

ICFL/LS/0150/2020-21

5 November 2020

**BSE Limited**

Listing Department, 1<sup>st</sup> 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.:** Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/ Madam,

Pursuant to Regulation 30 of Listing Regulations, please find enclosed Presentation on Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30 September 2020.

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

Thanking you,

Yours Truly,

**For IndoStar Capital Finance Limited**

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



Encl: a/a

**IndoStar Capital Finance Limited**

Registered Office : One Indiabulls Centre, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai - 400013, India  
T +91 22 4315 7000 | F +91 22 4315 7010 | [contact@indostarcapital.com](mailto:contact@indostarcapital.com) | [www.indostarcapital.com](http://www.indostarcapital.com)  
CIN : L65100MH2009PLC268160



# INDOSTAR CAPITAL FINANCE LIMITED

Q2FY21 Results Update

05 November 2020

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**Note : The figures for the previous period have been adjusted, wherever considered necessary to conform with the financial reporting requirements.**

## Discussion Summary

### ❖ Strategy

❖ Quarterly Results

❖ Business Update

❖ Shareholding Structure

## Our Strategy



- To be a **100% retail company**
- To build a high quality, highly profitable platform with good governance to deliver excellent value to all stakeholders
- **To focus on collections** during Lockdown/Moratorium and thereafter to enhance Asset quality
- To open **smart branches** and work on **digitisation** to enhance productivity and reduce Operating Cost
- To **expand Products** and **customer Segment**
- To strengthen the leadership team
- To actively expand market share and access new geographies

## Value Proposition – Growth, Balanced Risk-Reward



Growing  
economy,  
Gaining market  
share

Well positioned  
to grab growth  
opportunities

Focus on 100%  
retail business

Nationwide  
urban & rural  
branch network

Strong focus on  
leveraging  
Digital, Analytics  
& AI platforms

Strong  
Parentage

# Digital transformation journey...



1

**Digitize the lending process from lead generation to disbursement**

2

**On-board fintech and technology partners to implement the digital journeys**

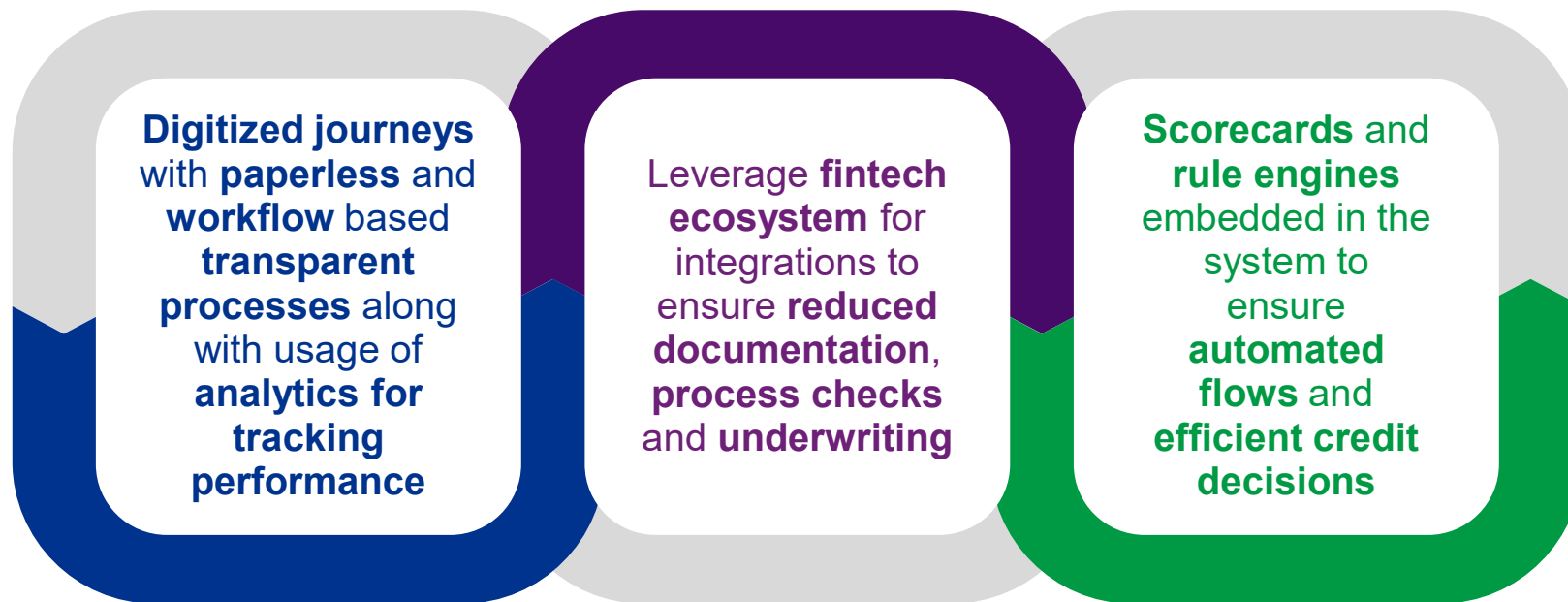
3

**Define the risk scorecards and business rule engines to digitize credit processes**

4

**Define the risk analytics framework with emphasis on collections**

## Digitized processes make way for seamless journey





## Discussion Summary

❖ Strategy

❖ **Quarterly Results**

❖ Business Update

❖ Shareholding Structure



### **Q2 was all about gradual unlocking of the economy**

At IndoStar, we:

- Adopted cautious approach to opening of business
- Focussed on collections – March onwards collections have increased gradually reaching nearly 100% in October
- Started disbursements: Expect to see momentum from November onwards
- Created “back to growth” plans
- Augmented Collections infrastructure
- Strengthened the Top Management: Appointed Deep Jaggi as Chief Business Officer

