

INDEPENDENT AUDITOR'S REPORT

To the Members of INDOSTAR CAPITAL FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of IndoStar Capital Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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 standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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 13, 2016



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 Capital Finance Limited ('the Company')

- (i)(a) The 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 during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of 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, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (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 provident fund, income-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise, value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-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. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(c) According to the records of the Company, the dues outstanding of income-tax, service tax, and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Expense Disallowed	255,032	FY 2012-13	Commissioner of Income Tax (Appeal)



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 177 and 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.
- (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, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Membership Number: 37924

Place of Signature: Mumbai

Date: May 13, 2016



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDOSTAR CAPITAL FINANCE LIMITED

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

To the Members of INDOSTAR CAPITAL FINANCE LIMITED

We have audited the internal financial controls over financial reporting of IndoStar Capital Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 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, both 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,



S.R. BATLIBOI & CO. LLP

Chartered Accountants

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Explanatory paragraph

We also have audited, 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, the standalone financial statements of IndoStar Capital Finance Limited, which comprise the Balance Sheet as at March 31, 2016, and the related 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, and our report dated May 13, 2016 expressed an unqualified opinion thereon.

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 13, 2016



IndoStar Capital Finance Limited
Balance Sheet as at March 31, 2016

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	73,35,44,290	68,36,50,397
(b) Reserves and surplus	4	14,67,86,68,200	12,16,90,16,778
		15,41,22,12,490	12,85,26,67,175
(2) Non-current liabilities			
(a) Long-term borrowings	5	17,58,86,58,160	16,13,83,57,597
(b) Other Long term liabilities	6	10,24,64,760	13,89,85,631
(c) Long term provisions	7	14,61,39,655	11,95,15,250
		17,83,72,62,575	16,39,68,58,478
(3) Current liabilities			
(a) Short-term borrowings	8	4,99,41,61,851	3,43,92,15,825
(b) Trade payables (Refer note 27)		3,05,68,778	1,92,99,124
(c) Other current liabilities	6	8,59,10,74,713	7,15,09,18,304
(d) Short-term provisions	7	5,72,19,983	5,79,02,579
		13,67,30,25,325	10,66,73,35,832
Total		46,92,25,00,390	39,91,68,61,485
II. Assets			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,01,28,421	63,28,439
(ii) Intangible assets		28,75,903	23,83,191
(ii) Capital work in progress		44,25,799	
(b) Non-current investments	10	10,01,00,000	54,61,00,000
(c) Deferred tax assets (net)	11	10,30,24,270	8,51,71,809
(d) Long term loans and advances	12	30,97,71,53,429	24,33,77,45,479
(e) Other non-current assets	13	-	5,37,04,595
		31,21,77,07,822	25,03,14,33,513
(2) Current assets			
(a) Cash and bank balances	14	3,49,59,18,478	4,85,63,80,582
(b) Short-term loans and advances	12	11,85,31,09,700	9,58,31,96,323
(c) Other current assets	13	35,57,64,390	44,58,51,067
		15,70,47,92,568	14,88,54,27,972
Total		46,92,25,00,390	39,91,68,61,485

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/2900005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 37924



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

Vimal Bhandari

Vimal Bhandari
MD & CEO
DIN: 00001318

Pankaj Thapar

Pankaj Thapar
Chief Financial Officer

Dhaupal Jhaveri

Dhaupal Jhaveri
Director
DIN: 02018124

Jitendra Bhati

Jitendra Bhati
Company Secretary

Mumbai
May 13, 2016

Mumbai
May 13, 2016



IndoStar Capital Finance Limited
Statement of Profit and Loss for the period ended March 31, 2016

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	15	6,41,32,45,001	5,28,05,29,500
Other income	16	5,39,128	26,559
Total		6,41,37,84,129	5,28,05,56,059
Expenditure			
Employee benefit expenses	17	39,45,01,996	28,05,76,665
Finance cost	18	2,89,25,90,633	2,58,08,16,372
Depreciation and amortisation	9	51,16,291	71,20,134
Other expenses	19	16,47,51,080	12,07,93,457
Provisions for standard assets and NPA	20	3,38,18,664	3,03,72,218
Total		3,49,07,78,664	3,01,96,78,846
Profit before taxation		2,92,30,05,465	2,26,08,77,213
Provision for taxation			
Current tax		1,03,07,02,387	77,40,98,041
Deferred tax		(1,78,52,461)	(38,68,851)
Total tax expense		1,01,28,49,926	77,02,29,190
Net profit after taxes		1,91,01,55,539	1,49,06,48,023
Earnings per share	21		
Basic (Rs.)		26.66	21.72
Diluted (Rs.)		26.33	21.43
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. 37924



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



Vimal Bhandari
MD & CEO
DIN: 00001318



Pankaj Thapar
Chief Financial Officer



Dhanpal Jhaveri
Director
DIN: 02018124



Jitendra Bhati
Company Secretary

Mumbai
May 13, 2016

Mumbai
May 13, 2016



IndoStar Capital Finance Limited
Cash Flow Statement for the year ended March 31, 2016

