

INDEPENDENT AUDITOR'S REPORT

To the Members of IndoStar Capital Finance Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IndoStar Capital Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

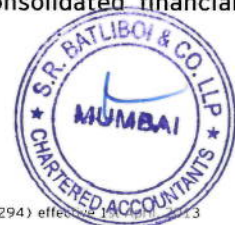
Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 consolidated state of affairs of the Group, as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We and the other auditor whose reports we have relied upon 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 of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditor who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its consolidated financial position;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Other Matter

The accompanying consolidated financial statements include total assets of Rs 78,574 as at March 31, 2015, for the year ended on that date, in respect of IndoStar Asset Advisory Private Limited subsidiary, which has been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the Management.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E



per **Shrawan Jalan**

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 15, 2015



Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Indostar Capital Finance Limited ("the Company")

- (i) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management of the Holding Company during the year and no material discrepancies were identified on such verification.
- (ii) The business of the Holding Company does not involve inventories and accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company.
- (iii) According to the information and explanations given to us the Holding Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Holding Company do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company in respect of these areas.
- (v) The Holding Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Holding Company.
- (vii) (a) The Holding Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, wealth-tax, cess and other material statutory dues as applicable to it. The provisions relating to value added taxes, employees' state insurance, sales tax, duty of customs and duty of excise are not applicable to Holding Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for Holding Company. The provisions relating to value added taxes, employees' state insurance, sales tax, duty of customs and duty of excise are not applicable to the Holding Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax and cess which have not been deposited on account of any dispute.
- (d) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the Holding Company.

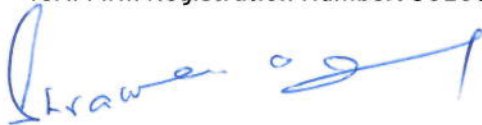


S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (viii) The Holding Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management , we are of the opinion that the Holding Company has not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained by the Holding Company.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company has been noticed or reported during the year.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E



per **Shrawan Jalan**
Partner
Membership Number: 102102
Place of Signature: Mumbai
Date: May 15, 2015

IndoStar Capital Finance Limited
Consolidated Balance Sheet as at March 31, 2015

Amount in Rupees

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	683,650,397	683,227,320
(b) Reserves and surplus	4	12,168,702,049	10,673,250,095
		12,852,352,446	11,356,477,415
(2) Non-current liabilities			
(a) Long term borrowings	5	16,138,357,597	11,915,701,060
(b) Other Long term liabilities	6	138,985,631	578,132,245
(c) Long term provisions	7	119,515,250	108,974,249
		16,396,858,478	12,602,807,554
(3) Current liabilities			
(a) Short term borrowings	8	3,439,215,825	1,668,424,475
(b) Trade payables (Refer note 27)		19,352,096	2,704,029
(c) Other current liabilities	6	7,150,918,304	5,947,898,998
(d) Short term provisions	7	57,762,010	29,704,094
		10,667,248,235	7,648,731,596
Total		39,916,459,159	31,608,016,565
II. Assets			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible		6,328,439	9,615,943
(ii) Intangible		2,383,191	1,237,725
(b) Non current investments	10	546,000,000	608,400,000
(c) Deferred tax (net)	11	85,171,809	81,302,957
(d) Long term loans and advances	12	24,337,745,479	21,368,098,987
(e) Other non current assets	13	53,704,595	104,048,513
		25,031,333,513	22,172,704,125
(2) Current assets			
(a) Cash and bank balances	14	4,856,459,156	4,681,800,721
(b) Short term loans and advances	12	9,582,815,423	4,495,639,780
(c) Other current assets	13	445,851,067	257,871,939
		14,885,125,646	9,435,312,440
Total		39,916,459,159	31,608,016,565

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
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai
May 15, 2015



For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Vimal Bhandari
MD & CEO

Dhanpal Jhaveri
Director

Pankaj Thapar
Chief Financial Officer

Jitendra Bhati
Company Secretary

Mumbai
May 15, 2015

IndoStar Capital Finance Limited
Statement of Consolidated Profit and Loss for the year ended March 31, 2015

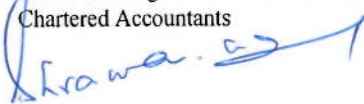
Amount in Rupees

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Income			
Revenue from operations	15	5,280,529,500	3,945,636,099
Other income	16	26,559	23,410,335
Total		5,280,556,059	3,969,046,434
Expenditure			
Employee benefit expenses	17	280,576,665	251,912,848
Finance cost	18	2,579,287,824	1,918,853,189
Depreciation and amortisation	9	7,120,134	8,713,800
Other expenses	19	122,735,567	83,564,134
Provisions	20	30,372,218	13,541,381
Total		3,020,092,408	2,276,585,352
Profit before taxation		2,260,463,651	1,692,461,082
Provision for taxation			
Current tax		773,957,472	613,950,379
Deferred tax asset	11	(3,868,851)	(42,809,382)
Total tax expense		770,088,621	571,140,997
Net profit after taxes		1,490,375,030	1,121,320,085
Earnings per share	21		
Basic (Rs.)		21.72	16.34
Diluted (Rs.)		21.43	16.27
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
Chartered Accountants



per Shrawan Jalan
Partner
Membership No. 102102

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited


Vimal Bhandari
MD & CEO


Dhanpal Jhaveri
Director


Pankaj Thapar
Chief Financial Officer


Jitendra Bhati
Company Secretary

Mumbai
May 15, 2015



Mumbai
May 15, 2015

IndoStar Capital Finance Limited
Consolidated Cash Flow Statement for the year ended March 31, 2015

