financial assets

Intangible assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an individual asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value of the asset less cost of its disposal and value in use. In determining the fair value, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time value of money and risks specific to the asset.

f) Recognition of income

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Company. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Management Fees:

Management fees and other fees are recognised as income when the performance obligation as per the contract with customer is fulfilled and when the right to receive the payment against the services has been established.

g) Foreign currency translation

Functional and presentational currency

The financial statements are presented in INR which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

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h) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

i) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

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Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 3		
Cash and cash equivalents		
Cash on hand	2,300	2,300
Balances with banks		
- in current accounts	4,71,65,945	3,82,55,221
	4,71,68,245	**3,82,57,521**

Note 4		
Trade receivables		
Receivables considered good - Unsecured	-	53,10,000
	-	**53,10,000**

Note 5		
Loans		
Loans to fund	52,36,417	-
Less: Impairment allowance	(52,36,417)	
	-	-

Note 6		
Current tax assets (net)		
Advance Tax (net of provision)	3,85,788	2,28,705
	3,85,788	**2,28,705**

Note 7		
Deferred tax assets		
Depreciation on PPE and intangible assets	13,19,464	2,878
	13,19,464	**2,878**

Note 8		
Other non-financial assets		
Prepaid expenses	-	12,18,888
Advances recoverable in cash or in kind or for value to be received	11,33,106	2,21,118
	11,33,106	**14,40,006**

Note 9		
Other financial liabilities		
Others	37,30,101	43,22,268
	37,30,101	**43,22,268**

Note 10		
Non-financial liabilities		
Statutory dues payable	3,14,983	12,85,025
	3,14,983	**12,85,025**

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Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Note 11
Equity share capital

a. **Details of authorised, issued and subscribed share capital**

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised capital				
Equity shares of ₹10/- each	1,00,000	10,00,000	1,00,000	10,00,000
Issued, subscribed and fully paid up				
Equity shares of ₹10/- each fully paid	10,000	1,00,000	10,000	1,00,000
Total	**10,000**	**1,00,000**	**10,000**	**1,00,000**

b. **Reconciliation of number of shares at the beginning and at the end of the year**

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**10,000**	**1,00,000**	**10,000**	**1,00,000**

c. **Particulars of shares held by holding Company**

Name of shareholder	Relationship	As at 31 March 2020		As at 31 March 2019	
		No of equity shares held	Percentage	No of equity shares held	Percentage
IndoStar Capital Finance Limited	Holding Company	10,000	100%	10,000	100%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

d. **Particulars of shareholders holding more than 5% of shares held**

Name of shareholder	Relationship	As at 31 March 2020		As at 31 March 2019	
		No of equity shares held	Percentage	No of equity shares held	Percentage
IndoStar Capital Finance Limited	Holding Company	10,000	100%	10,000	100%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

e. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to proportionate vote on basis of his contribution to fully paid up share capital.

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 proportionate amount of contribution made by the equity shareholders to the total equity share capital.

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IndoStar Asset Advisory Pvt. Ltd.

IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Particulars	As at 31 March 2020	As at 31 March 2019
Note 12		
Other equity		
Retained earnings	4,58,61,519	3,95,31,817
	4,58,61,519	**3,95,31,817**
12.1 Other equity movement		
Retained earnings		
Opening Balance	3,95,31,817	72,30,619
Add: Transferred from the statement of profit and loss	63,29,702	3,23,01,198
Closing Balance	**4,58,61,519**	**3,95,31,817**

12.2 Nature and purpose of reserves

Retained earnings

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Note 13		
Revenue from operations		
Fees and commission income		
- Management fee	2,99,195	27,82,074
- Other fee	1,80,00,000	5,40,00,000
Total	**1,82,99,195**	**5,67,82,074**

Note 14		
Interest Income		-
Interest on loans	2,36,417	-
	2,36,417	**-**

Note 15		
Impairment on financial instruments		
Provision for expected credit loss	52,36,417	-
	52,36,417	**-**

Note 16		
Depreciation		
Depreciation of property, plant and equipment	-	18,188
	-	**18,188**

Note 17		
Other Expenses		
Rates & taxes	18,004	23,385
Printing and stationery	-	1,050
Office expenses	1,68,000	2,52,120
Payment to auditors (note below)	1,65,000	1,52,164
Legal & professional charges	43,86,157	1,50,92,592
Other shared service costs	1,03,019	6,53,364
	48,40,180	**1,61,74,675**
Payment to auditor includes:		
a) Statutory Audit	1,15,000	1,02,164
b) Tax Audit	50,000	50,000
Total	**1,65,000**	**1,52,164**

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IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2020
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Note 18
Income taxes

Tax expense
(a) Amounts recognised in statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense		
Current year	34,45,899	82,91,205
	34,45,899	**82,91,205**
Deferred tax expense		
Origination and reversal of temporary differences	(13,16,586)	(3,192)
	(13,16,586)	**(3,192)**
Tax expense for the year	**21,29,313**	**82,88,013**