(Amount in Rupees)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from operating activities		
Profit before taxes	2,92,30,05,465	2,26,08,77,213
Depreciation and amortisation	51,16,291	71,20,134
Loss / (profit) on sale of fixed assets (net)	21,409	22,444
Provisions for non performing assets	6,15,025	-
Provisions for standard assets	3,32,03,639	3,03,72,218
Provision for gratuity	8,40,733	7,41,823
Provision for leave encashment	7,52,547	11,60,909
Operating profit before working capital changes	2,96,35,55,109	2,30,02,94,741
Movements in working capital:		
Increase / (decrease) in trade payables	1,12,69,654	1,66,36,831
Increase in other liabilities	1,40,36,35,538	76,38,72,693
(Increase) / Decrease in loans and advances	(8,90,93,21,327)	(8,05,17,03,035)
(Increase) / Decrease in other assets	14,37,91,272	(13,76,35,210)
Cash generated from operations	(4,38,70,69,754)	(5,10,85,33,980)
Direct taxes paid (net of refunds)	(1,04,01,72,522)	(76,76,33,505)
Net cash flow from / used in operating activities (A)	(5,42,72,42,276)	(5,87,61,67,485)
B. Cash flows from investing activities		
Purchase of fixed including intangible assets	(2,94,32,753)	(50,31,832)
Increase in Capital work in progress	(44,25,799)	-
Proceeds from sale of fixed assets	2,359	31,291
Investment in subsidiary	(10,00,00,000)	-
Repayments from fixed income debt instruments	54,60,00,000	6,24,00,000
Bank deposits (having original maturity of more than three months)(net)	2,65,50,00,000	(2,32,00,00,000)
Net cash used in investing activities (B)	3,06,71,43,807	(2,26,26,00,541)
C. Cash Flows from financing activities		
Call made on partly paid shares	64,93,46,738	-
Forfeiture of Equity Shares	43,038	-
Amount raised from short term borrowings	1,55,49,46,026	1,77,07,91,350
Term loans from banks	2,34,41,979	1,66,21,87,077
Amount received on issue of NCDs	1,42,68,58,584	2,56,04,69,460
Net cash from financing activities (C)	3,65,46,36,365	5,99,34,47,887
Net increase / (decrease) in cash and cash equivalents (A + B + C)	1,29,45,37,896	(2,14,53,20,139)
Cash and Cash Equivalents at the beginning of the year	2,12,13,80,582	4,26,67,00,721
Cash and Cash Equivalents at the end of the year	3,41,59,18,478	2,12,13,80,582
Components of Cash and Cash Equivalents	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash and Cash Equivalents at the end of the year		
i) Cheque on hand	4,16,569	40,88,610
ii) Cash on hand	50,540	-
ii) Balances with scheduled banks in:		
Current accounts	93,99,51,369	28,72,91,972
Deposits with original maturity of less than three months	2,47,55,00,000	1,83,00,00,000
Total cash and cash equivalents	3,41,59,18,478	2,12,13,80,582

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. 37924



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

Vimal Bhandari
MD & CEO
DIN: 00001318

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Chief Financial Officer

Jitendra Bharti
Company Secretary

Mumbai
May 13, 2016

Mumbai
May 13, 2016



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 3- Share capital

Amount in Rupees

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised 8,00,00,000 (March 31, 2015: 8,00,00,000) Equity Shares of Rs.10/- each	80,00,00,000	80,00,00,000
	80,00,00,000	80,00,00,000
Issued & Subscribed Equity Shares 73,354,429 (March 31, 2015: 6,86,19,947) equity shares of Rs. 10/- each fully paid up	73,35,44,290	68,61,99,470
Less: Nil (March 31, 2015: 2,60,958) equity shares of Rs 10/- each fully paid up issued to employees through Indostar trust or held by Indostar trust	-	(26,09,584)
Nil (March 31, 2015: 90,38,250) equity shares of Rs. 10/- each Rs.0.01 paid up per share	-	90,383
Less: Nil (March 31, 2015: 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)
Total	73,35,44,290	68,36,50,397

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers of shares	Amount in Rupees	Numbers of shares	Amount in Rupees
Shares outstanding at the beginning of the year	7,76,58,197	68,62,89,853	7,76,58,197	68,62,89,853
Issued during the period	-	-	-	-
	7,76,58,197	68,62,89,853	7,76,58,197	68,62,89,853
(Less) / Add : Adjustment for fully paid up shares issued to employees through Indostar Trust or held by Indostar trust	-	-	-	(26,09,584)
(Less) / Add : Adjustment for partly paid up shares issued to employees through Indostar Trust or held by Indostar trust	-	-	-	(29,872)
Add: call money received on 4,734,482 partly paid shares @ 9.99 per share	-	4,72,97,475	-	-
Less: 4,303,768 shares Rs.0.01 paid up per share forfeited on non- payment of call money	(43,03,768)	(43,038)	-	-
Shares outstanding at the end of the year	7,33,54,429	73,35,44,290	7,76,58,197	68,36,50,397

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, 2016		As at March 31, 2015	
	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)	7,13,69,635	97.30	6,80,35,332	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.



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 4- Reserves and Surplus

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Account		
Balance as per last account	8,22,71,28,268	8,22,71,28,268
Add: Received during the period	56,81,37,840	
(Less) / Add : Premium on equity shares issued to employees through Indostar Trust or held by Indostar Trust	-	(3,13,15,005)
Closing balance	8,79,52,66,108	8,19,58,13,263
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last account	80,90,14,794	51,08,85,189
Add: Transfer from surplus balance in statement of profit and loss (at year end)	38,20,31,108	29,81,29,605
Closing balance	1,19,10,45,902	80,90,14,794
Capital Reserve (4,303,768 shares Rs.0.01 paid up per share forfeited on non-payment of call money and amount received transferred)	43,038	-
Closing balance	43,038	-
Surplus in Statement of profit and loss		
Balance as per last account	3,16,41,88,721	1,97,16,70,303
Add: Profit for the current year	1,91,01,55,539	1,49,06,48,023
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(38,20,31,108)	(29,81,29,605)
Net surplus in the statement of profit and loss	4,69,23,13,152	3,16,41,88,721
Total	14,67,86,68,200	12,16,90,16,778