Amount in Rupees

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities		
Profit before taxes	2,260,463,651	1,692,461,082
Depreciation and amortisation	7,120,134	8,713,800
Loss / (profit) on sale of fixed assets (net)	22,444	-
Provisions for non performing assets	-	19,384,975
Provisions for standard assets	30,372,218	(5,843,594)
Provision for gratuity	741,823	(341,763)
Provision for leave encashment	1,160,909	(82,676)
Operating profit before working capital changes	2,299,881,179	1,714,291,824
Movements in working capital:		
Increase / (decrease) in trade payables	16,648,067	(16,790,620)
Increase in other liabilities	763,872,693	3,312,396,037
Increase in loans and advances	(8,051,322,135)	(8,109,749,403)
Increase in other assets	(137,635,210)	(80,438,580)
Cash generated from operations	(5,108,555,406)	(3,180,290,742)
Direct taxes paid (net of refunds)	(767,633,505)	(647,461,457)
Net cash flow from / used in operating activities (A)	(5,876,188,911)	(3,827,752,199)
B. Cash flows from investing activities		
Purchase of fixed including intangible assets	(5,031,832)	(1,581,090)
Proceeds from sale of fixed assets	31,291	5,117
Repayments from fixed income debt instruments	62,400,000	41,600,000
Purchase of debt mutual fund units & fixed income debt instruments	-	(13,955,140,000)
Sale of debt mutual fund units & fixed income debt instruments	-	14,448,597,000
Bank deposits (having original maturity of more than three months)(net)	(2,320,000,000)	(215,000,000)
Net cash used in investing activities (B)	(2,262,600,541)	318,481,027
C. Cash Flows from financing activities		
Amount received from issue of commercial papers	1,770,791,350	330,842,578
Term loans from banks	1,662,187,077	3,469,414,383
Amount received on issue of NCDs	2,560,469,460	1,354,836,461
Net cash from financing activities (C)	5,993,447,887	5,155,093,422
Net increase in cash and cash equivalents (A + B + C)	(2,145,341,565)	1,645,822,250
Cash and Cash Equivalents at the beginning of the year	4,266,800,721	2,620,978,471
Cash and Cash Equivalents at the end of the year	2,121,459,156	4,266,800,721
Components of Cash and Cash Equivalents	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash and Cash Equivalents at the end of the year		
i) Cash on hand	10	10
ii) Cheques on hand	4,088,610	-
iii) Balances with scheduled banks in:		
Current accounts	287,370,536	1,151,800,711
Deposits with original maturity of less than three months	1,830,000,000	3,115,000,000
Total cash and cash equivalents	2,121,459,156	4,266,800,721

As per our report of even date

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

Shrawan Jalan

per Shrawan Jalan
 Partner
 Membership No. 102102

Mumbai
 May 15, 2015



For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Vimal Bhandari

Vimal Bhandari
 MD & CEO

Dhanpal Jhaveri
 Director

Pankaj Thapar

Pankaj Thapar
 Chief Financial Officer

Jitendra Bhati
 Company Secretary

Mumbai
 May 15, 2015

IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

1.	Basis of preparation															
	The Consolidated financial statements relates to IndoStar Capital Finance Limited (the company) and its subsidiary company. The company, its subsidiary company constitute the group. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under provisions of the Companies Act, 2013 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.															
2.	Basis of Consolidation															
	<p>i. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company i.e. year ended March 31, 2015 and are prepared based on the accounting policies consistent with those used by the company.</p> <p>ii. The financial statements of the group have been prepared in accordance with the AS 21- 'Consolidated Financial Statements' in consolidated financial statements, notified under the provisions of the Companies Act, 2013 (the 'Act') and other generally accepted accounting principles in India.</p> <p>iii. The consolidated financial statements have been prepared on the following basis :</p> <ol style="list-style-type: none"> 1 The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised. 2 The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. 3 Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. <p>iv. The subsidiary company IndoStar Asset Advisory Private Limited (IAAPL) is the 100% subsidiary of IndoStar Capital Finance Limited and same is considered for preparation of consolidated financial statements.</p>															
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 financials 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 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 years.															
(c)	Tangible/Intangible Fixed Assets, Depreciation/Amortisation and Impairment															
	<p>Tangible Fixed Assets</p> <p>Fixed assets 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 fixed 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.</p> <p>Depreciation on tangible fixed assets</p> <p>Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective fixed assets and are greater than or equal to the corresponding useful life prescribed in Schedule II of the Act. The estimated useful life used are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">Estimated useful life by the Company</th> <th style="text-align: center;">Useful life as prescribed by Schedule II of the Companies Act, 2013</th> </tr> </thead> <tbody> <tr> <td>Furniture and Fixtures</td> <td style="text-align: center;">5 Years</td> <td style="text-align: center;">10 Years</td> </tr> <tr> <td>Office Equipments</td> <td style="text-align: center;">5 Years</td> <td style="text-align: center;">5 Years</td> </tr> <tr> <td>Office Equipments - Mobiles</td> <td style="text-align: center;">2 Years</td> <td style="text-align: center;">5 Years</td> </tr> <tr> <td>Computers</td> <td style="text-align: center;">3 Years</td> <td style="text-align: center;">3 Years</td> </tr> </tbody> </table> <p>Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment. Leasehold improvement is amortised on Straight Line Method over the lease term. All fixed assets individually costing Rs. 5,000/- or less are fully depreciated in the year of installation. 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. Gains or losses arising from derecognition of fixed 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.</p>	Particulars	Estimated useful life by the Company	Useful life as prescribed by Schedule II of the Companies Act, 2013	Furniture and Fixtures	5 Years	10 Years	Office Equipments	5 Years	5 Years	Office Equipments - Mobiles	2 Years	5 Years	Computers	3 Years	3 Years
Particulars	Estimated useful life by the Company	Useful life as prescribed by Schedule II of the Companies Act, 2013														
Furniture and Fixtures	5 Years	10 Years														
Office Equipments	5 Years	5 Years														
Office Equipments - Mobiles	2 Years	5 Years														
Computers	3 Years	3 Years														
	<p>Intangible assets</p> <p>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.</p>															



