

INDOSTAR CAPITAL FINANCE LIMITED

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STATEMENT OF UNAUDITED STANDALONE 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         |
| 1       | <b>Income</b>   |                   |               |                   |                   |                   |                 |
|         | (a) Revenue from operations   |                   |               |                   |                   |                   |                 |
|         | Interest income   | 29,320            | 30,400        | 37,885            | 59,720            | 77,304            | 1,41,949        |
|         | Fees and commission income  | 1,184             | 894           | 1,243             | 2,078             | 1,954             | 4,814           |
|         | Net gain on fair value changes  | 1,234             | 551           | 1,328             | 1,785             | 3,194             | 4,621           |
|         | Gain / (loss) on derecognition of financial instruments measured at amortised cost category | -                 | -             | 2,138             | -                 | 2,808             | 2,617           |
|         | <b>Total revenue from operations</b>  | <b>31,738</b>     | <b>31,845</b> | <b>42,594</b>     | <b>63,583</b>     | <b>85,260</b>     | <b>1,54,001</b> |
|         | (b) Other income  | 519               | -             | -                 | 519               | -                 | -               |
|         | <b>Total income (a+b)</b>   | <b>32,257</b>     | <b>31,845</b> | <b>42,594</b>     | <b>64,102</b>     | <b>85,260</b>     | <b>1,54,001</b> |
| 2       | <b>Expenses</b>   |                   |               |                   |                   |                   |                 |
|         | (a) Finance costs   | 18,230            | 18,154        | 22,190            | 36,384            | 46,909            | 85,736          |
|         | (b) Impairment on financial instruments   | 511               | 2,304         | 7,212             | 2,815             | 13,273            | 80,608          |
|         | (c) Employee benefits expenses  | 3,562             | 4,270         | 4,113             | 7,832             | 8,319             | 16,505          |
|         | (d) Depreciation and amortisation expense   | 845               | 737           | 689               | 1,582             | 1,363             | 2,824           |
|         | (e) Other expenses  | 5,094             | 1,772         | 2,264             | 6,866             | 3,945             | 13,094          |
|         | <b>Total expenses (a+b+c+d+e)</b>   | <b>28,242</b>     | <b>27,237</b> | <b>36,468</b>     | <b>55,479</b>     | <b>73,809</b>     | <b>1,98,767</b> |
| 3       | <b>Profit before tax (1-2)</b>  | <b>4,015</b>      | <b>4,608</b>  | <b>6,126</b>      | <b>8,623</b>      | <b>11,451</b>     | <b>(44,766)</b> |
| 4       | <b>Tax expenses</b>   |                   |               |                   |                   |                   |                 |
|         | Current tax   | -                 | -             | 738               | -                 | 1,457             | 2               |
|         | Deferred tax  | 1,235             | 287           | 802               | 1,522             | 1,946             | (10,759)        |
|         | <b>Total tax expenses</b>   | <b>1,235</b>      | <b>287</b>    | <b>1,540</b>      | <b>1,522</b>      | <b>3,403</b>      | <b>(10,757)</b> |
| 5       | <b>Profit after tax (3-4)</b>   | <b>2,780</b>      | <b>4,321</b>  | <b>4,586</b>      | <b>7,101</b>      | <b>8,048</b>      | <b>(34,009)</b> |
| 6       | <b>Other comprehensive income, net of tax</b>   |                   |               |                   |                   |                   |                 |
|         | (a) Items that will not be reclassified to profit or loss                                   | (6)               | (12)          | 8                 | (18)              | 63                | 47              |
|         | (b) Items that will be reclassified to profit or loss                                       | -                 | -             | -                 | -                 | -                 | -               |
|         | <b>Total other comprehensive income, net of tax</b>   | <b>(6)</b>        | <b>(12)</b>   | <b>8</b>          | <b>(18)</b>       | <b>63</b>         | <b>47</b>       |
| 7       | <b>Total comprehensive income (5+6)</b>   | <b>2,774</b>      | <b>4,309</b>  | <b>4,594</b>      | <b>7,083</b>      | <b>8,111</b>      | <b>(33,962)</b> |
| 8       | <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>    |
| 9       | <b>Preference share capital</b>   | <b>1,207</b>      | <b>1,207</b>  | <b>-</b>          | <b>1,207</b>      | <b>-</b>          | <b>-</b>        |
| 10      | <b>Other equity</b>   |                   |               |                   |                   |                   | <b>2,59,620</b> |
| 11      | <b>Earnings per share (* not annualised)</b>  |                   |               |                   |                   |                   |                 |
|         | Basic (INR)   | *2.09             | *4.15         | *4.97             | *6.24             | *8.72             | (36.85)         |
|         | Diluted (INR)   | *1.86             | *3.95         | *4.92             | *5.81             | *8.60             | (36.61)         |