## Summary of Q2



### **Health & Safety**

- India's COVID situation improving; but need for continued alertness
- Health and safety top priorities for the Company
- Work from home continues to the extent possible
- Safe and efficient digital channels – Net Banking, Mobile Banking

### **Economic Situation**

- After a sharp slowdown in Q1 (23.9% YoY contraction), Signs of recovery in Q2
  - Positive High frequency indicators: GST collections, PMI, power & petroleum consumption
  - Increased government spending, accommodative monetary policy
  - Non-urban economy strong – good monsoon, record food grain production, government support

## Q2FY21 performance : Key Highlights



### Execution of Retailisation Theme

- Strong retail franchise ~ 73% of AUM (66% in Sep-19)
- ICICI partnership AUM ~ ₹ 6,847 mn



### Strong Capitalisation & Liquidity

- Comfortable liquidity; ~36% of Borrowings
- CRAR 35 %
- Debt : Equity ratio of 1.8x



### Financials

- Net Revenue from Operations ₹ 1,538 mn, +3% QoQ
- Cost Income ratio 40%\*
- Pre-provision Operating Profit ₹ 782 mn, +4% QoQ

\* Excluding one-off costs

## Q2 & H1FY21: Consolidated Profit & Loss Statement

Particulars (₹ mn)	Q2FY21	Q1FY21	QoQ %	Q2FY20	YoY %	H1FY21	H1FY20	YoY %
Revenue from Operations	3,392	3,334	2%	4,428	-23%	6,726	8,839	-24%
Interest Expenses	(1,854)	(1,838)	1%	(2,231)	-17%	(3,692)	(4,705)	-22%
<b>Net Revenue from Operations</b>	<b>1,538</b>	<b>1,496</b>	<b>3%</b>	<b>2,197</b>	<b>-30%</b>	<b>3,034</b>	<b>4,134</b>	<b>-27%</b>
People Costs	405	483	-16%	472	-14%	888	948	-6%
Operating Expenses	351	263	34%	328	7%	614	597	3%
<b>Pre-provision Operating Profit</b>	<b>782</b>	<b>751</b>	<b>4%</b>	<b>1,397</b>	<b>-44%</b>	<b>1,533</b>	<b>2,590</b>	<b>-41%</b>
Credit Costs	328	246	33%	722	-55%	574	1,330	-57%
<b>Profit before Tax</b>	<b>454</b>	<b>505</b>	<b>-10%</b>	<b>675</b>	<b>-33%</b>	<b>959</b>	<b>1,260</b>	<b>-24%</b>
Tax	138	33	316%	181	-24%	171	295	-42%
<b>Profit after Tax</b>	<b>316</b>	<b>472</b>	<b>-33%</b>	<b>494</b>	<b>-36%</b>	<b>788</b>	<b>965</b>	<b>-18%</b>
Key Metrics	Q2FY21	Q1FY21	Q2FY20		H1FY21		H1FY20	
Yield on Loans	14.0%	14.1%	14.5%		14.0%		14.2%	
Yield on Total Assets	12.3%	12.9%	15.0%		12.8%		15.1%	
Cost of Borrowings	10.2%	10.3%	10.4%		10.3%		10.3%	
Spread	2.0%	2.6%	4.6%		2.5%		4.8%	
NIM	5.6%	5.8%	7.5%		5.8%		7.0%	
Cost to Income	39.9%*	43.1%*	36.4%		41.5%*		37.4%	

\* Excluding one-off costs

## Consolidated Balance Sheet



Particulars (₹ mn)	Sep-20	Jun-20	QoQ %	Sep-19	YoY %
Equity	39,694	39,512	0%	31,022	28%
Borrowings <sup>\$</sup>	71,427	73,652	-3%	83,282	-14%
Other Liabilities (Net)	-	-	-	425	n.a.
<b>Total Liabilities</b>	<b>111,121</b>	<b>113,163</b>	<b>-2%</b>	<b>114,729</b>	<b>-3%</b>
Loan Assets <sup>\$</sup>	77,826	84,285	-8%	97,732	-20%
Treasury Assets	27,712	22,907	21%	13,121	111%
Fixed Assets & Goodwill	3,910	4,118	-5%	3,877	1%
Other Assets (Net)	1,673	1,854	-10%	-	n.a.
<b>Total Assets</b>	<b>111,121</b>	<b>113,163</b>	<b>-2%</b>	<b>114,729</b>	<b>-3%</b>
Key Ratios	Q2FY21	Q1FY21	Q2FY20		
ROAA*	1.1%	1.8%	1.7%		
Leverage	2.8x	3.1x	3.8x		
ROAE*	3.2%	5.7%	6.4%		

\* Annualised

<sup>\$</sup> Restated

## Q2FY21: Business Segment Performance



Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated ^
Revenue from Operations	991	1,458	419	285	3,392
Interest Expenses	(488)	(642)	(232)	(132)	(1,854)
<b>Net Interest Income</b>	<b>503</b>	<b>817</b>	<b>188</b>	<b>153</b>	<b>1,538</b>
People Costs	15	182	42	51	405
Operating Expenses	59	157	16	27	351
<b>Pre-provision Operating Profit</b>	<b>429</b>	<b>478</b>	<b>129</b>	<b>75</b>	<b>782</b>
Credit Costs *	218	87	23	4	328
<b>Profit Before Tax</b>	<b>211</b>	<b>391</b>	<b>105</b>	<b>70</b>	<b>454</b>

Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated ^
Equity #	9,624	11,686	5,244	3,003	39,694
Borrowings \$	15,564	26,129	8,481	4,856	71,427
<b>Total Liabilities</b>	<b>25,188</b>	<b>37,814</b>	<b>13,725</b>	<b>7,859</b>	<b>111,121</b>
Loan Assets \$	24,760	34,384	13,491	7,725	77,826
Treasury Assets	-	-	-	-	27,712
Fixed Assets & Goodwill	-	3,002	-	-	3,910
Other Assets	428	428	233	134	1,673
<b>Total Assets</b>	<b>25,188</b>	<b>37,814</b>	<b>13,725</b>	<b>7,859</b>	<b>111,121</b>

