

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations						
	Interest income	24,471	24,159	30,699	48,630	62,778	117,388
	Fees and commission income	1,062	1,317	1,218	2,379	2,116	3,266
	Net gain on fair value changes	698	1,000	1,265	1,698	1,831	4,895
	Net gain on derecognition of financial instruments measured at amortised cost category	2,204	-	-	2,204	-	2,430
	Total revenue from operations	28,435	26,476	33,192	54,911	66,725	127,979
	(b) Other income	21	50	574	71	575	737
	Total income (a+b)	28,456	26,526	33,956	54,982	67,300	128,716
2	Expenses						
	(a) Finance costs	13,699	13,868	18,605	27,567	37,041	70,861
	(b) Net loss on derecognition of financial instruments measured at amortised cost category	443	14	-	457	-	-
	(c) Impairment on financial instruments	(283)	8,230	778	7,947	3,236	46,198
	(d) Employee benefits expenses	5,331	4,903	4,080	10,234	8,878	17,371
	(e) Depreciation and amortisation expense	866	797	897	1,663	1,688	3,350
	(f) Other expenses	3,094	3,639	5,055	6,733	6,863	12,825
	Total expenses (a+b+c+d+e+f)	23,150	31,451	29,415	54,601	57,706	150,605
3	Profit / (loss) before tax (1-2)	5,306	(4,925)	4,541	381	9,594	(21,889)
4	Tax expenses						
	Current tax	429	234	3	663	-	380
	Tax of earlier years	-	-	-	-	-	457
	Deferred tax	933	(1,477)	1,378	(544)	1,713	(1,316)
	Total tax expenses	1,362	(1,243)	1,381	119	1,713	(479)
5	Profit / (loss) after tax (3-4)	3,944	(3,682)	3,160	262	7,881	(21,410)
6	Other comprehensive income, net of tax						
	(a) Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans	(20)	16	(9)	(4)	(25)	11
	- Income tax relating to items that will not be reclassified to profit or loss	5	(4)	4	1	6	(2)
	Subtotal (a)	(15)	12	(5)	(3)	(19)	9
	(b) Items that will be reclassified to profit or loss						
	- Debt instruments through other comprehensive income	103	-	-	103	-	(7)
	- Income tax relating to items that will be reclassified to profit or loss	(26)	-	-	(26)	-	2
	Subtotal (b)	77	-	-	77	-	(5)
	Total other comprehensive income (a+b)	62	12	(5)	74	(19)	4
7	Total comprehensive income (5+6)	4,006	(3,670)	3,155	336	7,862	(21,406)
8	Paid up equity share capital (Face value of Rs. 10)	12,401	12,379	12,319	12,401	12,319	12,373
9	Preference share capital (Face value of Rs. 10)	1,207	1,207	1,207	1,207	1,207	1,207
10	Other equity						356,245
11	Earnings per share (* not annualised)						
	Basic (INR)	*2.39	*(3.76)	*2.40	*(1.36)	*6.93	(20.83)
	Diluted (INR)	*2.39	*(3.76)	*2.13	*(1.36)	*6.45	(20.83)

Notes

1 Statement of Assets and Liabilities:

(INR in Lakhs)

Particulars	As at	
	30 September 2021	31 March 2021
	Unaudited	Audited
I. ASSETS		
Financial assets		
Cash and cash equivalents	33,907	27,918
Bank balances other than cash and cash equivalents	28,442	24,097
Receivables		
Trade receivables	-	-
Loans	716,703	713,934
Investments	120,724	159,136
Other financial assets	9,671	14,377
Non-financial assets		
Current tax assets (net)	13,889	12,054
Deferred tax assets (net)	14,812	14,293
Property, plant and equipment	6,482	6,093
Assets Held for sale	1,722	2,087
Goodwill	30,019	30,019
Intangible assets	703	452
Other non-financial assets	4,411	3,698
TOTAL ASSETS	981,485	1,008,158
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables	2	8
(i) total outstanding to micro enterprises and small enterprises	156	386
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	215,676	201,276
Debt securities	357,615	399,483
Borrowings (other than debt securities)	38,906	35,722
Other financial liabilities		
Non-financial liabilities		
Current tax liabilities (net)	267	-
Provisions	704	758
Other non-financial liabilities	367	700
Equity		
Equity share capital	12,401	12,373
Preference share capital	1,207	1,207
Other equity	354,184	356,245
TOTAL LIABILITIES AND EQUITY	981,485	1,008,158



