

**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

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.

- 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.



**(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	<b>Income</b>					
	(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
	<b>Total revenue from operations</b>	<b>28,517</b>	<b>28,127</b>	<b>34,062</b>	<b>1,17,434</b>	<b>1,16,269</b>
	(b) Other income	405	44	34	531	1,160
	<b>Total income (a+b)</b>	<b>28,922</b>	<b>28,171</b>	<b>34,096</b>	<b>1,17,965</b>	<b>1,17,429</b>
2	<b>Expenses</b>					
	(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
	<b>Total expenses (a+b+c+d+e)</b>	<b>21,192</b>	<b>24,310</b>	<b>1,26,068</b>	<b>94,102</b>	<b>2,07,065</b>
3	<b>Profit/(loss) before tax (1-2)</b>	<b>7,730</b>	<b>3,861</b>	<b>(91,972)</b>	<b>23,863</b>	<b>(89,636)</b>
4	<b>Tax expenses</b>					
	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)
	<b>Total tax expenses</b>	<b>134</b>	<b>195</b>	<b>(16,606)</b>	<b>1,348</b>	<b>(15,985)</b>
5	<b>Profit/(loss) after tax (3-4)</b>	<b>7,596</b>	<b>3,666</b>	<b>(75,366)</b>	<b>22,515</b>	<b>(73,651)</b>
6	<b>Other comprehensive income, net of tax</b>					
	(a) Items that will not be reclassified to profit or loss					
	- Remeasurements of the defined benefit plans	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
	<b>Total other comprehensive income, net of tax (a+b)</b>	<b>(7)</b>	<b>22</b>	<b>43</b>	<b>86</b>	<b>53</b>
7	<b>Total comprehensive income (5+6)</b>	<b>7,589</b>	<b>3,688</b>	<b>(75,323)</b>	<b>22,601</b>	<b>(73,598)</b>
8	<b>Paid up equity share capital (Face value of Rs. 10)</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>	<b>13,608</b>
9	<b>Other equity</b>				<b>2,97,551</b>	<b>2,79,300</b>
10	<b>Earnings per share (* not annualised)</b>					
	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)
<b>I. ASSETS</b>		
<b>Financial assets</b>		
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
<b>Non-financial assets</b>		
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
<b>TOTAL ASSETS</b>	<b>9,12,219</b>	<b>9,66,147</b>





**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)
<b>II. LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
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
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	-	1
Provisions	556	702
Deferred tax liabilities (net)	580	81
Other non-financial liabilities	1,110	705
<b>Equity</b>		
Equity share capital	13,608	13,608
Other equity	2,97,551	2,79,300
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,12,219</b>	<b>9,66,147</b>

**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)
<b>Cash Flow from Operating Activities</b>		
Profit / (loss) before tax	23,863	(89,636)
<b>Adjustments for :</b>		
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)
	<b>(34,307)</b>	<b>(25,996)</b>
Interest income realised on financial assets	1,10,789	1,01,788
Finance costs paid	(62,737)	(58,753)
<b>Cash generated from operating activities before working capital changes</b>	<b>13,745</b>	<b>17,039</b>
<b>Adjustments:</b>		
(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
<b>Cash (used in)/generated from operating activities</b>	<b>89,423</b>	<b>(1,60,209)</b>
Taxes (paid) / refund	435	3,830
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>89,858</b>	<b>(1,56,379)</b>
<b>Cash flows from investing activities</b>		
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
<b>Net cash (used in)/generated from investing activities (B)</b>	<b>(25,938)</b>	<b>1,16,503</b>
<b>Cash Flow from Financing Activities</b>		
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)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(53,973)</b>	<b>19,985</b>
<b>Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>9,947</b>	<b>(19,891)</b>





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

Particulars	(Rs. in Lakhs)	
	For the period ended	For the year ended
	31 March 2023 (Audited)	31 March 2022 (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
<b>Total</b>	<b>17,974</b>	<b>8,027</b>

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

Sr. no.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Gross segment revenue from continuing operations</b>					
(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
	<b>Segment revenue from continuing operations</b>	<b>28,922</b>	<b>28,171</b>	<b>34,096</b>	<b>1,17,965</b>	<b>1,17,429</b>
	<b>Segment results</b>					
(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)
	<b>Profit/(loss) before tax</b>	<b>7,730</b>	<b>3,861</b>	<b>(91,972)</b>	<b>23,863</b>	<b>(89,636)</b>
	<b>Segment assets</b>					
(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
	<b>Total assets</b>	<b>9,12,219</b>	<b>8,87,963</b>	<b>9,66,147</b>	<b>9,12,219</b>	<b>9,66,147</b>
	<b>Segment liabilities</b>					
(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
	<b>Total liabilities</b>	<b>6,01,060</b>	<b>5,79,408</b>	<b>6,73,239</b>	<b>6,01,060</b>	<b>6,73,239</b>

4 The Group reports quarterly financial results on consolidated basis, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI circular dated 5 July 2016. The standalone financial results are available on the website of the Company at www.indostarcapital.com and on the website of the BSE Ltd. at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com.

The key information of the standalone financial results of the Company are given below:

Particulars	Quarter ended			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)
<b>Total Comprehensive income</b>	<b>7,299</b>	<b>3,128</b>	<b>(76,687)</b>	<b>18,804</b>	<b>(76,872)</b>

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 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>				
<p><b>II. Audit Qualification (each audit qualification separately):</b></p> <p><b>a Details of Audit Qualification:</b></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>b</b>	<b>Type of Qualification</b>	Qualified Opinion
<b>c</b>	<b>Frequency of qualification</b>	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.
<b>d</b>	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	Not applicable
<b>e</b>	<b>For Audit Qualification(s) where the Impact is not quantified by the auditor:</b>	
	<b>(i) Management's estimation on the impact of audit qualification:</b>	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.
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>	Refer II(e)(i) above.
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b>	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.

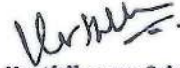




III. Signatories:



**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: 23039826BGXRZY6329



Place: Mumbai  
Date: 25 May 2023