



ICFL/LS/0037/2023-24

25 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.: Outcome of Board Meeting and other disclosures under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”)

Dear Sir/ Madam,

We wish to inform you that the Board of Directors of the Company at its Meeting held today i.e., Thursday, 25 May 2023, has, *inter-alia*, considered and approved the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31 March 2023, prepared pursuant to Regulation 33 of Listing Regulations.

Accordingly, please find enclosed herewith the following:

- i Audited Standalone Financial Results of the Company for the quarter and financial year ended 31 March 2023, along with Auditor’s Report thereon at **Annexure I**;
- ii Audited Consolidated Financial Results of the Company for the quarter and financial year ended 31 March 2023, along with Auditor’s Report thereon at **Annexure II**;
- iii Statement(s) on Impact of Audit Qualifications on Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31 March 2023 at **Annexure III** and **Annexure IV**, respectively;
- iv Disclosures pursuant to Regulation 52(4) of the Listing Regulations for the quarter and financial year ended 31 March 2023 at **Annexure V**;
- v Security Cover Certificate as at 31 March 2023, certified by M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Statutory Auditors of the Company pursuant to Regulation 54 of the Listing Regulations at **Annexure VI**;
- vi A statement indicating the utilisation of the issue proceeds of non-convertible debentures pursuant to Regulation 52(7) and 52(7A) of the Listing Regulations for the quarter ended 31 March 2023 at **Annexure VII**.

Please note that in terms of the Company’s Code of Conduct for Prohibition of Insider Trading and Internal Procedures, the trading window for dealing in the securities of the Company by designated persons will open on Saturday, 27 May 2023.

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



The Board Meeting commenced at 03:00 p.m. (IST) and concluded at 05:45 p.m. (IST).

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

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
INDOSTAR CAPITAL FINANCE LIMITED**

Qualified Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2023 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2023" of **INDOSTAR CAPITAL FINANCE LIMITED** (the "Company")(the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

(a) Qualified Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and except for the possible effects on the corresponding figures of the matter described in Basis for Qualified Opinion/ Conclusion section of our report, the Standalone Financial Results for the year ended March 31, 2023:

- i. is presented in accordance with the requirements of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Qualified Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2023

With respect to the Standalone Financial Results for the quarter ended March 31, 2023, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, and except for the possible effects on the corresponding figures of the matter described in Basis for Qualified Opinion/ Conclusion section of our report nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2023, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 54 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.

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Basis for Qualified Opinion/ Conclusion

As explained in Note 9 to the Statement, the Company had recorded a charge to the Statement of Profit and Loss on account of impairment allowance, loan assets written off and changes in fair value of financial-guarantee contracts recorded during the quarter and year ended March 31, 2022. The Company had concluded it was impracticable to determine the prior period-specific effects, if any, of this charge because significant judgements had been applied in determining the staging of the loan assets recorded at amortised cost 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 judgements without hindsight for the prior period(s).

As a result, we were unable to determine whether any adjustments were required for prior period(s) relating to the impairment charge recorded for the quarter and year ended March 31, 2022 and consequently, adjustments to the income from interest, fees and commission on the corresponding assets and related disclosures.

Our opinion on the standalone financial results for the quarter and year ended March 31, 2022 was modified accordingly. Our opinion on the financial results for the quarter and year ended March 31, 2023 ("current period") is also modified because of the possible effect of this matter on the comparability of the current period's/year's figures and the corresponding figures of the previous period/year.

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2023 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2023 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2023 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2023

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2023 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 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 SAs 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.

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Other Matters

- The Statement includes the results for the Quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us. Our report on the Statement is not modified in respect of this matter. Our report on the Statement is not modified in respect of this matter.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 23039826BGXRZS7318)

Place: Mumbai
Date: May 25, 2023



INDOSTAR CAPITAL FINANCE LIMITED

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations					
	Interest income	21,625	22,113	28,646	88,947	95,575
	Fees and commission income	1,151	1,188	88	4,707	3,847
	Net gain on fair value changes	820	582	173	2,511	2,310
	Net gain on derecognition of financial instruments measured at amortised cost category	-	(163)	251	723	2,487
	Total revenue from operations	23,596	23,720	29,158	96,888	1,04,219
	(b) Other income	388	22	28	437	1,136
	Total income (a+b)	23,984	23,742	29,186	97,325	1,05,355
2	Expenses					
	(a) Finance costs	13,427	12,070	12,898	51,802	51,431
	(b) Impairment on financial instruments	(123)	(1,374)	1,03,168	(4,013)	1,15,077
	(c) Employee benefits expenses (refer note 8)	(661)	4,860	3,204	13,256	17,627
	(d) Depreciation and amortisation expense	825	941	904	3,634	3,382
	(e) Other expenses	3,208	4,135	2,837	13,919	11,923
	Total expenses (a+b+c+d+e)	16,676	20,632	1,23,011	78,598	1,99,440
3	Profit/(loss) before tax (1-2)	7,308	3,110	(93,825)	18,727	(94,085)
4	Tax expenses					
	Current tax	-	-	-	-	-
	Deferred tax	-	-	(17,100)	-	(17,166)
	Tax expenses	-	-	(17,100)	-	(17,166)
5	Profit/(loss) after tax (3-4)	7,308	3,110	(76,725)	18,727	(76,919)
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	17	17	89	42
	(b) Items that will be reclassified to profit or loss					
	- Debt instruments through other comprehensive income	(13)	1	21	(12)	5
	Total other comprehensive income (a+b)	(9)	18	38	77	47
7	Total comprehensive Income (5+6)	7,299	3,128	(76,687)	18,804	(76,872)
8	Paid up equity share capital (Face value of Rs. 10)	13,608	13,608	13,608	13,608	13,608
9	Other equity				2,88,647	2,74,194
10	Earnings per share (* not annualised)					
	Basic (Rs.)	*5.37	*2.29	*(56.38)	13.76	(62.06)
	Diluted (Rs.)	*5.37	*2.29	*(56.38)	13.76	(62.06)

