

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
IndoStar Capital Finance Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of IndoStar Capital Finance Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a. IndoStar Home Finance Private Limited
 - b. IndoStar Asset Advisory Private Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Shrawan Jalan
Partner
Membership No.: 102102
UDIN: 19102102AAABCZ5247
Mumbai
November 07, 2019

INDOSTAR CAPITAL FINANCE LIMITED

Regd Office: One Indiabulls Centre, Tower 2A, 20th Floor, Jupiter Mills Compound, S B Marg, Mumbai - 400013, India
Tel: +91 22 43157000 Fax: +91 22 43157010
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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

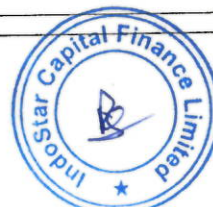
(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2019 Unaudited	30 June 2019 Unaudited	30 September 2018 Unaudited	30 September 2019 Unaudited	30 September 2018 Unaudited	31 March 2019 Audited
1	Income						
	(a) Revenue from operations						
	Interest income	37,184	38,168	27,861	75,352	50,200	1,08,127
	Fees and commission income	1,319	880	3,358	2,199	3,923	6,196
	Net gain on fair value changes	1,349	1,910	757	3,259	366	4,175
	Gain on derecognition of financial instruments measured at amortised cost category	2,540	948	-	3,488	-	2,065
	Total revenue from operations	42,392	41,906	31,976	84,298	54,489	1,20,563
	(b) Other income	-	-	-	-	-	-
	Total income (a+b)	42,392	41,906	31,976	84,298	54,489	1,20,563
2	Expenses						
	(a) Finance costs	20,488	22,600	14,038	43,088	25,230	56,359
	(b) Impairment on financial instruments	7,221	6,079	1,106	13,300	1,875	1,625
	(c) Employee benefits expenses	4,717	4,760	4,564	9,477	7,797	14,942
	(d) Depreciation and amortisation expense	742	712	430	1,454	834	1,823
	(e) Other expenses	2,471	1,909	1,922	4,380	3,694	7,899
	Total expenses (a+b+c+d+e)	35,639	36,060	22,060	71,699	39,430	82,648
3	Profit before tax (1-2)	6,753	5,846	9,916	12,599	15,059	37,915
4	Provision for taxation						
	Current tax	744	751	3,432	1,495	6,350	9,269
	Deferred tax	1,068	386	86	1,454	(837)	4,567
	Tax expenses	1,812	1,137	3,518	2,949	5,513	13,836
	Profit after tax (3-4)	4,941	4,709	6,398	9,650	9,546	24,079
5	Other comprehensive income, net of tax						
	(a) Items that will not be reclassified to profit or loss	7	59	1	66	5	(13)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income, net of tax	7	59	1	66	5	(13)
7	Total comprehensive income (5+6)	4,948	4,768	6,399	9,716	9,551	24,066
8	Paid up equity share capital (Face value of INR 10/- each)	9,227	9,227	9,224	9,227	9,224	9,226
9	Earnings per share (* not annualised)						
	Basic (INR)	*5.36	*5.10	*7.15	*10.46	*10.77	26.63
	Diluted (INR)	*5.31	*5.00	*6.36	*10.31	*9.63	26.07

Notes

1 Statement of Assets and Liabilities:

Particulars	As at 30 September 2019 Unaudited	As at 31 March 2019 Audited
	I. ASSETS	
Financial assets		
Cash and cash equivalents	74,111	1,08,364
Bank balances other than cash and cash equivalents	9,444	3,559
Receivables		
Trade receivables	50	53
Loans	9,05,902	10,36,367
Investments	47,657	30,086
Other financial assets	7,497	5,273
Non-financial assets		
Current tax assets (net)	8,626	3,586
Deferred tax assets (net)	280	1,756
Property, plant and equipment	8,366	6,625
Goodwill	30,019	30,019
Intangible assets	382	396
Other non-financial assets	1,772	3,932
TOTAL ASSETS	10,94,106	12,30,016
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables	-	-
(i) total outstanding to micro enterprises and small enterprises	251	1,948
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,45,765	3,61,871
Debt securities	5,16,694	5,44,302
Borrowings (other than debt securities)	20,178	20,036
Other financial liabilities		
Non-financial liabilities		
Provisions	634	607
Other non-financial liabilities	360	623
Equity		
Equity share capital	9,227	9,226
Other equity	3,00,997	2,91,403
TOTAL LIABILITIES AND EQUITY	10,94,106	12,30,016



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2 Statement of Cash Flows:

Particulars	For the half year ended 30 September 2019	For the half year ended 30 September 2018
	Unaudited	Unaudited
Cash Flow from Operating Activities		
Net profit before tax	12,599	15,059
Adjustments for :		
Interest income on financial assets	(75,352)	(50,200)
Finance costs	43,088	25,230
Depreciation and amortisation expense	1,454	834
Provisions for expected credit loss	2,413	1,774
Provision for gratuity and leave encashment	165	119
Employee share based payment expense	973	1,262
Gain on sale/revaluation of investments	(3,259)	(366)
Operating profit before working capital changes	(17,919)	(6,288)
Adjustments:		
(Increase)/Decrease in trade receivables	3	(159)
(Increase)/Decrease in loans and advances	1,26,206	(1,74,116)
(Increase)/Decrease in other financial assets	(2,248)	(10,662)
(Increase)/Decrease in other non-financial assets	2,160	(129)
Increase/(Decrease) in trade payable	(1,696)	(456)
Increase/(Decrease) in other financial liabilities	(2,798)	1,328
Increase/(Decrease) in provisions	(44)	(235)
Increase/(Decrease) in other non-financial liabilities	(263)	(95)
Interest income realised on financial assets	1,03,401	(1,90,812)
Finance costs paid	77,075	45,284
Cash (used in)/generated from operating activities	(45,579)	(23,131)
Taxes paid	1,34,897	(1,68,659)
Net cash (used in)/generated operating activities (A)	(6,529)	(7,678)
	1,28,368	(1,76,337)
Cash flows from investing activities		
Purchase of property, plant and equipment	(152)	(1,676)
Purchase of intangible assets	(88)	(18)
Payment on account of acquisition of business	(1,46,516)	-
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(5,745)	(6,304)
(Acquisition)/redemption of amortised cost investments (net)	250	41,132
(Acquisition)/redemption of FVTPL investments (net)	(14,563)	8,037
Net cash (used in)/generated from investing activities (B)	(1,66,814)	41,171
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (including securities premium and net off share issue expenses)	15	68,925
Proceeds from bank borrowings	3,03,033	1,62,998
Repayments towards bank borrowings	(1,84,863)	(1,31,624)
Proceeds from issuance of Non-Convertible Debentures	-	1,73,067
Repayments towards Non-Convertible Debentures	(1,02,394)	(36,500)
Proceeds from/(repayments towards) Commercial Papers (net)	(10,491)	(69,900)
Dividend and DDT paid	(1,112)	-
Net cash (used in)/generated from financing activities (C)	4,193	1,66,966
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	(34,253)	31,800
Cash and Cash Equivalents at the beginning of reporting period	1,08,364	12,787
Cash and Cash Equivalents at the end of reporting period	74,111	44,587
Reconciliation of cash and cash equivalents with the balance sheet		
Cash on hand	389	72
Balances with banks	73,722	44,515
- in current accounts	74,111	44,587
Total	74,111	44,587

3 The Company reports quarterly financial results on consolidated basis, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated 05 July 2016. The unaudited standalone financial results are available on the website of the Company at www.indostarcapital.com and on the websites of the BSE Ltd. at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com.

The key information of the unaudited standalone financial results of the Company are given below:

Particulars	Quarter ended			Half Year ended		Year ended
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations (including other income)	40,702	40,465	31,347	81,167	53,508	1,17,716
Profit before tax	6,126	5,325	10,584	11,451	16,330	39,266
Profit after tax	4,586	3,462	7,089	8,048	10,873	25,513
Total comprehensive Income	4,594	3,517	7,090	8,111	10,877	25,500



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- 4 The Group has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for Income Tax for the quarter and half year ended 30 September 2019 and re-measured its Deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognised the effect of change by revising the annual effective income tax rate.
- 5 The Board of Directors of the Company have declared an Interim Dividend at the rate of 10% i.e., INR 1 per equity share of the face value of INR 10 /- each, for financial year 2019-20 and fixed the Record Date for the purpose of determining the entitlement of shareholders for the Interim Dividend as Wednesday, 20 November 2019.
- 6 The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.
- 7 The Secured Listed Non-Convertible Debentures of the Company as on 30 September 2019 are secured by first pari-passu charge on a freehold land owned by the Company and first pari-passu charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.
- 8 The unaudited consolidated financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the half year ended 30 September 2019 have been reviewed by the Audit Committee and subsequently approved by Board at its meeting held on 07 November 2019. The unaudited consolidated financial results have been subjected to limited review by the Statutory Auditor of the Company.
- 9 Figures for the previous periods have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.

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

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

Place: Mumbai
Date: 07 November 2019



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EXTRACT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended	Half Year ended	Quarter ended
		30 September 2019	30 September 2019	30 September 2018
		Unaudited	Unaudited	Unaudited
1	Revenue from operations (including other income)	42,392	84,298	31,976
2	Profit before tax	6,753	12,599	9,916
3	Profit after tax	4,941	9,650	6,398
4	Total comprehensive Income (Comprising profit after tax for the period and other comprehensive income after tax)	4,948	9,716	6,399
5	Paid up equity share capital (Face value of INR 10/- each)	9,227	9,227	9,224
6	Earnings per share (* not annualised)			
	Basic (INR)	*5.36	*10.46	*7.15
	Diluted (INR)	*5.31	*10.31	*6.36

- a. The above is an extract of detailed format of unaudited consolidated financial results for the quarter and half year ended 30 September 2019, prepared pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated 05 July 2016. The full format of the unaudited standalone financial results and unaudited consolidated financial results are available on the website of the Company at www.indostarcapital.com and on the websites of the BSE Ltd. at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com.

The key information of the unaudited standalone financial results of the Company are given below:

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended	Half Year ended	Quarter ended
		30 September 2019	30 September 2019	30 September 2018
		Unaudited	Unaudited	Unaudited
1	Revenue from operations (including other income)	40,702	81,167	31,347
2	Profit before tax	6,126	11,451	10,584
3	Profit after tax	4,586	8,048	7,089
4	Total comprehensive Income	4,594	8,111	7,090

- b. The Board of Directors of the Company have declared an Interim Dividend at the rate of 10% i.e., INR 1 per equity share of the face value of INR 10 /- each, for financial year 2019-20 and fixed the Record Date for the purpose of determining the entitlement of shareholders for the Interim Dividend as Wednesday, 20 November 2019.
- c. The above unaudited financial results have been reviewed by the Audit Committee and subsequently approved by the Board at its meeting held on 07 November 2019. The unaudited financial results have been subjected to limited review by the Statutory Auditor of the Company.

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

R. Sridhar

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

Place: Mumbai
Date: 07 November 2019



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