

**Independent Auditor's Review Report on unaudited consolidated financial results for the quarter and half year ended of IndoStar Capital Finance Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To The Board of Directors of IndoStar Capital Finance Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of IndoStar Capital Finance Limited ('the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') for the quarter and half year ended September 30, 2023 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. 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 Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons 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 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. This Statement includes the results of the Holding Company and the following entities:

Sr. No	Name of the Entity	Relationship with the Holding Company
1.	IndoStar Home Finance Limited	Subsidiary
2.	IndoStar Asset Advisory Private Limited	Subsidiary



5. Based on our review conducted and procedures performed 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 Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of IndoStar Home Finance Limited included in the Statement, whose interim financial results reflect total assets of Rs. 1,67,730 lakhs (before consolidation adjustments) as at September 30, 2023 and total revenue of Rs. 7,904 lakhs (before consolidation adjustments) and Rs. 13,831 lakhs (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively, total net profit after tax of Rs. 1,419 lakhs (before consolidation adjustments) and Rs. 2,218 lakhs (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively, and total comprehensive income of Rs. 1,421 lakhs (before consolidation adjustments) and Rs. 2,213 lakhs (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively and cash flows (net) of Rs. 120 lakhs (before consolidation adjustments) for the half year ended September 30, 2023, as considered in the Statement. These interim financial results has been reviewed by other auditor(s) whose reports have 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(s) and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of the above matter.

7. The Statement includes the interim financial statements / information of IndoStar Asset Advisory Private Limited which have not been reviewed by their auditors, whose interim financial statements / information reflect total assets of Rs. 472 lakhs (before consolidation adjustments) as at September 30, 2023 and total revenue of Rs. 5 lakhs (before consolidation adjustments) and Rs. 9 lakhs (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively and total net profit after tax of Rs. 5 lakhs (before consolidation adjustments) and Rs. 9 lakhs (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively, and total comprehensive income of Rs. 5 lakhs (before consolidation adjustments) and Rs. 9 lakhs (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively, and cash flows (net) of Rs. 4 lakhs (before consolidation adjustments) for the half year ended September 30, 2023, as considered in the Statement. According to the information and explanations given to us by the Management, this interim financial statements / information are not material to the Group.

Our conclusion is not modified in respect of the above matter.



# MSKA & Associates

Chartered Accountants

8.

- a. The Statement for the quarter and half year ended September 30, 2022 were reviewed by previous statutory auditor whose report dated November 8, 2022 expressed a modified conclusion;
- b. The annual financial results for the year ended March 31, 2023 were audited by previous statutory auditor whose report dated May 25, 2023 expressed a modified opinion;
- c. The Statement for the quarter ended June 30, 2023, was reviewed by previous statutory auditor whose report dated August 02, 2023 expressed an unmodified conclusion.

Our conclusion is not modified in respect of the above matters.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.105047W

