

## INDEPENDENT AUDITOR'S REPORT

To the Members of IndoStar Home Finance Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of IndoStar Home Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

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

Re: Indostar Home Finance Private Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to 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, employees' state insurance, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.



- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, employees' state insurance, service tax, goods and service tax and cess which have not been deposited on account of any dispute. The provisions relating to sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the 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 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



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

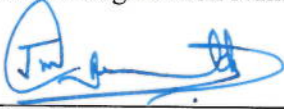
Chartered Accountants

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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E / E300005



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per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

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

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

We have audited the internal financial controls over financial reporting of IndoStar Home Finance Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

**INDOSTAR HOME FINANCE PRIVATE LIMITED**  
**BALANCE SHEET AS MARCH 31, 2018**

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
		Audited	Audited
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	60,00,00,000	10,00,00,000
(b) Reserves and surplus	4	(9,59,02,171)	53,23,267
		<b>50,40,97,829</b>	<b>10,53,23,267</b>
<b>(2) Non-current liabilities</b>			
(a) Other Long term liabilities	5	-	-
(b) Long term provisions	6	23,16,308	-
		<b>23,16,308</b>	<b>-</b>
<b>(3) Current liabilities</b>			
(a) Trade payables			
(i) Dues to Micro, Small and Medium enterprises	20	-	-
(ii) Others		1,03,12,721	8,475
(b) Other current liabilities	5	8,92,46,145	1,32,850
(c) Short-term provisions	6	1,13,319	-
		<b>9,96,72,185</b>	<b>1,41,325</b>
<b>Total</b>		<b>60,60,86,322</b>	<b>10,54,64,592</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	7		
(i) Property, Plant and Equipment		1,19,70,930	-
(ii) Intangible assets		1,38,98,296	-
(iii) Capital work-in-progress		-	-
(b) Long term loans and advances	8	49,94,86,940	-
(c) Other non-current assets	9	11,33,509	1,17,484
		<b>52,64,89,675</b>	<b>1,17,484</b>
<b>(2) Current assets</b>			
(a) Cash and bank balances	10	5,32,74,549	10,43,24,022
(b) Short-term loans and advances	8	1,37,11,622	-
(c) Other current assets	9	1,26,10,476	10,23,086
		<b>7,95,96,647</b>	<b>10,53,47,108</b>
<b>Total</b>		<b>60,60,86,322</b>	<b>10,54,64,592</b>

Significant Accounting Policies

2.1

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

As per our report of even date

For S R Batliboi & Co LLP

ICAI Firm Registration No. 301003E/E300005

Chartered Accountants



per Jayesh Gandhi

Partner

Membership No. 037924



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



Pankaj Thapar

Director

DIN: 01225255



Prashant Joshi

Director

DIN: 06400863



Prashant Shetty

Chief Financial Officer



Priyal Shah

Company Secretary

Mumbai

Date: May 30, 2018

Mumbai

Date: May 30, 2018





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

(Amount in Rupees)

Particulars	Note No.	For the year ended March	For the year ended
		31, 2018	March 31, 2017
		Audited	Audited
<b>Income</b>			
Income from operation	11	2,87,42,662	65,11,911
Other income	12	3,05,149	-
<b>Total</b>		<b>2,90,47,811</b>	<b>65,11,911</b>
<b>Expenditure</b>			
Employee benefit expenses	13	9,17,59,980	-
Provisions for standard assets	14	12,79,501	-
Depreciation and amortisation	7	22,51,429	-
Other expenses	15	3,49,82,339	3,42,213
<b>Total</b>		<b>13,02,73,249</b>	<b>3,42,213</b>
<b>(Loss)/ Profit before taxation</b>		<b>(10,12,25,438)</b>	<b>61,69,698</b>
<b>Provision for taxation</b>			
Current tax		-	19,06,437
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>19,06,437</b>
<b>Net (loss)/profit after taxes</b>		<b>(10,12,25,438)</b>	<b>42,63,261</b>
<b>Earnings per share</b>	16		
Basic (Rs.)		(4.97)	0.43
Diluted (Rs.)		(4.97)	0.43
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. 037924



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



Pankaj Thapar

Director

DIN: 01225255



Prashant Shetty

Chief Financial Officer



Prashant Joshi

Director

DIN: 06400863



Priyal Shah

Company Secretary

Mumbai

Date: May 30, 2018

Mumbai

Date: May 30, 2018





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

**1. Corporate Information**

IndoStar Home Finance Private Limited ('the Company') was incorporated on 1st January 2016. The Company is wholly owned subsidiary of IndoStar Capital Finance Limited. The Company is engaged in housing finance business and registered with National Housing Bank ('NHB') as housing finance company (HFC) without accepting public deposits, as defined under section 29A of the National Housing Bank Act, 1987.

