

INDEPENDENT AUDITORS' REPORT**To the Board of Directors of IndoStar Capital Finance Limited**

We have audited the accompanying interim standalone financial statements of IndoStar Capital Finance Limited ("the Company"), which comprise the interim standalone Balance Sheet as at September 30, 2017, and the interim standalone Statement of Profit and Loss and interim standalone Cash Flow Statement for the six months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the interim standalone financial statements

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

Auditors' Responsibility on the interim standalone financial statements

Our responsibility is to express an opinion on these interim standalone financial statements based on our audit. 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 interim standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the interim standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the interim standalone 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 interim standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying interim standalone financial statements give a true and fair view in accordance with Accounting Standard (AS) 25 specified under section 133 of the Act, read with relevant rules issued thereunder.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (a) in the case of the interim standalone Balance Sheet, of the state of affairs of the Company as at September 30, 2017;
- (b) in the case of the interim standalone Statement of Profit and Loss, of the profit for the six months period ended on that date; and
- (c) in the case of the interim standalone Cash Flow Statement, of the cash flows for the six months period ended on that date.

Other matters

We have also issued a Limited review report dated November 9, 2017 for the purposes of reporting under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the aforesaid period.

Restriction of use

The accompanying interim standalone financial statements have been prepared, and this report thereon issued, solely for the purpose of preparation of the restated standalone summary financial statements and restated consolidated summary financial statements by the management of the Company and our examination reports to be issued thereon, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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: February 05, 2018

INDOSTAR CAPITAL FINANCE LIMITED
BALANCE SHEET AS AT SEPTEMBER 30, 2017

(Amount in Rupees)

Particulars	Note No.	As at September 30, 2017	As at March 31, 2017
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	78,67,92,590	78,36,17,990
(b) Reserves and surplus	4	19,44,68,46,475	18,22,05,37,844
		20,23,36,39,065	19,00,41,55,834
(2) Non-current liabilities			
(a) Long-term borrowings	5	12,33,56,05,624	19,10,61,20,313
(b) Other Long term liabilities	6	4,90,78,058	7,23,70,201
(c) Long term provisions	7	30,51,23,733	26,94,81,205
		12,68,98,07,415	19,44,79,71,719
(3) Current liabilities			
(a) Short-term borrowings	8	10,43,35,77,485	7,86,55,05,788
(b) Trade payables			
(i) Dues to Micro, Small and Medium enterprises	28	-	-
(ii) Others		1,93,17,314	4,22,68,246
(c) Other current liabilities	6	10,34,30,30,429	8,33,62,84,653
(d) Short-term provisions	7	18,27,33,556	15,74,59,179
		20,97,86,58,784	16,40,15,17,866
Total		53,90,21,05,264	54,85,36,45,419
II. Assets			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Property, Plant and Equipment		6,66,59,717	6,91,67,569
(ii) Intangible assets		1,40,23,794	1,87,92,388
(iii) Capital work in progress		2,80,72,938	-
(b) Non-current investments	10	52,09,86,419	73,04,11,205
(c) Deferred tax assets (net)	11	17,14,24,249	16,36,54,547
(d) Long term loans and advances	12	35,41,27,19,542	39,31,78,62,734
		36,21,38,86,659	40,29,98,88,443
(2) Current assets			
(a) Cash and bank balances	14	55,93,21,175	54,42,34,974
(b) Current investments	15	6,98,55,24,954	1,23,93,71,782
(c) Short-term loans and advances	12	9,56,51,62,010	12,26,23,54,541
(d) Other current assets	13	57,82,10,466	50,77,95,679
		17,68,82,18,605	14,55,37,56,976
Total		53,90,21,05,264	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



Parikaj Thapar
Chief Financial Officer



Jivendra Bhati
Company Secretary

Place: Mumbai

Date: February 05, 2018



Place: Mumbai

Date: February 05, 2018



INDOSTAR CAPITAL FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

(Amount in Rupees)

Particulars	Note No.	For the half year ended September 30, 2017
Income		
Revenue from operations	16	3,75,06,90,738
Other income	17	4,04,47,981
Total		3,79,11,38,719
Expenditure		
Employee benefit expenses	18	32,68,40,744
Finance cost	19	1,51,23,80,473
Depreciation and amortisation	9	1,42,66,532
Other expenses	20	17,49,83,961
Provisions and write off	21	3,59,51,636
Total		2,06,44,23,346
Profit before taxation		1,72,67,15,373
Provision for taxation		
Current tax		60,50,01,744
Deferred tax		(77,69,702)
Total tax expense		59,72,32,042
Net profit after taxes		1,12,94,83,331
Earnings per share	22	
Basic (Rs.)		14.37
Diluted (Rs.)		12.95
Nominal value of equity share (Rs.)		10

Significant Accounting Policies

2.1

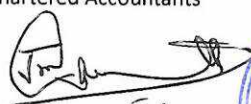
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As per our report of even date

