

**Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Results of the Company
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015, as amended.**

**To
Board of Directors of
IndoStar Capital Finance Limited**

1. We have audited the accompanying statement of quarterly consolidated Ind AS financial results of IndoStar Capital Finance Limited ('the Company') comprising its subsidiaries (together, 'the Group') for the quarter ended March 31, 2019 and the consolidated Ind AS financial results for the year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The consolidated Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the consolidated Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our review of the consolidated Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly consolidated Ind AS financial results as well as the year to date results:
 - i. includes the results of the following entities:
 - a. IndoStar Home Finance Private Limited
 - b. IndoStar Asset Advisory Private Limited
 - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - iii. give a true and fair view of the consolidated net profit including and other comprehensive income and other financial information for the quarter ended March 31, 2019 and for the year ended March 31, 2019.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

Date: May 20, 2019

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from operations					
	Interest income	29,069	28,858	20,356	1,08,127	76,313
	Fees and commission income	1,623	650	501	6,196	1,592
	Net gain on fair value changes	2,241	1,568	561	4,175	986
	Gain on derecognition of financial instruments measured at amortised cost category	1,173	892	-	2,065	-
	Total revenue from operations	34,106	31,968	21,418	1,20,563	78,891
	(b) Other income	-	-	(2)	-	6
	Total income (a+b)	34,106	31,968	21,416	1,20,563	78,897
2	Expenses					
	(a) Finance costs	16,385	14,744	9,681	56,359	32,555
	(b) Impairment on financial instruments	(734)	484	(214)	1,625	(380)
	(c) Employee benefits expenses	3,823	3,322	3,180	14,942	10,652
	(d) Depreciation and amortisation expense	508	481	236	1,823	471
	(e) Other expenses	2,207	1,998	1,640	7,899	4,351
	Total expenses (a+b+c+d+e)	22,189	21,029	14,523	82,648	47,649
3	Profit before tax (1-2)	11,917	10,939	6,893	37,915	31,248
4	Provision for taxation					
	Current tax	645	2,280	3,767	9,275	12,545
	Deferred tax	3,864	1,534	(914)	4,561	(1,330)
	Tax expenses	4,509	3,814	2,853	13,836	11,215
5	Profit after tax (3-4)	7,408	7,125	4,040	24,079	20,033
6	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	(18)	-	10	(13)	2
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of tax	(18)	-	10	(13)	2
7	Total comprehensive Income (5+6)	7,390	7,125	4,050	24,066	20,035
8	Paid up equity share capital (Face value of INR 10)	9,226	9,224	7,868	9,226	7,868
9	Earnings per share (* not annualised)					
	Basic (INR)	*8.06	*7.79	*5.13	26.63	25.47
	Diluted (INR)	*7.78	*7.26	*4.64	26.07	22.98

Notes

1 Statement of Assets and Liabilities:

(INR in Lakhs)

Particulars	As at	
	31 March 2019	31 March 2018
	Audited	Audited
I. ASSETS		
Financial assets		
Cash and cash equivalents	1,08,364	12,787
Bank balances other than cash and cash equivalents	3,559	-
Receivables		
Trade receivables	53	-
Loans	10,36,367	5,90,043
Investments	30,086	1,00,704
Other financial assets	5,028	522
Non-financial assets		
Current tax assets (net)	3,586	28
Deferred tax assets (net)	1,756	6,315
Property, plant and equipment	6,625	5,144
Capital work-in-progress	-	830
Goodwill	30,019	-
Intangible assets	396	441
Other non-financial assets	4,177	2,567
TOTAL ASSETS	12,30,016	7,19,381
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	1,948	931
Debt securities	3,49,957	2,44,957
Borrowings (other than debt securities)	5,43,616	2,37,319
Other financial liabilities	32,636	26,817
Non-financial liabilities		
Current tax liabilities (net)	-	923
Provisions	607	403
Other non-financial liabilities	623	558
Equity		
Equity share capital	9,226	7,868
Other equity	2,91,403	1,99,605
TOTAL LIABILITIES AND EQUITY	12,30,016	7,19,381



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2 The financial results of the Company have been prepared in accordance 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"), the National Housing Bank ("NHB") and generally accepted accounting principles in India (collectively referred to as "Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding figures presented in these results have been restated/reclassified.

3 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	Year ended
	31 March 2018	31 March 2018
	Audited	Audited
Net profit after tax under Previous GAAP	6,029	22,437
Ind AS adjustments resulting in increase/(decrease) in net profit after tax under the Previous GAAP :		
Expected credit Loss provision	106	1,272
Effective interest rate on financial assets and liabilities (net)	(2,457)	(2,291)
ESOP fair value charge	(659)	(2,491)
Others	(75)	(210)
Tax effect on above adjustments	1,096	1,316
Net profit after tax as per Ind AS	4,040	20,033
Other comprehensive income, net of tax	10	2
Total comprehensive income	4,050	20,035

4 Reconciliation of equity attributable to the shareholders of the company:

Particulars	(INR in Lakhs)	
	As at	
	31 March 2018	
	Audited	
Total equity reported under previous GAAP	2,13,713	
Summary of Ind AS adjustments		
Expected credit Loss provision	(3,574)	
Effective interest rate on financial assets and liabilities (net)	(7,008)	
Others	(211)	
Tax impact on Ind AS adjustments	4,553	
Total Ind AS adjustments	(6,240)	
Total equity under Ind AS	2,07,473	

5 The Company has opted to publish an extract of detailed format of audited consolidated financial results for the quarter and year ended 31 March 2019, 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 audited 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 standalone audited financial results of the Company are given below:

Particulars	(INR in Lakhs)		
	Quarter ended	Year ended	Quarter ended
	31 March 2019	31 March 2019	31 March 2018
	Audited		
Revenue from operations (including other income)	33,016	1,17,716	21,348
Profit before tax	11,600	39,266	7,479
Profit after tax	7,091	25,513	4,626

6 The Company during the quarter and year ended 31 March 2019 has allotted 20,000 and 13,40,394 equity shares of INR 10 each fully paid respectively, on exercise of stock options by employees, in accordance with the Company's employee stock option Schemes

7 As at 31 March 2019, the Company acquired the commercial vehicle finance business of India Infoline Finance Limited on going concern basis comprising Assets Under Management of INR 3,515 crore (On-book – INR 2,243 crores & Off-book – INR 1,272 crores), employees, branches and infrastructure. Pursuant to this, the net assets acquired amounted to INR 2,114 crores for a purchase consideration of INR 2,415 crores.

8 The Board of Directors have recommended a Final Dividend @10% i.e INR 1 per equity share of face value of INR 10 each, for approval of shareholders of the Company at the ensuing Annual General Meeting. The Company has paid an Interim Dividend @10% i.e INR 1 per equity share during the financial year 2018-19. If Final Dividend is approved by the shareholders of the Company, it will result in total dividend payout of INR 2 per equity share for the financial year 2018-19.

9 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.

10 The Secured Listed Non-Convertible Debentures of the Company as on 31 March 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.

11 The audited consolidated financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and year ended 31 March 2019 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 20 May 2019.

12 The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date unaudited figures upto third quarter of the respective financial years

13 Figures for the previous periods have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.

Place: Mumbai
Date: 20 May 2019



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

R. Sridhar

Executive Vice-Chairman & CEO
DIN: 00136697