Sd/-

	<p>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.</p>
(d)	<p>Investments Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Commercial papers are valued at carrying cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.</p>
(e)	<p>Provisioning / Write-off of assets Non performing loans are written off / provided as per the minimum provision required under the Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Provision on standard assets is made as per management estimates and is more than as specified in the notification DNBS.PD.CC.No.207/03.02.002/2010-11 issued by Reserve Bank of India.</p>
(f)	<p>Loans Loans are stated at the amount advanced and expenses recoverable, as reduced by the amounts received up to the balance sheet date.</p>
(g)	<p>Leases <i>Where the Company is the lessee</i> Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss account on a straight-line basis over the lease term.</p>
(h)	<p>Foreign currency translation <i>Initial recognition</i> Transactions in foreign currency entered into during the year are recorded at the exchange rates prevailing on the date of the transaction. <i>Conversion</i> Monetary assets and liabilities denominated in foreign currency are translated in to Rupees at exchange rate prevailing on the date of the Balance Sheet. <i>Exchange differences</i> All exchange differences are dealt with in the Statement of profit and loss account.</p>
(i)	<p>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.</p> <ol style="list-style-type: none"> Income from financing activities is recognised on accrual basis, except in case of income on non-performing assets, which is recognised on receipt basis. Interest income on fixed income debt instruments such as certificate of deposits, non-convertible debentures and commercial papers are recognised on a time proportion basis taking into account the amount outstanding and the effective rate applicable. Discount, if any, is recognised on a time proportion basis over the tenure of the securities. Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income on loan portfolio buyout is recognised on accrual basis at the agreed rate of interest on the diminishing balance of outstanding loan. Dividend is recognised as income when right to receive payment is established. Profit/loss on the sale of investments is determined on the basis of the weighted average cost method. Origination fees is recognised as income on signing of the binding term sheet by the client. Origination Fees @ 1.5% is recognised upfront and fees collected in excess of 1.5% is amortised over the tenure of the loan in proportion to the loan balance. Syndication fee and other fees are recognised as income when a significant portion of the arrangement is completed.

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(j)	<p>Retirement and other employee benefits</p> <p>Provident Fund All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.</p> <p>Gratuity The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.</p> <p>Leave Encashment Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the reporting date. Actuarial gains/losses are immediately taken to Statement of profit and loss account and are not deferred.</p>
(k)	<p>Income tax Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. 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 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. 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.</p>
(l)	<p>Segment reporting policies The Company is engaged in loan / financing activities. It operates in a single business and geographical segment.</p>
(m)	<p>Earnings per share Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) 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 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.</p>
(n)	<p>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.</p>
(o)	<p>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.</p>
(p)	<p>Borrowing costs Borrowing cost includes interest and are charged to Profit & Loss in the year in which they are incurred. Ancillary and other borrowing costs are amortised over the tenure of the underlying loan on straight line basis.</p>
(q)	<p>Employee stock compensation costs Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method.</p>
(r)	<p>Contingent liabilities A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.</p>

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 3- Share capital

Amount in Rupees

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised 8,00,00,000 (March 31, 2014: 8,00,00,000) Equity Shares of Rs. 10/- each	800,000,000	800,000,000
	800,000,000	800,000,000
Issued & Subscribed Equity Shares 6,86,19,947 (March 31, 2014: 6,86,19,947) equity shares of Rs. 10/- each fully paid up	686,199,470	686,199,470
Less: 2,60,958 (March 31, 2014: 3,03,266) equity shares of Rs 10/- each fully paid up issued to employees through Indostar Trust or held by Indostar Trust	(2,609,584)	(3,032,661)
90,38,250 (March 31, 2014: 90,38,250) equity shares of Rs. 10/- each Rs 0.01 paid up per share	90,383	90,383
Less: 29,87,240 (March 31, 2014: 29,87,240) equity shares of Rs 10/- each Rs.0.01 paid up issued to employees through Indostar Trust or held by Indostar Trust	(29,872)	(29,872)
Total	683,650,397	683,227,320

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Numbers of shares	Amount in Rupees	Numbers of shares	Amount in Rupees
Shares outstanding at the beginning of the year	77,658,197	686,289,853	77,658,197	686,289,853
Issued during the period	-	-	-	-
	77,658,197	686,289,853	77,658,197	686,289,853
Less: Adjustment for fully paid up shares issued to employees through Indostar Trust or held by Indostar Trust	-	(2,609,584)	-	(3,032,661)
Less: Adjustment for partly paid up shares issued to employees through Indostar Trust or held by Indostar Trust	-	(29,872)	-	(29,872)
Shares outstanding at the end of the year	77,658,197	683,650,397	77,658,197	683,227,320

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, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs. 10/- each Indostar Capital (Mauritius) (Holding Company)	68,035,332	87.61	68,035,332	87.61

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

d. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 23.

