

June 25, 2020

The Secretary,
Listing Department (Debt Listing)
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Re: Company Code: 10191

Name of the Company: IL&FS Financial Services Limited

Sub: Submission of Half Yearly Un-audited Standalone Financial Results for the period ended September 30, 2019

Dear Sir/Madam,

Pursuant to Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Half Yearly Un-audited Standalone Financial Results for the period ended September 30, 2019 along with the Limited Review Report approved by the Board of Directors of the Company at its Meeting held on June 25, 2020 as prescribed under Regulation 52 of the Listing Regulations

Request you to kindly take the above documents on record

Thanking You,

For IL&FS Financial Services Limited


Namita Tripathi

Company Secretary

Encl: A/a

IL&FS Financial Services Limited
Registered Office: The IL&FS Financial Centre, Bandra Kurla Complex, Bandra East, Mumbai-51
Tel: 022 2653 3560/3333 | Fax No: 022 2653 3149 | Website: www.ilfsifin.com
CIN U65990MH1995PLC093241

Financial Results for the half year ended September 30, 2019
Statement of Profit and Loss for the half year ended September 30, 2019

(₹ in million)

	Particulars	Half Year Ended September 30, 2019 (Unaudited)	Half Year Ended September 30, 2018 (Unaudited)	Year Ended March 31, 2019 (Audited)
1	Revenue from operations			
	Interest Income	1,962.52	3,094.50	2,441.38
	Dividend Income	99.88	82.34	219.87
	Lease Income	0.04	0.04	-
	Fees and commission Income	0.99	11.98	13.03
	Project Debt Syndication	4.60	58.29	58.29
	Total Revenue from operations	2,068.03	3,247.15	2,732.57
2	Other Income	2.84	151.91	219.22
	Total Income (1+2)	2,070.87	3,399.06	2,951.79
3	Expenses			
	Finance Costs	421.67	8,226.91	8,926.21
	Net loss on fair value changes	497.99	5,072.72	13,807.91
	Impairment on financial instruments (refer Note 17)	(846.74)	42,323.38	99,621.26
	Employee Benefits Expenses	204.81	299.21	490.30
	Depreciation, amortization and impairment	220.04	1,323.03	2,169.99
	Other expenses	292.47	317.18	628.56
	Total Expenses	790.24	57,562.43	125,644.23
4	Profit/(loss) before tax	1,280.63	(54,163.37)	(122,692.44)
5	Tax Expense:			
	- Current Tax (refer Note 16)	-	-	-
	- Deferred Tax	(1.09)	(7,948.59)	10,052.83
		(1.09)	(7,948.59)	10,052.83
6	Profit/(loss) for the period	1,281.72	(46,214.78)	(132,745.27)
7	Other Comprehensive Income			
	<u>A. Items that will not be reclassified to profit or loss</u>			
	Remeasurements of the defined benefit plans;	(20.96)	(5.91)	37.43
	Income tax relating to items that will not be reclassified to profit or loss			
	Subtotal (A)	(20.96)	(5.91)	37.43
	<u>B. Items that will be reclassified to profit or loss</u>			
	Debt Instruments through Other Comprehensive Income;	-	29.32	(59.21)
	Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Subtotal (B)	-	29.32	(59.21)
	Other Comprehensive Income (A+B)	(20.96)	23.41	(21.78)
	Total Comprehensive Income for the period	1,260.76	(46,191.37)	(132,767.05)
	Earnings per equity share (not to be annualised)			
	Basic (₹)	4.82	(173.96)	(499.67)
	Diluted (₹)	4.82	(173.96)	(499.67)

IL&FS Financial Services Limited
Registered Office: The IL&FS Financial Centre, Bandra Kurla Complex, Bandra East, Mumbai-51
Tel: 022 2653 3560/3333 | Fax No: 022 2653 3149 | Website: www.ilfsfin.com
CIN U65990MH1995PLC093241
Financial Results for the half year ended September 30, 2019
Balance Sheet as at September 30, 2019

(₹ in million)

