

**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

**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>1</b>	<b>Income</b>					
	(a) Revenue from operations					
	Interest income	24,300	26,540	30,342	1,10,560	1,41,949
	Fees and commission income	551	514	1,364	3,143	4,814
	Net gain on fair value changes	1,585	1,433	519	4,803	4,621
	Gain on derecognition of financial instruments measured at amortised cost category	274	-	(338)	274	2,617
	<b>Total revenue from operations</b>	<b>26,710</b>	<b>28,487</b>	<b>31,887</b>	<b>1,18,780</b>	<b>1,54,001</b>
	(b) Other income	14	14	-	547	-
	<b>Total income (a+b)</b>	<b>26,724</b>	<b>28,501</b>	<b>31,887</b>	<b>1,19,327</b>	<b>1,54,001</b>
<b>2</b>	<b>Expenses</b>					
	(a) Finance costs	15,373	17,468	19,342	69,225	85,736
	(b) Impairment on financial instruments	37,698	4,728	61,303	45,241	85,528
	(c) Employee benefits expenses	3,561	4,170	4,388	15,563	16,505
	(d) Depreciation and amortisation expense	791	776	767	3,149	2,824
	(e) Other expenses	3,193	1,801	2,205	11,860	8,174
	<b>Total expenses (a+b+c+d+e)</b>	<b>60,616</b>	<b>28,943</b>	<b>88,005</b>	<b>1,45,038</b>	<b>1,98,767</b>
<b>3</b>	<b>Profit/(loss) before tax (1-2)</b>	<b>(33,892)</b>	<b>(442)</b>	<b>(56,118)</b>	<b>(25,711)</b>	<b>(44,766)</b>
<b>4</b>	<b>Tax expenses</b>					
	Current tax	-	-	(156)	-	2
	Tax of earlier years	457	-	-	457	-
	Deferred tax (refer note 4)	(3,176)	(367)	(13,980)	(2,021)	(10,759)
	<b>Tax expenses</b>	<b>(2,719)</b>	<b>(367)</b>	<b>(14,136)</b>	<b>(1,564)</b>	<b>(10,757)</b>
<b>5</b>	<b>Profit/(loss) after tax (3-4)</b>	<b>(31,173)</b>	<b>(75)</b>	<b>(41,982)</b>	<b>(24,147)</b>	<b>(34,009)</b>
<b>6</b>	<b>Other comprehensive income, net of tax</b>					
	(a) Items that will not be reclassified to profit or loss	24	-	(6)	6	47
	(b) Items that will be reclassified to profit or loss	(5)	-	-	(5)	-
	<b>Total other comprehensive income, net of tax</b>	<b>19</b>	<b>-</b>	<b>(6)</b>	<b>1</b>	<b>47</b>
<b>7</b>	<b>Total comprehensive Income (5+6)</b>	<b>(31,154)</b>	<b>(75)</b>	<b>(41,988)</b>	<b>(24,146)</b>	<b>(33,962)</b>
<b>8</b>	<b>Paid up equity share capital (Face value of Rs. 10)</b>	<b>12,373</b>	<b>12,346</b>	<b>9,245</b>	<b>12,373</b>	<b>9,245</b>
<b>9</b>	<b>Preference share capital (Face value of Rs. 10)</b>	<b>1,207</b>	<b>1,207</b>	<b>-</b>	<b>1,207</b>	<b>-</b>
<b>10</b>	<b>Other equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,54,317</b>	<b>2,59,620</b>
<b>11</b>	<b>Earnings per share (* not annualised)</b>					
	Basic (Rs.)	*(26.00)	*(0.86)	*(45.49)	(23.14)	(36.85)
	Diluted (Rs.)	*(26.00)	*(0.86)	*(45.49)	(23.14)	(36.85)

**Notes**

**1 Statement of Assets and Liabilities:**

(Rs. in Lakhs)

Particulars	As at	
	31 March 2021	31 March 2020
	(Audited)	(Audited)
<b>I. ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	26,862	14,704
Bank balances other than cash and cash equivalents	23,836	37,669
Loans	6,69,246	8,07,369
Investments	1,78,849	43,184
Other financial assets	11,694	33,090
<b>Non-financial assets</b>		
Current tax assets (net)	11,825	13,163
Deferred tax assets (net)	14,519	12,499
Property, plant and equipment	5,921	7,684
Assets held for sale	1,609	2,701
Goodwill	30,019	30,019
Intangible assets	348	305
Other non-financial assets	4,002	3,940
<b>TOTAL ASSETS</b>	<b>9,78,730</b>	<b>10,06,327</b>

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**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021**

Particulars	(Rs. in Lakhs)	
	As at	
	31 March 2021 (Audited)	31 March 2020 (Audited)
<b>II. LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises	8	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	420	957
Debt securities	2,01,276	2,08,947
Borrowings (other than debt securities)	3,74,791	4,99,776
Other financial liabilities	30,261	24,099
<b>Non-financial liabilities</b>		
Provisions		
Other non-financial liabilities	698	851
<b>Equity</b>	3,379	2,832
Equity share capital		
Preference share capital	12,373	9,245
Other equity	1,207	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,78,730</b>	<b>10,06,327</b>