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 5 - Long term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
Term loans from banks				
Secured	9,59,64,93,655	4,92,57,19,985	9,57,30,51,676	5,83,75,93,695
Redeemable non convertible debentures				
Secured	7,99,21,64,505	2,50,00,00,000 (7,42,57,19,985)	6,56,53,05,921	32,27,05,230 (6,16,02,98,925)
Less: transferred to Other liabilities	-	-	-	-
Total	17,58,86,58,160	-	16,13,83,57,597	-

*Amount disclosed under the head 'Other liabilities'

(a) Term loan from banks:

Particulars - Bank Name	Rate of interest	Repayment details	As at March 31, 2016		As at March 31, 2015	
			Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Axis Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	-	-	33,35,99,997
Axis Bank Limited- TL II	>=10.20%<12.15%	13-Quarterly repayments	15,38,46,154	30,76,92,308	46,15,38,462	30,76,92,308
Axis Bank Limited - TL III	>=10.20%<12.15%	13-Quarterly repayments	24,61,53,846	12,30,76,924	9,23,07,692	76,92,308
Bank of Baroda Limited	>=10.20%<12.15%	16-Quarterly repayments	25,00,00,000	25,00,00,000	50,00,00,000	25,00,00,000
Bank of Baroda Limited - TL II	>=10.20%<12.15%	20-Quarterly repayments	50,00,00,000	20,00,00,000	70,00,00,000	20,00,00,000
Bank of India Limited	>=10.20%<12.15%	16-Quarterly repayments	37,50,00,000	37,50,00,000	75,00,00,000	37,50,00,000
Canara Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	33,36,00,000	33,36,00,000	33,32,00,000
Corporation Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	5,00,00,000	5,00,00,000	10,00,00,000
Corporation Bank Limited - TL II	>=10.20%<12.15%	9 - Half yearly repayments	20,00,00,001	6,66,66,666	26,66,66,667	3,33,33,333
Dena Bank	>=10.20%<12.15%	8 - Half yearly repayments	15,00,00,000	-	-	-
Development Credit Bank Limited	>=10.20%<12.15%	7-Quarterly repayments	-	-	-	10,72,00,000
Federal Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	8,33,33,332	8,33,33,333	8,33,33,333
Federal Bank Limited - TL II	>=10.20%<12.15%	12-Quarterly repayments	2,49,96,668	3,33,33,332	5,83,33,292	3,33,33,332
ICICI Bank Limited	>=10.20%<12.15%	11-Quarterly repayments	-	-	-	9,09,09,091
ICICI Bank Limited - II	>=10.20%<12.15%	10-Quarterly repayments	30,00,00,000	40,00,00,000	70,00,00,000	30,00,00,000
IDBI Bank Limited	>=10.20%<12.15%	18 - Quarterly repayments	36,11,11,110	11,11,11,112	-	-
Indian Overseas Bank Limited	>=10.20%<12.15%	18-Quarterly repayments	44,44,44,444	22,22,22,223	66,66,66,667	22,22,22,222
IndusInd Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	7,50,00,000	7,50,00,000	10,00,00,000
IndusInd Bank Limited - TL II	>=10.20%<12.15%	10-Quarterly repayments	3,00,00,000	12,00,00,000	15,00,00,000	12,00,00,000
ING Vysva Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	4,16,66,667	4,16,66,667	16,66,66,667
ING Vysva Bank Limited - TL III	>=10.20%<12.15%	20-Quarterly repayments	57,50,00,000	20,00,00,000	77,50,00,000	20,00,00,000
Kotak Mahindra Bank Limited- TL II	>=10.20%<12.15%	12-Quarterly repayments	-	8,33,33,334	8,33,33,333	16,66,66,667
Kotak Mahindra Bank Limited - TL III	>=10.20%<12.15%	16-Quarterly repayments	43,75,00,000	25,00,00,000	68,75,00,000	25,00,00,000
Punjab National Bank Limited	>=10.20%<12.15%	12-Quarterly repayments	-	13,33,36,924	13,33,33,333	33,33,33,333
Punjab National Bank - II	>=10.20%<12.15%	16-Quarterly repayments	48,12,50,000	6,87,50,000	-	-
South Indian Bank Limited	>=10.20%<12.15%	18-Quarterly repayments	16,66,66,672	5,55,55,552	22,22,22,224	2,77,77,776
South Indian Bank - II	>=10.20%<12.15%	16-Quarterly repayments	23,43,75,000	1,56,25,000	-	-
State Bank of Bikaner and Jaipur Limited	>=10.20%<12.15%	12-Quarterly repayments	16,425	16,66,66,667	16,66,66,666	16,66,66,667
State Bank of Bikaner and Jaipur Limited - II	>=10.20%<12.15%	8 - Half yearly repayments	75,00,00,000	-	-	-
State Bank of Hyderabad Limited	>=10.20%<12.15%	12-Quarterly repayments	-	8,33,33,279	8,33,33,333	16,66,66,667
State Bank of Hyderabad Limited - II	>=10.20%<12.15%	18-Quarterly repayments	83,33,33,335	16,66,66,665	-	-
State Bank of India Limited	>=10.20%<12.15%	12-Quarterly repayments	-	-	-	66,72,00,000
State Bank of India Limited - TL II	>=10.20%<12.15%	18-Quarterly repayments	1,44,43,00,000	44,44,00,000	1,88,87,00,000	11,13,00,000
State Bank of Mysore Limited	>=10.20%<12.15%	12-Quarterly repayments	-	2,06,50,000	2,06,50,007	8,33,99,997
State Bank of Mysore Limited - TL II	>=10.20%<12.15%	9 - Half yearly repayments	41,65,00,000	16,67,00,000	58,32,00,000	16,68,00,000
State Bank of Mysore Limited - TL III	>=10.20%<12.15%	9 - Half yearly repayments	44,44,00,000	5,56,00,000	-	-
State Bank of Patiala Limited	>=10.20%<12.15%	12-Quarterly repayments	-	-	-	33,35,99,997
State Bank of Patiala - II	>=10.20%<12.15%	9 - Half yearly repayments	77,76,00,000	22,24,00,000	-	-
Total			9,59,64,93,655	4,92,57,19,985	9,57,30,51,676	5,83,75,93,695

