

**INDEPENDENT AUDITOR'S REPORT**

To the Members of IndoStar Asset Advisory Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of IndoStar Asset Advisory Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its loss, and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 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 purpose 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, Statement of Profit and Loss, and 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - 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 **Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

**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 (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 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 granted 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 Act 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) Undisputed statutory dues including income tax, service tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to provident fund, employees’ state insurance, sales tax, duty of custom, duty of excise, 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, service 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, value added taxes, employees’ state insurance, sales tax, duty of custom and duty of excise are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and cess which have not been deposited on account of any dispute. The provisions relating to provident fund, value added taxes, employees’ state insurance, sales tax, duty of custom and duty of excise are not applicable to the Company.

# **S.R. BATLIBOI & CO. LLP**

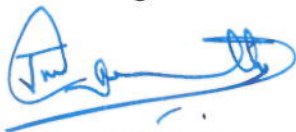
Chartered Accountants

- (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 no fraud 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 Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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 section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act 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, 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 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



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**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

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

**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, 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 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 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 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 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 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 financial statements.

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

A company's internal financial control over financial reporting with reference to these 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 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 Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

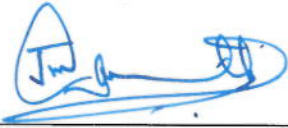
**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, 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



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per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
		Audited	Audited
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	1,00,000	1,00,000
(b) Reserves and surplus	4	72,30,619	1,80,61,417
		<b>73,30,619</b>	<b>1,81,61,417</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	11	315	7,821
		<b>315</b>	<b>7,821</b>
<b>(2) Current liabilities</b>			
(a) Trade payables	5	-	-
(i) Dues to Micro, Small and Medium enterprises		-	-
(ii) Others		97,44,506	1,05,65,100
(b) Other current liabilities		4,57,072	67,21,715
		<b>1,02,01,578</b>	<b>1,72,86,815</b>
<b>Total</b>		<b>1,75,32,512</b>	<b>3,54,56,053</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Property, Plant and Equipment	10	18,188	52,383
(b) Other non-current assets	7	28,20,597	1,40,31,186
		<b>28,38,785</b>	<b>1,40,83,569</b>
<b>(2) Current assets</b>			
(a) Cash and bank balances	6	5,42,895	27,39,745
(b) Other current assets	7	1,41,50,832	1,86,32,739
		<b>1,46,93,727</b>	<b>2,13,72,484</b>
<b>Total</b>		<b>1,75,32,512</b>	<b>3,54,56,053</b>

Significant Accounting Policies

2.1

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For S R Batliboi & Co LLP

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



per Jayesh Gandhi

Partner

Membership No. 037924



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

Mumbai

Date: May 30, 2018

Mumbai

Date: May 30, 2018




**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
<b>Income</b>			
Revenue from operations	8	59,55,053	3,72,41,359
Other income		52,582	-
<b>Total</b>		<b>60,07,635</b>	<b>3,72,41,359</b>
<b>Expenditure</b>			
Other expenses	9	1,68,11,744	1,72,27,065
Depreciation and amortisation	10	34,195	34,195
<b>Total</b>		<b>1,68,45,939</b>	<b>1,72,61,260</b>
<b>(Loss)/ Profit before taxation</b>		<b>(1,08,38,304)</b>	<b>1,99,80,099</b>
<b>Provision for taxation</b>			
Current tax		-	66,64,467
Deferred tax		(7,506)	2,713
<b>Total tax expense</b>		<b>(7,506)</b>	<b>66,67,180</b>
<b>Net (loss)/profit after taxes</b>		<b>(1,08,30,798)</b>	<b>1,33,12,919</b>
<b>Earnings per share</b>	12		
Basic (Rs.)		(1,083.08)	1,331.29
Diluted (Rs.)		(1,083.08)	1,331.29
Nominal value of equity share (Rs.)		10	10

Significant Accounting Policies 2.1  
The notes referred to above form an integral part of the financial statements.

