



ICFL/LS/0027/2022-23

27 May 2022

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: Disclosure of reasons for delay in submission of audited financial results (standalone and consolidated) of the Company for the quarter and financial year ended March 31, 2022 and other Company updates

1. Reasons for Delay in submission of audited financial results (standalone and consolidated) of the Company for the quarter and financial year ended March 31, 2022 pursuant to SEBI Circular dated November 19, 2018 bearing reference number CIR/CFD/CMD-1/142/2018

- (i) As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company is required to submit its audited financial results within the prescribed period, in the format as specified by the Securities and Exchange Board of India.
- (ii) As disclosed in the intimation made to the stock exchanges on May 6, 2022, the Audit Committee of the Company had approved the appointment of an independent external agency viz. Ernst & Young LLP (“EY”) for conducting a review of policies, procedures and practices of the Company relating to the sanctioning, disbursement and collection of commercial vehicle loan portfolio of the Company along with assessing the adequacy of the expected credit loss allowance (“Loan Portfolio Review”). We had further informed that the impact of the Loan Portfolio Review will be disclosed in the audited financial statements of the Company. EY has subsequently updated the Audit Committee at its meeting held today i.e. on May 27, 2022, that based on the review undertaken till date the additional estimated credit loss provisioning continues to be within the range disclosed in the intimation made to the stock exchanges on May 6, 2022 i.e. between INR 557 Crores to INR 677 Crores, subject to review and confirmation by the statutory auditors.
- (iii) We wish to inform you that the Company and the statutory auditors are continuing to work towards finalising the audited financial results (standalone and consolidated) of the Company for the quarter and financial year ended March 31, 2022 (“Audited Financial Results”) considering the Loan Portfolio Review. Therefore, the Company will be unable to submit the Audited Financial Results within the timelines prescribed under the Listing Regulations. It is expected that the Company will be able to submit the Audited Financial Results to the stock exchanges by June 30, 2022.
- (iv) We assure you that the Company is taking all possible and adequate steps to finalise the Audited Financial Results at the earliest.



IndoStar Capital Finance Limited

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CIN : L65100MH2009PLC268160

2. Company update

- (i) As disclosed in the intimation made to the stock exchanges on May 6, 2022, the Company continues to be adequately capitalized and is in compliance with capital adequacy norms prescribed the Reserve Bank of India. The Company has sufficient liquidity to satisfy its short-term and long-term liabilities.
- (ii) The Company continues to strengthen and refine its collections efficiency and has seen a robust growth in collections since the last quarter of FY 2022.
- (iii) The Company remains committed to continue to operate at highest standard of compliance and governance and is taking relevant steps to improve and further strengthen its controls and processes.

3. Subsidiary update

- (i) The Audit Committee / Board of the Company also noted the financial statements for the year ended March 31, 2022 of IndoStar Home Finance Private Limited, wholly owned subsidiary of the Company ("IHFPL") which was adopted by the IHFPL on May 16, 2022. The key performance indicators of IHFPL are: (a) Profit after tax for the year: INR 34.3 crore; (b) Return on Assets: 3.2%; (c) Capital to Risk weighted Assets Ratio: 83.2%; (d) Leverage: 2.8x; (e) Assets Under Management: INR 1405.8 crore which is 41% YoY growth; (f) Disbursements: INR 578.8 crore which is 101% YoY increase; (g) Stage 3 assets: 1.8%; and (h) Cash & cash equivalent including undrawn lines: INR 186.9 crore.

Please find enclosed audited financial results of IHFPL for the quarter and financial year ended March 31, 2022 along the auditor's report.

We request you to kindly take the above on record.

Thanking you,

Yours Truly,
For IndoStar Capital Finance Limited



Jitendra Bhati
SVP – Compliance & Secretarial
(Membership No. F8937)