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 receivable of Rs. 23,144,053,552/- (March 2015 Rs. 21,689,503,800/-)

b) Non Convertible Debenture

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

Terms of repayment as on March 31, 2016

Redeemable within	As at March 31, 2016		As at March 31, 2015	
	Rate of interest		Rate of interest	
	Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
0-12 Months	-	2,50,00,00,000	-	32,27,05,230
12-24 Months	1,76,08,36,605	-	2,50,00,00,000	-
24-36 Months	3,73,13,27,900	-	1,34,93,68,636	-
36-48 Months	1,35,00,00,000	-	1,21,59,37,285	-
48-60 Months	1,00,00,00,000	-	1,35,00,00,000	-
Above 60 Months	15,00,00,000	-	15,00,00,000	-
Total	7,99,21,64,505	2,50,00,00,000	6,56,53,05,921	32,27,05,230

Nature of Security:

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

- 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 11,654,260,000/- (March 2015: Rs 7,97,61,06,000); and
- 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 financial statements for the period ended March 31, 2016

Note 6- Other liabilities

(Amount in Rupees)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non-Current	Current	Non-Current	Current
Deposits from clients	-	-	-	21,03,26,231
Unamortised fees	10,24,64,760	7,60,40,637	13,89,85,631	6,31,84,606
Interest accrued but not due on loans	-	74,17,57,195	-	58,40,93,633
Tax deducted at source payable	-	81,90,180	-	89,07,821
Statutory liabilities Payable	-	6,88,017	-	5,60,824
Current maturities of long term debts (Refer note 5)	-	7,42,57,19,985	-	6,16,02,98,925
Book Overdraft	-	17,81,11,795	-	-
Employee benefits payable	-	15,37,41,500	-	11,00,00,000
Others	-	68,25,404	-	1,35,46,264
Total	10,24,64,760	8,59,10,74,713	13,89,85,631	7,15,09,18,304

Note 7- Provisions

(Amount in Rupees)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non-Current	Current	Long term	Short term
For employee benefit				
For gratuity	4,14,975	14,29,946	-	10,04,188
For leave encashment and availment	25,89,610	3,00,759	20,52,181	85,641
For Others				
For non-performing assets	2,00,00,000	-	1,93,84,975	-
For standard assets	12,31,35,070	4,84,70,711	9,80,78,094	4,03,24,048
For income tax (net of advance tax)	-	70,18,567	-	1,64,88,702
Total	14,61,39,655	5,72,19,983	11,95,15,250	5,79,02,579



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 8- Short term borrowing

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loan		
Bank overdraft	1,08,86,73,837	-
Unsecured Loan		
Commercial papers		
i) From banks	50,00,00,000	25,00,00,000
ii) other than banks	3,50,00,00,000	3,25,00,00,000
Less: Unamortised discount	(9,45,11,986)	(6,07,84,175)
	3,90,54,88,014	3,43,92,15,825
Total	4,99,41,61,851	3,43,92,15,825



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 9- Fixed assets

Amount in Rupees

Particulars	Tangible Assets					Total	Intangible Assets	Total Assets
	Land - Freehold	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement		Software	
Gross Block								
As at March 31, 2014	15,05,100	46,54,510	20,41,463	27,68,288	1,64,53,451	2,74,22,812	14,86,520	2,89,09,332
Additions	-	23,87,785	7,46,633	1,24,890	-	32,59,308	17,72,524	50,31,832
Deletions	-	82,037	72,800	-	-	1,54,837	-	1,54,837
As at March 31, 2015	15,05,100	69,60,258	27,15,296	28,93,178	1,64,53,451	3,05,27,283	32,59,044	3,37,86,327
Additions	-	91,46,201	20,16,017	12,80,518	1,53,19,058	2,77,61,794	16,70,959	2,94,32,753
Deletions	-	-	4,25,563	1,39,813	-	5,65,376	-	5,65,376
As at March 31, 2016	15,05,100	1,61,06,459	43,05,750	40,33,883	3,17,72,509	5,77,23,701	49,30,003	6,26,53,704
Depreciation								
As at March 31, 2014	-	28,70,287	10,28,466	12,07,324	1,27,00,792	1,78,06,869	2,48,795	1,80,55,664
Additions	-	16,56,045	5,25,161	5,59,215	37,52,659	64,93,080	6,27,058	71,20,138
Deletions	-	70,771	30,334	-	-	1,01,105	-	1,01,105
As at March 31, 2015	-	44,55,561	15,23,293	17,66,539	1,64,53,451	2,41,98,844	8,75,853	2,50,74,697
Additions	-	21,67,348	8,09,531	6,11,450	3,49,715	39,38,044	11,78,247	51,16,291
Deletions	-	-	4,20,424	1,21,184	-	5,41,608	-	5,41,608
As at March 31, 2016	-	66,22,909	19,12,400	22,56,805	1,68,03,166	2,75,95,280	20,54,100	2,96,49,380
Net Block								
As at March 31, 2015	15,05,100	25,04,697	11,92,003	11,26,639	-	63,28,439	23,83,191	87,11,630
As at March 31, 2016	15,05,100	94,83,550	23,93,350	17,77,078	1,49,69,343	3,01,28,421	28,75,903	3,30,04,324



