

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from operations					
	Interest income	29,061	32,721	28,467	1,34,993	1,06,345
	Fees and commission income	1,364	1,496	1,405	4,814	5,438
	Net gain on fair value changes	519	908	2,213	4,621	4,110
	Gain on derecognition of financial instruments measured at amortised cost category	(338)	147	931	2,617	1,823
	Total revenue from operations	30,606	35,272	33,016	1,47,045	1,17,716
	(b) Other income	-	-	-	-	-
	Total income (a+b)	30,606	35,272	33,016	1,47,045	1,17,716
2	Expenses					
	(a) Finance costs	18,061	17,903	16,331	78,780	56,130
	(b) Impairment on financial instruments	57,322	10,952	(625)	81,547	1,631
	(c) Employee benefits expenses	4,388	3,799	3,491	16,505	12,260
	(d) Depreciation and amortisation expense	767	694	466	2,824	1,672
	(e) Other expenses	6,186	2,023	1,753	12,155	6,757
	Total expenses (a+b+c+d+e)	86,724	35,371	21,416	1,91,811	78,450
3	Profit before tax (1-2)	(56,118)	(99)	11,600	(44,766)	39,266
4	Provision for taxation					
	Current tax	(156)	(1,300)	640	2	9,187
	Deferred tax	(13,980)	1,275	3,870	(10,759)	4,567
	Tax expenses	(14,136)	(25)	4,510	(10,757)	13,754
5	Profit after tax (3-4)	(41,983)	(74)	7,090	(34,009)	25,512
6	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	(6)	(10)	(17)	47	(13)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of tax	(6)	(10)	(17)	47	(13)
7	Total comprehensive Income (5+6)	(41,989)	(84)	7,073	(33,962)	25,499
8	Paid up equity share capital (Face value of INR 10)	9,245	9,227	9,226	9,245	9,226
9	Earnings per share (* not annualised)					
	Basic (INR)	*(45.49)	*-0.08	*7.7	(36.85)	28.21
	Diluted (INR)	*(45.18)	*-0.03	*7.42	(36.61)	27.62

Notes

1 Statement of Assets and Liabilities:

(INR in Lakhs)

Particulars	As at	
	31 March 2020	31 March 2019
	Audited	Audited
I. ASSETS		
Financial assets		
Cash and cash equivalents	14,704	1,04,879
Bank balances other than cash and cash equivalents	37,669	3,559
Loans	7,58,254	10,18,311
Investments	43,184	50,159
Other financial assets	32,209	5,008
Non-financial assets		
Current tax assets (net)	13,163	3,576
Deferred tax assets (net)	12,499	1,755
Property, plant and equipment	7,684	6,374
Assets Held for Sale	2,701	-
Goodwill	30,019	30,019
Intangible assets	305	306
Other non-financial assets	4,821	3,819
TOTAL ASSETS	9,57,212	12,27,765
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	957	1,532
Debt securities	2,08,947	3,61,871
Borrowings (other than debt securities)	4,53,589	5,41,208
Other financial liabilities	21,171	19,199
Non-financial liabilities		
Current tax liabilities (net)	-	-
Provisions	851	564
Other non-financial liabilities	2,832	401
Equity		
Equity share capital	9,245	9,226
Other equity	2,59,620	2,93,764
TOTAL LIABILITIES AND EQUITY	9,57,212	12,27,765

R. L. D. I. C.

INDOSTAR CAPITAL FINANCE LIMITED

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 Tel: +91 22 43157000 Fax: +91 22 43157010
 CIN: L65100MH2009PLC268160 Website: www.indostarcapital.com E: investor.relations@indostarcapital.com

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2 Statement of Cash Flows:

Particulars	(INR in Lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
	Audited	Audited
Cash Flow from Operating Activities		
Net profit before tax	(44,756)	39,266
Adjustments for :		
Interest income on financial assets	(1,34,993)	(1,06,345)
Finance costs	78,780	56,130
Dividend income	-	-
Depreciation and amortisation expense	2,824	1,672
Provisions for expected credit loss	35,789	966
Provision for gratuity and leave encashment	237	150
Employee share based payment expense	1,714	1,046
Gain on sale/revaluation of investments	(4,621)	(4,110)
Operating profit before working capital changes	(65,036)	(11,225)
Adjustments:		
(Increase)/Decrease in loans and advances	2,29,253	(2,18,692)
(Increase)/Decrease in other financial assets	(27,221)	(2,070)
(Increase)/Decrease in other non-financial assets	(1,004)	(1,328)
Increase/(Decrease) in trade payable	(575)	635
Increase/(Decrease) in other financial liabilities	(3,010)	(816)
Increase/(Decrease) in provisions	(78)	(17)
Increase/(Decrease) in other non-financial liabilities	2,430	(123)
Interest income realised on financial assets	1,34,759	(2,33,637)
Finance costs paid	1,35,206	1,01,795
Dividend income realised	(83,269)	(49,598)
Cash (used in)/generated from operating activities	1,86,696	(1,81,441)
Taxes paid	(9,588)	(13,692)
Net cash (used in)/generated operating activities (A)	1,77,108	(1,95,133)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,971)	(1,924)
Purchase of intangible assets	(161)	(194)
Payments for capital work in progress	-	-
Purchase of Assets Held for Sale	(2,701)	-
Payment on account of acquisition of business	(2,00,622)	(40,851)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(34,111)	(3,556)
Investment in subsidiary companies	-	(14,000)
(Acquisition)/redemption of amortised cost investments (net)	-	19,605
(Acquisition)/redemption of FVTPL investments (net)	11,651	53,128
Net cash (used in)/generated from investing activities (B)	(2,29,915)	12,208
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (including securities premium and net off share issue expenses)	288	69,089
Proceeds from bank borrowings	2,22,909	1,98,235
Repayments towards bank borrowings	(1,10,543)	(95,653)
Proceeds from issuance of Non-Convertible Debentures	1,818	2,44,380
Repayments towards Non-Convertible Debentures	(1,20,500)	(42,523)
Proceeds from/(repayments towards) Commercial Papers (net)	(29,117)	(96,857)
Dividend and DDT paid	(2,224)	(1,112)
Net cash (used in)/generated from financing activities (C)	(37,369)	2,75,559
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	(90,175)	92,634
Cash and Cash Equivalents at the beginning of reporting period	1,04,879	12,245
Cash and Cash Equivalents at the end of reporting period	14,704	1,04,879

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- 3 From the current financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per section 115BAA of the Income Tax Act, 1961.
- 4 Pursuant to the relaxation granted by the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, the Financial Results shall not be published in newspapers. However, the same will be available on the website of the Company at <https://www.indostarcapital.com/investors-corner> and on the websites of the BSE Ltd. at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com.
- 5 The Company during the quarter and year ended 31 March 2020 has allotted 1,83,500 and 1,93,500 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
- 6 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.
- 7 The Secured Listed Non-Convertible Debentures of the Company as on 31 March 2020 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 Offer Documents.
- 8 The standalone financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 17 June 2020.
- 9 The SARS-CoV-2 virus responsible for COVID-19 outbreak, which has been declared a global pandemic by the World Health Organization, continues to spread across the globe and India and has contributed to a significant decline in economic activities and severely impacted the business and operations of the Company. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain. The Company's capital and liquidity position is strong and would continue to be the focus area during this period. In accordance with the RBI guidelines relating to COVID-19 - Regulatory Package dated March 27, 2020 and April 17, 2020, the Company has granted moratorium to all eligible customers classified as standard as on February 29, 2020. For all eligible accounts, where the moratorium is granted, the asset classification shall remain stand still during the moratorium period i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification. The Company's impairment loss allowance estimates and assumptions used in testing the impairment of the carrying value of goodwill, are subject to a number of management judgments and estimates and is inherently uncertain due to severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company. The Company will continue to monitor any material changes to the future economic conditions
- 10 Pursuant to share subscription agreement ("SSA") and shareholders' agreement ("SHA") executed among the Company, BCP V Multiple Holdings Pte. Ltd. ("Brookfield") and Indostar Capital on 31 January 2020 and subsequent to receipt of regulatory and shareholder approvals, the Company raised an amount of INR 1,225 crore by way of preferential allotment to Brookfield of (i) 3,01,72,414 equity shares of face value INR 10 each and (ii) 1,20,68,966 compulsorily convertible preference shares of face value INR 10 each, both at an issue price of INR 290 per share.

Execution of the SSA and the SHA had triggered an obligation on Brookfield to make an open offer to the public shareholders of the Company in terms of Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") ["Open Offer"]. Brookfield along with Brookfield Business Partners L.P., person acting in concert with Brookfield, has made a cash offer of INR 290 per fully paid-up equity share of face value of INR 10 each, to acquire up to 37,195,411 equity shares representing 26% of the fully diluted equity share capital of the Company. In terms of the Letter of Offer received from Nomura Financial Advisory and Securities (India) Private Limited, manager to the Open Offer, the tendering period commenced on Tuesday, 16 June 2020 and shall remain open up to Monday, 29 June 2020.
- 11 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.
- 12 Figures for the previous periods/years have been regrouped and / or reclassified wherever considered necessary to conform to current period / year presentation.

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

R. L. Sridhar

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

Place: Mumbai
Date: 17th June, 2020

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

To
The Board of Directors of
IndoStar Capital Finance Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of IndoStar Capital Finance Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("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 "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 9 to the Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and assumptions used in testing the impairment of the carrying value of goodwill, which are dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

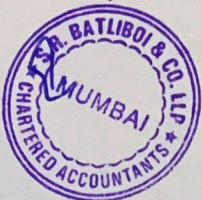
Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



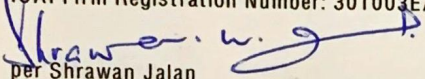
S.R. BATLIBOI & Co. LLP

Chartered Accountants

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 20102102AAAAGH8375

Place: Mumbai

Date: June 17, 2020