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   | 74,471            | 14,704           |
| Bank balances other than cash and cash equivalents  | 24,638            | 37,669           |
| Loans   | 7,47,224          | 8,07,369         |
| Investments   | 1,92,977          | 43,184           |
| Other financial assets  | 12,689            | 33,090           |
| <b>Non-financial assets</b>   |                   |                  |
| Current tax assets (net)  | 10,110            | 13,163           |
| Deferred tax assets (net)   | 10,983            | 12,499           |
| Property, plant and equipment   | 6,232             | 7,684            |
| Assets held for sale  | 1,250             | 2,701            |
| Goodwill  | 30,019            | 30,019           |
| Intangible assets   | 224               | 305              |
| Other non-financial assets  | 3,224             | 3,940            |
| <b>TOTAL ASSETS</b>   | <b>11,14,041</b>  | <b>10,06,327</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                            | 370               | 957              |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 2,62,891          | 2,08,847         |
| Debt securities   | 4,31,690          | 4,99,776         |
| Borrowings (other than debt securities)   | 18,521            | 24,099           |
| Other financial liabilities   | -                 | -                |
| <b>Non-financial liabilities</b>  |                   |                  |
| Provisions  | 737               | 851              |
| Other non-financial liabilities   | 2,857             | 2,832            |
| <b>Equity</b>   |                   |                  |
| Equity share capital  | 12,319            | 9,245            |
| Preference share capital  | 1,207             | -                |
| Other equity  | 3,83,449          | 2,59,620         |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>11,14,041</b>  | <b>10,06,327</b> |