Notes

1 Statement of Assets and Liabilities:

(Rs. in Lakhs)

Particulars	As at	
	31 March 2023	31 March 2022
	(Audited)	(Audited)
I. ASSETS		
Financial assets		
Cash and cash equivalents	16,501	7,180
Bank balances other than cash and cash equivalents	20,344	38,868
Loans	5,19,562	6,49,097
Investments	1,45,705	97,713
Other financial assets	33,419	8,957
Non-financial assets		
Current tax assets (net)	5,376	6,637
Deferred tax assets (net)	31,644	31,669
Property, plant and equipment	4,789	6,938
Assets acquired in satisfaction of claim	1,300	1,300
Goodwill	30,019	30,019
Intangible assets	2,035	1,104
Other non-financial assets	3,233	2,945
TOTAL ASSETS	8,13,927	8,82,427



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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023
(Rs. in Lakhs)

Particulars	As at	
	31 March 2023	31 March 2022
	(Audited)	(Audited)
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises	8	30
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	728	239
Debt securities	1,10,887	1,97,794
Borrowings (other than debt securities)	3,70,421	3,50,505
Other financial liabilities	28,210	44,874
Non-financial liabilities		
Provisions	466	612
Other non-financial liabilities	952	571
Equity		
Equity share capital	13,608	13,608
Other equity	2,88,647	2,74,194
TOTAL LIABILITIES AND EQUITY	8,13,927	8,82,427

2 Statement of Cash Flows:
(Rs. in Lakhs)

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
	(Audited)	(Audited)
Cash Flow from Operating Activities		
Profit/(loss) before tax	18,727	(94,085)
Adjustments for :		
Interest income on financial assets	(88,947)	(95,575)
Finance costs	51,802	51,431
Depreciation and amortisation expense	3,635	3,382
Loss on sale of property plant and equipment	27	32
Impairment on financial instruments	(4,013)	1,15,077
Provision for employee benefits	186	193
Employee share based payment expense	(4,375)	1,956
Net gain on fair value changes	(2,511)	(2,310)
Gain on derecognition of financial instruments measured at amortised cost category	(723)	(2,487)
	(26,192)	(22,386)
Interest income realised on financial assets	95,250	91,044
Finance costs paid	(56,293)	(56,184)
Cash generated from operating activities before working capital changes	12,765	12,474
Adjustments:		
(Increase)/Decrease in loans and advances	1,20,640	(1,37,883)
(Increase)/Decrease in other financial assets	(23,797)	3,475
(Increase)/Decrease in other non-financial assets	(289)	850
Increase/(Decrease) in trade payable	494	(159)
Increase/(Decrease) in other financial liabilities	(15,232)	6,047
Increase/(Decrease) in other non-financial liabilities	380	(37)
Cash (used in)/generated from operating activities	94,961	(1,15,233)
Taxes (paid) / refund	1,261	5,188
Net cash (used in)/generated operating activities (A)	96,222	(1,10,045)
Cash flows from investing activities		
Purchase of property, plant and equipment	(462)	(2,226)
Sale of property, plant and equipment	14	11
Purchase of intangible assets	(1,621)	(1,155)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	18,524	(15,032)
(Acquisition)/redemption of investments measured at FVTPL (net)	(40,748)	1,00,108
(Acquisition)/redemption of investments measured at FVOCI (net)	(9,494)	12,673
(Acquisition)/redemption of investments measured at amortised cost (net)	10,479	25,273
Net cash (used in)/generated from investing activities (B)	(23,308)	1,19,652
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (including securities premium and net off share issue expenses)	-	639
Proceeds from bank borrowings	2,80,098	1,50,626
Repayments towards bank borrowings	(2,57,878)	(1,75,553)
Proceeds from issuance of Non-Convertible Debentures	90,000	74,590
Repayments towards Non-Convertible Debentures	(1,29,000)	(1,04,580)
Proceeds from Commercial Papers	30,000	62,212
Repayments towards Commercial Papers	(75,500)	(30,000)
Payment of lease liabilities	(1,313)	(1,374)
Dividend paid on Compulsorily Convertible Preference Shares	-	(5,849)
Net cash (used in)/generated from financing activities (C)	(63,593)	(29,289)
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	9,321	(19,682)



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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	(Audited)	(Audited)
Cash and Cash Equivalents at the beginning of the year	7,180	26,862
Cash and Cash Equivalents at the end of the year	16,501	7,180
Reconciliation of cash and cash equivalents		
Cash on hand	314	390
Balances with banks		
- in current accounts	11,683	6,786
Deposits with original maturity of less than three months	4,504	4
Total	16,501	7,180

3 The audited standalone financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and year ended 31 March 2023 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 25 May 2023.

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 31 March 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 year ended 31 March 2023

(Rs. in Lakhs)

Description	To Asset Reconstruction Companies (ARC)	
	NPA	SMA
Number of accounts	4,820	3,475
Aggregate principal outstanding of loans transferred	48,195	26,141
Weighted average residual tenor of the loans transferred (in month)	31	24
Net book value of loans transferred (at the time of transfer)	23,276	13,963
Aggregate consideration	23,276	13,963
Additional consideration realized in respect of accounts transferred in earlier years	-	-

(b) Details of stressed loans acquired during the year ended 31 March 2023:

(Rs. in Lakhs)

Description	From lenders listed in Clause 3	
	NPA	SMA
Aggregate principal outstanding of loans acquired	-	4,589
Aggregate consideration paid	-	4,589
Weighted average residual tenor of the loans acquired (in month)	-	39

(c) Details of loans not in default that are transferred through assignment during the quarter and year ended 31 March 2023:

(Rs. in Lakhs)