\* Credit costs are expected loss provisions computed under IndAS plus write offs # Allocated

^ Consolidated includes common corporate costs which are unallocated between segments

\$ Restated

# H1FY21: Business Segment Performance



Particulars (₹ Mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated ^
Revenue from Operations	1,991	2,970	855	546	6,726
Interest Expenses	(1,017)	(1,349)	(476)	(268)	(3,692)
<b>Net Interest Income</b>	<b>974</b>	<b>1,621</b>	<b>379</b>	<b>278</b>	<b>3,034</b>
People Costs	38	369	81	105	888
Operating Expenses	63	257	33	48	614
<b>Pre-provision Operating Profit</b>	<b>873</b>	<b>995</b>	<b>264</b>	<b>125</b>	<b>1,533</b>
Credit Costs *	302	278	(5)	4	574
<b>Profit Before Tax</b>	<b>571</b>	<b>717</b>	<b>269</b>	<b>121</b>	<b>959</b>

Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated ^
Equity #	9,624	11,686	5,244	3,003	39,694
Borrowings \$	15,564	26,129	8,481	4,856	71,427
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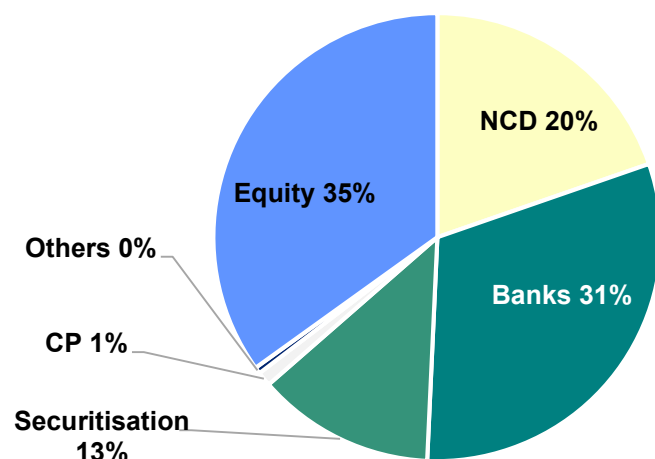
\$ Restated



# Diversified Funding Profile



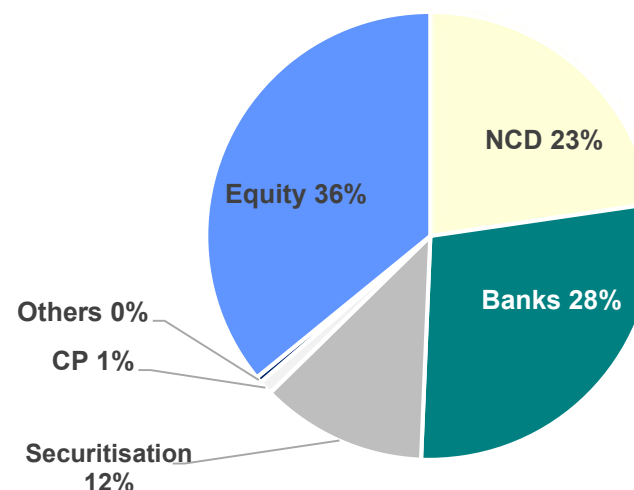
Funding Mix - Jun 2020



Incremental Funding mobilized

Particulars (₹ mn)	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Banks	4,276	1,501	2,500	4,546	-
Markets	-	250	-	2,750	3,000
Assignments	2,965	238	-	-	-
Securitisation	2,120	2,042	6,022	-	-
<b>Total</b>	<b>9,361</b>	<b>4,031</b>	<b>8,522</b>	<b>7,296</b>	<b>3,000</b>

Funding Mix - Sep 2020



Strong Credit Ratings

Borrowing Type	Rating Firm	Ratings
Term Loans	INDIA RATINGS / CARE	AA (-)
Redeemable NCDs	INDIA RATINGS / CARE	AA (-)
CPs	CRISIL / CARE / ICRA	A1 (+)

