

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020**

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations						
	Interest income	30,899	31,879	39,076	62,778	79,445	1,46,616
	Fees and commission income	1,218	898	1,319	2,116	2,199	5,155
	Net gain on fair value changes	1,265	566	1,349	1,831	3,259	4,733
	Gain / (loss) on derecognition of financial instruments measured at amortised cost category	-	-	2,540	-	3,488	3,241
	<b>Total revenue from operations</b>	<b>33,382</b>	<b>33,343</b>	<b>44,284</b>	<b>66,725</b>	<b>88,391</b>	<b>1,59,745</b>
	(b) Other income	574	1	-	575	-	146
	<b>Total income (a+b)</b>	<b>33,956</b>	<b>33,344</b>	<b>44,284</b>	<b>67,300</b>	<b>88,391</b>	<b>1,59,891</b>
<b>2</b>	<b>Expenses</b>						
	(a) Finance costs	18,605	18,436	22,380	37,041	47,181	86,340
	(b) Impairment on financial instruments	517	2,323	7,221	2,840	13,300	81,096
	(c) Employee benefits expenses	4,080	4,798	4,717	8,878	9,477	18,870
	(d) Depreciation and amortisation expense	897	791	742	1,688	1,454	3,010
	(e) Other expenses	5,316	1,943	2,471	7,259	4,380	14,242
	<b>Total expenses (a+b+c+d+e)</b>	<b>29,415</b>	<b>28,291</b>	<b>37,531</b>	<b>57,706</b>	<b>75,792</b>	<b>2,03,558</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>4,541</b>	<b>5,053</b>	<b>6,753</b>	<b>9,594</b>	<b>12,599</b>	<b>(43,667)</b>
<b>4</b>	<b>Tax expenses</b>						
	Current tax	3	(3)	744	-	1,495	36
	Deferred tax	1,378	335	1,068	1,713	1,454	(11,241)
	<b>Total tax expenses</b>	<b>1,381</b>	<b>332</b>	<b>1,812</b>	<b>1,713</b>	<b>2,949</b>	<b>(11,205)</b>
<b>5</b>	<b>Profit after tax (3-4)</b>	<b>3,160</b>	<b>4,721</b>	<b>4,941</b>	<b>7,881</b>	<b>9,650</b>	<b>(32,462)</b>
<b>6</b>	<b>Other comprehensive income, net of tax</b>						
	(a) Items that will not be reclassified to profit or loss	(5)	(14)	17	(19)	66	53
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total other comprehensive income, net of tax</b>	<b>(5)</b>	<b>(14)</b>	<b>7</b>	<b>(19)</b>	<b>66</b>	<b>53</b>
<b>7</b>	<b>Total comprehensive income (5+6)</b>	<b>3,155</b>	<b>4,707</b>	<b>4,948</b>	<b>7,862</b>	<b>9,716</b>	<b>(32,409)</b>
<b>8</b>	<b>Paid up equity share capital (Face value of INR 10)</b>	<b>12,319</b>	<b>12,317</b>	<b>9,227</b>	<b>12,319</b>	<b>9,227</b>	<b>9,245</b>
<b>9</b>	<b>Preference share capital</b>	<b>1,207</b>	<b>1,207</b>	<b>-</b>	<b>1,207</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Other equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,58,810</b>
<b>11</b>	<b>Earnings per share (* not annualised)</b>						
	Basic (INR)	*2.40	*4.53	*5.36	*6.93	*10.46	(35.18)
	Diluted (INR)	*2.13	*4.32	*5.31	*6.45	*10.31	(34.95)

**Notes**

**1 Statement of Assets and Liabilities:**

(INR in Lakhs)

