

Independent Auditor's Review Report on unaudited Standalone financial results for the quarter and half year ended of IndoStar Capital Finance Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) 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 standalone financial results of IndoStar Capital Finance Limited ('the Company') for the quarter and half year ended September 30, 2023 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) 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 Company's Management and has been approved by the 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.
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 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.



# MSKA & Associates

Chartered Accountants

- 5.
- 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;
  - 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;
  - 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: 23118580B6XRUJ4294

Mumbai  
October 27, 2023



INDOSTAR CAPITAL FINANCE LIMITED

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

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
1	<b>Income</b>						
	(a) Revenue from operations						
	Interest income						
	Fees and commission income	21,742	22,286	21,760	44,028	45,209	88,947
	Net gain on fair value changes	1,101	1,232	1,306	2,333	2,368	4,707
	Net gain on derecognition of financial instruments measured at amortised cost category	575	603	659	1,178	1,109	2,511
		-	-	-	-	886	723
	<b>Total revenue from operations</b>	<b>23,418</b>	<b>24,121</b>	<b>23,725</b>	<b>47,539</b>	<b>49,572</b>	<b>96,888</b>
	(b) Other income	9	10	10	19	27	437
	<b>Total income (a+b)</b>	<b>23,427</b>	<b>24,131</b>	<b>23,735</b>	<b>47,558</b>	<b>49,599</b>	<b>97,325</b>
2	<b>Expenses</b>						
	(a) Finance costs	14,077	13,313	13,065	27,390	26,305	51,802
	(b) Impairment on financial instruments	(108)	(1,280)	(2,186)	(1,388)	(2,516)	(4,013)
	(c) Employee benefits expenses (refer note 7)	4,837	4,913	4,484	9,750	9,057	13,256
	(d) Depreciation and amortisation expense	638	666	935	1,304	1,868	3,634
	(e) Other expenses	2,932	3,428	3,620	6,360	6,576	13,919
	<b>Total expenses (a+b+c+d+e)</b>	<b>22,376</b>	<b>21,040</b>	<b>19,918</b>	<b>43,416</b>	<b>41,290</b>	<b>78,598</b>
3	<b>Profit/(loss) before tax (1-2)</b>	<b>1,051</b>	<b>3,091</b>	<b>3,817</b>	<b>4,142</b>	<b>8,309</b>	<b>18,727</b>
4	<b>Tax expenses</b>						
	Current tax	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-
	<b>Tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5	<b>Profit/(loss) after tax (3-4)</b>	<b>1,051</b>	<b>3,091</b>	<b>3,817</b>	<b>4,142</b>	<b>8,309</b>	<b>18,727</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	4	(40)	37	(36)	68	89
	(b) Items that will be reclassified to profit or loss						
	- Debt instruments through other comprehensive income	-	11	-	11	-	(12)
	<b>Total other comprehensive income (a+b)</b>	<b>4</b>	<b>(29)</b>	<b>37</b>	<b>(25)</b>	<b>68</b>	<b>77</b>
7	<b>Total comprehensive Income (5+6)</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>
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>2,88,647</b>
10	<b>Earnings per share (*)</b>						
	Basic (Rs.)	*0.77	*2.27	*2.81	*3.04	*6.11	13.76
	Diluted (Rs.)	*0.77	*2.27	*2.80	*3.04	*6.10	13.76

(\*) not annualised



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

Notes

**1 Statement of Assets and Liabilities:**

Particulars	(Rs. in Lakhs)	
	As at	
	30 September 2023 (Unaudited)	31 March 2023 (Audited)
<b>I. ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents		
Bank balances other than cash and cash equivalents		
Loans	11,037	16,501
Investments	20,977	20,344
Other financial assets	5,13,637	5,19,562
<b>Non-financial assets</b>	1,32,917	1,45,705
Current tax assets (net)	30,630	33,419
Deferred tax assets (net)		
Property, plant and equipment	6,642	5,376
Assets acquired in satisfaction of claim	31,644	31,644
Goodwill	3,947	4,789
Intangible assets	1,300	1,300
Other non-financial assets	30,019	30,019
<b>TOTAL ASSETS</b>	<b>7,88,569</b>	<b>8,13,327</b>