## Strong Liquidity Position



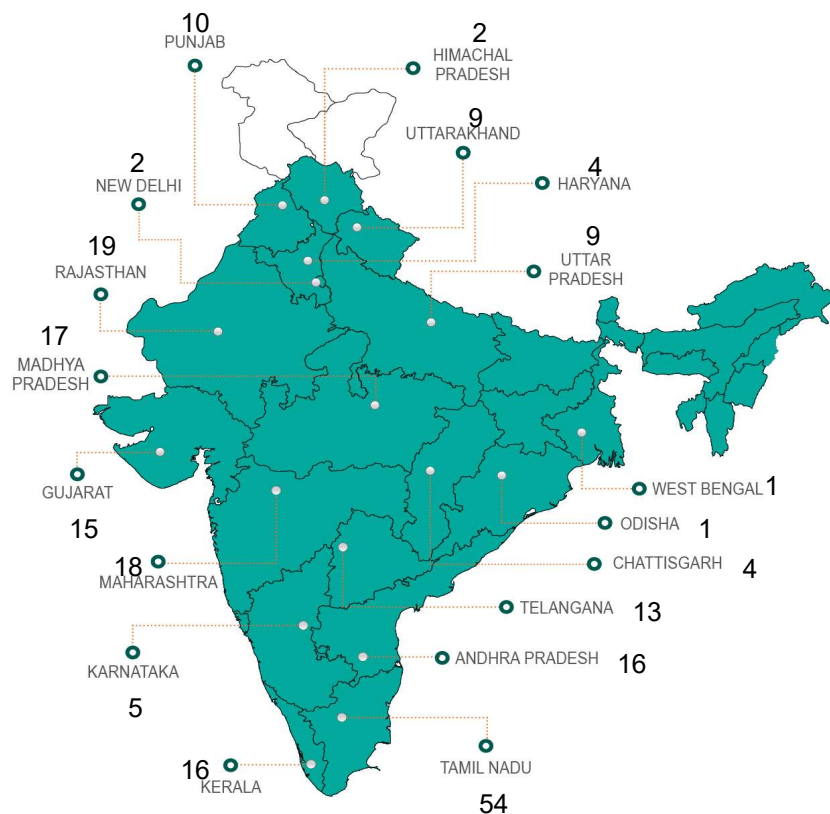
Particulars (₹ mn)	Oct-20	Nov-20	Dec-20	Q4 FY21	Q1 FY22	Q2 FY22
Opening Cash & Equivalents*	25,821	26,216	26,014	24,828	19,172	13,479
Loan repayment inflows [Principal]	1,007	1,008	1,013	2,845	2,558	2,582
<b>Total Inflow</b>	<b>26,828</b>	<b>27,224</b>	<b>27,028</b>	<b>27,673</b>	<b>21,730</b>	<b>16,060</b>
Liability Repayment [Principal]	-	-	-	-	-	-
Commercial Paper	-	-	-	500	1,250	-
NCDs	-	-	250	3,635	3,460	948
IIFL Pay-outs	-	-	-	-	-	-
Term Loans & Others	612	1,209	1,950	4,366	3,541	2,489
<b>Total Outflow</b>	<b>612</b>	<b>1,209</b>	<b>2,200</b>	<b>8,501</b>	<b>8,251</b>	<b>3,437</b>
<b>Closing Cash and equivalents</b>	<b>26,216</b>	<b>26,014</b>	<b>24,828</b>	<b>19,172</b>	<b>13,479</b>	<b>12,624</b>

### \* Opening Cash & Equivalents

Particulars	₹ mn
Cash and Bank Balance	660
Cash equivalents	-
Liquid Debt Mutual Funds	16,505
Term Deposits with Banks	8,457
Undrawn funding Lines	200
<b>Total</b>	<b>25,821</b>

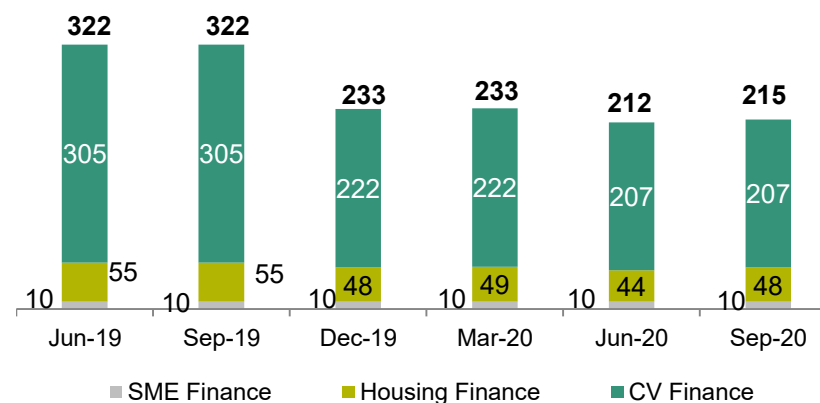
Incremental funds raised ₹ 10,296 mn since April 2020

# Post integration branch rationalisation on course

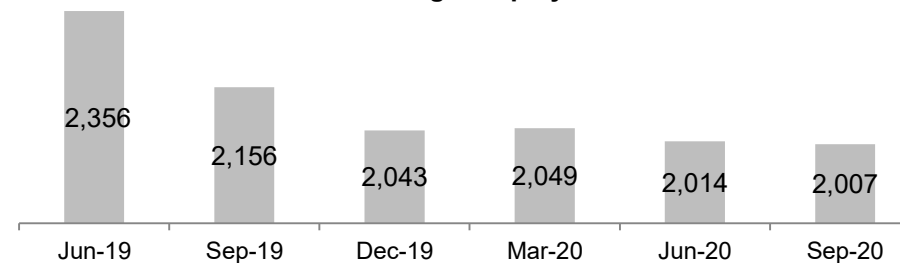


## 215 branches across 18 states

\* Some branches have multiple operating segments



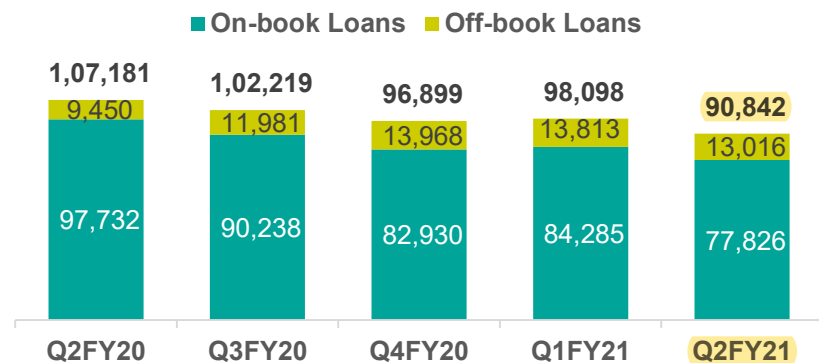
## Retail Lending - Employee Base



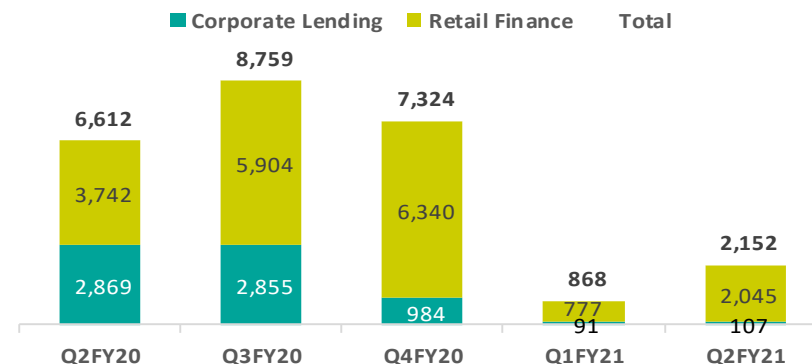
# Q1FY21: Quarterly Performance Trend (1/2)