Particulars	As at	
	30 September 2020	31 March 2020
	Unaudited	Audited
<b>I. ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	75,239	16,835
Bank balances other than cash and cash equivalents	24,893	37,669
Receivables		
Trade receivables	-	-
Loans	7,80,001	8,29,309
Investments	1,76,985	23,056
Other financial assets	13,702	33,938
<b>Non-financial assets</b>		
Current tax assets (net)	10,622	13,387
Deferred tax assets (net)	11,272	12,978
Property, plant and equipment	6,344	7,862
Assets Held for sale	2,423	3,874
Goodwill	30,019	30,019
Intangible assets	311	384
Other non-financial assets	3,320	3,545
<b>TOTAL ASSETS</b>	<b>11,35,131</b>	<b>10,12,856</b>
<b>II. LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	468	1,110
Debt securities	2,67,773	2,08,947
Borrowings (other than debt securities)	4,46,492	5,05,245
Other financial liabilities	19,746	25,650
<b>Non-financial liabilities</b>		
Provisions	790	907
Other non-financial liabilities	2,918	2,942
<b>Equity</b>		
Equity share capital	12,319	9,245
Preference share capital	1,207	-
Other equity	3,83,418	2,58,810
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,35,131</b>	<b>10,12,856</b>



*[Handwritten signature]*

2 Statement of Cash Flows:

Particulars	(INR in Lakhs)	
	For the half year ended 30 September 2020	For the half year ended 30 September 2019
	Unaudited	Unaudited
<b>Cash Flow from Operating Activities</b>		
Net profit before tax	9,594	12,599
Adjustments for:		
Interest income on financial assets	(62,778)	(79,445)
Finance costs	37,041	47,182
Depreciation and amortisation expense	1,688	1,454
Provisions for expected credit loss	(1,673)	2,413
Provision for gratuity, leave encashment and employee advances	(2)	165
Loss on sale of fixed assets	560	3
Employee share based payment expense	127	973
Gain on sale/revaluation of investments	(1,831)	(3,259)
Interest income realised on financial assets	(17,274)	(17,915)
Finance costs paid	65,715	81,168
<b>Operating profit before working capital changes</b>	<b>15,075</b>	<b>13,714</b>
Adjustments:		
(Increase)/Decrease in trade receivables	-	3
(Increase)/Decrease in loans and advances	48,291	54,793
(Increase)/Decrease in other financial assets	20,236	(2,248)
(Increase)/Decrease in other non-financial assets	226	2,160
Increase/(Decrease) in trade payable	(642)	(1,696)
Increase/(Decrease) in other financial liabilities	(6,164)	(1,449)
Increase/(Decrease) in provisions	(125)	(44)
Increase/(Decrease) in other non-financial liabilities	(278)	(263)
Taxes (paid) / refund	76,619	64,970
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>79,384</b>	<b>58,441</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(135)	(126)
Sale of property, plant and equipment	456	14
Purchase of Assets Held for Sale	1,451	-
Purchase of intangible assets	(64)	(88)
Payment on account of acquisition of business	-	(1,46,516)
Proceeds/(investment) in bank deposits of maturity greater than 3 months (net)	12,776	(5,745)
(Acquisition)/redemption of amortised cost investments (net)	-	250
(Acquisition)/redemption of FVTPL investments (net)	(1,52,099)	(14,563)
<b>Net cash (used in)/generated from investing activities (B)</b>	<b>(1,37,615)</b>	<b>(1,66,774)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (including securities premium and net off of share issue expenses)	1,20,900	15
Proceeds from borrowings	44,601	3,73,458
Repayments towards bank borrowings	(1,03,428)	(1,84,863)
Proceeds from issuance of Non-Convertible Debentures	38,641	-
Repayments towards Non-Convertible Debentures	-	(1,02,394)
Proceeds from/(repayments towards) Commercial Papers (net)	16,706	(10,491)
Payment of lease liabilities	(785)	(533)
Dividend and DDT paid	-	(1,112)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>1,16,635</b>	<b>74,080</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>58,404</b>	<b>(34,253)</b>
Cash and Cash Equivalents at the beginning of the period	16,835	1,08,364
<b>Cash and Cash Equivalents at the end of the period</b>	<b>75,239</b>	<b>74,111</b>