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: February 05, 2018

Place: Mumbai

Date: February 05, 2018




INDOSTAR CAPITAL FINANCE LIMITED
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
A. Cash flow from operating activities	
Profit before taxes	1,72,67,15,373
Depreciation and amortisation	1,42,66,532
Provisions for non performing assets	5,04,00,999
Provisions for standard assets	(2,93,76,643)
Provision for gratuity	13,59,564
Provision for leave encashment	33,83,957
Operating profit before working capital changes	1,76,67,49,782
Movements in working capital:	
Increase in trade payables	(2,29,50,932)
Increase / (Decrease) in other liabilities	1,98,34,53,633
(Increase) / Decrease in loans and advances	6,60,23,35,723
(Increase) in other assets	(7,04,14,787)
Cash generated from operations	10,25,91,73,419
Direct taxes paid (net of refunds)	(56,98,52,716)
Net cash flow from / used in operating activities (A)	9,68,93,20,703
B. Cash flows from investing activities	
Purchase of fixed assets	(69,90,086)
Payments of capital work in progress	(2,80,72,938)
Investment in subsidiary	(5,00,00,000)
Repayments from Pass through certificates	52,20,42,287
Investment in Bonds (net)	(5,32,62,18,250)
Investments in Mutual Fund units (net)	(68,25,52,423)
Net cash used in investing activities (B)	(5,57,17,91,410)
C. Cash Flows from financing activities	
Proceeds from issue of equity share capital	31,74,600
Proceeds from Securities Premium on issue of equity share capital	9,68,25,300
Amount raised from short term borrowings	2,56,80,71,697
Term loans from banks (net)	(1,93,92,28,247)
Proceeds from non convertible debentures (NCDs) issued (net)	(4,83,12,86,442)
Net cash from financing activities (C)	(4,10,24,43,092)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	1,50,86,201
Cash and Cash Equivalents at the beginning of the period	46,42,34,974
Cash and Cash Equivalents at the end of the period	47,93,21,175
Components of Cash and Cash Equivalents	For the half year ended September 30, 2017
Cash and Cash Equivalents at the end of the period	
i) Cash on hand	21,725
ii) Balances with scheduled banks in:	
Current accounts	42,92,99,450
Deposits with original maturity of less than three months	5,00,00,000
Total cash and cash equivalents	47,93,21,175

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
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Pankaj Thapar
Chief Financial Officer


Jitendra Bhati
Company Secretary

Place: Mumbai
Date: February 05, 2018

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Date: February 05, 2018





INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

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, 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 financials 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
Furniture and Fixtures	5 Years	10 Years
Office Equipments	5 Years	5 Years
Office Equipments - Mobiles	2 Years	5 Years
Computers	3 Years	3 Years
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.

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

Intangible Assets /Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Intangible assets are amortised using the straight line method over a period of 3 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an individual asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

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



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

- (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 and expenses recoverable, 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.
- (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 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.



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

(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.



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 3- Share capital

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
	Authorised 9,00,00,000 (March 31, 2017: 9,00,00,000) Equity Shares of Rs.10/- each	90,00,00,000
	90,00,00,000	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 September 30, 2017		As at March 31, 2017	
	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/period	3,17,460	31,74,600	50,07,370	5,00,73,700
Shares outstanding at the end of the year/period	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 September 30, 2017		As at March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs. 10/- each Indostar Capital (Mauritius) (Holding Company)	7,11,02,635	71,10,26,350	7,11,02,635	71,10,26,350

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

Name of the shareholders	As at September 30, 2017		As at March 31, 2017	
	No. of Shares	% holding in the class	No. 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 HALF YEAR ENDED SEPTEMBER 30, 2017

Note 4- Reserves and Surplus

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
Securities Premium Account		
Balance as per last account	10,24,67,57,611	8,79,52,66,108
Add: Received during the period	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 account	1,60,91,21,530	1,19,10,45,902
Add: Transfer from surplus balance in statement of profit and loss	-	41,80,75,628
Closing balance	1,60,91,21,530	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 account	6,36,46,15,665	4,69,23,13,152
Add: Profit for the current year/period	1,12,94,83,331	2,09,03,78,141
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934*	-	(41,80,75,628)
Net surplus in the statement of profit and loss	7,49,40,98,996	6,36,46,15,665
Total	19,44,68,46,475	18,22,05,37,844

*Transfer of 20% of profit after tax to statutory reserves is made annually in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934.



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 5 - Long term borrowings

(Amount in Rupees)

