

INDOSTAR CAPITAL FINANCE LIMITED

(CIN: L65100MH2009PLC268160)

(the "Company" or the "Issuer") was incorporated under the Companies Act, 1956

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SHELF DISCLOSURE DOCUMENT CONTAINING DISCLOSURE AS PER SCHEDULE I OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND PRIVATE PLACEMENT OFFER LETTER PURSUANT TO SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, FOR ISSUE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT

PRIVATE PLACEMENT OF UPTO 10,000 SERIES XXXIII SECURED/UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDS") OF THE FACE VALUE OF INR 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, FOR CASH, AGGREGATING UPTO INR 10,00,00,00,000/- (RUPEES ONE THOUSAND CRORE ONLY) TO BE ISSUED IN ONE OR MORE TRanches ("THE ISSUE").

NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS ARE DECLARED AS WILFUL DEFAULTER.

General Risk

Investment in debt instruments involves a degree of risk and investors should invest funds in the Issue only after reading this Shelf Disclosure Document carefully. For taking investment decision, investors must rely on their own examination of IndoStar Capital Finance Limited ("Issuer"), this Shelf Disclosure Document including any Addendum to this Shelf Disclosure Document issued in pursuance thereof and the Issue including the risk involved. The Issue has not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the information contained herein.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Disclosure Document contains all the required information with regards to the Issue and the Issuer. Further, the information contained in this Shelf Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Shelf Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Credit Rating


CARE Ratings Limited has assigned a rating of 'CARE AA-; Positive' and 'CARE PP-MLD AA-; Positive' (market linked debentures) and India Ratings & Research Private Limited has assigned 'IND AA-/Stable' to the issue of Debentures. Instruments with this rating are considered to offer high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The above rating is not a recommendation to buy, sell or hold Debentures and investors should take their own decisions. The rating may be subject to suspension or revision or withdrawal at any time by the assigning rating agency on the basis of new information being made available. Each rating should be evaluated independent of any other rating.

Listing

Debentures offered through this Shelf Disclosure Document are proposed to be listed on the Wholesale Debt Market Segment of BSE Limited (BSE). The Issuer has obtained an in-principle approval from BSE for listing of the Debentures vide letter ref. DCS/COMP/SB/IP-PDI/310/18-19 dated February 21, 2019.



DEBENTURE TRUSTEE	REGISTRAR AND TRANSFER AGENT
 IDBI Trusteeship Services Ltd IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai - 400 001 Tel: +91 22 40807000 Fax: +91 22 66311776 Website: www.idbitrustee.com Contact Person: Mr. Jatin Bhat Email: itsl@idbitrustee.com	LINK Intime Link Intime India Private Limited C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg Vikhroli, (West), Mumbai - 400 083 Tel: +91 22 49186200 Fax: +91 22 49186195 Website: www.linkintime.co.in Contact Person: Mr. Ganesh Jadhav Email: ganesh.jadhav@linkintime.co.in SEBI Registration No. : INR000004058

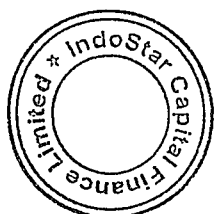
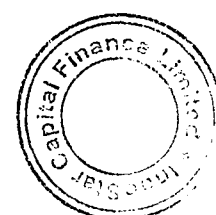


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SECTION I

IMPORTANT NOTICE AND DISCLAIMERS

This Shelf Disclosure Document for the issue of Debentures on Private Placement basis (the "Document" or the "Shelf Document") will be provided to potential Investors along with relevant Addendum in relation to the issue of the Debentures by the Company.

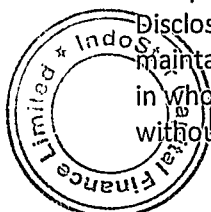
This Shelf Disclosure Document is neither a "Prospectus" nor a "Statement in Lieu of Prospectus" and is prepared in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations 2012 and with the applicable provisions relating to private placement offer letter under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable laws, rules, regulations and guidelines. This Shelf Disclosure Document has not been submitted with SEBI for its approval. This Shelf Disclosure Document is intended for private use and should not be construed to be a prospectus and/or an invitation to the public or a section of the public for subscription to the Debentures under any Laws for the time being in force. This requirement is for the exclusive use to whom it is delivered and it should not be circulated or distributed to any third party(ies).

Apart from this Shelf Disclosure Document, no other offer document or prospectus has been prepared in connection with the offering of this Issue nor is such a prospectus required to be registered under applicable laws. Accordingly, this Shelf Disclosure Document has neither been delivered for registration nor is it intended to be registered under the applicable laws.

All the information contained in this Shelf Disclosure Document has been supplied by or on behalf of the Company and the Company confirms that the Company has taken reasonable care to ensure that the information is true and accurate in all material respects as at the date of this Shelf Disclosure Document and does not contain any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein that would be in the light of circumstances under which they are made, and are not misleading. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Shelf Disclosure Document or in any material made available by the Company to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The contents of this Shelf Disclosure Document are intended to be used only by those potential Investors to whom it is issued. It is not intended for distribution to any other person and should not be distributed or reproduced by any such potential Investor.

No invitation is being made to any persons other than those to whom Application Forms along with this Shelf Disclosure Document and relevant Addendum to this Shelf Disclosure Document is being sent. Any application by a person to whom this Shelf Disclosure Document along with the relevant Addendum to this Shelf Disclosure Document and/ or the Application Form has not been sent by the Company shall be rejected without assigning any reason. The person in receipt of this Shelf Disclosure Document along with the relevant Addendum to this Shelf Disclosure Document shall maintain utmost confidentiality regarding the contents therein and shall not reproduce or distribute in whole or in part or make any announcement in public or to any third party regarding its contents, without the prior written consent of the Issuer.



The purpose of this Shelf Disclosure Document is to provide general information about the Company and to assist recipients, who are willing and eligible to invest in the Debentures. This Shelf Disclosure Document does not purport to contain all the information that any potential Investor may require. This Shelf Disclosure Document is not intended to provide the basis of any credit decision or other evaluation and should not be regarded; firstly as a recommendation to any recipient to participate in the Debentures and secondly any recipient of this Shelf Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each potential Investor should perform his / its own independent investigation of the financial condition and affairs of the Company, and his / its own appraisal of the creditworthiness of the Company. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and such potential Investors should possess the appropriate resources to analyse such investment and the suitability of such investment to their respective particular circumstances based upon whatever investigations it deems necessary. This Shelf Disclosure Document shall not be considered as a recommendation to purchase the Debentures and the recipients are urged to determine, investigate and evaluate for themselves the authenticity, origin, validity, accuracy, completeness, adequacy or otherwise the relevance of the information contained in this Shelf Disclosure Document. It is the responsibility of the investors / potential Investors to also ensure that they will sell these Debentures in strict accordance with this Shelf Disclosure Document and other applicable Laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013 and other applicable law.

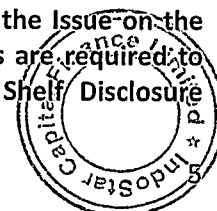
This Shelf Disclosure Document is confidential and is made available only to the potential Investors of the Debentures on the understanding that it is confidential. Recipients are not entitled to use any of the information contained in this Shelf Disclosure Document for any purpose other than in assisting to decide whether or not to participate in the Issue.

Each person receiving this Shelf Disclosure Document acknowledges that:

- such person has been accorded an opportunity to request and to review and has received all additional information considered by a person to be necessary to verify the accuracy of or to supplement the information herein; and
- such person has not relied on the Arranger and / or its affiliates that may be associated with the Debentures in connection with its investigation of the accuracy of such information or its investment decision.

This Shelf Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Shelf Disclosure Document in any jurisdiction where such action is required. The distribution of this Shelf Disclosure Document in certain jurisdictions may be restricted by Laws. Recipients of this Shelf Disclosure Document are required by the Company to inform themselves about and to observe any such restrictions. No liability to any person is accepted by the Company and/or its affiliates in relation to the distribution of this Shelf Disclosure Document in any jurisdiction.

This Shelf Disclosure Document is made available to the potential Investors to the Issue on the strict understanding that it is confidential. All Investors and potential Investors are required to comply with the relevant regulations/ guidelines applicable to them. This Shelf Disclosure



Document is not intended for distribution to any other person and should not be reproduced by the recipient.

The Issuer and its Directors have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

DISCLAIMER CLAUSE OF SEBI AND THE STOCK EXCHANGE

A copy of this Shelf Disclosure Document has not been filed with or submitted to SEBI for their approval. It is distinctly understood that this Shelf Disclosure Document should not in any way be deemed or construed to have been approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this Shelf Disclosure Document.

As required, a copy of this Shelf Disclosure Document for the issue of Debentures on private placement basis has been filed with the Wholesale Debt Market Segment of BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012, amended from time to time, ("**SEBI Debt Listing Regulations**") and all other provisions of applicable law.

It is to be distinctly understood that submission of this Shelf Disclosure Document to the BSE should not in any way be deemed or construed to mean that the Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Disclosure Document, nor does it warrant that the Debentures will be listed or will continue to be listed on the BSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

DISCLAIMER CLAUSE OF RBI

The Issuer is having a valid Certificate of Registration dated January 20, 2016 issued by the Reserve Bank of India ("**RBI**") under section 45IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liabilities by the Company. Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the RBI and by issuing the Certificate of Registration to the Company, the RBI neither accepts any responsibility nor guarantee for the payment of the deposit amount to any depositor.

DISCLAIMER IN RESPECT TO JURISDICTION

The Issue is made in India to investors who shall be specifically approached by the Issuer. This Shelf Disclosure Document does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals in Mumbai. This Shelf Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.



DISCLAIMER OF THE ARRANGER

It is advised that the Issuer has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Shelf Disclosure Document. The role of the Arranger, if any, in the assignment will be confined to marketing and placement of the Debentures on the basis of this Shelf Disclosure Document read with any Addendum thereto as prepared by the Issuer. The Arranger has neither scrutinized / vetted nor has it done any due-diligence for verification of the contents of this Shelf Disclosure Document or any Addendum thereto. The Arranger shall use this Shelf Disclosure Document along with any Addendum thereto for the purpose of soliciting subscription to eligible investors in the Debentures to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this Shelf Disclosure Document along with any Addendum thereto by the Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Disclosure Document along with any Addendum thereto; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. The Arranger or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Shelf Disclosure Document along with any Addendum thereto.

DEBENTURE DOCUMENTS

Notwithstanding any provision or statement to the contrary but subject to the disclosures made in the Self Disclosure Document read with any Addendum thereto, no statement, provision, information or fact contained in this Shelf Disclosure Document shall result in any defence, disclaimer or waiver or excuse of any obligation or liability of the Issuer or any of the obligors under the Self Disclosure Document read with any Addendum thereto.

CAUTIONARY NOTE

No person including any employee of the Issuer has been authorized to give any information or to make any representation not contained in this Shelf Disclosure Document. Any information or representation not contained herein must not be relied upon as having being authorized by or on behalf of the Issuer. Neither the delivery of this Shelf Disclosure Document at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/ representation contained herein is correct at any time subsequent to the date of this Shelf Disclosure Document. The distribution of this Shelf Disclosure Document or the Application Forms and the offer, sale, pledge or disposal of the Debentures may be restricted by law in certain jurisdictions.



SECTION II

RISK FACTORS AND ASSUMPTIONS

A. RISK FACTORS

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations in respect of the Debentures issued under this Shelf Disclosure Document. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below also represent the principal risks inherent in investing in Debentures issued under this Shelf Disclosure Document, but the inability of the Issuer, as the case may be, to pay coupon, principal or other amounts on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive.

Investors should consider the following risk factors carefully before making any decision to invest in the NCDs issued under this Self Disclosure Document.

The risks described below may not be the only risk we may face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows.

Unless specified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risks mentioned herein below.

INTERNAL RISKS

1. Repayment of principal or coupon is subject to the credit risk of the Company

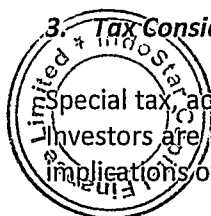
Investors should be aware that receipt of the principal amount, coupon amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company and the potential Investors assume the risk that the Issuer may not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

2. No Debenture Redemption Reserve

Pursuant to the Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, companies which are registered as non-banking financial companies (NBFCs) with the RBI are not required to create a debenture redemption reserve for any privately placed debentures. Accordingly, no debenture redemption reserve is being created for the present Issue.

3. Tax Considerations and Legal Considerations

Special tax accounting and legal considerations may apply to certain types of Investors. Prospective Investors are urged to consult with their own tax and legal advisors to determine any tax and legal implications of investment in Debentures.



4. *We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to vary and consequently affect our profitability.*

Our results of operations depend substantially on the level of our net interest income, which is the difference between our interest and other income charges, and interest expense and other borrowing costs. Any change in interest rates would affect our interest expense on our floating interest-bearing liabilities as well as our net interest income and net interest margins. Any increase in our cost of funds may lead to a reduction in our net interest margin, or require us to increase interest rates on loans disbursed to customers in the future to maintain our net interest margin.

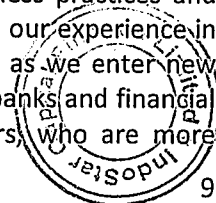
Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds or lower cost deposits. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, we currently do not enter into any interest rate hedging instruments to protect against interest rate volatility. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

5. *We have expanded into new lines of business and if we are unable to successfully run the new businesses profitably, our results of operations and financial condition may be affected.*

As part of our growth strategy, we have also added additional products to our portfolio such as vehicle finance. We have limited or no experience in some of the recently launched products and business verticals which are partly targeted at a slightly different borrower segment. Our current strategy is to gain market share in strategically-selected target businesses, customer segments and geographies, however, there can be no assurance that we will be able to continue to successfully implement our strategy. If we grow our Total Credit Exposure too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have an adverse effect on the quality of our assets and our financial condition.

Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more



familiar with local regulations, business practices and customs, and may have stronger relationships with target customers. For instance, a number of states in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether NBFCs are required to comply with provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. If it is judicially determined or clarified by relevant authorities that such statutes apply to NBFCs, our expansion in such states could be hindered.

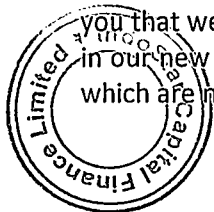
As we expand our geographic footprint, our business may be exposed to additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no existing relationship; successfully marketing our products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations may adversely affect our business, financial condition and results of operations.

6. We have experienced significant growth in recent years and we may not be able to sustain our growth or manage it effectively.

We have experienced significant growth in recent years. Sustained growth puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations.

We also intend to continue to increase and diversify our customer base and delivery channels. With the launch of new businesses, particularly vehicle finance businesses, we have significantly increased the scope of our branch network and we intend to continue to add new branches over the next few years. While historically most of our operations were focused in Western India, we intend to further increase our penetration in the western and northern states of India as well as certain regions in India where we historically had limited operations, such as the central part of India. Our recently launched vehicle finance business will focus on southern India as its primary target market.

Such further expansion will increase the size of our business and the scope and complexity of our operations and will involve significant start-up costs to establish such branches. We may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all and may not be able to reflect improvement in other indicators of financial performance from the expansion. In addition, the growth and contribution to our revenue from new branches may be slower or smaller compared to the rest of our business. We may not be able to identify real estate to lease for new branches in a cost effective manner or without delays or relocate branches that do not meet our standards of success, including profitability, to desirable locations. We cannot assure you that we will be successful in achieving our target benchmark level of efficiency and productivity in our new branches and our success will depend on various internal and external factors, some of which are not under our control.



As a consequence of a larger branch network, we may also be exposed to certain additional risks, including:

- difficulties arising from operating a larger and more complex organization;
- the failure to manage a geographically-diverse branch presence and to efficiently and optimally allocate management, technology and other resources across our branch network;
- the failure to manage third-party service providers in relation to any outsourced services;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- difficulties in hiring skilled personnel in sufficient numbers to operate the new branches locally and management to supervise such operations from centralized locations;
- the failure to compete effectively with competitors in new locations;
- the failure to maintain the level of customer service in the new branches, which may adversely affect our brand and reputation;
- higher technology support services cost and operational risks;
- difficulties arising from coordinating and consolidating corporate and administrative functions, including integration of internal controls and procedures; and
- unforeseen legal, regulatory, property, labour or other issues.

7. Any disruption in our sources of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including bank loans and working capital facilities, non-convertible debentures, commercial paper and equity. Our business depends and will continue to depend on our ability to access a variety of funding sources. Our ability to raise funds at competitive rates depends on various factors including our current and future results of operations and financial condition, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy.

Presently, we depend on banks as a primary source of our borrowings. There are restrictions imposed by the RBI through a Master Circular – Bank Finance to Non-Banking Financial Companies dated July 1, 2015, as amended (the “Master Circular”), which may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills; current and long term investments in shares, debentures, etc., loans and advances by NBFCs to their subsidiaries and group companies; unsecured loan / inter-corporate deposits to any other Companies, ending by NBFCs to individuals for subscribing to initial public offerings and purchasing shares from the secondary market; unsecured loans and inter-corporate deposits provided by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long term funds from the market by way of capital, deposits, or other means to any NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans thereby guaranteeing refund of deposits or loans accepted by NBFCs.

The restriction covers all types of deposits and loans irrespective of their source, including deposits and loans received by NBFCs from trusts and other institutions. The Master Circular also requires that guarantees should not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs. The Master Circular also provides that the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC, which is not predominantly engaged in lending against collateral of gold jewellery, should not exceed 10.0%, of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on such a single NBFC up to 15.0%, of their capital funds, provided that the exposure in excess of 10.0% is on account of funds on-lent by the NBFC to the infrastructure sector.

Changes in economic, regulatory and financial condition or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition.

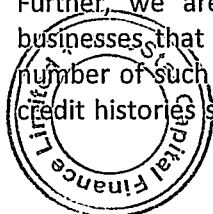
8. Our business may be adversely affected if we are unable to provide for higher levels of NPAs.

Our Company is required to adhere to provisioning requirements related to advances (standard and / or non-performing) made by it pursuant to the Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended ("Master Directions"). Further, our Subsidiary, IndoStar Home Finance Private Limited, is required to make provision for advances (standard and / or non-performing) in accordance with the Housing Finance Companies (NHB) Directions, 2010. In case of rise in level of non-performing assets the Company / IndoStar Home Finance Private Limited will be required to provide for such assets at increased rates which may adversely affect our business, financial condition and results of operations.

9. We depend on the accuracy and completeness of information about customers and counterparties, shared by them or on behalf of them, for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Further, we are increasing our focus on self-employed and middle income individuals and businesses that have limited or no access to formal banking and finance channels. A significant number of such customers maybe first time buyers of financial products and often may not have credit histories supported by tax returns and other documents that would enable us to accurately



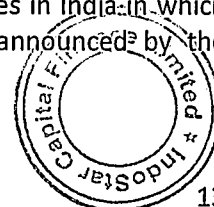
assess their creditworthiness. We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we are required to conduct credit checks of all our customers, including with credit bureaus, conduct site-visits (wherever relevant) and personal discussions, there can be no assurance that such credit information will be accurate or comprehensive. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could adversely affect our business prospects, financial condition and results of operations.

10. We have significant exposure to certain sectors and to certain borrowers and if these exposures become non-performing, such exposures could increase the level of non-performing assets in our portfolio and affect our business, future financial performance and results of operations and the quality of our asset portfolio.

Our Company has significant exposure in real estate, financial services and infrastructure sectors in India and may continue to have significant concentration of loans in these sectors. Further, as we execute our current growth strategy, we will have increased exposure to the transportation sector. Any significant negative trends or financial difficulties in this sector could increase the level of non-performing assets in our portfolio and may adversely affect our business, financial performance and results of operations.

Our real estate finance loans typically have higher average loan sizes in comparison to our other loan products. Furthermore, real estate finance loans may be exposed to risks related to time and cost overruns and related increases. Factors such as third party performance risks, delays in obtaining the requisite approvals, environmental risks, changes in market conditions, changes in government or regulatory policies, permits, licenses or certifications from the relevant authorities as well as shortages of, or material increases in prices of, construction materials, equipment, technical skills and labor, or other unforeseeable problems and circumstances may lead to delays in, or prevent the completion of, real estate development projects and result in costs substantially exceeding those originally budgeted, which may affect real estate developers' ability to repay their loans.

In addition, real estate developers may be impacted by the passing of the Real Estate (Regulation and Development) Act, 2016, as amended (the "Real Estate Act"). The Real Estate Act sets forth a robust reporting, compliance and dispute resolution regime governing real estate projects, including mandating developers to disclose details of registered projects including with respect to the land status, approvals and other such details, and requiring developers to pay interest in case of delays in project completion. Further, the Real Estate Act also makes it mandatory for real estate developers to put 70.0% of the amount collected from buyers for a real estate project into a separate bank account, which amount may only be used for land costs and costs for construction of such real estate projects. The implementation of the Real Estate Act is still ongoing, including by various states in India, and we cannot assure you that the real estate sector in the states in India in which we do business will not be impacted by any further rules or regulations announced by the Government of India or State Governments.



11. Our corporate lending business, particularly the real estate loan portfolio, is significantly dependent on our operations in the Mumbai Metropolitan Region, and any adverse changes in the conditions affecting these markets can adversely impact our business, financial condition and results of operations.

Our corporate lending business, particularly the real estate loan portfolio, is significantly dependent on the performance of the Mumbai Metropolitan Region ("MMR").

In the event of a regional slowdown in the economic activity in MMR or factors such as a slowdown in sectors such as real estate, we may experience more pronounced effects on our financial condition and results of operations. While we have expanded our operations to other states such as Tamil Nadu, Madhya Pradesh, Karnataka, Rajasthan, our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the economy in MMR. Therefore, any significant social, political or economic disruption, or natural calamities or civil disruptions in this MMR, or changes in the policies in this region could affect our business operations, require us to incur additional expenditure and/or change our business strategies.

12. Our indebtedness has increased significantly over the years and we are subject to certain conditions and restrictions in terms of our financing arrangements, which restrict our ability to conduct our business and operations in the manner we desire.

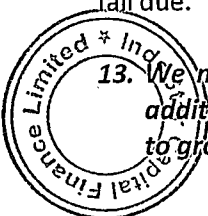
Our Total Borrowings have increased significantly over the years. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to obtain additional financing in the future at competitive terms;
- affecting our capital adequacy requirements; and
- increasing our interest expenditure.

Most of our financing arrangements are secured by our movable and immovable assets. Certain of our financing agreements also include certain conditions and covenants requiring us to maintain stipulated financial ratios and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions.

Any future failure to satisfactorily comply with any condition or covenant under our financing agreements (including technical defaults) or inability to repay our loans as and when due, may lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, and enforcement of events of default as well as cross-defaults under certain of our other financing agreements, any of which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating. In the event our business suffers or our customers are not able to repay their borrowings, we may be unable to meet our repayment obligations under our financing arrangements. Further, if the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due.

13. We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.



We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

14. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.

The cost and availability of debt capital depends in part on our short-term and long-term credit ratings.

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. Our long-term debt is presently rated CARE AA-Positive and CARE PP-MLD AA-; Positive (market linked debentures); and IND AA-/Stable, respectively, by each of CARE Ratings Limited and India Ratings and Research Private Limited, which reflects the credit worthiness of our Company and also increases the confidence of the lender. CARE Ratings Limited, ICRA Limited and CRISIL Limited have each rated our commercial paper debt as CARE A1+, ICRA A1+ and CRISIL A1+, respectively, which is the highest rating for short-term debt instruments.

Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations and cash flows. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our current or future borrowings.

15. As an NBFC, non-compliance with the RBI's observations, if any, made during its periodic inspections could expose us to penalties and restrictions.

As an NBFC, we are subject to periodic inspection by the RBI under section 45N of the Reserve Bank of India Act, 1934 (the "RBI Act"), pursuant to which the RBI inspects our books of accounts and



other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. In the event we are unable to resolve the deficiencies raised during inspection to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

16. The regulatory requirement to maintain a stipulated capital adequacy ratio could restrict our future business growth.

As a systemically important non-deposit taking NBFC, our Company is required to maintain a capital adequacy ratio of at least 15.0% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis.

If we continue to grow our Total Credit Exposure and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business.

17. Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated.

Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Although we have established policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFCs, standards and practices in the sectors we cater to, on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.



18. Any failure, inadequacy and security breach in our information technology systems may adversely affect our business.

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our expansion plans will require us to invest more in IT which may prove to be unsuccessful. Our financial, accounting, underwriting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, customer KYC documents (including identity proofs, income and tax statements and bank account details), employee data and propriety business data, for which we could potentially be liable. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the supporting infrastructure.

19. We may be exposed to potential losses due to a decline in value of assets secured in our favor, and due to delays in the enforcement of such security upon default by our borrowers.

Our Total Credit Exposure, is secured by a mix of movable and immovable assets or other forms of collateral, depending on the nature of the loans. The value of certain types of collaterals may decline due to inherent operational risks, the nature of the asset secured in our favor and adverse market and economic conditions (both global and domestic). For example, the value of the vehicle, is subject to depreciation, deterioration, and/or a reduction in value on account of a number of factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we typically repossess the commercial vehicles financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers.

In the event of default by our customers, there can be no assurance that we will be able to sell our collateral including property, machinery, stock or vehicles provided as security at all or at prices sufficient to cover the amounts under borrower defaults, or that we would be able to invoke other securities, such as personal guarantees, due to among other things, unforeseen delays in our ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, stock market downturns, fraudulent transfers by our customers, difficulty in locating movable assets and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those

assets. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document may render the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations. As a result, if our customers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral, thereby adversely affecting our business, future financial performance and results of operations.

In addition, we may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In the event of any inability or delay in the repossession and liquidation of the collateral securing loans in default, we may incur losses, which could adversely affect our results of operations and financial condition

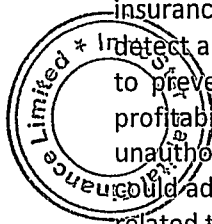
20. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.

We face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources, such as by issuing commercial papers, short-term loans from banks and non-convertible debentures. The majority of our Total Credit Exposure, however, mature over the medium term. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner or at all may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability.

21. A small portion of our collections from customers is in cash, exposing us to certain operational risks.

A small portion of our collections from our customers is in cash and such cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network.

As we grow our retail presence, the cash collections are likely to increase. While we have taken insurance policies, including coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections.



22. We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.

We require certain statutory and regulatory approvals for conducting our business and may also need additional approvals from regulators in connection with other fee-based products to our customers. We are also required to comply with the prescribed requirements including exposure limits, classification of NPAs, KYC requirements and other internal control mechanisms. We also obtain licenses and approvals to operate our various lines of business and in the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We may not be able to obtain such approval in a timely manner or at all.

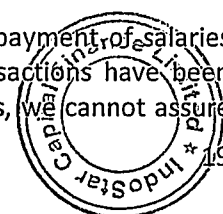
In addition, our various offices are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in municipal limits of certain states. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. Certain approvals may have lapsed in their normal course and our Company has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications. A court, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

23. All of our offices and branches are located in leased premises and non-renewal of lease agreements or their renewal on terms unfavorable to us could adversely affect our operations.

As of March 31, 2018, all of our offices (including our Registered and Corporate Office) and branches are located in leased premises. Further, as we expand our branch network in line with our growth strategy, we expect the number of leased branches to increase significantly as all of our new branches are expected to open on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate the agreement we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

24. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into various transactions with related parties, including for payment of salaries and wages of key managerial personnel. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure



you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

25. Any non-compliance with mandatory Anti-Money Laundering and Know Your Customer policies could expose us to additional liability and harm our business and reputation.

In accordance with the requirements applicable to us, we are mandated to comply with anti-money laundering ("AML") and know your client ("KYC") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our banking networks for illegal money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities.

In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes, we are required to collect and report certain information regarding US persons having accounts with us.

There can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report including the Financial Intelligence Unit - India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

26. We are exposed to significant market risk that could impair the value of our investment portfolio and adversely affect our business, results of operations and financial condition.

Changes in prevailing interest rates could affect our investment returns, which in turn could affect our investment income, results of operations and prospects. While falling interest rates could result in an increase in the mark-to-market value of our debt portfolio, they also subject us to reinvestment risk, which could result in the portfolio yields falling. Accordingly, declining interest rates could have an adverse effect on our investment income, results of operations, financial condition, cash flows and prospects. On the other hand, an increase in interest rates could also adversely affect our profitability. Even though an increase in interest rates could result in an increase in investment returns on our newly added fixed income assets, it could also result in a reduction in the value of our existing fixed income assets reducing the mark-to-market value of such instruments. Interest rates are highly sensitive to inflation and other factors including, government monetary and tax policies, domestic and international economic and political considerations, regulatory requirements and other factors beyond our control. Any adverse effect on the factors



affecting equity markets in India could affect our investment returns, which in turn could affect our results of operations, financial condition, cash flows and prospects.

27. Credit risks related to our investments, loans and advances may expose us to significant losses.

We are exposed to credit risks in relation to our investments. The value of our debt portfolio could be affected by changes in the credit rating of the issuer of the securities as well as by changes in credit spreads in the bond markets. In addition, issuers of the debt securities that we own may default on principal and interest payments. We cannot assure you that we are able to identify and mitigate credit risks successfully. As a result, a probable downgrade in the credit rating of the debt securities owned by us may lead to a reduction in value of our debt portfolio, and have an adverse effect on our financial condition, results of operations and prospects. We also have investments in unsecured debt instruments which may carry an interest rate lower than the market rate.

Further, the counterparties in our investments, including issuers of securities we hold, counterparties of any derivative transactions that we may enter into, banks that hold our deposits and debtors, may default on their obligations to us due to bankruptcy, lack of liquidity, economic downturns, operational failure, fraud or other reasons. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances. In addition, we provide loan and advances to parties, including related parties. If such parties delay or default in repaying such loans and advances, we may incur significant losses.

EXTERNAL RISKS

Risks Relating to India

28. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently serve.

Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.



Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

29. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP, IFRS and Indian Accounting Standards which may be material to investor's assessments of our financial condition.

The Company has prepared its annual financial statements under Indian GAAP. The Company is required to prepare financial statements under Indian Accounting Standards ("Ind-AS") with effect from April 1, 2018. We have not attempted to quantify the impact of US GAAP, Ind-AS or IFRS on the financial data of the Company, nor do we provide a reconciliation of our financial statements to those of US GAAP, Ind-AS or IFRS.

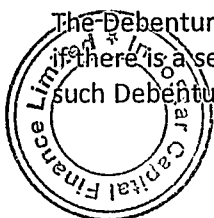
30. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

31. The secondary market for the Debentures may be illiquid

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Any such Debenture so purchased may be required to be held or resold or surrendered for cancellation,

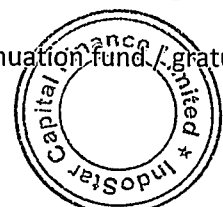


to the extent that an issue of Debentures becomes illiquid. An Investor may have to hold the Debenture until redemption to realize value.

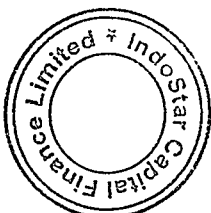
B. ASSUMPTIONS

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the NCDs shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscribers and any subsequent purchasers:

1. has reviewed the terms and conditions applicable to the NCDs as contained in the Shelf Disclosure Document and the relevant Addendum and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
2. has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;
3. has sufficient knowledge, experience and expertise as an investor, to make the investment in the NCDs;
4. has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the NCDs set out in this Shelf Disclosure Document and the relevant Addendum;
5. has understood that information contained in this Shelf Disclosure Document and the relevant Addendum is not to be construed as business or investment advice;
6. has made an independent evaluation and judgement of all risks and merits before investing in the NCDs;
7. has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;
8. has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;
9. has understood that in the event that the debenture holder(s) suffers adverse consequences or loss, the debenture holder(s) shall be solely responsible for the same and the Company, its parent, its subsidiaries or affiliates shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the debenture holder(s) including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
10. has the legal ability to invest in the NCDs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets;
11. where the debenture holder is a mutual fund / provident fund / superannuation fund / gratuity fund (each a "fund"), that:



- a. investing in the NCDs on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force,
 - b. the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and
 - c. the investment in NCDs has been duly authorised and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets
12. where the Debenture Holder is a company, that:
- a. the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;
 - b. all necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs;
 - c. investment in the NCDs does not contravene any provisions of the Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;
 - d. the Debenture Holder is not debarred from accessing the capital market or has been restrained by any regulatory authority from directly or indirectly acquiring the said securities; and
 - e. the Debenture Holder shall pay for subscription of the Debentures from his own bank account.



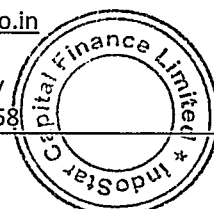
SECTION III.A.

DISCLOSURE AS PER SCHEDULE I OF SEBI DEBT LISTING REGULATIONS

ISSUER INFORMATION

a. Name and address:

Sr. No.	Particulars	Details
1.	Name of the Issuer	IndoStar Capital Finance Limited Date of Incorporation: July 21, 2009 CIN: L65100MH2009PLC268160 RBI Registration Number: N – 13.02109
2.	Registered & Corporate Office of the Issuer	One Indiabulls Center, 20 th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013 Tel: +91 22 43157000 Fax: +91 22 43157010 Website: www.indostarcapital.com Email: icf.legal@indostarcapital.com
3.	Compliance Officer of the Issuer	Mr. Jitendra Bhati Company Secretary One Indiabulls Center, 20 th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013 Tel: +91 22 43157000 Fax: +91 22 43157010 Email: jbhati@indostarcapital.com
4.	Chief Financial Officer of the Issuer	Mr. Pankaj Thapar One Indiabulls Center, 20 th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013 Tel: +91 22 4315 7000 Fax: +91 22 4315 7010 Email: contact@indostarcapital.com
5.	Debenture Trustee of the Issue	IDBI Trusteeship Services Limited CIN: U65991MH2001GOI131154 Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai - 400 001 Tel: +91 22 4080 7000 Fax: +91 22 66311776 Email: itsl@idbitrustee.com Website: www.idbitrustee.com Contact Person: Mr. Jatin Bhat
6.	Arrangers, if any, of the instrument	As per the Addendum to the Shelf Disclosure Document
7.	Registrar & Transfer Agent of the Issue	Link Intime India Private Limited CIN: U67190MH1999PTC118368 C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg Vikhroli, (West), Mumbai - 400 083 Tel: +91 22 49186200 Fax: +91 22 49186195 Email: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Ganesh Jadhav SEBI Registration No.: INR000004058



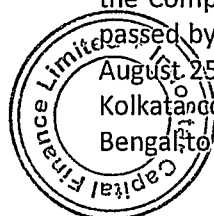
8.	Credit Rating Agency of the Issue	<p>CARE Ratings Limited CIN: L67190MH1993PLC071691 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Tel: +91 22 67543464 Fax: +91 22 67543457 Contact Person: Ms. Shailee Sanghvi Website: www.careratings.com Email: shailee.sanghvi@careratings.com</p> <p>India Ratings & Research Private Limited CIN: L67100MH1995FTC140049 Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Tel: +91 22 40001723 Fax: +91 22 40001701 Contact Person: Mr. Pankaj Naik Website: www.indiaratings.co.in Email: pankaj.naik@indiaratings.co.in</p>
9.	Statutory Auditors of the Issuer	<p>S. R. Batliboi & Co. LLP Chartered Accountants 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 Tel: +91 22 61920000 Fax: +91 22 61921000 Contact Person: Mr. Shrawan Jalan Website: www.ey.com/india</p>

Investors can contact the Compliance Officer in case of any pre-issue or post-issue related problems.

b. Brief Summary of the Business/ Activities of the Issuer and its line of business:

i. Overview

The Company was incorporated as 'R V Vyapaar Private Limited', a private limited company under the Companies Act, 1956 with a certificate of incorporation issued by Registrar of Companies, West Bengal on July 21, 2009. For business and commercial reasons, the name of the Company was subsequently changed to 'IndoStar Capital Finance Private Limited' pursuant to a special resolution passed by the shareholders of the Company on November 8, 2010. A fresh certificate of incorporation consequent to name change was issued by the Registrar of Companies, West Bengal on November 15, 2010. Thereafter, the Company was converted into a public limited company under the Companies Act, 2013 pursuant to special resolution by the shareholders of the Company on April 30, 2014. Consequently, the name of the Company was changed to 'IndoStar Capital Finance Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, West Bengal on May 28, 2014. Further, the registered office of the Company was changed from West Bengal to Maharashtra pursuant to a special resolution passed by the shareholders of the Company on February 16, 2015. Subsequently, an order dated August 25, 2015 was issued by Regional Director (Eastern Region), Ministry of Corporate Affairs, Kolkata confirming the change in the registered office of the Company from the State of West Bengal to the State of Maharashtra and a certificate of registration of the order dated September



8, 2015 was issued by the Registrar of Companies.

The Company was registered as a non-public deposit taking non-banking financial company pursuant to a certificate of registration (bearing number N-05.06857) dated June 17, 2010, issued by the RBI. Pursuant to a change in name of the Company and conversion from a private company to a public company, a certificate of registration (bearing number N-05.06857) dated January 21, 2015 was issued by the RBI. Pursuant to change in registered office from West Bengal to Maharashtra, a certificate of registration (bearing number N-13.02109) dated January 20, 2016 was issued by the RBI.

The Company is professionally managed and institutionally owned organization which is primarily engaged in providing bespoke Indian Rupee denominated structured term financing solutions to corporates and loans to small and medium enterprise ("SME") borrowers in India. The Company recently expanded its portfolio to vehicle finance and offer housing finance products, through its wholly-owned subsidiary IndoStar Home Finance Private Limited.

The Company's principal lines of business are corporate lending, vehicle financing and SME lending.

The Company has 151 branches as on December 31, 2018.