Particulars	(Rs. in Lakhs)	
	As at	
	30 September 2023 (Unaudited)	31 March 2023 (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		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt securities		
Borrowings (other than debt securities)	8	728
Other financial liabilities	2,54,795	1,10,887
<b>Non-financial liabilities</b>	2,08,966	3,70,421
Provisions	17,230	28,210
Other non-financial liabilities		
<b>Equity</b>	438	466
Equity share capital	534	952
Other equity		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,88,569</b>	<b>8,13,927</b>





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

**2 Statement of Cash Flows:**

Particulars	(Rs. in Lakhs)	
	For the half year ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<b>Cash Flow from Operating Activities</b>		
Profit/(loss) before tax	4,142	8,309
<b>Adjustments for :</b>		
Interest income on financial assets	(44,028)	(45,209)
Finance costs	27,390	26,305
Depreciation and amortisation expense	1,304	1,868
Loss on sale of property plant and equipment	(6)	17
Impairment on financial instruments	(1,388)	(2,516)
Provision for employee benefits	75	122
Employee share based payment expense	175	769
Net gain on fair value changes	(1,178)	(1,109)
Gain on derecognition of financial instruments measured at amortised cost category	-	(886)
Interest income realised on financial assets	<b>(13,514)</b>	<b>(12,330)</b>
Finance costs paid	44,834	51,929
<b>Cash (used in)/generated from operating activities before working capital changes</b>	<b>(33,655)</b>	<b>(28,399)</b>
<b>Adjustments:</b>	<b>(2,335)</b>	<b>11,200</b>
(Increase)/Decrease in loans and advances		
(Increase)/Decrease in other financial assets	(61,892)	1,16,779
(Increase)/Decrease in other non-financial assets	2,789	(22,939)
Increase/(Decrease) in trade payable	(1,045)	(574)
Increase/(Decrease) in other financial liabilities	(727)	480
Increase/(Decrease) in other non-financial liabilities	(10,106)	(15,418)
<b>Cash (used in)/generated from operating activities</b>	<b>(419)</b>	<b>(106)</b>
Taxes (paid) / refund	<b>(73,735)</b>	<b>89,422</b>
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(1,266)</b>	<b>(1,935)</b>
<b>Cash flows from investing activities</b>	<b>(75,001)</b>	<b>87,487</b>
Purchase of property, plant and equipment	(79)	(125)
Sale of property, plant and equipment	6	4
Purchase of intangible assets	(5)	(205)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(634)	11,307
(Acquisition)/redemption of investments measured at FVTPL (net)	73,840	(14,008)
(Acquisition)/redemption of investments measured at amortised cost (net)	7,708	2,347
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>80,836</b>	<b>(680)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from bank borrowings	36,500	1,97,198
Repayments towards bank borrowings	(1,98,861)	(1,10,412)
Proceeds from issuance of Non-Convertible Debentures	1,55,500	-
Repayments towards Non-Convertible Debentures	(22,590)	(1,17,000)
Proceeds from Commercial Papers	18,500	30,000
Repayments towards Commercial Papers	-	(60,500)
Payment of lease liabilities	(348)	(728)
<b>Net cash (used in) financing activities (C)</b>	<b>(11,299)</b>	<b>(61,442)</b>
<b>Net (decrease)/Increase in cash and cash equivalents (A) + (B) + (C)</b>	<b>(5,464)</b>	<b>25,365</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>16,501</b>	<b>7,180</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>11,037</b>	<b>32,545</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash on hand		
Balances with banks	357	300
- in current accounts		
Deposits with original maturity of less than three months	8,176	20,130
<b>Total</b>	<b>2,504</b>	<b>12,115</b>
	<b>11,037</b>	<b>32,545</b>





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

- 3 The unaudited financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") 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 Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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 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.
- 4 The Company has provided segmental information as per Ind AS 108 - Operating Segments in the consolidated financial results.
- 5 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.
- 6 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 September 2023 :

Description	(Rs. in Lakhs)	
	To Asset Reconstruction Companies (ARC)	
	NPA	SMA
Number of accounts		8
Aggregate principal outstanding of loans transferred	-	91,725
Weighted average residual tenor of the loans transferred (in month)	-	27
Net book value of loans transferred (at the time of transfer)	-	77,781
Aggregate consideration	-	79,000
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Recovery rating	-	Unrated

