

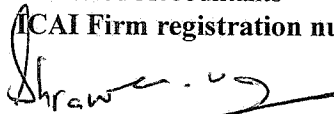
Limited Review Report**Review Report to
The Board of Directors
IndoStar Capital Finance Limited**

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of IndoStar Capital Finance Limited (the "Company") for the quarter and six months ended September 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (the "Circular").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We have not audited or reviewed the amounts appearing in the accompanying statement for the corresponding quarter and six months ended September 30, 2017, which have been presented solely based on the information compiled by the management and has been approved by the Board of Directors.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No.: 102102

Mumbai

31 October 2018



INDOSTAR CAPITAL FINANCE LIMITED

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Six months ended	
		30 September 2018	30 June 2018	30 September 2017	30 September 2018	30 September 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Revenue from operations					
(i)	Interest income	27,382	22,132	19,682	49,514	37,797
(ii)	Fees income	3,214	420	15	3,634	26
(iii)	Net gain/(loss) on fair value changes	751	(391)	219	360	399
(I)	Total revenue from operations	31,347	22,161	19,916	53,508	38,222
(II)	Other income	-	-	-	-	6
(III)	Total income (I+II)	31,347	22,161	19,916	53,508	38,228
	Expenses					
(i)	Finance costs	13,934	11,192	7,403	25,127	15,066
(ii)	Employee benefits expense	3,704	2,534	2,249	6,239	4,585
(iii)	Depreciation and amortisation expense	396	372	73	767	143
(iv)	Other expenses	1,662	1,581	544	3,242	988
(v)	Impairment on financial instruments	1,067	736	(1,192)	1,803	(1,358)
(IV)	Total expenses	20,763	16,415	9,077	37,178	19,424
(V)	Profit before tax (III-IV)	10,584	5,746	10,839	16,330	18,804
	Provision for taxation					
	Current tax	3,410	2,884	3,115	6,294	6,050
	Deferred tax	85	(922)	618	(837)	455
(VI)	Tax expenses	3,495	1,962	3,733	5,457	6,505
(VII)	Profit after tax (V-VI)	7,089	3,784	7,106	10,873	12,299
(VIII)	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	1	3	(4)	4	(8)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of tax	1	3	(4)	4	(8)
(IX)	Total comprehensive income (VII+VIII)	7,090	3,787	7,102	10,877	12,291
(X)	Paid up equity share capital (Face value of INR 10/- each)	9,224	9,220	7,868	9,224	7,868
(XI)	Earnings per share (not annualised)					
	Basic (INR)	7.91	4.35	9.04	12.27	15.65
	Diluted (INR)	7.04	3.93	8.15	10.97	14.11

Notes

1. The financial results of the Company have been prepared in accordance with the Indian Accounting Standard ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017. This transition has been carried out from the erstwhile Accounting Standard notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") and generally accepted accounting principles in India (collectively referred to as "Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserve as at 1 April 2017 and the corresponding figures presented in these results have been restated/reclassified.

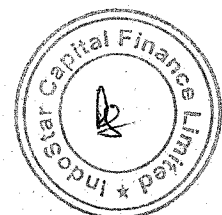
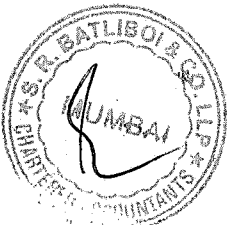
There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Company Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective applications of certain Ind AS permitted under Ind AS-101 which may arise upon finalisation of the financial statements as at and for the year ending 31 March 2019 prepared under Ind AS.

2. As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the Securities and Exchange Board of India ("SEBI"), the Company has opted to avail exemption for submission of Ind AS compliant financial results and statement of assets and liabilities for the previous year ended 31 March 2018. Further, the standalone financial results for the quarter and six months ended 30 September 2017 have not been subjected to limited review/audit. However, the management has exercised necessary due diligence to ensure that the standalone financial results for the quarter and six months ended 30 September 2017 provide a true and fair view of the Company's affairs.

3. The standalone financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and six months ended 30 September 2018 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 31 October 2018. The standalone financial results have been subjected to a limited review, by the Statutory Auditors of the Company, as indicated above.

4. As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures under the Previous GAAP and Ind AS is as under:

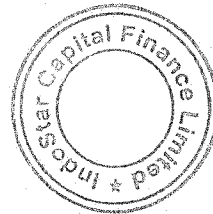
Particulars	(INR in Lakhs)	
	Quarter ended	Six months ended
	30 September 2017	30 September 2017
Net profit after tax under Previous GAAP	5,869	11,295
Ind AS adjustments resulting in increase/(decrease) in net profit after tax under the Previous GAAP :		
Expected credit Loss provision	2,072	2,345
Effective interest rate on financial assets and liabilities (net)	394	510
ESOP fair value charge	(584)	(1,328)
Others	11	11
Tax effect on above adjustments	(655)	(533)
Net profit after tax as per Ind AS	7,106	12,299
Other comprehensive income, net of tax	(4)	(8)
Total comprehensive income	7,102	12,291



Particulars	(INR in Lakhs)	
	As at 30 September 2018	
	Unaudited	
I. ASSETS		
Financial assets		
Cash and cash equivalents	44,101	
Bank balances other than cash and cash equivalents	6,322	
Loans	7,53,693	
Investments	59,894	
Other financial assets	11,426	
	8,75,436	
Non-financial assets		
Non-current tax assets (net)	734	
Deferred tax assets (net)	10,625	
Property, plant and equipment	6,671	
Intangible assets	235	
Capital work-in-progress	35	
Other non-financial assets	2,552	
	20,852	
TOTAL ASSETS	8,96,288	
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	347	
Debt securities	2,55,550	
Borrowings (other than debt securities)	3,20,347	
Other financial liabilities	26,131	
	6,02,375	
Non-financial liabilities		
Provisions	247	
Other non-financial liabilities	419	
	666	
Equity		
Equity share capital	9,224	
Other equity	2,84,023	
Total equity	2,93,247	
TOTAL EQUITY AND LIABILITIES	8,96,288	

- 6 The Company has opted to publish extract of consolidated unaudited financial results, pursuant to option made available as per the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated 5 July 2016. The 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.
- 7 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.
- 8 The Company during the quarter ended 30 September 2018 has allotted 40,500 equity shares of INR 10/- each, fully paid up on exercise of stock options by eligible employees under various Employees Stock Options Plan(s).
- 9 The Board of Directors of the Company at their meeting held on 31 October 2018 adopted a Dividend Distribution Policy and pursuant to that 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 2018-19 and fixed the Record Date for the purpose of determining the entitlement of shareholders for the Interim Dividend as Wednesday, 14 November 2018. The Dividend Distribution Policy of the Company is available on the website of the Company at www.indostarcapital.com.
- 10 The Secured Listed Non-Convertible Debentures of the Company as on 30 September 2018 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.
- 11 Figures for the previous periods have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.

Place: Mumbai
Date: 31 October 2018



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

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