As per our report of even date

For S R Batliboi & Co LLP  
ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants



per Jayesh Gandhi  
Partner  
Membership No. 037924



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



Dhanpal Jhaveri  
Director  
DIN: 02018124



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Mumbai  
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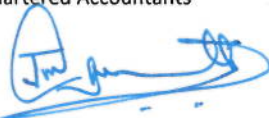

**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
<b>A. Cash flow from operating activities</b>		
Profit/ (Loss) before taxes	(1,08,38,304)	1,99,80,099
Depreciation and amortisation	34,195	34,195
<b>Operating (Loss) / Profit before working capital changes</b>	(1,08,04,109)	2,00,14,294
<b>Movements in working capital:</b>		
Increase / (decrease) in trade payables	(8,20,594)	(74,60,786)
Increase in other liabilities	(62,64,643)	4,65,604
('Increase) / Decrease in loans and advances	-	-
('Increase) / Decrease in other assets	1,56,92,496	(28,18,812)
<b>Cash (used in) / generated from operating activities</b>	(21,96,850)	1,02,00,300
Direct taxes paid (net of refunds)	-	(76,30,880)
<b>Net cash (used in) / generated from operating activities (A)</b>	(21,96,850)	25,69,420
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	-	-
<b>Net cash (used in) / generated from investing activities (B)</b>	-	-
<b>C. Cash Flows from financing activities</b>		
<b>Net cash (used in) / generated from financing activities (C)</b>	-	-
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	(21,96,850)	25,69,420
<b>Cash and Cash Equivalents at the beginning of the year</b>	27,39,745	1,70,325
<b>Cash and Cash Equivalents at the end of the year</b>	5,42,895	27,39,745
<b>Components of Cash and Cash Equivalents</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	<b>Audited</b>	<b>Audited</b>
<b>Cash and Cash Equivalents at the end of the year</b>		
i) Cash on hand	2,400	2,900
ii) Balances with scheduled banks in:		
Current accounts	5,40,495	27,36,845
Deposits with original maturity of less than three months	-	-
<b>Total cash and cash equivalents</b>	5,42,895	27,39,745

As per our report of even date

For S R Batliboi & Co LLP  
ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants



per Jayesh Gandhi  
Partner  
Membership No. 037924



Mumbai  
Date: May 30, 2018

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



Dhanpal Jhaveri  
Director  
DIN: 02018124

Mumbai  
Date: May 30, 2018



Pankaj Thapar  
Director  
DIN: 01225255




**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**1. Corporate Information**

IndoStar Asset Advisory Private Limited ('the Company') was incorporated on 21st February 2013. 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**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements have been prepared under the historical cost convention on an accrual basis.

**2.1 Significant Accounting Policies**

**(a) Presentation and disclosure of financial statements**

The company has classified all its assets / liabilities into current / non-current portion based on the time frame of twelve months from the date of financial statements. Accordingly, assets / liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non current.

**(b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period/year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

**(c) 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.

**(d) Property, Plant and Equipment and Depreciation/Amortisation**

**Property, Plant and Equipment**

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.

**Depreciation on Property, Plant and Equipment**

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

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.

Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of profit and loss account till the date of sale.

**Intangible assets**

Costs relating to acquisition and development of computer software are capitalized in accordance with the AS 26 'Intangible Assets' issued by the Institute of Chartered Accountants of India ('ICAI') and are amortised using the straight line method over a period of 3 years, which is the management's estimate of its useful life.

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.

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**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Impairment of 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 wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(e) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Management fees are recognised on accrual basis as per the terms of the agreement.

**(f) Income tax**

Tax expense comprises of 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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 against which such deferred tax assets can be realised.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**(g) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(h) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand, remittances in transit and short term investments with an original maturity of three months or less.

**(i) Segment reporting**

The Company is engaged in loan / financing activities. It operates in a single business and geographical segment.

**(j) Referral Fees**

Referral fees expenses to the distributors is amortised over the term of fund.

PS



**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 3- Share capital**

*(Amount in Rupees)*

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>Authorised</b>		
1,00,000 (March 31, 2017: 1,00,000) Equity Shares of Rs.10/- each	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>Issued &amp; Subscribed</b>		
<b>Equity Shares</b>		
10,000 (March 31, 2017: 10,000) equity shares of Rs. 10/- each fully paid up	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

**a. Reconciliation of the equity shares outstanding at the beginning and at end of reporting period.**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	Amount in Rupees	Numbers of shares	Amount in Rupees
Shares outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

**b. 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 shareholder to the total equity share capital.

**c. Details of shareholders holding more than 5% shares in the Company**

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	% holding in the class	Numbers of shares	% holding in the class
Equity shares of Rs. 10/- each IndoStar Capital Finance Limited	10,000	100	10,000	100

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



*PS*

**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 4- Reserves and Surplus**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>Surplus in Statement of profit and loss</b>		
Balance as per last Balance Sheet	1,80,61,417	47,48,498
(Less)/Add: (Loss)/Profit for the current year	(1,08,30,798)	1,33,12,919
<b>Net surplus in the statement of profit and loss</b>	72,30,619	1,80,61,417
<b>Total</b>	<b>72,30,619</b>	<b>1,80,61,417</b>