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 10 - Non-current investments

(Amount in Rupees)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Investment in wholly owned subsidiaries						
IndoStar Asset Advisory Private Limited (10,000 share of Face value of Rs. 10/- each)	10	1,000	1,00,000	10	1,000	1,00,000
IndoStar Home Finance Pvt Ltd (1,00,00,000 share of Face value of Rs. 10/- each)	10	1,00,00,000	10,00,00,000			-
Quoted -Investments in debentures						
Indrajit Power Private Limited	-	-	-	8,40,000	650	54,60,00,000
Total		1,00,01,000	10,01,00,000		1,650	54,61,00,000
Aggregate Value of Quoted Investments						
Cost of acquisition*			-			54,60,00,000
Market value*			-			54,60,00,000

*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.



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 11- Deferred tax assets (net)

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax asset created during the year		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	29,46,027	38,22,089
Provision for standard assets	5,93,89,329	4,70,42,888
Origination fees unamortised	6,17,77,148	6,87,17,663
Provision for gratuity	6,38,490	3,41,324
Provision for leave encashment	10,00,299	7,26,646
Provision for non performing assets	69,21,600	65,88,953
Total (A)	13,26,72,893	12,72,39,563
Deferred tax liability created during the year		
Borrowing costs amortisation	(2,96,48,623)	(4,20,67,754)
Total (B)	(2,96,48,623)	(4,20,67,754)
Net deferred tax asset (A-B)	10,30,24,270	8,51,71,809



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 12- Loans and advances

(Amount in Rupees)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current portion	Current portion	Non Current portion	Current portion
Unsecured, considered good				
Security Deposits				
Unsecured, considered good	1,90,92,566	-	45,83,548	-
Secured, considered good				
Hypothecation loans	16,88,10,82,511	4,51,44,88,179	14,87,90,01,623	4,64,96,95,571
Debentures	13,90,26,75,148	1,45,26,25,594	8,59,00,32,569	66,06,39,560
Short term loans	-	1,00,00,00,000	-	1,00,00,00,000
Secured, considered doubtful				
Hypothecation loans	10,00,00,000	-	19,38,49,748	-
Unsecured, considered good				
Hypothecation loans	-	-	57,14,28,572	22,85,71,428
Debentures	-	-	-	-
Short term loans	-	4,80,00,00,000	-	2,97,31,00,000
Unsecured, considered good				
Advances recoverable in cash or in kind or for value to be received	-	1,45,12,459	-	85,99,765
Prepaid expenses	7,43,03,204	4,87,52,271	9,88,49,419	6,12,95,248
Service tax (Including Input credit)	-	16,13,430	-	4,01,640
Others	-	2,11,17,767	-	8,93,111
Total	30,97,71,53,429	11,85,31,09,700	24,33,77,45,479	9,58,31,96,323

Note 13- Other assets

(Amount in Rupees)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current portion	Current portion	Non Current portion	Current portion
Interest accrued on investments	-	-	-	1,10,13,897
Interest accrued but not due on loans	-	35,05,60,141	5,37,04,595	41,45,61,975
Interest accrued on fixed deposits with banks	-	52,04,249	-	2,02,75,195
Total	-	35,57,64,390	5,37,04,595	44,58,51,067



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Notes 14- Cash and bank balances

(Amount in Rupees)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current	Non Current	Current
Cash and cash equivalents				
i) Cash on hand	-	50,540	-	-
ii) Balances with scheduled banks in:				
Current accounts	-	93,99,51,369	-	28,72,91,972
Deposits with original maturity of less than three months	-	2,47,55,00,000	-	1,83,00,00,000
iii) Cheque on hand	-	4,16,569	-	40,88,610
Deposits with original maturity of more than three months but less than six months	-	8,00,00,000	-	2,73,50,00,000
Total	-	3,49,59,18,478	-	4,85,63,80,582



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 15- Revenue from operations *(Amount in Rupees)*

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on:		
- Loan portfolio and related charges	5,34,50,95,632	4,24,34,24,251
- Deposits with banks	23,52,33,099	33,74,35,026
- Fixed income debt instruments	6,20,85,818	8,56,43,739
Other financial services:		
- Origination fees	68,12,93,336	51,28,48,373
- Syndication & other fees	8,95,37,116	8,87,82,290
- Gain on sale of loan assets	-	1,23,95,821
Total	6,41,32,45,001	5,28,05,29,500

Note 16- Other income *(Amount in Rupees)*

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend from debt mutual fund units	5,37,221	-
Miscellaneous income	1,907	26,559
Total	5,39,128	26,559

Note 17- Employee benefit expenses *(Amount in Rupees)*

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, other allowances and bonus	38,36,73,813	27,09,88,098
Gratuity expenses	8,40,733	16,01,823
Leave encashment	8,21,401	12,74,798
Contribution to provident and other funds	70,61,065	47,63,218
Staff welfare expenses	21,04,984	19,48,728
Total	39,45,01,996	28,05,76,665

Note 18- Finance cost *(Amount in Rupees)*

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on		
Debtentures	97,11,08,012	75,37,79,000
Deposits from clients	11,16,386	6,73,14,489
Loans from banks	1,60,87,01,293	1,48,76,87,478
Commercial paper	22,56,49,689	19,08,12,480
Other borrowing costs		
Processing charges on loans	5,03,73,481	5,27,64,990
Bank charges & other related costs	3,56,41,772	2,84,57,935
Total	2,89,25,90,633	2,58,08,16,372