Description	Quarter ended 31 March 2023	Year ended 31 March 2023
	(i) No. of accounts	-
(ii) Aggregate value (net of provisions) of accounts assigned	-	9,838
(iii) Aggregate consideration	-	9,838
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-
(vi) Weighted average maturity (No. of Years)	-	13
(vi) Weighted average holding period (months)	-	13
(vii) Retention of beneficial economic interest	-	10%

(d) Details of loans not in default that are acquired during the quarter and year ended 31 March 2023:

Description	Quarter ended 31 March 2023	Year ended 31 March 2023
	(i) No. of accounts	2,052
(ii) Aggregate value of accounts acquired Rs. in Lakhs	5,928	5,928
(iii) Weighted average maturity (months)	50	50
(iv) Weighted average holding period (months)	NA	NA
(v) Retention of beneficial economic interest (in %)	90%	90%
(vi) Coverage of tangible security (in %)	100%	100%
(vii) Rating-wise distribution of rated loans	NA	NA



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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

- 7 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.
- 8 During the quarter ended 31st 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.
- 9 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:
(i) impairment allowance on loan assets and investment in security receipts;
(ii) loan assets written off; and
(iii) 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.
- 10 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.
- 11 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: 25 May 2023



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
INDOSTAR CAPITAL FINANCE LIMITED**

Qualified Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2023 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2023" of **INDOSTAR CAPITAL FINANCE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2023, (the "Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

(a) Qualified Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of the subsidiary referred to in Other Matters section of our report and except for the possible effects on the corresponding figures of the matter described in Basis for Qualified Opinion/Conclusion of our report the Consolidated Financial Results for the year ended March 31, 2023:

- (i) includes the results of the following entities: (a) IndoStar Capital Finance Limited - Parent, (b) IndoStar Home Finance Private Limited - Subsidiary, (c) IndoStar Asset Advisory Private Limited - Subsidiary;
- (ii) is presented in accordance with the requirements of Regulation 33, Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2023.

**(b) Qualified Conclusion on Unaudited Consolidated Financial Results for the
quarter ended March 31, 2023**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2023, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, and except for the possible effects on the corresponding figures of the

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matter described in Basis for Qualified Opinion/ Conclusion section of our report nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2023, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

Basis for Qualified Opinion/ Conclusion

As explained in Note 9 to the Statement, the Parent had recorded a charge to the Statement of Profit and Loss on account of impairment allowance, loan assets written off and changes in fair value of financial-guarantee contracts recorded during the quarter and year ended March 31, 2022. The Group had concluded that it was impracticable to determine the prior period-specific effects, if any, of this charge because significant judgements had been applied in determining the staging of the loan assets recorded at amortised cost and the related impairment allowance for events and conditions which existed as on 31 March 2022. The Group believes it is not practicable to apply the same judgements without hindsight for the prior period(s).

As a result, we were unable to determine whether any adjustments were required for prior period(s) relating to the impairment charge recorded for the quarter and year ended March 31, 2022 and consequently, adjustments to the income from interest, fees and commission on the corresponding assets and related disclosures.

Our opinion on the consolidated financial results for the quarter and year ended March 31, 2022 was modified accordingly. Our opinion on the financial results for the quarter and year ended March 31, 2023 ("current period") is also modified because of the possible effect of this matter on the comparability of the current period's/year's figures and the corresponding figures of the previous period/year.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2023 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2023, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the consolidated net

profit/loss and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2023 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

h.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33, Regulation 52 and Regulation 54 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2023

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2023 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 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 SAs 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Qualified Opinion and Conclusion section above.

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.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of ₹145,427 lakh as at March 31, 2023 and total revenues of ₹5,063 lakh and ₹20,830 lakh for the quarter and year ended March 31, 2023 respectively, total net profit after tax of ₹309 lakh and ₹3,778 lakh for the quarter and year ended March 31, 2023 respectively and total comprehensive income of ₹310 lakh and ₹3,778 lakh for the quarter and year ended March 31, 2023 respectively and net cash inflows (net) of ₹618 lakh for the year ended March 31, 2023, as considered in the Statement. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion and 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 reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

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**Deloitte
Haskins & Sells LLP**

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 23039826BGXRZT3157)

Place: Mumbai
Date: May 25, 2023



INDOSTAR CAPITAL FINANCE LIMITED

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

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations					
	Interest income	25,789	26,263	31,961	1,05,841	1,06,716
	Fees and commission income	1,368	1,360	532	5,417	4,439
	Net gain on fair value changes	914	660	192	2,795	2,403
	Net gain on derecognition of financial instruments measured at amortised cost category	446	(156)	1,377	3,381	2,711
	Total revenue from operations	28,517	28,127	34,062	1,17,434	1,16,269
	(b) Other income	405	44	34	531	1,160
	Total income (a+b)	28,922	28,171	34,096	1,17,965	1,17,429
2	Expenses					
	(a) Finance costs	15,042	13,541	13,885	58,026	53,954
	(b) Impairment on financial instruments	(470)	(1,317)	1,03,634	(4,036)	1,15,847
	(c) Employee benefits expenses (refer note 8)	349	6,139	4,272	17,781	20,504
	(d) Depreciation and amortisation expense	918	1,023	956	3,956	3,538
	(e) Other expenses	5,353	4,924	3,321	18,375	13,222
	Total expenses (a+b+c+d+e)	21,192	24,310	1,26,068	94,102	2,07,065
3	Profit/(loss) before tax (1-2)	7,730	3,861	(91,972)	23,863	(89,636)
4	Tax expenses					
	Current tax	(26)	341	280	853	1,326
	Tax of earlier years	(1)	-	2	(1)	2
	Deferred tax	161	(146)	(16,888)	496	(17,313)
	Total tax expenses	134	195	(16,606)	1,348	(15,985)
5	Profit/(loss) after tax (3-4)	7,596	3,666	(75,366)	22,515	(73,651)
6	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss					
	- Remeasurements of the defined benefit plans	6	20	22	98	48
	(b) Items that will be reclassified to profit or loss					
	- Debt instruments through other comprehensive income	(13)	2	21	(12)	5
	Total other comprehensive income, net of tax (a+b)	(7)	22	43	86	53
7	Total comprehensive Income (5+6)	7,589	3,688	(75,323)	22,601	(73,598)
8	Paid up equity share capital (Face value of Rs. 10)	13,608	13,608	13,608	13,608	13,608
9	Other equity				2,97,551	2,79,300
10	Earnings per share (* not annualised)					
	Basic (Rs.)	*5.58	*2.69	*(55.38)	16.55	(59.51)
	Diluted (Rs.)	*5.58	*2.69	*(55.38)	16.55	(59.51)