- (b) Details of stressed loans acquired during the half year ended 30 September 2023:

Description	(Rs. in Lakhs)	
	From Bank	
	NPA	SMA
Aggregate principal outstanding of loans acquired	-	2,287
Aggregate consideration paid	-	2,287
Weighted average residual tenor of the loans acquired (in months)	-	30

- (c) Details of loans not in default that are transferred through assignment during the quarter ended 30 September 2023: Nil
- (d) Details of loans not in default that are acquired during the quarter and half year ended 30 September 2023:

Description	Quarter ended		Half Year ended	
	30 September 2023		30 September 2023	
(i) No. of accounts				
(ii) Aggregate value of accounts acquired Rs. in Lakhs	6,705		7,187	
(iii) Weighted average maturity (months)	5,238		6,775	
(iv) Weighted average holding period (months)	40		43	
(v) Retention of beneficial economic interest (in %)	NA		NA	
(vi) Coverage of tangible security (in %)	90%		90%	
(vii) Rating-wise distribution of rated loans	100%		100%	
	NA		NA	

- 7 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.
- 8 Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- 9 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and becomes effective.
- 10 The figures for the quarter ended 30 June 2023, quarter and half year ended 30 September 2022 and year ended 31 March 2023 were reviewed / audited by previous Statutory Auditors.
- 11 The figures for the quarter ended 30 September 2023 are the balancing figures between unaudited figures for the six months ended 30 September 2023 and unaudited figures for the quarter ended 30 June 2023.
- 12 All amounts disclosed in financial results have been rounded off to the nearest lakhs.
- 13 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





**INDOSTAR CAPITAL FINANCE LIMITED**

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**Annexure 1**

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 and half year ended 30 September 2023:

Sr. No.	Particulars	Quarter ended	Half Year ended
		30 September 2023 (Unaudited)	30 September 2023 (Unaudited)
1	Debt-equity ratio <sup>1</sup>	1.52	1.52
2	Debt service coverage ratio <sup>2</sup>	Not Applicable	Not Applicable
3	Interest service coverage ratio <sup>2</sup>	Not Applicable	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Not Applicable	Not Applicable
5	Capital redemption reserve (INR in lakhs)	Nil	Nil
	Debenture redemption reserve (INR in lakhs) <sup>3</sup>	Nil	Nil
6	Net worth (INR in lakhs) <sup>4</sup>	Not Applicable	Not Applicable
7	Net profit/(loss) after tax (INR in lakhs)	3,05,159	3,05,159
8	Earnings per equity share (* not annualised):	1,051	4,142
	(a) Basic (INR)		
	(b) Diluted (INR)	*0.77	*3.04
9	Current ratio <sup>2</sup>	*0.77	*3.04
10	Long term debt to working capital <sup>2</sup>	Not Applicable	Not Applicable
11	Bad debts to Account receivable ratio <sup>2</sup>	Not Applicable	Not Applicable
12	Current liability ratio <sup>2</sup>	Not Applicable	Not Applicable
13	Total debts to total assets <sup>5</sup>	Not Applicable	Not Applicable
14	Debtors turnover <sup>2</sup>	0.59	0.59
15	Inventory turnover <sup>2</sup>	Not Applicable	Not Applicable
16	Operating margin <sup>2</sup>	Not Applicable	Not Applicable
17	Net profit margin <sup>6</sup>	Not Applicable	Not Applicable
18	Sector specific equivalent ratios:	4.5%	8.7%
	(a) Gross Stage 3		
	(b) Net Stage 3	8.14%	8.14%
	(c) Capital to risk-weighted assets ratio <sup>7</sup>	4.03%	4.03%
		32.76%	32.76%

**Notes:**

- Debt-equity ratio = (Debt securities + Borrowings (other than debt securities)) / Net worth.
- The Company is a Non-Banking Financial Company registered under the Reserve Bank of India Act, 1934 hence these ratios are generally not applicable.
- 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.
- Net worth is calculated as defined in section 2(57) of Companies Act, 2013.
- Total debts to total assets = (Debt securities+ Borrowings (other than debt securities)) / total assets.
- Net profit margin= Net profit after tax / total income.
- Capital to risk-weighted assets ratio is calculated as per the RBI guidelines.