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 19- Other expenses

(Amount in Rupees)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	2,32,02,144	1,77,44,034
Rates & taxes	70,71,660	80,60,277
Printing & stationery	10,08,966	6,02,928
Travelling & conveyance	74,48,621	37,01,571
Advertisement	5,21,447	1,95,323
Business Promotion	24,53,734	20,80,511
Conference charges	3,51,604	1,43,748
Commission & brokerage	2,75,55,862	10,29,357
Office expenses	2,04,99,637	1,38,81,974
Directors' sitting fees	48,78,483	80,09,444
Insurance	15,26,366	37,86,579
Communication expenses	21,40,919	11,50,341
Payment to auditor		
- Audit fees	36,01,306	26,54,500
- Tax audit fees	3,21,750	3,18,540
- Certification	3,48,563	2,70,881
- Out of pocket	-	53,143
Loss on sale of loan assets	78,95,700	-
CSR expenses	1,25,00,000	1,00,00,000
Legal & professional charges	3,90,96,152	4,48,08,908
Loss on sale of fixed assets (net)	21,409	22,444
Membership & subscriptions	23,04,205	22,64,674
Miscellaneous expenses	2,552	14,280
Total	16,47,51,080	12,07,93,457

Note 20- Provisions

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Provision for standard assets	3,32,03,639	3,03,72,218
Provision for non-performing assets	6,15,025	-
Total	3,38,18,664	3,03,72,218



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the period ended March 31, 2016

Note 21- Earnings per share

Amount in Rupees except for no. of equity shares

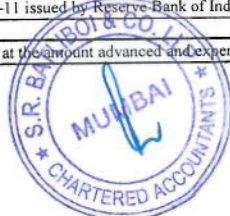
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Net Profit after tax as per profit and loss account Amount in Rupees (A)	1,91,01,55,539	1,49,06,48,023
Weighted average number of equity shares for calculating Basic EPS (B)	7,16,41,552	6,86,28,985
Weighted average number of equity shares for calculating Diluted EPS (C)	7,25,54,552	6,95,52,985
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	26.66	21.72
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	26.33	21.43

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Weighted average number of equity shares for calculating Basic EPS	7,16,41,552	6,86,28,985
Add : Equity shares for no consideration arising on grant of stock options under ESOP	9,13,000	9,24,000
Weighted average number of equity shares in calculating Diluted EPS	7,25,54,552	6,95,52,985



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

1. Corporate Information	IndoStar Capital Finance Limited ('the Company') was incorporated on 21st July 2009. The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company vide Certificate No. N- 13.02109. The Company is primarily engaged in Loan business.															
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 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the guidelines issued by Reserve Bank of India (RBI) as applicable to Non Banking Finance Company (NBFC). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.															
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 twelve 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. 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.															
Change of estimate	During the year ended March 31, 2016 the company has changed its accounting estimate related to the recognition of origination fees collected from the clients, based on the fees collected and behaviour of the loan portfolio. Had the Company followed earlier estimates, profit for the year would have been lower by Rs. 627.03 Lakhs.															
(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 and supported by technical assessment.</p> <p>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.</p> <p>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> <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> <p>Impairment of assets</p> <p>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.</p> <p>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>	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														
(d) 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.															
(e) 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. Pursuant to Reserve Bank India (RBI) notification no. DNBR 011/CGM (CDS) dated March 27, 2015, the company has revised its recognition norms of Non- Performing Assets (NPA) from 180 days to 150 days. 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.															
(f) Loans	Loans are stated at the amount advanced and expenses recoverable, as reduced by the amounts received up to the balance sheet date.															



(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.</p> <p><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.</p> <p><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. Part of the origination fees is recognised upfront based on the management estimate and the balance fee is amortised over the tenure of the loan. Syndication fee and other fees are recognised as income when a significant portion of the arrangement is completed.
(j)	<p>Retirement and other employee benefits 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.</p> <p>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 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>



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

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

Net employee benefit expense (recognized in employee cost)

Particulars	<i>Amount in Rupees</i>	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	14,96,619	10,40,154
Interest cost on benefit obligation	3,17,318	2,06,679
Expected return on plan assets	(3,33,616)	(2,28,767)
Net actuarial (gain) / loss recognised in the year	(6,39,588)	5,83,757
Past service cost	-	-
Adjustment in respect of interest not credited in the previous year	-	-
Net benefit expense	8,40,733	16,01,823

Balance sheet

Details of Provision for gratuity

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation	(51,87,432)	(40,77,761)
Fair value of plan assets	33,42,511	30,73,573
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(18,44,921)	(10,04,188)

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

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2016	As at March 31, 2015
Opening defined benefit obligation	40,77,761	22,77,797
Interest cost	3,17,318	2,06,679
Current service cost	14,96,619	10,40,154
Benefits paid	-	-
Actuarial (gains) / losses on obligation	(7,04,266)	5,53,131
Closing defined benefit obligation	51,87,432	40,77,761

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, 2016	As at March 31, 2015
Investments with insurer	33,42,511	30,73,573

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

Particulars	As at March 31, 2016	As at March 31, 2015
Discount Rate	7.80%	7.80%
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.