*Tushar Kurani*

Tushar Kurani  
Membership No.: 118580



UDIN: 23128580BGXRUK1452

Mumbai  
October 27, 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 CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	(a) Revenue from operations						
	Interest income	27,324	27,227	26,089	54,551	53,789	1,05,841
	Fees and commission income	1,375	1,505	1,435	2,880	2,689	5,417
	Net gain on fair value changes	638	714	706	1,352	1,221	2,795
	Net gain on derecognition of financial instruments measured at amortised cost category	1,990	463	1,178	2,453	3,091	3,381
	<b>Total revenue from operations</b>	<b>31,327</b>	<b>29,909</b>	<b>29,408</b>	<b>61,236</b>	<b>60,790</b>	<b>1,17,434</b>
	(b) Other income	12	28	43	40	82	531
	<b>Total income (a+b)</b>	<b>31,339</b>	<b>29,937</b>	<b>29,451</b>	<b>61,276</b>	<b>60,872</b>	<b>1,17,965</b>
2	<b>Expenses</b>						
	(a) Finance costs	16,515	15,438	14,637	31,953	29,443	58,026
	(b) Impairment on financial instruments	5	(1,190)	(2,016)	(1,185)	(2,249)	(4,036)
	(c) Employee benefits expenses (refer note 7)	6,508	6,350	5,809	12,858	11,293	17,781
	(d) Depreciation and amortisation expense	770	787	1,024	1,557	2,015	3,956
	(e) Other expenses	4,572	4,388	4,368	8,960	8,098	18,375
	<b>Total expenses (a+b+c+d+e)</b>	<b>28,370</b>	<b>25,773</b>	<b>23,822</b>	<b>54,143</b>	<b>48,600</b>	<b>94,102</b>
3	<b>Profit/(loss) before tax (1-2)</b>	<b>2,969</b>	<b>4,164</b>	<b>5,629</b>	<b>7,133</b>	<b>12,272</b>	<b>23,863</b>
4	<b>Tax expenses</b>						
	Current tax	266	221	139	487	537	853
	Tax of earlier years	-	-	-	-	-	(1)
	Deferred tax	226	50	330	276	482	496
	<b>Total tax expenses</b>	<b>492</b>	<b>271</b>	<b>469</b>	<b>763</b>	<b>1,019</b>	<b>1,348</b>
5	<b>Profit/(loss) after tax (3-4)</b>	<b>2,477</b>	<b>3,893</b>	<b>5,160</b>	<b>6,370</b>	<b>11,253</b>	<b>22,515</b>
6	<b>Other comprehensive income, net of tax</b>						
	(a) Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans	5	(47)	39	(42)	72	98
	(b) Items that will be reclassified to profit or loss						
	- Debt instruments through other comprehensive income	-	11	-	11	-	(12)
	<b>Total other comprehensive income, net of tax (a+b)</b>	<b>5</b>	<b>(36)</b>	<b>39</b>	<b>(31)</b>	<b>72</b>	<b>86</b>
7	<b>Total comprehensive Income (5+6)</b>	<b>2,482</b>	<b>3,857</b>	<b>5,199</b>	<b>6,339</b>	<b>11,325</b>	<b>22,601</b>
8	<b>Paid up equity share capital (Face value of Rs. 10)</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>
9	<b>Other equity</b>						<b>2,97,551</b>
10	<b>Earnings per share (*)</b>						
	Basic (Rs.)	*1.82	*2.86	*3.77	*4.68	*8.27	16.55
	Diluted (Rs.)	*1.82	*2.86	*3.77	*4.68	*8.27	16.55

(\*) not annualised



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**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023**

Notes

1 Statement of Assets and Liabilities:

(Rs. in Lakhs)

Particulars	As at	
	30 September 2023	31 March 2023
	(Unaudited)	(Audited)
<b>I. ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents		
Bank balances other than cash and cash equivalents	12,634	17,974
Loans	24,611	23,604
Investments	6,62,849	6,51,567
Other financial assets	93,057	1,03,935
	32,844	35,156
<b>Non-financial assets</b>		
Current tax assets (net)		
Deferred tax assets (net)	7,204	5,608
Property, plant and equipment	31,644	31,644
Assets acquired in satisfaction of claim	5,018	5,353
Goodwill	1,300	1,300
Intangible assets	30,019	30,019
Other non-financial assets	1,837	2,352
	4,984	3,707
<b>TOTAL ASSETS</b>	<b>9,08,001</b>	<b>9,12,219</b>

(Rs. in Lakhs)

Particulars	As at	
	30 September 2023	31 March 2023
	(Unaudited)	(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	1	11
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6	783
Debt securities	2,57,930	1,10,887
Borrowings (other than debt securities)	3,07,212	4,53,918
Other financial liabilities	23,116	33,215
<b>Non-financial liabilities</b>		
Provisions		
Deferred tax liabilities (net)	619	556
Other non-financial liabilities	854	580
<b>Equity</b>	599	1,110
Equity share capital		
Other equity	13,608	13,608
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,08,001</b>	<b>9,12,219</b>



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**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023**