**2 Statement of Cash Flows:**

Particulars	(Rs. in Lakhs)	
	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
	<b>Cash Flow from Operating Activities</b>	
Profit/(loss) before tax		
Adjustments for :	(25,711)	(44,766)
Interest income on financial assets		
Finance costs	(1,10,560)	(1,41,949)
Depreciation and amortisation expense	69,225	85,736
Loss on sale of property plant and equipment	3,149	2,824
Provisions for expected credit loss	614	19
Impairment allowance on assets held for sale	45,241	85,528
Provision for gratuity and leave encashment	109	300
Employee share based payment expense	50	237
Gain on sale/reevaluation of investments	878	1,714
	(4,803)	(4,621)
	<b>(21,808)</b>	<b>(14,978)</b>
Interest income realised on financial assets		
Finance costs paid	1,13,138	1,35,206
<b>Cash generated from operating activities before working capital changes</b>	<b>(65,113)</b>	<b>(83,269)</b>
	<b>26,217</b>	<b>36,959</b>
<b>Adjustments:</b>		
(Increase)/Decrease in loans and advances	72,806	1,79,436
(Increase)/Decrease in other financial assets	20,881	(27,221)
(Increase)/Decrease in other non-financial assets	679	(4,024)
Increase/(Decrease) in trade payable	(529)	(575)
Increase/(Decrease) in other financial liabilities	5,300	(3,010)
Increase/(Decrease) in other non-financial liabilities	147	3,259
<b>Cash (used in)/generated from operating activities</b>	<b>1,25,501</b>	<b>1,84,824</b>
Taxes paid	882	(9,588)
<b>Net cash (used in)/generated operating activities (A)</b>	<b>1,26,383</b>	<b>1,75,236</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(681)	(3,971)
Sale of property, plant and equipment	645	-
Purchase of intangible assets	(243)	(161)
Payment on account of acquisition of business	-	(2,00,622)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	13,833	(34,111)
(Acquisition)/redemption of FVTPL investments (net)	(99,460)	11,651
(Acquisition)/redemption of FVOCI investments (net)	(12,640)	-
<b>Net cash (used in)/generated from investing activities (B)</b>	<b>(98,546)</b>	<b>(2,27,214)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares (including securities premium and net off share issue expenses)	1,22,213	288
Proceeds from bank borrowings	82,939	2,22,909
Repayments towards bank borrowings	(2,08,267)	(1,10,542)
Proceeds from issuance of Non-Convertible Debentures	55,000	1,818
Repayments towards Non-Convertible Debentures	(78,500)	(1,20,500)
Proceeds from/(repayments towards) Commercial Papers (net)	12,312	(29,117)
Payment of lease liabilities	(1,376)	(829)
Dividend and DDT paid	-	(2,224)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(15,679)</b>	<b>(38,197)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>12,158</b>	<b>(90,175)</b>

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Particulars	(Rs. in Lakhs)	
	For the year ended 31 March 2021 (Audited)	For the year ended 31 March 2020 (Audited)
Cash and Cash Equivalents at the beginning of reporting year	14,704	1,04,879
Cash and Cash Equivalents at the end of reporting year	<b>26,862</b>	<b>14,704</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash on hand		
Balances with banks	460	128
- in current accounts		
Deposits with original maturity of less than three months	10,325	7,839
<b>Total</b>	<b>16,077</b>	<b>6,737</b>
	<b>26,862</b>	<b>14,704</b>

- 3 The Company is primarily engaged in business of financing and has provided segmental information in the consolidated results as per Ind AS 108 - Operating Segments.
- 4 The Finance Act, 2021 has introduced an amendment to section 32 of the Income Tax Act, 1961, whereby Goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 1 April 2020.  
In accordance with the requirements of Ind AS 12 - Income Taxes, the Company has recognised one time tax expense amounting to Rs. 4,958 lakhs as the outcome of the difference between Goodwill as per the books of account and its updated tax base of Nil, resulting from the aforementioned amendment in the Income Tax Act. This deferred tax liability is not expected to be a cash outflow in the future.
- 5 The Company during the quarter and year ended 31 March 2021 has allotted 2,72,500 and 11,07,000 equity shares of Rs.10 each fully paid respectively, on exercise of stock options by employees, in accordance with the Company's Employee Stock Option Schemes.  
During the year, the Company raised an amount of Rs. 1,22,500 lakhs by way of preferential allotment to BCP V Multiple Holdings Pte. Ltd. on 27 May 2020 of 3,01,72,414 equity shares of face value Rs. 10 each fully paid-up and 1,20,68,966 compulsorily convertible preference shares of face value Rs. 10 each fully paid-up, at a premium of Rs. 280 per share.
- 6 The Secured Listed Non-Convertible Debentures of the Company as on 31 March 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 Document. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Offer Document.
- 7 The standalone financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 17 June 2021.
- 8 Estimation 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 performed stress testing on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. 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 (Wave 2) on the Company'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 Company's responses thereto, which are highly uncertain at this time.  
Further, in view of the matters mentioned above, the Company is regularly assessing and monitoring the impact of the Novel Coronavirus (COVID-19) pandemic on its liquidity and ability to repay its obligations as and when they are due. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.
- 9 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.
- 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 securitised portfolio acquired from India Infoline Finance Limited in March 2019. Accordingly, the figures of the previous periods/year have been re-grouped/re-stated to make them comparable with current period.
- 11 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.
- 12 In accordance with instructions in RBI circular dated 7 April 2021, all lending institutions shall refund or adjust "interest on interest" to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, Indian Banks Association (IBA), in consultation with other industry participants / bodies, for this methodology of calculation of such "interest on interest". Accordingly, the Company has estimated said amount and reversed the income to that extent during the last quarter of the current financial year.
- 13 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.
- 14 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. Sridhar*

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

Place: Mumbai  
Date: 17 June 2021