S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of IndoStar Asset Advisory Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of IndoStar Asset Advisory Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act [, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;

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

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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CHARTERED ACCOUNTANTS

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Shrawan Jalan
Partner
Membership Number: 102102
Place of Signature: Mumbai
Date: May 20, 2019

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

Re: IndoStar Asset Advisory Private Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

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

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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

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

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

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

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

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

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

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

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

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

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

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

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

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

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

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Shrawan Jalan
Partner
Membership No: 102102
Place: Mumbai
Date: May 20, 2019

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

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

We have audited the internal financial controls over financial reporting of IndoStar Asset Advisory Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Shrawan Jalan
Partner
Membership Number: 102102
Place of Signature: Mumbai
Date: May 20, 2019

IndoStar Asset Advisory Private Limited

Balance sheet as at 31 March 2019
(Currency : Indian Rupees)

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I. ASSETS				
Financial assets				
Cash and cash equivalents	3	3,82,57,521	5,42,895	27,39,745
Receivables				
Trade receivables	4	53,10,000	-	-
		4,35,67,521	**5,42,895**	**27,39,745**
Non-financial assets				
Current tax assets (net)	5	2,28,705	16,41,700	9,86,198
Deferred tax assets	10	2,878	-	-
Property, plant and equipment	6	-	18,188	52,383
Other non-financial assets	7	14,40,006	1,53,18,992	3,16,77,727
		16,71,589	**1,69,78,880**	**3,27,16,308**
TOTAL ASSETS		**4,52,39,110**	**1,75,21,775**	**3,54,56,053**
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables	8			
(i) total outstanding to micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	97,44,506	1,59,44,703
Other financial liabilities	9	43,22,268	1,09,434	-
		43,22,268	**98,53,940**	**1,59,44,703**
Non-financial liabilities				
Deferred tax liabilities (net)	10	-	315	7,821
Other non-financial liabilities	11	12,85,025	3,36,901	13,42,112
		12,85,025	**3,37,216**	**13,49,933**
TOTAL LIABILITIES		**56,07,293**	**1,01,91,156**	**1,72,94,636**
Equity				
Equity share capital	12	1,00,000	1,00,000	1,00,000
Other equity	13	3,95,31,817	72,30,619	1,80,61,417
TOTAL EQUITY		**3,96,31,817**	**73,30,619**	**1,81,61,417**
TOTAL LIABILITIES AND EQUITY		**4,52,39,110**	**1,75,21,775**	**3,54,56,053**

Significant Accounting Policies 2

As per our report of even date attached

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 20 May 2019

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

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 20 May 2019

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

INDOSTAR ASSET ADVISORY PVT. LTD.

IndoStar Asset Advisory Private Limited
Statement of profit and loss for the year ended 31 March 2019
(Currency : Indian Rupees)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	14		
Fees and commission income		5,67,82,074	59,55,053
Total revenue from operations		**5,67,82,074**	**59,55,053**
Other income	15	-	52,582
Total income		**5,67,82,074**	**60,07,635**
Expenses			
Impairment on financial instruments	16	-	252
Depreciation and amortization expenses	17	18,188	34,195
Other expenses	18	1,61,74,675	1,68,11,492
Total expenses		**1,61,92,863**	**1,68,45,939**
Profit before tax		**4,05,89,211**	**(1,08,38,304)**
Tax expense:	19		
1. Current tax		82,91,205	-
2. Deferred tax expense /(income)		(3,192)	(7,506)
Total tax expenses		**82,88,013**	**(7,506)**
Profit after tax		**3,23,01,198**	**(1,08,30,798)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**3,23,01,198**	**(1,08,30,798)**
Earnings per equity share	20		
Basic earnings per share (₹)		3,230.12	(1,083.08)
Diluted earnings per share (₹)		3,230.12	(1,083.08)
(Equity Share of face value of ₹ 10 each)			