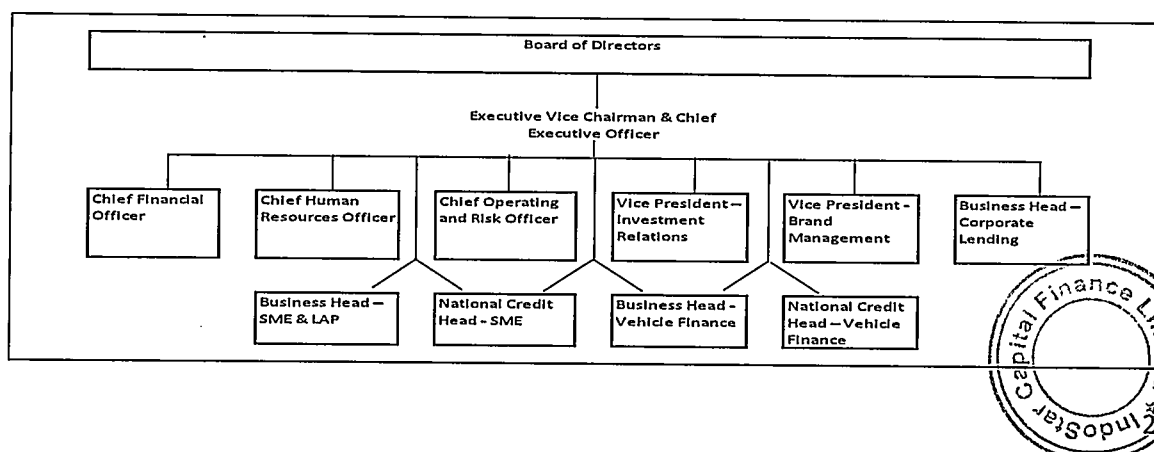
ii. Corporate Structure & Operations

The operational framework of the Company consists of the Board, the various committees and an operating management committee. The Board has set the vision, strategy, direction and the broad operational framework for the Company. The Board has also formed various committees for ensuring adequate supervision and guidance to the Company in its operations.

The management committee comprises of the senior personnel from the Company. The management committee is responsible to implement the direction and framework set out by the Board in achieving the objectives of the Company. The management committee is also responsible for conduct of the operations of the Company and collectively responsible to the Board.

The Board of Directors of the Company have constituted the Corporate Lending Committee and the Retail Lending Committee to ensure appropriate operational and wherever permissible business decision making with respect to the Corporate Lending and Retail Lending Business Segments of the Company.

Organization Chart



iii. Subsidiary(ies) of the Company

The Company has two subsidiaries namely:

- 'IndoStar Asset Advisory Private Limited' (CIN: U67100MH2013PTC240676) engaged in the business of advising, managing, providing investment advisory services, financial advisory services, management and facilitation services; and
- 'IndoStar Home Finance Private Limited' (CIN: U65990MH2016PTC271587) carries on the business of housing finance institution.

iv. Regulation and Supervision

The Issuer is a systemically important non deposit taking or holding NBFC holding a valid Certificate of Registration No. N-13.02109 dated January 20, 2016 issued by the RBI under Section 45 IA of the Reserve Bank of India Act, 1934.

In addition to being regulated by the provisions of the Companies Act, 2013, as a Non-Banking Financial Company, the Issuer is subject to regulatory supervision by the Department of Non-Banking Supervision of the RBI. As a part of such surveillance, RBI may carry out inspection of the Issuer. The RBI issues detailed guidelines to NBFCs on Asset Classification, Income Recognition and Provisioning, Capital Adequacy, Asset Liability Management, Resource Raising, etc. from time to time.

v. Key Operational and Financial Parameters for the last 3 Financial Years:

Please refer Annexure I

vi. Project cost and means of financing in case of funding of new project: Not Applicable

vii. Gross Debt: Equity Ratio of the Company

Before the issue of NCDs*	2.12
After the issue of NCDs	As per Addendum to this Document

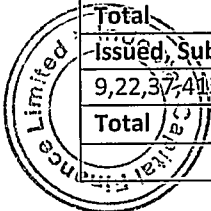
* As per Un-Audited Financial Statements as on December 31, 2018

c. Brief history giving details of the following:

i. Details of Share Capital

Share capital of the Company as on December 31, 2018 is set forth below:

Particulars	Amount (INR)
Authorised Share Capital	
11,00,00,000 equity shares of INR 10/- each	1,10,00,00,000
Total	1,10,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
9,22,37,415 equity shares of INR 10/- each	92,23,74,150
Total	92,23,74,150



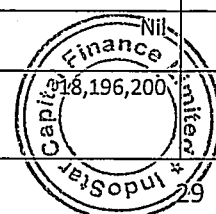
Size of the present Offer – NCDs	10,00,00,00,000
Paid-up Capital:	
(a) after the offer	N.A.
(b) after conversion of convertible instruments (if applicable)	N.A.
(c) Share Premium account	
Before the offer	17,11,46,41,073
After the offer	N.A.

ii. Changes in the Capital Structure since incorporation, as on December 31, 2018:

Date of Change (AGM/EGM)	Amount in INR	Particulars
September 3, 2010	2,00,00,000	The authorised share capital of the Company was increased from INR 25,00,000 divided into 250,000 Equity Shares of INR 10 each to INR 2,00,00,000 divided into 2000000 Equity Shares of INR 10 each.
November 9, 2010	30,00,00,000	The authorised share capital of the Company was further increased from INR 2,00,00,000 divided into 20,00,000 Equity Shares of INR 10 each to INR 30,00,00,000 divided into 3,00,00,000 Equity Shares of INR 10 each.
March 15, 2011	75,00,00,000	The authorised share capital of the Company was further increased from INR 30,00,00,000 divided into 3,00,00,000 Equity Shares of INR 10 each to INR 75,00,00,000 divided into 75000,000 Equity Shares of INR 10 each.
July 25, 2011	80,00,00,000	The authorised share capital of the Company was further increased from INR 75,00,00,000 divided into 7,50,00,000 Equity Shares of INR 10 each to INR 80,00,00,000 divided into 8,00,00,000 Equity Shares of INR 10 each.
October 17, 2016	90,00,00,000	The authorised share capital of the Company was further increased from INR 80,00,00,000 divided into 8,00,00,000 Equity Shares of INR 10 each to INR 90,00,00,000 divided into 9,00,00,000 Equity Shares of INR 10 each.
February 7, 2018	1,10,00,00,000	The authorised share capital of the Company was further increased from INR 90,00,00,000 divided into 9,00,00,000 Equity Shares of INR 10 each to INR 1,10,00,00,000 divided into 11,00,00,000 Equity Shares of INR 10 each.

iii. Equity Share Capital History of the Company as on December 31, 2018:

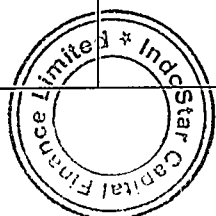
Date of Allotment	No. of Equity Shares Allotted	Face Value (INR)	Issue Price (INR)	Consideration	Nature of Event	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (INR)	Equity Share Premium (INR)	
On Incorporation	10,000	10.00	10.00	Cash	Subscriber to Memorandum	10,000	100,000		
Sept 15, 2009	202,180	10.00	100 (incl. premium of INR 90	Cash	Preferential Allotment	212,180	2,121,800	18,196,200	



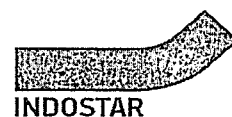
**SHELF DISCLOSURE DOCUMENT
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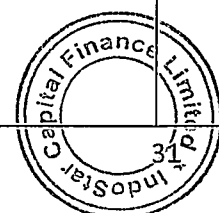
Date of Allotment	No. of Equity Shares Allotted	Face Value (INR)	Issue Price (INR)	Consideration	Nature of Event	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (INR)	Equity Share Premium (INR)	
			each)						
March 31, 2011	51,004,569	10.00	130 (incl. premium of INR 120 each)	Cash	Preferential Allotment	51,216,749	512,167,490	6,138,744,480	
March 31, 2011	*9,038,250	10.00	130 (incl. premium of INR 120 each) 0.01 was paid-up at the time of issue	Cash	Preferential Allotment	60,254,999	512,257,872.5	6,138,744,480	
June 13, 2011	8,498,384	10.00	130 (incl. premium of INR 120 each)	Cash	Preferential Allotment	68,753,383	597,241,712.5	7,158,550,560	
July 25, 2011	8,904,814	10.00	130 (incl. premium of INR 120 each)	Cash	Preferential Allotment	77,658,197	686,289,852.5	8,227,128,240	
May – August 2015 (*Please see Note A below)	--	--	--	--	--	73,354,429	733,544,290	8,795,266,080	
May 13, 2016	3,300	10.00	140 (incl. premium of INR 130 each)	Cash	Allotment pursuant to exercise of stock options under ESOP 2012	73,357,729	733,577,290	8,795,695,080	
November 4, 2016	200	10.00	145 (incl. premium of INR 135 each)	Cash	Allotment pursuant to exercise of stock options under ESOP 2012	7,33,57,929	73,35,79,290	8,79,57,22,080	
	100	10.00	140 (incl. premium of INR 130 each)	Cash	Allotment pursuant to exercise of stock options under ESOP 2012	7,33,58,029	73,35,80,290	8,79,57,35,080	
	470	10.00	149.37 (incl. premium of INR 139.37 each)	Cash	Allotment pursuant to exercise of stock options under ESOP 2012	7,33,58,499	73,35,84,990	8,79,58,00,583.9	
March 23, 2017	5,003,300	10.00	300 (incl. premium of INR 290 each)	Cash	Preferential Allotment	78,361,799	783,617,990	10,246,757,583.9	



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Date of Allotment	No. of Equity Shares Allotted	Face Value (INR)	Issue Price (INR)	Consideration	Nature of Event	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (INR)	Equity Share Premium (INR)	
May 8, 2017	317,460	10.00	315 (incl. premium of INR 305 each)	Cash	Preferential Allotment	78,679,259	786,792,590	10,343,582,883.9	
April 9, 2018	26,100	10.00	140 (incl. premium of INR 130)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	78,705,359	787,053,590	10,346,975,883.9	
April 9, 2018	99,800	10.00	145 (incl. premium of INR 135)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	78,805,159	788,051,590	10,360,448,883.9	
April 9, 2018	31,040	10.00	149.37 (incl. premium of INR 139.37)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	78,836,199	788,361,990	10,364,774,928.7	
April 9, 2018	12,500	10.00	225 (incl. premium of INR 215)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016	78,848,699	788,486,990	10,367,462,428.7	
April 9, 2018	42,500	10.00	255 (incl. premium of INR 245)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016-II	78,891,199	788,911,990	10,377,874,928.7	
April 9, 2018	10,000	10.00	300 (incl. premium of INR 290)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016-II	78,901,199	789,011,990	10,380,774,928.7	
May 17, 2018	12,237,762	10.00	572 (incl. premium of INR 562)	Cash	Initial Public Offering of Equity Shares	91,138,961	91,13,89,610	17,25,83,97,172.7	
June 26, 2018	98,000	10.00	140 (incl. premium of INR 130)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	9,12,36,961	91,23,69,610	17,27,11,37,172.7	
June 26, 2018	2,23,200	10.00	149.37 (incl. premium of INR 139.37)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	9,14,60,161	91,46,01,610	17,30,22,44,556.7	



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Date of Allotment	No. of Equity Shares Allotted	Face Value (INR)	Issue Price (INR)	Consideration	Nature of Event	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (INR)	Equity Share Premium (INR)	
June 26, 2018	6,02,254	10.00	225 (incl. premium of INR 215)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	9,20,62,415	92,06,24,150	17,43,17,29,166.7	
June 26, 2018	12,500	10.00	225 (incl. premium of INR 215)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016	9,20,74,915	92,07,49,150	17,43,44,16,666.7	
June 26, 2018	1,22,000	10.00	255 (incl. premium of INR 245)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016 II	9,21,96,915	92,19,69,150	17,46,43,06,666.7	
July 6, 2018	21,500	10.00	140 (incl. premium of INR 130)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2012	9,22,18,415	92,21,84,150	17,46,71,01,666.7	
September 6, 2018	15,000	10.00	300 (incl. premium of INR 290)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016	9,22,33,415	92,23,34,150	17,47,14,51,666.7	
September 6, 2018	1,500	10.00	225 (incl. premium of INR 215)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016	9,22,34,915	92,23,49,150	17,47,17,74,666.7	
September 6, 2018	2,500	10.00	255 (incl. premium of INR 245)	Cash	Allotment pursuant to Exercise of Stock Option granted under ESOP 2016-II	9,22,37,415	92,23,74,150	17,47,23,86,666.7	

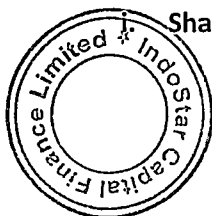
***Note A –**

The Company in FY 2015-16 made the first and final call of INR 129.99 on 9,038,250 partly paid-up equity shares. Out of 9,038,250 partly paid-up equity shares, the Company received call money on 4,734,482 partly paid-up shares and the remaining 4,303,768 partly paid-up equity shares were forfeited due to non-payment of call and cancelled from the equity share capital of the Company.

iv. Details of Acquisition, Amalgamation, Reorganisation or Reconstruction in the last one year - Not Applicable

d. Details of the Shareholding of the Company, as on December 31, 2018:

Shareholding pattern



Sr. No.	Particulars	Total no. of equity shares	% of total no. of equity shares	No. of equity shares held in dematerialized form
(A)	Promoter and Promoter Group	5,56,10,227	60.29	5,56,10,227
(B)	Public	3,66,27,188	39.71	3,66,25,052
(C)	Non Promoter-Non Public	0	0	0
	Total	9,22,37,415	100.00	9,22,35,279

Note: No equity shares held by the Promoter are pledged or encumbered

ii. The list of top 10 holders of equity shares of the Company as on December 31, 2018

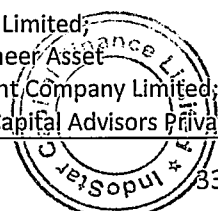
Sr. No.	Shareholder	Total no. of equity shares	% of total no. of equity shares	No. of equity shares held in dematerialized form
1.	Indostar Capital	5,25,94,228	57.02	5,25,94,228
2.	SBI Equity Hybrid Fund	3,300,000	3.58	3,300,000
3.	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	23,03,796	2.50	23,03,796
4.	Mission Street Pte. Ltd.	22,65,000	2.46	22,65,000
5.	Lenarco Limited	19,13,707	2.08	19,13,707
6.	SBI Focused Equity Fund	19,00,000	2.06	19,00,000
7.	ECP III FVCI Pte Ltd	18,80,999	2.04	18,80,999
8.	ICICI Prudential Life Insurance Company Limited	18,13,781	1.97	18,13,781
9.	HDFC Trustee Company Ltd. A/c HDFC Capital Builder Value Fund	17,20,369	1.87	17,20,369
10.	Laxmi Shivanand Mankekar Shivanand Shankar Mankekar Kedar Shivanand Mankekar	16,66,600	1.81	16,66,600
	Total	7,13,58,480	77.39	7,13,58,480

e. Details of Directors of the Company

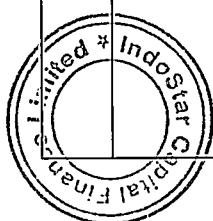
The composition of Board as of the Company is as follows:

i. The Issuer currently has 8 directors, details as under:

Sr. No.	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
1.	Mr. Dhanpal Jhaveri <i>Chairman and Non-Executive Director</i> DIN: 02018124	50 years	2 Sumangal, 13, Ridge Road, Malbar Hill, Mumbai- 400 006, Maharashtra	September 2, 2010	<u>Indian companies:</u> Teesta Urja Limited; Baroda Pioneer Asset Management Company Limited; Everstone Capital Advisors Private



Sr. No.	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
	Professional				<p>Limited; EverSource Advisors Private Limited; PAN India Food Solutions Private Limited; IndoStar Asset Advisory Private Limited; Everock Real Estate Private Limited; Everock Realty Private Limited; Amulya Corporation Private Limited; Interarch Building Products Private Limited; Kissandhan Agri Financial Services Private Limited; North End Foods Marketing Private Limited; Sohan Lal Commodity Management Private Limited; IMC Chamber of Commerce and Industry; Tikona Infinet Private Limited; and Avasara Leadership Institute.</p> <p><u>Foreign companies:</u> Asian Genco Pte. Ltd.</p>
2.	<p>Mr. Sameer Sain Non-Executive Director</p> <p>DIN: 01164185</p> <p>Entrepreneur</p>	48 years	341, Bukit Timah Road, 07-02 Honolulu Tower, Singapore 259719	April 28, 2011	<p><u>Indian companies:</u></p> <p>VLCC Health Care Limited; and Essay Commercial Resources Private Limited.</p> <p><u>Foreign companies:</u></p> <p>Everstone Capital Asia Pte. Ltd.; Everstone Capital Management; Indivision Capital Management; QSR Asia Pte. Ltd.; Everstone Holdings Limited; Everstone Capital Limited; Evergroup Limited; Eversay Limited; Essay Global Pte. Ltd.; Bodle Holdings Limited; Ficofi Partners Holdings Pte. Ltd.; Seven Hospitality (Cayman); Everstone Capital LLC; Indospace Capital Management (Cayman) Limited; and Indospace Capital Asia Pte. Ltd.</p>



Sr. No.	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
3.	Alok Oberoi <i>Non-Executive Director</i> DIN: 01779655 Entrepreneur	55 years	21 Blomfield Road, London, W91AD, United Kingdom	April 28, 2011	<u>Foreign companies:</u> ACPI Investments Group Ltd.; ACPI Wealth Management Limited; ACP Partners Limited; Innopoint Limited; Indivision Capital Management; Onegan Ltd.; Indostar Capital; Hartwood Residential Limited; Cinnamon GP2 Limited; Cinnamon GP1 Limited; Burton Waters Care Home Limited; Cinnamon GP Limited; GC Web Ventures private Limited; Blomfield Amenity Limited; and Crestyl Savarin Limited.
4.	R. Sridhar Executive Vice-Chairman and Chief Executive Officer DIN: 00136697 Service	60 years	Flat No. 1200, 12th Floor, Supreme Epitome, Opposite Cubic Mall, Dr. C. G. Road, Chembur, Mumbai – 400074	April 18, 2017	<u>Indian companies:</u> JR Capital Services Private Limited; and
5.	Dinesh Kumar Mehrotra Non-Executive Independent Director DIN: 00142711 Professional	65 years	Flat 6-A, Harmony Building, Dr. E. Moses Road, Worli Naka, Mumbai – 400 018	February 5, 2018	<u>Indian companies:</u> V L S Finance Limited; West End Housing Finance Limited; UTI Asset Management Company Limited; Metropolitan Stock Exchange of India Limited; Tata AIA Life Insurance Company Limited; Indian Energy Exchange Limited; and Computer Age Management Services Private Limited.
6.	Hemant Kaul Non-Executive Independent Director DIN: 00551588 Management consultant	62 years	A-105, Atrey Path, Near Classic Hotel, Shyam Nagar, Jaipur – 302019	February 5, 2018	<u>Indian companies:</u> Transcorp International Limited; Lakshmi Vilas Bank Limited; Ashiana Housing Limited; Aspire Home Finance Corporation Limited; Ashish Securities Private Limited; Social Worth Technologies Private

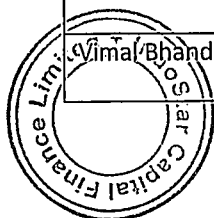


Sr. No.	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
					Limited; Egis Healthcare Services Private Limited; and Veritas Finance Private Limited
7.	Bobby Parikh Non-Executive Independent Director DIN: 00019437 Professional	54 years	4th Floor, Seven on the Hill, Pali Hill, Auxilium Convent Road, Bandra (West), Mumbai - 400050	March 5, 2015	<u>Indian companies:</u> Aviva Life Insurance Company India Limited; Sembcorp Green Infra Limited; Sembcorp Energy India Limited; Aditya Birla Sun Life AMC Limited; Taxand Advisors Private Limited; Biocon Limited BMR Global Services Private Limited; and BMR Business Solutions Private Limited.
8.	Naina Krishna Murthy Non-Executive Independent Director DIN: 01216114 Professional	47 years	No. 288, 14th Cross, 5th Main Dollar Colony, Bangalore - 560094	February 5, 2018	---

Note - None of the Directors of the Company appear in the RBI defaulter list and/or ECGC default list.

ii. Details of change in directors since last three years:

Name and DIN of Director	Designation	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Reasons
Atul Kapur DIN: 01778935	Director	April 22, 2015	28 April 2017	Resignation
L. Brooks Entwistle DIN: 00561480	Director	April 23, 2015	---	Appointment
Vimal Bhandari DIN: 00001318	Managing Director and Chief Executive Officer	April 1, 2016	---	Re-appointment
Vimal Bhandari	Executive Director	April 18, 2017	---	Change in designation



Name and DIN of Director	Designation	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Reasons
DIN: 00001318				
R. Sridhar DIN: 00136697	Whole-Time Director **	April 18, 2017	---	Appointment
Vimal Bhandari DIN: 00001318	Non-Executive Director ***	May 1, 2017	--	Change in designation
Ravi Narain DIN: 00062596	Non-Executive Independent Director	January 10, 2018	5 March 2015	Resignation
Vimal Bhandari DIN: 00001318	Non-Executive Director	January 11, 2018	May 1, 2017	Resignation
L. Brooks Entwistle DIN: 00561480	Non-Executive Director	January 29, 2018	April 23, 2015	Resignation
Deepak Shahdarpuri DIN: 00444270	Non-Executive Director	January 29, 2018	April 28, 2011	Resignation
Shailesh Shirali DIN: 06525626	Whole-Time Director	January 29, 2018	March 14, 2013	Resignation
D. Sivanandhan DIN: 03607203	Non-Executive Independent Director	February 5, 2018	March 17, 2015	Resignation
Shweta Bhatia DIN: 03164394	Non-Executive Director	February 5, 2018	April 28, 2011	Resignation
Eric Stuart Schwartz DIN: 03510540	Non-Executive Independent Director	February 5, 2018	March 5, 2015	Resignation
Dinesh Kumar Mehrotra DIN: 00142711	Non-Executive Independent Director	February 5, 2018	--	Appointment
Hemant Kaul DIN: 00551588	Non-Executive Independent Director	February 5, 2018	--	Appointment
Naina Krishna Murthy DIN: 01216114	Non-Executive Independent Director	February 5, 2018	--	Appointment

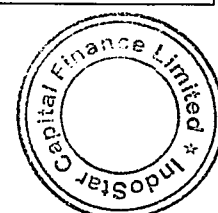
Change in designation from Managing Director and Chief Executive Officer to Whole-Time Director

***Whole-Time Director designated as Executive Vice-Chairman and Chief Executive Officer*

****Change in designation from Whole-Time Director to Non-Executive Director*

f. Details regarding the Auditors of the Company

i. Details of the Auditor of the Company



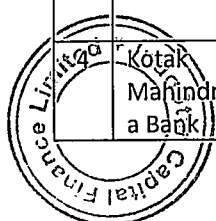
Name	Address	Auditor Since
S. R. Batliboi & Co. LLP	14 th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028	March 21, 2011

ii. Details of change in auditor since last three years - None

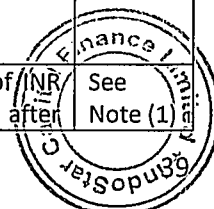
g. Details of Borrowings of the Company

i. Details of Secured Loan Facilities as of December 31, 2018

Sr. No	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding (Amt in INR Crore)	Repayment Date / Schedule	Security
			(Amt in INR Crore)			
1	State Bank of India	Term Loan - I	200.00	55.55	1st equated quarterly Installment of INR 11.13 Crores and 17 equated quarterly installments of INR 11.11 Crores each after an initial moratorium of nine months	See Note (1)
		Term Loan - II	75.00	16.66	Nine equated semi-annual installments of INR 8.33 Crores each with moratorium period of six months from the date of first draw down	See Note (1)
		Term Loan - III	50.00	27.76	Five equated half yearly installments of INR 5.56 Crores and four equated half yearly installments of INR 5.55 Crores after a moratorium period of six months from the date of first draw down	
		Term Loan - IV	200.00	200.00	Nine half yearly instalment of INR 22.22 each after moratorium period of 6 months	
2	Punjab National Bank	Term Loan - II	55.00	24.07	Sixteen equated quarterly installments commencing after moratorium period of six months from the respective disbursement	See Note (1)
3	Axis Bank Limited	Cash Credit	40.00	30.11	Max 1 Year	See Note (1)
		Term Loan	50.00	34.28	Sixteen equated quarterly instalments commencing after moratorium period of three months from the respective disbursement	
	Kotak Mahindra Bank	Term Loan - IV	100.00	37.50	16 equated quarterly installments following the month of initial disbursement made.	See Note (1)



	Limited	Term Loan – V	50.00	34.38	16 equated quarterly instalments after moratorium period of 3 months	
		Term Loan – VI	100.00	81.25	12 equated quarterly instalments	
		WCDL	50.00	50.00	Max 1 Year	
		Term Loan - III	100.00	22.50	20 equated quarterly instalments	
5	IndusInd Bank Limited	Cash Credit/W CDL	135.00	100.00	Payable in Nov 2019	See Note (1)
		Term Loan	150.00	118.75	12 equated quarterly installments	
6	Canara Bank	Term loan II	100.00	75.00	8 Half yearly installments, of Rs. 12.50 Crores after moratorium period of 1 year	See Note (1)
7	Bank of Baroda	Term Loan – II	100.00	15.00	20 equated quarterly installments	See Note (1)
		Bank Overdraft	50.00	47.21	Max 1 Year	
8	The Federal Bank Limited	Term Loan	80.00	13.33	12 equated quarterly installments	See Note (1)
		Term Loan	50.00	45.83	12 Equal Quarterly installment	
9	Corporati on Bank	Term Loan - II	30.00	10.00	9 equated half year installments after a moratorium period of 6 months	See Note (1)
10	Bank of India	Term loan	150.00	50.00	3 equated half yearly installments of after initial moratorium period of 12 months	See Note (1)
11	South Indian Bank	Term Loan - I	25.00	6.94	18 equated quarterly installments after a moratorium of six months	See Note (1)
		Term Loan - II	25.00	12.50	16 equated quarterly installment of INR 1.56 Crores after a one year moratorium	
		Term Loan – III	25.00	25.00	16 equated Quarterly instalments after moratorium period of 12 months	
		Term Loan – IV	50.00	50.00	8 Half yearly instalments after moratorium period of 1 year	
12	IDBI Bank	Term Loan – II	50.00	34.38	16 equated quarterly instalments after a moratorium of 12 months	See Note (1)
13	Indian Overseas Bank	Term Loan	100.00	5.56	18 equated quarterly installments after moratorium period of 6 months	See Note (1)
14	Dena Bank	Term Loan	100.00	68.75	8 equated half yearly repayment after moratorium period of 12 months.	See Note (1)
		Cash Credit Facility	50.00	49.95	Max 1 year	
15	Small Industrial	Term Loan	150.00	97.50	20 quarterly installments of INR 7.50 Crores each after	See Note (1)



	Develop ment Bank of India	Term Loan	200.00	200.00	moratorium period of 6 months. 8 equated Quarterly instalments of after initial moratorium period of 12 months from the date of first disbursement	
16	Indian Bank	Term Loan	25.00	18.75	8 equated half yearly repayment after moratorium period of 12 months.	See Note (1)
17	DCB	Term Loan	50.00	47.06	17 equated Quarterly instalments	See Note (1)
18	Catholic Syrian Bank	Term Loan	50.00	50.00	8 equated half yearly instalments of after initial moratorium period of 12 months from the date of first disbursement	See Note (1)
19	Allahaba d Bank	Term Loan	50.00	33.75	8 equated half yearly instalments of after initial moratorium period of 3 months from the date of first disbursement	See Note (1)
20	Karnatak a Bank	Term Loan	50.00	50.00	equated Quarterly instalments of after initial moratorium period of 12 months from the date of first disbursement	See Note (1)
21	Vijaya Bank	Term Loan	100.00	87.50	8 equated Quarterly instalments of after initial moratorium period of 6 months from the date of first disbursement	See Note (1)
22	Doha Bank	Term Loan	30.00	24.00	5 equated Half yearly instalments of after initial moratorium period of 6 months from the date of first disbursement	See Note (1)
23	Abu Dhabi Commer cial Bank	Term Loan	35.00	35.00	Term facility to repaid in instalments as per agreed terms in 2 instalments over 27 months	See Note (1)
24	RBL Bank Limited	Term Loan	90.00	72.00	5 equal half yearly instalment of INR 18 crores each	See Note (1)
		Term Loan	75.00	75.00	to be repaid in 3 installments as per sanction	See Note (1)
25	Yes Bank	Term Loan	150.00	150.00	16 quarterly Instalments	See Note (1)
26	NABARD	Term Loan	101.00	101.00	to be repaid in 10 installments as per sanction	See Note (1)
27	HDFC Limited	Term Loan	200.00	200.00	to be repaid in 6 equal monthly instalment starting 31 Month - 36 Months	See Note (1)
28	Karur Vyasa Bank	Term Loan	50.00	50.00	12 equal quarterly installment after moratorium period of 6 months	See Note (1)
29	Bank of Baroda	Term Loan	200.00	190.00	20 equal quarterly installment	See Note (1)
			3,946.00	2,823.81		

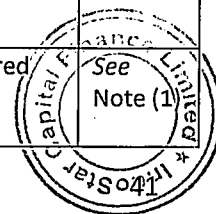
Note 1: Facilities are secured by First Pari-Passu charge on standard asset portfolio of receivables of the Company.

ii. Details of Unsecured Loan Facilities as on December 31, 2018:

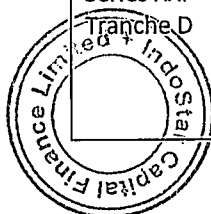
Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment date/ Schedule
Dr. Mickey Mehta'S 360 Degree Wellness Temple Pvt	Inter Corporate Deposit	3,700,000	3,700,000	July 24, 2023
Bloom Sports And Fitness Studio Pvt Ltd	Inter Corporate Deposit	1,840,000	1,840,000	July 24, 2023
JSW Projects Limited	Inter Corporate Deposit	250,000,000	251,500,000	January 09, 2019
Satin Creditcare Network Limited	Inter Corporate Deposit	146,235,747	146,235,747	February 28, 2019
Better Value Leasing and Finance Limited	Inter Corporate Deposit	43,000,000	43,000,000	February 28, 2023
Prakash Industries Limited	Inter Corporate Deposit	18,500,000	26,900,000	February 25, 2019
Prakash Industries Limited	Inter Corporate Deposit		37,074,572	February 25, 2019
Prakash Industries Limited	Inter Corporate Deposit	-	20,000,000	January 11, 2019
Thakur Prasad and Sons Pvt Ltd	Inter Corporate Deposit	1,000,000,000	70,741,444	February 28, 2020
Thakur Prasad and Sons Pvt Ltd	Inter Corporate Deposit		16,286,048	February 28, 2020
Puranik Builders Limited	Inter Corporate Deposit	38,000,000	15,576,438	September 30, 2023
Sai Pushp Enterprises	Inter Corporate Deposit	55,700,000	6,675,616	September 30, 2023
Omkar Realtors & Developers Private Limited	Inter Corporate Deposit	16,700,000	16,700,000	September 30, 2023
STL Prince Infraventures LLP	Inter Corporate Deposit	8,000,000	8,000,000	September 28, 2019
Skylark Realtors Pvt Ltd	Inter Corporate Deposit	2,960,384	16,440,276	September 30, 2022
Total		1,58,46,36,131	68,06,70,141	

iii. Details of Non-Convertible Debentures as on December 31, 2018

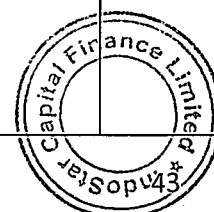
Debenture Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
Tranche V Series II	120 mths	11.40%	INR 15 crs	06 June 2013	06 June 2023	CARE AA-	Secured	See Note (1)
Tranche VIII	59 mths 9 days	0%	INR 10 crs	18 March 2014	27 February 2019	CARE AA-	Secured	See Note (1)
Series XIII Tranche A	60 mths	10.05%	INR 50 crs	8 January 2016	8 January 2021	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XIII Tranche B	59 mths	10.05%	INR 50 crs	8 January 2016	8 December 2020	CARE AA- IND AA-	Secured	See Note (1)



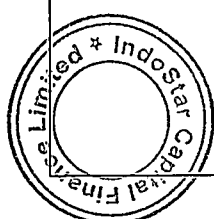
Debenture Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
						/ Stable		
Series XIV Tranche B	36 mths	9.75%	INR 25 crs	23 March 2016	22 March 2019	CARE AA-	Secured	See Note (1)
Series XV Tranche B	36 mnths 26 days	9.95%	INR 50 crs	10 May 2016	5 June 2019	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XV Tranche C	36 mths	10%	INR 50 crs	10 May 2016	10 May 2019	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XV Tranche D	34 mths 24 days	10%	INR 25 crs	10 May 2016	4 April 2019	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XV Tranche E	35 mths 22 days	10%	INR 25 crs	10 May 2016	2 May 2019	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XVI	35 mnths 1 day	0.00%	INR 20 crs	12 May 2016	12 April 2019	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XVIII	35 mnths 29 days	10%	INR 50 crs	30 June 2016	28 June 2019	CARE AA-	Secured	See Note (1)
Series XIX	60 mnths	9.25%	INR 50 crs	8 February 2017	8 February 2022	CARE AA- IND AA- / Stable	Secured	See Note (1)
Series XX Tranche A	12 mnths 48 days	8.9085 %	INR 35 crs	15 February 2018	4 April 2019	CARE AA-	Secured	See Note (1)
Series XX Tranche B	36 mnths 59 days	9.1899 %	INR 11 crs	15 February 2018	15 April 2021	CARE AA-	Secured	See Note (1)
Series XXI Tranche A	1306 days	9.4500 %	INR 30 crs	27 February 2018	24 September 2021	CARE AA-	Secured	See Note (1)
Series XXI Tranche B	730 days	9.2500 %	INR 25 crs	27 February 2018	26 February 2020	CARE AA-	Secured	See Note (1)
Series XXI Tranche C	543 days	9.1833 %	INR 25 crs	27 February 2018	23 August 2019	CARE AA-	Secured	See Note (1)
Series XXI Tranche D	Original Tenor:11 55 days Residual Tenor:	9.1899 %	INR 8 crs (at discoun t)	27 February 2018	15 April 2021	CARE AA-	Secured	See Note (1)



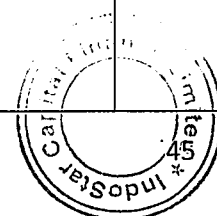
Debt Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
	1144 days							
Series XXII- 2023- Tranche A	1826 days	Benchm ark Rate plus 0.60% p.a. basis points (bps), reset semi- annuall y and payable annuall y Benchm ark rate is "K- MCLR 1Y" which is 1 Yr MCLR rate of Kotak Mahind ra Bank.	INR 100 crs	15 March 2018	15 March 2023	CARE AA-	Secured	See Note (1)
Series XXII- 2021- Tranche B	1096 days		INR 150 crs	15 March 2018	15 March 2021	CARE AA-	Secured	See Note (1)
Series XXII- 2021- Tranche C	1096 days		INR 25 crs	15 March 2018	15 March 2021	CARE AA-	Secured	See Note (1)
Series XXII- 2021- Tranche D	1277 days	9.4500 % p.a.	INR 50 crs	15 March 2018	12 September 2021	CARE AA-	Secured	See Note (1)
Series XXII- 2021- Tranche E	Original Tenor: 1155 days Residual Tenor: 1127 days	9.1899 % p.a.	INR 13 crs	15 March 2018	15 March 2021	CARE AA-	Secured	See Note (1)
Series XXIII- 2021- Tranche A	1096 days	9.1899 % p.a.	INR 10 crs	27 March 2018	27 March 2021	CARE AA-	Secured	See Note (1)
Series XXIII- 2021- Tranche B	Original Tenor: 1155 days Residual	9.1899 % p.a.	INR 5 crs	27 March 2018	15 April 2021	CARE AA-	Secured	See Note (1)



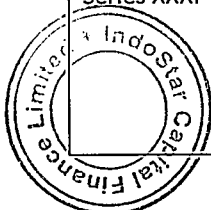
Debt Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
	Tenor: 1115 days							
Series XXIV – 2021 – Tranche A	Original Tenor: 1155 days Residual Tenor: 1098 days	9.1899 % p.a.	INR 44 crs	13 April 2018	15 April 2021	CARE AA-	Secured	See Note (1)
Series XXIV – 2021 – Tranche B	Original Tenor: 1155 days Residual Tenor: 1098 days	9.1899 % p.a.	INR 50 crs (at discount)	13 April 2018	15 April 2021	CARE AA-	Secured	See Note (1)
Series XXIV – 2021 – Tranche C	1132 days	9.1880 % p.a.	INR 40 crs	13 April 2018	19 May 2021	CARE AA-	Secured	See Note (1)
Series XXIV – 2019 – Tranche D	523 days	8.9000 % p.a.	INR 50 crs	13 April 2018	18 September 2019	CARE AA-	Secured	See Note (1)
Series XXV – 02 May 2023	1826 days	Benchmark Rate plus Spread 0.95%(95 basis points) payable monthly Benchmark rate is "1 Year SBI MCLR" which is 1 Yr MCLR rate of State Bank of	INR 500 crs	02 May 2018	1 st Instalment – 02 February 2023 2 nd Instalment – 02 March 2023 3 rd Instalment – 02 April 2023 4 th Instalment – 02 May 2023	CARE AA-	Secured	See Note (1)