3 The Group 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 5 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	(INR in Lakhs)					
	Quarter ended			Half Year ended		Year ended
	30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations (including other income)	32,257	31,845	42,594	64,102	85,260	1,54,001
Profit before tax	4,015	4,608	6,126	8,623	11,451	(44,766)
Profit after tax	2,780	4,321	4,586	7,101	8,048	(34,009)
Total comprehensive Income	2,774	4,309	4,594	7,083	8,111	(33,962)



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INDOSTAR CAPITAL FINANCE LIMITED

Regd Office: One World Centre, Tower 2A, 20th Floor, Jupiter Mills Compound, S B Marg, Mumbai - 400013, India  
Tel: +91 22 43157000 Fax: +91 22 43157010  
CIN: L65100MH2009PLC268160 Website: www.indostarcapital.com E: investor.relations@indostarcapital.com

- 4 The Company during the quarter and half year ended 30 September 2020 has allotted 15,000 and 5,62,000 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.
- 5 The Group 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.
- 6 The Secured Listed Non-Convertible Debentures of the Company as on 30 September 2020 are secured by first pari-passu charge on a freehold land owned by the Company (wherever applicable) and/or 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 Offer Documents.
- 7 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package and in accordance therewith, the Group had provided moratorium on the payment of all principal amounts and/or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers classified as standard. For all such accounts, where the moratorium was granted, the asset classification remained at a standstill during the moratorium period.  
  
The extent to which the COVID-19 pandemic will ultimately impact the Group's results and carrying value of assets (including goodwill) will depend on future developments, which are highly uncertain. The Group's impairment loss allowance estimates are subject to a number of management judgments and estimates, which could undergo changes over the entire duration of the pandemic. Given the uncertainty over the potential macro-economic condition and related judicial decisions on matters arising from the regulatory guidelines, the impact of the COVID pandemic on the financial performance may be different from that estimated as at the date of approval of these financial results. Such changes will be prospectively recognized. The Group continues to closely monitor any anticipated material changes to future economic conditions.
- 8 The comparative financial information of the Group for the previous reporting periods / year prepared in accordance with Ind AS included in financial information have been reviewed / audited by the predecessor auditors. The report of the auditor on these comparative financial information expressed an un-modified conclusion / opinion.
- 9 The unaudited consolidated financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and half year ended 30 September 2020 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 5 November 2020. The unaudited consolidated financial results have been subjected to limited review by the Statutory Auditor of the Company.
- 10 During the current period, the loan assets and corresponding borrowing, the interest income and interest expense are recognised on a gross basis with respect to the acquired securitised portfolio. Accordingly, the figures of the previous periods/year have been restated to make them comparable with current period.
- 11 Figures for the previous periods / year have been regrouped, restated and / or reclassified wherever considered necessary to make them comparable to the current periods / year presentation.



Place: Mumbai  
Date: 5 November 2020

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

R. Sridhar

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

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
IndoStar Capital Finance Limited**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of IndoStar Capital Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended September 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel 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 specified under Section 143(10) of the Companies Act, 2013 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.
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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Deloitte  
Haskins & Sells LLP**

6. We draw attention to Note 7 to the financial information in which the Company describes the continuing uncertainties arising from COVID 19 pandemic. Our conclusion is not modified in respect of this matter.
7. The comparative financial information of the Company for the previous reporting periods prepared in accordance with Ind AS included in financial information have been reviewed / audited by the predecessor auditors. The report of these auditors on these comparative financial information expressed an un-modified conclusion / opinion. Our conclusion on the financial information is not modified in respect of these matters.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

JAIN MUKESH  
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PARASMAL

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Mukesh Jain  
Partner  
(Membership No. 108262)  
(UDIN:20108262AAAAYB9501)

Place: Mumbai  
Date: November 5, 2020