**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 Companies (Accounting Standards) Amendment Rules, 2016 and guidelines issued by the National Housing Bank (NHB) to the extent applicable.

**2.1 Significant Accounting Policies**

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

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

**(b) Use of estimates**

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

**(c) Property, Plant and Equipment /Intangible Assets, Depreciation/Amortisation and Impairment**

**Property, Plant and Equipment**

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

Gains or losses arising from derecognition of PPE 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.

**Depreciation on Property, Plant and Equipment**

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

Particulars	Estimated useful life by the Company	Useful life as prescribed by Schedule II of the Companies Act, 2013
Office Equipments	5 Years	5 Years
Computers	3 Years	3 Years
Servers and networks	5 Years	6 Years

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

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

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.

**Intangible Assets /Amortisation**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Intangible assets are amortised using the straight line method over a period of 3 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least 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.

**Impairment of assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an individual asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In determining net selling price, 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

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



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

(d) **Provisioning / Write-off of assets**  
Provision on standard assets and non-performing assets is made as per the minimum provision specified in the Master Circular - The Housing Finance Companies (NHB) Directions, 2010 and Notification No. NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017.

(e) **Loans**  
Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.

(f) **Leases**  
**Where the Company is the lessee**  
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.

(g) **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.

- i. Income from financing and investing activities is recognised on accrual basis, except in case of income on non-performing assets, if any, which is recognised on receipt basis.
- ii Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii Origination fees is recognised as income on signing of the binding term sheet by the client.

(h) **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 period/year it is incurred.

**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.

**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.  
Accumulated leave which is expected to be utilised within next 12 months is treated as short term compensated absences and the accumulated leave which are carried forward beyond 12 months are treated as long term compensated absences.

(i) **Income tax**  
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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



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

**(j) Segment reporting**

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

**(k) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares, if any, are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events, if any, such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that can change the number of equity shares outstanding, without a corresponding change in resources.

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.

**(l) 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.

**(m) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash on hand, cash at bank including deposits with original maturity of less than three months, cheques on hand and remittances in transit.

**(n) 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.



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

**Note 3- Share capital**

Particulars	Amount in Rupees	
	As at March 31, 2018 Audited	As at March 31, 2017 Audited
<b>Authorised</b> 7,00,00,000 (March 31, 2017: 1,05,00,000) Equity Shares of Rs.10/- each	70,00,00,000	10,50,00,000
	<b>70,00,00,000</b>	<b>10,50,00,000</b>
<b>Issued, subscribed and paid</b> <b>Equity Shares</b> 1,50,00,000 (March 31, 2017: 1,00,00,000) Equity shares of Rs. 10/- each fully paid up 5,00,00,000 (March 31, 2017: NIL) Equity shares of Rs. 10/- each, partly paid Rs. 9 each	15,00,00,000 45,00,00,000	10,00,00,000 -
<b>Total</b>	<b>60,00,00,000</b>	<b>10,00,00,000</b>

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	Amount in Rupees	Numbers of shares	Amount in Rupees
Shares outstanding at the beginning of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued during the year (fully paid Rs. 10 each)	50,00,000	5,00,00,000	-	-
Issued during the year (partly paid Rs. 9 each)	5,00,00,000	45,00,00,000	-	-
<b>Shares outstanding at the end of the year</b>	<b>6,50,00,000</b>	<b>60,00,00,000</b>	<b>1,00,00,000</b>	<b>10,00,00,000</b>

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

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

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

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

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs. 10/- each IndoStar Capital Finance Limited	6,50,00,000	100	1,00,00,000	100