**2 Statement of Cash Flows:**

*(Rs. in Lakhs)*

Particulars	For the half year ended	
	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
<b>Cash Flow from Operating Activities</b>		
Profit / (loss) before tax	7,133	12,272
<b>Adjustments for :</b>		
Interest income on financial assets		
Finance costs	(54,551)	(53,789)
Depreciation and amortisation expense	31,953	29,443
Loss on sale of property plant and equipment	1,557	2,015
Impairment on financial instruments	(6)	17
Provision for employee benefits	(1,185)	(2,249)
Employee share based payment expense	121	148
Net gain on fair value changes	166	792
Gain on derecognition of financial instruments measured at amortised cost category	(1,353)	(1,221)
	(2,453)	(3,091)
	<b>(18,618)</b>	<b>(15,663)</b>
Interest income realised on financial assets	56,175	60,552
Finance costs paid	(38,099)	(34,949)
<b>Cash (used in)/generated from operating activities before working capital changes</b>	<b>(542)</b>	<b>9,940</b>
<b>Adjustments:</b>		
(Increase)/Decrease in loans and advances	(80,117)	1,19,669
(Increase)/Decrease in other financial assets	4,766	(23,520)
(Increase)/Decrease in other non-financial assets	(1,277)	(689)
Increase/(Decrease) in trade payable	(788)	485
Increase/(Decrease) in other financial liabilities	(9,642)	(13,948)
Increase/(Decrease) in other non-financial liabilities	(511)	(175)
<b>Cash (used in)/generated from operating activities</b>	<b>(88,111)</b>	<b>91,762</b>
Taxes (paid) / refund	(2,083)	(2,526)
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(90,194)</b>	<b>89,236</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(270)	(275)
Sale of property, plant and equipment	6	4
Purchase of intangible assets	(86)	(346)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(1,007)	10,771
(Acquisition)/redemption of investments measured at FVTPL (net)	72,113	(15,203)
(Acquisition)/redemption of investments measured at amortised cost (net)	7,706	2,347
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>78,462</b>	<b>(2,702)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from bank borrowings	61,458	2,02,198
Repayments towards bank borrowings	(2,09,021)	(1,18,934)
Proceeds from issuance of Non-Convertible Debentures	1,58,500	-
Repayments towards Non-Convertible Debentures	(22,590)	(1,17,000)
Proceeds from Commercial Papers	18,500	35,000
Repayment of Commercial Papers	-	(60,500)
Payment of lease liabilities	(455)	(767)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>6,392</b>	<b>(60,003)</b>
<b>Net (decrease)/Increase in cash and cash equivalents (A) + (B) + (C)</b>	<b>(5,340)</b>	<b>26,531</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>17,974</b>	<b>8,027</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>12,634</b>	<b>34,558</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash on hand	366	300
Balances with banks		
- in current accounts	9,364	21,743
Deposits with original maturity of less than 3 months	2,904	12,515
<b>Total</b>	<b>12,634</b>	<b>34,558</b>



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**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023**