Debenture Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
		India.						
Series XXVI – 24 June 2019	395 days	9.17 %	INR 50 crs	25 May 2018	24 June 2019	CARE AA-	Unsecured	NA
Series XXVII – 28 Aug 2019	457 days	9.2337 %	INR 50 crs	28 May 2018	28 August 2019	CARE AA-	Secured	See Note (1)
Series XXVIII – 15 June 2021	1107 days	9.2000 %	INR 100 crs	04 June 2018	15 June 2021	CARE AA-	Secured	See Note (1)
Series XXIX - 4 June 2021	1093 days	Benchmark Rate plus Spread 1.10%(10 basis points) payable monthly Benchmark rate is "1 Year SBI MCLR" which is 1 Yr MCLR rate of State Bank of India.	INR 75 crs	07 June 2018	04 June 2021	CARE AA-	Secured	See Note (1)
Series XXX Tranche A	424 days	9.8917 %	INR 275 crs	2 July 2018	30 August 2019	CARE AA-	Secured	See Note (1)
Series XXX Tranche B	452 days	9.8773 %	INR 275 crs	2 July 2018	27 September 2019	CARE AA-	Secured	See Note (1)
Series XXX Tranche C	717 days	Minimum – 9.05% p.a. (annualised return calculated on XIRR basis) on face value,	INR 10 crs	5 July 2018	21 June 2020	CARE AA-	Secured	See Note (1)



Debenture Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
		Maximum – 9.10% p.a.(annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid						
Series XXX Tranche D	Original Tenor : 452 days Residual Tenor : 438 days	9.8773 %	INR 50 crs (At discount)	16 July 2018	27 September 2019	CARE AA-	Secured	See Note (1)
Series XXX Tranche E	455 days	9.8762 %	INR 50 crs	3 Aug 2018	1 November 2019	CARE AA-	Secured	See Note (1)
Series XXX Tranche F	1079 days	9.7525 %	INR 10 crs	27 Aug 2018	10 August 2021	CARE AA-	Secured	See Note (1)
Series XXX Tranche G	Original Tenor: 1079 days Residual Tenor: 1069 days	9.7525 %	INR 10 crs	27 Aug 2018	10 August 2021	CARE AA-	Secured	See Note (1)
Series XXXI	1096 Days	Coupon Rate shall be the aggregate	INR 250 crs	02 November 2018	02 November 2021	CARE AA-	Secured	See Note (1)



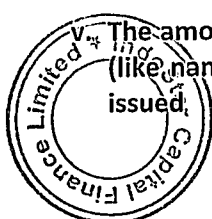
Debt Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
		te of Benchm ark Rate + Spread. The First Coupon Rate applicab le shall be 10.75% p.a. payable monthly ("First Coupon Rate") since - Benchm ark Rate = 8.50% - Spread = 2.25%						
Series XXXII	Original Tenor: 1096 days Residual Tenor: 1030 days	Coupon Rate shall be the aggrega te of Benchm ark Rate + Spread. The First Coupon Rate applicab le shall be 10.75% p.a. payable monthly ("First Coupon	INR 250 crs	07 January 2019	02 November 2021	CARE AA-	Secured	See Note (1)

Debt Series	Tenor/ Period of Maturity	Coupon (per annum)	Amount	Date of Allotment	Redemptio n Date / Schedule	Credit Rating	Secured / Unsecured	Security
		Rate")si nce - Benchm ark Rate = 8.50% - Spread = 2.25%						

Note 1: NCDs are secured by (i) first pari-passu charge on by way of hypothecation on the standard asset portfolio of receivables of the Company; and (ii) first pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat

iv. List of Top 10 Debenture Holders as on December 31, 2018

Sr. No.	Name of Debenture Holder	Principal Outstanding
1	Franklin India Ultra Short Bond Fund	4,40,00,00,000
2	Franklin India Ultra Short Bond Fund	2,50,00,00,000
3	SBI Equity Hybrid Fund	2,00,00,00,000
4	SBI Credit Risk Fund	1,25,00,00,000
5	UTI - Credit Risk Fund	1,00,00,00,000
6	L AND T Mutual Fund Trustee Limited - L And T Resurgent India Bond Fund	75,00,00,000
	DSP Ultra Short Fund	75,00,00,000
7	L And T Mutual Fund Trustee Limited - L And T Credit Risk Fund	50,00,00,000
	SBI Credit Risk Fund	50,00,00,000
	Kotak Mahindra Life Insurance Company Ltd.	50,00,00,000
	Bank of India	50,00,00,000
	UTI-Unit Linked Insurance Plan	50,00,00,000
	UTI - Retirement Benefit Pension Fund	50,00,00,000
	UTI - Credit Risk Fund	50,00,00,000
	L and T Mutual Fund Trustee Limited - L And T Low Duration Fund	50,00,00,000
	IDFC Credit Risk Fund	50,00,00,000
	HDFC Trustee Company LTD A/C HDFC Credit Risk Debt Fund	50,00,00,000
	HDFC Trustee CO. LTD. A/C HDFC FMP 1124D June 2018 (1)	50,00,00,000
	HDFC Trustee Company Ltd A/C HDFC Credit Risk Debt Fund	50,00,00,000
	SBI Magnum Medium Duration Fund	50,00,00,000
	SBI Equity Savings Fund	50,00,00,000
	Edelweiss Alpha Fund Scheme I	50,00,00,000
8	L and T Mutual Fund Trustee Limited - L and T Credit Risk Fund	45,00,00,000
	Franklin India Equity Hybrid Fund	45,00,00,000
9	UTI - FTIF Series XXVIII - Plan XIII (1134 DAYS)	42,00,00,000
10	DSP FMP - Series 238 - 36M	36,00,00,000



The Company has issued Corporate Guarantee of INR 64,01,72,114 as on December 31, 2018 on behalf of Talwalkars Better Value Fitness Limited to IndusInd Bank Limited.

vi. Details of Commercial Paper Outstanding as on December 31, 2018

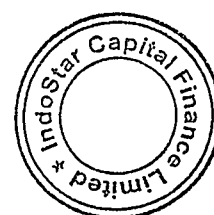
Maturity Date	Amount Outstanding (in INR)
March 15, 2019	50,00,00,000
May 09, 2019	25,00,00,000
May 28, 2019	65,00,00,000
March 11, 2019	25,00,00,000
June 06, 2019	25,00,00,000
March 28, 2019	50,00,00,000
January 30, 2019	50,00,00,000
January 14, 2019	2,50,00,00,000
December 18, 2019	1,00,00,00,000
TOTAL	6,40,00,00,000

vii. Details of rest of the Borrowing(s) (if any including hybrid debt like FCCB, Optionally Convertible Debentures/ Preference Shares) as on December 31, 2018 – NIL

viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years – Nil

ix. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or part, (ii) at premium or discount, or (iii) in pursuance of any option

- The Issuer has not issued any debt securities nor taken any borrowings for consideration other than cash, whether in whole or part.
- The Issuer has not issued any debt securities at a premium. Further, the Issuer had issued 8 Secured, Rated, Listed, Redeemable Non-Convertible Debentures under Series XXI Tranche D of face value of INR 1 crore per debenture, 50 Secured, Rated, Listed, Redeemable Non-Convertible Debentures under Series XXIV Tranche B of face value of INR 1 crore per debenture, 500 Secured, Rated, Listed, Redeemable Non-Convertible Debentures under Series XXX Tranche D of face value of INR 10 Lakh per debenture and 48 Secured, Rated, Listed, Redeemable Non-Convertible Debentures under Series XXX Tranche G of face value of INR 10 Lakh per debenture, at discount.
- The Issuer has not issued any debt securities nor taken any borrowings in pursuance of an option.



h. Details of Promoters of the Company:

i. Details of Promoter Holding in the Company as of December 31, 2018:

Sr. No.	Name of the Shareholders	Total No. of Equity Shares	No. of Shares in demat form	Total shareholding as % of total no. of equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1.	Indostar Capital, Mauritius	5,25,94,228	5,25,94,228	57.02%	Nil	Nil

i. Abridged version of Audited Standalone Financial Information (Balance Sheet, Profit & Loss Statement and Cash Flow Statement) for last three years – Please refer Annexure I

j. Abridged version of Limited Reviewed Half Yearly Consolidated and Standalone Financial Information (Balance Sheet and Profit & Loss Statement) as on December 31, 2018 – Please refer Annexure I

k. Auditors qualifications on Annual Audited Consolidated and Standalone Financial Information for last three years and Limited Reviewed Half Yearly Consolidated and Standalone Financial Information as on December 31, 2018: Nil

l. Any material events / developments or change having implications on the financials / credit quality (e.g. any material regulatory proceedings against the Issuer / Promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of issue which may affect the Issue or the investor(s) decision to invest or continue to invest in the debt securities

In the opinion of the Issuer, there are no material events or developments as on the date of this Shelf Disclosure Document which would materially and adversely affect, or would be likely to affect, the potential Investors' decision to invest in the Issue.

m. Confirmation of Debenture Trustees' consent for appointment under Regulation 4(4) of SEBI Debt Listing Regulations

The Company has appointed IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee. The address and contact details of ITSL are as under:

IDBI Trusteeship Services Limited
CIN: U65991MH2001GOI131154
Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate,
Mumbai - 400 001
Tel: +91 22 4080 7000
Fax: +91 22 66311776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Jatin Bhat

ITSL has given its consent to act as Debenture Trustee to the Debenture Holders vide letter ref 11367/ITSL/OPR/CL/2018-19/DEB/2018 dated February 15, 2019 appended as Annexure II. This

will be mentioned in all subsequent periodical communications sent to the holders of Debentures. The Issuer will enter into a Debenture Trustee Agreement / Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Issuer and the Debenture Trustee in respect of the Debentures.

The Debenture Holders shall, without any further act or deed, be deemed to have irrevocably given their consent to the appointment of the Debenture Trustee by the Company. The Debenture Holders shall, without further act or deed, also be deemed to have already given their consent to and to have authorised the Debenture Trustee, or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or required to be done in the interest of the Debenture Holders or otherwise provided for and/ or referred to in this Shelf Disclosure Document. All rights and remedies under the Debenture Trust Deed shall vest in and be exercised by the Debenture Trustee only and unless, otherwise expressly provided for, without having it referred to the Debenture Holders.

- n. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent – Not Applicable**
- o. Stock exchanges where NCDs are proposed to be listed**

The Debentures are proposed to be listed on the Wholesale Debt Market segment of BSE. For the purpose of the Issue the designated stock exchange shall be BSE.

BSE vide letter reference no. DCS/COMP/SB/IP-PPDI/310/18-19 dated February 21, 2019 had given its in-principle approval for the listing of the Debentures.

p. Other Details

i. DRR creation

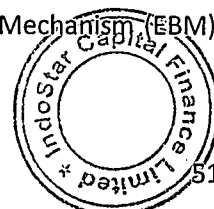
Pursuant to the Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs registered with the RBI are not required to create a debenture redemption reserve for privately placed debentures.

ii. Issue / Instrument specific regulations

The Debentures are governed by and will be construed in accordance with the Indian laws. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the provisions of the Companies Act, 2013, regulations/guidelines/directions of the RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures. Further, the said Debentures shall be subject to the terms and conditions as contained in the application form, the Self Disclosure Document, Addendum to the Self Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement and other Transaction / Security documents.

iii. Application Process

The Application for Debentures may be processed through Electronic Book Mechanism (EBM). Please also refer Section VI of this Self Disclosure Document.

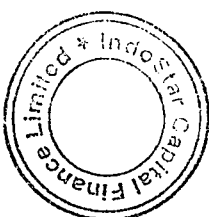


iv. Confirmation of existing lender's consent for creation of pari passu charge in favor of the Debenture Trustee to the Issue

The Company is in process of arranging confirmation from existing lenders for creation of pari-passu charge in favour of the Debenture Trustee to the Issue. Further, the Debenture Holders shall be deemed to have given their consent to Debenture Trustee to provide confirmation to the Company to create pari-passu charge on the borrowings, other than this Issue, to be made by the Company.

v. Further Issue under existing International Securities Identification Number (ISIN)

- a) Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular No. CIR/IMD/DF-1/67/2017 dated 30 June 2017 and SEBI Circular No. CIR/DDHS/P/59/2018 dated 28 March 2018; and
- b) Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular CIR/IMD/DF-1/67/2017 dated 30 June 2017 and SEBI Circular No. CIR/DDHS/P/59/2018 dated 28 March 2018.



Section III.B.

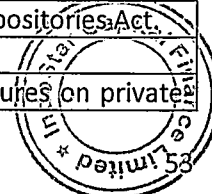
Terms and Conditions of the Issue

The Company proposes to issue upto 10,000 Secured/Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures of the face value of INR 10,00,000 (Rupees Ten Lakh only) each for cash aggregating upto INR 10,00,00,00,000 (Rupees One Thousand Crore only) on a private placement basis in one or more Tranches.

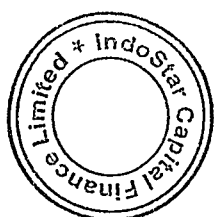
The following is a summary of the terms of the Issue to the extent that they are applicable to each tranche. Since the terms for each tranche may be different, the specific terms of each tranche of NCDs to be issued under the Issue shall be specified in the Addendum to the Shelf Disclosure Document to be issued in respect of that tranche.

DEFINITIONS

Act	The Companies Act, 2013, read with the rules made there under, including any amendments thereto in force.
Allotment / Allot	The Allotment of NCDs
Application Form	The form used by the recipient of this Shelf Disclosure Document and relevant Addendum to this Shelf Disclosure Document, to apply for subscription to the Debentures.
Applicant	Persons to whom a copy of this Shelf Disclosure Document and relevant Addendum to this Shelf Disclosure Document will be sent, specifically addressed to such persons, with a view to offering the Debentures.
Beneficial Owner	The holder of the Debentures in electronic (dematerialized) form held through a Depository and whose names is so recorded by the Depository in the register maintained by it for this purpose.
BSE	The BSE Limited
Board	Board of Directors of the Issuer.
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer of the Issuer
Company/ Issuer	IndoStar Capital Finance Limited
CARE	CARE Ratings Limited
Fitch Group	India Ratings & Research Private Limited
Debenture Holder	A person whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by the Depository.
Debenture Trustee	IDBI Trusteeship Services Limited (ITSL)
Depository(ies)	A depository registered with the SEBI in accordance with the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, and in this case being NSDL and CDSL.
Depositories Act	Means the Depositories Act, 1996, as amended from time to time.
DP/Depository Participant	Means a depository participant as defined in the Depositories Act.
DP-ID	Depository Participant identification number.
EBM	Electronic Book Mechanism for issuance of Debentures on private

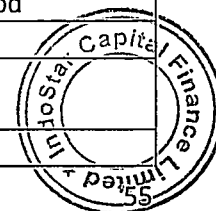


	placement basis, if applicable
Financial Year / FY	Means Financial Year ending March 31 of the relevant financial year, unless specified otherwise.
Governmental Authority	Means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other Law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
INR/Rs./Rupees	The lawful currency of the Republic of India.
Law	Means all applicable laws, bye-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any Governmental Authority or Person acting under the authority of any Governmental Authority and/ or of any statutory authority in India
Memorandum and Articles of Association	Means the Memorandum of Association and Articles of Association of the Issuer.
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer Service
NBFC	Means a non-banking financial company incorporated in accordance with the provisions of the Act, and registered with the RBI in accordance with Section 45-IA of the RBI Act.
NSDL	National Securities Depository Limited.
RTA/ Registrar and Transfer Agent	Link Intime India Private Limited
RTGS	Real Time Gross Settlement System
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
ROC	Registrar of Companies, Maharashtra situated at Mumbai
SEBI	Securities and Exchange Board of India
Wilful Defaulter	Means an Issuer who is categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorised as such.

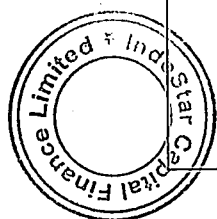


SUMMARY TERM SHEET

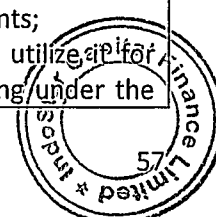
Security Name	As per relevant Addendum to this Document
Series	As per relevant Addendum to this Document
Issuer	IndoStar Capital Finance Limited
Type of Instrument	As per relevant Addendum to this Document
Nature of Instrument	As per relevant Addendum to this Document
Seniority	Senior, if secured
Mode of Issuance	Private Placement
Eligible Investors	As provided in Section VI – Who can Apply & How to Apply
Listing (including name of Stock Exchange (s) where it will be listed and timeline for listing)	<p>To be listed on the Wholesale Debt Market Segment of BSE within 20 days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the NCDs beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such NCDs to the Debenture Holder(s).</p>
Rating of the Instrument	As per relevant Addendum to this Document
Issue Size	As per relevant Addendum to this Document
Minimum Subscription Amount	As per relevant Addendum to this Document
Option to retain oversubscription (Amount)	As per relevant Addendum to this Document
Objects of the Issue	As per relevant Addendum to this Document
Details of the utilization of the Proceeds	As per relevant Addendum to this Document
Coupon Rate	As per relevant Addendum to this Document Also Refer Note 1 and Note 2 herein below
Step Up/Step Down Coupon Rate	As per relevant Addendum to this Document
Coupon Amount	As per relevant Addendum to this Document
Coupon Payment Frequency	As per relevant Addendum to this Document
Coupon Payment Date(s)	As per relevant Addendum to this Document
Coupon Type	As per relevant Addendum to this Document
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	As per relevant Addendum to this Document
Day Count Basis	Actual / Actual or as per relevant Addendum to this Document
Interest on Application Money	As per relevant Addendum to this Document Also Refer Note 3 herein below
Default Interest Rate	2% p.a. over the Coupon Rate for the defaulting period
Tenor	As per relevant Addendum to this Document
Redemption Date	As per relevant Addendum to this Document Also refer Note 4 and Note 5
Redemption Amount	As per relevant Addendum to this Document



	Also refer Note 4 and Note 5 herein below
Redemption Premium /Discount	As per relevant Addendum to this Document Also refer Note 4 and Note 5 herein below
Face Value	INR 10,00,000/- per debenture
Issue Price	As per relevant Addendum to this Document
Discount at which security is issued and the effective yield as a result of such discount.	As per relevant Addendum to this Document
Put Date	As per relevant Addendum to this Document
Put Price	As per relevant Addendum to this Document
Call Date	As per relevant Addendum to this Document
Call Price	As per relevant Addendum to this Document
Put Notification Time	As per relevant Addendum to this Document
Call Notification Time	As per relevant Addendum to this Document
Minimum Application and in multiples of 1 Debt securities thereafter	As per relevant Addendum to this Document
Issue Timing 1. Issue/Bid Opening Date 2. Issue/Bid Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	As per relevant Addendum to this Document Also refer Note 6 herein below
Issuance mode of the Instrument	Dematerialised only Also refer Note 9 herein below
Trading mode of the Instrument	Dematerialised only Also refer Note 9 and Note 10 herein below
Settlement mode of the Instrument	Cheque / Direct Credit / Electronic Clearing Services / RTGS (Electronic mode) / Fund Transfer / NEFT
Depository	NSDL / CDSL
Class / Classes of investors	As per relevant Addendum to this Document
Proposed time schedule for which the offer letter is valid	As per relevant Addendum to this Document
Business Day Convention	<p>Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a day that is not a Business Day, then immediately preceding Business Day shall be considered as the effective Business Day.</p> <p>Should the Deemed Date of Allotment or any Coupon Payment Date fall on a day that is not a Business Day, then immediately succeeding Business Day shall be considered as the effective Business Day. However the calculation of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed.</p> <p>“Business Day” shall be a day on which Money Market is functioning in Mumbai, however shall exclude Saturday, Sunday or any other day on which banks are closed in Mumbai.</p>



Record Date	15 days prior to each Coupon Payment / Redemption Date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	As per relevant Addendum to this Document Also refer Note 8 herein below
Security Creation	As per relevant Addendum to this Document Also refer Note 8 herein below
Transaction Documents	As per relevant Addendum to this Document
Conditions Precedent to Disbursement	As per relevant Addendum to this Document
Conditions Subsequent to Disbursement	As per relevant Addendum to this Document
Other Covenants	As per relevant Addendum to this Document
Events of Default	Events of default including but not limited to the following: <ul style="list-style-type: none"> • Failure to pay amounts due under the Issue on the relevant due date by the Issuer; • Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; • Illegality, cessation of business of the Issuer; • Security in jeopardy; • Bankruptcy, CDR proceedings filed with respect to the Issuer; • Breach of any of the terms of the Transaction Documents by the Issuer; • Breach of any covenants; • Breach of any Representations and Warranties; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer; • Unlawfulness or moratorium; • Events as may be mentioned in the Addendum to this Document
Consequences of Event of Default	The consequences of default will, include but not be limited to the following: <ul style="list-style-type: none"> • Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; • To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer; • Enforce its right under the Transaction Documents; • Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the



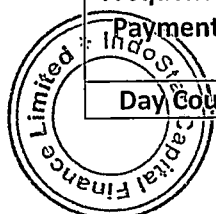
	<p>Issue;</p> <ul style="list-style-type: none"> Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists; Any cost incurred on any of the above shall be borne by the Issuer; Consequences as may be mentioned in the Addendum to this Document
Provisions related to Cross Default Clause	As per relevant Addendum to this Document
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents
Governing Law and Jurisdiction	The Self Disclosure Document read with any Addendum thereto shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with Self Disclosure Document read with any Addendum thereto.
Taxation	All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.

The cash flows concerning the interest payment and redemption of NCDs will be given in each Addendum to this Shelf Disclosure Document on lines similar as in the illustrative format below for each tranche of NCDs issued under this Shelf Disclosure Document, as applicable:

Cash Flows	Date	No of Days in coupon period/Principal Period	Amount (in Rupees)

Manner of payment of Coupon and Redemption proceeds

Manner of payment of Coupon and Redemption proceeds	By RTGS / ECS / Direct Credit / NEFT / Cheques / Warrants
Company	IndoStar Capital Finance Limited
Face Value (per security)	INR 10,00,000/-
Issue Date/ Date of Allotment	As per relevant Addendum to this Document
Redemption	As per relevant Addendum to this Document
Coupon Rate	As per relevant Addendum to this Document
Frequency of the Interest Payment with specified dates	As per relevant Addendum to this Document
Day Count Convention	Actual / Actual or as per



	relevant Addendum to this Document
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NOTES TO SUMMARY TERM SHEET

NOTE 1: COUPON ON NCDS

The Debentures shall carry a Coupon at the rate mentioned in the relevant Addendum to this Shelf Disclosure Document. The Coupon payable on any Coupon Payment Date will be paid to the Debenture Holder(s) whose names appear in the list of Beneficial Owners given by the Depository to the Company as on the Record Date.

Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a day that is not a Business Day, then immediately preceding Business Day shall be considered as the effective Business Day.

Should the Deemed Date of Allotment or any Coupon Payment Date fall on a day that is not a Business Day, then immediately succeeding Business Day shall be considered as the effective Business Day. However the calculation of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed.

"Business Day" shall be a day on which Money Market is functioning in Mumbai, however shall exclude Saturday, Sunday or any other day on which banks are closed in Mumbai.

In case the Deemed Date of Allotment is revised (advanced/ postponed) then the Coupon Payment Date may also be revised advanced/ postponed) accordingly by the Company at its sole & absolute discretion

NOTE 2: ZERO COUPON NCDS

Zero coupon NCDs shall carry an implicit yield at the rate mentioned in the respective Addendum to this Shelf Disclosure Document based on which discount at which the NCDs are to be issued or the redemption premium payable by the Company at maturity shall be calculated.

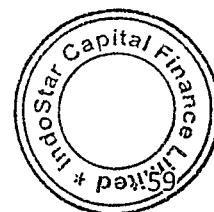
NOTE 3: INTEREST ON APPLICATION MONEY

Interest on application money will be paid to investors at the Interest Rate / implicit yield from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. This clause will not be applicable where the Deemed Date of Allotment is the same as the Issue Closing Date and Pay-in-Date.

NOTE 4: REDEMPTION

Unless previously redeemed or purchased and cancelled, the NCDs of each tranches shall be redeemed at such price, at the expiry of the tenor and / or at the exercise of put / call option, if any, as mentioned in the relevant Addendum to this Shelf Disclosure Document.

NOTE 5: PAYMENT ON REDEMPTION



The Company shall compute the redemption proceeds to be paid to the Debenture Holder(s) of each tranche based on the relevant Addendum to this Shelf Disclosure Document. The Company's liability to the Debenture Holders of any tranche in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of that Tranche, in all events save and except for the Debenture Holder's right of redemption. Upon dispatching the payment instrument towards payment of the redemption amount in respect of the NCDs of any tranche, the liability of the Company in respect of such tranche shall stand extinguished. On such payment being made, the Issuer will inform the Depository and the accounts of the Debenture Holders will be adjusted accordingly.

NOTE 6: DEEMED DATE OF ALLOTMENT

The Deemed Date of Allotment for each tranche will be mentioned in the respective Addendum issued in respect of such tranche. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits, including coupon payment, relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in tranches which shall form the part of this Issue. In case if the Issue Closing Date is changed (advanced/ postponed), the Deemed Date of Allotment may also be changed (advanced/ postponed) by the Company at its sole and absolute discretion.

NOTE 7: UNDERWRITING

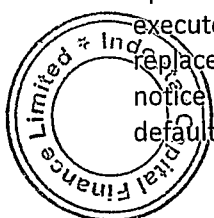
The present Issue of Debentures is on private placement basis and has not been underwritten.

NOTE 8: SECURITY

Secured NCDs, if any, issued under this Shelf Disclosure Document shall be secured through first pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation of standard asset portfolio of receivables of the Issuer or such other asset as may be identified by the Company and set out in the relevant Addendum to this Shelf Disclosure Document. The security cover of the NCDs shall be as specified in the relevant Addendum to this Shelf Disclosure Document

The actual form, mode and method of security creation shall be decided in consultation with the Debenture Trustees.

The Company shall be entitled to replace / substitute any of the Moveable / Immovable Property provided as Security in terms of the Addendum to this Shelf Disclosure Document of the respective tranche with other Moveable / Immovable Property. The Company shall for such replacement issue a letter to the Debenture Trustee describing both the original Property being replaced and the Property with which such original Property is being replaced, which letter shall be duly acknowledged by the Debenture Trustee ("**Replacement Security Letter**"). The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents as may be required by the Debenture Trustee to give effect to such replacement / substitution by acknowledging the Replacement Security Letter, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company / independent chartered



accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs of a particular Tranche as stipulated in the Addendum to this Shelf Disclosure Document for that tranche shall be maintained post such replacement.

Further, in the event that the Moveable Property provided as Security by the Company is of a value greater than the Security Cover stipulated in the Addendum for that tranche, the Company shall be entitled to require the Debenture Trustee to release the excess Moveable Property and the same shall cease to form part of the Security on such release. The Company shall, for such release, issue a letter to the Debenture Trustee describing the Moveable Property to be released and the Debenture Trustee shall release the same by duly acknowledging the letter so addressed by the Company. The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to give effect to such release without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company / independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs of a particular Tranche as stipulated in the Addendum for that tranche shall be maintained post such release.

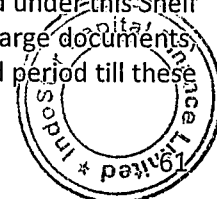
The Company may provide or cause to be provided (without being obliged to) such further security (including over immoveable property) for securing its obligations in respect of the Debentures or any Tranche(s) thereof as may be decided by the Company after obtaining the consent of the Debenture Trustee ("**Further Security Option**").

If the Company in exercise of the Further Security Option has provided or caused to be provided security over immoveable property, the Company (or an affiliate which has created the mortgage over the immoveable property) shall be entitled to offer the immoveable property which is part of the Security in terms of the Debenture Trust Deed as security for any other borrowing of the Company or any of its affiliates (including borrowings raised by issue of debentures) on a pari passu charge basis, as the Company (or an affiliate which has created the mortgage over the immoveable property) may deem fit with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Debenture Trust Deed. The Debenture Holders upon subscription to the Debentures shall be deemed to have consented to the creation of such additional security over the immoveable property, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due in respect of Debentures and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs including further borrowings shall be maintained post such borrowings.

The Security will be created by the Company in favor of the Debenture Trustees on such of the assets for which the Company obtains, the requisite consents and permissions applicable under law or in accordance with conditions of holding of such assets for creating the above mentioned charge.

The Debenture Trustee shall provide consent to create pari-passu charge in future in favour of such other Lender(s) as may be requested by the Company, subject to the Company maintaining the security cover. Prior consent of the Debenture Holder will not be required for the same.

Subject to the compliance to the Act, the Issuer shall create the said security in favour of the Trustees within 3 months from the closure of the issue of the first Debentures issued under this Shelf Disclosure Document. In case of delay in execution of Debenture Trust Deed and Charge documents, the Company will pay penal interest of 2% p.a. over the Coupon Rate for the delayed period till these conditions are complied with, at the option of the Debenture Holders.



NOTE 9: ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Issuer has made depository arrangements with NSDL and CDSL for issue of the Debentures in dematerialised form. The Investors holding the Debentures in dematerialised form will have to hold and deal with the same as per the provisions of the Depositories Act, 1996, the regulations made thereunder and the rules, regulations and bye-laws of NSDL or CDSL, as the case may be.

The Applicants are requested to mention their depository participant's name (along with the relevant identification details) and beneficiary account number in the appropriate place in the Application Form. The Issuer will take necessary steps to credit the depository account of the allottee(s) with the number of Debentures allotted. The initial credit in the depository account will be akin to the Letter of Allotment. On the completion of all statutory formalities, such credit will be substituted with the number of Debentures allotted to each Debenture Holder.

NOTE 10: MODE OF TRANSFER

Transfer of Debentures in dematerialized form would be in accordance with the Depositories Act, 1996, the regulations made thereunder and the rules, regulations and byelaws of NSDL or CDSL as the case may be. The Debenture issued under this Shelf Disclosure Document shall be transferable freely amongst the class of Investors who are eligible to apply.

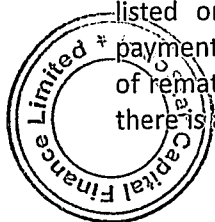
The Debenture(s) shall be transferred and/ or transmitted in accordance with the applicable provisions of the Act and the Articles of Association of the Company. The provisions relating to the transfer and transmission and other related matters in respect of shares of the Issuer contained in the Articles of Association and the Act shall apply, mutatis mutandis (to the extent applicable to debentures) to the Debentures as well. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/ CDSL/ DP of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. Transfer of Debentures to and from NRIs/ other non-resident entities in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of the RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, Coupon will be paid/ redemption will be made to the person, whose name appears in the Register of Debenture Holders/ record of the Depository on the Record Date. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of Debentures held in dematerialised form.

NOTE 11: TAX DEDUCTION AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source on interest payable on the Debentures.

As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE, no tax will be deductible at source at the time of payment/credit of interest/implicit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or where the NCDs are held by person resident outside India or there is a change in the applicable law governing the taxation of the NCDs, the following provisions



shall apply:

- a. Where the Company is required to make a tax deduction, the Company shall make the tax deduction as required under the applicable law and the Company shall make a payment of such taxes deducted into the Indian Government Treasury as required under the applicable law;
- b. The Company shall issue a Form No 16A (or any other similar evidence of taxes deducted) in the format and within the timeline as prescribed under the applicable law.

Interest on Application Money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof. For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Registered Office of the Company at least 15 days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the application form.

For detailed tax implications of the investment in NCDs, investors should get in touch with their tax consultant. Prospective investors are urged to consult their own tax advisors with respect to their own tax situations and the tax consequences in respect of their investments.

NOTE 12: RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Issuer is entitled at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason whatsoever.

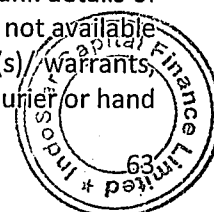
NOTE 13: POWER OF COMPANY TO EXERCISE RIGHT TO RE-PURCHASE, RE-SELL AND/ OR RE-ISSUE THE DEBENTURES

The Issuer shall have the power, exercisable at its sole and absolute discretion from time to time, to re-purchase, a part or all of its Debentures from the secondary market or otherwise, at any time prior to the maturity, subject to applicable law (including the Act) and in accordance with the prevailing guidelines/ regulations issued by the RBI, the SEBI and other authorities. In the event of a part or all of its Debentures being re-purchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed always to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other debentures in their place. Further, in respect of such re-purchased/ re-deemed Debentures, the Issuer shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by Law.

GENERAL TERMS APPLICABLE TO DEBENTURE HOLDERS

a. Payment of coupon amount

Payment of Coupon amount on the Debenture(s) will be made to those of the Debenture Holders whose name(s) appear in the Debenture Register (or to the first holder in case of joint holders) as on the Record Date fixed by the Issuer for this purpose and/ or as per the list provided by NSDL/ CDSL to the Issuer of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive Coupon amount. Payment will be made by the Issuer, the bank details of the allottees, by way of ECS / Direct Credit / RTGS / NEFT and where such facilities are not available the Issuer shall make payment of all such amounts by way of payable at par cheque(s) or hand which will be dispatched to the Debenture Holder(s) by registered post/ speed post/ courier or hand



delivery on or before the Coupon Payment Date.

Coupon amount and Redemption Amount would be payable on the relevant Coupon Payment Date / Redemption Date to the Beneficiaries as per the Register of Debenture Holder or beneficiary list provided by the Depository as on the Record Date. The Coupon shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except in case of a leap year where the year will comprise of 366 days. The day count shall be on an actual/ actual basis or as maybe mentioned in the relevant Addendum to Shelf Disclosure Document.

b. List of Debenture Holders

The Issuer shall request the Depository to provide a list of Debenture Holders as at the end of the Record Date. This shall be the list, which shall be considered for payment of Coupon or repayment of principal amount, as the case may be.

c. Rights of the Debenture Holders

The Debenture Holders will not be entitled to any rights and privileges available to the shareholders of the Issuer and shall not be entitled to any rights and privileges other than those available to them under statutory provisions of the Act, applicable law and the Terms of the Issue. The Debentures shall not confer upon the Debenture Holders the right to receive notice or to attend and vote at the general meetings of shareholders of the Issuer. The principal amounts and coupon amounts, if any, on the Debentures will be paid to the Debenture Holder whose name appears in the Debenture Register/ list of Beneficial Owners only, or in the case of joint holders, to the one whose name stands first.

If any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the Debenture Holders for their consideration. All administrative and procedural issues will be resolved by the Issuer, without further reference to the Debenture Holders.

The provisions of the Act will apply to any meeting of the Debenture Holders.

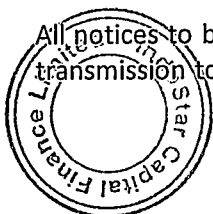
The Debenture Holders will be entitled to their Debentures free from any equities and/ or cross claims by the Issuer against the original or any intermediate/ subsequent holders thereof.

d. Modification of rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated, subject to compliance with applicable laws, if any, in this regard, with the consent in writing of the holders of three-fourth of outstanding amount of Debentures, or with the sanction of a resolution passed at a separate Meeting of the holders of Debentures representing three-fourth of outstanding amount of debentures. Provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures if the same are not acceptable to the Issuer.

e. Notices

All notices to be given to the Debenture Holder(s) shall be first sent by electronic mail or facsimile transmission to the Debenture Trustee or by registered post or by hand delivery to the Debenture



Holder or to such persons at such address as may be notified by the Debenture Holder from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter(s) of Allotment / Debenture(s), etc., requests for issue of duplicate debentures, etc. and/or any other notices / correspondence by the Debenture Trustee or the Debenture Holder(s) to the Issuer with regard to this Issue should be first sent by electronic mail or facsimile transmission and thereafter be sent by registered post or by hand delivery to the Company or to such other person(s) at such address(es) as may be notified by the Issuer from time to time.

f. Future Borrowings

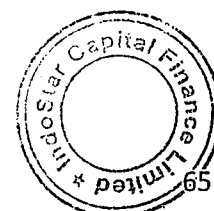
Notwithstanding anything contained herein or the Addendum to the Shelf Disclosure Document, the Company shall be entitled to make further issue of debentures and / or such other instruments and / or avail further financial assistance, guarantee facilities from banks, financial institutions and / or any other persons on the security or otherwise without the consent of the Debenture Trustee and / or Debenture Holders. Further the Debenture Holders shall be deemed to have given their consent to the Debenture Trustee to provide consent to the Company to create pari-passu charge on the borrowings to be made by the Company.

g. Miscellaneous

Loss of coupon cheques should be intimated to the Issuer along with the request for issue of duplicate interest cheque. The issue of duplicate cheque(s) would be governed by such conditions as may be prescribed by the Issuer.

h. Confidentiality

The information and data contained herein is submitted to each recipient of this Shelf Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Shelf Disclosure Document, each recipient agrees that neither it nor any of its employees/ associates or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Shelf Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this Shelf Disclosure Document breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.