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



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

**Note 4- Reserves and Surplus**

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987</b>		
Balance as per last Balance Sheet	8,52,652	-
Add: Transfer from surplus balance in statement of profit and loss	-	8,52,652
<b>Closing balance</b>	<b>8,52,652</b>	<b>8,52,652</b>
<b>Surplus in Statement of profit and loss</b>	<b>44,70,615</b>	<b>10,60,006</b>
(Less)/Add: (Loss)/Profit for the current year	(10,12,25,438)	42,63,261
Less: Appropriations		
Transfer to statutory reserve as per Section 29C of the National Housing Bank Act, 1987	-	(8,52,652)
<b>Net (loss)/surplus in the statement of profit and loss</b>	<b>(9,67,54,823)</b>	<b>44,70,615</b>
<b>Total</b>	<b>(9,59,02,171)</b>	<b>53,23,267</b>

**Notes 5- Other Liabilities**

Particulars	<i>Amount in Rupees</i>			
	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
Employee benefits payable	-	1,20,00,000	-	-
Book Overdraft	-	5,45,33,375	-	-
Other liabilities (includes statutory liabilities)	-	2,27,12,770	-	1,32,850
<b>Total</b>	<b>-</b>	<b>8,92,46,145</b>	<b>-</b>	<b>1,32,850</b>

**Notes 6- Provision**

Particulars	<i>Amount in Rupees</i>			
	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
Provision for Standard Assets	12,45,258	34,243	-	-
Provision for Gratuity	3,63,756	1,566	-	-
Provision for Leave Encashment	7,07,294	77,510	-	-
<b>Total</b>	<b>23,16,308</b>	<b>1,13,319</b>	<b>-</b>	<b>-</b>



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

**Note 7- Fixed assets**

(Amount in Rupees)

Particulars	Property, Plant and Equipment				Intangible Assets	Total Assets
	Audited				Audited	
	Computers	Office Equipment	Leasehold Improvement	Total	Software	
<b>Gross Block</b>						
As at March 31, 2016	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-	-
Additions	1,04,43,784	7,39,111	22,24,402	1,34,07,297	1,47,13,358	2,81,20,655
Deletions	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>1,04,43,784</b>	<b>7,39,111</b>	<b>22,24,402</b>	<b>1,34,07,297</b>	<b>1,47,13,358</b>	<b>2,81,20,655</b>
<b>Depreciation</b>						
As at March 31, 2016	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-	-
Additions	12,79,703	37,608	1,19,056	14,36,367	8,15,062	22,51,429
Deletions	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>12,79,703</b>	<b>37,608</b>	<b>1,19,056</b>	<b>14,36,367</b>	<b>8,15,062</b>	<b>22,51,429</b>
<b>Net Block</b>						
As at March 31, 2018	91,64,081	7,01,503	21,05,346	1,19,70,930	1,38,98,296	2,58,69,226
As at March 31, 2017	-	-	-	-	-	-





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

**Note 8- Loans and advances**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
<b>Secured, considered good</b>				
Loans and advances relating to financing activity	49,81,03,214	1,36,97,222	-	-
<b>Unsecured, considered good</b>				
Security deposits	13,83,726	14,400	-	-
<b>Total</b>	<b>49,94,86,940</b>	<b>1,37,11,622</b>	<b>-</b>	<b>-</b>

**Note 9- Other assets**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
Interest accrued but not due on loans	-	30,36,499	-	-
Interest accrued on fixed deposits with banks	-	3,54,766	-	9,94,399
Advances recoverable in cash or in kind or for value to be received	-	92,19,211	-	28,687
Advance Tax (net of provision)	11,33,509	-	1,17,484	-
<b>Total</b>	<b>11,33,509</b>	<b>1,26,10,476</b>	<b>1,17,484</b>	<b>10,23,086</b>

**Notes 10- Cash and bank balances**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
<b>Cash and cash equivalents</b>				
i) Balances with scheduled banks in:				
Current accounts		2,42,74,549	-	23,24,022
Deposits with original maturity of less than three months	-	2,90,00,000	-	10,20,00,000
<b>Total</b>	<b>-</b>	<b>5,32,74,549</b>	<b>-</b>	<b>10,43,24,022</b>