2 Statement of Cash Flows:

Particulars	(INR in Lakhs)	
	For the half year ended 30 September 2021 Unaudited	For the half year ended 30 September 2020 Unaudited
Cash flow from Operating Activities		
Profit before tax	381	9,594
Adjustments for:		
Interest income on financial assets	(48,630)	(62,778)
Finance costs	27,567	37,041
Depreciation and amortisation expense	1,663	1,688
Provisions for expected credit loss	7,947	(1,673)
Provision for gratuity, compensated absences and employee advances	122	(2)
Loss on sale of fixed assets	-	560
Employee share based payment expense	979	127
Net gain on fair value changes	(1,698)	(1,831)
Gain on derecognition of financial instruments measured at amortised cost category	(2,204)	-
	(13,873)	(17,274)
Interest income realised on financial assets	49,773	65,715
Finance costs paid	(34,580)	(33,366)
Operating profit before working capital changes	1,320	15,075
Adjustments:		
(Increase)/Decrease in loans and advances	(40,147)	48,291
(Increase)/Decrease in other financial assets	6,617	20,236
(Increase)/Decrease in other non-financial assets	(713)	226
Increase/(Decrease) in trade payable	(237)	(642)
Increase/(Decrease) in other financial liabilities	3,760	(6,164)
Increase/(Decrease) in provisions	-	(125)
Increase/(Decrease) in other non-financial liabilities	(332)	(278)
Cash (used in)/generated from operating activities	(29,732)	76,619
Taxes (paid) / refund	(2,232)	2,765
Net cash (used in)/generated from operating activities (A)	(31,964)	79,384
Cash flows from investing activities		
Purchase of property, plant and equipment	(738)	(135)
Sale of property, plant and equipment	-	456
Purchase of Assets Held for Sale	-	1,451
Purchase of intangible assets	(422)	(64)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(4,345)	12,776
(Acquisition)/redemption of investments measured at FVOCI (net)	(1,279)	-
(Acquisition)/redemption of investments measured at FVTPL (net)	51,119	(152,099)
(Acquisition)/redemption of investments measured at amortised cost (net)	18,566	-
Net cash (used in)/generated from investing activities (B)	62,901	(137,615)
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (including securities premium and net off of share issue expenses)	540	120,900
Proceeds from borrowings	60,600	44,601
Repayments towards bank borrowings	(103,345)	(103,428)
Proceeds from issuance of Non-Convertible Debentures	69,590	38,641
Repayments towards Non-Convertible Debentures	(4,080)	-
Proceeds from/(repayments towards) Commercial Papers (net)	(2,963)	16,706
Payment of lease liabilities	(1,401)	(785)
Dividend paid to Compulsorily Convertible Preference Shares	(3,889)	-
Net cash (used in)/generated from financing activities (C)	(24,948)	116,635
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	5,989	58,404
Cash and Cash Equivalents at the beginning of the period	27,918	16,835
Cash and Cash Equivalents at the end of the period	33,907	75,239

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 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations (including other income)	25,524	24,560	32,257	50,084	64,102	119,327
Profit / (loss) before tax	4,326	(5,544)	4,015	(1,218)	8,623	(25,711)
Profit / (loss) after tax	3,237	(4,149)	2,780	(912)	7,101	(24,147)
Total comprehensive Income	3,302	(4,138)	2,774	(836)	7,083	(24,146)

4 IndoStar Capital Finance Limited ("ICFL" or "the Company") during the quarter and half year ended 30 September 2021 has allotted 2,15,600 and 2,80,000 equity shares of INR 10 each fully paid respectively, on exercise of stock options by eligible employees, in accordance with the Company's Employee Stock Option Schemes.

5 The Secured Listed Non-Convertible Debentures of the Company as on 30 September 2021 are secured by first pari-passu charge on a freehold land owned by the Company and/or standard receivables and / or cash / cash equivalent and / or such other asset as mentioned in the respective offer documents. The total asset cover required for listed non-convertible debentures has been maintained as per the terms and conditions stated in the respective offer documents.

6 Estimation of uncertainty relating to COVID-19 global health pandemic:
 In assessing the recoverability of loans, receivables, goodwill and investments, the Group has considered internal and external sources of information, economic forecasts and industry reports upto the date of approval of these financial results. The Group has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets. The full extent of impact of the pandemic on the Group's operations and financial performance (including impact on carrying value of Goodwill and impairment allowances for financial asset) will depend on future developments including governmental and regulatory measures and the Group's responses thereto, which are highly uncertain at this time.