Particulars	As at September 30, 2017		As at March 31, 2017	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
Term loans from banks (refer note (a) below)				
Secured	7,87,57,07,880	5,11,45,61,109	9,81,49,36,127	4,83,90,44,441
Redeemable non convertible debentures (refer note (b) below)				
Secured	4,45,98,97,744	4,05,00,00,000	9,29,11,84,186	1,92,22,73,237
Less: transferred to Other liabilities	-	(9,16,45,61,109)	-	(6,76,13,17,678)
Total	12,33,56,05,624	-	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 September 30, 2017		As at March 31, 2017	
			Non-Current portion	Current Maturities	Non-Current portion	Current Maturities
Axis Bank TL - IV	>=8.35%<10.50%	16-Quarterly repayments	37,50,00,000	12,50,00,000	-	-
Bank of Baroda Limited	>=8.35%<10.50%	16-Quarterly repayments	-	12,50,00,000	-	25,00,00,000
Bank of Baroda Limited - TL II	>=8.35%<10.50%	20-Quarterly repayments	20,00,00,000	20,00,00,000	30,00,00,000	20,00,00,000
Bank of India Limited	>=8.35%<10.50%	16-Quarterly repayments	-	18,75,00,000	-	37,50,00,000
Bank of India II	>=8.35%<10.50%	8 - Half yearly repayments	1,31,25,00,000	18,75,00,000	-	-
Canara Bank Limited - TL II	>=8.35%<10.50%	8 - Half yearly repayments	37,50,00,000	12,50,00,000	43,75,00,000	6,25,00,000
Corporation Bank Limited - TL II	>=8.35%<10.50%	9 - Half yearly repayments	10,00,00,002	6,66,66,666	13,33,33,335	6,66,66,666
Dena Bank	>=8.35%<10.50%	8 - Half yearly repayments	31,25,00,000	12,50,00,000	37,50,00,000	12,50,00,000
Dena Bank - TL II	>=8.35%<10.50%	8 - Half yearly repayments	37,50,00,000	12,50,00,000	43,75,00,000	6,25,00,000
Federal Bank Limited - TL III	>=8.35%<10.50%	12-Quarterly repayments	19,99,99,999	26,66,66,668	33,33,33,332	26,66,66,668
ICICI Bank Limited - II	>=8.35%<10.50%	10-Quarterly repayments	-	10,00,00,000	-	30,00,00,000
IDBI Bank Limited	>=8.75%<10.75%	18 - Quarterly repayments	-	-	24,99,99,998	11,11,11,112
IDBI Bank Limited - II	>=8.35%<10.50%	16-Quarterly repayments	37,50,00,000	12,50,00,000	43,75,00,000	6,25,00,000
Indian Overseas Bank Limited	>=8.35%<10.50%	18-Quarterly repayments	11,11,11,117	22,22,22,223	22,22,22,221	22,22,22,223
ING Vysya Bank Limited - TL III	>=8.35%<10.50%	20-Quarterly repayments	27,50,00,000	20,00,00,000	37,50,00,000	20,00,00,000
Indian Bank	>=8.35%<10.50%	8 - Half yearly repayments	21,87,38,418	3,12,50,000	25,00,00,000	-
Kotak Mahindra Bank Limited - TL III	>=8.35%<10.50%	16-Quarterly repayments	6,25,00,000	25,00,00,000	18,75,00,000	25,00,00,000
Kotak Mahindra Bank Limited - TL IV	>=8.35%<10.50%	16-Quarterly repayments	43,75,00,000	25,00,00,000	56,25,00,000	25,00,00,000
Kotak Mahindra Bank - TL V	>=8.35%<10.50%	16-Quarterly repayments	37,50,00,000	12,50,00,000	-	-
Punjab National Bank - II	>=8.35%<10.50%	16-Quarterly repayments	27,50,00,000	13,75,00,000	34,37,50,000	13,75,00,000
SIDBI	>=8.35%<10.50%	20-Quarterly repayments	1,05,00,00,000	30,00,00,000	1,20,00,00,000	30,00,00,000
South Indian Bank Limited	>=8.35%<10.50%	18-Quarterly repayments	8,33,33,344	5,55,55,552	11,11,11,120	5,55,55,552
South Indian Bank - II	>=8.35%<10.50%	16-Quarterly repayments	14,06,25,000	6,25,00,000	17,18,75,000	6,25,00,000
State Bank of Bikaner and Jaipur Limited - II	>=8.75%<10.75%	8 - Half yearly repayments	-	-	56,25,00,000	18,75,00,000
State Bank of Hyderabad Limited - II	>=8.75%<10.75%	18-Quarterly repayments	-	-	61,11,11,121	22,22,22,220
State Bank of Hyderabad Limited - III	>=8.75%<10.75%	8 - Half yearly repayments	-	-	37,50,00,000	12,50,00,000
State Bank of India Limited - TL II	>=8.35%<10.50%	18-Quarterly repayments	77,77,00,000	44,44,00,000	99,99,00,000	44,44,00,000
State Bank of Mysore Limited - TL II	>=8.35%<10.50%	9 - Half yearly repayments	16,66,00,000	16,66,00,000	24,99,00,000	16,66,00,000
State Bank of Mysore Limited - TL III	>=8.35%<10.50%	9 - Half yearly repayments	27,76,00,000	11,12,00,000	33,32,00,000	11,12,00,000
State Bank of Patiala - II	>=8.75%<10.75%	9 - Half yearly repayments	-	-	55,52,00,000	22,24,00,000
Total			7,87,57,07,880	4,11,45,61,109	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. 16,753,551,427/- (March 2017 Rs. 25,302,507,900/-)

b) Non Convertible Debenture

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

Terms of repayment as on September 30, 2017

Redeemable within	As at September 30, 2017		As at March 31, 2017	
	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	50,00,00,000	-	50,00,00,000	-
36-48 Months	1,00,00,00,000	-	1,00,00,00,000	-
24-36 Months	15,00,00,000	-	3,56,95,07,721	-
12-24 Months	2,65,98,97,744	-	4,07,16,76,465	-
0-12 Months	-	4,05,00,00,000	-	1,92,22,73,237
Total	4,45,98,97,744	4,05,00,00,000	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:

(i) first pari-passu (with banks and financial institutions providing credit facilities to the Issuer) charge on by way of hypothecation on the standard asset portfolio of receivables of Rs 8,926,358,893/- (March 2017: Rs 11,932,020,000/-); and

(ii) first pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat

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



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 6- Other liabilities

(Amount in Rupees)

Particulars	As at September 30, 2017		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
Unamortised fees	4,90,78,058	4,59,28,944	7,23,70,201	4,80,48,029
Interest accrued but not due on loans	-	32,03,78,350	-	76,15,03,118
Current maturities of long term debts (Refer note 5)	-	9,16,45,61,109	-	6,76,13,17,678
Book Overdraft	-	35,01,98,235	-	51,08,02,280
Employee benefits payable	-	11,47,67,934	-	16,83,58,844
Other liabilities (includes statutory liabilities)	-	34,71,95,857	-	8,62,54,704
Total	4,90,78,058	10,34,30,30,429	7,23,70,201	8,33,62,84,653

Note 7- Provisions

(Amount in Rupees)

Particulars	As at September 30, 2017		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
For employee benefit				
For gratuity	26,77,981	26,55,704	22,25,327	17,48,794
For leave encashment and availment	62,92,331	11,07,003	33,37,515	6,77,862
For Others				
For non-performing assets	15,82,25,669	-	10,78,24,670	-
For standard assets	13,79,27,752	3,97,57,533	15,60,93,693	5,09,68,235
For income tax (net of advance tax)	-	13,92,13,316	-	10,40,64,288
Total	30,51,23,733	18,27,33,556	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 HALF YEAR ENDED SEPTEMBER 30, 2017

Note 8- Short term borrowing

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
Secured Loan		
Bank overdraft *	25,00,87,346	94,74,72,808
Unsecured Loan		
Commercial papers		
i) From banks	1,50,00,00,000	50,00,00,000
ii) Other than banks	8,85,00,00,000	6,55,00,00,000
Less: Unamortised discount	(16,65,09,861)	(13,19,67,020)
	10,18,34,90,139	6,91,80,32,980
Total	10,43,35,77,485	7,86,55,05,788

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



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 9- Fixed assets

(Amount in Rupees)

Particulars	Property, Plant and Equipment					Intangible Assets		Total
	Land - Freehold*	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Total	Software	
Gross Block								
As at March 31, 2016	15,05,100	1,61,06,459	43,05,750	40,33,883	3,17,72,509	5,77,23,701	49,30,003	6,26,53,704
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	3,82,59,328	99,02,352	45,52,390	5,16,41,829	10,58,60,999	3,00,81,041	13,59,42,040
Additions	-	38,73,110	6,61,142	84,672	23,60,379	69,79,303	10,783	69,90,086
Deletions	-	-	-	-	-	-	-	-
As at September 30, 2017	15,05,100	4,21,32,438	1,05,63,494	46,37,062	5,40,02,208	11,28,40,302	3,00,91,824	14,29,32,126
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	2,96,49,380
Additions	-	43,25,039	12,63,046	6,59,214	32,61,453	95,08,752	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	4,79,82,083
Additions	-	45,20,155	10,25,737	2,33,839	37,07,424	94,87,155	47,79,377	1,42,66,532
Deletions	-	-	-	-	-	-	-	-
As at September 30, 2017	-	1,53,58,970	38,99,714	31,49,858	2,37,72,043	4,61,80,585	1,60,68,030	6,22,48,615
Net Block								
As at September 30, 2017	15,05,100	2,67,73,468	66,63,780	14,87,204	3,02,30,165	6,66,59,717	1,40,23,794	8,06,83,511
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	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 HALF YEAR ENDED SEPTEMBER 30, 2017

Note 10 - Non-current investments

(Amount in Rupees)

Particulars	As at September 30, 2017			As at March 31, 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Unquoted - Compulsorily Convertible Preference Share						
GC Web Ventures Private Limited	150	862	3,99,75,250	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 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 (1,00,00,000 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
Other Investments						
Pass through certificates - Firefinch CV IFMR Capital 2017	1	59,03,35,955	33,09,11,169	1	59,03,35,955	59,03,35,955
Total		60,53,46,817	52,09,86,419		60,03,46,817	73,04,11,205
Aggregate Value of Quoted Investments						
Cost of acquisition			-			-
Market value			-			-



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 11- Deferred tax assets (net)

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
Deferred tax asset created during the year/period		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	2,68,114	(13,04,539)
Provision for standard assets	6,14,93,323	7,16,59,992
Origination fees unamortised	3,28,80,023	4,16,74,341
Provision for gratuity	18,45,882	13,75,364
Provision for leave encashment	25,60,762	13,89,642
Interest on the NPA Loans not accrued in books	3,20,73,135	3,20,73,135
Provision for non performing assets	5,47,58,740	3,73,15,962
Total (A)	18,58,79,979	18,41,83,897
Deferred tax liability created during the year/period		
Borrowing costs unamortised	(1,44,55,730)	(2,05,29,350)
Total (B)	(1,44,55,730)	(2,05,29,350)
Net deferred tax asset (A-B)	17,14,24,249	16,36,54,547