As per our report of even date attached

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 20 May 2019

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 20 May 2019

INDOSTAR ASSET ADVISORY PVT. LTD. ★

IndoStar Asset Advisory Private Limited

Statement of Cash flows for the year ended 31 March 2019
(Currency : Indian Rupees)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Cash Flow from Operating Activities**		
	Net profit before tax	4,05,89,211	(1,08,38,304)
	Adjustments for :		
	Depreciation and amortisation expense	18,188	34,195
	Operating profit before working capital changes	**4,06,07,399**	**(1,08,04,109)**
	Adjustments:		
	(Increase)/Decrease in trade receivables	(53,10,000)	-
	(Increase)/Decrease in other non-financial assets	1,38,78,986	1,63,58,735
	Increase/(Decrease) in trade payable	(97,44,506)	(62,00,197)
	Increase/(Decrease) in other financial liabilities	42,12,834	1,09,434
	Increase/(Decrease) in other non-financial liabilities	9,48,124	(10,05,211)
	Cash (used in)/generated from operating activities	**4,45,92,837**	**(15,41,348)**
	Taxes paid	(68,78,211)	(6,55,502)
	Net cash (used in)/generated from operating activities (A)	**3,77,14,626**	**(21,96,850)**
B	**Cash flows from investing activities**	-	-
	Net cash (used in)/generated from investing activities (B)	-	-
C	**Cash Flow from Financing Activities**	-	-
	Net cash (used in)/generated from financing activities (C)	-	-
	Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**3,77,14,626**	**(21,96,850)**
	Cash and Cash Equivalents at the beginning of the year	5,42,895	27,39,745
	Cash and Cash Equivalents at the end of the year	**3,82,57,521**	**5,42,895**
	Reconciliation of cash and cash equivalents with the balance sheet		
	Cash on hand	2,300	2,400
	Balances with banks		
	- in current accounts	3,82,55,221	5,40,495
	Total	**3,82,57,521**	**5,42,895**

As per our report of even date attached

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 20 May 2019

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 20 May 2019

INDOSTAR ASSET ADVISORY PVT. LTD. ★

IndoStar Asset Advisory Private Limited

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2019
(Currency : Indian Rupees in lakhs)

(a) Equity share capital of face value of Rs.10/- each	Note	Amount
Balance as at 1 April 2017		1,00,000
Shares issued during the period		-
Balance as at 31 March 2018	12	**1,00,000**
Balance as at 31 March 2018		1,00,000
Shares issued during the period		-
Balance as at 31 March 2019	12	**1,00,000**

(b) Other equity

Particulars	Reserves and surplus	Total
	Retained earnings	
Balance at 1 April 2017	**1,80,61,417**	**1,80,61,417**
Profit for the year	(1,08,30,798)	(1,08,30,798)
Gain/loss on re-measurement of defined benefit plans	-	-
Fair value changes in investments measured at OCI		-
Total comprehensive income	**(1,08,30,798)**	**(1,08,30,798)**
		-
Balance at 31 March 2018	**72,30,619**	**72,30,619**
Balance at 31 March, 2018	72,30,619	72,30,619
Profit for the year	3,23,01,198	3,23,01,198
Total comprehensive income	**3,23,01,198**	**3,23,01,198**
Balance at 31 March 2019	**3,95,31,817**	**3,95,31,817**

As per our report of even date attached

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

Shrawan

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 20 May 2019

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 20 May 2019

INDOSTAR ASSET ADVISORY PVT. LTD.

IndoStar Asset Advisory Private Limited

Notes to the financial statements for the year ended 31 March 2019
(Currency : Indian Rupees)

1 Corporate Information

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

2 Basis of Preparation and Significant accounting policies

2.1 Basis of Preparation

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

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 and other relevant provisions of the Act, considered as the "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity financial position, financial performance and its cash flows is provided in Note 26.

The financial statements for the year ended on 31 March 2019 with comparative figures for the year ended on 31 March 2018 and Ind AS opening balance sheet as on 1 April 2017 with their relevant notes and disclosures were adopted by the Company's Board of Directors on 20 May 2019.

2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement of assets and liabilities of the Company as on balance sheet dates, within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 24.