* 10% at younger ages reducing to 6% at older ages

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

Particulars	<i>Amount in Rupees</i>				
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	51,87,432	40,77,761	22,77,797	20,19,308	9,18,890
Plan assets	33,42,511	30,73,573	20,15,432	14,15,180	-
Surplus / (deficit)	(18,44,921)	(10,04,188)	(2,62,365)	(6,04,128)	(9,18,890)
Experience adjustments on plan liabilities	(16,82,888)	26,861	(6,32,462)	(2,08,423)	(4,29,171)
Experience adjustments on plan assets	64,678	30,626	12,284	49,041	-



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

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 2016, 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	2,03,000	1,00,000	20,000	10,000	6,66,000
Number of option cancelled	30,000	-	20,000	10,000	26,000
Number of option outstanding	1,73,000	1,00,000	-	-	6,40,000
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 2015: Rs 140.00 to Rs 149.37).

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	5	6	4	4	6

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, 2016	For the year ended March 31, 2015
Profit after tax as reported	1,91,01,55,539	1,49,06,48,023
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost using the fair value method	4,31,66,392	2,67,39,061
Proforma profit after tax	1,86,69,89,147	1,46,39,08,962
Earnings Per Share		
Basic		
- As reported	26.66	21.72
- Proforma	26.06	21.33
Diluted		
- As reported	26.33	21.43
- Proforma	25.73	21.05



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note 24 - Related party disclosure

Names of related parties and related party relationships

Holding Company	Indostar Capital (Mauritius)
Subsidiary Company	IndoStar Asset Advisory Private Limited IndoStar Home Finance Private Limited
Key Managerial Personnel	Vimal Bhandari - MD & CEO Shailesh Shirali - Wholetime Director

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

Amount in Rupees

Name of related party & nature of relationship	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Key managerial personnel			
Vimal Bhandari	Investment in share capital	68,55,138	-
	Securities premium	8,23,44,000	-
	Remuneration paid*	4,84,87,993	4,39,39,375
	Expenses reimbursed	6,59,267	7,25,048
Shailesh Shirali	Investment in share capital	2,30,53,843	-
	Securities premium	27,69,23,040	-
	Remuneration paid*	4,89,97,036	4,66,49,499
Subsidiary Company			
IndoStar Asset Advisory Private Limited	Reimbursement of expenses	90,33,390	3,80,900
	Loans and Advances (Net)	1,17,03,477	-
IndoStar Home Finance Private Limited	Investment in subsidiary	10,00,00,000	-

*include bonus on accrual basis

II. Balance as at period end

Amount in Rupees

Name of related party & nature of relationship	Particulars	As at March 31, 2016	As at March 31, 2015
Holding Company			
Indostar Capital (Mauritius)	Investment in share capital	71,36,96,350	68,03,53,320
	Securities premium	8,56,43,56,200	8,16,42,39,840
Key managerial personnel			
Vimal Bhandari	Investment in share capital	43,14,580	23,14,552
	Securities premium	5,17,74,960	2,76,92,280
Shailesh Shirali	Investment in share capital	59,69,150	23,077
	Securities premium	7,16,29,800	-
Subsidiary Company			
Indostar Asset Advisory Private Limited	Investment in subsidiary	1,00,000	1,00,000
	Reimbursement of expenses	2,11,17,767	3,80,900
Indostar Home Finance Private Limited	Investment in subsidiary	10,00,00,000	-



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note 25- Contingent liabilities and Commitments

Amount in Rupees

Capital and other commitments	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account	1,83,47,580	-
Income Tax	2,55,032	-
Loans sanctioned not yet disbursed	3,39,25,30,921	4,45,97,52,370

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. 2,32,02,144 (March 31, 2015: Rs. 1,77,44,034). 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, 2016	As at March 31, 2015
Minimum Lease Payments:		
Not later than one year	3,49,97,101	1,65,41,844
Later than one year but not later than five years	14,15,24,393	6,56,15,980
Later than five years	61,67,535	-

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, 2016	As at March 31, 2015
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as as 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 - Capital to Risk Assets Ratio Disclosure

Particulars	As at March 31, 2016	As at March 31, 2015
(i) CRAR (%)	34.21	32.64
(ii) CRAR – Tier I capital (%)	33.82	32.29
(iii) CRAR – Tier II capital (%)	0.38	0.35
(iv) Amount of Subordinated debt raised as Tier - II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

	Amount in Rupees							
	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Liabilities:								
Borrowings from banks	1,46,95,68,920	46,29,56,418	53,21,58,119	1,38,57,20,084	2,34,21,15,168	6,71,22,55,547	2,88,42,25,018	-
Market borrowings	10,00,00,000	2,64,22,52,667	2,94,03,35,636	-	72,26,99,702	6,69,21,64,514	1,15,00,00,000	15,00,00,000
Assets:								
Loans & advances	44,42,86,290	45,48,00,484	3,87,56,11,333	2,97,28,83,132	4,02,36,17,837	22,68,40,79,042	6,18,18,77,803	2,01,37,15,511
Investments								10,01,00,000



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note 30- Exposure to real estate sector

Amount in Rupees

Category		As at March 31, 2016	As at March 31, 2015
A	Direct exposure		
	i. Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakhs may be shown separately)	2,19,55,54,110	7,40,76,681
	ii. Commercial Real Estate Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	17,20,10,92,761	12,28,23,11,575
	iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures - Residential -Commercial Real Estate	Nil Nil Nil	Nil Nil Nil
B	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

Note 31- Exposure to capital market

Amount in Rupees

		As at March 31, 2016	As at March 31, 2015
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,35,00,00,000	1,00,00,00,000
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	All exposures to Venture Capital Funds (both registered and unregistered)	-	-



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note 32- Other Disclosures Pursuant to the RBI Circular No. DNBR (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014

I - Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		<i>Amount in Rupees</i>	
		As at March 31, 2016	As at March 31, 2015
1	Provisions for depreciation on Investment	-	-
2	Provision towards NPA	6,15,025	-
3	Provision made towards Income tax	1,03,07,02,387	77,40,98,041
4	Other Provision and Contingencies (with details)	-	-
5	Provision for Standard Assets	3,32,03,639	3,03,72,218

II - Concentration of Advances		<i>Amount in Rupees</i>	
		As at March 31, 2016	As at March 31, 2015
1	Total Advances to twenty largest borrowers	26,15,77,76,339	22,67,71,60,393
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	61.33%	66.13%

III - Concentration of Exposures		<i>Amount in Rupees</i>	
		As at March 31, 2016	As at March 31, 2015
1	Total Exposure to twenty largest borrowers /customers	31,02,97,31,437	26,97,11,72,299
2	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	65.33%	57.21%

IV - Concentration of NPAs		<i>Amount in Rupees</i>	
		As at March 31, 2016	As at March 31, 2015
1	Total Exposure to top four NPA accounts	10,00,00,000	19,38,49,748

V - Sectorwise NPA (% of NPA to Total Advances in that sector)		As at March 31, 2016	As at March 31, 2015
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	0.58%	1.57%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

VI - Movement of NPAs		<i>Amount in Rupees</i>	
		As at March 31, 2016	As at March 31, 2015
	Net NPAs to Net Advances (%)	0.19%	0.52%
	Movement of NPAs (Gross)		
	Opening balance	19,38,49,747	19,38,49,747
	Additions during the year	8,00,00,000	-
	Reductions during the year	17,38,49,747	-
	Closing balance	10,00,00,000	19,38,49,747
	Movement of Net NPAs		
	Opening balance	17,44,64,772	17,44,64,772
	Additions during the year	7,20,00,000	-
	Reductions during the year	16,64,64,772	-
	Closing balance	8,00,00,000	17,44,64,772
	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	1,93,84,975	1,93,84,975
	Provisions made during the year	2,73,84,975	-
	Write-off / write-back of excess provisions	2,67,69,950	-
	Closing balance	2,00,00,000	1,93,84,975

VII - Customer Complaints		As at March 31, 2016
1	No. of complaints pending at the beginning of the year	NIL
2	No. of complaints received during the year	1
3	No. of complaints redressed during the year	1
4	No. of complaints pending at the end of the year	NIL



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

VIII - Investments

Particulars		As at March 31, 2016	As at March 31, 2015
1	Value of Investments		
(i)	Gross Value of Investments		
	(a) In India	10,01,00,000	54,61,00,000
	(b) Outside India	-	-
(ii)	Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) In India	10,01,00,000	54,61,00,000
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off/ write-back of excess provision during the year	-	-
(iv)	Closing balance	-	-

IX - Registration obtained from other financial sector regulators : None

X - Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by NBFC
The Company has not exceeded the Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financials year.

X - Details of financing of parent company products : None

XI - Disclosure of penalties imposed by RBI and other regulators : None

XII - Draw down from reserves : None

XIII - Rating assigned by credit rating agencies and migration of ratings during the year

Sr. No.	Instrument	Credit Rating Agency	As at March 31, 2016	As at March 31, 2015
1	Commercial Paper	CARE	A1+	A1+
		ICRA	A1+	A1+
		CRISIL	A1+	A1+
2	Bank term loan	CARE	AA-	AA-
3	NCD	CARE	AA-	AA-
		INDIA RATINGS	AA-	-

XIV - Unsecured Advances against intangible securities : None

Note 33- 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/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 37924



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

Vimal Bhandari
Vimal Bhandari
MD & CEO
DIN: 00001318

Pankaj Thapar
Pankaj Thapar
Chief Financial Officer

Dhanpal Jhaveri
Dhanpal Jhaveri
Director
DIN: 02012124

Jitendra Bhati
Jitendra Bhati
Company Secretary

Mumbai
May 13, 2016

Mumbai
May 13, 2016



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
Amount in Rupees

Particulars		As at March 31, 2016	
Liabilities side :			
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debenture : Secured	10,49,21,64,505	-
	: Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	14,52,22,13,640	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	4,00,00,00,000	-
	(f) Public Deposits (Refer Note 1 below)	-	-
	(g) Other Loans	1,08,86,73,837	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	Amount outstanding	Amount overdue
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
Assets side :			
		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
	(a) Secured		37,85,08,71,432
	(b) Unsecured		4,80,00,00,000
(4)	Break up of Leased Assets and stock on hire counting towards AFC activities	Amount outstanding	
	(i) Lease assets including lease rentals under sundry debtors :	-	-
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on Hire including hire charges under sundry debtors :	-	-
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC Activities :	-	-
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
(5)	Break-up of Investments :	Amount outstanding	
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debenture and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others: Certificates of deposit	-	-
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	10,01,00,000	54,61,00,000
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-



IndoStar Capital Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2016

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see Note 2 below			
Category	Amount in Rupees (Net of provisions)		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	37,85,08,71,432	4,80,00,00,000	42,65,08,71,432
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
Category	Amount in Rupees		
	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)	
1. Related Parties **			
(a) Subsidiaries	10,01,00,000	10,01,00,000	
(b) Companies in the same group	-	-	
(c) Other related parties	-	-	
2. Other than related parties	-	-	
(8) Other information			
	Particulars	Amount in Rupees	
(i) Gross Non-Performing Assets			
(a) Related parties**		-	
(b) Other than related parties		10,00,00,000	
(ii) Net Non-Performing Assets			
(a) Related parties**		-	
(b) Other than related parties		8,00,00,000	
(iii) Assets acquired in satisfaction of debt		-	

Notes :

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2015.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

