

Independent Auditor's Review Report on unaudited Standalone financial results for the quarter and nine months ended December 31, 2023 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 nine months ended December 31, 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 specified under section 143(10) of the Act 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 includes standalone financial results for the quarter and nine months ended December 31, 2022, which were reviewed by previous statutory auditor whose report dated February 14, 2023 expressed a modified conclusion on those standalone financial results. The Statement also includes the standalone financial statements of the Company for the year ended March 31, 2023, which were audited by previous statutory auditor whose report dated May 25, 2023, expressed a modified opinion on those standalone financial statements.

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: 24118580BKFLWS3194

Mumbai
January 24, 2024



INDOSTAR CAPITAL FINANCE LIMITED

Regd Office: Unit No 301-A, 3rd Floor, Silver Utopia, Opposite P & G Plaza, Cardinal Gracious Road, Chakala, 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 AND NINE MONTHS ENDED 31 DECEMBER 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations						
	Interest income	22,610	21,742	22,113	66,638	67,322	88,947
	Fees and commission income	1,070	1,101	1,188	3,403	3,556	4,707
	Net gain on fair value changes	131	575	582	1,309	1,691	2,511
	Net gain on derecognition of financial instruments measured at amortised cost category	-	-	(163)	-	723	723
	Total revenue from operations	23,811	23,418	23,720	71,350	73,292	96,888
	(b) Other income	71	9	22	90	49	437
	Total income (a+b)	23,882	23,427	23,742	71,440	73,341	97,325
2	Expenses						
	(a) Finance costs	14,531	14,077	12,070	41,921	38,375	51,802
	(b) Impairment on financial instruments	(521)	(108)	(1,374)	(1,909)	(3,890)	(4,013)
	(c) Employee benefits expenses (refer note 5)	5,039	4,837	4,860	14,789	13,917	13,256
	(d) Depreciation and amortisation expense	724	638	941	2,028	2,809	3,634
	(e) Other expenses	3,047	2,932	4,135	9,407	10,711	13,919
	Total expenses (a+b+c+d+e)	22,820	22,376	20,632	66,236	61,922	78,598
3	Profit/(loss) before tax (1-2)	1,062	1,051	3,110	5,204	11,419	18,727
4	Tax expenses						
	Current tax	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-
	Tax expenses	-	-	-	-	-	-
5	Profit/(loss) after tax (3-4)	1,062	1,051	3,110	5,204	11,419	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	(4)	4	17	(40)	85	89
	(b) Items that will be reclassified to profit or loss						
	- Debt instruments through other comprehensive income	5	-	1	16	1	(12)
	Total other comprehensive income (a+b)	1	4	18	(24)	86	77
7	Total comprehensive Income (5+6)	1,063	1,055	3,128	5,180	11,505	18,804
8	Paid up equity share capital (Face value of Rs. 10)	13,608	13,608	13,608	13,608	13,608	13,608
9	Other equity						2,88,647
10	Earnings per share (*)						
	Basic (Rs.)	*0.78	*0.77	*2.29	*3.82	*8.39	13.76
	Diluted (Rs.)	*0.78	*0.77	*2.29	*3.82	*8.39	13.76

(*) not annualised



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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

Notes

- The unaudited financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and nine months ended 31 December 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 24 January 2024. The unaudited financial results for the quarter and nine months ended 31 December 2023 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 31 December 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 nine months ended 31 December 2023 :

Description	(Rs. in Lakhs) To Asset Reconstruction Companies (ARC)	
	NPA	SMA
Number of accounts	154	165
Aggregate principal outstanding of loans transferred	17,491	1,06,248
Weighted average residual tenor of the loans transferred (in months)	169	27 - 186
Net book value of loans transferred (at the time of transfer)	13,697	91,294
Aggregate consideration	14,602	93,406
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Recovery rating	Unrated	Unrated

(b) Details of stressed loans acquired during the nine months ended 31 December 2023:

Description	(Rs. in Lakhs) From Bank	
	NPA	SMA
Aggregate principal outstanding of loans acquired	-	3,716
Aggregate consideration paid	-	3,716
Weighted average residual tenor of the loans acquired (in months)	-	27

(c) Details of loans not in default that are transferred through assignment during the quarter and nine months ended 31 December 2023: Nil

(d) Details of loans not in default that are acquired during the nine months ended 31 December 2023:

Description	Nine months ended 31 December 2023
(i) No. of accounts	7,187
(ii) Aggregate value of accounts acquired Rs. in Lakhs	6,775
(iii) Weighted average maturity (months)	43
(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 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.
- Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- 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.
- The figures for the quarter and nine months ended 31 December 2022 and year ended 31 March 2023 were reviewed / audited by previous Statutory Auditors.
- The figures for the quarter ended 31 December 2023 are the balancing figures between unaudited figures for the nine months ended 31 December 2023 and unaudited figures for the six months ended 30 September 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.

Place: Mumbai
Date: 24 January 2024



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

Karthikeyan Srinivasan
Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

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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 nine months ended 31 December 2023:

Sr. No.	Particulars	Quarter ended	Nine Months ended
		31 December 2023 (Unaudited)	31 December 2023 (Unaudited)
1	Debt-equity ratio ¹	1.74	1.74
2	Debt service coverage ratio ²	Not Applicable	Not Applicable
3	Interest service coverage ratio ²	Not Applicable	Not Applicable
4	Outstanding redeemable preference shares (quantity and value)	Nil	Nil
5	Capital redemption reserve (INR in lakhs)	Nil	Nil
	Debenture redemption reserve (INR in lakhs) ³	Not Applicable	Not Applicable
6	Net worth (INR in lakhs) ⁴	3,06,767	3,06,767
7	Net profit/(loss) after tax (INR in lakhs)	1,062	5,204
8	Earnings per equity share (* not annualised):		
	(a) Basic (INR)	*0.78	*3.82
	(b) Diluted (INR)	*0.78	*3.82
9	Current ratio ²	Not Applicable	Not Applicable
10	Long term debt to working capital ²	Not Applicable	Not Applicable
11	Bad debts to Account receivable ratio ²	Not Applicable	Not Applicable
12	Current liability ratio ²	Not Applicable	Not Applicable
13	Total debts to total assets ⁵	0.62	0.62
14	Debtors turnover ²	Not Applicable	Not Applicable
15	Inventory turnover ²	Not Applicable	Not Applicable
16	Operating margin ²	Not Applicable	Not Applicable
17	Net profit margin ⁶	4.4%	7.3%
18	Sector specific equivalent ratios:		
	(a) Gross Stage 3	6.45%	6.45%
	(b) Net Stage 3	2.78%	2.78%
	(c) Capital to risk-weighted assets ratio ⁷	30.41%	30.41%

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.