		As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
Assets			
1	Financial Assets		
	Cash and cash equivalents	13,178.25	9,649.04
	Bank Balance other than above	0.94	0.94
	Derivative financial instruments	55.15	60.16
	Receivables	-	2.73
	Loans	10,806.56	11,364.26
	Investments	10,569.00	11,586.38
	Other Financial assets	294.26	368.32
2	Non-financial Assets		
	Current Tax Assets	1,110.84	969.62
	Investment Property	-	3,994.71
	Property, Plant and Equipment	38.81	52.66
	Capital work-in-progress	0.98	5.63
	Other Intangible Assets	43.56	7.23
	Other non-financial assets	94.24	249.97
	Assets held for Sale (refer Note 19)	3,794.98	-
	Total assets	39,987.57	38,311.65
Liabilities and Equity			
3	Financial Liabilities		
	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	1.12	0.84
	(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	288.16	204.55
	Debt securities	42,452.52	42,222.62
	Borrowings	88,687.55	88,663.27
	Deposits	18,237.35	18,076.81
	Subordinated liabilities	16,411.08	16,407.91
	Other financial liabilities	446.31	504.92
4	Non-financial liabilities		
	Provisions	31.12	54.24
	Deferred tax liabilities (net)	-	1.09
	Other non-financial liabilities	217.23	221.03
	Total liabilities	166,772.44	166,357.28
5	Equity		
	Equity share capital	2,656.68	2,656.68
	Other equity	(129,441.55)	(130,702.31)
	Total equity	(126,784.87)	(128,045.63)
	Total liabilities and equity	39,987.57	38,311.65

IL&FS Financial Services Limited**Registered Office: The IL&FS Financial Centre, Bandra Kurla Complex, Bandra East, Mumbai-51****Tel: 022 2653 3560/3333 | Fax No: 022 2653 3149 | Website: www.ilfsfin.com****CIN U65990MH1995PLC093241****Financial Results for the half year ended September 30, 2019****Notes to the Financial Results for the half year ended September 30, 2019**

- (1) The standalone financial results have been prepared in accordance with the principles laid down in Ind AS 34-Interim Financial Reporting and other accounting principles generally accepted in India
- (2) In compliance with Regulation 52 of Securities Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulation, 2015, a limited review of the financial results for the half year ended September 30, 2019 has been carried out by the statutory auditors
- (3) The above financial results of the IL&FS Financial Services Limited ("IFIN" or the "Company") for the half year ended September 30, 2019 has been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on June 25, 2020. The results for the half year ended September 30, 2018 has been compiled by the management, which has not been reviewed by the Statutory Auditor. The Statutory Auditor of the Company has carried out Limited Review of the results for the half year ended September 30, 2019 and has issued a disclaimer of opinion on these results.
- (4) **Significant developments at the Company, IL&FS ("holding company" or "IL&FS") and various group companies ('the IL&FS Group' including IFIN which is wholly owned subsidiary of IL&FS)**

Subsequent to defaults by IL&FS Financial Services Limited ("IFIN" or the "Company") on its borrowing obligations during the financial year 2018-19, a report was filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013. Based on the above report, the Government of India vide their Order dated September 30, 2018, directed that the affairs of IL&FS be investigated by the Serious Fraud Investigation Office ("SFIO"). SFIO commenced investigation of affairs of IL&FS and its subsidiaries.

The Union of India on October 1, 2018 also filed a petition with the National Company Law Tribunal ("NCLT") seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the RoC and on the following grounds:

- (I) The precarious and critical financial condition of IL&FS and its group companies and their inability to service their debt obligations had rattled the money market.
- (II) On a careful consideration of the Union of India, it was of the opinion that affairs of IL&FS and its group companies were conducted in a manner contrary to the public interest due to its mis-governance; and
- (III) The intervention of the Union of India is necessary to prevent the downfall of IL&FS and its group companies and the financial markets.

As part of the resolution, it was felt that the governance and management change is required to bring back the IL&FS Group from financial collapse, which may require, among other things, a change in the existing Board and management and appointment of a new management

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board of IL&FS and appointed New members on the Board of IL&FS

Further applications were made by the Union of India and others, to the NCLT and the National Company Law Appellate Tribunal ("NCLAT") on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:

- (I) The institution or continuation of suits or any other proceedings by any party or person or bank or Company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- (II) Any action by any party or person or bank or company etc to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- (III) The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies whether in respect of principal or interest or hedge liability or any amount contained therein.
- (IV) Suspension of temporarily the acceleration of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- (V) Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank accounts and deposits whether current, savings or otherwise of IL&FS and its group companies.