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

**Note 11- Income from Operations**

*Amount in Rupees*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Interest income on loans	77,16,015	-
Interest income on fixed deposits with bank	66,35,630	65,11,911
Origination Fees	1,43,91,017	-
<b>Total</b>	<b>2,87,42,662</b>	<b>65,11,911</b>

**Note 12- Other Income**

*Amount in Rupees*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Miscellaneous Income	3,05,149	-
<b>Total</b>	<b>3,05,149</b>	<b>-</b>

**Note 13- Employee benefit expenses**

*Amount in Rupees*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Salaries, other allowances and bonus	8,58,89,421	-
Gratuity expenses	3,65,322	-
Leave encashment	7,97,962	-
Contribution to provident and other funds	16,10,769	-
Staff welfare expenses	4,55,225	-
Employee benefit shared service costs	26,41,281	-
<b>Total</b>	<b>9,17,59,980</b>	<b>-</b>

**Note 14- Provisions for standard assets**

*Amount in Rupees*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Provision for Standard Assets	12,79,501	-
<b>Total</b>	<b>12,79,501</b>	<b>-</b>

**Note 15- Other expenses**

*Amount in Rupees*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Rent	13,56,628	-
Rates & taxes	60,80,917	29,619
Payment to auditor	-	-
- Audit fees	1,58,997	1,00,000
Professional & Legal Fees	1,40,38,613	2,10,250
Travel Expenses	55,46,772	-
Commission & Brokerage	8,66,627	-
Communication Expenses	3,23,758	-
Printing & Stationary	8,90,346	-
Office Expenses	15,28,302	2,344
Electricity Expenses	3,25,023	-
Shared service costs	38,66,356	-
<b>Total</b>	<b>3,49,82,339</b>	<b>3,42,213</b>



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

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

**Note 16- Earnings per share**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Net Profit after tax as per profit and loss account Amount in Rupees (A)	(10,12,25,438)	42,63,261
Weighted average number of equity shares for calculating Basic EPS (B)	2,03,83,561	1,00,00,000
Weighted average number of equity shares for calculating Diluted EPS (C)	2,03,83,561	1,00,00,000
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	(4.97)	0.43
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	(4.97)	0.43

**Note 17- Related party disclosure**

**Names of related parties where control exists irrespective of whether transactions have occurred or not:**

<b>Holding Company</b>	IndoStar Capital Finance Limited
<b>Fellow Subsidiary</b>	IndoStar Asset Advisory Private Limited

**Names of other related parties:**

<b>Key Managerial Personnel</b>	Shreejit Menon -Whole Time Director (since 19th March, 2018)
	Prabhat Tripathy -Whole Time Director (since 19th March, 2018)

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

*Amount in Rupees*

Name of related party & nature of relationship	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
<b>Holding Company</b> IndoStar Capital Finance Limited	Infusion of share capital	50,00,00,000	-
	Advances Taken	8,55,034	-
	Reimbursement of Expenses	59,70,308	-
<b>Key managerial personnel</b> Shreejit Menon	Remuneration paid	3,09,788	-
	Expenses reimbursed	2,755	-
Prabhat Tripathy	Remuneration paid	3,99,573	-
	Expenses reimbursed	16,274	-

**II. Balance as at year end**

*Amount in Rupees*

Name of related party & nature of relationship	Particulars	As at March 31, 2018	As at March 31, 2017
		Audited	Audited
<b>Holding Company</b> IndoStar Capital Finance Limited	Share capital	60,00,00,000	10,00,00,000
	Advances Taken	8,55,034	-
	Reimbursement of Expenses payable	69,25,557	-
<b>Key managerial personnel</b> Prabhat Tripathy	Reimbursement of Expenses payable	6,790	-



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

**Note 18- Contingent liabilities and Commitments**

Capital and other commitments	<i>Amount in Rupees</i>	
	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>Contingent liabilities:</b>		
Pending Litigation with Income Tax Authorities	-	-
<b>Capital and other commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account	52,60,000	-
Loans sanctioned not yet disbursed	3,56,04,917	-

**Note 19- 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.13,566,28. The non-cancellable operating lease agreements are for a period of 11 months to 36 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 :

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
<b>Minimum Lease Payments:</b>		
Not later than one year	34,37,357	-
Later than one year but not later than five years	35,86,035	-
Later than five years	-	-

**Note 20- Dues to Micro, Small and Medium enterprises as per MSMED Act, 2006**

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises, as no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

Particulars	<i>Amount in Rupees</i>	
	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier 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	-	-



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

**Note 21 - Gratuity and other post-employment benefit plans:**

The Company has an unfunded 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.