SECTION IV

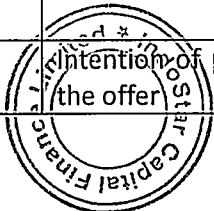
Disclosures as prescribed in Form PAS-4 under Companies Act, 2013

Part - A

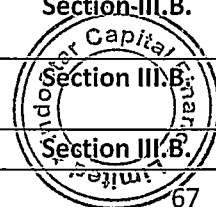
PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

(Pursuant to section 42 rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014)

Sr. No.	Particulars	Details
1.	General Information	
(i)	Name, address, website, if any, and other contact details of the Company indicating both registered office and corporate office	Page 25
(ii)	Date of Incorporation of the Company	Page 25
(iii)	Business carried on by the company and its subsidiaries with the details of the branches or units, if any	Page 26 & 28
(iv)	Brief particulars of the management of the Company	Page 33 to 36
(v)	Names, Addresses, Director Identification Number (DIN) and occupations of the Directors	Page 33 to 36
(vi)	Management's perception of risk factors	Page 8
(vii)	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	--
	b. Statutory dues	None
	c. Debentures and interest thereon	None
	d. Deposits and interest thereon	Not Applicable
	e. Loan from any bank or financial institution and interest thereon	None
(viii)	Name, designation, address and phone number, email ID of the nodal/compliance officer of the company, if any, for the private placement offer process	Page 25
(ix)	Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder	None
2.	Particular of Issue	
(i)	Financial position of the Company for the last 3 financial years	Annexure I
(ii)	Date of passing of Board resolution	August 10, 2018
(iii)	Date of passing of resolution in the general meeting, authorising the offer of securities	September 27, 2018
(iv)	Kind of securities offered (i.e. whether share or debenture) and class of security, the total number of shares or other securities to be issued	Non-Convertible Debentures
(v)	Price at which the security is being offered including the premium, if any, alongwith justification of the price	Section III.B.
(vi)	Name and address of the valuer who performed valuation of the security offered and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable
(vii)	Relevant date with reference to which the price has been arrived at	Not Applicable
(viii)	The class or classes of persons to whom the allotment is proposed to be made	As per Addendum to this Document
(ix)	Intention of promoters, directors or key managerial personnel to subscribe to the offer	Not Applicable



(x)	The proposed time within which the allotment shall be completed	Within the statutory time period as prescribed under the laws applicable to the Company
(xi)	The names of the proposed allottees and the percentage of post private placement capital that may be held by them	Not Applicable
(xii)	The change in control, if any, in the Company that would occur consequent to the private placement	Not Applicable
(xiii)	The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price	<p>Non-convertible debentures issued on private placement basis since 1 April 2018:</p> <ul style="list-style-type: none"> • No. of persons who have been issued and allotted non-convertible debentures having Face value of INR 1 Crore each – 5 (Five)* • No. of persons who have been issued and allotted non-convertible debentures having Face value of INR 10 lakh each - 9 (Nine)* <p><i>*A single investor issued and allotted non-convertible debentures with face value of INR 1 crore each and INR 10 lakh each have been included in the respective count above</i></p>
(xiv)	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
(xv)	Amount which the Company intends to raise by way of proposed offer of securities	Please refer to Addendum to this Document
(xvi)	Terms of raising of securities: Duration, if applicable, Rate of Dividend or rate of interest, mode of payment and repayment	Section-III.B.
(xvii)	Proposed time schedule for which the private placement offer cum application letter is valid	Section III.B.
(xviii)	Purposes and objects of the offer	Section III.B.



(xix)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
(xx)	Principle terms of assets charged as security, if applicable	Section III.B.
(xxi)	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	None
(xxii)	The pre-issue and post-issue shareholding pattern of the Company	Not Applicable
3.	Mode of payments for subscription	Section III.B.

4. **DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

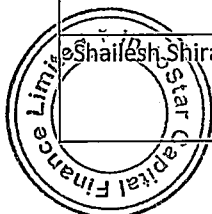
- (i) Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interest of other persons – **None**
- (ii) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Issuer during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed – **The Company has been given to understand that the Promoter does not have any litigation or legal action pending or taken by any Ministry or Department of the Government or any statutory authority during the 3 (three) preceding Financial Years or any directions issued by such Ministry or Department of the Government.**

(iii) Remuneration of Directors –

Particulars	Remuneration		
	FY 2017-18	FY 2016-17	FY 2015-16
Remuneration of Managing Director and Whole-Time Director	5,01,90,174	8,56,03,024	9,74,85,029
Remuneration of Non-Executive Independent Directors	12,05,000	56,15,000	48,15,000

- (iv) Related Party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided –

Name of related party & nature of relationship	Particulars	Year Ended	Year Ended	Year Ended
		March 31, 2018	March 31, 2017	March 31, 2016
Key managerial personnel				
R. Sridhar	Investment in share capital	3,174,600		
	Securities premium	96,825,300		
	Remuneration paid	26,292,991		
	Expenses reimbursed	410,918		
Vimal Bhandari	Investment in share capital			6,855,138
	Securities premium			82,344,000
	Remuneration paid	3,602,195	33,463,652	48,487,993
	Expenses reimbursed	76,431	691,660	659,267
Shailesh Shirali	Investment in share capital			23,053,843
	Securities premium			276,923,040



	Remuneration paid	20,294,988	52,139,372	48,997,036
Subsidiary Companies				
IndoStar Asset Advisory Private Limited	Reimbursement of expenses	4,791,928	5,664,378	9,033,390
	Advances given (Net)	2,100,000	21,117,767	11,703,477
IndoStar Home Finance Private Limited	Investment in subsidiary	500,000,000		100,000,000
	Reimbursement of expenses	5,970,308		
	Advances given (Net)	855,034	-	

- (v) Summary of reservation or qualifications or adverse remarks of auditors in the last five Financial Years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservation or qualifications or adverse remark – **Nil**
- (vi) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter circulation of offer letter in the case of company and all its subsidiaries, and if there were any prosecution filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section wise details thereof for company and all its subsidiaries – **Nil**
- (vii) Details of acts of material frauds committed against the Company in the last 3 three Financial Years, if any, and if so, the action taken by the Company – **Nil**

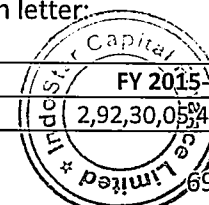
5. FINANCIAL POSITION OF THE COMPANY

a. (i) The capital structure of the Company:

- (a) The authorised capital, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);
- (b) Size of the present offer;
- (c) Paid up capital
- (i) After the offer;
- (ii) After conversion of convertible instrument;
- (d) Share premium account (before and after)
Please refer page 28-29

- a.(ii) The details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and form of consideration – **Refer Page 29-32**
- b. Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter:

Particulars	FY2017-18	FY 2016-17	FY 2015-16
Profit Before Taxation	3,60,89,89,015	3,20,42,50,033	2,92,30,05,465



Profit After Taxation	2,35,57,76,312	2,09,03,78,141	1,91,01,55,538
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- c. Dividends declared by the Company in respect of the said three financial years, interest coverage ratio for last three years (cash profit after tax plus interest/ interest paid):

Dividend – Nil

Interest Coverage Ratio:

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Interest Coverage Ratio	2.15	2.06	1.69

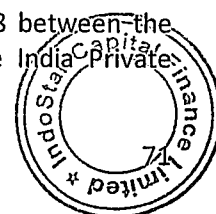
- d. A summary of the financial position of the Company as in three audited balance sheets immediately preceding the date of circulation of offer letter cum application letter – **Annexure I**
- e. Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter – **Annexure I**
- f. Any change in accounting policies during the last three years and their effect on the profit and reserves of the Company – **Nil**



SECTION V

MATERIAL DOCUMENTS

1. Certificate of Incorporation of the Company dated July 21, 2009.
2. Fresh Certificate of Incorporation consequent to the change of name to IndoStar Capital Finance Private Limited dated November 15, 2010.
3. Fresh Certificate of Incorporation consequent to the conversion of the Company from private limited to public limited dated May 28, 2014.
4. NBFC registration certificate issued by the Reserve Bank of India dated January 20, 2016.
5. Certification of Registration of Regional Director order for Change of State dated September 8, 2015
6. Memorandum of Association and Articles of Association of the Company.
7. Special Resolution(s) under Section 180(1) (c) and Section 180 (1) (a) of the Companies Act, 2013, passed on September 27, 2018 and September 7, 2016, respectively.
8. Special Resolution under Section 71 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, passed on September 27, 2018.
9. Board resolution dated August 10, 2018 in relation to the issue of non-convertible debentures.
10. Board resolution under Section 179 of the Companies Act, 2013 dated August 10, 2018 in relation with Borrowing Limit of the Company upto INR 20,000 crore.
11. Debenture Committee resolution dated February 15, 2019 approving the Issue.
12. Annual reports of the Company for the last five years.
13. Credit rating letter issued by CARE Ratings Limited dated August 23, 2018 and June 4, 2018 and India Ratings & Research Private Limited dated 13 February 2018 is annexed as **Annexure II**
14. Audited Financial Statements along with the Audit Report for the year ended March 31, 2018 is annexed as **Annexure III**
15. Copy of letter agreement dated August 13, 2012 between the Issuer and the Registrar and Transfer Agent.
16. Copy of the tripartite agreement dated February 3, 2011 between the Issuer, National Securities Depository Limited (NSDL) and Link Intime India Private Limited.
17. Copy of the tripartite agreement dated May 16, 2012 and January 8, 2018 between the Issuer, Central Depository Services (India) Limited (CDSL) and Link Intime India Private Limited.



SECTION VI

WHO CAN APPLY

Only the persons who are specifically addressed through a communication by or on behalf of the Company directly are eligible to apply for the Debentures.

This Shelf Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Company. The categories of investors eligible to invest in the Debentures, when addressed directly, include banks, financial institutions including development financial institutions, companies and bodies corporate, insurance companies, mutual funds, FPIs registered with SEBI and such other category of investors as authorised to invest in the Debentures under applicable laws. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. An application made by any other person will be deemed as an invalid application and rejected.

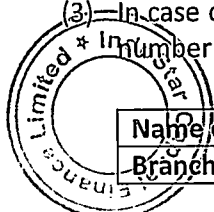
DISCLAIMER: PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THIS SHELF DISCLOSURE DOCUMENT AND ADDENDUM TO THE SHELF DISCLOSURE DOCUMENT HAVE BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS/ INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/ REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

HOW TO APPLY

The Issue will open on the Issue Opening Date and close on the Issue Closing Date (both days inclusive). Investors who wish to invest are requested to submit an application form with all the accompanying documents and the application money at any time starting from the Issue Opening Date and upto the Issue Closing Date. In case of Issue through EBM, successful bidders shall submit application form and transfer funds through clearing corporation of BSE.

INSTRUCTIONS FOR APPLICATION

- (1) Application must be completed in BLOCK LETTERS IN ENGLISH. A blank must be left between two or more parts of the name.
- (2) Signatures should be made in English.
- (3) In case of issuance not through EBM, the remittance should be made to the following account number of the Issuer



Name of Bank	Kotak Mahindra Bank
Branch	5C/II, Ground Floor, Mittal Court, 224,

	Nariman Point, Mumbai - 400021
IFSC Code	KKBK0000958
Account number	9711744739
Type of Account	Current
Name of beneficiary	IndoStar Capital Finance Limited

- (4) Cheques/ drafts must be made in the favour of IndoStar Capital Finance Limited and crossed "Account Payee only" payable at par in Mumbai. Money orders or postal orders will not be accepted.
- (5) No cash will be accepted.
- (6) The Applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ ward/ District details.
- (7) The Issuer is entitled at its sole and absolute discretion to accept or reject any application, which is not complete in any respect.

APPLICATIONS UNDER POWER OF ATTORNEY/ RELEVANT AUTHORITY

In case of an application made under a Power of Attorney or resolution or authority to make the application, a certified true copy of such Power of Attorney or resolution or authority to make the application and the memorandum and articles of association of the Investor must be attached to the application form at the time of making the application, failing which, the Company reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

The applications should be submitted during normal banking hours at the office mentioned below:

Mumbai: IndoStar Capital Finance Limited.

Address: One Indiabulls Center, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013

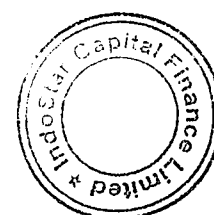
Applicants residing or situated at places other than in Mumbai, may send their application along with cheques or demand drafts to the centre mentioned above. The demand drafts must be payable at par at Mumbai. The demand draft charges will have to be borne by the Applicant.

The Applicant is requested to contact the office of the Company as mentioned above for any clarifications.

Other Relevant Information

Authority for the issue and details of the resolutions passed for the issue.

The Issue of Debentures is being made pursuant to the following resolutions:



Shareholders Resolutions:

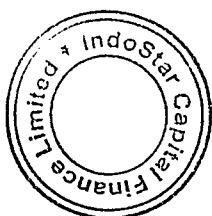
- (i) Special Resolution(s) under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, passed on September 27, 2018 and September 7, 2016, respectively;
- (ii) Special Resolution under Section 71 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, on September 27, 2018.

Board Resolution:

Resolution dated August 10, 2018 under Section 71 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, for issue of non-convertible debentures on private placement basis during a period of one year from the date of shareholder's resolution i.e. on September 27, 2018 such that the aggregate principal amount of such NCDs does not exceed INR 12,000 crore (Rupees Twelve Thousand Crore only).

Debenture Committee Resolution:

Resolution dated February 15, 2019 for issue of Debentures on private placement basis upto INR 1,000 crore.



DECLARATION BY THE DIRECTOR(S)

We hereby affirm and declare that the Company has complied with the provisions of the Companies Act 2013 and the rules made thereunder ("Act"). The compliance with the Act does not imply that payment of dividend or interest or repayment of the Debentures is guaranteed by the Central Government. The monies received by the Company under the Issue shall be used only for the purpose as more particularly described under Section III – Terms & Conditions of the Issues of this Shelf Disclosure Document.

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

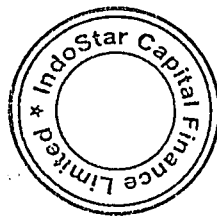
R. Sridhar

(R. Sridhar)

DIN: 00136697

Place: Mumbai

Date: 18 Feb 2019



DECLARATION BY THE DIRECTOR

- a. The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder ("Act");
- b. The compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debenture, if applicable, is guaranteed by the Central government;
- c. The monies received under the offer shall be used only for the purposes and objects indicated in the Shelf Disclosure Document.

I am authorized by the Board of Directors of the Company vide resolution number 26 B dated 10 August 2018 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Shelf Disclosure Document.

The Company has also complied with the relevant regulation/guidelines issued by the SEBI and other applicable laws and no statement made in this Shelf Disclosure Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Shelf Disclosure Document is as applicable to private placed debt securities and subject to information available with the Company. The extent of disclosures made in the Shelf Disclosure Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

R. Sridhar

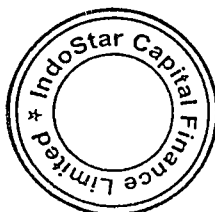
 (R. Sridhar)

DIN: 00136697

Place: Mumbai

Date: 18 Feb 2019

Attachments:





Application Form

INDOSTAR CAPITAL FINANCE LIMITED

CIN: L65100MH2009PLC268160

Regd. Office: One Indiabulls Center, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai – 400 013

DEBENTURE APPLICATION FORM SERIAL NO.

ISSUE OF UPTO ___ SERIES XXXIII TRANCHE ___ AA MINUS RATED SECURED/UNSECURED LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 10 LAKH (RUPEES TEN LAKH ONLY) EACH, AGGREGATING TO INR ___ CRORE (RUPEES ___ ONLY) ("SERIES XXXIII TRANCHE ___ NCD") (HEREINAFTER REFERRED TO AS "NCD'S" / "DEBENTURES"), FOR CASH AT PAR, ON A PRIVATE PLACEMENT BASIS WHICH ARE PROPOSED TO BE LISTED ON WHOLESALE DEBT MARKET SEGMENT OF THE BSE LIMITED ("THE ISSUE").

DEBENTURES APPLIED FOR:

(Minimum application for Series XXXIII Tranche ___ – ___ Debenture, in increments of 1 Debenture)

Number of Debentures – Series XXXIII Tranche ___ in words _____

AMOUNT RECEIVED

Series XXXIII Tranche ___

APPLICATION MONEY (Premium / Par / Discount): In INR _____ in words _____

ACCRUED INTEREST: In INR _____ in words _____

DETAILS OF PAYMENT:

Cheque / Demand Draft / NEFT / RTGS

No. _____ Drawn on _____

Funds transferred to _____

Dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

SECOND APPLICANT'S NAME IN FULL (CAPITALS)

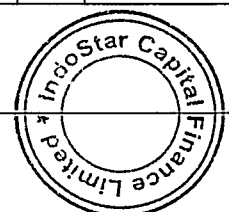
SPECIMEN SIGN

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THIRD APPLICANTS NAME IN FULL (CAPITALS)

SPECIMEN SIGN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



SHELF DISCLOSURE DOCUMENT
FOR PRIVATE CIRCULATION ONLY

INDOSTAR

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FIRST/SOLE APPLICANT FATHER'S NAME IN FULL (CAPITALS)

SPECIMEN SIGN

SECOND APPLICANT FATHER'S NAME IN FULL (CAPITALS)

SPECIMEN SIGN

THIRD APPLICANT FATHER'S NAME IN FULL (CAPITALS)

SPECIMEN SIGN

FIRST/SOLE APPLICANT'S ADDRESS

ADDRESS																			
STREET																			
CITY																			
PIN																			
PHONE																			
FAX																			
EMAIL ADDRESS																			

FIRST/SOLE APPLICANT'S BANK ACCOUNT DETAILS

BANK NAME	
ACCOUNT HOLDER NAME	
ACCOUNT NUMBER	
IFSC CODE	

FIRST/SOLE APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT _____

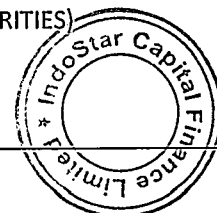
IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING A SOCIETY),
THEY MAY ADD ADDITIONAL SIGNATORY(IES) AS PROVIDED BELOW.

Name of the Authorised Signatory (ies)	Designation	Signature

I/WE ARE BANK () FINANCIAL INSTITUTION () COMPANY () OTHERS () SPECIFY _____

I/WE CONFIRM RESIDENTIAL STATUS AS INDIAN TAX STATUS NON EXEMPT () EXEMPT () (IF
EXEMPT PLEASE SPECIFY) _____

(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)



The following particulars relating to details of the beneficiary (electronic) account as given below are required to be filled up.

I/We confirm that unless expressly set out in the Application Form, I/We are applying to the Debentures as investors and not as distributors. I/We confirm that I/We have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

Depository Name	
Depository Participant Name	
DP-ID	
Beneficiary Account Number	
Name of the Applicant(s)	

I/We understand that: i) in case of allotment of Debentures to me/us, my/our beneficiary account as mentioned above would get credited to the extent of allotted Debentures, ii) applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with DP, iii) if the names of the applicant(s) in this application are not identical and also not in the same order as the beneficiary account details with the above mentioned DP or if the Debentures cannot be credited to my/ our beneficiary account for any reason whatsoever, the Issuer shall be entitled at its sole option to issue the Debentures to me/us in the physical form or reject the application.

I/We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Shelf Disclosure Document dated 18 February 2019 ("**Shelf Disclosure Document**") including any Addendum to this Shelf Disclosure Document issued in pursuance thereof have considered these in making our decision to apply. I/We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders. The provisions of the Debenture Documents are incorporated herein by reference and both the Debenture Holders and the Company are bound by the provisions of the Debenture Documents and the Terms and Conditions set out herein. In the event of any inconsistency between the Terms and Conditions set out herein and the Debenture Documents, the Debenture Documents shall prevail. I/We confirm that any transferee who purchases the Debentures shall similarly understand the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Shelf Disclosure Document including any Addendum to this Shelf Disclosure Document and be bound by these Terms and Conditions.

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

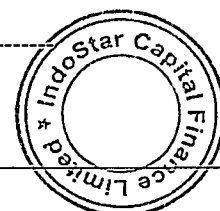
Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

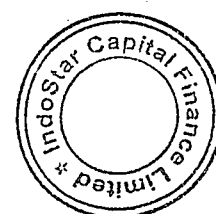
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Annexure I – Financial Information

1.1. Key Operational and Financial Parameters (Standalone):

Parameters	FY 2017-18	FY 2016-17	FY 2015-16
Networth	21,45,99,32,046	19,00,41,55,834	15,41,22,12,490
Total Debt			
- Non Current Maturities of Long Term Borrowing	19,91,97,18,704	19,10,61,20,313	17,58,86,58,160
- Short Term Borrowing	18,63,05,78,095	7,86,55,05,788	4,99,41,61,851
- Current Maturities of Long Term Borrowing	9,67,72,84,563	6,76,13,17,678	7,42,57,19,985
Net Fixed Assets	61,55,88,483	8,79,59,957	3,74,30,123
Non-Current Assets (excl. Fixed Assets including deferred tax asset)	50,43,71,47,475	40,21,19,28,486	31,18,02,77,699
Cash and Cash Equivalents	1,22,45,19,796	54,42,34,974	3,49,59,18,478
Current Investments	8,79,23,51,218	1,23,93,71,782	0
Current Assets (excl. cash & cash equivalents)	11,88,98,37,732	12,77,01,50,220	12,20,88,74,091
Current Liabilities (excl. current maturities of LT Borrowings)	2,91,15,30,427	1,77,46,94,400	1,19,59,23,506
Assets Under Management - Loan Assets	59,60,02,88,427	51,44,95,80,733	42,65,08,71,432
Off Balance Sheet Assets			
Income from operations	8,18,54,11,628	7,14,80,17,778	6,41,32,45,001
Interest Expense	3,24,42,86,270	3,11,84,94,881	2,89,25,90,633
Provisioning & Write-offs – Std. assets	8,78,88,853	12,32,80,817	3,38,18,664
PAT	2,35,57,76,312	2,09,03,78,141	1,91,01,55,539
Gross NPA to Total assets (%)	1.3%	1.4%	0.21
Net NPA to Total Assets (%)	1.1%	1.2%	0.17
Tier I Capital Adequacy Ratio (%)	28.00	33.40	33.82
Tier II Capital Adequacy Ratio (%)	0.31	0.40	0.38



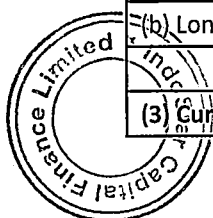
1.2. Key Operational and Financial Parameters (Consolidated):

Parameters	FY 2017-18	FY 2016-17	FY 2015-16
Networth	21,371,260,494	19,027,540,519	15,418,161,560
Total Debt			
- Non Current Maturities of Long Term Borrowing	19,919,718,704	19,106,120,313	17,588,658,160
- Short Term Borrowing	18,630,578,095	7,865,505,788	4,994,161,851
- Current Maturities of Long Term Borrowing	9,677,284,563	6,761,317,678	7,425,719,985
Net Fixed Assets	641,475,897	88,012,340	37,516,701
Non-Current Assets (excl. Fixed Assets including deferred tax asset)	50,337,712,997	40,124,865,653	31,088,054,145
Cash and Cash Equivalents	1,278,337,240	651,298,742	3,596,092,728
Current Investments	8,792,351,218	1,239,371,782	-
Current Assets (excl. cash & cash equivalents)	20,705,991,819	14,023,513,449	12,211,147,100
Current Liabilities (excl. current maturities of LT Borrowings)	2,859,334,301	1,628,998,983	1,199,144,988
Assets Under Management - Loan Assets	60,112,088,863	51,475,088,687	42,669,963,997
Off Balance Sheet Assets	-	-	-
Income from operations	8,220,109,343	7,191,771,048	6,439,962,705
Interest Expense	3,244,286,270	3,118,494,881	2,892,590,633
Provisioning & Write-offs – Std. assets	89,168,354	123,280,817	33,818,664
PAT	2,243,720,076	2,107,954,322	1,916,419,338

2.1. Abridged version of Audited Financial Information (Standalone)

(i) Balance Sheet:

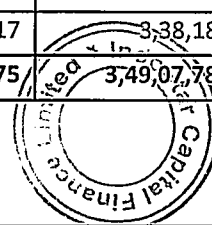
Particulars	FY 2017-18	FY 2016-17	FY 2015-16
I. Equity and liabilities			
(1) Shareholders' funds			
(a) Share capital	78,67,92,590	78,36,17,990	73,35,44,290
(b) Reserves and surplus	20,67,31,39,456	18,22,05,37,844	14,67,86,68,200
(c) Money received against share warrants	-	-	-
(2) Share application money pending allotment	-	-	-
	21,45,99,32,046	19,00,41,55,834	15,41,22,12,490
(2) Non-current liabilities			
(a) Long-term borrowings	19,91,97,18,704	19,10,61,20,313	17,58,86,58,160
(b) Deferred tax liabilities (Net)			-
(a) Other Long term liabilities	3,22,20,665	7,23,70,201	10,24,64,760
(b) Long term provisions	32,81,80,204	26,94,81,205	14,61,39,655
	20,28,01,19,573	19,44,79,71,719	17,83,72,62,575
(3) Current liabilities			



(a) Short-term borrowings	18,63,05,78,095	7,86,55,05,788	4,99,41,61,851
(b) Trade payables	8,97,05,707	4,22,68,246	3,05,68,778
(c) Other current liabilities	12,35,38,22,774	8,33,62,84,653	8,59,10,74,713
(d) Short-term provisions	14,52,86,509	15,74,59,179	5,72,19,983
	31,21,93,93,085	16,40,15,17,866	13,67,30,25,325
Total	72,95,94,44,704	54,85,36,45,419	46,92,25,00,390
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	50,23,84,215	6,91,67,569	3,01,28,421
(ii) Intangible assets	3,01,90,962	1,87,92,388	28,75,903
(iii) Capital work-in-progress	8,30,13,306	-	44,25,799
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	1,69,86,81,862	73,04,11,205	10,01,00,000
(b) Deferred tax assets (net)	16,49,44,089	16,36,54,547	10,30,24,270
(c) Long term loans and advances	48,57,35,21,524	39,31,78,62,734	30,97,71,53,429
(e) Other non-current assets	-	-	-
	51,05,27,35,958	40,29,98,88,443	31,21,77,07,822
(2) Current assets			
(a) Current investments	8,79,23,51,218	1,23,93,71,782	0
(b) Cash and bank balances	1,22,45,19,796	54,42,34,974	3,49,59,18,478
(c) Short-term loans and advances	11,30,87,37,144	12,26,23,54,541	11,85,31,09,700
(d) Other current assets	58,11,00,588	50,77,95,679	35,57,64,390
	21,90,67,08,746	14,55,37,56,976	15,70,47,92,568
Total	72,95,94,44,704	54,85,36,45,419	46,92,25,00,390

(ii) Profit & Loss Accounts:

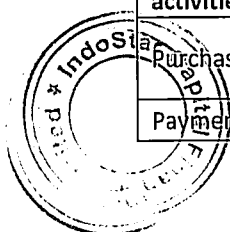
Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Income			
Revenue from operations	8,18,54,11,628	7,14,80,17,778	6,41,32,45,001
Other income	11,92,85,850	74,02,030	5,39,128
Total	8,30,46,97,478	7,15,54,19,808	6,41,37,84,129
Expenditure			
Employee expenses	72,30,57,491	47,78,86,682	39,45,01,996
Finance cost	3,24,42,86,270	3,11,84,94,881	2,89,25,90,633
Depreciation and amortization	4,47,71,565	1,87,43,305	51,16,291
Other operating expenses	59,57,04,284	21,27,64,090	16,47,51,080
Provisions	8,78,88,853	12,32,80,817	3,38,18,664
Total	4,69,57,08,463	3,95,11,69,775	3,49,07,78,664



Profit before taxation	3,60,89,89,015	3,20,42,50,033	2,92,30,05,465
Provision for taxation			
Current tax	1,25,45,02,245	1,17,45,02,169	1,03,07,02,387
Deferred tax Liability / (Asset)	-12,89,542	-6,06,30,277	-1,78,52,461
Income tax of earlier years			
Total tax expense / (income)	1,25,32,12,703	1,11,38,71,892	1,01,28,49,926
Profit after tax from continuing operations	2,35,57,76,312	2,09,03,78,141	1,91,01,55,538
Prior period items	-	-	-
Net profit after taxes	2,35,57,76,312	2,09,03,78,141	1,91,01,55,538

(iii) Cash Flow Statement

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
A. Cash flow from operating activities			
Profit before taxes	3,60,89,89,015	3,20,42,50,033	2,92,30,05,465
Depreciation and amortisation	4,47,71,565	1,87,43,305	51,16,291
Loss / (profit) on sale of fixed assets (net)	93,97,182	85,501	21,409
Profit on sale of current investments	-9,87,13,445	-36,96,979	-
Profit on sale of non-current investments	-1,99,87,625	-	-
Issue expenses for equity shares	-	-	-
Provisions for non-performing assets	2,04,25,869	8,78,24,670	6,15,025
Provisions for standard assets	2,98,23,357	3,54,56,147	3,32,03,639
Provision for gratuity	47,88,786	21,29,200	8,40,733
Provision for leave encashment	32,48,290	11,25,008	7,52,547
Operating profit before working capital changes	3,60,27,42,994	3,34,59,16,885	2,96,35,55,109
Movements in working capital:			
Increase / (decrease) in trade payables	4,74,37,461	39,84,521	1,12,69,654
Increase / (decrease) in other liabilities	3,93,96,67,233	-27,74,03,078	1,40,36,35,538
Decrease / (increase) in loans and advances	-8,30,20,41,393	-8,74,99,39,017	-8,90,93,21,327
Decrease / (increase) in other assets	-7,33,04,909	-15,18,17,362	14,37,91,272
Cash generated from operations	-78,54,98,614	-5,82,92,58,051	-4,38,70,69,754
Direct taxes paid (net of refunds)	-1,26,62,62,218	-1,07,74,56,444	-1,04,01,72,522
Net cash flow from / used in operating activities (A)	-2,05,17,60,832	-6,90,67,14,495	-5,42,72,42,276
B. Cash flows from investing activities			
Purchase of fixed including intangible assets	-46,12,64,811	-6,94,24,823	-3,38,58,552
Payments for capital work in progress	-8,30,13,306	-	-



Proceeds from sale of fixed assets	2,02,196	70,529	2,359
Proceeds from sale / (investment) in Preference Shares	5,99,62,875	-3,99,75,250	-
Investment in pass through certificates	-1,05,14,24,638	-90,90,91,390	-
Investment in subsidiary	-50,00,00,000	-	-10,00,00,000
Investment in mutual fund units	-1,58,33,54,560	-91,69,19,368	-
Repayments from fixed income debt instruments	-	-	54,60,00,000
Proceeds from maturity of Bank deposits	8,00,00,000	-	-
Investment in Bonds (net)	-5,32,77,32,700	-	-
Purchase of debt mutual fund units & fixed income debt instruments	-	-	-
Sale of debt mutual fund units & fixed income debt instruments	-	-	-
Bank deposits (having original maturity of more than three months)(net)	-	-	2,65,50,00,000
Net cash used in investing activities (B)	-8,86,66,24,944	-1,93,53,40,302	3,06,71,43,807
C. Cash Flows from financing activities			
Proceeds from issuance of equity share capital	31,74,600	5,00,73,700	-
Securities premium on issue of equity capital	9,68,25,300	1,45,14,91,503	-
Call made on partly paid shares	-	-	64,93,46,738
Forfeiture of Equity Shares	-	-	43,038
Amount received from issue of commercial papers	10,76,50,72,307	2,87,13,43,937	1,55,49,46,026
Term loans from banks	2,29,34,17,803	21,84,42,472	2,34,41,979
Amount received on issue of NCDs	-1,47,98,19,412	1,29,90,19,681	1,42,68,58,584
Issue expenses for equity shares paid			-
Net cash from financing activities (C)	11,67,86,70,598	5,89,03,71,293	3,65,46,36,365
Net increase / (decrease) in cash and cash equivalents (A + B + C)	76,02,84,822	-2,95,16,83,504	1,29,45,37,896
Cash and Cash Equivalents at the beginning of the year	46,42,34,974	3,41,59,18,478	2,12,13,80,582
Cash and Cash Equivalents at the end of the year	1,22,45,19,796	46,42,34,974	3,41,59,18,478
Components of Cash and Cash Equivalents	Year Ended March 31, 2018	Year Ended March 31, 2017	For Year Ended March 31, 2016
Cash and Cash Equivalents at the end of the year			
i) Cash on hand	340	24,586	50,540

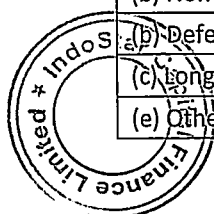


ii) Remittances in transit			-
iii) Cheques on hand			4,16,569
ii) Balances with scheduled banks in:			
Current accounts	1,22,45,19,456	46,42,10,388	93,99,51,369
Deposits with original maturity of less than three months	-		2,47,55,00,000
Total cash and cash equivalents	1,22,45,19,796	46,42,34,974	3,41,59,18,478

2.2. Abridged version of Audited Financial Information (Consolidated)

(i) Balance Sheet:

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
I. Equity and liabilities			
(1) Shareholders' funds			
(a) Share capital	786,792,590	783,617,990	733,544,290
(b) Reserves and surplus	20,584,467,904	18,243,922,529	14,684,617,270
(c) Money received against share warrants	-	-	-
(2) Share application money pending allotment	-	-	-
(2) Non-current liabilities			
(a) Long-term borrowings	19,919,718,704	19,106,120,313	17,588,658,160
(b) Deferred tax liabilities (Net)			
(a) Other Long term liabilities	32,220,665	72,370,201	102,464,760
(b) Long term provisions	330,496,512	269,481,205	146,139,655
(3) Current liabilities			
(a) Short-term borrowings	18,630,578,095	7,865,505,788	4,994,161,851
(b) Trade payables	93,092,873	44,931,786	32,914,259
(c) Other current liabilities	12,443,525,991	8,345,384,875	8,591,950,714
(d) Short-term provisions	142,624,619	156,355,497	58,359,714
Total	72,963,517,953	54,887,690,184	46,932,810,673
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	514,373,333	69,219,952	30,214,999
(ii) Intangible assets	44,089,258	18,792,388	2,875,903
(iii) Capital work-in-progress	83,013,306	-	4,425,799
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	1,098,581,862	630,311,205	-
(c) Deferred tax assets (net)	164,943,774	163,646,726	103,019,162
(d) Long term loans and advances	49,074,187,361	39,330,907,722	30,985,034,983
(e) Other non-current assets	-	-	-



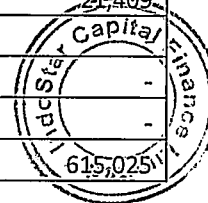
(2) Current assets			
(a) Current investments	8,792,351,218	1,239,371,782	-
(b) Cash and bank balances	1,278,337,240	651,298,742	3,596,092,728
(c) Short-term loans and advances	11,329,148,748	12,275,351,589	11,853,955,992
(d) Other current assets	584,491,853	508,790,078	357,191,107
Total	72,963,517,953	54,887,690,184	46,932,810,673

(ii) Profit & Loss Accounts:

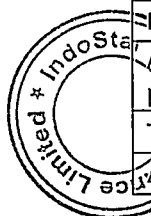
Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Income			
Revenue from operations	8,220,109,343	7,191,771,048	6,439,962,705
Other income	119,643,581	7,402,030	539,128
Total	8,339,752,924	7,199,173,078	6,440,501,833
Expenditure			
Employee expenses	815,793,951	481,898,175	394,501,996
Finance cost	3,244,286,270	3,118,494,881	2,892,590,633
Depreciation and amortization	47,057,189	18,777,500	5,132,309
Other operating expenses	646,521,887	226,321,873	182,387,138
Provisions	89,168,354	123,280,817	33,818,664
Total	4,842,827,651	3,968,773,246	3,508,430,740
Profit before taxation	3,496,925,273	3,230,399,832	2,932,071,093
Provision for taxation			
Current tax	1,254,502,245	1,183,073,074	1,033,499,106
Deferred tax Liability / (Asset)	(1,297,048)	(60,627,564)	(17,847,351)
Income tax of earlier years	-	-	-
Total tax expense / (income)	1,253,205,197	1,122,445,510	1,015,651,755
Profit after tax from continuing operations	2,243,720,076	2,107,954,322	1,916,419,338
Prior period items	-	-	-
Net profit after taxes	2,243,720,076	2,107,954,322	1,916,419,338

(iii) Cash Flow Statement

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
A. Cash flow from operating activities			
Profit before taxes	3,496,925,273	3,230,399,832	2,932,071,093
Depreciation and amortisation	47,057,189	18,777,500	5,132,309
Loss / (profit) on sale of fixed assets (net)	9,397,182	85,501	21,409
Profit on sale of current investments	(98,713,445)	-	-
Profit on sale of non-current investments	(19,987,625)	-	-
Issue expenses for equity shares	-	-	-
Provisions for non-performing assets	20,425,869	87,824,670	615,025



Provisions for standard assets	31,102,858	35,456,147	33,203,639
Provision for gratuity	5,154,108	2,129,200	840,733
Provision for leave encashment	4,033,094	1,125,008	752,547
Operating profit before working capital changes	3,495,394,503	3,375,797,858	2,972,636,755
Movements in working capital:			
Increase / (decrease) in trade payables	40,251,052	12,042,124	13,562,163
Increase / (decrease) in other liabilities	4,028,180,258	(276,918,399)	1,404,511,539
Decrease / (increase) in loans and advances	(8,797,076,798)	(8,767,253,206)	(8,918,430,073)
Decrease / (increase) in other assets	(75,701,775)	(151,385,045)	142,364,555
Cash generated from operations	(1,308,952,760)	(5,807,716,668)	(4,385,355,061)
Direct taxes paid (net of refunds)	(1,267,933,741)	(1,088,411,330)	(1,041,688,943)
Net cash flow from / used in operating activities (A)	(2,576,886,501)	(6,896,127,998)	(5,427,044,004)
B. Cash flows from investing activities			
Purchase of fixed including intangible assets	(489,385,466)	(69,424,823)	(29,535,349)
Payments for capital work in progress	(83,013,306)	-	(4,425,799)
Proceeds from sale of fixed assets	202,196	70,529	2,359
Proceeds from sale / (investment) in Preference Shares	59,962,875	(39,975,250)	-
Investment in pass through certificates	(1,051,424,638)	(909,091,390)	-
Investment in subsidiary	-	-	-
Investment in mutual fund units	-	-	-
Repayments from fixed income debt instruments	-	-	546,000,000
Proceeds from maturity of Bank deposits	80,000,000	-	-
Investment in Bonds (net)	(5,327,732,700)	-	-
Purchase of debt mutual fund units & fixed income debt instruments	(1,583,354,560)	(920,616,347)	-
Sale of debt mutual fund units & fixed income debt instruments	-	-	-
Bank deposits (having original maturity of more than three months)(net)	-	-	2,655,000,000
Net cash used in investing activities (B)	(8,394,745,599)	(1,939,037,281)	3,167,041,211
C. Cash Flows from financing activities			
Proceeds from issuance of equity share capital	3,174,600	50,073,700	-
Securities premium on issue of equity capital	96,825,300	1,451,491,503	
Call made on partly paid shares	-	-	649,346,738
Forfeiture of Equity Shares	-	-	43,038
Amount received from issue of commercial papers	10,765,072,307	2,871,343,937	1,554,946,026
Term loans from banks	2,293,417,803	218,442,472	23,441,979
Amount received on issue of NCDs	(1,479,819,412)	1,299,019,681	1,426,858,584