Encl.: As above

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR YEAR ENDED 31 MARCH 2022

(Currency : Indian Rupees Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
		Audited	Unaudited	Unaudited	Audited	Audited
1	Income					
	(a) Revenue from operations					
	(i) Interest income	3,937.11	3,522.74	2,589.49	13,551.74	10,731.62
	(ii) Fees and commission income	202.97	174.45	128.65	592.41	237.83
	(iii) Net gain on fair value changes	18.06	18.67	14.69	92.89	92.09
	Gain / (loss) on derecognition of financial instruments measured at amortised cost category	223.96	-	(879.05)	223.96	2,156.28
	Total revenue from operations	4,382.10	3,715.86	1,854.00	14,461.00	13,217.82
	(b) Other income	2.61	18.52	80.54	21.30	188.93
	Total income (a+b)	4,384.71	3,734.38	1,934.54	14,482.30	13,406.75
2	Expenses					
	(a) Finance costs	1,367.61	1,150.84	1,283.42	4,933.35	5,658.05
	(b) Net loss on derecognition of financial instruments measured at amortised cost category	(902.36)	445.78	-	-	-
	(c) Impairment on financial instruments	284.66	75.65	729.32	612.11	955.10
	(d) Employee benefits expenses	1,067.38	697.92	235.28	2,876.59	1,808.40
	(e) Depreciation and amortisation expense	52.89	37.39	46.20	156.55	200.82
	(f) Other expenses	614.96	298.42	327.63	1,295.01	917.15
	Total expenses (a+b+c+d+e)	2,485.14	2,706.00	2,621.85	9,873.61	9,539.52
3	Profit / (loss) before tax (1-2)	1,899.57	1,028.38	(687.31)	4,608.69	3,867.23
4	Tax expenses					
	Current tax	279.21	382.39	261.47	1,325.00	380.50
	Deferred tax	211.47	(121.38)	(390.49)	(147.14)	691.60
	Total tax expenses	490.68	261.01	(129.02)	1,177.86	1,072.10
5	Profit / (loss) after tax (3-4)	1,408.89	767.37	(558.29)	3,430.83	2,795.13
6	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	5.76	2.45	2.32	6.43	2.88
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of tax	5.76	2.45	2.32	6.43	2.88
7	Total comprehensive Income (5+6)	1,414.65	769.82	(555.97)	3,437.26	2,798.01

Notes:

1 Statement of Assets and Liabilities:

(Currency : Indian Rupees Lakhs)

Particulars	As at	
	31 March 2022	31 March 2021
	Audited	Audited
I. ASSETS		
Financial assets		
Cash and cash equivalents	391.87	565.29
Bank balances other than cash and cash equivalents	2,070.48	260.28
Loans	1,21,597.18	83,822.39
Investments	2,300.12	500.02
Other financial assets	2,338.36	2,684.48
Non-financial assets		
Current tax assets (net)	258.96	223.50
Property, plant and equipment	333.48	171.77
Assets held for sale	-	477.49
Intangible assets	207.95	103.99
Other non-financial assets	209.80	225.33
TOTAL ASSETS	1,29,708.20	89,034.54



STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR YEAR ENDED 31 MARCH 2022

(Currency : Indian Rupees Lakhs)

Particulars	As at	
	31 March 2022	31 March 2021
	Audited	Audited
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises	0.05	0.32
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,199.65	495.58
Debt securities	-	-
Borrowings (other than debt securities)	74,045.20	63,984.46
Other financial liabilities	4,257.00	2,649.56
Non-financial liabilities		
Provisions	89.86	60.12
Deferred tax liabilities (net)	80.75	225.72
Other non-financial liabilities	134.22	89.48
Equity		
Equity share capital	45,000.00	20,000.00
Other equity	4,901.47	1,529.30
TOTAL LIABILITIES AND EQUITY	1,29,708.20	89,034.54

2 Statement of Cash flows:

(Currency : Indian Rupees Lakhs)

Particulars	As at	
	31 March 2022	31 March 2021
	Audited	Audited
Cash Flow from Operating Activities		
Profit before tax	4,608.69	3,867.23
Adjustments for :		
Interest income on financial assets	(13,551.74)	(10,846.17)
Finance costs	4,933.35	5,658.05
Depreciation and amortisation expense	156.55	200.82
Impairment on financial instruments	612.11	955.10
Provision for gratuity and compensated absences	35.03	(0.88)
Share based payment expense	33.60	84.96
Loss on sale of property plant and equipment	0.05	8.98
Impairment allowance on assets held for sale	(117.79)	-
Net gain on financial instruments at FVPL	(92.89)	(92.09)
Operating Loss before working capital changes	(3,383.04)	(164.00)
Interest income realised on financial assets	13,146.35	10,713.95
Finance costs paid	(6,290.04)	(6,313.00)
Cash generated from operating activities before working capital changes	3,473.27	4,236.95
Adjustments:		
(Increase)/Decrease in loans and advances	(37,942.53)	(9,932.36)
(Increase)/Decrease in other financial assets	314.04	(1,216.19)
(Increase)/Decrease in other non-financial assets	15.53	(140.33)
Increase/(Decrease) in trade payable	703.80	(113.03)
Increase/(Decrease) in other financial liabilities	1,419.67	962.71
Increase/(Decrease) in other non-financial liabilities	32.55	1.56
Cash (used in)/generated from operating activities	(31,983.67)	(6,200.69)
Taxes paid (net)	(1,360.46)	(384.21)
Net cash (used in)/generated from operating activities (A)	(33,344.13)	(6,584.90)
Cash flows from investing activities		
Purchase of property, plant and equipment	(52.51)	(0.65)
Purchase of intangible assets	(179.08)	(102.68)
Sale of property, plant and equipment	5.69	0.30
Sale / (Purchase) of assets held for sale	595.28	-
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(1,810.20)	(260.28)
(Acquisition)/Redemption of FVTPL investments (net)	(1,707.21)	(407.93)
Net cash (used in)/generated from investing activities (B)	(3,148.03)	(771.24)
Cash Flow from Financing Activities		
Proceeds from issue of equity share capital	(98.69)	40,660.00
Proceeds from borrowings	62,970.23	(34,374.92)
Repayments towards borrowings	(26,552.80)	(23.60)
Net cash (used in)/generated from financing activities (C)	36,318.74	6,261.48
Net Increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	(173.42)	(1,094.66)
Cash and Cash Equivalents at the beginning of the year	565.29	1,659.95
Cash and Cash Equivalents at the end of the year	391.87	565.29