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 12- Loans and advances

(Amount in Rupees)

Particulars	As at September 30, 2017		As at March 31, 2017	
	Non Current portion	Current portion	Non Current portion	Current portion
Secured, considered good				
Hypothecation loans	18,94,44,79,157	3,76,32,60,759	22,60,27,78,828	3,15,65,85,191
Debentures	13,61,86,11,069	3,81,06,69,426	14,01,39,86,170	2,64,88,94,750
Short term loans	-	20,00,00,000	-	-
Secured, considered doubtful				
Hypothecation loans	86,38,56,684	-	72,73,35,794	-
Unsecured, considered good				
Hypothecation loans	-	-	-	75,00,00,000
Debentures	1,90,00,00,000	65,00,00,000	1,90,00,00,000	65,00,00,000
Short term loans	-	1,08,00,00,000	-	5,00,00,00,000
Security Deposits	5,06,21,352	-	2,55,07,954	-
Advances recoverable in cash or in kind or for value to be received	-	2,12,24,166	-	1,35,52,173
Prepaid expenses	3,51,51,280	4,00,07,659	4,82,53,988	4,10,93,305
Service tax (Including Input credit)	-	-	-	22,29,122
Total	35,41,27,19,542	9,56,51,62,010	39,31,78,62,734	12,26,23,54,541

Note 13- Other current assets

(Amount in Rupees)

Particulars	As at September 30, 2017		As at March 31, 2017	
	Non Current portion	Current portion	Non Current portion	Current portion
Interest accrued on investments	-	12,36,00,410	-	-
Interest accrued but not due on loans	-	45,02,66,962	-	50,64,37,790
Interest accrued on fixed deposits with banks	-	43,43,094	-	13,57,889
Total	-	57,82,10,466	-	50,77,95,679



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Notes 14- Cash and bank balances

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
Cash and cash equivalents		
i) Cash on hand	21,725	24,586
ii) Balances with scheduled banks in:		
Current accounts	42,92,99,450	46,42,10,388
Deposits with original maturity of less than three months	5,00,00,000	-
Other bank balances		
Deposits with original maturity of more than three months but less than twelve months	8,00,00,000	8,00,00,000
Total	55,93,21,175	54,42,34,974



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 15 - Current investments

(Amount in Rupees)

Particulars	As at September 30, 2017		As at March 31, 2017	
	Quantity	Amount	Quantity	Amount
Investments in Mutual funds (At Net Asset Value)				
UTI Money Market Fund - Growth	2,65,326.63	50,01,97,614	-	-
Axis Liquid Fund- Growth	81,976.61	15,27,59,163	-	-
L&T Liquid Fund - Growth	65,120.72	15,00,27,540	-	-
BOI AXA Liquid Fund - Direct- Growth	1,29,156.56	25,00,87,078	-	-
DHFL Pramerica Insta Cash Plus Fund - Growth	11,45,173.14	25,00,42,715	-	-
Mirae Asset Cash Management Fund - Direct - Growth	28,210.80	5,00,09,329	-	-
BNP Paribas Overnight Fund - Direct - Growth	96,881.54	25,00,45,331	-	-
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	5,61,37,934	31,87,55,435	31,87,55,435
Investment in Bonds (Quoted)				
8.85% HDFC Bank Ltd (Perpetual)	1,350	1,37,20,44,300	-	-
8.55% ICICI Bank Ltd (Perpetual)	500	49,81,09,500	-	-
9.20% ICICI Bank Ltd (Perpetual)	500	51,02,42,250	-	-
9.00% State Bank of India (Perpetual)	800	81,89,25,500	-	-
8.39% State Bank of India (Perpetual)	500	50,33,31,000	-	-
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		6,98,55,24,954		1,23,93,71,782
Aggregate Value of Quoted Investments				
Cost of acquisition		5,32,62,18,250		-
Market value		5,39,38,84,000		-
Aggregate Value of Unquoted Investments				
Cost of acquisition		1,65,88,37,933		1,23,87,55,435



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INDOSTAR CAPITAL FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 16- Revenue from operations

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
Interest income on:	
- Loan portfolio	3,29,37,04,925
- Deposits with banks	51,47,438
- Investments in PTCs	3,20,41,242
- Debt instruments	9,92,29,725
Other financial services:	
- Origination fees & other charges	25,13,13,848
- Syndication & other fees	6,92,53,560
Total	3,75,06,90,738

Note 17- Other income

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
Dividend income	5,72,381
Profit on sale of investments	3,98,63,201
Miscellaneous income	12,399
Total	4,04,47,981

Note 18- Employee benefit expenses

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
Salaries, other allowances and bonus	31,15,69,297
Gratuity expenses	11,48,026
Leave encashment	37,87,164
Contribution to provident and other funds	59,05,579
Staff welfare expenses	44,30,678
Total	32,68,40,744