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 4- Reserves and Surplus

Amount in Rupees

Particulars	As at March 31, 2015	As at March 31, 2014
Securities Premium Account		
Balance as per last account	8,227,128,268	8,227,128,268
Less: Premium on equity shares issued to employees through Indostar Trust or held by Indostar Trust	(31,315,005)	(36,391,929)
Closing balance	8,195,813,263	8,190,736,339
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last account	510,885,189	286,612,825
Add: Transfer from surplus balance in statement of profit and loss	298,075,006	224,272,364
Closing balance	808,960,195	510,885,189
Surplus in Statement of profit and loss		
Balance as per last account	1,971,628,567	1,074,580,846
Add: Profit for the current year	1,490,375,030	1,121,320,085
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(298,075,006)	(224,272,364)
Net surplus in the statement of profit and loss	3,163,928,591	1,971,628,567
Total	12,168,702,049	10,673,250,095

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 5 - Long term borrowings

Amount in Rupees

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
Term loans from banks Secured	9,573,051,676	5,837,593,695	7,910,864,599	4,897,735,571
Redeemable non convertible debentures Secured	6,565,305,921	322,705,230	4,004,836,461	500,000,000
Less: transferred to Other liabilities	-	(6,160,298,925)	-	(5,397,735,571)
Total	16,138,357,597	-	11,915,701,060	-

*Amount disclosed under the head 'Other liabilities'

(a) Term loan from banks:

Particulars - Bank Name	Rate of interest	Repayment details	As at March 31, 2015		As at March 31, 2014	
			Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Axis Bank Limited	>=11%<13%	12-Quarterly repayments	-	333,599,997	333,599,997	333,200,001
Axis Bank Limited- TL II	>=11%<13%	12-Quarterly repayments	461,538,462	307,692,308	750,000,000	250,000,000
Axis Bank Limited - TL III	>=11%<13%	13-Quarterly repayments	92,307,692	7,692,308	-	-
Bank of Baroda Limited	>=11%<13%	16-Quarterly repayments	500,000,000	250,000,000	750,000,000	250,000,000
Bank of Baroda Limited - TL II	>=11%<13%	20-Quarterly repayments	700,000,000	200,000,000	-	-
Bank of India Limited	>=11%<13%	16-Quarterly repayments	750,000,000	375,000,000	1,218,750,000	281,250,000
Canara Bank Limited	>=11%<13%	12-Quarterly repayments	333,600,000	333,200,000	666,666,667	333,333,333
Corporation Bank Limited	>=11%<13%	12-Quarterly repayments	50,000,000	100,000,000	150,000,000	100,000,000
Corporation Bank Limited - TL II	>=11%<13%	9-Quarterly repayments	266,666,667	33,333,333	-	-
Development Credit Bank Limited	>=11%<13%	7-Quarterly repayments	-	107,200,000	107,200,000	142,800,000
Federal Bank Limited	>=11%<13%	12-Quarterly repayments	83,333,333	83,333,333	166,666,667	83,333,333
Federal Bank Limited - TL II	>=11%<13%	12-Quarterly repayments	58,333,290	33,333,332	-	-
ICICI Bank Limited	>=11%<13%	9-Quarterly repayments	-	90,909,091	90,909,091	363,636,364
ICICI Bank Limited - II	>=11%<13%	10-Quarterly repayments	700,000,000	300,000,000	-	-
Indian Overseas Bank Limited	>=11%<13%	18-Quarterly repayments	666,666,667	222,222,222	888,888,889	111,111,111
Indusind Bank Limited	>=11%<13%	12-Quarterly repayments	75,000,000	100,000,000	175,000,000	400,000,000
Indusind Bank Limited - TL II	>=11%<13%	10-Quarterly repayments	150,000,000	120,000,000	-	-
ING Vysva Bank Limited	>=11%<13%	12-Quarterly repayments	41,666,667	166,666,667	208,333,333	166,666,667
ING Vysva Bank Limited - TL III	>=11%<13%	20-Quarterly repayments	775,000,000	200,000,000	-	-
Kotak Mahindra Bank Limited	>= 11% < 13%	7-Quarterly repayments	-	-	-	166,071,430
Kotak Mahindra Bank Limited- TL II	>=11%<13%	12-Quarterly repayments	83,333,333	166,666,667	249,999,953	166,666,667
Kotak Mahindra Bank Limited - TL III	>=11%<13%	16-Quarterly repayments	687,500,000	250,000,000	-	-
Punjab National Bank Limited	>=11%<13%	12-Quarterly repayments	133,333,333	333,333,333	466,666,667	333,333,333
South Indian Bank Limited	>=11%<13%	18-Quarterly repayments	222,222,224	27,777,776	-	-
State Bank of Bikaner and Jaipur Limited	>=11%<13%	12-Quarterly repayments	166,666,666	166,666,667	333,333,333	166,666,667
State Bank of Hyderabad Limited	>=11%<13%	12-Quarterly repayments	83,333,333	166,666,667	250,000,000	166,666,667
State Bank of India Limited	>=11%<13%	12-Quarterly repayments	-	667,200,000	667,200,000	666,400,000
State Bank of India Limited - TL II	>=11%<13%	18-Quarterly repayments	1,888,700,000	111,300,000	-	-
State Bank of Mysore Limited	>=11%<13%	12-Quarterly repayments	20,650,007	83,399,997	104,050,005	83,399,997
State Bank of Mysore Limited - TL II	>=11%<13%	9-Quarterly repayments	583,200,000	166,800,000	-	-
State Bank of Patiala Limited	>=11%<13%	12-Quarterly repayments	-	333,599,997	333,599,997	333,200,001
Total			9,573,051,675	5,837,593,695	7,910,864,599	4,897,735,571