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

Sr. no.	Particulars	Quarter ended			Half Year ended		(Rs. in Lakhs)
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	Year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31 March 2023
	<b>Gross segment revenue from continuing operations</b>						
(a)	Large corporate	1,549	4,320	4,609	5,869	9,001	17,685
(b)	SME	3,043	3,084	3,874	6,127	9,760	17,316
(c)	Commercial vehicles	17,073	15,022	14,197	32,095	28,865	56,312
(d)	Housing finance	7,908	5,944	5,714	13,852	11,269	20,924
(e)	Unallocated	1,766	1,567	1,057	3,333	1,977	5,728
	<b>Segment revenue from continuing operations</b>	<b>31,339</b>	<b>29,937</b>	<b>29,451</b>	<b>61,276</b>	<b>60,872</b>	<b>1,17,965</b>
	<b>Segment results</b>						
(a)	Large corporate	(9,675)	2,079	279	(7,596)	3,977	5,746
(b)	SME	3,429	1,568	214	4,997	3,766	4,233
(c)	Commercial vehicles	8,798	3,133	6,688	11,931	7,668	16,197
(d)	Housing finance	1,913	1,068	1,811	2,981	3,960	5,123
(e)	Unallocated	(1,496)	(3,684)	(3,363)	(5,180)	(7,099)	(7,436)
	<b>Profit/(loss) before tax</b>	<b>2,969</b>	<b>4,164</b>	<b>5,629</b>	<b>7,133</b>	<b>12,272</b>	<b>23,863</b>
	<b>Segment assets</b>						
(a)	Large corporate	95,583	1,07,586	1,15,965	95,583	1,15,965	1,08,709
(b)	SME	83,861	92,476	1,23,148	83,861	1,23,148	1,01,804
(c)	Commercial vehicles	4,68,794	4,14,249	3,71,142	4,68,794	3,71,142	3,87,379
(d)	Housing finance	1,67,730	1,61,823	1,31,509	1,67,730	1,31,509	1,45,427
(e)	Unallocated	92,033	1,49,737	1,57,735	92,033	1,57,735	1,68,900
	<b>Total assets</b>	<b>9,08,001</b>	<b>9,25,871</b>	<b>8,99,499</b>	<b>9,08,001</b>	<b>8,99,499</b>	<b>9,12,219</b>
	<b>Segment liabilities</b>						
(a)	Large corporate	60,566	63,982	64,810	60,566	64,810	62,953
(b)	SME	55,429	61,133	78,701	55,429	78,701	66,821
(c)	Commercial vehicles	3,08,111	2,87,735	2,80,924	3,08,111	2,80,924	2,78,394
(d)	Housing finance	1,11,812	1,07,328	78,638	1,11,812	78,638	91,714
(e)	Unallocated	54,419	90,590	91,401	54,419	91,401	1,01,178
	<b>Total liabilities</b>	<b>5,90,337</b>	<b>6,10,768</b>	<b>5,94,474</b>	<b>5,90,337</b>	<b>5,94,474</b>	<b>6,01,060</b>

4 The Group reports quarterly financial results on consolidated basis, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI circular dated 5 July 2016. The standalone financial results are available on the website of the Company at www.indostarcapital.com and on the website 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 standalone financial results of the Company are given below:

Particulars	Quarter ended			Half Year ended		(Rs. in Lakhs)
	30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	Year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31 March 2023
Revenue from operations (including other income)	23,427	24,131	23,735	47,558	49,599	97,325
Profit/(loss) before tax	1,051	3,091	3,817	4,142	8,309	18,727
Profit/(loss) after tax	1,051	3,091	3,817	4,142	8,309	18,727
<b>Total Comprehensive income</b>	<b>1,055</b>	<b>3,062</b>	<b>3,854</b>	<b>4,117</b>	<b>8,377</b>	<b>18,804</b>

- The unaudited consolidated financial results of IndoStar Capital Finance Limited ("the Company") and its subsidiaries (together referred to as "the Group") for the quarter and half year ended 30 September 2023 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 27 October 2023. The unaudited consolidated financial results for the quarter and half year ended 30 September 2023 have been subjected to limited review by the Statutory Auditor of the Company.
- The Secured Listed Non-Convertible Debentures of the Company as on 30 September 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.
- During the previous year 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 4,421.94 lakh for the year ended 31 March 2023.
- The figures for the quarter ended June 30, 2023 quarter and half year ended September 30, 2022 and year ended March 31, 2023 were reviewed / audited by previous Statutory Auditors.
- The figures for the quarter ended September 30, 2023 are the balancing figures between unaudited figures for the six months ended September 30, 2023 and unaudited figures for the quarter ended June 30, 2023.
- All amounts disclosed in financial results have been rounded off to the nearest lakhs.
- 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.

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

*Karthikeyan Srinivasan*

Karthikeyan Srinivasan  
Chief Executive Officer  
DIN: 10056556

Place: Mumbai  
Date: 27 October 2023