(5) **Resolution process proposed by new Board of Directors of IL&FS**

The New Board of Directors of IL&FS, as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

The NCLAT had given a moratorium to IL&FS and its group entities and that no creditors can proceed against it except under article 226 of the Constitution. Further, vide Order dated March 12, 2020, NCLAT has also approved Crystallization of claims as of "Cut-Off Date" (i.e. October 15, 2018) and No interest, additional interest, default interest, penal charges or other similar charges to accrue after the Cut-Off Date of October 15, 2018

The resolution plan seeks a fair and transparent resolution while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. IL&FS being a holding company and registered as a Core Investment Company (CIC) with RBI, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

The New Board of IL&FS is pursuing vertical level, SPV level and asset level resolution plan. The assessment of the New Board of IL&FS, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Further, the stakeholders' interests will be protected adequately since the framework and asset sale will be subject to NCLAT approval. The agreed resolution plan would be made public for the knowledge of all concerned stakeholders through an affidavit filed by the Union of India before Hon'ble NCLAT.

As discussed above, the New Board of IL&FS has submitted five progress reports or update to the NCLT on the resolution plans and latest of which was submitted on January 09, 2020

Strategic actions taken include:

- a. Appointing Legal, Transaction and Resolution Advisors
- b. Securing a moratorium order from third party actions
- c. Setting up 'Operating Committee' of senior executives for managing daily operations
- d. Developing solution framework for managing unprecedented group insolvency using an umbrella resolution approach
- e. Active recovery actions on external lending portfolio of IL&FS Financial Services (IFIN)
- f. Working with central and state government authorities to resolve outstanding claims

The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

Based on this classification of "Green", "Amber" and "Red", the New Board of IL&FS has put in place a payment protocol for the IL&FS group during the resolution process. The classification of the entities, the payment protocol and the resolution framework has been filed with the NCLAT and the NCLAT has directed the appointment of Justice D K Jain (Retd) on the 11th February, 2019 to supervise the resolution process for the IL&FS group.

IFIN is classified as a "Red" entity, indicating that it is not able to meet all obligations (financial and operational) including the payment obligations to senior secured financial creditors. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status.

(6) Order of NCLT for reopening and recasting of accounts

The NCLT, vide order dated January 01, 2019, has allowed a petition filed by the Union of India, for reopening of the books of accounts and recasting the accounts under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18, of Infrastructure Leasing & Financial Services Limited, and its subsidiaries IL&FS Financial Services Limited ("IFIN") and IL&FS Transportation Networks Limited ("ITNL"). The process of such reopening and recasting of accounts is currently in progress, pending which, it is not possible to determine the consequential effects arising therefrom on the financial statements for FY 2013-14 to 2017-18, including their effects on (a) the business transactions in those financial years; (b) the balance sheets as at March 31, 2019 and the current half year ended September 30, 2019; and (c) the Statement of Profit and Loss for the year ended March 31, 2019, half year ended September 30, 2018 and September 30, 2019. Such reopening and recasting may require the Company to consider restatement of financial statements for the FY 2018-19 and also for the half year ended September 30, 2019.

(7) Status of New Board of Directors of IL&FS initiated investigations

As a consequence of the matter described in Note 4 above and various other matters, the new Board of Directors of IL&FS, in January 2019, have initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the Board of Directors. The Company has received two interim reports in this matter so far. However, pending completion of such examination, no adjustments have been recorded in these Ind-AS financial results for any consequential effects / matters that may arise in this regard on completion of such investigations.

(8) Claims management and reconciliation of claims received

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by IL&FS to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 5 June, 2019 (subsequently extended till September 22, 2019) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA have submitted their report dated December 17, 2019 further updated as on April 08, 2020 on the status of the claims received and its admission status, indicating a total value of claims received and admitted of Rs 163,971.10 million in respect of the Company as at October 15, 2018. The report is subject to update based on additional information / clarification that may be received from the creditors in due course. The management of the Company has undertaken reconciliation of the above claims, however no adjustments have currently been made in this regard to these financial results, and all such claims received have been considered as part of contingent liabilities.

(9) Assessment of various legal cases, suits, etc.

As a result of the events up to September 30, 2018, as more fully described in Note 4, there have been various legal cases and suits filed against the Company following the default of borrowings made by the Company, as described in that note. Further, the Company is undergoing a resolution process (refer Note 5) under the order of the National Company Law Tribunal ("NCLT"), pending which the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities, as per Ind-AS 37, *Provisions, Contingent Liabilities and Contingent Assets*. Pending final outcome of such process, no adjustments have been made to the financial results in this regard.