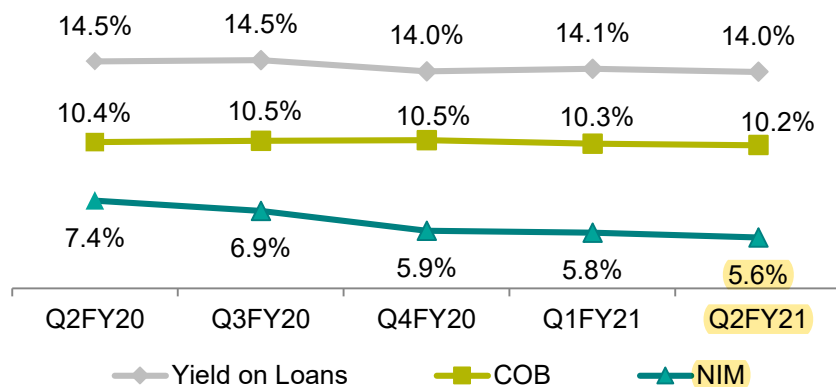
**AUM (₹ mn)**



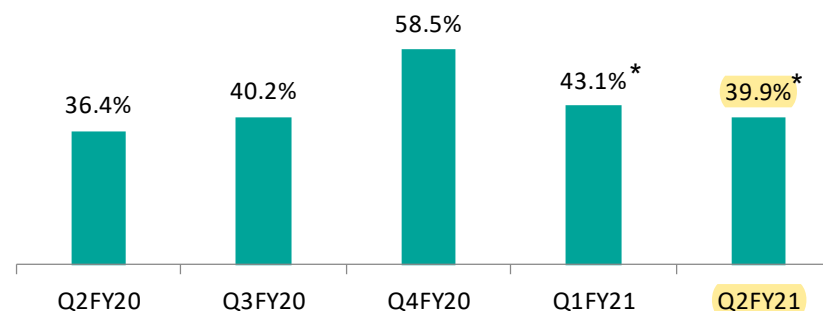
**Loan Disbursements (₹ mn)**



**Margin Analysis (%)**



**Cost to Income Ratio (%)**

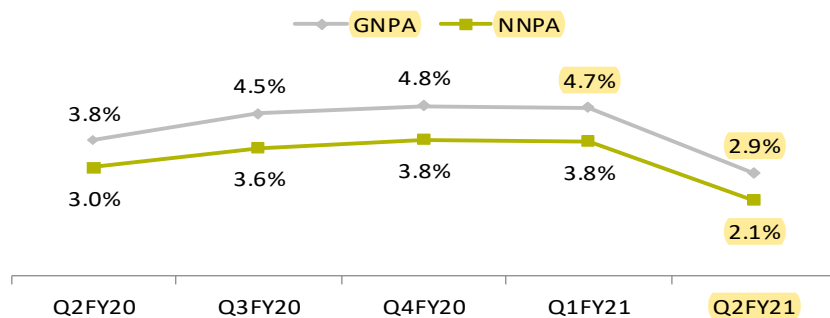


\* Excluding one-off costs

## Q1FY21: Quarterly Performance Trend (2/2)

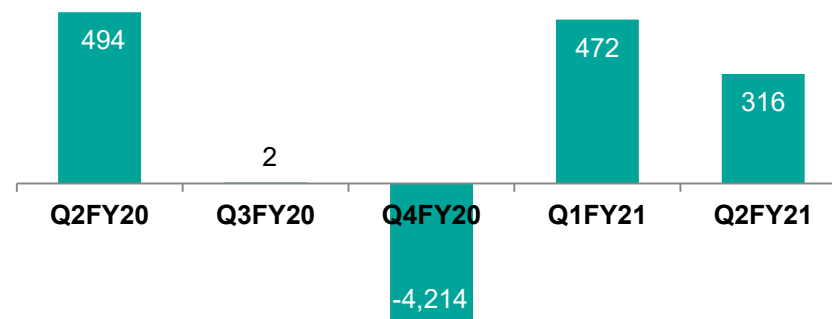


**NPA\***

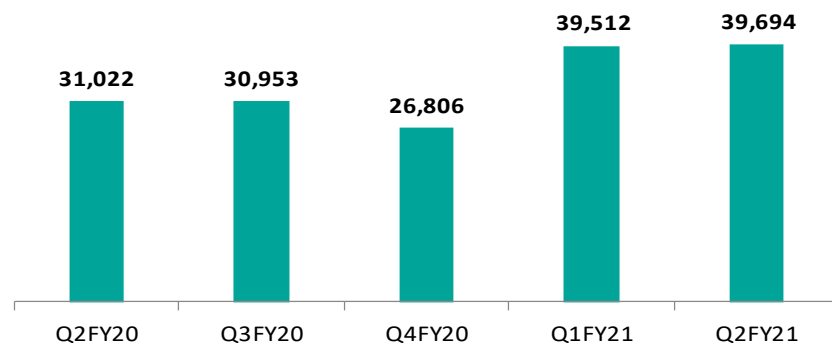


\* GNPA & NNPA (restated) represents Stage 3 Assets

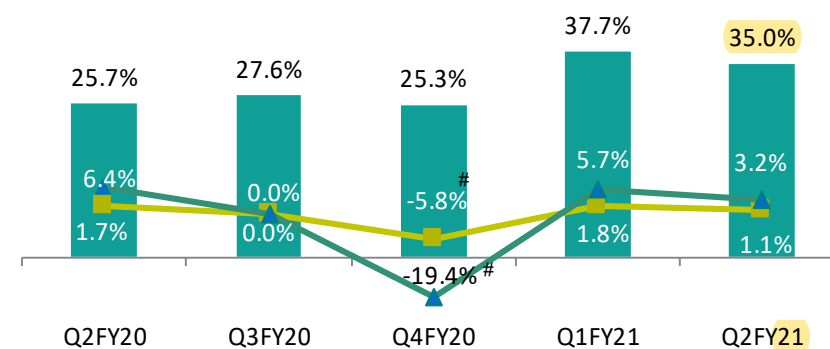
**PAT (₹ mn)**



**Net worth (₹ mn)**



**Return Ratios^ & Capital Adequacy (%)**



^ Annualized

# Excluding management overlay

CRAR ROAA ROAE

## Asset Quality



Gross NPA (₹ mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Corporate Lending	1,546	1,546	1,546	1,546	1,546
CV Finance	1,792	2,334	2,336	2,445	578
SME Finance	437	267	237	153	180
Housing Finance	26	51	63	64	69
<b>Total</b>	<b>3,801</b>	<b>4,199</b>	<b>4,182</b>	<b>4,207</b>	<b>2,372</b>

Net NPA (₹ mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Corporate Lending	1,391	1,391	1,237	1,237	1,082
CV Finance	1,254	1,634	1,846	1,925	462
SME Finance	354	217	187	121	142
Housing Finance	21	41	50	53	56