Note 19- Finance cost

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
Interest expense on	
Debtentures	51,02,97,199
Loans from banks	62,98,76,651
Commercial paper	33,36,26,658
Security deposits	52,19,081
Other borrowing costs	
Processing charges on loans	1,85,99,965
Bank charges & other related costs	1,47,60,919
Total	1,51,23,80,473



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INDOSTAR CAPITAL FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 20- Other expenses

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
Rent	2,67,77,516
Rates & taxes	29,95,792
Printing and stationery	6,76,491
Travelling & conveyance	57,10,623
Advertisement	43,530
Business Promotion	7,16,834
Conference charges	16,683
Commission & brokerage	6,73,35,516
Office expenses	1,27,00,164
Directors' fees & commission	27,81,100
Insurance	19,90,537
Communication expenses	26,77,000
Payment to auditor	
- Audit fees	12,71,493
- Tax audit fees	1,90,750
- Certification	2,72,500
CSR expenses	52,00,002
Legal & professional charges	4,02,07,314
Membership & subscriptions	34,20,116
Total	17,49,83,961

Note 21- Provisions and write off

(Amount in Rupees)

Particulars	For the half year ended September 30, 2017
Provision for standard assets	(2,93,76,643)
Provision for non-performing assets	5,04,00,999
Debts written off	1,49,27,280
Total	3,59,51,636



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INDOSTAR CAPITAL FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 22- Earnings per share

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

Particulars	For the half year ended September 30, 2017
Net Profit after tax as per Statement of profit and loss (Amount in Rupees) (A)	1,12,94,83,331
Weighted average number of equity shares for calculating Basic EPS (B)	7,86,15,073
Weighted average number of equity shares for calculating Diluted EPS (C)	8,71,87,134
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	14.37
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	12.95

Particulars	For the half year ended September 30, 2017
Weighted average number of equity shares for calculating Basic EPS	7,86,15,073
Add: Weighted number of equity shares under options	85,72,061
Weighted average number of equity shares in calculating Diluted EPS	8,71,87,134



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

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, the following disclosures have been made as required by the standard:

Profit and loss account

(Amount in Rupees)	
Net employee benefit expense (recognized in employee cost)	
Particulars	For the half year ended September 30, 2017
Current service cost	8,74,397
Interest cost on benefit obligation	2,10,244
Expected return on plan assets	(1,00,204)
Net actuarial (gain) / loss recognised in the year	11,63,589
Past service cost	-
Adjustment in respect of interest not credited in the previous year	-
Net benefit expense	21,48,026
Actual return on plan assets	88,317

Balance sheet

(Amount in Rupees)		
Details of Provision for gratuity		
Particulars	As at September 30, 2017	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	1,00,204	3,01,012
Actuarial gain/(loss)	(11,887)	(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	(2,50,000)	(10,00,000)
Closing value of plan assets	24,51,128	26,12,811
Defined benefit obligation	(77,84,813)	(65,86,932)
Fair value of plan assets	24,51,128	26,12,811
Less: Unrecognised past service cost	-	-
Net Liability	(53,33,685)	(39,74,121)

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

(Amount in Rupees)		
Particulars	As at September 30, 2017	As at March 31, 2017
Opening defined benefit obligation	65,86,932	51,87,432
Interest cost	2,10,244	3,89,148
Current service cost	8,74,397	14,29,946
Benefits paid	(10,38,462)	(12,50,000)
Actuarial (gains) / losses on obligation	11,51,702	8,30,406
Closing defined benefit obligation	77,84,813	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 September 30, 2017	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 September 30, 2017	As at March 31, 2017
Discount Rate	6.85%	7.10%
Expected Return on Plan Assets	6.85%	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 and previous four years are as follows:

(Amount in Rupees)					
Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	77,84,813	65,86,932	51,87,432	40,77,761	22,77,797
Plan assets	24,51,128	26,12,811	33,42,511	30,73,573	20,15,432
Surplus / (deficit)	(53,33,685)	(39,74,121)	(18,44,921)	(10,04,188)	(2,62,365)
Experience adjustments on plan liabilities	10,28,085	5,39,056	(16,82,888)	26,861	(6,32,462)
Experience adjustments on plan assets	11,887	30,712	64,678	30,626	12,284



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

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 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 of the Company and During the period ended 30 September 2017, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme 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 three schemes viz. ESOP Plan 2012, ESOP Plan 2016, ESOP Plan 2017 in their Meetings held on 20 June 2012, 11 April 2016, 21 September 2016 and 18 April 2017 respectively. According to the Schemes, the employees 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	
Vesting period	Terms 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:

Particulars	ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016		ESOP Plan 2016				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	
Date of grant	27-Aug-12	18-Feb-13	28-Mar-13	14-Aug-13	23-Apr-14	16-May-16	16-May-16	16-May-16	16-May-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16	19-Oct-16
Number of option granted	2,03,000	1,00,000	20,000	10,000	6,66,000	6,02,254	24,98,035	15,000	25,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	23,70,000	
Number of option exercised	3,400	200	-	-	470	-	-	5,000	-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Number of option cancelled	37,700	98,800	20,000	10,000	38,700	6,02,254	2,87,259	10,000	25,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	23,50,000	
Weighted average remaining contractual life (in years)	3.5	4.0	NA	NA	5.0	3.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
Weighted average fair value of options granted (Rs)	99.63	102.32	91.11	92.16	105.67	82.87	82.87	108.11	90.32	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	119.65	
Weighted Average Exercise Price (Rs)	140.00	145.00	145.10	147.24	149.37	225.00	225.00	225.00	225.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	255.00	

