

STATEMENT OF UNAUDITED STANDALONE 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	21,622	22,256	29,320	43,878	59,720	110,560
	Fees and commission income	1,013	1,276	1,184	2,289	2,078	3,143
	Net gain on fair value changes	664	978	1,234	1,642	1,785	4,803
	Net gain on derecognition of financial instruments measured at amortised cost category	2,204	-	-	2,204	-	274
	Total revenue from operations	25,503	24,510	31,738	50,013	63,583	118,780
	(b) Other income	21	50	519	71	519	547
	Total Income (a+b)	25,524	24,560	32,257	50,084	64,102	119,327
2	Expenses						
	(a) Finance costs	13,170	13,447	18,230	26,617	36,384	69,225
	(b) Net loss on derecognition of financial instruments measured at amortised cost category	(2)	2	-	-	-	-
	(c) Impairment on financial instruments	(369)	8,108	772	7,739	3,211	45,241
	(d) Employee benefits expenses	4,713	4,410	3,562	9,123	7,832	15,563
	(e) Depreciation and amortisation expense	831	766	845	1,597	1,582	3,149
	(f) Other expenses	2,855	3,371	4,833	6,226	6,470	11,860
	Total expenses (a+b+c+d+e+f)	21,198	30,104	28,242	51,302	55,479	145,038
3	Profit / (loss) before tax (1-2)	4,326	(5,544)	4,015	(1,218)	8,623	(25,711)
4	Tax expenses						
	Current tax	-	-	-	-	-	-
	Tax credit of earlier years	-	-	-	-	-	457
	Deferred tax	1,089	(1,395)	1,235	(306)	1,522	(2,021)
	Total tax expenses	1,089	(1,395)	1,235	(306)	1,522	(1,564)
5	Profit / (loss) after tax (3-4)	3,237	(4,149)	2,780	(912)	7,101	(24,147)
6	Other comprehensive income (OCI)						
	(a) Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans	(16)	15	(8)	(1)	(24)	8
	- Income tax relating to items that will not be reclassified to profit or loss	4	(4)	2	-	6	(2)
	Subtotal (a)	(12)	11	(6)	(1)	(18)	6
	(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)	65	11	(6)	76	(18)	1
7	Total comprehensive Income (5+6)	3,302	(4,138)	2,774	(836)	7,083	(24,146)
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						354,317
11	Earnings per share (* not annualised)						
	Basic (INR)	*1.82	*(4.14)	*2.09	*(2.31)	*6.24	(23.14)
	Diluted (INR)	*1.82	*(4.14)	*1.86	*(2.31)	*5.81	(23.14)

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	33,175	26,862
Bank balances other than cash and cash equivalents	28,176	23,836
Loans	640,959	669,246
Investments	162,852	178,849
Other financial assets	7,748	11,694
Non-financial assets		
Current tax assets (net)	13,659	11,825
Deferred tax assets (net)	14,800	14,519
Property, plant and equipment	6,275	5,921
Assets held for sale	1,609	1,609
Goodwill	30,019	30,019
Intangible assets	556	348
Other non-financial assets	4,193	4,002
TOTAL ASSETS	944,021	978,730
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises	2	8
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	139	420
Debt securities	215,676	201,276
Borrowings (other than debt securities)	328,052	374,791
Other financial liabilities	34,413	33,032
Non-financial liabilities		
Current tax liabilities (net)	-	-
Provisions	625	698
Other non-financial liabilities	323	608
Equity		
Equity share capital	12,401	12,373
Preference share capital	1,207	1,207
Other equity	351,183	354,317
TOTAL LIABILITIES AND EQUITY	944,021	978,730