(10) Impairment of loans, receivables and investments to / from / in group companies

As a result of the various events during the financial year 2018-19 which are more fully discussed in Note 4 of this financial result, there is significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various loans given to, receivables from, and investments in, group companies. All group companies in India have been classified as "Red", "Amber" or "Green" categories, based on various factors more fully discussed in note 5 to this financial result.

Management has, in consultation with the Board of Directors of the Company, assessed and determined that the amounts of investments in and loans to group entities classified as "Red" and "Amber" are not wholly recoverable. Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety as the Company does not presently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables. On this basis, further impairment Rs 317.36 million has been recognised in respect of the balance of loans of for the half year ended September 30, 2019 (refer Note 17 to the results). In the view of the Company, the impairment provision made is prudent and represents the economic substance of the amounts recoverable as of September 30, 2019.

(11) Accounting for contractual interest income in respect of loans to group companies and finance costs on borrowings

In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group. Accordingly, management has

- (a) Recognized interest income excluding penal interest and delayed payment interest for the year on loans made, to group companies only for the period up to October 15, 2018
- (b) Recognized finance costs on borrowings (including from third parties) for the year, only for the period up to October 15, 2018

The above (a) and (b) are not applied to entities classified as "Green" category (refer Note 5), i.e., entities which are in a position to honor their respective financial and operational liabilities.

In line with the Order dated March 12, 2020 passed by NCLAT has approved Crystallization of claims as of "Cut-Off Date" (i.e. October 15, 2018) and no interest, additional interest, default interest, penal charges or other similar charges to accrue after the Cut-Off Date of October 15, 2018.

The above basis of accounting is on the basis of the cut off approved by NCLAT for Crystallization of claims.

(12) Non-compliance with laws and regulations

As a consequence of the matter described in Note 4 above and various other matters discussed in these financial results, the Company is not in compliance with certain provisions / requirements of applicable laws and regulations. These include certain requirements of Companies Act, 2013, listing agreement entered into with the stock exchange, and certain regulations of the Reserve Bank of India as applicable to the Company

Where the management has identified any non-compliance subsequent to September 30, 2018, these have been reported or are in the process of being reported to the relevant regulator, and the Company intends to comply with the necessary requirements or further directions at the earliest.

Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliance, to determine their financial, operating or other consequences, pending which, no adjustments have been made to these financial results.

(13) Investigations by SFIO and other regulatory agencies

The MCA, Government of India, has vide its letter dated October 1, 2018 initiated investigation by the SFIO against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. Further, various other regulatory and law enforcement agencies including the Enforcement Directorate (ED) have initiated investigations against the Company.

SFIO and Enforcement Directorate have served their reports to the company. The implications if any, arising from aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

(14) Going concern assumption used for the preparation of these financial results

The Company and the IL&FS group in general are undergoing substantial financial stress from September 30, 2018. The Company continues to has net liabilities of Rs 1,66,772.44 million as at September 30, 2019 and it has breached its conditions for holding a Certificate of Registration as a Non-Banking Finance Company (NBFC), issued by the Reserve Bank of India. As a result of the foregoing, the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed

As indicated in Note 5, there has been a resolution process run by the IL&FS Board of Directors. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility. The resolution plan of management includes sale of entities / assets wherever possible and the Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is committed to taking necessary steps to meet its financial commitments to the extent possible.

In view of the above resolution process, the ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, and restructure / settle its liabilities. In view of actions that are currently underway, the accompanying financial results have been prepared on going concern basis based on cumulative impact of certain steps taken by the New Board of IL&FS.

(15) Disclosures pursuant to Regulation 52(4), 52(5) and 52(7) of the Securities Exchange Board of India (listing Obligations & Disclosure Requirements) Regulations, 2015 as amended (LODR)

In view of the various issues mentioned in Para 4 to Para 14 of the notes to the financial results herein the Company has not disclosed the disclosures specified in Regulation 52(4), 52(5) and 52(7) of SEBI LODR in these Financial Results.