The range of exercise prices for options outstanding at the end of the year was Rs 140.00 to Rs 328.00 (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:

Particulars	ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012		ESOP Plan 2012	
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche I	Tranche II		
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Expected volatility	0.5811	0.5765	0.5709	0.5671	0.5733	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300		
Risk-free interest rate	8%	8%	8%	8%	8%	7.39%	7.39%	7.64%	7.44%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%	6.83%		
Weighted average share price (Rs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Exercise price (Rs)	140.00	145.00	145.10	147.24	149.37	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00		
Expected life of options granted in years	4	4	4	NA	5	3	3	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		

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 half year ended	
	September 30, 2017	September 30, 2017
Profit after tax as reported		1,12,94,63,331
Add: ESOP cost using the intrinsic value method		-
Less: ESOP cost using the fair value method		8,55,48,075
Proforma profit after tax		1,04,39,15,256
Earnings Per Share		
- As reported	14.37	14.37
- Proforma	13.28	13.28
Diluted		
- As reported	12.95	12.95
- Proforma	11.97	11.97



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

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

(Amount in Rupees)

Name of related party & nature of relationship	Particulars	For the half year ended September 30, 2017
Key managerial personnel R. Sridhar	Investment in share capital	31,74,600
	Securities premium	9,68,25,300
	Remuneration paid	1,31,25,264
	Expenses reimbursed	95,944
Vimal Bhandari	Remuneration paid	36,02,195
	Expenses reimbursed	76,431
Shailesh Shirali	Remuneration paid	1,22,95,986
Subsidiary Company IndoStar Asset Advisory Private Limited	Reimbursement of expenses	-
	Loans and Advances (Net)	21,00,000
IndoStar Home Finance Private Limited	Investment in subsidiary	5,00,00,000

II. Balance as at period end

(Amount in Rupees)

Name of related party & nature of relationship	Particulars	As at September 30, 2017	As at March 31, 2017
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	56,64,378	56,64,378
	Loans and Advances	21,00,000	-
IndoStar Home Finance Private Limited	Investment in subsidiary	15,00,00,000	10,00,00,000



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 26- Contingent liabilities and Commitments

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
Contingent liabilities:		
Corporate guarantee given by Company to banks	57,18,00,000	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	9,18,32,710	-
Loans sanctioned not yet disbursed	6,44,95,57,591	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. 26,777,516. The non-cancellable operating lease agreements are for a period of 36 months, 60 months and 108 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

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

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
Minimum Lease Payments:		
Not later than one year	5,35,17,704	5,22,70,004
Later than one year but not later than five years	19,52,02,005	16,91,09,622
Later than five years	48,35,567	-

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

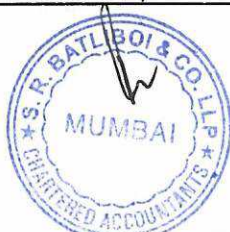
There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises, as no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate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

(Amount in Rupees)

Particulars	As at September 30, 2017	As at March 31, 2017
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 September 30, 2017	As at March 31, 2017
(i) CRAR (%)	36.1	33.8
(ii) CRAR – Tier I capital (%)	35.8	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 HALF YEAR ENDED SEPTEMBER 30, 2017

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	1,48,61,87,346	27,50,00,000	43,61,11,111	1,20,69,44,444	1,96,04,05,554	6,01,08,32,880	1,86,48,75,000	-
Market borrowings	2,78,66,08,667	2,43,04,24,365	2,71,10,73,884	1,70,57,40,335	4,59,96,42,888	2,80,98,97,744	1,50,00,00,000	15,00,00,000
Assets:								
Loans & advances	53,41,76,307	33,06,41,097	59,04,55,237	2,38,03,33,534	5,66,71,33,303	18,86,15,91,973	6,82,12,73,677	9,64,52,71,967
Investments	5,05,79,945	5,00,03,185	3,51,70,324	7,98,25,623	14,65,33,674	2,49,36,352	-	19,00,75,250



INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 31- Exposure to real estate sector

(Amount in Rupees)

Category		As at September 30, 2017	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)	6,45,57,02,972	2,19,55,54,110
	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;	23,47,54,23,288	17,20,10,92,761
	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)	Nil	Nil

Note 32- Exposure to capital market

(Amount in Rupees)

		As at September 30, 2017	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;	1,80,00,00,000	2,35,00,00,000
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)	-	-



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

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		As at September 30, 2017
1	Provisions for depreciation on Investment	-
2	Provision towards NPA	5,04,00,999
3	Provision made towards Income tax	60,50,01,744
4	Other Provision and Contingencies	-
5	Provision for Standard Assets	(2,93,76,643)