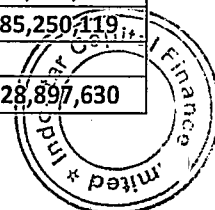


Issue expenses for equity shares paid			
Net cash from financing activities (C)	11,678,670,598	5,890,371,293	3,654,636,365
Net increase / (decrease) in cash and cash equivalents (A + B + C)	707,038,498	(2,944,793,986)	1,394,633,572
Cash and Cash Equivalents at the beginning of the year	571,298,742	3,516,092,728	2,121,459,156
Cash and Cash Equivalents at the end of the year	1,278,337,240	571,298,742	3,516,092,728
Components of Cash and Cash Equivalents	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
Cash and Cash Equivalents at the end of the year			
i) Cash on hand	2,740	27,486	52,986
ii) Remittances in transit			
iii) Cheques on hand			416,569
ii) Balances with scheduled banks in:			
Current accounts	1,249,334,500	469,271,256	940,173,173
Deposits with original maturity of less than three months	29,000,000	102,000,000	2,575,450,000
Total cash and cash equivalents	1,278,337,240	571,298,742	3,516,092,728

3.1. Abridged version of Limited Reviewed Half Yearly Information (Standalone)

(i) Balance Sheet:

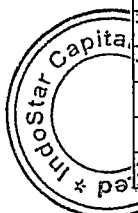
Particulars	HY Sep-18
I. ASSETS	
Financial assets	
Cash and cash equivalents	4,410,163,344
Bank balances other than cash and cash equivalents	632,160,000
Receivables	
Trade receivables	
Loans	75,369,263,658
Investments	5,989,427,735
Other financial assets	1,142,632,774
	87,543,647,511
Non-financial assets	
Non-current tax assets (net)	73,432,243
Deferred tax assets (net)	1,062,501,273
Property, plant and equipment	667,091,442
Intangible assets	23,525,101
Capital work-in-progress	3,500,015
Investments in subsidiaries	-
Other non-financial assets	255,200,045
	2,085,250,119
TOTAL ASSETS	89,628,897,630



II. LIABILITIES AND EQUITY	
LIABILITIES	
Financial liabilities	
Trade payables	
(i) total outstanding to micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34,742,452
Debt securities	25,554,968,164
Borrowings (other than debt securities)	32,034,781,329
Other financial liabilities	2,613,120,933
	60,237,612,879
Non-financial liabilities	
Provisions	24,668,685
Other non-financial liabilities	41,894,038
	66,562,723
Equity	
Equity share capital	922,374,150
Other equity	28,402,347,878
Total equity	29,324,722,028
TOTAL EQUITY AND LIABILITIES	89,628,897,630

(ii) Profit & Loss Accounts:

Particulars	HY Sep-18
Revenue from operations	
Interest income	4,951,373,023
Fees income	363,422,331
Net gain on fair value changes	36,006,692
Total revenue from operations	5,350,802,046
Other income	-
Total income	5,350,802,046
Expenses	
Finance cost	2,512,668,031
Employee benefit expenses	623,887,056
Depreciation and amortization expenses	76,747,958
Other expenses	324,077,525
Impairment on financial instruments	180,425,319
Total expenses	3,717,805,888
Profit before tax	1,632,996,158
Tax expense:	
1. Current tax	629,410,566
2. Deferred tax expense /(income)	(83,686,878)
3. Tax adjustments for earlier years	-

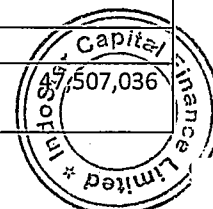


Total tax expenses	545,723,688
Profit after tax	1,087,272,470
Other comprehensive income	
Items that will not be reclassified to profit and loss	
- Remeasurements of the defined benefit plans	632,984
- Income tax relating to items that will not be reclassified to profit or loss	(221,190)
	411,794
Other comprehensive income for the period, net of income tax	411,794
Total comprehensive income for the period	1,087,684,264

3.2. Abridged version of Limited Reviewed Half Yearly Information (Consolidated)

(i) Balance Sheet:

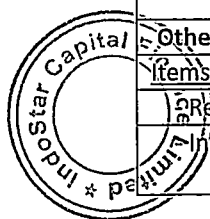
Particulars	HY Sep-18
I. ASSETS	
Financial assets	
Cash and cash equivalents	4,458,836,300
Bank balances other than cash and cash equivalents	632,160,000
Receivables	
Trade receivables	15,930,000
Loans	76,928,304,940
Investments	4,981,110,089
Other financial assets	1,127,405,084
	88,143,746,412
Non-financial assets	
Non-current tax assets (net)	73,992,288
Deferred tax assets (net)	1,062,501,273
Property, plant and equipment	689,000,088
Intangible assets	34,964,699
Capital work-in-progress	3,500,015
Investments in subsidiaries	-
Other non-financial assets	269,893,833
	2,133,852,195
TOTAL ASSETS	90,277,598,608
II. LIABILITIES AND EQUITY	
LIABILITIES	
Financial liabilities	
Trade payables	
(i) total outstanding to micro enterprises and small enterprises	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	



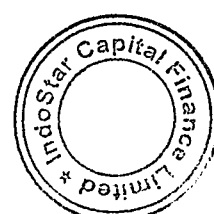
Debt securities	25,554,968,164
Borrowings (other than debt securities)	32,476,758,962
Other financial liabilities	3,024,447,246
	61,103,681,408
Non-financial liabilities	
Provisions	28,004,990
Other non-financial liabilities	46,382,796
	74,387,786
Equity	
Equity share capital	922,374,150
Other equity	28,177,155,264
Total equity	29,099,529,414
TOTAL EQUITY AND LIABILITIES	90,277,598,608

(ii) Profit and Loss Account:

Particulars	HY Sep2018
Revenue from operations	
Interest income	5,019,988,355
Fees income	392,250,040
Net gain on fair value changes	36,625,080
Total revenue from operations	5,448,863,475
Other income	-
Total income	5,448,863,475
Expenses	
Finance cost	2,523,047,315
Employee benefit expenses	779,693,763
Depreciation and amortization expenses	83,377,902
Other expenses	369,369,659
Impairment on financial instruments	187,503,193
Total expenses	3,942,991,832
Profit before tax	1,505,871,643
Tax expense:	
1. Current tax	634,974,093
2. Deferred tax expense /(income)	(83,686,878)
3. Tax adjustments for earlier years	-
Total tax expenses	551,287,215
Profit after tax	954,584,429
Other comprehensive income	
<u>Items that will not be reclassified to profit and loss</u>	
Remeasurements of the defined benefit plans	735,631
Income tax relating to items that will not be reclassified to profit or loss	(221,190)



	514,441
Other comprehensive income for the period, net of income tax	514,441
Total comprehensive income for the period	955,098,870



IDBI Trusteeship Services Ltd

CIN : U65991MH2001GOI131154

Annexure II



Ref. No.: 11367/ITSL/OPR/CL/2018-19/DEB/2018

Date: February 15, 2019

IndoStar Capital Finance Limited

One Indiabulls Center, 20th Floor, Tower 2A,
Jupiter Mills Compound, Senapati Bapat Marg,
Mumbai- 400013

Kind Attn: Mr. Pankaj Thapar, Chief Financial Officer

Dear Sir,

Subject: Consent to act as Debenture Trustee for Listed, Secured / Unsecured, and Rated Non - Convertible Debentures aggregating up to Rs. 1000 Crores Issued by IndoStar Capital Finance Limited (the company)

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for issue of for Listed, Secured / Unsecured and Rated Non - Convertible Debentures aggregating upto Rs. 1000 Crs. In this connection we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of closure of the Issue.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company shall agree & undertake to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/BOND/1/2009/11/05 dated the 11th May, 2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26th November, 2009, the Companies Act, 1956 as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms the same on regular basis.



5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FI Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FI).
6. The Issuer Company confirms that all necessary disclosures have been made in the Information Memorandum/Disclosure document including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.
7. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Thanking you,

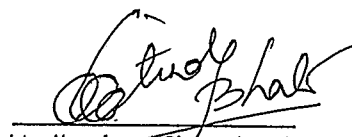
Yours faithfully,
For IDBI Trusteeship Services Limited



(Authorized Signatory)



we accept the above terms
For IndoStar Capital Finance Limited



(Authorized Signatory)

CARE/HO/RL/2018-19/4836

Mr. Pankaj Thapar

Chief Financial Officer

IndoStar Capital Finance Ltd.

One Indiabulls Center, 17th Floor, Tower 2A,

Jupiter Mills Compound, Senapati Bapat Marg,

Mumbai- 400013.

February 13, 2019

Confidential

Dear Sir,

Credit rating for Long-term Debt Programme

Please refer to our letter dated December 13,2018 and your request for assigning rating to the Long Term Debt issue of your company, for a limit of Rs.7,000 crore

2. The following rating has been reviewed:

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term debt programme	6,900 (Rs. Six Thousand Nine Hundred crore only)	CARE AA-; Positive [Double A Minus; Outlook: Positive]	Reaffirmed
Market Linked Debentures	100 (Rs. One Hundred crores only)	CARE PP-MLD AA-;Positive [PP-MLD Double A Minus; Outlook: Positive]	Reaffirmed
Total	7,000 (Rs. Seven Thousand crores only)		

3. Refer **Annexure 1** for details of rated facilities.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

5. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.

6. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

8. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.

9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

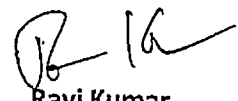
10. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard

Thanking you,

Yours faithfully,


Viraj Dhond
Deputy Manager
viraj.dhond@careratings.com


Ravi Kumar
Assistant General Manager
ravi.kumar@careratings.com

Encl: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure – I

Details of the Outstanding Facilities as on December 31, 2018

Bank Name	Term Loan	Cash Credit/WCDL	Total	Outstanding	Available limits in hand
State Bank of India	525.00	-	525.00	299.98	
Abu Dhabi Commercial Bank	35.00	-	35.00	35.00	
Allahabad Bank	50.00	-	50.00	33.75	
Axis Bank Limited	50.00		50.00	34.38	
Axis Bank Limited		40.00	40.00	29.90	10.10
Bank of Baroda	300.00		300.00	205.00	
Bank of Baroda		50.00	50.00	47.21	2.79
Bank of India	150.00	-	150.00	50.00	
Canara Bank	100.00	-	100.00	75.00	
Catholic Syrian Bank	50.00	-	50.00	50.00	
Corporation Bank	30.00	-	30.00	10.00	
Dena Bank	100.00		100.00	68.75	-
Dena Bank		50.00	50.00	49.95	0.05
Development Credit Bank	50.00		50.00	47.06	-
Development Credit Bank		25.00	25.00	-	25.00
Doha Bank	30.00	-	30.00	24.00	
Federal Bank	130.00		130.00	59.16	-

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.

Federal Bank		50.00	50.00		50.00
HDFC Limited	200.00	-	200.00	200.00	
Hero FinCorp Limited	-	100.00	100.00	-	100.00
IDBI Bank	50.00	-	50.00	34.38	
Indian Bank	25.00	-	25.00	18.75	
Indian Overseas Bank	100.00	-	100.00	5.56	
Indusind Bank	150.00	-	150.00	118.75	-
Indusind Bank		135.00	135.00	100.00	35.00
Karnataka Bank	50.00	-	50.00	50.00	
Karur Vysya Bank	50.00		50.00	50.00	
Kotak Mahindra Bank	450.00		450.00	175.63	-
Kotak Mahindra Bank		75.00	75.00	50.00	25.00
NABARD	101.00		101.00	101.00	
Punjab National Bank	55.00	-	55.00	24.06	
Ratnakar Bank Limited	165.00		165.00	147.00	-
Ratnakar Bank Limited		10.00	10.00	-	10.00
SIDBI	450.00	-	450.00	297.50	100.00
South Indian Bank	125.00	-	125.00	94.44	
Tata Capital Financial Services Limited		40.00	40.00	-	40.00
Vijaya Bank	100.00	-	100.00	87.50	
Yes Bank	430.00	-	430.00	150.00	280.00
Total	4,101.00	575.00	4,676.00	2,823.71	677.94
Total Bank Facilities					3,501.65
Non-Convertible Debentures					2,780.00
Proposed Facilities					718.35
Total					7,000

The above columns can change as per information provided by the client and acceptable to CARE.

IndoStar Capital Finance Limited

Issuer Credit Research

Ratings

Long-Term Bank Loan (INR3.75 billion)	IND AA-
Non-Convertible Debentures (INR4.85 billion)	IND AA-

Outlooks

Long-Term Bank Loan (INR3.75 billion)	Stable
Non-Convertible Debentures (INR4.85 billion)	Stable

Financial Data

IndoStar Capital Finance Limited

Particulars	FY18	FY17
Total assets (USD million)	1,117	842
Total assets (INR million)	72,666	54,582
Total equity (INR million)	21,295	18,841
Net income (INR million)	2,356	2,090
Return on assets (%)	3.7	4.1
Return on equity (%)	11.7	12.2

Source: IndoStar, Ind-Ra analysis

Key Rating Drivers

Reasonably Managed Wholesale Book: IndoStar Capital Finance Limited's (IndoStar) lending portfolio (both real estate as well as other wholesale portfolio) remains stable with overall moderate delinquencies (gross non-performing assets (GNPAs)): FY18: 1.3%, corporate book: 2.1%, real estate lending: nil, small and medium enterprises: 2.1%) and an established operational track record of seven years. Since inception, it recovered 81% of the INR210 billion of wholesale loans disbursed. In the wholesale portfolio, the loan book is sizeable with real estate exposure capped at 40% of the total portfolio. India ratings and Research (Ind-Ra), however, believes that if the ongoing stress in the underlying real estate segment does not improve materially, it may start reflecting in the broader non-banking finance companies' (NBFCs) real estate loan portfolio. This may aggravate in the event of a reduction in the risk appetite of NBFCs and other non-banking financiers, and curtailment of takeout financing, which have been partly supporting the asset quality.

IndoStar is focusing on further diversifying and increasing the granularity of the portfolio by increasing its retail portfolio (26% of the loan book as of March 2018). While the current retail portfolio consists largely of loan against property, it has expanded in vehicle financing and housing loans. These segments are highly competitive with large established players and require significant infrastructure investment. The company is setting up branches and has brought on board few highly experienced personnel for retail expansion.

Low Leverage: The company operates at a low leverage which provides buffer to absorb credit costs in the event of a spike in delinquencies (FY18: 2.3x, FY17: 1.8x, FY16: 2.0x). Its bulkier wholesale exposure is mostly to modest credits, giving a rise to concentration risk. IndoStar's top 20 borrower groups accounted 73% of the portfolio as of March 2018 (FY16: 70%), and 203% of the net worth. (FY16: 194%).

Ind-Ra conducted a stress test on the company factoring in the median credit rating of its borrowers and multiplying historical default experience for the rating category. The high single-name concentration risk was also tested by assuming additional two defaults of the top 20 borrowers, over and above the stress based on rating migration, which is consistent with the stress test that Ind-Ra conducts on lenders with concentrated exposures. The resultant equity, post the test, remains reasonable after absorbing losses. Ind-Ra would monitor the rise in leverage in respect of a change in the portfolio mix.

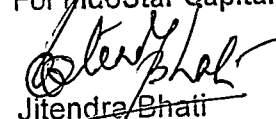
Increased Focus on Funding and Liquidity: The proportion of commercial paper borrowings increased to 26% as on March 31, 2018 (FY17: 20%, FY16: 13%) without commensurate shortening of asset tenure. This resulted in mismatches in few buckets in the asset-liability maturity profile. Given the concentration risk in the loan book, delays in few accounts could constitute a significant proportion of inflows, impacting the cash inflow assumptions. Further, the company is in the process of trimming its proportion of short-term borrowings and thereby maintaining matched asset-liability profile. Ind-Ra would monitor the maintenance of on-balance sheet liquidity, which can support payment and operating cost obligations at times of a liquidity crunch. As of 31 March, 2018, the company had on-balance sheet liquid assets of about INR9.1 billion.

Analysts

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For IndoStar Capital Finance Limited


Jitendra Bhati

Sr. VP - Compliance & Secretarial

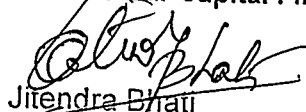
Modest Scale of Operations: IndoStar's scale of operations is smaller than some of the higher rated non-banking finance companies'. Its wholesale segment has become increasingly competitive with the existence of many large players, both in the real estate and corporate financing space. New focus areas such as loan against property and vehicle loan is also an extremely competitive segment, with many well entrenched NBFCs part of this space for few decades. IndoStar's ability to successfully ramp-up its operations while maintaining asset quality and operating matrices needs to be demonstrated.

Rating Sensitivities

Positive: A more granular loan portfolio, much larger franchise while managing delinquencies over cycles, and maintaining of adequate capital buffers together with robust liquidity buffers, could result in a positive rating action.

Negative: Material gaps in assets-liability tenors and/or weak on-balance sheet liquidity is likely to trigger a negative rating action. A sharp rise in delinquencies not cushioned by profitability and capital buffers, or a sharp rise in leverage which is not in line with the portfolio mix could also result in a negative rating action.

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For IndoStar Capital Finance Limited



Jitendra Bhat
Sr. VP - Compliance & Secretarial

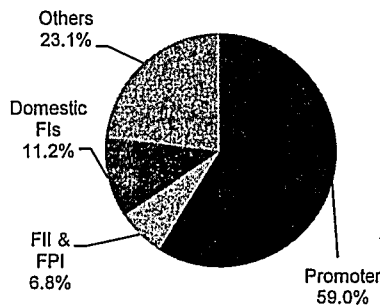
Applicable Criteria

Financial Institutions Rating Criteria,
1 December 2015

Non-Bank Finance Companies Criteria,
1 December 2015

Figure 1

Shareholding Pattern 31 May 2018



Source: IndoStar, Ind-Ra

Profile

IndoStar operates as a wholesale credit institution in the high-yielding lending space. The company was formed in FY11 after taking over a Kolkata-based NBFC and started operations in 1QFY12. Its registered office is located in Mumbai. It has forayed into retail lending space through products such as loan against property, vehicle loan and housing loan. At the end of FY18, there were 91 operational branches, and a significant ramp-up in branch network has been planned by the management.

The company came with an IPO of INR18.44 billion (fresh issue of INR7 billion) in May 2018 and post that, IndoStar Capital, (incorporated in Mauritius) owns 57.7% in IndoStar and the remaining is owned by other institutional investors and individual shareholders. Everstone and other institutional investors (ACP Libra Ltd., Beacon India Private Equity Fund, Global Long Short Partners Mauritius I Limited, Private Opportunities (Mauritius) I Limited and CDIB Capital Investment II Limited) own 100% stake in IndoStar Capital.

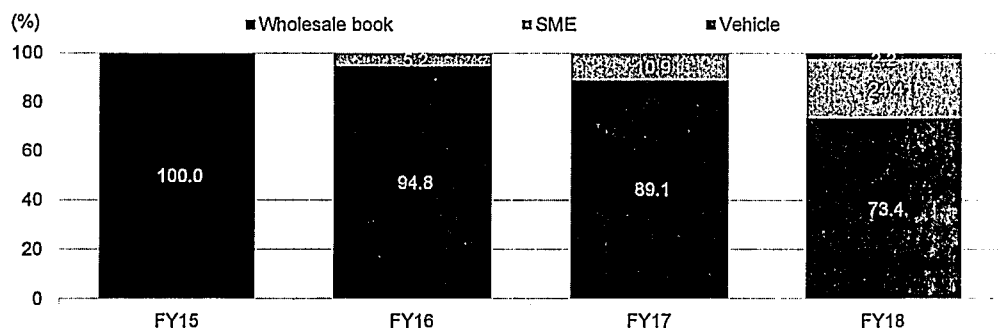
Products/Portfolio

The company has segregated its operations into four major segments:

- **Corporate Lending (38% of the loan book, March 2018):** Lending to corporates in various sectors such as media, MFIs, energy, healthcare etc. both as a sole lender and in syndication
- **Real Estate Finance (36%):** The company lends to real estate companies (both as sole lenders and in syndication) for construction purpose. Majority of the exposure is to residential real estate players
- **Small and Medium Enterprises (SME) (Loan against property (LAP), 24%):** IndoStar started this business in June 2015 with an average ticket size of INR11 million-13 million
- **Vehicle Loan (2%):** IndoStar started used vehicle financing in December 2017

Figure 2

Change in Portfolio Mix



Source: IndoStar, Ind-Ra

IndoStar takes exposures both as loans and in form of debentures and then offloads them in the market. This helps in freeing up the resources as well as results in fee and yield gains for the company.

IndoStar takes medium to long-term exposure in corporates (both real estate and manufacturing). The loans could be fresh loans or for the purpose of takeover from existing lenders. Real estate loans have a moratorium period of 18-24 months, however, the loan structuring ensures that repayments happen whenever unit sales happen in the projects. In some cases, excess cash flow from other projects is also ring-fenced for loan repayment. Loan sourcing in the real estate space is through established relationships with various builders. There is no dependence on brokers for loan sourcing.

In case of the LAP business, sourcing is done through direct selling agents and the disbursement rate is around INR1.1 billion per month. Borrowers in this segment are traders or manufacturers having a turnover of around INR100 million-180 million and the underlying collateral for around 70% of the portfolio is residential.

Jitendra Bhati
Sr. VP - Compliance & Secretarial

Portfolio/Asset Quality

IndoStar's GNPA's stood at 1.3% at the end of March 2018 (FY17: 1.4%, FY16: 0.2%), attributable to the SME and corporate segments. Being in the wholesale lending space, the portfolio is concentrated with top 20 borrower groups accounting for 73% of the portfolio and 203% of the net worth at end of March 2018. Defaults by a few large accounts would have a disproportionate impact on delinquency levels.

IndoStar's borrowers have a moderate credit profile in the range of low investment grade/sub investment grade. The company has managed its portfolio well which is evident from 81% of disbursements recovered since inception by way of repayment, prepayment and sell down. Most of the recovery is by way of prepayments; typically a real estate loan gets refinanced in 18-20 months by which 20%-30% of the loan is repaid through escrow arrangement with the borrower. The company faces stiff competition from established NBFCs which are part of bigger industrial groups and also from mutual funds which are active in real estate and corporate financing space. A slowdown in the real estate sector leading to declining cash flows and lower rate of portfolio churn could put pressure on asset quality.

IndoStar plans to grow the LAP portfolio primarily in the metros and Tier I cities with INR30 million being the maximum ticket size. In Ind-Ra's view, industry-wide delinquencies in the LAP portfolio, irrespective of the year of origination have increased and Pre-provision Operating Profit buffers may not be sufficient to absorb spikes in the credit cost. Further, systems and processes and risk management practices for SME lending would be significantly different as compared to wholesale lending and hence IndoStar's ability to ramp-up this business while maintaining asset quality will be closely monitored. Asset quality for IndoStar would be dependent on the performance of the retail loan book whose proportion would be increasing gradually.

Strategy

IndoStar's strategy is to focus on reputed builders in Metro and Tier I cities. There is clear management articulation that IndoStar won't take exposure on smaller builders in Tier II and Tier III cities. IndoStar encourages prepayment in its portfolio and also sells down some part of its exposure.

Stress in the LAP segment has led the management to reduce the maximum ticket size to INR30 million from INR50 million earlier. IndoStar has strategized to ramp up retail proportion of the business which would be a significant part of the loan book by FY22. IndoStar would primarily focus on used vehicles in building the vehicle finance loan book.

IndoStar will also be focusing on the housing finance business and initially there will be geographical overlap between LAP and housing finance business and the focus will be towards self-employed segment.

Market Risk

The market risk primarily arises on account of equity and interest rate risks. Equity risk could be in terms of a fall in the price of collateral in loan against shares and in other loans where the company has also taken equity shares as collaterals. Quantification of this risk could be difficult in cases where the collateral is unlisted.

With substantial short term borrowings on the books, IndoStar faces the risk of rise in funding cost in a rising interest rate scenario prevalent currently. IndoStar also carries a certain amount of reinvestment risk on account of prepayment options available with its borrowers. Especially, since it expects a certain amount of prepayment in its lending.

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For IndoStar Capital Finance Limited



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Sr. VP - Compliance & Secretarial

Profitability

IndoStar consistently maintained return on assets of above 4% till FY17, driven by yields of 15% and above on the wholesale loan book and generated net interest margin of 6%-7%. IndoStar also generates a sizeable fee income through loan processing charges which further boosts profitability. Being in the wholesale lending business, operating cost is low for IndoStar but with expansion into retail business, operating cost could increase in the medium term. IndoStar reasonably managed the wholesale book with negligible credit cost. Industry-wide frequent refinancing of the real estate portfolio and ability to structure the transaction that helped in capturing the surplus cash with the borrowers helped in keeping credit cost under control.

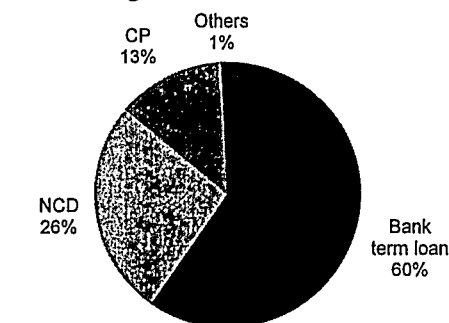
In FY18, a decline in blended yields due to relatively lower yielding LAP portfolio (23% of the loan book) and a rise in operating cost (2.1% of average assets) led to a marginal decline in return on assets to 3.7%. Going ahead, with the rise in proportion of the retail loan book which would also entail ramping up the branch infrastructure, would exert downward pressure on yields. Ability to manage credit cost especially in the retail portfolio would also be critical in maintaining profitability.

Funding and Liquidity

IndoStar's funding profile is well diversified, with bank borrowings accounting for 44% of total borrowings of INR48 billion at end March 2018. Capital market funding increased from 39% at FYE15 to 51% by the end FY18 with various mutual funds investing in the company's debentures. The company's bank borrowings are spread over numerous banks with no significant concentration.

Figure 3

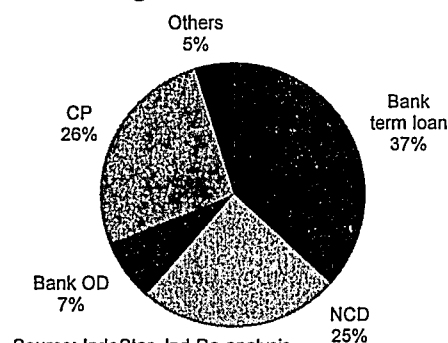
Borrowing Profile March 2015



Source: IndoStar, Ind-Ra analysis

Figure 4

Borrowing Profile March 2018



Source: IndoStar, Ind-Ra analysis

Figure 5

Structural Liquidity Report at 31 March 2018

Period	Cumulative mismatch as % of total assets
1 day to 30 days	5.5
Over 1 month to 2 months	-0.3
Over 2 months to 3 months	-8.1
Over 3 months to 6 months	-12.3
Over 6 months to 1 year	-10.1

Note: Inflows are net of flows from sanctioned lines of credit and outflows are net of repayments of these withdrawals

Source: IndoStar, Ind-Ra analysis

Due to the rise in proportion of short term borrowings, there are negative mismatches in the liquidity profile. IndoStar raised INR9.6 billion of NCDs during Q1FY19 to reduce the dependence on short term commercial paper borrowings.

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For IndoStar Capital Finance Limited

Jitendra Bhatnagar
Jitendra Bhatnagar

Sr. VP - Compliance & Secretarial

The company has modified its liquidity policy (from maintaining at least on balance sheet liquidity to the extent of 15% of the net worth) and now plans to maintain minimum INR1 billion of on-balance sheet liquidity and rest in form of unutilised working capital bank lines. This reduces the buffers for the company in case of any event where refinancing becomes a challenge.

Figure 6

Liquidity Assessment

Particulars (INR million)	FY18	FY17	FY16	FY15
Cash	1,225	544	3,496	4,856
Liquid investments	7,930	921	0	0
Total	9,155	1,465	3,496	4,856
One year debt repayment	28,073	14,627	12,597	9,599
Six month debt repayment	22,982	11,295	9,533	5,811
Liquidity as % of six month debt repayment	39.8	13.0	36.7	83.6

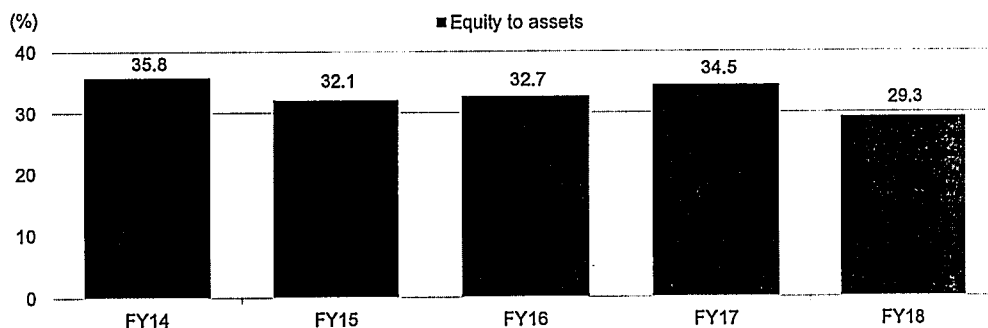
Source: IndoStar, Ind-Ra

Capitalisation

IndoStar's capitalisation remains comfortable (equity/assets: 29% at end March 2018) given the wholesale nature of business which is characterised by concentration risk in the portfolio. The company mobilised INR7 billion by way of an IPO in May 2018 which improved its capitalisation. However, with the plan to increase the granularity of the loan book by ramping up the retail business would result in increase in leverage over the medium term. Also, though the capital buffer is robust at present, growth in the retail business with good control on asset quality and healthy internal accruals would be critical in maintaining adequate buffers.

Figure 7

Healthy Capital Buffers



Source: Indostar, Ind-Ra

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For IndoStar Capital Finance Limited

[Signature]
Jitendra Bhati
Sr. VP - Compliance & Secretarial

Balance Sheet Analysis – IndoStar Capital Finance Limited

	Year-end (INR million)	As % of assets	Year-end (INR million)	As % of assets	Year-end (INR million)	As % of assets	Year-end (INR million)	As % of assets
	FY18		FY17		FY16		FY15	
A. Loans and advances	59,599.6	82.0	51,449.7	94.3	42,650.9	91.1	34,245.9	86.0
Secured loans	53,885.9	74.2	43,149.7	79.1	37,850.9	80.9	29,973.2	75.3
Unsecured loans	5,713.7	7.9	8,300.0	15.2	4,800.0	10.3	3,773.1	9.5
Hire purchase assets	0.0	-	0.0	-	0.0	-	0.0	-
Financial leases	0.0	-	0.0	-	0.0	-	0.0	-
Loans to related parties	0.0	-	0.0	-	0.0	-	0.0	-
Bills discounted	0.0	-	0.0	-	-	-	499.6	1.3
B. Other interest-bearing assets	10,491.0	14.4	1,969.8	3.6	100.1	0.2	546.2	1.4
Other interest-bearing loans					0.0	-	0.0	-
Investments	10,491.0	14.4	1,969.8	3.6	100.1	0.2	546.2	1.4
Operating leases					0.0	-	0.0	-
C. Loan loss reserves	128.2	0.2	107.8	0.2	20.0	0.0	19.4	0.0
D. Total earning assets	69,962.4	96.3	53,311.7	97.7	42,731.0	91.3	34,772.7	87.3
E. Fixed assets	615.6	0.8	87.8	0.2	37.4	0.1	8.7	0.0
F. Non-earning assets	2,088.2	2.9	1,182.5	2.2	4,031.1	8.6	5,031.0	12.6
Cash	1,224.5	1.7	544.2	1.0	3,495.9	7.5	4,856.4	12.2
Others	863.7	1.2	638.3	1.2	535.2	1.1	174.6	0.4
Total assets	72,666.2	100.0	54,582.0	100.0	46,799.5	100.0	39,812.4	100.0
G. Short-term funding	18,630.5	25.6	8,376.5	15.3	5,172.3	11.1	3,649.5	9.2
Unsecured	13,481.1	18.6	6,918.0	12.7	500.0	1.1	460.3	1.2
Secured	5,149.4	7.1	1,458.5	2.7	4,672.3	10.0	3,189.2	8.0
H. Long term debt due within a year	9,677.3	13.3	6,761.3	12.4	7,425.7	15.9	6,160.3	15.5
I. Long-term funding	19,919.7	27.4	19,106.0	35.0	17,588.7	37.6	16,138.4	40.5
Long term borrowings	19,919.7	27.4	19,106.0	35.0	17,588.7	37.6	16,138.4	40.5
Public deposits	0.0	-	0.0	-	0.0	-	0.0	-
Subordinated debt	0.0	-	0.0	-	0.0	-	0.0	-
J. Other non-interest bearing liabilities	2,798.4	3.9	1,178.6	2.2	1,120.3	2.4	939	2.4
K. Provisions	345.3	0.5	319.1	0.6	183.4	0.4	158.0	0.4
L. Tangible net worth	21,295.0	29.3	18,840.5	34.5	15,309.2	32.7	12,767.5	32.1
Total liabilities and equity	72,666.2	100.0	54,582.0	100.0	46,799.5	100.0	39,812.4	100.0

Source: IndoStar, Ind-Ra

Certified True Copy
For IndoStar Capital Finance Limited


Jitendra Bhatti
Sr. VP - Compliance & Secretarial

Income Statement Analysis – IndoStar Capital Finance Limited

	Year-end (INR million)		Year-end (INR million)		Year-end (INR million)		Year-end (INR million)	
	As % of average earning assets		As % of average earning assets		As % of average earning assets		As % of average earning assets	
	FY18		FY17		FY16		FY15	
Interest earned	7,016.4	11.4	6,429.3	13.4	5,643.0	14.6	4,666.5	15.2
Interest expended	3,244.3	5.3	3,118.5	6.5	2,892.6	7.5	2,579.3	8.4
Net interest income	3,772.1	6.1	3,310.8	6.9	2,750.4	7.1	2,087.2	6.8
Other operating income	1,288.2	2.1	726.0	1.5	770.8	2.0	614.1	2.0
Personnel expenses	723.1	1.2	477.9	1.0	394.5	1.0	280.6	0.9
Operating expenses	640.4	1.0	231.5	0.5	169.9	0.4	129.4	0.4
Pre-provision operating profit	3,696.8	6.0	3,327.5	6.9	2,956.8	7.6	2,291.3	7.5
Std asset provisions	29.8	0.0	35.5	0.1	33.2	0.1	30.4	0.1
Provisions for losses	58.0	0.1	87.8	0.2	0.6	0.0	0.0	-
Operating income after provisions	3,609.0	5.9	3,204.2	6.7	2,956.2	7.6	2,291.3	7.5
Pre-tax profit	3,609.0	5.9	3,204.2	6.7	2,956.2	7.6	2,291.3	7.5
Taxes	1,253.2	2.0	1,113.9	2.3	1,012.8	2.6	770.2	2.5
Net profit	2,355.8	3.8	2,090.3	4.4	1,943.4	5.0	1,521.0	5.0

Ratio analysis

A. Profitability (%)

Net income/equity (avg.)	11.7	12.2	13.8	12.7
Net income/total assets (avg.)	3.7	4.1	4.5	4.3
Non-interest expenses/(net interest income + other operating income)	26.9	17.6	16.0	15.2
Net interest income/total assets (avg.)	5.9	6.5	6.4	5.9
Pre-provision operating profit/total assets (avg.)	5.8	6.6	6.8	6.4
Interest expended/total borrowings (avg.)	7.9	9.7	10.3	11.4
Yield on loans (avg.)	13.3	14.9	14.7	15.5
Opex/total assets (%)	2.1	1.4	1.3	1.1

B. Capitalisation (%)

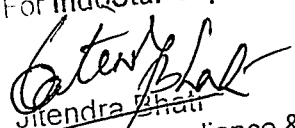
Equity/total assets	29.3	34.5	32.7	32.1
Equity/loans	35.7	36.6	35.9	37.3
Tier - I capital ratio	28.0	33.4	33.8	32.3
Tier - II capital ratio	0.3	0.4	0.4	0.4
Debt/equity (x)	2.3	1.8	2.0	2.0

C. Asset quality (%)

Provision for loan losses/loans (avg.)	0.10	0.19	0.00	0.00
PPOP/credit cost	63.7	37.9	4,847	n.m.
Gross NPLs/gross loans	1.29	1.41	0.2	0.57
Loan loss reserves/gross NPLs	16.7	14.8	20.0	10.0
Net NPLs/equity	3.0	3.3	0.5	1.4

Source: IndoStar, Ind-Ra

Certified True Copy
For IndoStar Capital Finance Limited


Jitendra Phani

Sr. VP - Compliance & Secretarial

The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings and Research has been compensated for the provision of the ratings.