Notes

1 Statement of Assets and Liabilities:

(Rs. in Lakhs)

Particulars	As at	
	31 March 2023	31 March 2022
	(Audited)	(Audited)
I. ASSETS		
Financial assets		
Cash and cash equivalents	17,974	8,027
Bank balances other than cash and cash equivalents	23,604	40,938
Loans	6,51,567	7,70,694
Investments	1,03,935	54,767
Other financial assets	35,156	10,098
Non-financial assets		
Current tax assets (net)	5,608	6,896
Deferred tax assets (net)	31,644	31,669
Property, plant and equipment	5,353	7,272
Assets acquired in satisfaction of claim	1,300	1,300
Goodwill	30,019	30,019
Intangible assets	2,352	1,312
Other non-financial assets	3,707	3,155
TOTAL ASSETS	9,12,219	9,66,147



INDOSTAR CAPITAL FINANCE LIMITED

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

(Rs. in Lakhs)

Particulars	As at	
	31 March 2023	31 March 2022
	(Audited)	(Audited)
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises	11	30
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	783	241
Debt securities	1,10,887	1,97,794
Borrowings (other than debt securities)	4,53,918	4,24,550
Other financial liabilities	33,215	49,135
Non-financial liabilities		
Current tax liabilities (net)	-	1
Provisions	556	702
Deferred tax liabilities (net)	580	81
Other non-financial liabilities	1,110	705
Equity		
Equity share capital	13,608	13,608
Other equity	2,97,551	2,79,300
TOTAL LIABILITIES AND EQUITY	9,12,219	9,66,147

2 Statement of Cash Flows:

(Rs. in Lakhs)

Particulars	For the period ended	For the period ended
	31 March 2023	31 March 2022
	(Audited)	(Audited)
Cash Flow from Operating Activities		
Profit / (loss) before tax	23,863	(89,636)
Adjustments for :		
Interest income on financial assets	(1,05,841)	(1,06,716)
Finance costs	58,026	53,954
Depreciation and amortisation expense	3,956	3,538
Loss on sale of property plant and equipment	27	32
Impairment on financial instruments	(4,036)	1,15,847
Provision for asset acquired in satisfaction of claim	-	(118)
Provision for employee benefits	224	228
Employee share based payment expense	(4,350)	1,989
Net gain on fair value changes	(2,795)	(2,403)
Gain on derecognition of financial instruments measured at amortised cost category	(3,381)	(2,711)
	(34,307)	(25,996)
Interest income realised on financial assets	1,10,789	1,01,788
Finance costs paid	(62,737)	(58,753)
Cash generated from operating activities before working capital changes	13,745	17,039
Adjustments:		
(Increase)/Decrease in loans and advances	1,11,670	(1,93,619)
(Increase)/Decrease in other financial assets	(20,903)	4,591
(Increase)/Decrease in other non-financial assets	(553)	866
Increase/(Decrease) in trade payable	523	(123)
Increase/(Decrease) in other financial liabilities	(15,464)	11,032
Increase/(Decrease) in other non-financial liabilities	405	5
Cash (used in)/generated from operating activities	89,423	(1,60,209)
Taxes (paid) / refund	435	3,830
Net cash (used in)/generated from operating activities (A)	89,858	(1,56,379)
Cash flows from investing activities		
Purchase of property, plant and equipment	(716)	(2,278)
Sale of property, plant and equipment	14	15
Purchase of Assets acquired in satisfaction of claim	-	595
Purchase of intangible assets	(1,892)	(1,334)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	17,335	(16,842)
(Acquisition)/redemption of investments measured at FVTPL (net)	(41,665)	98,401
(Acquisition)/redemption of investments measured at FVOCI (net)	(9,494)	12,673
(Acquisition)/redemption of investments measured at amortised cost (net)	10,480	25,273
Net cash (used in)/generated from investing activities (B)	(25,938)	1,16,503
Cash Flow from Financing Activities		
Proceeds from issue of equity shares (including securities premium and net off of share issue expenses)	-	541
Proceeds from bank borrowings	3,08,167	2,13,596
Repayments towards bank borrowings	(2,76,245)	(1,89,105)
Proceeds from issuance of Non-Convertible Debentures	90,000	74,590
Repayments towards Non-Convertible Debentures	(1,29,000)	(1,04,580)
Proceeds from Commercial Papers	35,000	62,212
Repayment of Commercial Papers	(80,500)	(30,000)
Payment of lease liabilities	(1,395)	(1,420)
Dividend paid on CCPS	-	(5,849)
Net cash (used in)/generated from financing activities (C)	(53,973)	19,985
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	9,947	(19,891)



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

(Rs. in Lakhs)

Particulars	For the period ended	For the year ended
	31 March 2023	31 March 2022
	(Audited)	(Audited)
Cash and Cash Equivalents at the beginning of the period	8,027	27,918
Cash and Cash Equivalents at the end of the period	17,974	8,027
Reconciliation of cash and cash equivalents		
Cash on hand	324	394
Balances with banks		
- in current accounts	12,228	7,229
Deposits with original maturity of less than 3 months	5,422	404
Total	17,974	8,027

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.