7 The unaudited consolidated financial results of the Company for the quarter and half year ended 30 September 2021 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 10 November 2021. The unaudited consolidated financial results have been subjected to limited review by the Statutory Auditor of the Company.



8 Segment wise revenue, results, total assets and total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Gross segment revenue from continuing operations						
(a)	Large corporate	7,927	5,869	9,305	13,796	19,908	34,015
(b)	SME	4,647	4,519	4,196	9,166	8,551	18,225
(c)	Commercial vehicles	11,194	11,760	14,591	22,954	29,805	55,565
(d)	Housing finance	3,371	2,992	2,809	6,363	5,438	13,407
(e)	Unallocated	1,317	1,386	2,355	2,703	3,598	7,504
	Segment revenue from continuing operations	28,456	26,526	33,756	54,982	67,300	128,716
	Segment results						
(a)	Large corporate	8,885	2,233	2,076	11,118	5,681	4,073
(b)	SME	3,678	(1,324)	1,038	2,354	2,679	2,594
(c)	Commercial vehicles	(3,786)	(1,715)	3,349	(5,501)	7,210	(15,736)
(d)	Housing finance	1,075	606	(397)	1,681	963	3,867
(e)	Unallocated	(4,546)	(4,725)	(2,125)	(9,271)	(6,939)	(16,687)
	Profit/(loss) before tax	5,306	(4,925)	4,541	381	9,594	(21,889)
	Segment assets						
(a)	Large corporate	164,653	203,162	248,347	164,653	248,847	207,024
(b)	SME	150,789	134,645	137,787	150,789	137,787	142,953
(c)	Commercial vehicles	384,866	369,221	392,590	384,866	392,590	364,226
(d)	Housing finance	102,805	95,658	84,479	102,805	84,479	88,811
(e)	Unallocated	178,372	155,554	271,428	178,372	271,428	205,144
	Total assets	981,485	958,240	1,135,131	981,485	1,135,131	1,096,158
	Segment liabilities						
(a)	Large corporate	100,189	121,300	158,322	100,189	158,322	125,571
(b)	SME	99,949	86,261	91,531	99,949	91,531	91,462
(c)	Commercial vehicles	255,783	250,578	286,311	255,783	286,311	251,980
(d)	Housing finance	55,343	73,642	65,760	55,343	65,760	67,280
(e)	Unallocated	102,429	63,547	136,263	102,429	136,263	102,040
	Total liabilities	613,693	595,328	738,187	613,693	738,187	638,333

9 The Board of Directors of the Company at their meeting held on 17 June 2021 declared and approved payment of dividend due on 1,20,68,966 Compulsorily Convertible Preference Shares of face value Rs. 10 each allotted on 27 May 2020 (CCPS), at rate of 10% p.a. calculated on the issue price (Rs. 290 per CCPS) amounting to Rs. 3,889 lakhs (dividend - Rs. 3,500 lakhs and withholding tax - Rs. 389 lakhs) for the period from 27 May 2020 to 26 May 2021, pursuant to terms approved by the Shareholders of the Company and fixed the Record Date for the purpose of determining entitlement of CCPS holders for payment of said dividend as Thursday, 17 June 2021.

10 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: 10 November 2021

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



**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 half year ended September 30, 2021 (“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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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, and based on the consideration of the review report of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement

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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.

6. We draw attention to Note 6 to the Statement in which the Group describes the continuing uncertainties arising from COVID 19 pandemic. Our conclusion is not modified in respect of this matter.
7. We did not review the interim financial information of a subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total assets of Rs. 103,041 lakhs as at September 30, 2021, total revenues of Rs. 3,371 lakhs and Rs. 6,363 lakhs for the quarter and half year ended September 30, 2021 respectively, total net profit after tax of Rs. 801 lakhs and Rs. 1,255 lakhs for the quarter and half year ended September 30, 2021 respectively and total comprehensive income of Rs. 798 lakhs and Rs. 1,253 lakhs for the quarter and half year ended September 30, 2021 and net cash outflows of Rs. 284 lakhs for the half year ended September 30, 2021, as considered in the Statement. This interim financial information has been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Neville M. Daruwalla
(Partner)
(Membership No. 118784)
(UDIN: 21118784AAAAIE7448)

Place: Mumbai
Date: November 10, 2021