(16) Current Tax Expenses

The Company estimate weighted average tax rate of zero percentage for the full financial year, accordingly no provision is required to be made in respect of current tax expenses for the half year ended September 30, 2019

(17) Recovery of loans

The Company has made recovery of loans in the half year ended 30 September 2019 resulting in release of provision for impairment of Rs 1,368.13 million. The Company has recognized further impairment in respect of outstanding loans as on September 30, 2019 amounting to Rs 584.05 million and the same has been netted off against the amount mentioned above. The recovery of loans has been accounted in pursuance to the contractual terms of the loans

(18) Segment Reporting

The Company is in the business of providing financial services. As such, all activities undertaken by the Company are incidental to the main business segment based on the reporting to key managerial persons (KMPs)

(19) Asset held for Sale

During the half year ended September 30, 2019, the Company has initiated the process for sale of its investment properties and estimate to complete the sale of these properties within next 12 months. Accordingly the Company has reclassified its investment properties as Assets held for sale at it recoverable value i.e. fair value less estimated cost of sale. Consequently no depreciation has been provided on the above investment properties for the half year ended September 30, 2019

For and on behalf of IL&FS Financial Services Limited

sd/-

Chief Financial Officer

sd/-

Chief Executive Officer

Independent Auditors Review Report on the Standalone Financial Results pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

IL&FS Financial Services Limited

1. We were engaged to review the Statement of Standalone Financial Results of IL&FS Financial Services Limited ('the Company') for the period ended September 30, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('the Regulation'), read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 ('the Circular'), which is the responsibility of the Company's management. and has been approved by the Board of Directors, on which we have issued a disclaimer of opinion.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, and the same has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) as 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 issue a report on the Statement based on our review.

Basis for Disclaimer of Opinion

3. As given in Note 6 of the Statement, on January 1, 2019, the Company, its Holding Company (Infrastructure Leasing & Financial Services Limited) and its fellow subsidiary (IL&FS Transportation Networks Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress.

The Board of Directors of the Company have stated that Standalone Ind AS financial results for the period ended September 30, 2019 may undergo a change consequent to the reopening and recasting of accounts in respect of prior years'. In view of the ongoing reopening and recasting of the Standalone Ind AS financial statements of prior years and also considering the significance of specific transactions / matters described herein below, we are unable to determine the consequential impact of the proposed revision and the impact of specific transactions / matters on the accompanying Statement. Such specific transactions / matters include:

- 3.1 We draw your attention to Note 7 of the Statement which describes that a third-party forensic examination of various matters for the period April 2013 to September 2018 has been initiated by the Board of Directors of the Company, which is currently ongoing.

mmc —

- 3.2 We draw your attention to Note 8 of the Statement which describes that the management is in the process of reconciling claims received with its books of account.
- 3.3 We draw your attention to Note 9 of the Statement which states that the management is in the process of assessment and determination of the financial and other consequences of the litigations stated in the said note, pending which no adjustments have been made to the Statement in this regard.
- 3.4 We draw your attention to Note 10 of the Statement which describes that as at September 30, 2019, in respect of transactions with Group companies the Company has recognised further impairment of Rs.317.36 million towards impairment provisions for loans given. The Company does not currently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans receivables, and other financial assets and accordingly, management has recorded full provision for the balances indicated in that note, which does not consider the requirements of the relevant Ind-AS standards in entirety.
- 3.5 We draw your attention to Note 11 of the Statement which describes the reasons, the Company has not accounted for contractual interest income from its subsidiaries and associates and contractually payable finance costs on borrowings, for the period from October 16, 2018 to March 31, 2019 and for the period April 1, 2019 to September 30, 2019.
- 3.6 We have not received sufficient and appropriate audit evidence as follows: We had called for bank balance confirmations from banks but confirmations for 50 accounts were not received from banks out of 55 bank accounts for verification.
- 3.7 We draw your attention to Note 12 of the Statement which describes that the Company is not in compliance with certain requirements/provisions of applicable laws and regulations as more fully discussed in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the Statement.
- 3.8 We draw your attention to Note 13 of the Statement which describes that there are ongoing investigations by various regulatory authorities and agencies on the Company.
- 3.9 We draw your attention to Note 15 of the Statement which describes that the Company has not made disclosure pursuant to relevant provisions of the SEBI LODR.
- 3.10 Material Uncertainty related to Going Concern –
The Company has earned a profit (including other comprehensive income) of Rs.1,260.76 million for the half year ended September 30, 2019 and has net liabilities of Rs.1,66,772.44 million as at September 30, 2019.