(Rs. in Lakhs)

Sr. no.	Particulars	Quarter ended			Year ended	Year ended
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Gross segment revenue from continuing operations					
(a)	Large corporate	4,521	4,163	8,742	17,685	27,440
(b)	SME	3,757	3,800	4,425	17,316	17,978
(c)	Commercial vehicles	13,180	14,266	15,841	56,312	52,080
(d)	Housing finance	5,091	4,565	4,384	20,924	14,482
(e)	Unallocated	2,373	1,377	704	5,728	5,449
	Segment revenue from continuing operations	28,922	28,171	34,096	1,17,965	1,17,429
	Segment results					
(a)	Large corporate	217	1,552	6,200	5,746	19,308
(b)	SME	(258)	725	(7,631)	4,233	(3,627)
(c)	Commercial vehicles	4,616	3,914	(91,500)	16,197	(96,586)
(d)	Housing finance	444	720	1,900	5,123	4,609
(e)	Unallocated	2,711	(3,050)	(941)	(7,436)	(13,340)
	Profit/(loss) before tax	7,730	3,861	(91,972)	23,863	(89,636)
	Segment assets					
(a)	Large corporate	1,08,709	1,11,239	1,43,631	1,08,709	1,43,631
(b)	SME	1,01,804	1,14,481	1,47,259	1,01,804	1,47,259
(c)	Commercial vehicles	3,87,379	3,62,944	4,18,207	3,87,379	4,18,207
(d)	Housing finance	1,45,427	1,38,072	1,29,449	1,45,427	1,29,449
(e)	Unallocated	1,68,900	1,61,227	1,27,601	1,68,900	1,27,601
	Total assets	9,12,219	8,87,963	9,66,147	9,12,219	9,66,147
	Segment liabilities					
(a)	Large corporate	62,953	62,121	90,027	62,953	90,027
(b)	SME	66,821	74,464	1,05,897	66,821	1,05,897
(c)	Commercial vehicles	2,78,394	2,63,619	2,92,185	2,78,394	2,92,185
(d)	Housing finance	91,714	84,677	79,807	91,714	79,807
(e)	Unallocated	1,01,178	94,527	1,05,323	1,01,178	1,05,323
	Total liabilities	6,01,060	5,79,408	6,73,239	6,01,060	6,73,239

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:

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue from operations (including other income)	23,984	23,742	29,186	97,325	1,05,355
Profit/(loss) before tax	7,308	3,110	(93,825)	18,727	(94,085)
Profit/(loss) after tax	7,308	3,110	(76,725)	18,727	(76,919)
Total Comprehensive income	7,299	3,128	(76,687)	18,804	(76,872)

5 The audited consolidated financial results of IndoStar Capital Finance Limited ("the Company") and its subsidiaries (together referred to as "the Group") for the quarter and year ended 31 March 2023 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 25 May 2023.

6 The Secured Listed Non-Convertible Debentures of the Company as on 31 March 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.



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
CIN: L65100MH2009PLC268160 Website: www.indostarcapital.com E: investor.relations@indostarcapital.com Tel: +91 22 43157000

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

- 7 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.
- 8 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.
- 9 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:
(i) impairment allowance on loan assets and investment in security receipts;
(ii) loan assets written off; and
(iii) 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.
- 10 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.
- 11 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

Place: Mumbai
Date: 25 May 2023

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


Karthikeyan Srinivasan
Chief Executive Officer
DIN: 10056556



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2023.				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. Lakhs)*
	1.	Turnover / Total income	97,325	97,325
	2.	Total Expenditure	78,598	78,598
	3.	Net Profit/(Loss) after tax	18,727	18,727
	4.	Earnings Per Share	13.76	13.76
	5.	Total Assets	8,13,927	8,13,927
	6.	Total Liabilities	5,11,672	5,11,672
	7.	Net Worth (5-6)	3,02,255	3,02,255
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<p>* Since the modification is with respect to comparability of figures for the quarter and year ended 31 March 2023 with figures for the quarter and year ended 31 Mar 2022 and does not pertain to current year figures as explained in note 9 to the Financial Results, no adjustment is necessary in the table with respect to figures for the quarter and year ended 31 March 2023.</p>				
II. Audit Qualification (each audit qualification separately):				
<p>a Details of Audit Qualification:</p> <p>As explained in Note 9 to the Statement, the Company had recorded a charge to the Statement of Profit and Loss on account of impairment allowance, loan assets written off and changes in fair value of financial-guarantee contracts recorded during the quarter and year ended March 31, 2022. The Company had concluded it was impracticable to determine the prior period-specific effects of this charge 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).</p>				



As a result, the Independent Auditor was unable to determine whether any adjustments were required for prior period(s) relating to the impairment charge recorded for the quarter and year ended March 31, 2022 and consequently, adjustments to the income from interest, fees and commission on the corresponding assets and related disclosures.

The Independent Auditor's opinion on the standalone financial results for the quarter and year ended March 31, 2022 was modified accordingly. Their opinion on the financial results for the quarter and year ended March 31, 2023 ("current period") is also modified because of the possible effect of this matter on the comparability of the current period's/year's figures and the corresponding figures of the previous period/year.