Nature of Security:

First pari-passu (with banks and financial institutions providing credit facilities to the Issuer) charge by way of hypothecation on the standard asset portfolio of receivables of Rs 21,689,503,800/- (March 2014: Rs 17,245,361,370/-).

b) Non Convertible Debenture

Privately placed Redeemable Non Convertible Debentures of Rs. 10,00,00,000/- each

Terms of repayment as on March 31, 2015

Redeemable within	As at March 31, 2015		As at March 31, 2014	
	Rate of interest		Rate of interest	
	>= 0% < 13%		>= 0% < 13%	
	Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
0-12 Months	-	322,705,230	-	500,000,000
12-24 Months	2,500,000,000	-	304,247,749	-
24-36 Months	1,349,368,636	-	2,000,000,000	-
36-48 Months	1,215,937,285	-	350,000,000	-
48-60 Months	1,350,000,000	-	1,200,588,712	-
Above 60 Months	150,000,000	-	150,000,000	-
Total	6,565,305,921	322,705,230	4,004,836,461	500,000,000

Nature of Security:

1. Security is created in favour of the Debenture Trustee, as follows:

- (i) first pari-passu (with banks and financial institutions providing credit facilities to the Issuer) charge on by way of hypothecation on the standard asset portfolio of receivables of Rs 7,97,61,06,000 (March 2014: Rs 5,55,00,00,000); and
- (ii) first pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat

2. Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.



IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 6- Other liabilities

Amount in Rupees

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non-Current	Current	Non-Current	Current
Deposits from clients	-	210,326,231	452,450,030	-
Unamortised fees	138,985,631	63,184,606	125,682,215	62,049,379
Interest accrued but not due on loans	-	584,093,633	-	397,238,740
Tax deducted at source payable	-	8,907,821	-	5,192,483
Statutory liabilities Payable	-	560,824	-	352,825
Current maturities of long term debts (Refer note 5)	-	6,160,298,925	-	5,397,735,571
Employee benefits payable	-	110,000,000	-	85,330,000
Others	-	13,546,264	-	-
Total	138,985,631	7,150,918,304	578,132,245	5,947,898,998

Note 7- Provisions

Amount in Rupees

Particulars	As at March 31, 2015		As at March 31, 2014	
	Long term	Short term	Long term	Short term
For employee benefit				
For gratuity	-	1,004,188	-	262,365
For leave encashment and availment	2,052,181	85,641	926,326	50,587
For Others				
For non-performing assets	19,384,975	-	19,384,975	-
For standard assets	98,078,094	40,324,048	88,662,948	19,366,976
For income tax (net of advance tax) [net of advance tax Rs. 1,86,37,69,185 (March 31, 2014: Rs. 1,09,61,35,680)]	-	16,348,133	-	10,024,166
Total	119,515,250	57,762,010	108,974,249	29,704,094

Note 8- Short term borrowing

Amount in Rupees

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured Loan		
Commercial papers		
i) From banks	250,000,000	1,000,000,000
ii) other than banks	3,250,000,000	750,000,000
Less: Unamortised discount	(60,784,175)	(81,575,525)
Total	3,439,215,825	1,668,424,475



IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Particulars	Tangible Assets						Intangible Assets		Total Assets
	Land - Freehold	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Total	Intangible Assets		
							Software		
Gross Block									
As at April 1, 2013	1,505,100	4,516,966	1,728,057	3,209,648	16,453,451	27,413,222	-	-	27,413,222
Additions	-	137,544	328,656	-	-	466,200	1,486,520	-	1,952,720
Deletions	-	-	15,250	441,360	-	456,610	-	-	456,610
As at March 31, 2014	1,505,100	4,654,510	2,041,463	2,768,288	16,453,451	27,422,812	1,486,520	-	28,909,332
Additions	-	2,387,785	746,633	124,890	-	3,259,308	1,772,524	-	5,031,832
Deletions	-	82,037	72,800	-	-	154,837	-	-	154,837
As at March 31, 2015	1,505,100	6,960,258	2,715,296	2,893,178	16,453,451	30,527,283	3,259,044	-	33,786,327
Depreciation									
As at April 1, 2013	-	1,333,407	595,807	771,163	7,092,980	9,793,357	-	-	9,793,357
Additions	-	1,536,880	442,792	877,521	5,607,812	8,465,005	248,795	-	8,713,800
Deletions	-	-	10,133	441,360	-	451,493	-	-	451,493
As at March 31, 2014	-	2,870,287	1,028,466	1,207,324	12,700,792	17,806,869	248,795	-	18,055,664
Additions	-	1,656,045	525,161	559,215	3,752,659	6,493,080	627,058	-	7,120,138
Deletions	-	70,771	30,334	-	-	101,105	-	-	101,105
As at March 31, 2015	-	4,455,561	1,523,293	1,766,539	16,453,451	24,198,844	875,853	-	25,074,697
Net Block									
As at March 31, 2014	1,505,100	1,784,223	1,012,997	1,560,964	3,752,659	9,615,943	1,237,725	-	10,853,668
As at March 31, 2015	1,505,100	2,504,697	1,192,003	1,126,639	-	6,328,439	2,383,191	-	8,711,630



IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 10 - Non-current investments

Amount in Rupees

Particulars	As at March 31, 2015			As at March 31, 2014		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Quoted -Investments in debentures						
Indrajit Power Private Limited	840,000	650	546,000,000	936,000	650	608,400,000
Total		650	546,000,000		650	608,400,000
Aggregate Value of Quoted Investments						
Cost of acquisition*			546,000,000			608,400,000
Market value*			546,000,000			608,400,000

*Investment in debentures of Indrajit Power Private Limited (the Company) are privately placed and listed on BSE. However there are no trades in the debentures of the Company. Hence the cost of Investment is considered as market value.

Note 11- Deferred tax assets (net)

Amount in Rupees

Particulars	As at March 31, 2015	As at March 31, 2014
	Deferred tax asset created during the year	
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	3,822,089	3,387,758
Provision for standard assets	47,042,888	36,719,371
Origination fees unamortised	68,717,663	63,809,969
Provision for gratuity	341,324	89,178
Provision for leave encashment	726,646	332,053
Provision for non performing assets	6,588,953	6,588,953
Total (A)	127,239,563	110,927,282
Deferred tax liability created during the year		
Borrowing costs amortisation	(42,067,754)	(29,624,325)
Total (B)	(42,067,754)	(29,624,325)
Net deferred tax asset (A-B)	85,171,809	81,302,957



IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 12- Loans and advances

Amount in Rupees

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non Current portion	Current portion	Non Current portion	Current portion
Unsecured, considered good				
Security Deposits				
Unsecured, considered good	4,583,548	-	4,583,548	-
Secured, considered good				
Hypothecation loans	14,879,001,623	4,649,695,571	9,781,900,999	3,184,273,437
Debentures	8,590,032,569	660,639,560	10,302,386,726	308,598,581
Short term loans	-	1,000,000,000	-	250,000,000
Secured, considered doubtful				
Hypothecation loans	193,849,748	-	193,849,748	-
Unsecured, considered good				
Hypothecation loans	571,428,572	228,571,428	1,000,000,000	-
Debentures	-	-	-	99,566,000
Short term loans	-	2,973,100,000	-	600,000,000
Unsecured, considered good				
Advances recoverable in cash or in kind or for value to be received	-	8,599,765	-	271,597
Prepaid expenses	98,849,419	61,295,248	85,377,966	52,571,436
Service tax (input credit)	-	401,640	-	189,420
Others	-	512,211	-	169,309
Total	24,337,745,479	9,582,815,423	21,368,098,987	4,495,639,780

Note 13- Other assets

Amount in Rupees

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non Current portion	Current portion	Non Current portion	Current portion
Interest accrued on investments	-	11,013,897	-	12,789,244
Interest accrued but not due on loans	53,704,595	414,561,975	104,048,513	228,151,914
Interest accrued on fixed deposits with banks	-	20,275,195	-	16,930,781
Total	53,704,595	445,851,067	104,048,513	257,871,939

Notes 14- Cash and bank balances

Amount in Rupees

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non Current	Current	Non Current	Current
Cash and cash equivalents				
i) Cash On hand	-	10	-	10
ii) Balances with scheduled banks in:				
Current accounts	-	287,370,536	-	1,151,800,711
Deposits with original maturity of less than three months	-	1,830,000,000	-	3,115,000,000
iii) Cheques on hand	-	4,088,610	-	-
Deposits with original maturity of more than three months but less than six months	-	2,735,000,000	-	415,000,000
Total	-	4,856,459,156	-	4,681,800,721

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 15- Revenue from operations

Amount in Rupees

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income on:		
- Loan portfolio and related charges	4,243,424,251	3,247,169,933
- Deposits with banks	337,435,026	268,244,088
- Fixed income debt instruments	85,643,739	106,025,870
Other financial services:		
- Origination fees	512,848,373	283,133,664
- Syndication & other fees	88,782,290	28,528,061
- Gain on sale of loan assets	12,395,821	12,534,483
Total	5,280,529,500	3,945,636,099

Note 16- Other income

Amount in Rupees

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Dividend from debt mutual fund units	-	23,361,256
Miscellaneous income	26,559	49,079
Total	26,559	23,410,335

Note 17- Employee benefit expenses

Amount in Rupees

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, other allowances and bonus	270,988,098	246,231,152
Gratuity expenses	1,601,823	89,561
Leave encashment	1,274,798	365,442
Contribution to provident and other funds	4,763,218	4,337,977
Staff welfare expenses	1,948,728	888,716
Total	280,576,665	251,912,848