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

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

2.3 Significant Accounting Policies

a) Financial Instruments

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

(i) Classification of Financial Instruments

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

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

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

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

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

Business model assessment

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

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

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

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

Solely payment of principal and interest (SPPI) test

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

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

(iii) Initial measurement of financial instruments

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

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

Bank balances and Trade Receivables

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

(v) Reclassification of financial assets and liabilities

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

(vi) Derecognition of financial assets

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

The Company has transferred the financial asset if, and only if, either:

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

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

(vii) Derecognition of Financial liabilities

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

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b) **Fair Value Measurement**

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments as explained in note 21 at fair value on each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

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

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

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

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

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

c) **Property plant and equipments**

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

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

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

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

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

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

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

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d) **Intangible assets**

Recognition and measurement

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

Amortization

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

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

e) **Impairment**

(i) Financial Assets

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

Trade Receivables

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

(iii) Non-financial assets

Intangible assets

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

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

f) **Recognition of income**

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

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

Step 1: Identify contract(s) with a customer

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

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

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

Management Fees:

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

g) **Foreign currency translation**

Functional and presentational currency

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

h) **Provisions**

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

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i) Taxes

(i) Current tax

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

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

(ii) Minimum alternate tax

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

(iii) Deferred tax

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

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

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

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

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

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

j) Earnings Per Share

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

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

2.4 Significant accounting judgements, estimates and assumptions

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

2.5 Standards issued but not yet effective

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company is in the process of analysing the impact of new lease standard on its financial statements.

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Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian Rupees)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 3			
Cash and cash equivalents			
Cash on hand	2,300	2,400	2,400
Balances with banks			
- in current accounts	3,82,55,221	5,40,495	27,37,345
	3,82,57,521	**5,42,895**	**27,39,745**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 4			
Trade receivables			
Receivables considered good - Unsecured	53,10,000	-	-
	53,10,000	-	-

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 5			
Current tax assets (net)			
Advance Tax (net of provision)	2,28,705	16,41,700	9,86,198
	2,28,705	**16,41,700**	**9,86,198**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 7			
Other non-financial assets			
Prepaid expenses	12,18,888	1,30,44,980	2,49,11,072
Advances recoverable in cash or in kind or for value to be received	2,21,118	22,74,012	67,66,655
	14,40,006	**1,53,18,992**	**3,16,77,727**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 8			
Trade payables			
Dues to Micro, small and medium enterprises	-	-	-
Dues to Others	-	97,44,506	1,59,44,703
	-	**97,44,506**	**1,59,44,703**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 9			
Other financial liabilities			
Others	43,22,268	1,09,434	-
	43,22,268	**1,09,434**	-

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 10			
Deferred tax liabilities/(assets)			
Fixed asset: impact of difference between tax depreciation and depreciation /amortization charged for financial reporting year	(2,878)	315	7,821
	(2,878)	**315**	**7,821**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 11			
Non-financial liabilities			
Statutory dues payable	12,85,025	3,36,901	13,42,112
	12,85,025	**3,36,901**	**13,42,112**

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Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian Rupees)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Note 13			
Other equity			
Retained earnings	3,95,31,817	72,30,619	1,80,61,417
	3,95,31,817	**72,30,619**	**1,80,61,417**
13.1 Other equity movement			
Retained earnings			
Opening Balance	72,30,619	1,80,61,417	47,48,498
Add: Transferred from the statement of profit and loss	3,23,01,198	(1,08,30,798)	1,33,12,919
Closing Balance	**3,95,31,817**	**72,30,619**	**1,80,61,417**

12.2 Nature and purpose of reserves

Retained earnings

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

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Notes to the financial statements for the year ended 31 March 2019
(Currency : Indian Rupees)

Note 6
Property, plant and equipment

A. Reconciliation of carrying amount

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2019:

DESCRIPTION	Property, plant and equipment	Total
Deemed Cost as at 1 April 2017	**52,383**	**52,383**
Additions	-	-
Disposals	-	-
Cost as at 31 March 2018	**52,383**	**52,383**
Additions	-	-
Disposals	-	-
Cost as at 31 March 2019 (A)	**52,383**	**52,383**
Accumulated depreciation as at 1 April 2017	-	-
Depreciation charged during the year	34,195	34,195
Disposals	-	-
Accumulated depreciation as at 31 March 2018	**34,195**	**34,195**
Depreciation charged during the year	18,188	18,188
Disposals	-	-
Accumulated depreciation as at 31 March 2019 (B)	**52,383**	**52,383**
Net carrying amount as at 31 March 2019 (A) - (B)	-	-
Net carrying amount as at 31 March 2018	**18,188**	**18,188**
Net carrying amount as at 1 April, 2017	**52,383**	**52,383**

The Company has availed the deemed cost exemption available under Ind AS 101 in relation to the property plant and equipment on the date of transition (1 April 2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2017 under the previous GAAP.