MML

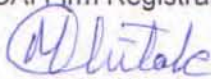
The Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. Further, the Company has breached its conditions for holding a Certificate of Registration as a Non-Banking Finance Company (NBFC), issued by the Reserve Bank of India. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern and accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern

The matter in para 3 above, including paras 3.1 to 3.10 should be read with Note 4 to the accompanying Standalone Ind AS financial results which discusses certain key events of the period including reconstitution of the Board of Directors of the Company effective October 01, 2018 and Note 5 to the accompanying Standalone Ind AS financial results regarding the resolution process followed by the Board of Directors in relation to the Company's operations, as well as the relevant notes referred to hereinabove

Disclaimer of Opinion

4. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our Report as above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion as to whether the Statement:
 - i. is presented in accordance with the requirements of the Regulation, read with the Circular; and
 - ii. has disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended.
5. The Comparative financial information of the Company for the half year ended September 30, 2018 included in this unaudited standalone financial result has been presented solely based on the information complied by the management and has not been subject to limited review by us.

For Mukund M Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W



M. M. Chitale
Partner
M. No. 14054

UDIN : 20014054AAAAAF8082

Place: Mumbai
Date: June 25, 2020

ANNEXURE A

Sr No	Name of the series under which NCDs are held	ISIN No	Previous due date for payment of interest / redemption*	Whether the previous interest payment / redemption has been made or not	Next Due date for payment of interest**	Amount of interest payable ¹ (₹ in lakhs)	Next due date for payment of principal**	Redemption Amount (₹ in lakhs)
(1)	IFIN – 2011 Series I	INE121H08016	December 28, 2018	Unpaid	December 30, 2019	2,066	December 28, 2021	20,000.00
(2)	IFIN – 2011 Series II	INE121H08024	March 22, 2019	Unpaid	March 23, 2020	2,066	March 22, 2022	20,000.00
(3)	IFIN – 2012 Series I	INE121H08032	June 29, 2019	Unpaid	June 29, 2020	2,030	June 29, 2022	20,000.00
(4)	IFIN – 2012 Series IV	INE121H07885	September 28, 2019	Unpaid	September 30, 2020	480	September 28, 2022	5000.00
(5)	IFIN – 2012 Series V	INE121H08057	November 27, 2018	Unpaid	November 27, 2019	952	November 27, 2022	10,000.00
(6)	IFIN – 2012 Series VII	INE121H08065	February 28, 2019	Unpaid	February 28, 2020	952	February 28, 2023	10,000.00
(7)	IFIN – 2013 Series I	INE121H07935	September 17, 2018	Unpaid	NA	-	NA	17,500.00
(8)	IFIN – 2013 Series VI	INE121H07992	January 28, 2019	Unpaid	NA	-	NA	10,750
(9)	IFIN – 2014 Series I	INE121H07AB6	July 03, 2019	Unpaid	NA	-	July 03, 2019	25,300.00
		INE121H07AC4	July 03, 2019	Unpaid	July 03, 2020	447	July 03, 2024	4,700.00

Sr No	Name of the series under which NCDs are held	ISIN No	Previous due date for payment of interest / redemption*	Whether the previous interest payment / redemption has been made or not	Next Due date for payment of interest**	Amount of interest payable (₹ in lakhs)	Next due date for payment of principal**	Redemption Amount (₹ in lakhs)
(10)	IFIN – 2014 Series II	INE121H07AD2	August 28, 2019	Unpaid	NA	-	August 28, 2019	3,725
		INE121H07AE0	August 28, 2019	Unpaid	August 28, 2020	057	August 28, 2024	600.00
(11)	IFIN – 2014 Series III	INE121H07AH3	September 18, 2019	Unpaid	NA	-	September 18, 2019	20,000.00
(12)	IFIN – 2015 Series I	INE121H07AI1	September 30, 2018	Unpaid	NA	-	NA	15,000.00
(13)	IFIN – 2016 Series I	INE121H08073	January 29, 2019	Unpaid	January 27, 2020	309	January 27, 2026	3,500.00
(14)	IFIN – 2016 Series II	INE121H07AL5	March 21, 2019	Unpaid	NA	-	NA	3,700.00
		INE121H07AM3	March 21, 2019	Unpaid	March 21, 2020	160	March 21, 2021	1,800.00
(15)	IFIN – 2016 Series III	INE121H08081	March 22, 2019	Unpaid	March 23, 2020	589	March 22, 2026	6,500.00
(16)	IFIN – 2016 Series IV	INE121H07AN1	NA	NA	May 15, 2019	-	May 15, 2019	5,000
(17)	IFIN – 2016 Series V	INE121H07AO9	March 28, 2019	Unpaid	NA	-	NA	2,500.00
		INE121H07AP6	March 28, 2019	Unpaid	March 30, 2020	805	March 28, 2021	9,000.00
		INE121H07AQ4	March 28, 2019	Unpaid	March 30, 2020	519	March 28, 2023	5,800.00
		INE121H07AR2	March 28, 2019	Unpaid	March 30, 2020	454	March 28, 2026	5,100.00