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

**2 Statement of Cash Flows:**

| Particulars  | (INR in Lakhs)  |   |
|--|---|---|
|  | For the half year ended<br>30 September 2020<br>Unaudited | For the half year ended<br>30 September 2019<br>Unaudited |
| <b>Cash Flow from Operating Activities</b>   |   |   |
| Net profit before tax  | 8,623   | 11,451  |
| <b>Adjustments for :</b>   |   |   |
| Interest income on financial assets  | (59,720)  | (77,304)  |
| Finance costs  | 36,384  | 46,909  |
| Depreciation and amortisation expense  | 1,582   | 1,363   |
| Provisions for expected credit loss  | (1,698)   | 2,386   |
| Provision for gratuity, leave encashment and employee advances                                       | (7)   | 150   |
| Loss on sale of fixed assets   | 560   | 3   |
| Employee share based payment expense   | 44  | 950   |
| Gain on sale/revaluation of investments  | (1,785)   | (3,194)   |
|  | <b>(16,017)</b>   | <b>(17,286)</b>   |
| Interest income realised on financial assets   | 62,680  | 79,126  |
| Finance costs paid   | (32,892)  | (49,268)  |
| <b>Operating profit before working capital changes</b>   | <b>13,771</b>   | <b>12,572</b>   |
| <b>Adjustments:</b>  |   |   |
| (Increase)/Decrease in loans and advances  | 59,130  | 56,271  |
| (Increase)/Decrease in other financial assets  | 20,402  | (1,599)   |
| (Increase)/Decrease in other non-financial assets  | 717   | 1,803   |
| Increase/(Decrease) in trade payable   | (587)   | (1,305)   |
| Increase/(Decrease) in other financial liabilities   | (5,839)   | (2,352)   |
| Increase/(Decrease) in provisions  | (116)   | (37)  |
| Increase/(Decrease) in other non-financial liabilities   | (242)   | (95)  |
| <b>Cash (used in)/generated from operating activities</b>  | <b>87,236</b>   | <b>65,258</b>   |
| Taxes (paid) / refund  | 3,053   | (6,328)   |
| <b>Net cash (used in)/generated operating activities (A)</b>   | <b>90,289</b>   | <b>58,930</b>   |
| <b>Cash flows from investing activities</b>  |   |   |
| Purchase of property, plant and equipment  | (135)   | (118)   |
| Sale of property, plant and equipment  | 456   | 14  |
| Purchase of intangible assets  | (16)  | (71)  |
| Purchase of Assets Held for Sale   | 1,451   | -   |
| Payment on account of acquisition of business  | -   | (1,46,516)  |
| Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)                       | 13,031  | (5,745)   |
| (Acquisition)/redemption of amortised cost investments (net)   | -   | 250   |
| (Acquisition)/redemption of FVTPL investments (net)  | (1,47,925)  | (14,277)  |
| <b>Net cash (used in)/generated from investing activities (B)</b>                                    | <b>(1,33,138)</b>   | <b>(1,66,463)</b>   |
| <b>Cash Flow from Financing Activities</b>   |   |   |
| Proceeds from issue of equity shares (including securities premium and net off share issue expenses) | 1,20,900  | 15  |
| Proceeds from bank borrowings  | 34,441  | 3,69,456  |
| Repayments towards bank borrowings   | (1,02,419)  | (1,84,220)  |
| Proceeds from issuance of Non-Convertible Debentures   | 38,641  | -   |
| Repayments towards Non-Convertible Debentures  | -   | (1,02,393)  |
| Proceeds from/(repayments towards) Commercial Papers (net)   | 11,824  | (10,490)  |
| Payment of lease liabilities   | (771)   | (520)   |
| Dividend and DDT paid  | -   | (1,112)   |
| <b>Net cash (used in)/generated from financing activities (C)</b>                                    | <b>1,02,616</b>   | <b>70,736</b>   |
| <b>Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>                          | <b>59,767</b>   | <b>(36,797)</b>   |
| <b>Cash and Cash Equivalents at the beginning of reporting period</b>                                | <b>14,704</b>   | <b>1,04,838</b>   |
| <b>Cash and Cash Equivalents at the end of reporting period</b>                                      | <b>74,471</b>   | <b>68,041</b>   |

- 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.
- 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.
- 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.
- 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 Company 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 Company's results and carrying value of assets (including goodwill) will depend on future developments, which are highly uncertain. The Company'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 Company continues to closely monitor any anticipated material changes to future economic conditions.
- The comparative financial information of the Company 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.
- The unaudited standalone 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 standalone financial results have been subjected to limited review by the Statutory Auditor of the Company.
- 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.
- 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.

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

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



Place: Mumbai  
Date: 5 November 2020

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

**TO THE BOARD OF DIRECTORS OF  
INDOSTAR CAPITAL FINANCE LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **INDOSTAR CAPITAL FINANCE LIMITED** ("the Company"), for the quarter and half year ended September 30, 2020 ("the Statement"), being submitted by the Company 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 Company's Management and approved by the Company'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 the Company'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. Based on our review conducted 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.
5. We draw attention to Note 6 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.

**Deloitte  
Haskins & Sells LLP**

6. 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)

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PARASMAL



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Mukesh Jain  
(Partner)  
(Membership No. 108262)  
(UDIN: 20108262AAAAYA5214)

Place: Mumbai  
Date: November 5, 2020