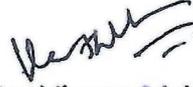
b	Type of Qualification	Qualified Opinion
c	Frequency of qualification	Second time, with respect to the possible effects on the comparability of the current period's/year's figures and the corresponding figures of the previous period/year of the matter described in (a) above.
d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable	
e	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification: The Company has concluded that there is no impact of the audit qualification on the figures for the current period/year. Also, it had concluded it was impracticable to determine the prior period-specific effects, if any, of the charge to the Statement of Profit and Loss on account of impairment allowance, loan assets written off and changes in fair value of financial-guarantee contracts recorded during the quarter and year ended March 31, 2022 in respect of account balances identified and explained by the Company in Note 9 to the Financial Results for the quarter and year ended March 31, 2023.	
	(ii) If management is unable to estimate the impact, reasons for the same: Refer II(e)(i) above.	
	(iii) Auditors' Comments on (i) or (ii) above: The Independent Auditor was unable to determine whether any adjustments were required for prior period(s) relating to the impairment charge recorded for the quarter and year ended March 31, 2022 and consequently, adjustments to the income from interest, fees and commission on the corresponding assets and related disclosures for the reasons stated in II(e)(i) above. Therefore, the Independent Auditor has issued qualified opinion/conclusion with respect to the possible effects on the corresponding figures of the previous period/year of the matter described in II(a) above.	



III. Signatories:



Bobby Parikh
Non-Executive Independent Chairman
DIN: 00019437



Karthikeyan Srinivasan
Chief Executive Officer
DIN: 10056556



Vinodkumar Panicker
Chief Financial Officer

Statutory Auditor
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
UDIN: 23039826BQXRZ8274



Place: Mumbai
Date: 25 May 2023

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2023. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. Lakhs)*
	1.	Turnover / Total income	1,17,965	1,17,965
	2.	Total Expenditure	94,102	94,102
	3.	Net Profit/(Loss) after tax	22,515	22,515
	4.	Earnings Per Share	16.55	16.55
	5.	Total Assets	9,12,219	9,12,219
	6.	Total Liabilities	6,01,060	6,01,060
	7.	Net Worth (5-6)	3,11,159	3,11,159
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<p>* Since the modification is with respect to comparability of figures for the quarter and year ended 31 March 2023 with figures for the quarter and year ended 31 Mar 2022 and does not pertain to current year figures as explained in note 9 to the Financial Results, no adjustment is necessary in the table with respect to figures for the quarter and year ended 31 March 2023.</p>				
II. Audit Qualification (each audit qualification separately):				
<p>a Details of Audit Qualification:</p> <p>As explained in Note 9 to the Statement, the Company had recorded a charge to the Statement of Profit and Loss on account of impairment allowance, loan assets written off and changes in fair value of financial-guarantee contracts recorded during the quarter and year ended March 31, 2022. The Company had concluded it was impracticable to determine the prior period-specific effects of this charge 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).</p>				



As a result, the Independent Auditor was unable to determine whether any adjustments were required for prior period(s) relating to the impairment charge recorded for the quarter and year ended March 31, 2022 and consequently, adjustments to the income from interest, fees and commission on the corresponding assets and related disclosures.

The Independent Auditor's opinion on the consolidated financial results for the quarter and year ended March 31, 2022 was modified accordingly. Their opinion on the financial results for the quarter and year ended March 31, 2023 ("current period") is also modified because of the possible effect of this matter on the comparability of the current period's/year's figures and the corresponding figures of the previous period/year.

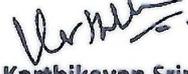
b	Type of Qualification	Qualified Opinion
c	Frequency of qualification	Second time, with respect to the possible effects on the comparability of the current period's/year's figures and the corresponding figures of the previous period/year of the matter described in (a) above.
d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
	Not applicable	
e	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	<p>(i) Management's estimation on the impact of audit qualification: The Company has concluded that there is no impact of the audit qualification on the figures for the current period/year. Also, it had concluded it was impracticable to determine the prior period-specific effects, if any, of the charge to the Statement of Profit and Loss on account of impairment allowance, loan assets written off and changes in fair value of financial-guarantee contracts recorded during the quarter and year ended March 31, 2022 in respect of account balances identified and explained by the Company in Note 9 to the Financial Results for the quarter and year ended March 31, 2023.</p>	
	<p>(ii) If management is unable to estimate the impact, reasons for the same: Refer II(e)(i) above.</p>	
	<p>(iii) Auditors' Comments on (i) or (ii) above: The Independent Auditor was unable to determine whether any adjustments were required for prior period(s) relating to the impairment charge recorded for the quarter and year ended March 31, 2022 and consequently, adjustments to the income from interest, fees and commission on the corresponding assets and related disclosures for the reasons stated in II(e)(i) above. Therefore, the Independent Auditor has issued qualified opinion/conclusion with respect to the possible effects on the corresponding figures of the previous period/year of the matter described in II(a) above.</p>	



III. Signatories:



Bobby Parikh
Non-Executive Independent Chairman
DIN: 00019437



Karthikeyan Srinivasan
Chief Executive Officer
DIN: 10056556



Vinodkumar Panicker
Chief Financial Officer

Statutory Auditor
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
UDIN: 23039826BGXRZY6389



Place: Mumbai
Date: 25 May 2023

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
CIN: L65100MH2009PLC268160 Website: www.indostarcapital.com E: investor.relations@indostarcapital.com Tel: +91 22 43157000

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 year ended 31 March 2023:

Sr. No.	Particulars	Quarter ended	Year ended
		31 March 2023	31 March 2023
1	Debt-equity ratio ¹	1.60	1.60
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	3,00,986	3,00,986
7	Net profit/(loss) after tax (INR in lakhs)	7,308	18,727
8	Earnings per equity share (* not annualised):		
	(a) Basic (INR)	*5.37	13.76
	(b) Diluted (INR)	*5.37	13.76
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	0.59	0.59
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	30.5%	19.2%
18	Sector specific equivalent ratios:		
	(a) Gross Stage 3	8.1%	8.1%
	(b) Net Stage 3	3.8%	3.8%
	(c) Capital to risk-weighted assets ratio ⁷	31.5%	31.5%

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.