Based on AS 15 'Employee Benefits' notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, the following disclosures have been made as required by the standard:

**Profit and loss account**

Net employee benefit expense (recognized in employee cost)

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Current service cost	3,65,322	-
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	-	-
Past service cost	-	-
Adjustment in respect of interest not credited in the previous year	-	-
<b>Net benefit expense</b>	<b>3,65,322</b>	<b>-</b>

**Balance sheet**

Details of Provision for gratuity

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Defined benefit obligation	(3,65,322)	-
Fair value of plan assets	-	-
Less: Unrecognised past service cost	-	-
<b>Plan asset / (liability)</b>	<b>(3,65,322)</b>	<b>-</b>

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

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Opening defined benefit obligation	-	-
Interest cost	-	-
Current service cost	3,65,322	-
Benefits paid	-	-
Actuarial (gains) / losses on obligation	-	-
<b>Closing defined benefit obligation</b>	<b>3,65,322</b>	<b>-</b>

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

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Discount Rate	7.50%	-
Increase in compensation cost	6.00%	-
Withdrawal Rates	10% at younger ages reducing to 6% at older ages	-

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.

Amounts for the Current and previous years are as follows:

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	Audited	Audited	Audited
Defined benefit obligation	3,65,322	-	-
Plan assets	-	-	-
Surplus / (deficit)	(3,65,322)	-	-
Experience adjustments on plan liabilities	-	-	-
Experience adjustments on plan assets	-	-	-



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

Note 22 - Disclosures Pursuant to the Master Circular - Housing Finance Companies - Corporate Governance (NHB) Direction, 2016

**I. Capital**

Particulars	As at March 31, 2018	As at March 31, 2017
(i) CRAR (%)	209.3	3,67,146.3
(ii) CRAR – Tier I Capital (%)	208.8	3,67,146.3
(iii) CRAR – Tier II Capital (%)	0.5	-
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

**II. Reserve Fund u/s 29C of NHB Act, 1987**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	8,52,652	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	8,52,652	-
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	-	8,52,652
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
<b>Less:</b>		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	8,52,652	8,52,652
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	8,52,652	8,52,652

**III. Investments**

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>1. Value of Investments</b>		
(i) Gross value of Investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	-	-
(b) Outside India	-	-
<b>2. Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-



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

**IV. Derivatives**

**1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

**2. Exchange Traded Interest Rate (IR) Derivative**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

**3. Disclosures on Risk Exposure in Derivatives**

**Quantitative Disclosure**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	
	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
(ii) Marked to Market Positions	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

**V. Securitisation**

**1. Details of Securitisation**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	
1. No of SPVs sponsored by the HFC for securitisation transactions	-	
2. Total amount of securitised assets as per books of the SPVs sponsored	-	
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	-	
(I) Off-balance sheet exposures towards Credit Enhancements	-	
(II) On-balance sheet exposures towards Credit Enhancements	-	
Amount of exposures to securitisation transactions other than MRR	-	
4. other than MRR	-	
(I) Off-balance sheet exposures towards Credit Enhancements	-	
a) Exposure to own securitizations	-	
b) Exposure to third party securitisations	-	
(II) On-balance sheet exposures towards Credit Enhancements	-	
a) Exposure to own securitisations	-	
b) Exposure to third party securitisations	-	



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

**2. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

**3. Details of Assignment transactions undertaken by HFCs**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts assigned	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

**4. Details of non-performing financial assets purchased / sold**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
<b>A. Details of non-performing financial assets purchased:</b>		
(a) Number of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
(a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-
<b>B. Details of Non-performing Financial Assets sold:</b>		
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-





