

Ref: 2017-18/MUM/0818

Date: September 18, 2017

Mr. Pankaj Thapar

Chief Financial Officer

Indostar Capital Finance Limited,

One Indiabulls Centre, 17th floor,

Tower 2A, Jupiter Mills Compound,

Senapati Bapat Marg,

Mumbai-400013

Dear Sir,

Re: Surveillance of ICRA rating for Rs. 1,250 Commercial Paper (CP) programme of Indostar Capital Finance Limited

Please refer the Rating Agreement dated July 07, 2016 between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest developments in your company, has reaffirmed the rating assigned to the aforementioned instrument at [ICRA] A1+ (pronounced as ICRA A One Plus). Instruments with [ICRA]A1 rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier {"+" (plus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]A1+".

Additionally, we wish to highlight the following with respect to the rating:

(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;

(b) Subject to Clause (c) below, our rating is valid from the date of this letter till December 18, 2018 ("Validity Period"). The rating will generally be due for review at the end of the Validity Period. The maturity date of the Commercial Paper shall not be after the end of the Validity Period. The Commercial Paper will have a maximum maturity of twelve months.

(c) ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Commercial Paper issued by you. The rating is restricted to your Commercial Paper Programme size of Rs. 1,250 crore only. In case, you propose to enhance the size of the Commercial Paper Programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any





liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of Commercial Paper.

You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in line with requirements as prescribed in circular dated June 30, 2017 on '**Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)**' issued by the Securities and Exchange Board of India..

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

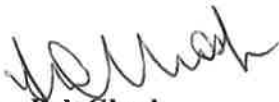
Enclosed herewith is a copy of the rationale of the assigned rating for your reference. We request you to provide your comments on the rationale, if any, by September 21, 2017.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

For ICRA Limited


Anjan Deb Ghosh
Executive Vice President
aghosh@icraindia.com


Karthik Srinivasan
Senior Vice President
karthiks@icraindia.com



'No Default Statement on the Company Letter Head'

To

<CRA Name and Address>

Dear Sir/ Madam,

13. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
14. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
15. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
16. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
17. We also confirm that there has been no overdraw of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
18. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>

<Authorized Signatory of Issuer>