IndoStar Home Finance Private Limited
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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR YEAR ENDED 31 MARCH 2022

- 3 The standalone financial results of IndoStar Home Finance Private Limited ("the Company") for year ended 31 Mar 2022 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 16 May 2022. The standalone financial results have been subjected to audit by the Statutory Auditor of the Company. The figures for the quarter ended 31 Mar 2022 are the balancing figures between Audited figures for the year ended 31 Mar 2022 and year to date figures for the period ended 31 Dec 2021 which were subjected to limited review of the Statutory Auditors.
- 4 The Company has issued 2,500 lakhs fully paid equity shares of face value of INR 10 each aggregating to INR 25,000 lakh to IndoStar Capital Finance Limited. Subsequent to issuance of INR 25,000 lakhs, the share capital of the Company is increased from INR 20000 lakhs to INR 45,000 lakhs.
- 5 The extent to which the COVID-19 pandemic will further impact the Company's results and carrying value of assets will depend on future developments, which are uncertain. The Company's impairment loss allowance estimates are subject to a number of management judgments and estimates, which could undergo changes over the entire duration of the pandemic. Given the uncertainty over the potential macro-economic condition and related judicial decisions on matters arising from the regulatory guidelines, the impact of the COVID pandemic on the financial performance may be different from that estimated as at the date of approval of these financial results. Such changes will be prospectively recognized. The Company continues to closely monitor any anticipated material changes to future economic conditions.
- 6 The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.
- 7 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

For and on behalf of the Board of Directors of
IndoStar Home Finance Private Limited


Shreejit Menon
Director
DIN: 08089220

Place: Mumbai
Date: 16 May 2022

Independent Auditor's Report

To
**The Board of Directors of
Indostar Home Finance Private Limited.**

We have audited the accompanying statement of financial results of **Indostar Home Finance Private Limited** ("the Company") for the quarter and year ended March 31, 2022, (the "Statement"), being prepared by the company in connection with Consolidation of the Company's financial information with Indostar Capital Finance Limited (the "Ultimate Holding Company") pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- b) gives a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS'), and other accounting principles generally accepted in India, of the net profit and other comprehensive Income and other financial information for the year ended March 31, 2022.

Basis for opinion

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 SAs are further described in the Auditor's Responsibilities for the Audit of the Annual financial results section of our Report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our Audit of Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management's and Board of Director's responsibilities for the annual financial results

The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy

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and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and 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 is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 these annual 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 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 appropriateness of this assumption. 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 annual 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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G. D. Apte & Co.
Chartered Accountants

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.

Emphasis of Matter:

Attention is drawn to note no. 5 of the Statement which describes the impacts of Covid-19 Pandemic on the audited standalone financial results as also on the business operations of the Company, assessment thereof by the management of the Company based on its internal, external, and macro factors, involving certain estimation uncertainties. Our conclusion on the statement is not modified in respect of this matter.

Other Matters

1. The audit of standalone financial results for the year ended March 31, 2021 was carried out and reported by predecessor Deloitte Haskins & Sells LLP, Chartered Accountants vide their unmodified audit report dated June 14, 2021, whose report has been furnished us by the management and which has been relied upon by us for the purpose of our audit of the statement.
2. The Statement includes the results for the quarter ended March 31, 2022, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review.
3. This Independent audit report is issued solely for the purpose of preparation of Consolidated Financial Results for the period ended March 31, 2022 of IndoStar Capital Finance Limited, the parent company and should not be used, circulated, quoted or otherwise reported for any other purposes without our prior written permission.

Our conclusion on the Statement is not modified in respect of these matters.

For G. D. Apte & Co.

Chartered Accountants

Firm registration number: 100515W

CHETAN RAMESH SAPRE
Digitally signed
by CHETAN
RAMESH SAPRE
Date: 2022.05.16
15:04:40 +05'30'

Chetan R. Sapre

Partner

Membership No: 116952

UDIN : 22116952AJAXBD6368

Place : Mumbai

Date : May 16, 2022

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