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INDEPENDENT AUDITOR'S REPORT

To the Members of IndoStar Capital Finance Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of IndoStar Capital Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

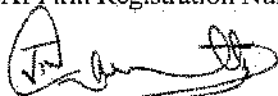
Report on Other Legal and Regulatory Requirements

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 standalone 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 standalone 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 statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jayesh Gandhi

Partner


Membership Number: 037924

Place of Signature: Mumbai

Date: May 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 Capital Finance Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
 - (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
 - (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
 - (v) The Company has not accepted any deposits 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 material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to sales-tax, duty of custom, duty of excise, value added tax are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to 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, service tax, goods and service tax, customs duty, and cess which have not been deposited on account of any dispute. The provisions relating to sales-tax, duty of custom, duty of excise, value added tax are not applicable to the Company.
- 

S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of debentures, commercial papers and term loans for the purposes for which they were raised, though idle/surplus funds which were not required for immediate utilization were invested in liquid investments.
- (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 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 standalone financial statements and such internal financial controls over financial reporting with reference to these standalone 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



per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

INDOSTAR CAPITAL FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
		Audited	Audited
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	78,67,92,590	78,36,17,990
(b) Reserves and surplus	4	20,67,31,39,456	18,22,05,37,844
		21,45,99,32,046	19,00,41,55,834
(2) Non-current liabilities			
(a) Long-term borrowings	5	19,91,97,18,704	19,10,61,20,313
(b) Other Long term liabilities	6	3,22,20,665	7,23,70,201
(c) Long-term provisions	7	32,81,80,204	26,94,81,205
		20,28,01,19,573	19,44,79,71,719
(3) Current liabilities			
(a) Short-term borrowings	8	18,63,05,78,095	7,86,55,05,788
(b) Trade payables			
(i) Dues to Micro, Small and Medium enterprises	28		
(ii) Others		8,97,05,707	4,22,68,246
(c) Other current liabilities	6	12,35,38,22,774	8,33,62,84,653
(d) Short-term provisions	7	14,52,86,509	15,74,59,179
		31,21,93,93,085	16,40,15,17,866
Total		72,95,94,44,704	54,85,36,45,419
II. Assets			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Property, Plant and Equipment		50,23,84,215	6,91,67,569
(ii) Intangible assets		3,01,90,962	1,87,92,388
(iii) Capital work in progress		8,30,13,306	-
(b) Non-current investments	10	1,69,86,81,862	73,04,11,205
(c) Deferred tax assets (net)	11	16,49,44,089	16,36,54,547
(d) Long-term loans and advances	12	48,57,35,21,524	39,31,78,62,734
		51,05,27,35,958	40,29,98,88,443
(2) Current assets			
(a) Cash and bank balances	14	1,22,45,19,796	54,42,34,974
(b) Current investments	15	8,79,23,51,218	1,23,93,71,782
(c) Short-term loans and advances	12	11,30,87,37,144	12,26,23,54,541
(d) Other current assets	13	58,11,00,588	50,77,95,679
		21,90,67,08,746	14,55,37,56,976
Total		72,95,94,44,704	54,85,36,45,419

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 Capital Finance Limited



R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136697



Dhanpal Jhaveri
Chairman
DIN: 02018124



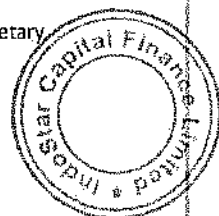
Pankaj Thapar
Chief Financial Officer



Kundra Bhat
Company Secretary

Place: Mumbai
Date: May 30, 2018

Place: Mumbai
Date: May 30, 2018



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

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
Income			
Revenue from operations	16	8,18,54,11,628	7,14,92,76,322
Other income	17	11,92,85,850	61,43,486
Total		8,30,46,97,478	7,15,54,19,808
Expenditure			
Employee benefit expenses	18	72,30,57,491	47,78,86,682
Finance cost	19	3,24,42,86,270	3,11,84,94,881
Depreciation and amortisation	9	4,47,71,565	1,87,43,305
Other expenses	20	59,57,04,284	21,27,64,090
Provisions and write off	21	8,78,88,853	12,32,80,817
Total		4,69,57,08,463	3,95,11,69,775
Profit before taxation		3,60,89,89,015	3,20,42,50,033
Provision for taxation			
Current tax		1,25,45,02,245	1,17,45,02,169
Deferred tax		(12,89,542)	(6,06,30,277)
Total tax expense		1,25,32,12,703	1,11,38,71,892
Net profit after taxes		2,35,57,76,312	2,09,03,78,141
Earnings per share:	22		
Basic (Rs.)		29.95	28.45
Diluted (Rs.)		27.03	26.09
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

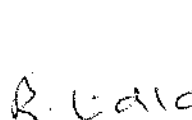
For S R Batliboi & Co LLP
ICAI Firm Registration No. 301003E/E300005
Chartered Accountants



per Jayesh Gandhi
Partner
Membership No. 037924



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



R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136697



Dhanpal Jhaveri
Chairman
DIN: 02018124



Pankaj Thapar
Chief Financial Officer



Jitendra Bhati
Company Secretary

Place: Mumbai
Date: May 30, 2018

Place: Mumbai
Date: May 30, 2018






INDOSTAR CAPITAL FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(Amount in Rupees)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
A. Cash flow from operating activities		
Profit before taxes	3,60,89,89,015	3,20,42,50,033
Depreciation and amortisation	4,47,71,565	1,87,43,305
Loss on sale of fixed assets	93,97,182	85,501
Profit on sale of current investments	(9,87,13,445)	(36,96,979)
Profit on sale of non-current investments	(1,99,87,625)	-
Provisions for non performing assets	2,04,25,869	8,78,24,670
Provisions for standard assets	2,98,23,357	3,54,56,147
Provision for gratuity	47,88,786	21,29,200
Provision for leave encashment	32,48,290	11,25,008
Operating profit before working capital changes	3,60,27,42,994	3,34,59,16,885
Movements in working capital:		
Increase in trade payables	4,74,37,461	39,84,521
Increase / (Decrease) in other liabilities	3,93,96,67,233	(27,74,03,078)
(Increase) in loans and advances	(8,30,20,41,393)	(8,74,99,39,017)
(Increase) in other assets	(7,33,04,909)	(15,18,17,362)
Cash used in operating activities	(78,54,98,614)	(5,82,92,58,051)
Direct taxes paid (net of refunds)	(1,26,62,62,218)	(1,07,74,56,444)
Net cash used in operating activities (A)	(2,05,17,60,832)	(6,90,67,14,495)
B. Cash flows from investing activities		
Purchase of fixed assets	(46,12,64,811)	(6,94,24,823)
Payments for capital work in progress	(8,30,13,306)	-
Proceeds from sale of fixed assets	2,02,196	70,529
Investment in subsidiary	(50,00,00,000)	-
Proceeds from sale / (investment) in Preference Shares	5,99,62,875	(3,99,75,250)
Investment in Pass through certificates (net)	(1,05,14,24,638)	(90,90,91,390)
Investment in Bonds (net)	(5,32,77,32,700)	-
Investments in Mutual Fund units (net)	(1,58,33,54,560)	(91,69,19,368)
Proceeds from maturity of Bank deposits	8,00,00,000	-
Net cash used in investing activities (B)	(8,86,66,24,944)	(1,93,53,40,302)
C. Cash Flows from financing activities		
Proceeds from issue of equity share capital	31,74,600	5,00,73,700
Proceeds from Securities Premium on issue of equity share capital	9,68,25,300	1,45,14,91,503
Amount raised from short term borrowings (net)	10,76,50,72,307	2,87,13,43,937
Term loans from banks (net)	2,29,34,17,803	21,84,42,472
(Payments) / Proceeds from non convertible debentures (NCDs) (net)	(1,47,98,19,412)	1,29,90,19,681
Net cash generated from financing activities (C)	11,67,86,70,598	5,89,03,71,293
Net increase / (decrease) in cash and cash equivalents (A + B + C)	76,02,84,822	(2,95,16,83,504)
Cash and Cash Equivalents at the beginning of the year	46,42,34,974	3,41,59,18,478
Cash and Cash Equivalents at the end of the year	1,22,45,19,796	46,42,34,974

Components of Cash and Cash Equivalents	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Cash and Cash Equivalents at the end of the year		
i) Cash on hand	340	24,586
ii) Balances with scheduled banks in:		
Current accounts	1,22,45,19,456	46,42,10,388
Total cash and cash equivalents	1,22,45,19,796	46,42,34,974


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

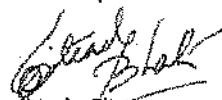


For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited


R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136697

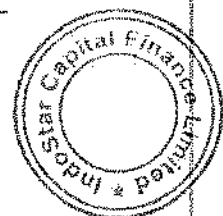

Pankaj Thapar
Chief Financial Officer


Dhanpal Jhaveri
Chairman
DIN: 02018124


Jitendra Bhatti
Company Secretary

Place: Mumbai
Date: May 30, 2018

Place: Mumbai
Date: May 30, 2018



PS

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

1. Corporate Information
IndoStar Capital Finance Limited ('the Company' or 'ICFL') was incorporated on 21st July 2009. The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company vide Certificate No. N-13.02109. The Company is primarily engaged in Lending business.

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

2.1 Significant Accounting Policies

(a) Presentation and disclosure of financial statements

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

(b) Use of estimates

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

(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
Building	60 Years	60 Years
Computers	3 Years	3 Years
Office Equipments	5 Years	5 Years
Office Equipments - Mobiles	2 Years	5 Years
Furniture and Fixtures	5 Years	10 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.

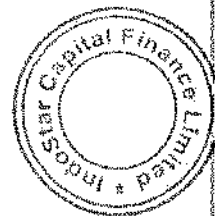
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of profit and loss.

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 whenever 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.

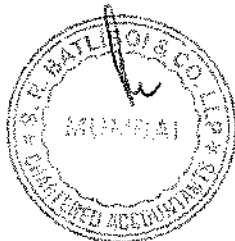
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

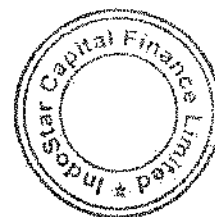
- (d) **Investments**
Investments intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Unquoted investments in units of mutual funds are stated at net asset value. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- (e) **Provisioning / Write-off of assets**
Non performing loans are written off / provided as per the minimum provision required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 ('RBI Master Directions, 2016'). Pursuant to the RBI Master Directions, 2016, the Company has revised its recognition norms of Non-Performing Assets (NPA) from 120 days to 90 days.
Provision on standard assets is made as per management estimates and is more than as specified in the RBI Master Directions, 2016.
- (f) **Loans**
Loans are stated at the amount advanced as reduced by the amounts received up to the balance sheet date.
- (g) **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.
- (h) **Foreign currency translation**
Initial recognition
Transactions in foreign currency entered into during the year/period are recorded at the exchange rates prevailing on the date of the transaction.
Conversion
Monetary assets and liabilities denominated in foreign currency are translated in to Rupees at exchange rate prevailing on the date of the Balance Sheet.
Exchange differences
All exchange differences are dealt with in the Statement of profit and loss account.
- (ii) **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, which is recognised on receipt basis.
 - ii. Interest income on fixed income debt instruments such as certificate of deposits, non-convertible debentures and commercial papers are recognised on a time proportion basis taking into account the amount outstanding and the effective rate applicable. Discount, if any, is recognised on a time proportion basis over the tenure of the securities.
 - iii. Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
 - iv. Interest income on loan portfolio buyout is recognised on accrual basis at the agreed rate of interest on the diminishing balance of outstanding loan.
 - v. Dividend is recognised as income when right to receive payment is established.
 - vi. Profit/loss on the sale of investments is determined on the basis of the weighted average cost method.
 - vii. Origination fees is recognised as income on signing of the binding term sheet by the client. Part of the origination fees is recognised upfront based on the management estimate and the balance fee is amortised over the tenure of the loan.
 - viii. Syndication fee and other fees are recognised as income when a significant portion of the arrangement is completed.
- (j) **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, when an employee renders the related service.
- 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.



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

- (k) **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.
- (l) **Segment reporting**
 The Company is engaged in loan / financing activities. It operates in a single business and geographical segment.
- (m) **Earnings per share**
 Basic earnings per share is calculated by dividing the net profit or loss for the year/period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year/period.
 For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year/period are adjusted for the effects of all dilutive potential equity shares. 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.
- (n) **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.
- (o) **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.
- (p) **Borrowing costs**
 Borrowing cost includes interest and are charged to the Statement of Profit & Loss in the year/period in which they are incurred. Ancillary and other borrowing costs are amortised over the tenure of the underlying loan on straight line basis.
- (q) **Employee stock compensation costs**
 Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method.
- (r) **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.



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

Note 3- Share capital

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Authorised 11,00,00,000 (March 31, 2017: 9,00,00,000) Equity Shares of Rs.10/- each	1,10,00,00,000	90,00,00,000
	1,10,00,00,000	90,00,00,000
Issued & Subscribed Equity Shares 7,86,79,259 (March 31, 2017: 7,83,61,799) equity shares of Rs. 10/- each fully paid up	78,67,92,590	78,36,17,990
Total	78,67,92,590	78,36,17,990

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	7,83,61,799	78,36,17,990	7,33,54,429	73,35,44,290
Issued during the year	3,17,460	31,74,600	50,07,370	5,00,73,700
Shares outstanding at the end of the year	7,86,79,259	78,67,92,590	7,83,61,799	78,36,17,990

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. Shares held by the holding company

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	% holding in the class	Numbers of shares	% holding in the class
Equity shares of Rs. 10/- each Indostar Capital (Mauritius) (Holding Company)	7,11,02,635	90.37%	7,11,02,635	90.74%

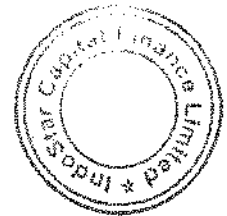
d. Details of shareholders holding more than 5% shares in the Company

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	% holding in the class	Numbers of shares	% holding in the class
Equity shares of Rs. 10/- each Indostar Capital (Mauritius)	7,11,02,635	90.37%	7,11,02,635	90.74%

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

e. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 24.



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

Note 4- Reserves and Surplus

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Securities Premium Account		
Balance as per last Balance Sheet	10,24,67,57,611	8,79,52,66,108
Add: Received during the year	9,68,25,300	1,45,14,91,503
Closing balance	10,34,35,82,911	10,24,67,57,611
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last Balance Sheet	1,60,91,21,530	1,19,10,45,902
Add: Transfer from surplus balance in statement of profit and loss	47,11,55,262	41,80,75,628
Closing balance	2,08,02,76,792	1,60,91,21,530
Capital Reserve (4,303,768 shares Rs.0.01 paid up per share forfeited on non-payment of call money and amount received transferred)	43,038	43,038
Closing balance	43,038	43,038
Surplus in Statement of profit and loss		
Balance as per last Balance Sheet	6,36,46,15,665	4,69,23,13,152
Add: Profit for the current year	2,35,57,76,312	2,09,03,78,141
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(47,11,55,262)	(41,80,75,628)
Net surplus in the statement of profit and loss	8,24,92,36,715	6,36,46,15,665
Total	20,67,31,39,456	18,22,05,37,844



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

Note 5 - Long term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
Term loans from banks (refer note (a) below)				
Secured	12,10,83,53,930	5,59,02,59,508	9,81,49,36,127	4,83,90,44,441
Redeemable non convertible debentures (refer note: (b) below)				
Secured	7,81,13,64,774	4,08,70,25,055	9,29,11,84,186	1,92,22,73,237
Less: transferred to Other liabilities	-	(9,67,72,84,563)	-	(6,76,13,17,678)
Total	19,91,97,18,704	-	19,10,61,20,313	-

* Amount disclosed under the head 'Other liabilities'

(a) Term loan from banks [TL]:

Particulars - Bank Name	Rate of Interest	Repayment details	As at March 31, 2018		As at March 31, 2017	
			Audited		Audited	
			Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Axis Bank TL - IV	>=8.10%<9.95%	16-Quarterly repayments	31,25,00,000	12,50,00,000	-	-
Abu Dhabi Commercial Bank	>=8.10%<9.95%	2 - Yearly repayments	35,00,00,000	-	-	-
Bank of Baroda Limited	>=8.10%<9.95%	16-Quarterly repayments	-	-	-	25,00,00,000
Bank of Baroda Limited - TL II	>=8.10%<9.95%	20-Quarterly repayments	10,00,00,000	20,00,00,000	30,00,00,000	20,00,00,000
Bank of India Limited	>=8.10%<9.95%	16-Quarterly repayments	-	-	-	37,50,00,000
Canara Bank Limited - TL II	>=8.10%<9.95%	8 - Half yearly repayments	62,50,00,000	25,00,00,000	43,75,00,000	6,25,00,000
Corporation Bank Limited - TL II	>=8.10%<9.95%	9 - Half yearly repayments	6,66,66,666	6,66,66,666	13,33,33,335	6,66,66,666
Dena Bank	>=8.10%<9.95%	8 - Half yearly repayments	25,00,00,000	12,50,00,000	37,50,00,000	12,50,00,000
Dena Bank - TL II	>=8.10%<9.95%	8 - Half yearly repayments	31,25,00,000	12,50,00,000	43,75,00,000	6,25,00,000
Doha Bank	>=8.10%<9.95%	5 - Half yearly repayments	24,00,00,000	6,00,00,000	-	-
Federal Bank Limited - TL III	>=8.10%<9.95%	12-Quarterly repayments	6,66,66,667	26,66,66,668	33,33,33,332	26,66,66,668
ICI Bank Limited - II	>=8.10%<9.95%	10-Quarterly repayments	-	-	-	30,00,00,000
IDBI Bank Limited	>=8.10%<9.95%	18 - Quarterly repayments	-	-	24,99,99,998	11,11,11,112
IDBI Bank Limited - II	>=8.10%<9.95%	16-Quarterly repayments	31,25,00,000	12,50,00,000	43,75,00,000	6,25,00,000
Indian Overseas Bank Limited	>=8.10%<9.95%	18-Quarterly repayments	-	22,22,22,222	22,22,22,221	22,22,22,223
Indusind Bank Limited - TL III	>=8.10%<9.95%	12-Quarterly repayments	56,25,00,000	18,75,00,000	-	-
ING Vysya Bank Limited - TL III	>=8.10%<9.95%	20-Quarterly repayments	17,50,00,000	20,00,00,000	37,50,00,000	20,00,00,000
Indian Bank	>=8.10%<9.95%	8 - Half yearly repayments	18,74,88,429	6,25,00,000	25,00,00,000	-
Kotak Mahindra Bank Limited - TL III	>=8.10%<9.95%	16-Quarterly repayments	-	18,75,00,000	18,75,00,000	25,00,00,000
Kotak Mahindra Bank Limited - TL IV	>=8.10%<9.95%	16-Quarterly repayments	31,25,00,000	25,00,00,000	56,25,00,000	25,00,00,000
Kotak Mahindra Bank - TL V	>=8.10%<9.95%	16-Quarterly repayments	31,25,00,000	12,50,00,000	-	-
Kotak Mahindra Bank - TL VI	>=8.10%<9.95%	16-Quarterly repayments	75,00,00,000	25,00,00,000	-	-
Punjab National Bank - II	>=8.10%<9.95%	16-Quarterly repayments	20,62,50,000	13,75,00,000	34,37,50,000	13,75,00,000
SIDBI	>=8.10%<9.95%	20-Quarterly repayments	60,00,00,000	20,00,00,000	1,20,00,00,000	30,00,00,000
South Indian Bank Limited	>=8.10%<9.95%	18-Quarterly repayments	5,55,55,558	5,55,55,552	11,11,11,120	5,55,55,552
South Indian Bank - II	>=8.10%<9.95%	16-Quarterly repayments	10,93,75,000	6,25,00,000	17,18,75,000	6,25,00,000
South Indian Bank - III	>=8.10%<9.95%	16-Quarterly repayments	23,43,75,000	1,56,25,000	-	-
State Bank of Bikaner and Jaipur Limited - II	>=8.10%<9.95%	8 - Half yearly repayments	-	-	56,25,00,000	18,75,00,000
State Bank of Hyderabad Limited - II	>=8.10%<9.95%	18-Quarterly repayments	-	-	61,11,11,121	22,22,22,220
State Bank of Hyderabad Limited - III	>=8.10%<9.95%	8 - Half yearly repayments	-	-	37,50,00,000	12,50,00,000
State Bank of India Limited - TL II	>=8.10%<9.95%	18-Quarterly repayments	55,55,00,000	44,44,00,000	99,99,00,000	44,44,00,000
State Bank of Mysore Limited - TL II	>=8.10%<9.95%	9 - Half yearly repayments	8,33,00,000	16,66,00,000	24,99,00,000	16,66,00,000
State Bank of Mysore Limited - TL III	>=8.10%<9.95%	9 - Half yearly repayments	22,20,00,000	11,12,00,000	33,32,00,000	11,12,00,000
State Bank of Patiala - II	>=8.10%<9.95%	9 - Half yearly repayments	-	-	55,52,00,000	22,24,00,000
SIDBI II	>=8.10%<9.95%	20-Quarterly repayments	30,00,00,000	10,00,00,000	-	-
Bank of India	>=8.10%<9.95%	8 - Half yearly repayments	50,00,00,000	1,00,00,00,000	-	-
Catholic Syrian Bank	>=8.10%<9.95%	8 - Half yearly repayments	50,00,00,000	-	-	-
SIDBI III	>=8.10%<9.95%	18-Quarterly repayments	1,67,75,00,000	9,75,00,000	-	-
Vijaya Bank	>=8.10%<9.95%	8 - Half yearly repayments	87,50,00,000	12,50,00,000	-	-
Allahabad Bank	>=8.10%<9.95%	8 - Half yearly repayments	37,50,00,000	12,50,00,000	-	-
Karnataka Bank	>=8.10%<9.95%	8 - Half yearly repayments	43,75,00,000	6,25,00,000	-	-
DCB	>=8.10%<9.95%	17-Quarterly repayments	44,11,76,600	5,88,23,400	-	-
Total			12,10,83,53,930	5,59,02,59,508	9,81,49,36,127	4,83,90,44,441

Nature of Security:

First pari-passu (with banks and financial institutions providing credit facilities to the Issuer) charge by way of hypothecation on the standard asset portfolio of receivable of Rs. 27,340,021,027/- (March 2017 Rs. 25,302,507,900/-)

(b) Non Convertible Debenture

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

Terms of repayment as on March 31, 2018

Redeemable within	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Rate of Interest		Rate of Interest	
	>= 0% < 11.40%		>= 0% < 11.55%	
	Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Above 60 Months	15,00,00,000	-	15,00,00,000	-
48-60 Months	5,00,00,000	-	50,00,00,000	-
36-48 Months	1,67,00,00,000	-	1,00,00,00,000	-
24-36 Months	2,85,00,00,000	-	3,56,95,07,721	-
12-24 Months	3,09,13,64,774	-	4,07,16,76,465	-
0-12 Months	-	4,08,70,25,055	-	1,92,22,73,237
Total	7,81,13,64,774	4,08,70,25,055	9,29,11,84,186	1,92,22,73,237

Nature of Security:

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

- first pari-passu (with banks and financial institutions providing credit facilities to the Issuer) charge on by way of hypothecation on the standard asset portfolio of receivables of Rs 12,432,920,000/- (March 2017: Rs. 11,932,020,000/-); and
- first pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.

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



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

Note 6- Other liabilities.

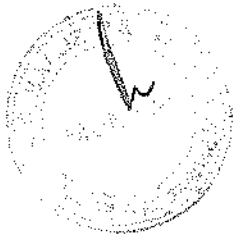
(Amount in Rupees)

Particulars.	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
Unamortised fees	3,22,20,665	2,84,05,442	7,23,70,201	4,80,48,029
Interest accrued but not due on loans	-	60,67,72,574	-	76,15,03,118
Current maturities of long term debts (Refer note 5)	-	9,67,72,84,563	-	6,76,13,17,678
Bank Overdraft	-	67,19,19,244	-	51,08,02,280
Employee benefits payable	-	21,15,00,000	-	16,83,58,844
Other liabilities (includes statutory liabilities)	-	1,15,79,40,951	-	8,62,54,704
Total	3,22,20,665	12,35,38,22,774	7,23,70,201	8,33,62,84,653

Note 7- Provisions

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
For employee benefit				
For gratuity	28,94,991	58,67,916	22,25,327	17,48,794
For leave encashment and availment	62,10,277	10,53,390	33,37,515	6,77,862
For Others				
For non-performing assets	12,82,50,539	-	10,78,24,670	-
For standard assets	19,08,24,397	4,60,60,888	15,60,93,693	5,09,68,235
For income tax (net of advance tax)	-	9,23,04,315	-	10,40,64,288
Total	32,81,80,204	14,52,86,509	26,94,81,205	15,74,59,179



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

Note 8- Short term borrowing

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Secured Loan		
Bank overdraft *	1,42,51,69,944	94,74,72,808
Working Capital Demand Loan *	2,25,00,00,000	-
Repo Instrument **	1,47,42,63,668	-
Unsecured Loan		
Inter Corporate Deposit	88,38,35,747	-
Commercial papers		
i) From banks	2,00,00,00,000	50,00,00,000
ii) Other than banks	10,85,00,00,000	6,55,00,00,000
Less: Unamortised discount	(25,26,91,264)	(13,19,67,020)
	12,59,73,08,736	6,91,80,32,980
Total	18,63,05,78,095	7,86,55,05,788

* secured by First pari-passu charge by way of hypothecation on the standard asset portfolio

** secured by pledge of investments in bonds



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

Note 9- Fixed assets

Particulars	Property, Plant and Equipment							Intangible Assets		Total
	Land - Freehold*	Buildings	Computers	Audited			Total	Audited		
				Office Equipment	Furniture and Fixtures	Leasehold Improvement		Software		
Gross Block										
As at March 31, 2016	15,05,100	-	1,61,05,459	43,05,750	40,33,883	3,17,72,509	5,77,23,701	49,30,003	49,30,003	6,26,53,704
Additions	-	-	2,23,62,356	59,49,401	5,18,507	1,98,69,320	4,86,99,584	2,51,51,038	2,51,51,038	7,38,50,622
Deletions	-	-	2,09,487	3,52,799	-	-	5,62,286	-	-	5,62,286
As at March 31, 2017	15,05,100	-	3,82,59,328	99,02,352	45,52,390	5,16,41,829	10,58,60,999	3,00,81,041	3,00,81,041	13,59,42,040
Additions	-	10,50,30,100	6,58,82,242	3,85,85,853	7,16,28,045	19,59,10,483	47,70,36,723	2,19,49,440	2,19,49,440	49,89,86,163
Deletions	-	-	-	13,191	-	1,53,19,058	1,53,32,249	-	-	1,53,32,249
As at March 31, 2018	15,05,100	10,50,30,100	10,41,41,570	4,84,75,014	7,61,80,435	23,22,33,254	56,75,65,473	5,20,30,481	5,20,30,481	61,95,95,954
Depreciation										
As at March 31, 2016	-	-	66,22,909	19,12,400	22,56,805	1,68,03,166	2,75,95,280	20,54,100	20,54,100	2,96,49,380
Additions	-	-	43,25,039	12,63,046	6,59,214	32,61,453	95,08,752	92,34,553	92,34,553	1,87,43,305
Deletions	-	-	1,09,133	3,01,469	-	-	4,10,602	-	-	4,10,602
As at March 31, 2017	-	-	1,08,38,815	28,73,977	29,16,019	2,00,64,619	3,66,93,430	1,12,88,653	1,12,88,653	4,79,82,083
Additions	-	3,17,162	1,30,12,315	24,06,646	5,53,720	1,79,30,856	3,42,20,699	1,05,50,866	1,05,50,866	4,47,71,565
Deletions	-	-	-	2,601	-	57,30,270	57,32,871	-	-	57,32,871
As at March 31, 2018	-	3,17,162	2,38,51,130	52,78,022	34,69,739	3,22,65,205	6,51,81,258	2,18,39,519	2,18,39,519	8,70,20,777
Net Block										
As at March 31, 2018	15,05,100	10,47,12,938	8,02,90,440	4,31,96,992	7,27,10,696	19,99,68,049	50,23,84,215	3,01,90,962	3,01,90,962	53,25,75,177
As at March 31, 2017	15,05,100	-	2,74,20,513	70,28,375	16,36,371	3,15,77,210	6,91,67,569	1,87,92,388	1,87,92,388	8,79,59,957

*Mortgaged as security against Secured Non Convertible Debentures



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

Note 10 - Non-current investments

(Amount in Rupees)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Audited			Audited		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Unquoted - Compulsorily Convertible Preference Share GC Web Ventures Private Limited	-	-	-	150	862	3,99,75,250
Non trade (valued at cost unless stated otherwise):						
Investment in wholly owned subsidiaries						
IndoStar Asset Advisory Private Limited (10,000 equity share of Face value of Rs. 10/- each)	10	10,000	1,00,000	10	10,000	1,00,000
IndoStar Home Finance Private Limited (1,50,00,000 equity share of Face value of Rs. 10/- each)	10	1,50,00,000	15,00,00,000	10	1,00,00,000	10,00,00,000
(5,00,00,000 equity share of Face value of Rs. 10/- each, partly paid Rs. 9/- each)	10	5,00,00,000	45,00,00,000	-	-	-
Other Investments						
Pass through certificates - Firefinch CV IFMR Capital 2017	-	-	-	1	59,03,35,955	59,03,35,955
Investment in Bonds (Quoted)						
8.85% HDFC Bank Ltd (Perpetual)	10,00,000	100	10,13,75,300	-	-	-
8.55% ICICI Bank Ltd (Perpetual)	10,00,000	1,000	99,72,06,562	-	-	-
Total			1,69,86,81,862			73,04,11,205
Aggregate Value of Quoted Investments						
Cost of acquisition			1,09,85,81,862			-
Market value			1,07,89,71,600			-
Aggregate Value of Unquoted Investments						
Cost of acquisition			60,01,00,000			73,04,11,205



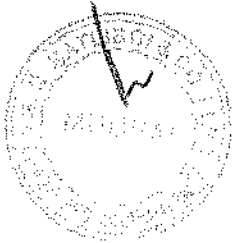
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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 11- Deferred tax assets (net)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Deferred tax asset		
Provision for standard assets	8,19,81,259	7,16,59,992
Origination fees unamortised	2,09,81,483	4,16,74,341
Provision for gratuity	30,32,667	13,75,364
Provision for leave encashment	25,13,810	13,89,642
Interest on the NPA Loans not accrued in books	2,52,92,671	3,20,73,135
Provision for non performing assets	4,43,84,947	3,73,15,962
Total (A)	17,81,86,837	18,54,88,436
Deferred tax liability		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	(15,70,355)	(13,04,539)
Borrowing costs unamortised	(1,16,72,393)	(2,05,29,350)
Total (B)	(1,32,42,748)	(2,18,33,889)
Net deferred tax asset (A-B)	16,49,44,089	16,36,54,547



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

Note 12- Loans and advances

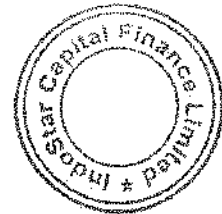
(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non Current portion	Current portion	Non Current portion	Current portion
Secured, considered good				
Loans and advances relating to financing activity	29,93,91,64,263	4,40,39,56,270	22,60,27,78,828	3,15,65,85,191
Debentures	14,94,94,80,254	3,35,27,99,326	14,01,39,86,170	2,64,88,94,750
Short term loans	-	47,32,12,000	-	-
Secured, considered doubtful				
Loans and advances relating to financing activity	76,79,37,476	-	72,73,35,794	-
Unsecured, considered good				
Loans and advances relating to financing activity	50,00,00,000	25,00,00,000	-	75,00,00,000
Debentures	2,30,00,00,000	60,00,00,000	1,90,00,00,000	65,00,00,000
Short term loans	-	2,06,37,38,838	-	5,00,00,00,000
Security Deposits	8,50,07,861	-	2,55,07,954	-
Advances recoverable in cash or in kind or for value to be received	-	13,20,81,299	-	1,35,52,173
Prepaid expenses	3,19,31,670	3,29,49,411	4,82,53,988	4,10,93,305
Service tax (Including Input credit)	-	-	-	22,29,122
Total	48,57,35,21,524	11,30,87,37,144	39,31,78,62,734	12,26,23,54,541

Note 13- Other current assets

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non Current portion	Current portion	Non Current portion	Current portion
Interest accrued on investments	-	20,33,42,973	-	-
Interest accrued but not due on loans	-	37,77,57,615	-	50,64,37,790
Interest accrued on fixed deposits with banks	-	-	-	13,57,889
Total	-	58,11,00,588	-	50,77,95,679



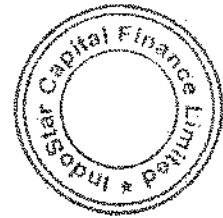
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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Notes 14- Cash and bank balances

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Cash and cash equivalents		
i) Cash on hand	340	24,586
ii) Balances with scheduled banks in:		
Current accounts	1,22,45,19,456	46,42,10,388
Deposits with original maturity of less than three months	-	-
Other bank balances		
Deposits with original maturity of more than three months but less than twelve months	-	8,00,00,000
Total	1,22,45,19,796	54,42,34,974



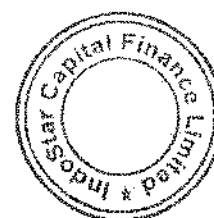
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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 15 - Current investments

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Quantity	Amount	Quantity	Amount
Investments in Mutual funds (At Net Asset Value)				
UTI Money Market Fund - Growth	2,56,777.63	50,06,50,830	-	-
Axis Liquid Fund- Growth	2,62,166.47	50,53,33,942	-	-
L&T Liquid Fund - Growth	1,05,037.85	25,02,92,045	-	-
BOI AXA Liquid Fund - Direct- Growth	49,998.91	10,01,61,735	-	-
HDFC Liquid Fund - Growth	67,266.25	23,03,11,549	-	-
Kotak Floater - ST - Growth Plan	2,10,738.77	60,10,17,552	-	-
Reliance Liquid Fund - TP - Growth	59,052.47	25,03,79,076	-	-
SBI Premier Liquid Fund - Growth	62,504.17	17,02,86,011	-	-
Kotak Liquid Scheme - Plan A - DDR	-	-	7,52,869.49	92,06,16,347
Other Investments				
Pass through certificates - Venus SBL IFMR Capital 2017	-	-	31,87,55,435	31,87,55,435
Pass through certificates - Firefinch CV IFMR Capital 2017	59,03,35,955	16,91,52,182	-	-
Pass through certificates - Satin	2,19,35,36,201	1,79,13,63,846	-	-
Investment in Bonds (Quoted)				
8.85% HDFC Bank Ltd (Perpetual)	1,250	1,27,06,69,000	-	-
9.20% ICICI Bank Ltd (Perpetual)	500	51,02,42,250	-	-
9.00% State Bank of India (Perpetual)	800	81,89,25,500	-	-
8.75% State Bank of India (Perpetual)	50	5,08,98,200	-	-
10.20% RBL Tier II	1,500	1,57,26,67,500	-	-
Total		8,79,23,51,218		1,23,93,71,782
Aggregate Value of Quoted Investments				
Cost of acquisition		4,22,34,02,450		-
Market value		4,23,96,28,394		-
Aggregate Value of Unquoted Investments				
Cost of acquisition		4,56,50,58,021		1,23,87,55,435



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

Note 16- Revenue 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:		
- Loan portfolio	6,56,44,86,996	6,32,01,20,936
- Deposits with banks	1,12,24,762	10,69,64,119
- Investments in PTCs	8,17,80,221	22,05,963
- Debt instruments	35,89,70,370	-
Other financial services:		
- Origination fees & other charges	84,00,56,868	67,50,50,484
- Syndication & other fees	32,88,92,411	4,45,55,058
- Gain on sale of loan assets	-	3,79,762
Total	8,18,54,11,628	7,14,92,76,322

Note 17- Other income

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Dividend income	5,72,381	24,19,511
Profit on sale of current investments	9,87,13,445	36,96,979
Profit on sale of non-current investments	1,99,87,625	-
Miscellaneous income	12,399	26,996
Total	11,92,85,850	61,43,486

Note 18- Employee benefit expenses

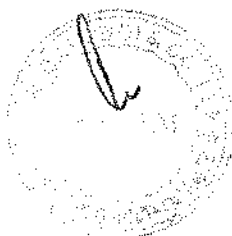
(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Salaries, other allowances and bonus	69,62,67,515	46,12,22,559
Gratuity expenses	45,38,786	33,79,200
Leave encashment	43,61,003	16,01,969
Contribution to provident and other funds	1,42,29,967	88,20,780
Staff welfare expenses	72,77,981	28,62,174
Employee benefit shared service costs recovered	(36,17,761)	-
Total	72,30,57,491	47,78,86,682

Note 19- Finance cost

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Interest expense on		
Debentures	94,42,68,973	1,15,11,45,848
Loans from banks	1,33,69,71,685	1,55,54,98,046
Commercial paper	83,18,93,555	31,53,54,966
Security deposits	55,75,463	-
Inter Corporate Deposit	1,53,82,489	-
Interest On REPO Instruments	1,41,77,164	-
Other borrowing costs		
Processing charges on loans	3,52,37,545	4,47,77,143
Bank charges & other related costs	6,07,79,396	5,17,18,878
Total	3,24,42,86,270	3,11,84,94,881



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

Note 20- Other expenses

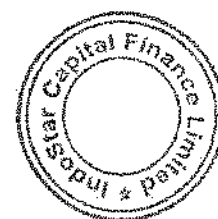
(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Rent	7,53,94,134	3,91,22,235
Rates & taxes	82,75,980	38,53,293
Printing and stationery	63,23,364	13,22,421
Travelling & conveyance	2,40,42,632	84,27,422
Advertisement	9,18,27,756	5,81,613
Business Promotion	30,39,503	26,01,314
Conference charges	2,10,932	59,146
Commission & brokerage	17,97,07,234	4,81,48,161
Office expenses	5,62,70,811	2,22,41,804
Directors' fees & commission	72,90,750	21,56,050
Insurance	49,80,812	21,54,650
Communication expenses	1,57,15,798	35,90,195
Payment to auditor:		
- Audit fees	41,89,742	41,88,233
- Tax audit fees	3,81,500	3,76,250
- Certification	5,45,000	5,37,500
CSR expenses	1,74,82,962	1,63,90,052
Legal & professional charges	8,62,27,356	5,45,46,838
Loss on sale of fixed assets (net)	93,97,182	85,501
Membership & subscriptions	1,15,45,311	23,81,412
Shared service costs recovered	(71,44,475)	-
Total	59,57,04,284	21,27,64,090

Note 21- Provisions and write off

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Provision for standard assets	2,98,23,357	3,54,56,147
Provision for non-performing assets	2,04,25,869	8,78,24,670
Debts written off	3,76,39,627	-
Total	8,78,88,853	12,32,80,817



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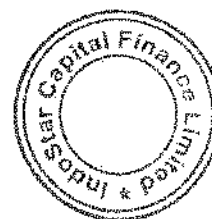
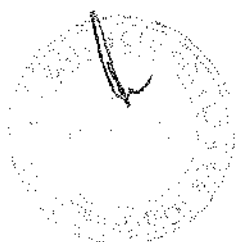
INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 22- Earnings per share

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Net Profit after tax as per Statement of profit and loss (Amount in Rupees) (A)	2,35,57,76,312	2,09,03,78,141
Weighted average number of equity shares for calculating Basic EPS (B)	7,86,47,078	7,34,81,031
Weighted average number of equity shares for calculating Diluted EPS (C)	8,71,68,302	8,01,19,592
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	29.95	28.45
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	27.03	26.09

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Weighted average number of equity shares for calculating Basic EPS	7,86,47,078	7,34,81,031
Add: Weighted number of equity shares under options	85,21,224	66,38,561
Weighted average number of equity shares in calculating Diluted EPS	8,71,68,302	8,01,19,592



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

Note 23 - Gratuity and other post-employment benefit plans:

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

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
Current service cost	31,76,328	14,29,946
Interest cost on benefit obligation	4,20,489	3,89,148
Expected return on plan assets	(2,00,408)	(3,01,012)
Net actuarial (gain) / loss recognised in the year	(3,44,380)	8,61,118
Past service cost-Vested	14,86,757	-
Adjustment in respect of interest not credited in the previous year	-	-
Net benefit expense	45,38,786	23,79,200
Actual return on plan assets	1,86,967	2,70,300

Balance sheet

Details of Provision for gratuity

(Amount in Rupees)		
Particulars	As at March 31, 2018	As at March 31, 2017
Change in Fair Value of Assets		
Opening value of plan assets	26,12,811	33,42,511
Transfer in/(out) plan assets	-	-
Expected return	2,00,408	3,01,012
Actuarial gain/(loss)	(13,441)	(30,712)
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(24,90,384)	(10,00,000)
Closing value of plan assets	3,09,394	26,12,811
Defined benefit obligation	(93,94,301)	(65,86,932)
Fair value of plan assets	3,09,394	26,12,811
Less: Unrecognised past service cost	3,22,000	-
Net Liability	(87,62,907)	(39,74,121)

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
Opening defined benefit obligation	65,86,932	51,87,432
Interest cost	4,20,489	3,89,148
Current service cost	31,76,328	14,29,946
Past service cost	18,08,757	-
Benefits paid	(22,40,384)	(12,50,000)
Actuarial (gains) / losses on obligation	(3,57,821)	8,30,406
Closing defined benefit obligation	93,94,301	65,86,932

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

Particulars	As at March 31, 2018	As at March 31, 2017
Investments with insurer	100%	100%

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

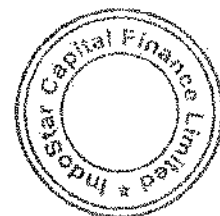
Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.50%	7.10%
Expected Return on Plan Assets	7.50%	7.10%
Increase in compensation cost	6.00%	6.00%
Withdrawal Rates	10% at younger ages reducing to 6% at older ages	10% at younger ages reducing to 6% at older ages

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.