ku

2 Statement of Cash Flows:

Particulars	(INR in Lakhs)	
	For the half year ended 30 September 2021	For the half year ended 30 September 2020
	Unaudited	Unaudited
Cash Flow from Operating Activities		
Profit/(loss) before tax	(1,218)	8,623
Adjustments for:		
Interest income on financial assets	(43,878)	(59,720)
Finance costs	26,617	36,384
Depreciation and amortisation expense	1,597	1,582
Impairment on financial instruments	7,739	(1,698)
Provision for gratuity and compensated absences	104	(7)
Loss on sale of property plant and equipment	-	560
Employee share based payment expense	965	44
Gain on sale/revaluation of investments	(1,642)	(1,785)
Gain on derecognition of financial instruments measured at amortised cost category	(2,204)	-
	(11,920)	(16,017)
Interest income realised on financial assets	45,603	62,680
Finance costs paid	(33,998)	(32,892)
Operating profit before working capital changes	(315)	13,771
Adjustments:		
(Increase)/Decrease in loans and advances	(34,353)	59,130
(Increase)/Decrease in other financial assets	5,478	20,402
(Increase)/Decrease in other non-financial assets	(190)	717
Increase/(Decrease) in trade payable	(288)	(587)
Increase/(Decrease) in other financial liabilities	1,853	(5,839)
Increase/(Decrease) in provisions	-	(116)
Increase/(Decrease) in other non-financial liabilities	(285)	(242)
	(26,100)	87,236
Taxes (paid) / refund	(1,834)	3,053
Net cash (used in)/generated operating activities (A)	(29,934)	90,289
Cash flows from investing activities		
Purchase of property, plant and equipment	(725)	(135)
Sale of property, plant and equipment	-	456
Purchase of intangible assets	(344)	(16)
Purchase of Assets Held for Sale	-	1,451
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(4,340)	13,031
(Acquisition)/redemption of investments measured at FVPL (net)	53,648	(147,925)
(Acquisition)/redemption of investments measured at FVOCI (net)	(1,279)	-
(Acquisition)/redemption of investments measured at amortised cost (net)	18,566	-
Net cash (used in)/generated from investing activities (B)	65,526	(133,138)
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (including securities premium and net off share issue expenses)	639	120,900
Proceeds from bank borrowings	50,000	34,441
Repayments towards bank borrowings	(97,333)	(102,419)
Proceeds from issuance of Non-Convertible Debentures	69,590	38,641
Repayments towards Non-Convertible Debentures	(44,080)	-
Proceeds from/(repayments towards) Commercial Papers (net)	(2,963)	11,824
Payment of lease liabilities	(1,243)	(771)
Dividend paid to Compulsorily Convertible Preference Shares	(3,889)	-
Net cash (used in)/generated from financing activities (C)	(29,279)	102,616
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	6,313	59,767
Cash and Cash Equivalents at the beginning of reporting period	26,862	14,704
Cash and Cash Equivalents at the end of reporting period	33,175	74,471

- IndoStar Capital Finance Limited ("ICFL" or "the Company") during the quarter and half year ended 30 September 2021 has allotted 2,15,630 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.
- The Company has provided segmental information in the consolidated results as per Ind AS 108 - Operating Segments.
- 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.
- Estimation of uncertainty relating to COVID-19 global health pandemic:
In assessing the recoverability of loans, receivables, goodwill and investments, the Company has considered internal and external sources of information, economic forecasts and industry reports upto the date of approval of these financial results. The Company 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 Company's operations and financial performance (including impact on carrying value of Goodwill and impairment allowances for financial assets) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time.
- The unaudited standalone 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 standalone financial results have been subjected to limited review by the Statutory Auditor of the Company.
- Disclosure on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI/2021-22/31 DOR.STR.REC.II/21.04.048/2021-22 dated May 05, 2021 ("Resolution Framework- 2.0"):

a) Format B: For the half year ended 30 September 2021

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year* (E)
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others ^a	-	-	-	-	27,851

^a Others include vehicle loans and small business loans

* represents the closing balance of loan accounts as on 30 September 2021



ku

b) Format X: For the quarter ended 30 September 2021

Description	Individual Borrowers		Small businesses
	Personal Loans	Business Loans	
(A) Number of requests received for invoking resolution process under Part A	-	-	24,055
(B) Number of accounts where resolution plan has been implemented under this window	-	-	4,076
(C) Exposure to accounts mentioned at (B) before implementation of the plan	-	-	28,953
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F) Increase in provisions on account of the implementation of the resolution plan	-	-	2,152

- 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.

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: 10 November 2021

**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, 2021 (“the Statement”), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 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 and Regulation 52 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**

5. We draw attention to Note 6 to the Statement in which the Company describes the continuing uncertainties arising from COVID 19 pandemic. Our conclusion 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: 21118784AAAAID6874)

Place: Mumbai
Date: November 10, 2021