<b>Total</b>	<b>3,020</b>	<b>3,283</b>	<b>3,320</b>	<b>3,335</b>	<b>1,741</b>

PCR% (including management overlay) as of 30<sup>th</sup> September 2020 is 135%

## Discussion Summary

- ❖ Strategy
- ❖ Quarterly Results
- ❖ Business Update
- ❖ Shareholding Structure

## Collections update



Month	Retail		
	Billing (₹ mn)	Total Collections (₹ mn)	%
Jan-20	2,267	2,349.5	103.66%
Feb-20	2,122	2,208.9	104.08%
Mar-20	2,232	1,461.7	65.48%
Apr-20	2,130	153.6	7.21%
May-20	2,134	389.4	18.25%
Jun-20	2,219	1,022.8	46.09%
Jul-20	2,234	1,450.2	64.91%
Aug-20	2,211	1,564.5	70.76%
Sep-20	2,182	2,008.1	92.05%
Oct-20	2,153	2,147.8	99.77%



## Restructuring Snapshot

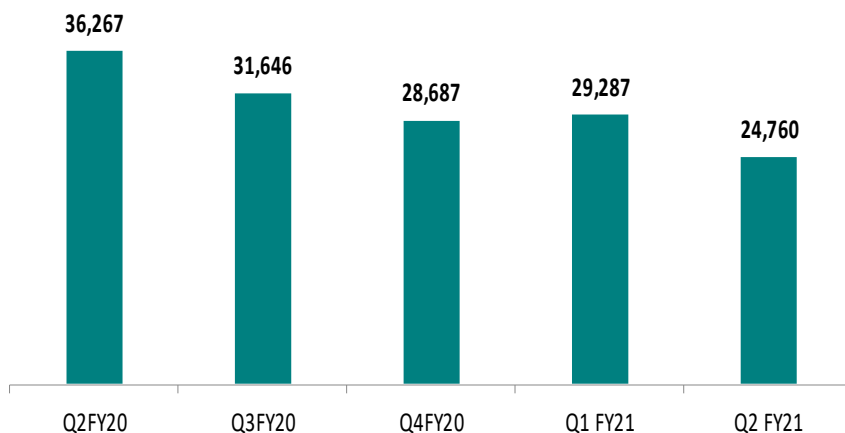


As on 31 <sup>st</sup> October (YTD)	Total no of Accounts	No. of restructured accounts	Total AUM  (₹ mn)	AUM under Restructure  (₹ mn)	% of Total AUM	% of no. of restructure accounts
VF	77,554	532	37,950	470	1.23%	0.70%
SME	2,395	25	17,720	420	2.37%	1.00%
AHF	12,767	0	8,750	0	0%	0%
<b>Total Retail</b>	<b>92,716</b>	<b>557</b>	<b>64,420</b>	<b>900</b>	<b>1.39%</b>	<b>0.60%</b>

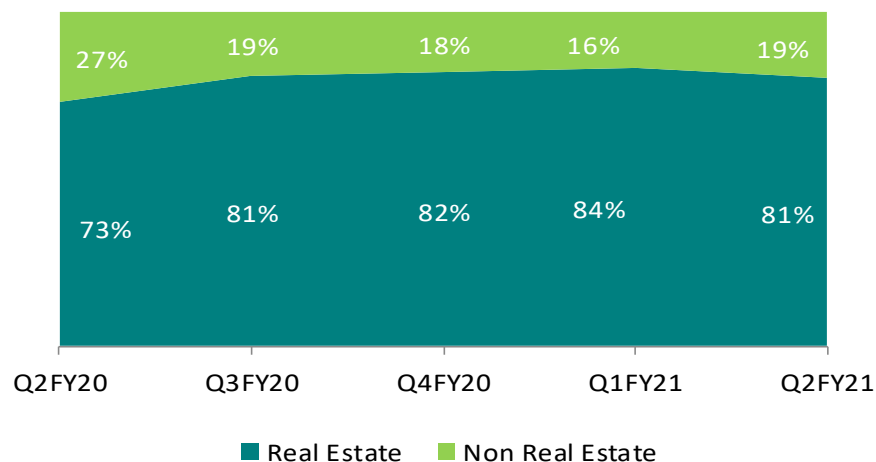
## Corporate Lending (1/3)