The expected rate of return on plan assets is based on actuarial expectation of the average long term return expected on investments of the fund during the estimated term of the obligation.

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

(Amount in Rupees)					
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	93,94,301	65,86,932	51,87,432	40,77,761	22,77,797
Plan assets	3,09,394	26,12,811	33,42,511	30,73,573	20,15,432
Surplus / (deficit)	(87,62,907)	(39,74,121)	(18,44,921)	(10,04,188)	(2,62,365)
Experience adjustments on plan liabilities	(66,498)	5,39,056	(16,82,888)	26,861	(6,32,462)
Experience adjustments on plan assets	13,441	30,712	64,678	30,626	12,284



Note 24- Employee stock option plans

The Company provides share-based employee benefits to the employees of the Company, the Holding Company or Subsidiary Company working in India or outside India, the Director, whether a whole time Director or otherwise but excluding Non-Executive Independent Director; whether in India or outside India, including the Director of the Company, the Holding Company or a Subsidiary Company, such other entities or individuals as may be permitted by Applicable Laws and any of the aforesaid Employees who are on deputation at the request of the Company and during the year ended 31 March 2018, employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grant are as below.

The Board of Directors approved the share based employee benefits (i.e. issue of stock options) to the key employees and directors of the company under five schemes viz. ESOP Plan 2012, ESOP Plan 2016, ESOP Plan 2016 II, ESOP Plan 2017 and ESOP Plan 2018 in their Meetings held on 20 June 2012, 11 April 2016, 21 September 2016, 18 April 2017 and 12 December 2017 respectively. According to the Schemes, the employee selected by the Nomination and remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years.

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

The details of activity under various ESOP Schemes are summarized below:

ESOP Plan	Tranche	Date of grant	Number of option granted	Number of option exercised	Number of option cancelled	Number of option outstanding	Weighted average remaining contractual life (in years)	Weighted average fair value of options granted (Rs)	Weighted Average Exercise Price (Rs)
ESOP Plan 2012	Tranche I	21-Aug-12	2,03,000	3,400	37,700	1,61,900	1	99.63	140.00
ESOP Plan 2012	Tranche II	18-Feb-13	1,00,000	200	-	99,800	2	102.52	145.00
ESOP Plan 2012	Tranche III	28-Mar-13	20,000	-	20,000	-	NA	91.11	145.10
ESOP Plan 2012	Tranche IV	14-Aug-13	10,000	-	10,000	-	NA	92.16	147.24
ESOP Plan 2012	Tranche V	23-Apr-14	6,66,000	470	41,690	6,23,840	3	105.67	149.37
ESOP Plan 2012	Tranche VI	16-May-16	6,02,254	-	-	6,02,254	2	82.87	225.00
ESOP Plan 2016	Tranche I	16-May-16	24,98,036	-	2,87,259	22,10,777	2	82.87	225.00
ESOP Plan 2016	Tranche II	16-May-16	15,000	-	5,000	10,000	4	108.11	225.00
ESOP Plan 2016	Tranche III	16-May-16	25,000	-	-	25,000	2	90.32	225.00
ESOP Plan 2016-II	Tranche I	19-Oct-16	23,70,000	-	20,000	23,50,000	4	119.65	255.00
ESOP Plan 2016-II	Tranche II	04-Nov-16	20,000	-	-	20,000	4	119.91	255.00
ESOP Plan 2016	Tranche IV	22-Mar-17	1,50,000	-	-	1,50,000	4	139.36	300.00
ESOP Plan 2016-II	Tranche III	22-Mar-17	3,67,000	-	-	3,67,000	4	139.36	300.00
ESOP Plan 2016	Tranche V	18-May-17	2,25,000	-	-	2,25,000	5	169.34	315.00
ESOP Plan 2017	Tranche I	18-May-17	14,28,500	-	-	14,28,500	6	176.42	315.00
ESOP Plan 2016	Tranche VI	26-Jul-17	70,000	-	25,000	45,000	5	173.12	328.00
ESOP Plan 2016-II	Tranche IV	26-Jul-17	2,50,000	-	-	2,50,000	5	173.12	328.00
ESOP Plan 2012	Tranche VII	12-Jan-18	7,500	-	-	7,500	6	228.61	437.00
ESOP Plan 2016	Tranche VII	12-Jan-18	34,000	-	-	34,000	6	228.61	437.00
ESOP Plan 2016-II	Tranche V	12-Jan-18	12,000	-	6,000	6,000	6	228.61	437.00
ESOP Plan 2017	Tranche II	12-Jan-18	5,70,000	-	7,500	5,62,500	6	228.61	437.00
ESOP Plan 2018	Tranche I	12-Jan-18	5,65,500	-	17,000	5,48,500	6	228.61	437.00
ESOP Plan 2018	Tranche II	29-Mar-18	9,83,000	-	-	9,83,000	7	243.07	428.05

The range of exercise prices for options outstanding at the end of the year was Rs 140.00 to Rs 437.00 (31 March 2017: Rs 140.00 to Rs 300.00).

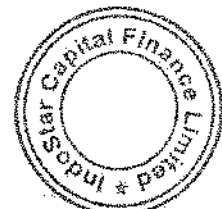
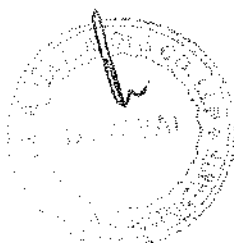
The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

ESOP Plan	Tranche	Dividend yield (%)	Expected volatility	Risk-free interest rate	Weighted average share price (Rs)	Exercise price (Rs)	Expected life of options granted in years
ESOP Plan 2012	Tranche I	0%	0.5811	8.00%	Nil	140.00	1
ESOP Plan 2012	Tranche II	0%	0.5765	8.00%	Nil	145.00	2
ESOP Plan 2012	Tranche III	0%	0.5709	8.00%	Nil	145.10	NA
ESOP Plan 2012	Tranche IV	0%	0.5671	8.00%	Nil	147.24	NA
ESOP Plan 2012	Tranche V	0%	0.5733	8.00%	Nil	149.37	3
ESOP Plan 2012	Tranche VI	0%	0.4300	7.39%	Nil	225.00	2
ESOP Plan 2016	Tranche I	0%	0.4300	7.39%	Nil	225.00	2
ESOP Plan 2016	Tranche II	0%	0.4200	7.64%	Nil	225.00	4
ESOP Plan 2016	Tranche III	0%	0.4300	7.44%	Nil	225.00	2
ESOP Plan 2016-II	Tranche I	0%	0.4200	6.83%	Nil	255.00	4
ESOP Plan 2016-II	Tranche II	0%	0.4200	6.88%	Nil	255.00	4
ESOP Plan 2016	Tranche IV	0%	0.4200	6.96%	Nil	300.00	4
ESOP Plan 2016-II	Tranche III	0%	0.4200	6.96%	Nil	300.00	4
ESOP Plan 2016	Tranche V	0%	0.4400	7.03%	Nil	315.00	5
ESOP Plan 2017	Tranche I	0%	0.4300	7.29%	Nil	315.00	6
ESOP Plan 2016	Tranche VI	0%	0.4400	6.76%	Nil	328.00	5
ESOP Plan 2016-II	Tranche IV	0%	0.4400	6.76%	Nil	328.00	5
ESOP Plan 2012	Tranche VII	0%	0.4100	7.52%	Nil	437.00	6
ESOP Plan 2016	Tranche VII	0%	0.4100	7.52%	Nil	437.00	6
ESOP Plan 2016-II	Tranche V	0%	0.4100	7.52%	Nil	437.00	6
ESOP Plan 2017	Tranche I	0%	0.4100	7.52%	Nil	437.00	6
ESOP Plan 2018	Tranche I	0%	0.4100	7.52%	Nil	437.00	6
ESOP Plan 2018	Tranche II	0%	0.4100	7.75%	Nil	428.05	7

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

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

Particulars	For the year ended March 31, 2018 Audited	For the year ended March 31, 2017 Audited
Profit after tax as reported	2,35,57,76,312	2,09,03,78,141
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost using the fair value method	12,85,76,819	16,60,09,820
Proforma profit after tax	2,22,71,99,493	1,92,43,68,321
Earnings Per Share		
Basic		
- As reported	29.95	28.45
- Proforma	28.32	26.19
Diluted		
- As reported	27.03	26.09
- Proforma	25.55	24.02



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

Note 25 - Related party disclosure

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

Holding Company	Indostar Capital (Mauritius)
Subsidiary Company	IndoStar Asset Advisory Private Limited IndoStar Home Finance Private Limited

Names of other related parties:

Key Managerial Personnel	R. Sridhar - Executive Vice-Chairman & CEO Vimal Bhandari - MD & CEO (till April 30, 2017) Shailesh Shirali - Wholetime Director (till January 28, 2018)
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I. Related party with whom transactions have taken place during the year

Name of related party & nature of relationship	Particulars	(Amount in Rupees)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
Key managerial personnel			
R. Sridhar	Investment in share capital	31,74,600	-
	Securities premium	9,68,25,300	-
	Remuneration paid	2,62,92,991	-
	Expenses reimbursed	4,10,918	-
Vimal Bhandari	Remuneration paid	36,02,195	3,34,63,652
	Expenses reimbursed	76,431	6,91,660
Shailesh Shirali	Remuneration paid	2,02,94,988	5,21,39,372
Subsidiary Company			
IndoStar Asset Advisory Private Limited	Reimbursement of expenses	47,91,929	56,64,378
	Advances given (Net)	21,00,000	2,11,17,767
IndoStar Home Finance Private Limited	Investment in subsidiary	50,00,00,000	-
	Reimbursement of expenses	59,70,308	-
	Advances given (Net)	8,55,034	-

II. Balance as at year end

Name of related party & nature of relationship	Particulars	(Amount in Rupees)	
		As at March 31, 2018	As at March 31, 2017
		Audited	Audited
Holding Company			
Indostar Capital (Mauritius)	Investment in share capital	71,10,26,350	71,10,26,350
	Securities premium	8,53,23,16,200	8,53,23,16,200
Key managerial personnel			
R. Sridhar	Investment in share capital	31,74,600	-
	Securities premium	9,68,25,300	-
Vimal Bhandari	Investment in share capital	43,14,580	43,14,580
	Securities premium	5,17,74,960	5,17,74,960
Shailesh Shirali	Investment in share capital	26,36,150	26,36,150
	Securities premium	3,16,33,800	3,16,33,800
Subsidiary Company			
IndoStar Asset Advisory Private Limited	Investment in subsidiary	1,00,000	1,00,000
	Reimbursement of expenses	76,44,506	56,64,378
	Advances given	21,00,000	-
IndoStar Home Finance Private Limited	Investment in subsidiary	60,00,00,000	10,00,00,000
	Reimbursement of expenses	69,25,557	-
	Advances given	8,55,034	-



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

Note 26- Contingent liabilities and Commitments

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Contingent liabilities:		
Corporate guarantee given by Company to banks	76,65,24,410	62,90,80,000
Pending Litigation with Income Tax Authorities	-	-
Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account	11,60,02,325	-
Amount uncalled on partly paid up shares of subsidiary	5,00,00,000	-
Loans sanctioned not yet disbursed	8,50,87,57,591	3,12,44,04,852

Note 27- 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. 75,394,134. The non-cancellable operating lease agreements are for a period of 24 months to 60 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

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

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Minimum Lease Payments:		
Not later than one year	8,38,10,074	5,22,70,004
Later than one year but not later than five years	27,14,42,111	16,91,09,622
Later than five years	-	-

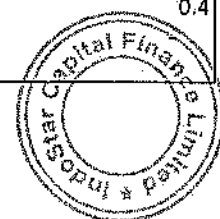
Note 28 - Dues to Micro, Small and Medium enterprises as per MSMED Act, 2006

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	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	-	-

Note 29 - Capital to Risk Assets Ratio Disclosure

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
(i) CRAR (%)	28.3	33.8
(ii) CRAR - Tier I capital (%)	28.0	33.4
(iii) CRAR - Tier II capital (%)	0.3	0.4
(iv) Amount of Subordinated debt raised as Tier - II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-



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

(Amount in Rupees)

Note 30- Asset liability management		1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Liabilities:	Borrowings from banks	3,91,12,69,943	74,37,50,000	36,73,61,111	1,23,81,94,444	3,00,48,53,954	9,09,56,07,500	2,89,52,58,000	11,74,88,430
	Market borrowings	3,59,18,78,080	4,06,73,25,782	5,88,80,02,143	3,17,46,99,627	2,08,57,76,890	6,17,62,34,696	1,72,00,00,000	14,98,80,763
Assets:	Loans & advances	82,44,22,352	52,43,93,605	49,95,12,484	1,93,72,19,785	7,35,81,58,207	26,22,35,00,386	8,76,78,86,025	13,46,51,95,581
	Investments	7,02,33,29,090	19,15,08,957	20,12,45,224	59,17,86,111	78,44,81,836	-	-	1,69,86,81,862



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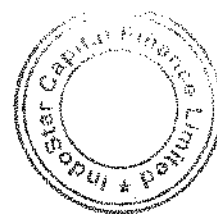
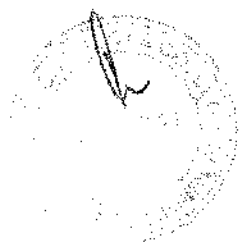
INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 31- Exposure to real estate sector

		(Amount in Rupees)	
	Category	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 Rs.15 lakhs may be shown separately)	10,40,59,47,164	4,35,65,67,443
	ii. Commercial Real Estate Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	30,29,95,60,768	20,71,04,04,494
	iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures - Residential - Commercial Real Estate	Nil Nil	Nil Nil
B	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	60,00,00,000	Nil

Note 32- Exposure to capital market

		(Amount in Rupees)	
		As at March 31, 2018	As at March 31, 2017
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
2	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	5,54,10,00,000	1,80,00,00,000
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	All exposures to Venture Capital Funds (both registered and unregistered)	-	-



PS

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

Note 33- Other Disclosures Pursuant to the RBI Master Directions, 2016

I - Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1 Provisions for depreciation on Investment	-	-
2 Provision towards NPA	2,04,25,869	8,78,24,670
3 Provision made towards Income tax	1,25,45,02,245	1,17,45,02,169
4 Other Provision and Contingencies	-	-
5 Provision for Standard Assets	2,98,23,357	3,54,56,147

II - Concentration of Advances

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
1 Total Advances to twenty largest borrowers	36,64,93,25,851	31,09,02,93,457
2 Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	61.5%	60.4%

III - Concentration of Exposures

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
1 Total Exposure to twenty largest borrowers / customers	40,48,33,25,851	35,82,51,22,699
2 Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	59.4%	63.6%

IV - Concentration of NPAs

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
1 Total Exposure to top four NPA accounts	59,44,78,099	72,73,35,794

V - Sectorwise NPA (% of NPA to Total Advances in that sector)

Particulars	As at March 31, 2018	As at March 31, 2017
1 Agriculture and allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	1.1%	1.5%
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

VI - Movement of NPAs

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Net NPAs to Net Advances (%)	1.1%	1.2%
Movement of NPAs (Gross)		
Opening balance	72,73,35,794	10,00,00,000
Additions during the year/period	25,33,69,560	62,73,35,794
Reductions during the year/period	21,27,67,878	-
Closing balance	76,79,37,476	72,73,35,794
Movement of Net NPAs		
Opening balance	61,95,11,124	8,00,00,000
Additions during the year/period	22,80,32,604	53,95,11,124
Reductions during the year/period	20,78,56,792	-
Closing balance	63,96,86,936	61,95,11,124
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	10,78,24,670	2,00,00,000
Provisions made during the year/period	7,67,93,747	8,78,24,670
Write-off / write-back of excess provisions	5,63,67,878	-
Closing balance	12,82,50,539	10,78,24,670

VII - Customer Complaints

Particulars	As at March 31, 2018
1 No. of complaints pending at the beginning of the period	NIL
2 No. of complaints received during the period	54
3 No. of complaints redressed during the period	54
4 No. of complaints pending at the end of the period	NIL



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

VIII - Investments

(Amount in Rupees)

Particulars			As at March 31, 2018	As at March 31, 2017
1	Value of Investments			
	(i)	Gross Value of Investments		
		(a) In India	10,49,10,33,080	1,96,97,82,987
		(b) Outside India	-	-
	(ii)	Provision for Depreciation		
		(a) In India	-	-
		(b) Outside India	-	-
	(iii)	Net Value of Investments		
		(a) In India	10,49,10,33,080	1,96,97,82,987
		(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments			
	(i)	Opening balance	-	-
	(ii)	Add : Provisions made during the year	-	-
	(iii)	Less : Write-off/ write-back of excess provision during the year	-	-
	(iv)	Closing balance	-	-

IX - Registration obtained from other financial sector regulators : None

X - Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by NBFC

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

X - Details of financing of parent company products : None

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

XII - Draw down from reserves : None

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

Sr. No.	Instrument	Credit Rating Agency	As at March 31, 2018	As at March 31, 2017
1	Commercial Paper	CARE	A1+	A1+
		ICRA	A1+	A1+
		CRISIL	A1+	A1+
2	Long Term Facilities	CARE	AA-	AA-
		INDIA RATINGS	AA-	AA-

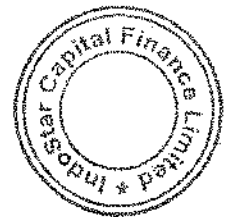
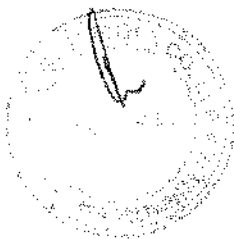
XIV - Unsecured Advances against intangible securities : None

Note 34 - Subsequent to the year ended March 31, 2018, the Company has completed an Initial Public Offering (IPO) of 32,237,762 equity shares at Rs. 572 per share, out of which :

i) 1,22,37,762 equity shares of Rs. 10 each were allotted as fresh issue of equity shares at premium of Rs. 562 per share,

ii) 2,00,00,000 equity shares of Rs. 10 each were offered for sale by the existing shareholders at premium of Rs. 562 per share.

The equity shares of the Company got listed on the National Stock Exchange of India Limited and the BSE Limited on May 21, 2018.



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

Note 35- Previous years comparative

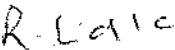
Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with Current year presentation.

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 Capital Finance Limited


R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136697


Dhanpal Jhaveri
Chairman
DIN: 02018124


Pankaj Thapar
Chief Financial Officer


Nitendra Bhat
Company Secretary

Place: Mumbai
Date: May 30, 2018

Place: Mumbai
Date: May 30, 2018



RS

INDEPENDENT AUDITOR'S REPORT

To the Members of IndoStar Capital Finance Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IndoStar Capital Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate report in "Annexure 1" 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 Group does not have any pending litigations as at March 31, 2018 which would impact its consolidated financial position;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2018.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature:

Date: May 30, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ABC COMPANY LIMITED

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

In conjunction with our audit of the consolidated financial statements of IndoStar Capital Finance Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of IndoStar Capital Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

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

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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

**per Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 30, 2018

INDOSTAR CAPITAL FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
		Audited	Audited
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	78,67,92,590	78,36,17,990
(b) Reserves and surplus	4	20,58,44,67,904	18,24,39,22,529
		21,37,12,60,494	19,02,75,40,519
(2) Non-current liabilities			
(a) Long-term borrowings	5	19,91,97,18,704	19,10,61,20,313
(b) Other Long term liabilities	6	3,22,20,665	7,23,70,201
(c) Long-term provisions	7	33,04,96,512	26,94,81,205
		20,28,24,35,881	19,44,79,71,719
(3) Current liabilities			
(a) Short-term borrowings	8	18,63,05,78,095	7,86,55,05,788
(b) Trade payables			
(i) Dues to Micro, Small and Medium enterprises	28	-	-
(ii) Others		9,30,92,873	5,28,41,821
(c) Other current liabilities	6	12,44,35,25,991	8,33,74,74,840
(d) Short-term provisions	7	14,26,24,619	15,63,55,497
		31,30,98,21,578	16,41,21,77,946
Total		72,96,35,17,953	54,88,76,90,184
II. Assets			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Property, Plant and Equipment		51,43,73,333	6,92,19,952
(ii) Intangible assets		4,40,89,258	1,87,92,388
(iii) Capital work in progress		8,30,13,306	-
(b) Non-current investments	10	1,09,85,81,862	63,03,11,205
(c) Deferred tax assets (net)	11	16,49,43,774	16,36,46,726
(d) Long-term loans and advances	12	49,07,41,87,361	39,33,09,07,722
		50,97,91,88,894	40,21,28,77,993
(2) Current assets			
(a) Cash and bank balances	14	1,27,83,37,240	65,12,98,742
(b) Current investments	15	8,79,23,51,218	1,23,93,71,782
(c) Short-term loans and advances	12	11,32,91,48,748	12,27,53,51,589
(d) Other current assets	13	58,44,91,853	50,87,90,078
		21,98,43,29,059	14,67,48,12,191
Total		72,96,35,17,953	54,88,76,90,184

Significant Accounting Policies

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

2.1

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 Capital Finance Limited



R. Sridhar

Executive Vice-Chairman & CEO

DIN: 00136697



Dhanshi Jhaveri

Chairman

DIN: 02018124



Pankaj Thapar

Chief Financial Officer



Jitendra Ghati

Company Secretary

Place: Mumbai

Date: May 30, 2018

Place: Mumbai

Date: May 30, 2018



INDOSTAR CAPITAL FINANCE LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rupees)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
		Audited	Audited
Income			
Revenue from operations	16	8,22,01,09,343	7,19,30,29,592
Other income	17	11,96,43,581	61,43,486
Total		8,33,97,52,924	7,19,91,73,078
Expenditure			
Employee benefit expenses	18	81,57,93,951	48,18,98,175
Finance cost	19	3,24,42,86,270	3,11,84,94,881
Depreciation and amortisation	9	4,70,57,189	1,87,77,500
Other expenses	20	64,65,21,887	22,63,21,873
Provisions and write off	21	8,91,68,354	12,32,80,817
Total		4,84,28,27,651	3,96,87,73,246
Profit before taxation		3,49,69,25,273	3,23,03,99,832
Provision for taxation			
Current tax		1,25,45,02,245	1,18,30,73,074
Deferred tax		(12,97,048)	(6,06,27,564)
Total tax expense		1,25,32,05,197	1,12,24,45,510
Net profit after taxes		2,24,37,20,076	2,10,79,54,322
Earnings per share	22		
Basic (Rs.)		28.53	28.69
Diluted (Rs.)		25.74	26.31
Nominal value of equity share (Rs.)		10	10

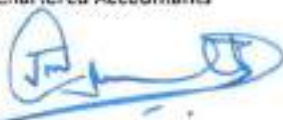
Significant Accounting Policies

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 Capital Finance Limited



R. Sridhar
 Executive Vice-Chairman & CEO
 DIN: 00136697



Dhanpal Jhaveri
 Chairman
 DIN: 02018124



Pankaj Thapar
 Chief Financial Officer



Jitendra Bhati
 Company Secretary

Place: Mumbai
 Date: May 30, 2018

Place: Mumbai
 Date: May 30, 2018





INDOSTAR CAPITAL FINANCE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018


(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
A. Cash flow from operating activities		
Profit before taxes	3,49,69,25,273	3,23,03,99,832
Depreciation and amortisation	4,70,57,189	1,87,77,500
Loss on sale of fixed assets	93,97,182	85,501
Profit on sale of current investments	(9,87,13,445)	(36,96,979)
Profit on sale of non-current investments	(1,99,87,625)	-
Provisions for non performing assets	2,04,25,869	8,78,24,670
Provisions for standard assets	3,11,02,858	3,54,56,147
Provision for gratuity	51,54,108	21,29,200
Provision for leave encashment	40,33,094	11,25,008
Operating profit before working capital changes	3,49,53,94,503	3,57,21,00,879
Movements in working capital:		
Increase in trade payables	4,02,51,052	1,20,42,124
Increase / (Decrease) in other liabilities	4,02,81,80,258	(27,69,18,399)
(Increase) in loans and advances	(8,79,70,76,798)	(8,76,72,53,206)
(Increase) in other assets	(7,57,01,775)	(15,13,85,045)
Cash used in operating activities	(1,30,89,52,760)	(5,81,14,13,647)
Direct taxes paid (net of refunds)	(1,26,79,33,741)	(1,08,84,11,330)
Net cash used in operating activities (A)	(2,57,68,86,501)	(6,89,98,24,977)
B. Cash flows from investing activities		
Purchase of fixed assets	(48,93,85,466)	(6,94,24,823)
Payments for capital work in progress	(8,30,13,306)	-
Proceeds from sale of fixed assets	2,02,196	70,529
Proceeds from sale / (investment) in Preference Shares	5,99,62,875	(3,99,75,250)
investment in Pass through certificates (net)	(1,05,14,24,638)	(90,90,91,390)
Investment in Bonds (net)	(5,32,77,32,700)	-
Investments in Mutual Fund units (net)	(1,58,33,54,560)	(91,69,19,368)
Proceeds from maturity of Bank deposits	8,00,00,000	-
Net cash used in investing activities (B)	(8,39,47,45,599)	(1,93,53,40,902)
C. Cash flows from financing activities		
Proceeds from issue of equity share capital	31,74,600	5,00,73,700
Proceeds from Securities Premium on issue of equity share capital	9,68,25,300	1,45,14,91,503
Amount raised from short term borrowings (net)	10,76,50,72,307	2,87,13,43,937
Term loans from banks (net)	2,29,34,17,803	21,84,42,472
(Payments) / Proceeds from non convertible debentures (NCDs) (net)	(1,47,98,10,412)	1,29,90,19,681
Net cash generated from financing activities (C)	11,67,86,70,598	5,89,03,71,293
Net increase / (decrease) in cash and cash equivalents (A + B + C)	70,70,38,498	(2,94,47,59,986)
Cash and Cash Equivalents at the beginning of the year	57,12,98,742	3,51,60,92,728
Cash and Cash Equivalents at the end of the year	1,27,83,37,240	57,12,98,742

Components of Cash and Cash Equivalents	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Cash and Cash Equivalents at the end of the year		
i) Cash on hand	2,740	27,486
ii) Balances with scheduled banks in:		
Current accounts	1,24,93,34,500	46,92,71,256
Deposits with original maturity of less than three months	2,90,00,000	10,20,00,000
Total cash and cash equivalents	1,27,83,37,240	57,12,98,742

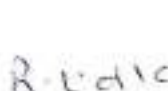
As per our report of even date

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 Capital Finance Limited


 R. Sridhar
 Executive Vice-Chairman & CEO
 DIN: 00136697


 Dhanshal Jhaveri
 Chairman
 DIN: 02838124


 Pankaj Thapar
 Chief Financial Officer


 Jhendra Bhatt
 Company Secretary



Place: Mumbai
 Date: May 30, 2018

Place: Mumbai
 Date: May 30, 2018

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

1. Basis of preparation

The Consolidated financial statements relate to M/s. IndoStar Capital Finance Limited (the 'Company' or 'ICFL') and its subsidiary companies (hereinafter collectively referred to as the 'Group'). The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under provisions of the Companies Act, 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016, the directions issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC') and guidelines issued by the National Housing Bank (NHB) to the extent applicable. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.

2. Basis of Consolidation

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2018 and are prepared based on the accounting policies consistent with those used by the Company.
- (ii) The financial statements of the group have been prepared in accordance with the AS 11- 'Consolidated Financial Statements' in consolidated financial statements, notified under the provisions of the Companies Act, 2013 (the 'Act') and other generally accepted accounting principles in India.
- (iii) The consolidated financial statements have been prepared on the following basis :
 1. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The inter-group balances and inter-group transactions have been fully eliminated except where losses are realised. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.
 2. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
 3. Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- (iv) The subsidiary companies IndoStar Asset Advisory Private Limited (IAAPL) and IndoStar Home Finance Private Limited (IHFPPL) are 100% subsidiaries of IndoStar Capital Finance Limited and same is considered for preparation of consolidated financial statements.

Particulars	Country of Incorporation	Proportion of ownership interest as at March 31, 2018	Proportion of ownership interest as at March 31, 2017	Financial Year ends on
IndoStar Asset Advisory Private Limited (IAAPL)	India	100%	100%	March 31
IndoStar Home Finance Private Limited (IHFPPL)	India	100%	100%	March 31

1.1 Significant Accounting Policies

(a) Presentation and disclosure of financial statements

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

(b) Use of estimates

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

(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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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
Building	60 Years	60 Years
Computers	5 Years	5 Years
Office Equipments	5 Years	5 Years
Office Equipments - Mobiles	2 Years	5 Years
Furniture and fixtures	5 Years	10 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 5 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 whenever the carrying amount of an individual asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's 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.

(d) Investments

Investments intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Unquoted investments in units of mutual funds are stated at net asset value. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(e) Provisioning / Write-off of assets

Non performing loans are written off / provided as per the minimum provision required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 03, 2016 (RBI Master Directions, 2016) and Master Circular - The Housing Finance Companies (NHB) Directions, 2010 (NHB Guidelines, 2010) and Notification No. WHB/NFC/DIR.12/MD&CCO/2017 dated August 2, 2017. Pursuant to the RBI Master Directions, 2016, the Company has revised its recognition norms of Non-Performing Assets (NPA) from 120 days to 90 days.

Provision on standard assets is made as per management estimates and is more than as specified in the RBI Master Directions, 2016.

(f) Loans

Loans are stated at the amount advanced as reduced by the amounts received up to the balance sheet date.

(g) Leases

Where the Company is the lessee

Leases where the lessee 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.

(h) Foreign currency translation

Initial recognition

Transactions in foreign currency entered into during the year/period are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currency are translated in to Rupees at exchange rate prevailing on the date of the Balance Sheet.

Exchange differences

All exchange differences are dealt with in the Statement of profit and loss account.

(i) 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, which is recognised on receipt basis.
- ii. Interest income on fixed income debt instruments such as certificate of deposits, non-convertible debentures and commercial papers are recognised on a time proportion basis taking into account the amount outstanding and the effective rate applicable. Discount, if any, is recognised on a time proportion basis over the tenure of the securities.
- iii. Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. Interest income on loan portfolio buyout is recognised on accrual basis at the agreed rate of interest on the diminishing balance of outstanding loan.
- v. Dividend is recognised as income when right to receive payment is established.
- vi. Profit/loss on the sale of investments is determined on the basis of the weighted average cost method.
- vii. Origination fees is recognised as income on signing of the binding term sheet by the client. Part of the origination fees is recognised upfront based on the management estimate and the balance fee is amortised over the tenure of the loan.
- viii. Management fees are recognised on accrual basis as per the terms of the agreement.
- ix. Syndication fee and other fees are recognised as income when a significant portion of the arrangement is completed.

(j) 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, when an employee renders the related service.



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.

(A)

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.

(B)

Segment reporting

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

(C)

Earnings per share

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

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

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.

(D)

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.

(E)

Referral Fees

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

(F)

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.

(G)

Borrowing costs

Borrowing cost includes interest and are charged to Profit & Loss in the year/period in which they are incurred. Ancillary and other borrowing costs are amortised over the tenure of the underlying loan on straight line basis.

(H)

Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method.

(I)

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 CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 1- Share capital

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Authorised		
11,00,00,000 (March 31, 2017: 9,00,00,000) Equity Shares of Rs.10/- each	1,10,00,00,000	90,00,00,000
	1,10,00,00,000	90,00,00,000
Issued & Subscribed		
Equity Shares		
7,86,79,259 (March 31, 2017: 7,83,61,799) equity shares of Rs. 10/- each fully paid up	78,67,92,590	78,36,17,990
Total	78,67,92,590	78,36,17,990

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	7,83,61,799	78,36,17,990	7,33,54,429	73,35,44,290
Issued during the year	3,17,460	31,74,600	50,07,370	5,00,73,700
Shares outstanding at the end of the year	7,86,79,259	78,67,92,590	7,83,61,799	78,36,17,990

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. Shares held by the holding company

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	% holding in the class	Numbers of shares	% holding in the class
Equity shares of Rs. 10/- each Indostar Capital (Mauritius) (Holding Company)	7,11,02,635	90.37%	7,11,02,635	90.74%

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

Name of the shareholders	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Numbers of shares	% holding in the class	Numbers of shares	% holding in the class
Equity shares of Rs. 10/- each Indostar Capital (Mauritius)	7,11,02,635	90.37%	7,11,02,635	90.74%

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

e. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 24.