II - Concentration of Advances

(Amount in Rupees)

Particulars		As at September 30, 2017	As at March 31, 2017
1	Total Advances to twenty largest borrowers	29,54,29,88,649	31,09,02,93,457
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	65.9%	60.4%

III - Concentration of Exposures

(Amount in Rupees)

Particulars		As at September 30, 2017	As at March 31, 2017
1	Total Exposure to twenty largest borrowers /customers	40,86,26,67,666	35,82,51,22,699
2	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	79.0%	63.6%

IV - Concentration of NPAs

(Amount in Rupees)

Particulars		As at September 30, 2017	As at March 31, 2017
1	Total Exposure to top four NPA accounts	71,11,46,857	72,73,35,794

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

Particulars		As at September 30, 2017	As at March 31, 2017
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	1.7%	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 September 30, 2017	As at March 31, 2017
	Net NPAs to Net Advances (%)	1.6%	1.2%
	Movement of NPAs (Gross)		
	Opening balance	72,73,35,794	10,00,00,000
	Additions during the year/period	15,14,48,170	62,73,35,794
	Reductions during the year/period	1,49,27,280	-
	Closing balance	86,38,56,684	72,73,35,794
	Movement of Net NPAs		
	Opening balance	61,95,11,124	8,00,00,000
	Additions during the year/period	8,61,19,891	53,95,11,124
	Reductions during the year/period	-	-
	Closing balance	70,56,31,015	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	6,53,28,279	8,78,24,670
	Write-off / write-back of excess provisions	1,49,27,280	-
	Closing balance	15,82,25,669	10,78,24,670

VII - Customer Complaints

Particulars		As at September 30, 2017
1	No. of complaints pending at the beginning of the period	NIL
2	No. of complaints received during the period	15
3	No. of complaints redressed during the period	14
4	No. of complaints pending at the end of the period	1



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

VIII - Investments

(Amount in Rupees)

Particulars		As at September 30, 2017	As at March 31, 2017
1	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	7,50,65,11,373	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	7,50,65,11,373	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 September 30, 2017	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- Previous years comparative

This being the first occasion of presentation of interim financial statements in accordance with AS 25 'Interim Financial Reporting', comparable statement of profit and loss and cash flow statement for the six month period ended September 30, 2016 has not been presented, in accordance with the transitional provision under AS 25.



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Note 35- Previous years comparative

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

As per our report of even date

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


per Jayesh Gandhi
Partner
Membership No. 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

Place: Mumbai
Date: February 05, 2018


Dhanpal Jhaveri
Chairman
DIN: 02018124


Jitendra Bhati
Company Secretary

Place: Mumbai
Date: February 05, 2018





INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

Disclosure of details as required by Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

(Amount in Rupees)

	Particulars	As at September 30, 2017	
		Amount outstanding	Amount overdue
(1)	Liabilities side :		
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debenture : Secured	8,82,03,86,860	-
	: Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	13,00,01,58,223	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	10,18,34,90,139	-
(f) Public Deposits (Refer Note 1 below)	-	-	
(g) Other Loans	25,00,87,346	-	
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Assets side :		
			Amount outstanding
(3)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		41,20,08,77,095
	(b) Unsecured		3,63,00,00,000
(4)	Break up of Leased Assets and stock on hire counting towards AFC activities		Amount outstanding
	(i) Lease assets including lease rentals under sundry debtors :		-
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on Hire including hire charges under sundry debtors :		-
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC Activities :		-
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	Break-up of Investments :		Amount outstanding
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debenture and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (Please specify)		-
	2. Unquoted :		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others: Pass through certificates		5,61,37,934
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
(v) Others (Please specify)		-	
2. Unquoted :			
(i) Shares: (a) Equity		15,01,00,000	
(b) Preference		3,99,75,250	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(v) Others: Pass through certificates		33,09,11,169	



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INDOSTAR CAPITAL FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017

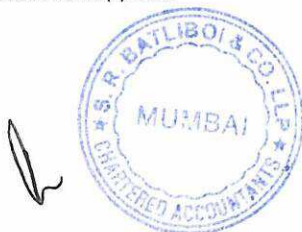
(6) Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see Note 2 below			
Category	Amount in Rupees (Net of provisions)		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	41,20,08,77,095	3,63,00,00,000	44,83,08,77,095
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
			(Amount in Rupees)
Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)	
1. Related Parties **			
(a) Subsidiaries	15,01,00,000		15,01,00,000
(b) Companies in the same group	-		-
(c) Other related parties	-		-
2. Other than related parties	42,70,24,353		42,70,24,353
(8) Other information			
	Particulars	Amount in Rupees	
(i) Gross Non-Performing Assets			
(a) Related parties**		-	
(b) Other than related parties		86,38,56,684	
(ii) Net Non-Performing Assets			
(a) Related parties**		-	
(b) Other than related parties		70,56,31,015	
(iii) Assets acquired in satisfaction of debt		-	

Notes :

1. As defined in Paragraph 3 (xv) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016.

2. Provisioning norms shall be applicable as prescribed in the RBI Master Directions, 2016.

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.



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