Corporate Lending AUM (₹ mn)



AUM Breakup: RE vs. Non-RE



- ✓ Continued focus on reduction in exposure
- ✓ Reduced by ₹ 4,527 mn in Q2FY21

## Corporate Lending: Profit and Loss (2/3)



Particulars (₹ mn)	Q2 FY 20	Q3 FY 20	Q4 FY 20	Q1 FY 21	Q2 FY 21
Revenue from Operations	1,494	1,288	1,077	1,000	991
Interest Expenses	(789)	(648)	(610)	(529)	(488)
<b>Net Interest Income</b>	<b>704</b>	<b>640</b>	<b>467</b>	<b>471</b>	<b>503</b>
People Costs	42	40	27	23	15
Operating Expenses	2	9	8	4	59
<b>Pre-provision Operating Profit</b>	<b>661</b>	<b>591</b>	<b>431</b>	<b>444</b>	<b>429</b>
Credit Costs*	581	763	2,410	84	218
<b>Profit before Tax</b>	<b>81</b>	<b>(172)</b>	<b>(1,978)</b>	<b>361</b>	<b>211</b>
Loan Assets	36,267	31,646	28,687	29,287	24,760
Equity ^	10,866	10,790	8,934	11,229	9,624

\* Credit costs are expected loss provisions computed under Ind AS plus write offs

^ Allocated

## Corporate Lending : Key ratios (3/3)



	Q2 FY 20	Q3 FY 20	Q4 FY 20	Q1 FY 21	Q2 FY 21
Revenue from Operations*	14.9%	14.7%	14.3%	13.6%	13.7%
<b>Net Interest Income*</b>	<b>7.0%</b>	<b>7.3%</b>	<b>6.2%</b>	<b>6.4%</b>	<b>7.0%</b>
Operating Expenses*	0.4%	0.6%	0.5%	0.4%	1.0%
Cost / Income	6.1%	7.7%	7.7%	5.8%	14.7%
<b>Pre-provision Operating Profit</b>	<b>6.6%</b>	<b>6.7%</b>	<b>5.7%</b>	<b>6.1%</b>	<b>6.0%</b>
Credit Costs	5.8%	8.7%	31.9%	1.1%	3.0%
<b>GNPA</b>	<b>4.2%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>6.1%</b>
<b>NNPA</b>	<b>3.8%</b>	<b>4.4%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.3%</b>
<b>ROAA^</b>	<b>0.2%</b>	<b>-1.8%</b>	<b>-19.4%</b>	<b>4.6%</b>	<b>1.8%</b>
Leverage	3.5x	3.1x	3.0x	2.9x	2.6x
<b>ROAE ^</b>	<b>0.8%</b>	<b>-5.5%</b>	<b>-58.3%</b>	<b>13.2%</b>	<b>4.6%</b>