Note 18- Finance cost

Amount in Rupees

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest expense on		
Debtures	753,779,000	424,116,527
Deposits from clients	67,314,489	35,154,050
Loans from banks	1,487,687,478	1,225,011,396
Commercial paper	190,812,480	168,575,678
Other borrowing costs		
Processing charges on loans	52,764,990	39,046,827
Other related costs	26,929,387	26,948,711
Total	2,579,287,824	1,918,853,189

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 19- Other expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent	17,744,034	17,723,630
Rates & taxes	8,448,677	12,282,284
Printing & stationery	602,928	536,636
Travelling & conveyance	3,701,571	3,179,768
Advertisement	195,323	1,011,859
Business meeting	445,784	490,808
Business Promotion	1,634,727	1,723,526
Conference charges	143,748	706,772
Commission & brokerage	1,029,357	-
Office expenses	13,895,900	12,126,888
Directors' sitting fees	8,009,444	975,114
Insurance	3,786,579	1,429,263
Communication expenses	1,150,341	1,199,522
Payment to auditor		
- Audit fees	2,665,736	1,516,155
- Tax audit fees	318,540	265,450
- Certification	270,881	359,883
- Out of pocket	53,143	22,990
Bank charges	1,528,548	1,250,821
CSR expenses	10,000,000	-
Legal & professional charges	44,808,908	21,542,046
Loss on sale of fixed assets (net)	22,444	-
Loss on sale of investments	-	3,326,374
Membership & subscriptions	2,264,674	1,863,845
Miscellaneous expenses	14,280	-
Preliminary Expenses	-	30,500
Total	122,735,567	83,564,134

Note 20- Provisions

Amount in Rupees

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
General contingency provision (Refer note 28)	-	(60,000,000)
Provision for standard assets	30,372,218	54,156,406
Provision for non-performing assets	-	19,384,975
Total	30,372,218	13,541,381





IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 21- Earnings per share

Amount in Rupees except for no. of equity shares

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Net Profit after tax as per profit and loss account Amount in Rupees (A)	1,490,375,030	1,121,320,085
Weighted average number of equity shares for calculating Basic EPS (B)	68,628,985	68,628,985
Weighted average number of equity shares for calculating Diluted EPS (C)	69,552,985	68,931,985
Basic earnings per equity share (Face value of Rs. 10/- per share) (A) / (B)	21.72	16.34
Diluted earnings per equity share (Face value of Rs. 10/- per share) (A) / (C)	21.43	16.27

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Weighted average number of equity shares for calculating Basic EPS	68,628,985	68,628,985
Add : Equity shares for no consideration arising on grant of stock options under ESOP	924,000	303,000
Weighted average number of equity shares in calculating Diluted EPS	69,552,985	68,931,985

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 22 - Gratuity and other post-employment benefit plans:

The Company has an funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Consequent to the adoption of revised AS 15 'Employee Benefits' issued under Companies Accounting Standard Rules, 2006, as amended, the following disclosures have been made as required by the standard:

Profit and loss account

Particulars	<i>Amount in Rupees</i>	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Net employee benefit expense (recognized in employee cost)		
Current service cost	1,040,154	953,394
Interest cost on benefit obligation	206,679	159,525
Expected return on plan assets	(228,767)	(149,619)
Net actuarial (gain) / loss recognised in the year	583,757	(842,146)
Past service cost	-	-
Adjustment in respect of interest not credited in the previous year	-	(31,593)
Net benefit expense	1,601,823	89,561

Balance sheet

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2015	As at March 31, 2014
Details of Provision for gratuity		
Defined benefit obligation	(4,077,761)	(2,277,797)
Fair value of plan assets	3,073,573	2,015,432
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(1,004,188)	(262,365)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	2,277,797	2,019,309
Interest cost	206,679	159,525
Current service cost	1,040,154	953,393
Benefits paid	-	-
Actuarial (gains) / losses on obligation	553,131	(854,430)
Closing defined benefit obligation	4,077,761	2,277,797

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Investments with insurer	3,073,573	2,015,432

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Discount Rate	7.80%	9.10%
Increase in compensation cost	6.00%	6.00%
Employee Turnover*		

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

*5% at younger ages reducing to 1% at older ages

Amounts for the Current and previous four years are as follows:

Particulars	<i>Amount in Rupees</i>				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	4,077,761	2,277,797	2,019,308	918,890	-
Plan assets	3,073,573	2,015,432	1,415,180	-	-
Surplus / (deficit)	(1,004,188)	(262,365)	(604,128)	(918,890)	-
Experience adjustments on plan liabilities	26,861	(632,462)	(208,423)	(429,171)	(452,620)
Experience adjustments on plan assets	30,626	12,284	49,041	-	-



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2015

Note 23- Employee stock option plans

The company provides share-based employee benefits to the employees of the Company, the Holding Company or Subsidiary Company working in India or outside India, the Director, whether a whole time Director or otherwise; whether in India or outside India, including the Director of the Company, the Holding Company or a Subsidiary Company, such other entities or individuals as may be permitted by Applicable Laws and any of the aforesaid Employees who are on deputation at the request of the Company and During the year ended 31 March 2015, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 20 June 2012, the board of directors approved the share-based employee benefits ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the key employees and directors of the company. According to the Scheme 2012, the employee selected by the Nomination and remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years.