Yours faithfully,

For IndoStar Capital Finance Limited



Shikha Jain
Company Secretary
(Membership No. A59686)



**Deloitte
Haskins & Sells LLP**

Chartered Accountants
One International Center
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

Independent Auditor's Certificate on Book Value of Assets of the Company Contained in Columns A to J of 'Statement of Security Cover and Statement of Compliance Status of Financial Covenants in respect of Listed Debt Securities (Non- Convertible Debentures) of the Company as at 31 March, 2023'

To,
The Board of Directors
IndoStar Capital Finance Limited
Unit No. 505, 5th Floor,
Wing 2/E, Corporate Avenue,
Andheri- Ghatkopar Link Road,
Chakala, Andheri (East),
Mumbai – 400093.

1. This certificate is issued in accordance with the terms of our engagement letter dated 5 November, 2022.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, are the Statutory Auditors of IndoStar Capital Finance Limited ("the Company"), and have been requested by the Management of the Company to certify "Book Value of Assets of the Company contained in Columns A to J of Statement of Security Cover and Statement of Compliance Status of Financial Covenants in respect of Listed Debt Securities (Non-Convertible Debentures) of the Company as at 31 March, 2023" (hereinafter referred together as "the Statement").

The Statement is prepared by the Company from the audited books of account and other relevant records and documents maintained by the Company as at 31 March, 2023 pursuant to requirements of Circular no. SEBI / HO / MIRSD / MIRSD _ CRADT / CIR / P / 2022 / 67 dated May 19, 2022 issued by the Securities and Exchange Board of India in terms of regulation 54 read with regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 15(1)(t) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (hereinafter referred together as "the SEBI Regulations"), as amended, for the purpose of submission to IDBI Trusteeship Services Limited, Debenture Trustee of the Listed Debt Securities included in the Statement (hereinafter referred to as "the Debenture Trustee"). The responsibility for compiling the information contained in the Statement is of the Management of the Company and the same is stamped by us for identification purposes only.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Deloitte
Haskins & Sells LLP**

4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in the terms of issue / Offer Document / Information Memorandum / Placement Memorandum / Debenture Trust Deed.

Auditor's Responsibility

5. Pursuant to the requirements of Circular no. SEBI / HO / MIRSD / MIRSD _ CRADT / CIR / P / 2022 / 67 dated May 19, 2022 issued by Securities and Exchange Board of India, our responsibility for the purpose of this certificate is to provide a limited assurance on whether the Book Value of Assets of the Company contained in Columns A to J of Statement of Security Cover and Statement of Compliance Status of Financial Covenants in respect of Listed Debt Securities (Non-Convertible Debentures) of the Company as at 31 March, 2023 have been accurately extracted and ascertained from the audited books of account of the Company and other relevant records and documents maintained by the Company.
6. The engagement involves performing procedures to obtain sufficient appropriate evidence to provide limited assurance on the Statement as mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Accordingly, we have performed the following procedures in relation to the Statement:

- a) Obtained the Statement from the Management.
 - b) Verified that the information contained in the Statement have been accurately extracted and ascertained from the audited books of account of the Company as at 31 March, 2023 and other relevant records and documents maintained by the Company, in the normal course of its business.
 - c) Verified the arithmetical accuracy of the information included in the Statement.
 - d) Reviewed the terms of issue / Offer Document / Information Memorandum / Placement Memorandum / Debenture Trust Deed to understand the nature of charge (viz. exclusive charge or pari-passu charge) on assets of the Company.
 - e) Obtained Register of Charges maintained by the Company as per the requirements of the Companies Act, 2013 to understand the composition of charges created on assets of the Company.
 - f) Made necessary inquiries with the Management and obtained relevant representations in respect of matters relating to the Statement.
7. We conducted our examination and obtained the explanations in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
 8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

**Deloitte
Haskins & Sells LLP**

Conclusion

9. Based on the procedures performed as referred to in paragraph 6 above and according to the information and explanations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that the Book Value of Assets of the Company contained in Columns A to J of Statement of Security Cover and information contained in the Statement of Compliance Status of Financial Covenants in respect of Listed Debt Securities (Non-Convertible Debentures) of the Company as at 31 March, 2023 have not been accurately extracted and ascertained from audited books of account of the Company as at 31 March, 2023 and other relevant records and documents maintained by the Company.

Restriction on Use

10. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to IDBI Trusteeship Services Limited (the Debenture Trustee) and should not be used by any other person or for any other purposes without our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv Vasant
Pilgaonkar

Digitally signed by
Sanjiv Vasant Pilgaonkar
Date: 2023.05.25
17:05:39 +05'30'

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN: 23039826BGXRZZ8523

Mumbai, May 25, 2023

Statement of Security Cover and Statement of Compliance Status of Financial Covenants in respect of Listed Debt Securities (Non-convertible debentures) of the Company as at March 31, 2023

Annexure I- Statement of Security Cover

(Amount Rs. Crore)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	PariPassu Charge	PariPassu Charge	PariPassu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to I)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets ⁱⁱⁱ	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value=(K+L+M+N)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment	Free hold land	-	-		0.15		21.96		22.11		-	0.15		0.15
Capital Work-in Progress							-		-					-
Right of Use Assets							25.78		25.78					-
Goodwill							300.19		300.19					-
Intangible Assets							20.35		20.35					-
Intangible Assets under Development							-		-					-
Investments	Mutual Fund				726.62		730.44		1,457.06			726.62		726.62
Loans	Loans and receivables		1,126.79		3,703.96		364.87		5,195.62			3,703.96		3,703.96
Inventories									-					-
Trade Receivables									-					-
Cash and Cash Equivalents	Cash and Cash Equivalents				165.01				165.01				165.01	165.01
Bank Balances other than Cash and Cash Equivalents			203.22		0.22		-		203.44					-
Others (refer footnote 1)			243.91				505.83		749.74					-
Total		-	1,573.92		4,595.96	-	1,969.42	-	8,139.30	-	-	4,430.73	165.01	4,595.74
LIABILITIES														
Debt securities to which this certificate pertains	Non Convertible Debentures			Yes	1,108.87				1,108.87					-
Other debt sharing pari-passu charge with above debt					1,888.51				1,888.51					-
Other Debt					-				-					-
Subordinated debt					-				-					-
Borrowings					-				-					-
Bank	Borrowing from Banks and FI				-		700.00		700.00					-
Debt Securities	Commercial Papers	not to be filled			-		-		-					-
Others			1,111.27		-		4.44		1,115.71					-
Trade payables					-		7.35		7.35					-
Lease Liabilities					-		27.49		27.49					-
Provisions					-		4.66		4.66					-
Others (refer footnote 2)					-		264.14		264.14					-
Total		-	1,111.27		2,997.38	-	1,008.08	-	5,116.73	-	-	-	-	-
Cover on Book Value														
Cover on Market Value ⁱⁱⁱ		Exclusive Security Cover Ratio	0.00%		Pari-Passu Security Cover Ratio	153.33%								