**Notes 5- Trade Payable**

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Referral Fees payable	-	1,05,28,350
Other Payables	97,44,506	36,750
<b>Total</b>	<b>97,44,506</b>	<b>1,05,65,100</b>

**Notes 6- Cash and bank balances**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
<b>Cash and cash equivalents</b>				
i) Cash on hand	-	2,400	-	2,900
ii) Balances with scheduled banks in:				
Current accounts	-	5,40,495	-	27,36,845
<b>Total</b>	-	<b>5,42,895</b>	-	<b>27,39,745</b>

**Notes 7- Other current assets**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
Advances recoverable in cash or in kind or for value to be received	-	22,84,749	-	67,66,655
Prepaid Expenses	11,78,897	1,18,66,083	1,30,44,988	1,18,66,084
Advance Tax (net of provision)	16,41,700	-	9,86,198	-
<b>Total</b>	<b>28,20,597</b>	<b>1,41,50,832</b>	<b>1,40,31,186</b>	<b>1,86,32,739</b>

**Note 8- Revenue from operations**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Management Fees	59,55,053	2,07,41,359
Other Fees	-	1,65,00,000
<b>Total</b>	<b>59,55,053</b>	<b>3,72,41,359</b>

**Note 9- Other expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Professional & Legal Fees	1,19,02,522	1,49,08,636
Rates & taxes	17,293	3,42,883
Payment to auditor		
- Audit fees	1,00,000	50,000
Shared service costs	47,91,929	19,25,546
<b>Total</b>	<b>1,68,11,744</b>	<b>1,72,27,065</b>



*Handwritten signature/initials.*

**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 10- Fixed assets**

(Amount in Rupees)

Particulars	Property, Plant and Equipment	Total
	Audited	Audited
<b>Gross Block</b>		
As at April 1, 2016	1,02,596	1,02,596
Additions	-	-
Deletions	-	-
<b>As at March 31, 2017</b>	<b>1,02,596</b>	<b>1,02,596</b>
Additions	-	-
Deletions	-	-
<b>As at March 31, 2018</b>	<b>1,02,596</b>	<b>1,02,596</b>
<b>Depreciation</b>		
As at April 1, 2016	16,018	16,018
Additions	34,195	34,195
Deletions	-	-
<b>As at March 31, 2017</b>	<b>50,213</b>	<b>50,213</b>
Additions	34,195	34,195
Deletions	-	-
<b>As at March 31, 2018</b>	<b>84,408</b>	<b>84,408</b>
<b>Net Block</b>		
As at March 31, 2018	<b>18,188</b>	<b>18,188</b>
As at March 31, 2017	<b>52,383</b>	<b>52,383</b>



12

**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 11- Deferred tax liabilities (Net)**

*(Amount in Rupees)*

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>Deferred tax liability created during the period/year</b>		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	315	7,821
<b>Deferred tax liability</b>	<b>315</b>	<b>7,821</b>

**Note 12- Earnings per share**

*(Amount in Rupees except for no. of equity shares)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Net Profit after tax as per profit and loss account Amount in Rupees (A)	(1,08,30,798)	1,33,12,919
Weighted average number of equity shares for calculating Basic EPS (B)	10,000	10,000
Weighted average number of equity shares for calculating Diluted EPS (C)	10,000	10,000
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	(1,083.08)	1,331.29
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	(1,083.08)	1,331.29



**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 13 - Related party disclosure**

**Names of related parties and related party relationships**

Holding Company	IndoStar Capital Finance Limited
Fellow Subsidiary	IndoStar Home Finance Private Limited

**I. Related party with whom transactions have taken place during the year**

*(Amount in Rupees)*

Name of related party & nature of relationship	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
Holding Company IndoStar Capital Finance Limited	Trade Payables - Advances taken (net) - Reimbursement of Expenses	21,00,000 47,91,929	2,11,17,767 56,64,378

**II. Balance as at year end**

Name of related party & nature of relationship	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
Holding Company IndoStar Capital Finance Limited	Investment in share capital Trade Payables - Advances taken - Reimbursement of expenses	1,00,000 21,00,000 76,44,506	1,00,000 - 53,25,867



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**INDOSTAR ASSET ADVISORY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note - 14**

Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with Current year presentation.

As per our report of even date

**For S R Batliboi & Co LLP**  
ICAI Firm Registration No. 301003E/E300005  
Chartered Accountants



per **Jayesh Gandhi**  
Partner  
Membership No. 037924

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



**Dhappal Jhaveri**  
Director  
DIN: 02018124



**Pankaj Thapar**  
Director  
DIN: 01225255

Mumbai  
Date: May 30, 2018

Mumbai  
Date: May 30, 2018