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

**VI. Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)**

(Amount in Rupees)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
<b>Liabilities</b>											
Borrowings from Bank	-	-	-	-	-	-	-	-	-	-	-
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	7,91,842	11,44,106	10,45,403	33,33,844	73,82,028	3,39,30,771	4,15,54,895	4,96,26,072	9,38,01,906	27,91,89,570	51,18,00,436
Investments	-	-	-	-	-	-	-	-	-	-	-



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

**VII. Exposure**

**1. Exposure to Real Estate Sector**

Category	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
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 15 lakh may be shown separately)	50,62,88,927	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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;	55,59,361	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial Real Estate	-	-
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

**2. Exposure to Capital Market**

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
(i) 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;	-	-
(ii) 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;	-	-
(iii) 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;	-	-
(iv) 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;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) 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;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	-	-

3. Details of financing of parent company products: None

4. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC:

The Company has not exceeded the Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financials year/period.

5. Unsecured Advances : None

**VIII. Miscellaneous**

1. Registration obtained from other financial sector regulators : None

2. Disclosure of Penalties Imposed by NHB and other regulators : None

3. Related party Transactions : Refer Note 17

4. Rating assigned by Credit Rating Agencies and migration of rating during the year:

Instrument	Credit Rating Agency	As at March 31, 2018	As at March 31, 2017
Commercial Paper	CARE	A1+	-
	ICRA	A1+	-

5. Remuneration of Directors : None



INDOSTAR HOME FINANCE PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

IX. Additional Disclosures

1. Provisions and Contingencies

(Amount in Rupees)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2018	As at March 31, 2017
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	-	19,06,437
3. Provision towards NPA	-	-
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	12,79,501	-
5. Other Provision and Contingencies (with details)	-	-

(Amount in Rupees)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Standard Assets</b>				
a) Total Outstanding Amount	51,48,36,935	-	-	-
b) Provisions made	12,79,501	-	-	-
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>Loss Assets</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>TOTAL</b>				
a) Total Outstanding Amount	51,48,36,935	-	-	-
b) Provisions made	12,79,501	-	-	-

2. Draw Down from Reserves : None

3. Concentration of Public Deposits, Advances, Exposures and NPAs

3a. Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-

3b. Concentration of Loans & Advances

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Loans & Advances to twenty largest borrowers	6,73,18,516	-
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	13%	-

3c. Concentration of all Exposure (including off-balance sheet exposure)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers / customers	6,78,12,359	-
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12%	-

3d. Concentration of NPAs

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to top ten NPA accounts	-	-

3e. Sector-wise NPAs

(Amount in Rupees)

Sector	As at March 31, 2018	As at March 31, 2017
Percentage of NPAs to Total Advances in that sector		
<b>A. Housing Loans:</b>		
1. Individuals	-	-
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
<b>B. Non-Housing Loans:</b>		
1. Individuals	-	-
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-



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

**4. Movement of NPAs**

Particulars	<i>(Amount in Rupees)</i>	
	As at March 31, 2018	As at March 31, 2017
(I) Net NPAs to Net Advances (%)	-	-
(II) Movement of NPAs (Gross)		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
(III) Movement of Net NPAs		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	-	-
b) Provisions made during the year	-	-
c) Write-off/write-back of excess provisions	-	-
d) Closing balance	-	-

**5. Overseas Assets : None**

**6. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) : None**

**X. Customers Complaints**

Particulars	As at March 31, 2018	As at March 31, 2017
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	3	-
c) No. of complaints redressed during the year	3	-
d) No. of complaints pending at the end of the year	-	-



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

**Note 23- Previous years comparative**

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

As per our report of even date

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

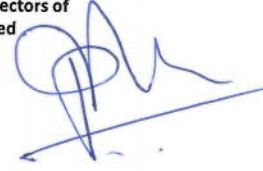


**per Jayesh Gandhi**  
Partner  
Membership No. 037924

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



**Pankaj Thapar**  
Director  
DIN: 01225255



**Prashant Joshi**  
Director  
DIN: 06400863



**Prashant Shetty**  
Chief Financial Officer



**Priyal Shah**  
Company Secretary

Mumbai  
Date: May 30, 2018

Mumbai  
Date: May 30, 2018

