

**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 ended June 30, 2023 ("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 has not been 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, and 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN: 23039826BGXSBF6843

Place: Mumbai
Date: August 2, 2023

INDOSTAR CAPITAL FINANCE LIMITED

Regd Office: Unit No 505, 5th Floor, Wing 2/E, Corporate Avenue, Andheri Ghatkopar Link Road, Andheri East, Mumbai - 400099, India
CIN: L65100MH2009PLC268160 Website: www.indostarcapital.com E: investor.relations@indostarcapital.com Tel: +91 22 43157000

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations				
	Interest income	22,286	21,625	23,449	88,947
	Fees and commission income	1,232	1,151	1,062	4,707
	Net gain on fair value changes	603	820	450	2,511
	Net gain on derecognition of financial instruments measured at amortised cost category	-	-	886	723
	Total revenue from operations	24,121	23,596	25,847	96,888
	(b) Other income	10	388	17	437
	Total income (a+b)	24,131	23,984	25,864	97,325
2	Expenses				
	(a) Finance costs	13,313	13,427	13,240	51,802
	(b) Impairment on financial instruments	(1,280)	(123)	(330)	(4,013)
	(c) Employee benefits expenses (refer note 5)	4,913	(661)	4,573	13,256
	(d) Depreciation and amortisation expense	666	825	933	3,634
	(e) Other expenses	3,428	3,208	2,956	13,919
	Total expenses (a+b+c+d+e)	21,040	16,676	21,372	78,598
3	Profit/(loss) before tax (1-2)	3,091	7,308	4,492	18,727
4	Tax expenses				
	Current tax	-	-	-	-
	Deferred tax	-	-	-	-
	Tax expenses	-	-	-	-
5	Profit/(loss) after tax (3-4)	3,091	7,308	4,492	18,727
6	Other comprehensive income, net of tax				
	(a) Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans	(40)	4	31	89
	(b) Items that will be reclassified to profit or loss				
	- Debt instruments through other comprehensive income	11	(13)	-	(12)
	Total other comprehensive income (a+b)	(29)	(9)	31	77
7	Total comprehensive income (5+6)	3,062	7,299	4,523	18,804
8	Paid up equity share capital (Face value of Rs. 10)	13,608	13,608	13,608	13,608
9	Other equity				2,88,647
10	Earnings per share (* not annualised)				
	Basic (Rs.)	*2.27	*5.37	*3.30	13.76
	Diluted (Rs.)	*2.27	*5.37	*3.30	13.76



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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2023

Notes

- The unaudited standalone financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter ended 30 June 2023 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 2 August 2023. The unaudited financial results have been subjected to limited review by the Statutory Auditor of the Company.
- The Company has provided segmental information as per Ind AS 108 - Operating Segments in the consolidated financial results.
- The Secured Listed Non-Convertible Debentures of the Company as on 30 June 2023 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 secured listed non-convertible debentures has been maintained as per the terms and conditions stated in the respective offer documents.
- Disclosure pursuant to RBI Notification - RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021, as amended, on "Transfer of Loan Exposures" are given below:

(a) Details of stressed loans transferred during the quarter ended 30 June 2023 : Nil

(b) Details of stressed loans acquired during the quarter ended 30 June 2023:

Description	(Rs. in Lakhs)	
	From lenders listed in Clause 3	
	NPA	SMA
Aggregate principal outstanding of loans acquired	-	741.82
Aggregate consideration paid	-	741.82
Weighted average residual tenor of the loans acquired (in month)	-	30

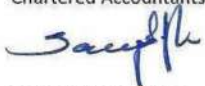
(c) Details of loans not in default that are transferred through assignment during the quarter ended 30 June 2023: Nil

(d) Details of loans not in default that are acquired during the quarter ended 30 June 2023:

Description	Quarter ended 30 June 2023
(i) No. of accounts	482
(ii) Aggregate value of accounts acquired Rs. in Lakhs	1,537
(iii) Weighted average maturity (months)	30
(iv) Weighted average holding period (months)	NA
(v) Retention of beneficial economic interest (in %)	90%
(vi) Coverage of tangible security (in %)	100%
(vii) Rating-wise distribution of rated loans	NA

- During the quarter ended 31 March 2023, certain employees to whom stock options issued in accordance with ESOP plan disassociated from the Company. Accordingly, unvested and vested but not exercised options granted to these employees were cancelled. Employee cost includes effect of reversal of such cost of unvested options aggregating to Rs. 5,054.50 lakh for the quarter ended 31 March 2023 and Rs 4,421.94 lakh for the year ended 31 March 2023.
- The figures for the last quarter 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 financial years.
- Figures for the previous periods / year have been regrouped, and / or reclassified wherever considered necessary to make them comparable to the current periods / year presentation.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Sanjiv V. Pilgaonkar
Partner



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


Karthikeyan Srinivasan
Chief Executive Officer
DIN: 10056556



Place: Mumbai
Date: 2 August 2023

ANNEXURE III



Disclosure in terms of Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, based on standalone financials results for the quarter ended 30 June 2023:

Sr. No.	Particulars	Quarter ended
		30 June 2023 (Unaudited)
1	Debt-equity ratio ¹	1.59
2	Debt service coverage ratio ²	Not Applicable
3	Interest service coverage ratio ²	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil
5	Capital redemption reserve (INR in lakhs)	Nil
	Debenture redemption reserve (INR in lakhs) ³	Not Applicable
6	Net worth (INR in lakhs) ⁴	3,03,408
7	Net profit/(loss) after tax (INR in lakhs)	3,091
8	Earnings per equity share (* not annualised):	
	(a) Basic (INR)	*2.27
	(b) Diluted (INR)	*2.27
9	Current ratio ²	Not Applicable
10	Long term debt to working capital ²	Not Applicable
11	Bad debts to Account receivable ratio ²	Not Applicable
12	Current liability ratio ²	Not Applicable
13	Total debts to total assets ⁵	0.60
14	Debtors turnover ²	Not Applicable
15	Inventory turnover ²	Not Applicable
16	Operating margin ²	Not Applicable
17	Net profit margin ⁶	12.8%
18	Sector specific equivalent ratios:	
	(a) Gross Stage 3	7.9%
	(b) Net Stage 3	3.7%
	(c) Capital to risk-weighted assets ratio ⁷	34.4%

Notes:

- 1 Debt-equity ratio = (Debt securities + Borrowings (other than debt securities)) / Net worth.
- 2 The Company is a Non-Banking Financial Company registered under the Reserve Bank of India Act, 1934 hence these ratios are generally not applicable.
- 3 As per Rule 18(7)(b)(iii) of Companies (Share Capital and Debenture) Rules, 2014 of the Companies Act, 2013, the requirement for creating Debenture Redemption Reserve is not applicable to the Company being a listed Non-Banking Financial Company registered with the Reserve Bank of India and issuing Debentures on Private Placement basis.
- 4 Net worth is calculated as defined in section 2(57) of Companies Act, 2013.
- 5 Total debts to total assets = (Debt securities+ Borrowings (other than debt securities)) / total assets.
- 6 Net profit margin= Net profit after tax / total income.
- 7 Capital to risk-weighted assets ratio is calculated as per the RBI guidelines.

Yours faithfully,

For IndoStar Capital Finance Limited

Shikha Jain
Company Secretary
(Membership No. A59686)

