

CARE/HO/RL/2018-19/2616
Mr. Pankaj Thapar
Chief Financial Officer
 IndoStar Capital Finance Ltd.
 One Indiabulls Center, 17th Floor, Tower 2A,
 Jupiter Mills Compound, Senapati Bapat Marg,
 Mumbai- 400013.

August 23, 2018

Confidential

Dear Sir,

Credit rating for Long-term Debt Programme

On the basis of recent developments including operational and financial performance of your company for FY18 (audited) and Q1FY19 (unaudited), our Rating Committee has reviewed the following rating:

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

2. Refer Annexure 1 for details of rated facilities.
3. The rationale for the rating will be communicated to you separately.
4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

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

5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

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

Thanking you,

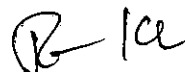
Yours faithfully,



[Pankaj Chaplot]

Analyst

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[Ravi Kumar]

Associate Director

ravi.kumar@careratings.com

Encl.: As above

Disclaimer

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

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

Annexure – I

Bank outstanding as on 30 June 2018

(In Rs. Crore)

Bank Name	Term Loan	Cash Credit/WCDL	Total	Outstanding
State Bank of India	200.0	-	200.0	88.9
	675.0	-	675.0	58.3
Indusind Bank	150.0	-	150.0	143.8
	-	135.0	135.0	-
Kotak Mahindra Bank	-	25.0	25.0	-
	100.0	-	100.0	12.5
	100.0	-	100.0	40.6
	100.0	-	100.0	32.5
	50.0	50.0	100.0	50.0
Axis Bank Limited	100.0	-	100.0	93.8
	-	40.0	40.0	-
Punjab National Bank	50.0	-	50.0	40.6
	55.0	-	55.0	30.9
Corporation Bank	30.0	-	30.0	13.3
Federal Bank	80.0	-	80.0	26.7
	-	50.0	50.0	50.0
Canara Bank	100.0	-	100.0	87.5
Bank of Baroda	100.0	-	100.0	-
	100.0	-	100.0	25.0
	-	50.0	50.0	49.5
Bank of India	150.0	-	150.0	-
	150.0	-	150.0	100.0
Development Credit Bank	-	25.0	25.0	-
	50.0	-	50.0	50.0
Indian Overseas Bank	100.0	-	100.0	16.7
IDBI Bank	50.0	-	50.0	40.6
South Indian Bank	25.0	-	25.0	9.7
	25.0	-	25.0	15.6
	25.0	-	25.0	25.0
Dena Bank	50.0	-	50.0	37.5
	50.0	-	50.0	43.8
	-	50.0	50.0	49.9

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SIDBI I	150.0	-	150.0	112.5
SIDBI II	200.0	-	200.0	200.0
Indian Bank	25.0	-	25.0	21.9
Doha Bank	30.0	-	30.0	30.0
Catholic Syrian Bank	50.0	-	50.0	50.0
Karnataka Bank	50.0	-	50.0	50.0
Allahabad Bank	50.0	-	50.0	40.0
Vijaya Bank	100.0	-	100.0	100.0
Abu Dhabi Commercial Bank	35.0	-	35.0	35.0
Ratnakar Bank Limited	90.0	10.0	100.0	90.0
Au Small Bank Finance Co Limited	-	100.0	100.0	-
HDFC Limited	200.0	-	200.0	200.0
Hero FinCopr Limited	-	100.0	100.0	-
Sub Total	3,645.0	635.0	4,280.0	2,162.0
Bank Facilities (Outstanding) + CC/WCDL				2,647.6
Non Convertible Debentures				1,968.5
Proposed Facilities				2,383.9
Total				7,000.0

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