Sr No	Name of the series under which NCDs are held	ISIN No	Previous due date for payment of interest / redemption*	Whether the previous interest payment / redemption has been made or not	Next Due date for payment of interest**	Amount of interest payable (₹ in lakhs)	Next due date for payment of principal**	Redemption Amount (₹ in lakhs)
(18)	IFIN – 2016 Series VI	INE121H07AS0	April 1, 2019	Unpaid	March 31, 2020	044	March 31, 2021	500.00
		INE121H07AT8	April 1, 2019	Unpaid	March 31, 2020	618	March 31, 2026	7,000.00
(19)	IFIN – 2017 Series I	INE121H07AV4	December 03, 2018	Unpaid	NA	-	NA	1,500.00
		INE121H07AW2	June 3, 2019	Unpaid	NA	-	June 03, 2019	1,500.00
		INE121H07AX0	June 3, 2019	Unpaid	June 03, 2020	481	June 03, 2021	5,500.00
(20)	IFIN – 2017 Series II	INE121H07BA6	June 11, 2019	Unpaid	June 10, 2020	436	June 09, 2021	5,000.00
(21)	IFIN – 2017 Series III	INE121H07BC2	June 14, 2019	Unpaid	NA	-	June 14, 2019	500.00
		INE121H07BD0	June 14, 2019	Unpaid	June 14, 2020	254	June 14, 2021	2,900.00
		INE121H07BE8	June 14, 2019	Unpaid	June 14, 2020	096	June 14, 2023	1,100.00
(22)	IFIN – 2017 Series IV	INE121H07BF5	June 21, 2019	Unpaid	June 21, 2020	878	June 21, 2021	10,000.00
		INE121H07BG3	June 21, 2019	Unpaid	June 21, 2020	264	June 21, 2023	3,000.00
(23)	IFIN – 2017 Series V	INE121H07BH1	June 27, 2018	Paid # (Zero Coupon)	NA	NA	NA	8,889
(24)	IFIN – 2017 Series VI	INE121H07BI9	June 28, 2019	Unpaid	June 28, 2020	220	June 28, 2021	2,500.00
(25)	IFIN – 2017 Series VII	INE121H07BK5	July 18, 2019	Unpaid	July 18, 2020	649	July 18, 2021	7,500.00

Sr No	Name of the series under which NCDs are held	ISIN No	Previous due date for payment of interest / redemption*	Whether the previous interest payment / redemption has been made or not	Next Due date for payment of interest**	Amount of interest payable (₹ in lakhs)	Next due date for payment of principal**	Redemption Amount (₹ in lakhs)
(26)	IFIN – 2017 Series VIII	INE121H07BL3	August 1, 2019	Unpaid	August 1, 2020	219	August 1, 2021	2,500.00
		INE121H07BM1	August 1, 2019	Unpaid	August 1, 2020	890	August 1, 2026	10,000.00
(27)	IFIN – 2017 Series IX	INE121H07BN9	August 6, 2019	Unpaid	August 5, 2020	858	August 5, 2021	10,000.00
(28)	IFIN – 2017 Series X	INE121H07BO7	August 8, 2019	Unpaid	NA	215	November 8, 2019	10,000.00
(29)	IFIN – 2017 Series XI	INE121H07BP4	August 16, 2019	Unpaid	August 16, 2020	525	August 16, 2026	6,000.00
(30)	IFIN – 2017 Series XII	INE121H07BQ2	September 12, 2019	Unpaid	September 12, 2020	851	September 12, 2026	10,000.00
(31)	IFIN – 2017 Series XIII	INE121H08099	September 29, 2019	Unpaid	September 30, 2020	871	September 29, 2026	10,000.00
(32)	IFIN – 2017 Series XIV	INE121H07BR0	September 28, 2019	Unpaid	September 30, 2020	826	September 28, 2021	10,000.00
(33)	IFIN – 2017 Series XV	INE121H07BS8	September 30, 2019	Unpaid	September 30, 2020	298	September 30, 2026	3,500.00
(34)	IFIN – 2017 Series XVI	INE121H08107	December 6, 2018	Unpaid	December 6, 2019	1,294	June 6, 2021 & June 6, 2022	15,000.00
		INE121H08115	December 6, 2018	Unpaid	December 6, 2019	2,588	December 6, 2021,	30,000.00
		INE121H08123	December 6, 2018	Unpaid	December 6, 2019	866	December 6, 2023	10,000.00
		INE121H08131	December 6, 2018	Unpaid	December 6, 2019	433	December 6, 2026	5,000.00
(35)	IFIN – 2017 Series XVII	INE121H07BT6	February 20, 2019	Unpaid	February 20, 2020	424	February 20, 2027	5,000.00
(36)	IFIN – 2018 Series I	INE121H07BU4	April 5, 2019	Unpaid	April 5, 2020	823	April 5, 2027	10,000.00

