

ICFL/LS/0046/2023-24



29 May 2023

BSE Limited

Listing Department, 1st Floor,
P J Towers, Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: 541336

Symbol: INDOSTAR

Sub.: Submission of newspaper clippings of Audited Consolidated Financial Results for the quarter and year ended 31 March 2023.

Ref: Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”)

Dear Sir/ Madam,

Please find enclosed newspaper clippings of the Audited Consolidated Financial Results for the quarter and year ended 31 March 2023, published in the Free Press Journal (English Daily) and Navshakti (Marathi Daily) on 28 May 2023, in accordance with Regulation 47 of Listing Regulations.

Request you to kindly take the above on record and disseminate the same on your website.

Thanking you,

Yours Faithfully,

For IndoStar Capital Finance Limited

Shikha Jain

Company Secretary & Compliance Officer
(Membership No. A59686)

Encl: a/a

IndoStar Capital Finance Limited

Registered Office: Unit No. 505, 5th Floor, Wing 2/E, Corporate Avenue, Andheri - Ghatkopar Link Road, Chakala, Andheri (East), Mumbai – 400093, India. | T +91 22 4315 7000 | F +91 022 4315 7010 | contact@indostarcapital.com | www.indostarcapital.com

CIN: L65100MH2009PLC268160

IndoStar Capital Finance Limited

Regd Office: Unit No 505, 5th Floor, Wing 2/E, Corporate Avenue, Andheri Ghatkopar Link Road,
Andheri East, Mumbai - 400093, India, Tel: +91 22 43157000
CIN: L65100MH2009PLC268160 Website: www.indostarcapital.com E-mail: investorrelations@indostarcapital.com

EXTRACT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(INR in Lakhs)

Sr. No.	Particulars	Quarter Ended		Year Ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		Unaudited	Unaudited	Audited	Audited
1	Revenue from operations (including other income)	28,922	34,096	1,17,965	1,17,429
2	Profit/(loss) before tax	7,730	(91,972)	23,863	(89,636)
3	Profit/(loss) after tax	7,596	(75,366)	22,515	(73,651)
4	Total comprehensive Income (Comprising profit/(loss) after tax for the period and other comprehensive income after tax)	7,589	(75,323)	22,601	(73,598)
5	Paid up equity share capital (Face value of INR 10/- each)	13,608	13,608	13,608	13,608
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet	-	-	2,97,551	2,79,300
7	Earnings per share (* not annualised)				
	Basic (INR)	*5.58	*(55.38)	16.55	(59.51)
	Diluted (INR)	*5.58	*(55.38)	16.55	(59.51)

a. The above is an extract of detailed format of audited consolidated financial results for the quarter and year ended 31 March 2023, prepared pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated 5 July 2016. The full format of the audited standalone financial results and audited consolidated financial results are available on the website of the Company at www.indostarcapital.com and on the websites 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 audited standalone financial results of the Company are given below:

(INR in Lakhs)

Sr. No.	Particulars	Quarter Ended		Year Ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		Unaudited	Unaudited	Audited	Audited
1	Revenue from operations (including other income)	23,984	29,186	97,325	1,05,355
2	Profit / (loss) before tax	7,308	(93,825)	18,727	(94,085)
3	Profit / (loss) after tax	7,308	(76,725)	18,727	(76,919)
4	Total comprehensive Income	7,299	(76,687)	18,804	(76,872)

b. As indicated in the prior reporting periods, the Company engaged a leading professional services firm to assist it in undertaking a review of its loan portfolio. The final findings of this review were submitted to the Audit Committee on August 5, 2022. The Company made incremental ECL provisions based, among others, on the findings of this review in its financial results for the quarter and financial year ended March 31, 2022. (also refer note 9 to the financial results).

The Company subsequently engaged a leading law firm, to carry out a review for undertaking root cause analysis of deviations to policies and gaps in the internal financial controls and systems (including of control gap/control override and individuals involved) focusing on the Company's commercial vehicles and SME businesses ("Conduct Review"). The final findings of this review were submitted to the Audit Committee.

The Company, under the guidance and supervision of the Audit Committee, has completed its review of the findings thereon, and has taken necessary remedial and accountability measures. Among others, the Company has initiated measures to strengthen controls and improve the process and control environment of the Company including by way of senior managerial level changes and appointments, improving entity level controls, policy related changes, process improvements and technological enhancements. The Company has also concluded that with respect to the findings in the Conduct Review Report, there is no further reporting requirement under the Companies Act, 2013.

c. During the quarter ended 31st March 2023, certain employees to whom stock options issued in accordance with ESOP plans 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.

d. In the financial results for the quarter and year ended 31 March 2022, the Company had made incremental provision for expected credit loss (ECL) allowances on account of certain deficiencies in the Company's internal controls that were identified during this period. Considering that these control deficiencies have since been remediated during the current year and the findings of the Conduct Review have been adequately evaluated (refer note 7), no incremental provisioning is considered necessary during the quarter and year ended 31 March 2023.

Although the possibility that the control deficiencies that were identified could potentially have had an impact on the financial statements for periods ending prior to 1 April, 2021, the Company had concluded that it was impracticable to determine the prior period – specific effects, if any, in respect of the charge to the Statement of Profit and Loss on account of the following:

- impairment allowance on loan assets and investment in security receipts;
- loan assets written off; and
- changes in fair value of financial guarantee contracts

when it finalised its financial results for the quarter and year ended 31 March 2022 because significant judgements had been applied in determining the staging of the loan assets and the related impairment allowance for events and conditions which existed as on 31 March 2022. The Company believes it is not practicable to apply the same judgement without hindsight for the prior period(s).

Consequent to the above, in respect of such account balances, related income and the related disclosures, the figures for the quarter and year ended 31 March 2023 may not be strictly comparable with the figures for the quarter and year ended 31 March 2022.

e. The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date unaudited figures upto third quarter of the respective financial years.

f. 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
Chief Executive Officer
DIN: 10056556

Place : Mumbai
Date : 25 May, 2023

IndoStar Capital Finance Limited

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

Place : Mumbai
Date : 25 May, 2023

Karthikeyan Srinivasan
Chief Executive Officer
DIN: 10056556