Other relevant terms of the grant are as follows	Terms
Vesting period	5 years
Exercise period	4 years from the date of vesting
Expected life	5 years
Market price	NIL

The details of activity under the Scheme 2012 are summarized below:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Date of grant	21-Aug-12	18-Feb-13	28-Mar-13	14-Aug-13	23-Apr-14
Number of option granted	203,000	100,000	20,000	10,000	666,000
Number of option cancelled	30,000	-	20,000	10,000	15,000
Number of option outstanding	173,000	100,000	-	-	651,000
Weighted average remaining contractual life (in years)	5	6	4	4	6
Weighted average fair value of options granted (Rs)	99.63	102.52	91.11	92.16	105.67
Weighted Average Exercise Price (Rs)	140.00	145.00	145.10	147.24	149.37

The range of exercise prices for options outstanding at the end of the year was Rs 140.00 to Rs 149.37 (31 March 2014: Rs 140.00 to Rs 147.24).

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Dividend yield (%)	0%	0%	0%	0%	0%
Expected volatility	0.5811	0.5765	0.5709	0.5671	0.5733
Risk-free interest rate	8%	8%	8%	8%	8%
Weighted average share price (Rs)	Nil	Nil	Nil	Nil	Nil
Exercise price (Rs)	140.00	145.00	145.10	147.24	149.37
Expected life of options granted in years	8	8	6	6	8

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit after tax as reported	1,490,648,023	1,121,361,821
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost using the fair value method	96,279,160.00	27,487,990.00
Proforma profit after tax	1,394,368,863	1,093,873,831
Earnings Per Share		
Basic		
- As reported	21.72	16.34
- Proforma	20.32	15.94
Diluted		
- As reported	21.43	16.27
- Proforma	20.05	15.87

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IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 24 - Related party disclosure
Names of related parties and related party relationships

Holding Company	Indostar Capital (Mauritius)
Key Managerial Personnel	Vimal Bhandari - MD & CEO Sanjay Hinduja** - Wholetime Director Shailesh Shirali - Wholetime Director Pankaj Thapar - CFO Jitendra Bhati - Company Secretary
Relatives of Key Managerial Personnel	There are no transactions, and hence not reported

** till 31 August 2013

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

Name of related party & nature of relationship	Particulars	Amount in Rupees	
		For the year ended March 31, 2015	For the year ended March 31, 2014
Key managerial personnel			
Vimal Bhandari	Remuneration paid*	43,939,375	39,939,375
	Expenses reimbursed	725,048	770,482
Sanjay Hinduja	Remuneration paid*	-	7,711,533
	Expenses reimbursed	-	31,852
Shailesh Shirali	Remuneration paid*	46,649,499	39,149,499
Pankaj Thapar	Remuneration paid*	20,459,708	15,459,708
	Expenses reimbursed	164,806	145,895
Jitendra Bhati	Remuneration paid*	4,296,140	2,783,036
	Expenses reimbursed	110,161	47,004

*include bonus on accrual basis

II. Balance as at period end

Name of related party & nature of relationship	Particulars	Amount in Rupees	
		As at March 31, 2015	As at March 31, 2014
Holding Company			
Indostar Capital (Mauritius)	Investment in share capital	680,353,320	680,353,320
	Securities premium	8,164,239,840	8,164,239,840
Key managerial personnel			
Vimal Bhandari	Investment in share capital	2,314,552	2,314,552
	Securities premium	27,692,280	27,692,280
Shailesh Shirali	Investment in share capital	23,077	23,077
Pankaj Thapar	Investment in share capital	800	800



IndoStar Capital Finance Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Note 25- Contingent liabilities and Commitments

Amount in Rupees

Capital and other commitments	As at March 31, 2015	As at March 31, 2014
Loans sanctioned not yet disbursed	4,459,752,370	1,088,078,918

Note 26- Leases

In case of assets taken on lease

The Company has taken various office premises under operating lease. The lease payments recognized in the statement of profit & loss are Rs. 1,77,44,034 (March 31, 2014: Rs. 1,77,23,630). The non-cancellable operating lease agreements are for a period of 60 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

The future minimum lease payments in respect of non-cancellable operating lease as at the balance sheet date are summarized below :

Amount in Rupees

Particulars	As at March 31, 2015	As at March 31, 2014
Minimum Lease Payments:		
Not later than one year	16,541,844	11,027,896
Later than one year but not later than five years	65,615,980	-
Later than five years	-	-

Note 27 - Dues to Micro, Small and Medium enterprises as per MSMED Act, 2006

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Amount in Rupees

Particulars	As at March 31, 2015	As at March 31, 2014
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Note 28 - General Contingency Provision

The Company had reassessed the general contingency provision in the previous year and on reassessment it has been reversed in the previous year.

Note 29- Previous years comparative

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

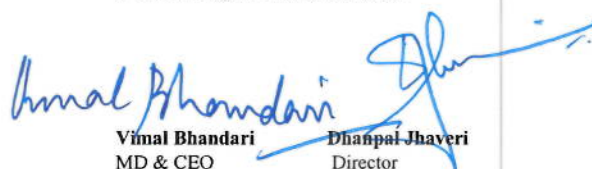
As per our report of even date

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



per Shrawan Jalan
Partner
Membership No. 102102

**For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited**



Vimal Bhandari MD & CEO
Dhanspal Jhaveri Director



Pankaj Thapar Chief Financial Officer
Jitendra Bhati Company Secretary

Mumbai
May 15, 2015



Mumbai
May 15, 2015