Sr No	Name of the series under which NCDs are held	ISIN No	Previous due date for payment of interest / redemption*	Whether the previous interest payment / redemption has been made or not	Next Due date for payment of interest**	Amount of interest payable (₹ in lakhs)	Next due date for payment of principal**	Redemption Amount (₹ in lakhs)
(37)	IFIN – 2018 Series II	INE121H07BV2	June 22, 2019	Unpaid	June 24, 2020	804	June 22, 2024	10,000.00
(38)	IFIN – 2018 Series III	INE121H07BW0	July 25, 2019	Unpaid	July 25, 2020	400	July 25, 2022	5,000.00
(39)	IFIN – 2018 Series IV	INE121H07BX8	August 1, 2019	Unpaid	August 1, 2020	310	August 1, 2022	4,000.00
(40)	IFIN – 2018 Series V	INE121H07BZ3	September 1, 2019	Unpaid	September 3, 2020	779	September 1, 2022	10,000.00
(41)	IFIN – 2018 Series VI	INE121H07BY6	September 1, 2019	Unpaid	September 3, 2020	667	September 1, 2024	8,500.00
(42)	IFIN – 2018 Series VII	INE121H08149	December 29, 2018	Unpaid	December 30, 2019	880	Perpetual	10,000.00
(43)	IFIN – 2018 Series VIII	INE121H08156	March 22, 2019	Unpaid	March 23, 2020	902	Perpetual	10,000.00
(44)	IFIN – 2018 Series IX	INE121H07CA4	March 28, 2019	Unpaid	March 30, 2020	1,760	March 28, 2023	20,000.00
(45)	IFIN – 2019 Series I	INE121H07CB2	April 16, 2019	-	April 16, 2020	870	April 16, 2025	10,000.00
(46)	IFIN – 2019 Series II	INE121H08164	April 23, 2019	-	April 23, 2020	890	April 23, 2028	10,000.00
(47)	IFIN – 2019 Series III	INE121H07CC0	May 3, 2019	-	May 3, 2020	870	May 3, 2025	10,000.00
(48)	IFIN – 2019 Series IV	INE121H07CD8	July 4, 2019	-	July 4, 2020	465	July 4, 2023	5,000.00

* Payment convention with respect to previous Interest Payment dates / Redemption dates, as per the respective Issue Memorandum and the applicable regulations from time to time, has been followed

** Payment convention with respect to next Interest Payment dates / Redemption dates, as per the respective Issue Memorandum and the applicable regulations from time to time, would be followed

¹ The interest amount may vary based on tax implications, if any at the time of payment

ANNEXURE B

Sr No	Name of the series	ISIN No	Previous due date for payment of dividend	Whether the previous dividend payment has been paid or not	Next Due date for payment of dividend and amount	Next due date for payment of principal	Redemption Amount (₹ in crs)
(1)	NCRCPS 2016 Series	INE121H04015	July 31, 2019	Unpaid	July 31, 2020	March 30, 2021	249.99*

* The aforesaid redemption amount excludes any Dividend accrued but not paid on any previous Dividend Payment Date(s), Dividend accrued up to the Redemption Date, Additional Dividend as applicable for Category-II Investors and penal dividend as per clauses titled “Delay/ Default in payment of Dividend Amount” and “Delay/ default in payment of Redemption Amount