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

Note 4- Reserves and Surplus

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Securities Premium Account		
Balance as per last Balance Sheet	10,24,67,57,611	8,79,52,66,108
Add: Received during the year	9,68,25,300	1,45,14,91,503
Closing balance	10,34,35,82,911	10,24,67,57,611
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last Balance Sheet	1,60,91,21,530	1,19,10,45,902
Add: Transfer from surplus balance in statement of profit and loss	47,11,55,262	41,80,75,629
Closing balance	2,08,02,76,792	1,60,91,21,531
Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987		
Balance as per last Balance Sheet	8,52,652	-
Add: Transfer from surplus balance in statement of profit and loss	-	8,52,652
Closing balance	8,52,652	8,52,652
Capital Reserve (4,303,768 shares Rs.0.01 paid up per share forfeited on non- payment of call money and amount received transferred)		
	43,038	43,038
Closing balance	43,038	43,038
Surplus in Statement of profit and loss		
Balance as per last Balance Sheet	6,38,71,47,697	4,69,81,21,656
Add: Profit for the current year	2,24,37,20,076	2,10,79,54,322
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(47,11,55,262)	(41,80,75,629)
Transfer to statutory reserve as per Section 29C of the National Housing Bank (NHB) Act, 1987	-	(8,52,652)
Net surplus in the statement of profit and loss	8,15,97,12,511	6,38,71,47,697
Total	20,58,44,67,904	18,24,39,22,529



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

Note 5 - Long term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
Term loans from banks (refer note (a) below)				
Secured	12,10,83,53,900	5,59,02,59,508	9,81,48,36,127	4,83,30,44,441
Redeemable non convertible debentures (refer note (b) below)				
Secured	7,81,13,64,774	4,08,70,25,055	9,29,11,84,196	1,92,22,73,237
Less: Transferred to Other liabilities	-	(9,67,72,84,563)	-	(6,76,13,17,678)
Total	19,91,97,18,704	-	19,10,50,56,323	-

*Amount disclosed under the head 'Other liabilities'

(a) Term loan from banks (TL):

Particulars - Bank Name	Rate of Interest	Repayment details	As at March 31, 2018		As at March 31, 2017	
			Audited		Audited	
			Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Axis Bank TL - IV	>= 8.10% < 9.55%	18-Quarterly repayments	23,25,00,000	12,50,00,000	-	-
Abu Dhabi Commercial Bank	>= 8.10% < 9.55%	1 - Yearly repayments	35,00,00,000	-	-	-
Bank of Baroda Limited	>= 8.10% < 9.55%	15-Quarterly repayments	-	-	-	25,00,00,000
Bank of Baroda Limited - TL II	>= 8.10% < 9.55%	30-Quarterly repayments	10,00,00,000	30,00,00,000	30,00,00,000	30,00,00,000
Bank of India Limited	>= 8.10% < 9.55%	15-Quarterly repayments	-	-	-	87,50,00,000
Canara Bank Limited - TL II	>= 8.10% < 9.55%	8 - Half yearly repayments	62,50,00,000	25,00,00,000	43,75,00,000	6,25,00,000
Corporation Bank Limited - TL II	>= 8.10% < 9.55%	9 - Half yearly repayments	6,66,66,666	6,66,66,666	13,33,33,333	8,66,66,666
Dena Bank	>= 8.10% < 9.55%	8 - Half yearly repayments	25,00,00,000	12,50,00,000	37,50,00,000	12,50,00,000
Dena Bank - TL I	>= 8.10% < 9.55%	8 - Half yearly repayments	31,25,00,000	12,50,00,000	43,75,00,000	8,25,00,000
Osha Bank	>= 8.10% < 9.55%	5 - Half yearly repayments	24,00,00,000	6,00,00,000	-	-
Federal Bank Limited - TL II	>= 8.10% < 9.55%	12-Quarterly repayments	6,66,66,667	26,66,66,668	33,33,33,332	26,66,66,668
IOCI Bank Limited - II	>= 8.10% < 9.55%	10-Quarterly repayments	-	-	-	86,00,00,000
IDBI Bank Limited	>= 8.10% < 9.55%	18 - Quarterly repayments	-	-	24,00,00,000	11,11,11,112
IDBI Bank Limited - II	>= 8.10% < 9.55%	16-Quarterly repayments	31,25,00,000	12,50,00,000	43,75,00,000	6,25,00,000
Indian Overseas Bank Limited	>= 8.10% < 9.55%	18-Quarterly repayments	-	23,22,22,222	23,22,22,221	23,22,22,221
Indusind Bank Limited - TL III	>= 8.10% < 9.55%	12-Quarterly repayments	56,25,00,000	18,75,00,000	-	-
IND Vysya Bank Limited - TL II	>= 8.10% < 9.55%	20-Quarterly repayments	17,50,00,000	20,00,00,000	37,50,00,000	20,00,00,000
Indian Bank	>= 8.10% < 9.55%	8 - Half yearly repayments	18,74,88,439	6,25,00,000	25,00,00,000	-
Kotak Mahindra Bank Limited - TL III	>= 8.10% < 9.55%	16-Quarterly repayments	-	18,75,00,000	18,75,00,000	25,00,00,000
Kotak Mahindra Bank Limited - TL IV	>= 8.10% < 9.55%	16-Quarterly repayments	31,25,00,000	25,00,00,000	38,25,00,000	25,00,00,000
Kotak Mahindra Bank - TL V	>= 8.10% < 9.55%	16-Quarterly repayments	31,25,00,000	12,50,00,000	-	-
Kotak Mahindra Bank - TL VI	>= 8.10% < 9.55%	16-Quarterly repayments	25,00,00,000	25,00,00,000	-	-
Punjab National Bank - II	>= 8.10% < 9.55%	16-Quarterly repayments	20,62,50,000	13,75,00,000	34,37,50,000	13,75,00,000
SBI	>= 8.10% < 9.55%	20-Quarterly repayments	60,00,00,000	20,00,00,000	1,20,00,00,000	30,00,00,000
South Indian Bank Limited	>= 8.10% < 9.55%	18-Quarterly repayments	5,55,55,568	5,55,55,552	13,11,11,120	5,55,55,552
South Indian Bank - I	>= 8.10% < 9.55%	16-Quarterly repayments	10,93,75,000	6,25,00,000	17,18,75,000	6,25,00,000
South Indian Bank - II	>= 8.10% < 9.55%	16-Quarterly repayments	23,43,75,000	5,56,25,000	-	-
State Bank of Bikaner and Jaipur Limited - II	>= 8.10% < 9.55%	8 - Half yearly repayments	-	-	56,25,00,000	16,75,00,000
State Bank of Hyderabad Limited - II	>= 8.10% < 9.55%	18-Quarterly repayments	-	-	63,11,11,121	23,22,22,220
State Bank of Hyderabad Limited - III	>= 8.10% < 9.55%	8 - Half yearly repayments	-	-	37,50,00,000	12,50,00,000
State Bank of India Limited - TL II	>= 8.10% < 9.55%	18-Quarterly repayments	55,55,00,000	44,44,00,000	98,88,00,000	64,44,00,000
State Bank of Mysore Limited - TL I	>= 8.10% < 9.55%	9 - Half yearly repayments	8,33,00,000	16,66,00,000	24,99,00,000	16,66,00,000
State Bank of Mysore Limited - TL II	>= 8.10% < 9.55%	9 - Half yearly repayments	12,20,00,000	11,12,00,000	33,32,00,000	11,12,00,000
State Bank of Patiala - II	>= 8.10% < 9.55%	9 - Half yearly repayments	-	-	55,52,00,000	22,24,00,000
SBI II	>= 8.10% < 9.55%	20-Quarterly repayments	30,00,00,000	10,00,00,000	-	-
Bank of India	>= 8.10% < 9.55%	8 - Half yearly repayments	10,00,00,000	1,00,00,00,000	-	-
Catholic Syrian Bank	>= 8.10% < 9.55%	8 - Half yearly repayments	50,00,00,000	-	-	-
SBI III	>= 8.10% < 9.55%	18-Quarterly repayments	1,67,75,00,000	9,75,00,000	-	-
Vijaya Bank	>= 8.10% < 9.55%	8 - Half yearly repayments	37,50,00,000	12,50,00,000	-	-
Alahabad Bank	>= 8.10% < 9.55%	8 - Half yearly repayments	37,50,00,000	12,50,00,000	-	-
Karnataka Bank	>= 8.10% < 9.55%	8 - Half yearly repayments	48,75,00,000	6,25,00,000	-	-
OCI	>= 8.10% < 9.55%	12-Quarterly repayments	44,31,76,000	5,88,21,400	-	-
Total			12,10,83,53,930	5,59,02,59,508	9,81,48,36,127	4,83,30,44,441

Nature of Security:

First pari-passu (with banks and financial institutions providing credit facilities to the issuer) charge by way of hypothecation on the standard asset portfolio of receivable of Rs. 27,340,821,027/- (March 2017 Rs. 25,302,507,000/-).

(b) Non Convertible Debenture

Privately placed Redeemable Non Convertible Debentures of Rs. 38,00,000/- each

Terms of repayment as on March 31, 2018

Redeemable within	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Rate of Interest		Rate of Interest	
	Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Above 60 Months	15,00,00,000	-	15,00,00,000	-
48-60 Months	5,00,00,000	-	30,00,00,000	-
36-48 Months	1,67,00,00,000	-	3,00,00,00,000	-
24-36 Months	2,85,00,00,000	-	3,56,95,07,121	-
12-24 Months	5,05,13,84,774	-	4,07,16,76,465	-
0-12 Months	-	4,08,70,25,055	-	1,92,22,73,237
Total	7,81,13,64,774	4,08,70,25,055	9,29,11,84,196	1,92,22,73,237

Nature of Security:

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

(i) First pari-passu (with banks and financial institutions providing credit facilities to the issuer) charge or by way of hypothecation on the standard asset portfolio of receivables of Rs. 12,432,920,000/- (March 2017: Rs. 13,932,030,000/-) and
 (ii) First pari-passu charge on immovable property situated at village Matanagpura of Kadi Taluka, Nethawas district, Gujarat.

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



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

Note 6- Other liabilities

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
Unamortised fees	3,22,20,665	2,84,06,442	7,23,70,201	4,80,48,029
Interest accrued but not due on loans	-	60,67,72,574	-	76,15,03,118
Current maturities of long term debts (Refer note 5)	-	9,67,72,84,563	-	6,76,13,17,678
Bank Overdraft	-	72,64,52,619	-	51,08,02,280
Employee benefits payable	-	22,35,00,000	-	16,83,58,844
Other liabilities (includes statutory liabilities)	-	1,18,11,10,793	-	8,74,44,891
Total	3,22,20,665	12,44,35,25,991	7,23,70,201	8,33,74,74,840

Note 7- Provisions

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non-Current	Current	Non-Current	Current
For employee benefit				
For gratuity	32,58,747	58,69,481	22,25,327	17,48,794
For leave encashment and availment	69,17,571	11,30,900	33,37,515	6,77,862
For Others				
For non-performing assets	12,82,50,539	-	10,78,24,670	-
For standard assets	19,20,69,655	4,60,95,131	15,60,93,693	5,09,68,235
For income tax (net of advance tax)	-	8,95,29,106	-	10,29,60,606
Total	33,04,96,512	14,26,24,619	26,94,81,205	15,63,55,497



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

Note 8- Short term borrowing

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Secured Loan		
Bank overdraft *	1,42,51,69,944	94,74,72,808
Working Capital Demand Loan *	2,25,00,00,000	-
Repo Instrument **	1,47,42,63,668	-
Unsecured Loan		
Inter Corporate Deposit	88,38,35,747	-
Commercial papers		
i) From banks	2,00,00,00,000	50,00,00,000
ii) Other than banks	10,85,00,00,000	6,55,00,00,000
Less: Unamortised discount	(25,26,91,264)	(13,19,67,020)
	12,59,73,08,736	6,91,80,32,980
Total	18,63,05,78,095	7,86,55,05,788

* secured by First pari-passu charge by way of hypothecation on the standard asset portfolio

** secured by pledge of investments in bonds



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

Note 9- Fixed assets

Note 9- Fixed assets	Particulars	Property, Plant and Equipment							Intangible Assets		(Amount in Rupees)
		Audited							Audited		
		Land - Freehold*	Buildings	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Total	Software	Total	
Gross Block											
As at March 31, 2016	15,05,100	-	1,62,09,055	43,05,750	40,33,883	3,17,72,509	5,78,26,297	49,30,003	6,27,56,300		
Additions	-	-	2,23,62,356	59,49,401	5,18,507	1,98,69,320	4,86,99,584	2,51,51,038	7,38,50,622		
Deletions	-	-	2,09,487	3,52,799	-	-	5,62,286	-	5,62,286		
As at March 31, 2017	15,05,100	-	3,83,61,924	99,02,352	45,52,390	5,16,41,829	10,59,63,595	3,00,81,041	13,60,44,636		
Additions	-	10,50,30,100	7,63,26,026	3,93,24,964	7,16,28,045	19,81,34,885	49,04,44,020	3,66,62,798	52,71,06,818		
Deletions	-	-	-	13,191	-	1,53,19,058	1,53,32,249	-	1,53,32,249		
As at March 31, 2018	15,05,100	10,50,30,100	11,46,87,950	4,92,14,125	7,61,80,435	23,44,57,656	58,10,75,366	6,67,43,839	64,78,19,205		
Depreciation											
As at March 31, 2016	-	-	66,38,927	19,12,400	22,56,805	1,68,03,166	2,76,11,298	20,54,100	2,96,65,398		
Additions	-	-	43,59,234	12,63,046	6,59,214	32,61,453	95,42,947	92,34,553	1,87,77,500		
Deletions	-	-	1,09,133	3,01,469	-	-	4,10,602	-	4,10,602		
As at March 31, 2017	-	-	1,08,89,028	28,73,977	29,16,019	2,00,64,619	3,67,43,643	1,12,88,653	4,80,32,296		
Additions	-	3,17,162	1,43,26,213	24,44,254	5,53,720	1,80,49,912	3,56,91,261	1,13,65,928	4,70,57,189		
Deletions	-	-	-	2,601	-	57,30,270	57,32,871	-	57,32,871		
As at March 31, 2018	-	3,17,162	2,52,15,241	53,15,630	34,69,739	3,23,84,261	6,67,02,033	2,26,54,581	8,93,56,614		
Net Block											
As at March 31, 2018	15,05,100	10,47,12,938	8,94,72,709	4,38,98,495	7,27,10,696	20,20,73,395	51,43,73,333	4,40,89,258	55,84,62,591		
As at March 31, 2017	15,05,100	-	2,74,72,896	70,28,375	16,36,371	3,15,77,210	6,92,19,952	1,87,92,388	8,80,12,340		

*Mortgaged as security against Secured Non Convertible Debentures



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

Note 10 - Non-current investments

(Amount in Rupees)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Audited			Audited		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Unquoted - Compulsorily Convertible Preference Share GC Web Ventures Private Limited	-	-	-	150.00	851	3,99,75,250
Other investments						
Pass through certificates - Firefinch CV IFMR Capital 2017		-	-	1	59,03,35,955	59,03,35,955
Investment in Bonds (Quoted)						
8.85% HDFC Bank Ltd (Perpetual)	10,00,000	100	10,13,75,300	-	-	-
8.55% ICICI Bank Ltd (Perpetual)	10,00,000	1,000	99,72,06,562	-	-	-
Total		1,100	1,09,85,81,862		59,03,36,817	63,03,11,205
Aggregate Value of Quoted Investments						
Cost of acquisition			1,09,85,81,862			-
Market value			1,07,89,71,600			-
Aggregate Value of Unquoted Investments						
Cost of acquisition			-			63,03,11,205



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

Note 11- Deferred tax assets (net)

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Deferred tax asset		
Provision for standard assets	8,19,81,259	7,16,59,992
Origination fees unamortised	2,09,81,483	4,16,74,341
Provision for gratuity	30,32,667	13,75,364
Provision for leave encashment	25,13,810	13,89,642
Interest on the NPA Loans not accrued in books	2,52,92,671	3,20,73,135
Provision for non performing assets	4,43,84,947	3,73,15,962
Total (A)	17,81,86,837	18,54,88,436
Deferred tax liability		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	(15,70,670)	(13,12,360)
Borrowing costs unamortised	(1,16,72,393)	(2,05,29,350)
Total (B)	(1,32,43,063)	(2,18,41,710)
Net deferred tax asset (A-B)	16,49,43,774	16,36,46,726



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

Note 12- Loans and advances

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non Current portion	Current portion	Non Current portion	Current portion
Secured, considered good				
Loans and advances relating to financing activity	30,43,72,67,477	4,41,76,53,492	22,60,27,78,828	3,15,65,85,191
Debentures	14,94,94,80,254	3,35,27,99,326	14,01,39,86,170	2,64,88,94,750
Short term loans	-	47,32,12,000	-	-
Secured, considered doubtful				
Loans and advances relating to financing activity	75,79,37,476	-	72,73,35,794	-
Unsecured, considered good				
Loans and advances relating to financing activity	50,00,00,000	25,00,00,000	-	75,00,00,000
Debentures	2,30,00,00,000	60,00,00,000	1,90,00,00,000	65,00,00,000
Short term loans	-	2,06,37,38,838	-	5,00,00,00,000
Security Deposits	8,63,91,587	14,400	2,55,07,954	-
Advances recoverable in cash or in kind or for value to be received	-	12,69,15,198	-	1,46,83,137
Prepaid expenses	3,31,10,567	4,48,15,494	6,12,98,976	5,29,59,389
Service tax (Including input credit)	-	-	-	22,29,122
Total	49,07,41,87,361	11,32,91,48,748	39,33,09,07,722	12,27,53,51,589

Note 13- Other current assets

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Non Current portion	Current portion	Non Current portion	Current portion
Interest accrued on investments	-	20,33,42,973	-	-
Interest accrued but not due on loans	-	38,07,94,114	-	50,64,37,790
Interest accrued on fixed deposits with banks	-	3,54,766	-	23,52,288
Total	-	58,44,91,853	-	50,87,90,078



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

Notes 14- Cash and bank balances

(Amount in Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Cash and cash equivalents		
i) Cash on hand	2,740	27,486
ii) Balances with scheduled banks in:		
Current accounts	1,24,93,34,500	46,92,71,256
Deposits with original maturity of less than three months	2,90,00,000	10,20,00,000
Other bank balances		
Deposits with original maturity of more than three months but less than twelve months	-	8,00,00,000
Total	1,27,83,37,240	65,12,98,742



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

Note 15 - Current investments

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Audited		Audited	
	Quantity	Amount	Quantity	Amount
Investments in Mutual funds (At Net Asset Value)				
UTI Money Market Fund - Growth	2,56,777.63	50,06,50,830	-	-
Axis Liquid Fund- Growth	2,62,166.47	50,53,33,942	-	-
L&T Liquid Fund - Growth	1,05,037.85	25,02,92,045	-	-
BOI AXA Liquid Fund - Direct- Growth	49,998.91	10,01,61,735	-	-
HDFC Liquid Fund - Growth	67,266.25	23,03,11,549	-	-
Kotak Floater - ST - Growth Plan	2,10,738.77	60,10,17,552	-	-
Reliance Liquid Fund - TP - Growth	59,052.47	25,03,79,076	-	-
SBI Premier Liquid Fund - Growth	62,504.17	17,02,86,011	-	-
Kotak Liquid Scheme - Plan A - DDR	-	-	7,52,869.49	92,06,16,347
Other Investments				
Pass through certificates - Venus SBL IFMR Capital 2017	-	-	31,87,55,435	31,87,55,435
Pass through certificates - Firefinch CV IFMR Capital 2017	59,03,35,955	16,91,52,182	-	-
Pass through certificates - Satin	2,19,35,36,201	1,79,13,63,846	-	-
Investment in Bonds				
8.85% HDFC Bank Ltd (Perpetual)	1,250	1,27,06,69,000	-	-
9.20% ICICI Bank Ltd (Perpetual)	500	51,02,42,250	-	-
9.00% State Bank of India (Perpetual)	800	81,89,25,500	-	-
8.75% State Bank of India (Perpetual)	50	5,08,98,200	-	-
10.20% RBL Tier II	1,500	1,57,26,67,500	-	-
Total		8,79,23,51,218		1,23,93,71,782
Aggregate Value of Quoted Investments				
Cost of acquisition		4,22,34,02,450		-
Market value		4,23,96,28,394		-
Aggregate Value of Unquoted Investments				
Cost of acquisition		4,56,50,58,021		1,23,87,55,435



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INDOSTAR CAPITAL FINANCE LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 16- Revenue 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:		
- Loan portfolio	6,57,22,03,011	6,32,01,20,936
- Deposits with banks	1,78,60,392	11,34,76,030
- Investments in PTCs	8,17,80,221	22,05,963
- Debt instruments	35,89,70,370	-
Other financial services:		
- Origination fees & other charges	85,44,47,885	67,50,50,484
- Syndication & other fees	33,48,47,464	8,17,96,417
- Gain on sale of loan assets	-	3,79,762
Total	8,22,01,09,343	7,19,30,29,592

Note 17- Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Dividend income	5,72,381	24,19,511
Profit on sale of current investments	9,87,13,445	36,96,979
Profit on sale of non-current investments	1,99,87,625	-
Miscellaneous income	3,70,130	26,996
Total	11,96,43,581	61,43,486

Note 18- Employee benefit expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Salaries, other allowances and bonus	78,21,56,936	46,52,34,052
Gratuity expenses	49,04,108	33,79,200
Leave encashment	51,58,965	16,01,969
Contribution to provident and other funds	1,58,40,736	88,20,780
Staff welfare expenses	77,33,206	28,62,174
Total	81,57,93,951	48,18,98,175

Note 19- Finance cost

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Interest expense on		
Debt securities	94,42,68,973	1,15,11,45,848
Loans from banks	1,33,69,71,685	1,55,54,98,046
Commercial paper	83,18,93,555	31,53,54,966
Security deposits	55,75,463	-
Inter Corporate Deposit	1,53,82,489	-
Interest On REPO Instruments	1,41,77,164	-
Other borrowing costs		
Processing charges on loans	3,52,37,545	4,47,77,143
Bank charges & other related costs	6,07,79,396	5,17,18,878
Total	3,24,42,86,270	3,11,84,94,881



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

Note 20- Other expenses

(Amount in Rupees)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Rent	7,67,50,762	3,95,34,426
Rates & taxes	1,49,11,520	42,25,795
Printing and stationery	72,13,710	13,26,126
Travelling & conveyance	2,95,89,404	84,27,422
Advertisement	9,18,27,756	5,81,613
Business Promotion	30,39,503	26,01,314
Conference charges	2,10,932	59,146
Commission & brokerage	18,05,73,861	4,81,48,161
Office expenses	5,81,24,136	2,25,18,596
Directors' sitting fees	72,90,750	21,56,050
Insurance	49,80,812	21,98,943
Communication expenses	1,60,39,556	36,49,609
Payment to auditor		
- Audit fees	44,48,739	43,38,233
- Tax audit fees	3,81,500	3,76,250
- Certification	5,45,000	7,26,000
CSR expenses	1,74,82,962	1,63,90,052
Legal & professional charges	11,21,68,491	6,65,97,224
Loss on sale of fixed assets (net)	93,97,182	85,501
Membership & subscriptions	1,15,45,311	23,81,412
Total	64,65,21,887	22,63,21,873

Note 21- Provisions and write off

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Provision for standard assets	3,11,02,858	3,54,56,147
Provision for non-performing assets	2,04,25,869	8,78,24,670
Debts written off	3,76,39,627	
Total	8,91,68,354	12,32,80,817



PS

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

Note 22- Earnings per share

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Net Profit after tax as per Statement of profit and loss (Amount in Rupees) (A)	2,24,37,20,076	2,10,79,54,322
Weighted average number of equity shares for calculating Basic EPS (B)	7,86,47,078	7,34,81,031
Weighted average number of equity shares for calculating Diluted EPS (C)	8,71,68,302	8,01,19,592
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	28.53	28.69
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	25.74	26.31

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Audited	Audited
Weighted average number of equity shares for calculating Basic EPS	7,86,47,078	7,34,81,031
Add: Weighted number of equity shares under options	85,21,224	66,38,561
Weighted average number of equity shares in calculating Diluted EPS	8,71,68,302	8,01,19,592



PS

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

Note 23 - Gratuity and other post-employment benefit plans:

The Group has an funded defined benefit gratuity plan for ICFL and unfunded defined benefit gratuity plan for IHFPL. 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)

Particulars	(Amount in Rupees)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	35,41,650	14,29,946
Interest cost on benefit obligation	4,20,489	3,89,148
Expected return on plan assets	(2,00,408)	(3,01,012)
Net actuarial (gain) / loss recognised in the year	(3,44,380)	8,61,118
Past service cost	14,86,757	-
Adjustment in respect of interest not credited in the previous year	-	-
Net benefit expense	49,04,108	23,79,290
Actual return on plan assets	1,86,967	2,70,300

Balance sheet

Details of Provision for gratuity

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
Change in Fair Value of Assets		
Opening value of plan assets	26,12,811	33,42,511
Transfer in/(out) plan assets	-	-
Expected return	2,00,408	3,01,012
Actuarial gain/(loss)	(13,441)	(30,712)
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(24,90,384)	(10,00,000)
Closing value of plan assets	3,09,394	26,12,811
Defined benefit obligation	(97,59,623)	(65,86,932)
Fair value of plan assets	3,09,394	26,12,811
Less: Unrecognised past service cost	3,22,000	-
Net Liability	(91,28,229)	(39,74,121)

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

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
Opening defined benefit obligation	65,86,932	51,87,432
Interest cost	4,20,489	3,89,148
Current service cost	35,41,650	14,29,946
Past service cost	18,08,757	-
Benefits paid	(22,40,384)	(12,50,000)
Actuarial (gains) / losses on obligation	(3,57,821)	8,30,406
Closing defined benefit obligation	97,59,623	65,86,932

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

Particulars	As at March 31, 2018	As at March 31, 2017
Investments with insurer	100%	100%

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.50%	7.10%
Expected Return on Plan Assets	7.50%	7.10%
Increase in compensation cost	6.00%	6.00%
Withdrawal Rates	10% at younger ages reducing to 6% at older ages	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.

The expected rate of return on plan assets is based on actuarial expectation of the average long term return expected on investments of the fund during the estimated term of the obligation.

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	97,59,623	65,86,932	51,87,432	40,77,761	22,77,797
Plan assets	3,09,394	26,12,811	33,42,511	30,73,573	20,15,432
Surplus / (deficit)	(91,28,229)	(39,74,121)	(18,44,921)	(10,04,188)	(2,62,365)
Experience adjustments on plan liabilities	(66,498)	5,39,056	(36,82,888)	26,461	(6,32,462)
Experience adjustments on plan assets	13,441	30,712	64,678	30,625	12,284



Note 24- Employee stock option plan

The Company provides share-based employee benefits to the employees of the Company, the Holding Company or Subsidiary Company working in India or outside India, the Director, whether a whole time Director or otherwise but excluding Non-Executive Independent Director; whether in India or outside India, including the Director of the Company, the Holding Company or a Subsidiary Company, each other entities or individuals as may be permitted by Applicable Laws and any of the aforesaid Employees who are on deputation at the request of the Company and during the year ended 31 March 2018, employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grant are as below:

The Board of Directors approved the share based employee benefits i.e. issue of stock options to the key employees and directors of the company under five schemes viz. ESOP Plan 2012, ESOP Plan 2016, ESOP Plan 2016-II, ESOP Plan 2017 and ESOP Plan 2018 in their Meetings held on 20 June 2012, 11 April 2016, 23 September 2016, 18 April 2017 and 12 December 2017 respectively. According to the Schemes, the employee selected by the Nomination and remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years.

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

The details of activity under various ESOP Schemes are summarised below:

ESOP Plan	Tranche	Date of grant	Number of option granted	Number of option exercised	Number of option cancelled	Number of option outstanding	Weighted average remaining contractual life (in years)	Weighted average fair value of options granted (Rs)	Weighted Average Exercise Price (Rs)
ESOP Plan 2012	Tranche I	21-Aug-12	2,00,000	5,400	37,720	1,56,880	1	99.63	140.00
ESOP Plan 2012	Tranche II	18-Feb-13	1,00,000	200	-	99,800	2	102.52	145.00
ESOP Plan 2012	Tranche III	28-Mar-13	10,000	-	28,000	-	NA	91.11	145.10
ESOP Plan 2012	Tranche IV	14-Aug-13	10,000	-	18,000	-	NA	92.36	147.26
ESOP Plan 2012	Tranche V	23-Apr-14	6,00,000	420	41,600	6,23,840	3	205.87	149.57
ESOP Plan 2012	Tranche VI	16-May-16	6,02,254	-	-	6,02,254	2	82.67	225.00
ESOP Plan 2016	Tranche I	18-May-16	24,98,996	-	2,81,200	22,17,797	2	82.67	225.00
ESOP Plan 2016	Tranche II	18-May-16	15,000	-	5,000	10,000	4	106.11	225.00
ESOP Plan 2016	Tranche III	18-May-16	25,000	-	-	25,000	2	60.32	225.00
ESOP Plan 2016-II	Tranche I	15-Oct-16	20,70,000	-	20,000	20,50,000	4	115.65	255.00
ESOP Plan 2016-II	Tranche II	04-Nov-16	20,000	-	-	20,000	4	115.91	255.00
ESOP Plan 2016	Tranche IV	22-Mar-17	1,50,000	-	-	1,50,000	4	130.36	300.00
ESOP Plan 2016-II	Tranche III	22-Mar-17	3,67,000	-	-	3,67,000	4	130.36	300.00
ESOP Plan 2016	Tranche V	18-May-17	2,25,000	-	-	2,25,000	5	160.34	315.00
ESOP Plan 2017	Tranche I	18-May-17	18,28,600	-	-	18,28,600	6	176.62	315.00
ESOP Plan 2016	Tranche VI	28-Jul-17	20,000	-	25,000	45,000	5	173.12	328.00
ESOP Plan 2016-II	Tranche IV	28-Jul-17	2,50,000	-	-	2,50,000	5	173.12	328.00
ESOP Plan 2017	Tranche VII	12-Jan-18	7,500	-	-	7,500	6	228.61	437.00
ESOP Plan 2016	Tranche VII	12-Jan-18	34,000	-	-	34,000	6	228.61	437.00
ESOP Plan 2016-II	Tranche V	12-Jan-18	13,000	-	5,000	8,000	6	228.61	437.00
ESOP Plan 2017	Tranche II	12-Jan-18	5,70,000	-	7,500	5,62,500	6	228.61	437.00
ESOP Plan 2018	Tranche I	12-Jan-18	5,85,500	-	17,000	5,68,500	8	228.61	437.00
ESOP Plan 2018	Tranche II	29-Mar-18	9,83,000	-	-	9,83,000	7	245.67	478.05

The range of exercise prices for options outstanding at the end of the year was Rs 140.00 to Rs 437.00 (31 March 2017: Rs 140.00 to Rs 300.00).

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

ESOP Plan	Tranche	Dividend yield (%)	Expected volatility	Risk-free interest rate	Weighted average share price (Rs)	Exercise price (Rs)	Expected life of options granted in years
ESOP Plan 2012	Tranche I	0%	0.5611	8.00%	Nil	140.00	1
ESOP Plan 2012	Tranche II	0%	0.5765	8.00%	Nil	145.00	2
ESOP Plan 2012	Tranche III	0%	0.5769	8.00%	Nil	145.10	NA
ESOP Plan 2012	Tranche IV	0%	0.5671	8.00%	Nil	147.26	NA
ESOP Plan 2012	Tranche V	0%	0.5713	8.00%	Nil	149.57	3
ESOP Plan 2012	Tranche VI	0%	0.4300	7.99%	Nil	225.00	2
ESOP Plan 2016	Tranche I	0%	0.4300	7.99%	Nil	225.00	2
ESOP Plan 2016	Tranche II	0%	0.4200	7.64%	Nil	225.00	4
ESOP Plan 2016	Tranche III	0%	0.4300	7.40%	Nil	225.00	2
ESOP Plan 2016-II	Tranche I	0%	0.4200	6.69%	Nil	255.00	4
ESOP Plan 2016-II	Tranche II	0%	0.4200	6.69%	Nil	255.00	4
ESOP Plan 2016	Tranche IV	0%	0.4200	6.06%	Nil	300.00	4
ESOP Plan 2016-II	Tranche III	0%	0.4200	6.06%	Nil	300.00	4
ESOP Plan 2018	Tranche V	0%	0.4400	7.09%	Nil	315.00	5
ESOP Plan 2017	Tranche I	0%	0.4300	7.29%	Nil	315.00	6
ESOP Plan 2016	Tranche VI	0%	0.4400	6.76%	Nil	328.00	5
ESOP Plan 2016-II	Tranche IV	0%	0.4400	6.76%	Nil	328.00	5
ESOP Plan 2012	Tranche VII	0%	0.4300	7.51%	Nil	437.00	6
ESOP Plan 2016	Tranche VII	0%	0.4100	7.51%	Nil	437.00	6
ESOP Plan 2016-II	Tranche V	0%	0.4300	7.51%	Nil	437.00	6
ESOP Plan 2017	Tranche II	0%	0.4300	7.51%	Nil	437.00	6
ESOP Plan 2018	Tranche I	0%	0.4100	7.51%	Nil	437.00	6
ESOP Plan 2018	Tranche II	0%	0.4100	7.51%	Nil	478.05	7

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

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

Particulars	For the year ended March 31, 2018 Audited	For the year ended March 31, 2017 Audited
Profit after tax as reported	2,14,97,38,076	2,10,78,54,322
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost using the fair value method	12,85,76,815	35,60,09,830
Proforma profit after tax	2,11,51,43,757	1,94,58,44,502
Earnings Per Share		
Basic		
- As reported	26.53	26.80
- Proforma	26.44	26.43
Diluted		
- As reported	25.74	26.31
- Proforma	24.27	24.24



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

Note 25 - Related party disclosures

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

Holding Company	Indostar Capital (Mauritius)
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Names of other related parties:

Key Managerial Personnel	R. Sridhar - Executive Vice-Chairman & CEO Vimal Bhandari - MD & CEO (till April 30, 2017) Shalish Shrivastava - Wholesale Director (till January 28, 2018)
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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
Key managerial personnel R. Sridhar	Investment in share capital	31,74,600	-
	Securities premium	9,68,25,300	-
	Remuneration paid	1,62,92,901	-
	Expenses reimbursed	4,10,918	-
Vimal Bhandari	Remuneration paid	36,02,195	3,34,63,652
	Expenses reimbursed	75,431	6,52,880
Shalish Shrivastava	Remuneration paid	2,02,94,888	5,21,10,332

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
Holding Company Indostar Capital (Mauritius)	Investment in share capital	71,10,26,350	71,10,26,350
	Securities premium	8,53,23,16,200	8,53,23,16,200
Key managerial personnel R. Sridhar	Investment in share capital	31,74,600	-
	Securities premium	9,68,25,300	-
Vimal Bhandari	Investment in share capital	43,14,580	43,14,580
	Securities premium	5,17,74,960	5,17,74,960
Shalish Shrivastava	Investment in share capital	26,36,150	26,36,150
	Securities premium	3,18,53,800	3,18,53,800



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

Note 26- Contingent liabilities and Commitments

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Contingent liabilities:		
Corporate guarantee given by Company to banks	76,65,24,410	61,90,80,000
Pending Litigation with Income Tax Authorities	-	-
Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account	12,12,62,325	-
Loans sanctioned not yet disbursed	8,14,43,62,598	8,12,44,04,852

Note 27- 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. 76,750,762. The non-cancellable operating lease agreements are for a period of 11 months to 60 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

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

Particulars	(Amount in Rupees)	
	As at March 31, 2018	As at March 31, 2017
	Audited	Audited
Minimum Lease Payments:		
Not later than one year	6,72,47,431	5,22,70,004
Later than one year but not later than five years	27,50,28,146	18,91,09,822
Later than five years	-	-

Note 28 - 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	(Amount in Rupees)	
	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 at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 28 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Note 29 - Subsequent to the year ended March 31, 2018, the Company has completed an initial Public Offering (IPO) of 32,237,762 equity shares at Rs. 572 per share, out of which:

i) 1,22,37,762 equity shares of Rs. 10 each were allotted as fresh issue of equity shares at premium of Rs. 562 per share.

ii) 2,00,00,000 equity shares of Rs. 10 each were offered for sale by the existing shareholders at premium of Rs. 562 per share.

The equity shares of the Company got listed on the National Stock Exchange of India Limited and the BSE Limited on May 21, 2018.

Note 30 - Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Net assets i.e. total assets minus total liabilities

Particulars	As at March 31, 2018		As at March 31, 2017	
	As % of Consolidated Net assets	Amount	As % of Consolidated Net assets	Amount
Parent:				
IndoStar Capital Finance Limited	100.41%	21,45,98,32,048	99.88%	19,00,41,51,834
Subsidiaries:				
IndoStar Home Finance Private Limited	2.36%	50,40,87,829	0.55%	10,53,21,268
IndoStar Asset Advisory Private Limited	0.69%	79,30,619	0.10%	1,81,61,417
Minority Interest	0.00%	-	0.00%	-
Less: Inter-company eliminations	(2.81%)	(60,03,00,000)	(0.55%)	(10,01,00,000)
Total	100.69%	21,97,12,68,494	100.00%	19,02,75,40,519

Share of Profit or Loss

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Parent:				
IndoStar Capital Finance Limited	104.59%	2,35,57,78,512	99.17%	2,09,08,78,141
Subsidiaries:				
IndoStar Home Finance Private Limited	(4.51%)	(10,12,25,438)	(0.20%)	(42,61,282)
IndoStar Asset Advisory Private Limited	(0.48%)	(1,08,33,798)	(0.03%)	(1,33,11,919)
Minority Interest	0.00%	-	0.00%	-
Total	100.00%	2,24,37,29,876	100.00%	2,10,79,54,322



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

Note 31- 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 Capital Finance Limited**



R. Sridhar

Executive Vice-Chairman & CEO


DIN: 00136697



Dhanshal Jhaveri

Chairman

DIN: 02018124



Pankaj Thapar

Chief Financial Officer



Jitendra Chhatlani

Company Secretary

Place: Mumbai

Date: May 30, 2018

Place: Mumbai

Date: May 30, 2018



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

1	Sl. No.	1	2
2	Name of the subsidiary	IndoStar Asset Advisory Private Limited	IndoStar Home Finance Private Limited
3	The date since when subsidiary was acquired	-	-
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
6	Share capital	Authorised Capital: INR 10,00,000 Paid Up Capital: INR 1,00,000	Authorised Capital: INR 70,00,00,000 Paid Up Capital: INR 60,00,00,000
7	Reserves & surplus	INR 72,30,619	INR (9,59,02,171)
8	Total Assets	INR 1,75,32,512	INR 60,60,86,322
9	Total Liabilities	INR 1,75,32,512	INR 60,60,86,322
10	Investments	Nil	Nil
11	Turnover	INR 60,07,635	INR 2,90,47,811
12	Profit/(loss) before taxation	INR (1,08,38,304)	INR (10,12,25,438)
13	Provision for taxation	INR (7,506)	INR Nil
14	Profit/(loss) after taxation	INR (1,08,30,798)	INR (10,12,25,438)
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (in percentage)	100% by IndoStar Capital Finance Limited	100% by IndoStar Capital Finance Limited

Notes:

- IndoStar Home Finance Private Limited is yet to commence it's Business operations.
- There were no subsidiaries which have been liquidated or sold during the year.

By the Order of the Board of Directors
For IndoStar Capital Finance Limited

R. Sridhar

R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136657

Dharmal Jhaveri
Chairman
DIN: 02018124

Pankaj Thapar
Chief Financial Officer

Atendra Murli
Company Secretary

Place: Mumbai
Date: May 30, 2018