(b) Amounts recognised in other comprehensive income - Nil

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	**84,59,015**	**4,05,89,211**
Statutory income tax rate	25.17%	27.82%
Expected income tax expense	21,28,965	1,12,91,919
Difference in tax rate due to:		
- Effect of non-deductible expenses	74	556
- Effect of b/f loss set off in current year	-	(30,04,412)
- Others	274	(50)
Total tax expense	**21,29,313**	**82,88,013**
Effective tax rate	**25.17%**	**20.42%**
Current tax	34,45,899	82,91,205
Deferred tax	(13,16,586)	(3,192)
	21,29,313	**82,88,013**

IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Note 18
Income Taxes ...(continued)

(d) Movement in deferred tax balances

	For the year ended 31 March 2020				
	Net balance asset/(liability) 31 March 2019	Recognised in profit/(loss)	Recognised in OCI	Others (Equity)	Net deferred tax asset/(liability)
Deferred tax asset/(liability)					
Fixed asset: Impact of difference between tax depreciation and depreciation /amortisation charged for financial reporting year	2,878	(1,315)	-	-	1,563
Provision on ECL	-	13,17,901	-	-	13,17,901
Tax assets (Liabilities)	**2,878**	**13,16,586**	**-**	**-**	**13,19,464**
Set off tax					
Net tax assets	**2,878**	**13,16,586**	**-**	**-**	**13,19,464**

	For the year ended 31 March 2019				
	Net balance asset/(liability) 31 March 2018	Recognised in profit/(loss)	Recognised in OCI	Others (Equity)	Net deferred tax asset/(liability)
Deferred tax asset/(liability)					
Fixed asset: Impact of difference between tax depreciation and depreciation /amortisation charged for financial reporting year	(314)	3,192	-	-	2,878
Tax assets (Liabilities)	**(314)**	**3,192**	**-**	**-**	**2,878**
Set off tax					
Net tax assets	**(314)**	**3,192**	**-**	**-**	**2,878**

Note 19
Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i. Profit attributable to equity holders (A)		
Profit attributable to equity holders for basic and diluted EPS	63,29,702	3,23,01,198
ii. Weighted average number of equity shares for calculating Basic EPS (B)	10,000	10,000
iii. Weighted average number of equity shares for calculating Diluted EPS (C)	10,000	10,000
iv. Basic earnings per share (₹)	632.97	3,230.12
v. Diluted earnings per share (₹)	632.97	3,230.12

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IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Note 20
Financial instruments – Fair values and Risk management

Financial risk management
The Company has exposure to the following risks arising from financial instruments
- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Risk Management Committee of the Board has defined roles and responsibilities, which includes reviewing and recommending the risk management plan and the risk management report for approval of the Board with the recommendation of the Audit Committee.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables arising from the services provided to the clients.

Liquidity risk
The Company's principal sources of liquidity are cash and cash equivalents, other bank balances and cash flow generated from business operations. The Company has no outstanding borrowings. The Company does not perceive any liquidity risk.

Market risk
Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company primarily invests in bank deposits as a part of its liquidity management practice and thus the company does not perceive any market risk on their exposure.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company does not possess any investments in variable rate financial assets or any variable rate borrowings.Thus, the Company does not perceive any interest rate risk

Note 21
Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships :

I. Holding Company
IndoStar Capital Finance Limited

II. Fellow Subsidiary
IndoStar Home Finance Private Limited

B. Transactions with related party :

Sr. no.	Particulars	Period ended	Holding Company
1)	Reimbursement of expenses	2020	35,29,063
		2019	36,53,364

C. The related party balances outstanding at year end are as follows:

Sr. no.	Particulars	Period ended	Holding Company
1)	Investment in share capital	2020	1,00,000
	(including securities premium)	2019	1,00,000
2)	Reimbursement of expenses	2020	35,29,063
		2019	39,97,903

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IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2020
(Currency : Indian Rupees)

Note 22
Set out below is the disaggregation of the revenue from contracts with customers

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Type of Services or service		
Management fee	2,99,195	27,82,074
Other fee	1,80,00,000	5,40,00,000
Total revenue from contracts with customers	**1,82,99,195**	**5,67,82,074**
Geographical markets		
India	1,82,99,195	5,67,82,074
Outside India	-	-
Total revenue from contracts with customers	**1,82,99,195**	**5,67,82,074**
Timing of revenue recognition		
Services transferred at a point in time	1,82,99,195	5,67,82,074
Services transferred over time	-	-
Total revenue from contracts with customers	**1,82,99,195**	**5,67,82,074**

Contract balances

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivable	-	53,10,000

Note 23 - Figures for the previous years have been regrouped and / or reclassified wherever considered necessary to conform to current year presentation.

As per our report of even date attached
For and on behalf of
For S R Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 17 June 2020

For and on behalf of the Board of Directors of
IndoStar Asset Advisory Private Limited

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 17 June 2020