DESCRIPTION	Property, plant and equipment	Total
Gross Block	1,02,596	1,02,596
Accumulated Depreciation	50,213	50,213
Net Block	**52,383**	**52,383**

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Notes to the financial statements for the year ended 31 March 2019
(Currency : Indian Rupees)

Note 12
Equity share capital

a. Details of authorised, issued and subscribed share capital

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
Authorised capital Equity shares of ₹10/- each	1,00,000	10,00,000	1,00,000	10,00,000	1,00,000	10,00,000
Issued, subscribed and fully paid up Equity shares of ₹10/- each fully paid	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
Total	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000

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

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000

c. Particulars of shares held by holding Company

Name of shareholder	Relationship	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		No of equity shares held	Percentage	No of equity shares held	Percentage	No of equity shares held	Percentage
IndoStar Capital Finance Limited	Holding Company	10,000	100%	10,000	100%	10,000	100%

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

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

Name of shareholder	Relationship	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		No of equity shares held	Percentage	No of equity shares held	Percentage	No of equity shares held	Percentage
IndoStar Capital Finance Limited	Holding Company	10,000	100%	10,000	100%	10,000	100%

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

e. Terms/rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the proportionate amount of contribution made by the equity shareholder to the total equity share capital.

f. Objective for managing capital

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

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Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian Rupees)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 14		
Revenue from operations		
Fees and commission income		
- Management fee	27,82,074	59,55,053
- Other fee	5,40,00,000	-
Total	**5,67,82,074**	**59,55,053**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 15		
Other income		
Miscellaneous income	-	52,582
	-	**52,582**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 16		
Impairment on financial instruments		
Impairment on loans measured at amortised cost		
Debts written off (net of recovery)	-	252
	-	**252**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 17		
Depreciation		
Depreciation of property, plant and equipment	18,188	34,195
	18,188	**34,195**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 18		
Other Expenses		
Rates & taxes	23,385	17,041
Printing and stationery	1,050	-
Office expenses	2,52,120	-
Payment to auditors (note below)	1,52,164	1,00,000
Legal & professional charges	1,50,92,592	1,19,02,522
Other shared service costs	6,53,364	47,91,929
	1,61,74,675	**1,68,11,492**
Payment to auditor includes:		
a) as statutory auditors	1,02,164	75,000
b) as tax auditors	50,000	-
c) for certification related matters	-	-
d) for other services	-	25,000
Total	**1,52,164**	**1,00,000**

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Notes to the financial statements for the year ended 31 March 2019
(Currency : Indian Rupees)

Note 19
Income taxes

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax expense		
Current year	82,91,205	-
	82,91,205	**-**
Deferred tax expense		
Origination and reversal of temporary differences	(3,192)	(7,506)
	(3,192)	**(7,506)**
Tax expense for the year	**82,88,013**	**(7,506)**

(b) Amounts recognised in other comprehensive income - Nil

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	**4,05,89,211**	**(1,08,38,304)**
Statutory income tax rate	27.82%	33.06%
Expected income tax expense	1,12,91,919	(35,83,468)
Difference in tax rate due to:		
- Effect of non-deductible expenses	556	5,335
- Effect of b/f loss set off in current year	(30,04,412)	35,70,628
- Others	(50)	-
Total tax expense	**82,88,013**	**(7,506)**
Effective tax rate	**20.42%**	-
Current tax	82,91,205	-
Deferred tax	(3,192)	(7,506)
	82,88,013	**(7,506)**

Deferred tax assets have not been recognised in respect of the following items:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deductible temporary differences [Gross amount]			
Tax losses (adjustable in FY 2025-26)	-	1,07,99,467	-
Tax losses (adjustable in FY 2026-27)	-	-	-
Total	-	**1,07,99,467**	-

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Notes to the financial statements for the year ended 31 March 2019
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Note 19
Income Taxes ...(continued)

(d) Movement in deferred tax balances

	For the year ended 31 March 2019						
	Net balance asset/(liability) 31 March 2018	Recognised in profit/(loss)	Recognised in OCI	Others (Equity)	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liability)							
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting year	(315)	3,192	-	-	2,877	2,877	-
Tax assets (Liabilities)	**(315)**	**3,192**	-	-	**2,877**	**2,877**	-
Set off tax							
Net tax assets	**(315)**	**3,192**	-	-	**2,877**	**2,877**	-