Footnotes:

1. Assets - Others include current tax assets (net), deferred tax assets (net), assets held for sale, other financial assets and other non-financial assets.
2. Borrowing Others includes borrowings against securitised assets and other unsecured borrowing.
3. The "Pari-Passu Security Cover Ratio" computed above is based on the book value of assets and liabilities as at 31 Mar 2023.

For IndoStar Capital Finance Limited

[Signature]
Authorised Signatory



In terms of our certificate bearing UDIN 23039826BGXRZ8523
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sanjiv Vasant
Pilgaonkar

Sanjiv V. Pilgaonkar
Partner



Annexure II - Statement of Compliance Status of Financial Covenants in respect of Listed Debt Securities (Non Convertible Debentures) of the Company as at 31 March, 2023

Deal No	Sr.No	Series No	ISIN	Gross NPA ²	Net NPA ²	Ratio of Debt to TNW ³	Minimum Capital Adequacy	Rating	Share holding by promoter	Status ¹
NC-12-13-00001	1	5B	INE896L07074	-	-	-	-	-	-	Complied
NC-19-20-00048	2	Sr 34	INE896L07702	-	-	-	-	-	-	Complied
NC-20-21-00052	3	Sr 36	INE896L07728	-	-	-	-	-	-	Complied
NC-21-22-00057	4	Sr 42	INE896L07777	-	-	-	-	-	-	Complied
NC-21-22-00061	5	Sr 45	INE896L07785	-	-	-	-	-	-	Complied
NC-22-23-00063	6	Sr I 2024	INE896L07843	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied
NC-22-23-00064	7	Sr II 2024	INE896L07827	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied
NC-22-23-00065	8	Sr III 2024	INE896L07819	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied
NC-22-23-00066	9	Sr IV 2024	INE896L07835	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied
NC-22-23-00067	10	Sr V 2024	INE896L07801	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied
NC-22-23-00068	11	Sr VII 24	INE896L07850	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied
NC-22-23-00069	12	Sr VI 25	INE896L07868	Less than Equal to 10.50%	Less than Equal to 4.75%	Less than Equal to 3.75	Greater than Equal to 20.00%	Higher than Equal to A	Greater than Equal to 51.00%	Complied

Footnotes -

1. There are no covenants applicable to the Sr. No 1 to 5 of the above listed debt securities (non convertible debentures)
2. NPA represents Stage 3 loan assets and classified as Stage 3 as per Ind AS 109.
3. Total Network (TNW) means the aggregate amount of equity capital, securities premium account and reserves (excluding revaluation reserves).
4. The creation of charge for Sr. No 11 and Sr. No 12 mentioned above is pending due to technical glitch at MCA website.

For IndoStar Capital Finance Limited



Authorised Signatory



Annexure - VII

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/Private placement)	Type of instrument	Date of raising funds	Amount Raised (Amt in Cr)	Funds utilized (Amt in Cr)	Any deviation (Yes/No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
IndoStar Capital Finance Limited	INE896L07843	Private Placement	Non-Convertible Debentures	29-12-2022	92	92	No	NA	Funds utilized for the purpose as mentioned in Information Memorandum
	INE896L07827			29-12-2022	40	40	No	NA	
	INE896L07819			29-12-2022	40	40	No	NA	
	INE896L07835			29-12-2022	108	108	No	NA	
	INE896L07801			29-12-2022	120	120	No	NA	
	INE896L07868			23-03-2023	100	Nil	Nil	NA	
	INE896L07850			23-03-2023	400	Nil			

B. Statement with respect to deviation / variation in use of proceeds of non-convertible debentures issued during the quarter ended 31 March 2023:

Particulars	Remarks
Name of Listed Entity	IndoStar Capital Finance limited
Mode of Fund Raising	Private Placement
Type of Instrument	Non-Convertible Debentures
Date of Raising Funds during quarter ended 31 March 2023	23-03-2023
Amount Raised during the quarter ended 31 March 2023	ICFL 22-23/Series VI 2025 – INR 100 crore ICFL 22-23/Series VII 2024 – INR 400 crore
Report filed for the quarter ended	31 March 2023
Is there a Deviation / Variation in use of funds raised?	NA
Whether any approval is required to vary the objects of the issue stated in the prospectus / offer document?	Not Applicable

If yes, details of approval so required?	
Date of approval	
Explanation for the Deviation / Variation	
Comments of the Audit Committee after review	NA
Comments of the auditors, if any	NA

Objects for which funds have been raised and where there has been a deviation / variation, in the following table						
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of deviation / variation for the quarter according to applicable object (In INR Crores and in %)	Remarks if any
-	-	-	-	-	-	-

Deviation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised;
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

Please take the above on record.

Thanking you.

Yours faithfully,
For **IndoStar Capital Finance Limited**

Shikha Jain
Company Secretary & Compliance Officer
(Membership No. A59686)