	For the year ended 31 March 2018						
	Net balance asset/(liability) 1 April 2017	Recognised in profit/(loss)	Recognised in OCI	Others (Equity)	Net deferred tax asset/(liability)	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liability)							
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting year	(7,821)	7,506	-	-	(315)	-	315
Tax assets (Liabilities)	**(7,821)**	**7,506**	-	-	**(315)**	-	**315**
Set off tax							
Net tax assets	**(7,821)**	**7,506**	-	-	**(315)**	-	**315**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

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Note 20
Earnings per share (EPS)

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

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i. Profit attributable to equity holders (A)		
Profit attributable to equity holders for basic and diluted EPS	3,23,01,198	(1,08,30,798)
ii. Weighted average number of equity shares for calculating Basic EPS (B)	10,000	10,000
iii. Weighted average number of equity shares for calculating Diluted EPS (C)	10,000	10,000
iii. Basic earnings per share (₹)	3,230.12	(1,083.08)
iv. Diluted earnings per share (₹)	3,230.12	(1,083.08)

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Notes to the financial statements for the year ended 31 March 2019
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Note 21
Financial instruments – Fair values
A. Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

The financial assets and liabilities of the Company are of short term nature which comprises of cash and cash equivalents, trade receivables, trade payables and other financial assets or financial liabilities. Thus, the carrying amount of such financial instruments approximates to their fair value.

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

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

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

Trade Receivables
As on March 31, 2019, the Company has outstanding receivables of Rs. 53,10,000 which pertains to the ageing bucketing of less than 30 days (PY: Rs. Nil FY2018 and Rs. Nil FY2017). The Company has not recognised any provision for expected credit loss considering the past historic record of realisations of the dues from receivables.

Liquidity risk
The Company's principal sources of liquidity are cash and cash equivalents, other bank balances and cash flow generated from business operations. Details of financial liabilities are presented below:

Particulars	Trade Payables	Other financial liabilities
Less than twelve months		
As on 31 March 2019	-	43,22,268
As on 31 March 2018	97,44,506	1,09,434
As on 1 April 2017	1,59,44,703	-

Market risk

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

Interest rate risk

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

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Notes to the financial statements for the year ended 31 March 2019
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Note 22
Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships :

I. Holding Company
IndoStar Capital Finance Limited

II. Fellow Subsidiary
IndoStar Home Finance Private Limited

B. Transactions with related party :

Sr. no.	Particulars	Period ended	Holding Company
1)	Reimbursement of expenses	2019	36,53,364
		2018	47,91,929
2)	Advances taken	2019	-
		2018	21,00,000

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

Sr. no.	Particulars	Period ended	Holding Company
1)	Investment in share capital (including securities premium)	2019	1,00,000
		2018	1,00,000
		2017	1,00,000
2)	Reimbursement of expenses	2019	39,97,903
		2018	76,44,506
		2017	53,25,867
3)	Advances taken	2019	-
		2018	21,00,000
		2017	-

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Notes to the financial statements for the year ended 31 March 2019
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Note 23
Set out below is the disaggregation of the revenue from contracts with customers

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Type of Services or service		
Management fee	27,82,074	59,55,053
Other fee	5,40,00,000	-
Total revenue from contracts with customers	**5,67,82,074**	**59,55,053**
Geographical markets		
India	5,67,82,074	59,55,053
Outside India	-	-
Total revenue from contracts with customers	**5,67,82,074**	**59,55,053**
Timing of revenue recognition		
Services transferred at a point in time	5,67,82,074	59,55,053
Services transferred over time	-	-
Total revenue from contracts with customers	**5,67,82,074**	**59,55,053**

Contract balances

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade receivable	53,10,000	-	-

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Notes to the financial statements for the period ended 31 March 2019
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Note 24
Explanation of transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The financial statements for the current year have been prepared under Ind AS.

The accounting policies set out in note 2 have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the "transition date").

Optional exemptions availed and mandatory exceptions
In preparing the first Ind AS financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and Intangible assets
The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2017).

B. Mandatory Exceptions

1. Estimates
On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:
- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

2. Classification and measurement of financial assets
As permitted under Ind AS 101, Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

As per our report of even date attached

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: 20 May 2019

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

Dhanpal Jhaveri
Director
DIN: 02018124

Pankaj Thapar
Director
DIN: 01225255

Place: Mumbai
Date: 20 May 2019