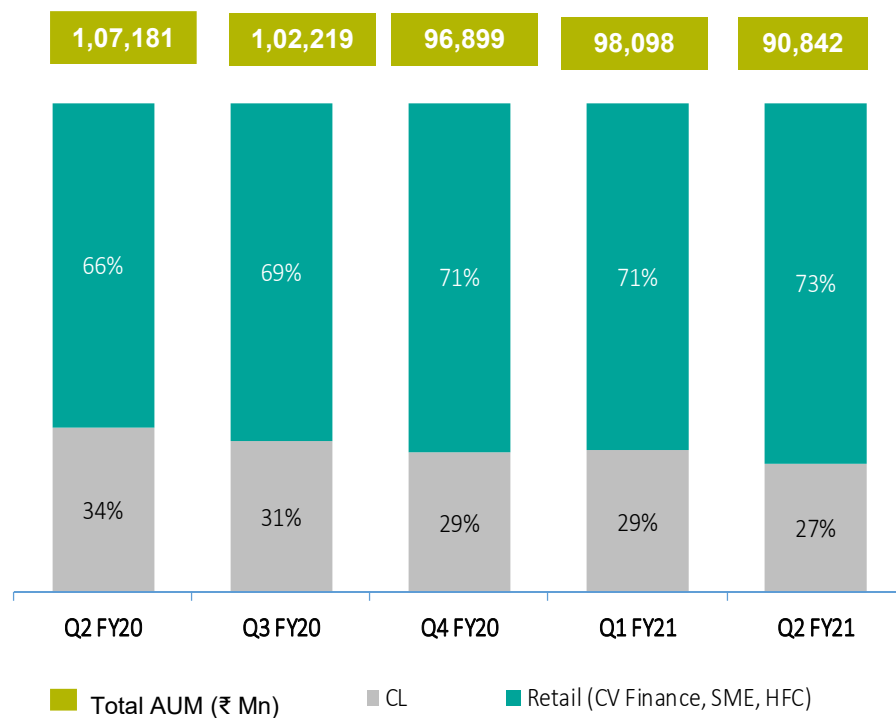
\* On daily average basis

^ Annualized

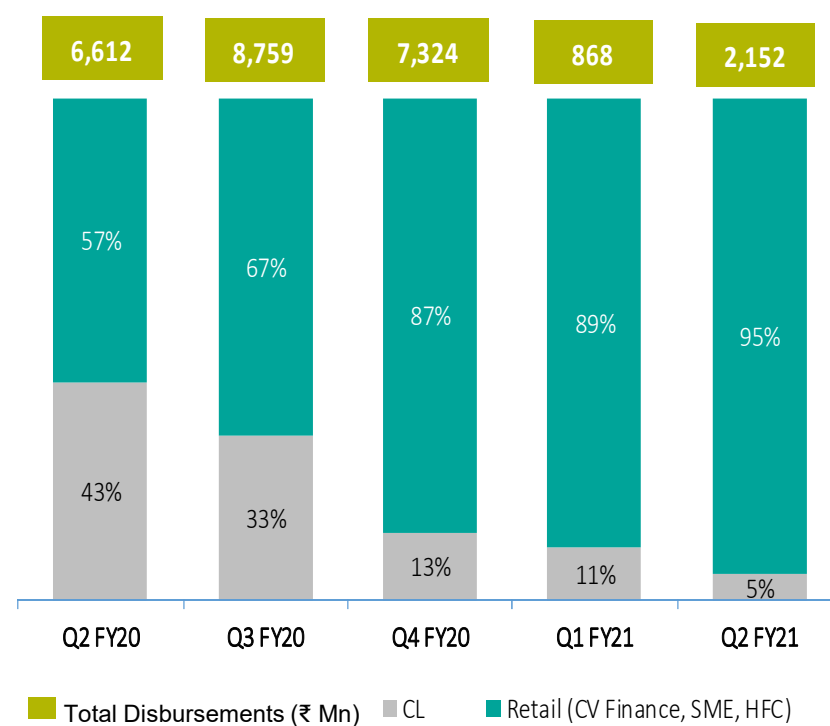
# Retailisation Strategy On track



**AUM: CL vs Retail (%)**



**Disbursements: CL vs Retail (%)**

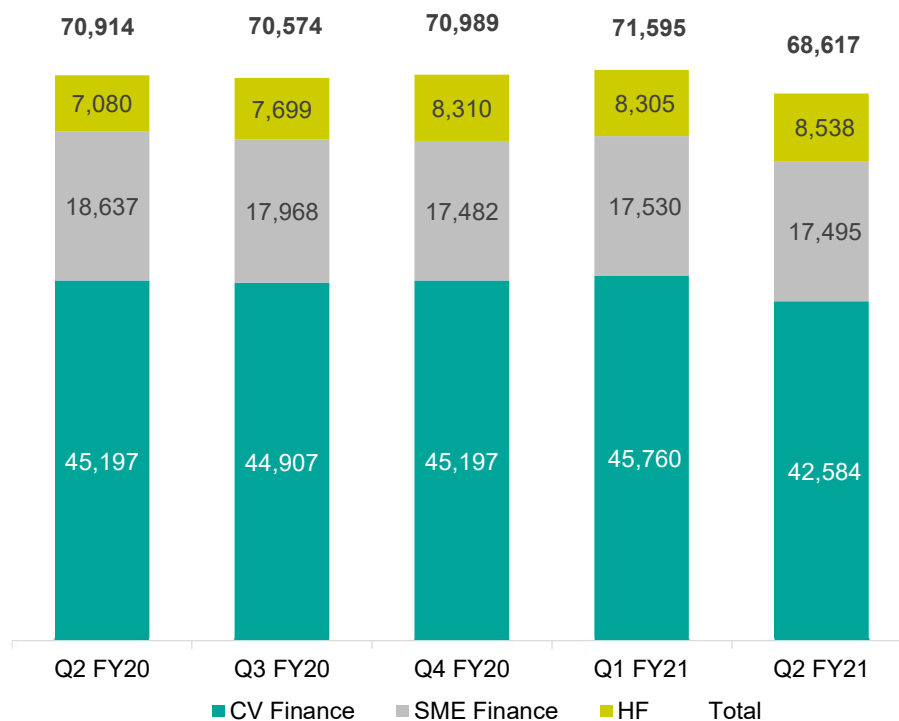


Corporate Lending: CL , Commercial Vehicle Finance: CV Finance, SME Finance: SME, Housing Finance: HF

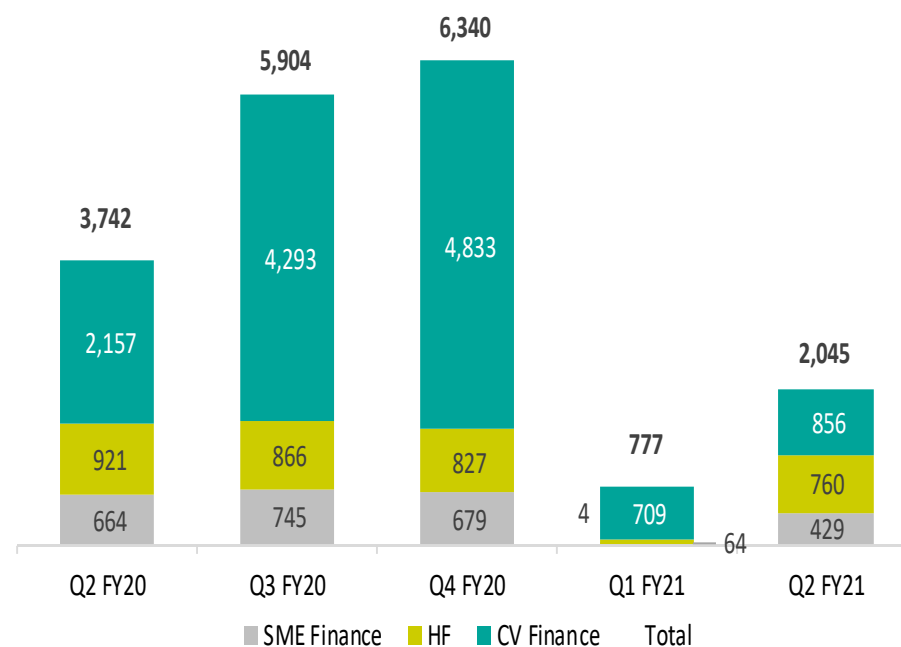
# Retail Business Volume impacted by Covid-19



Retail AUM (₹ mn)



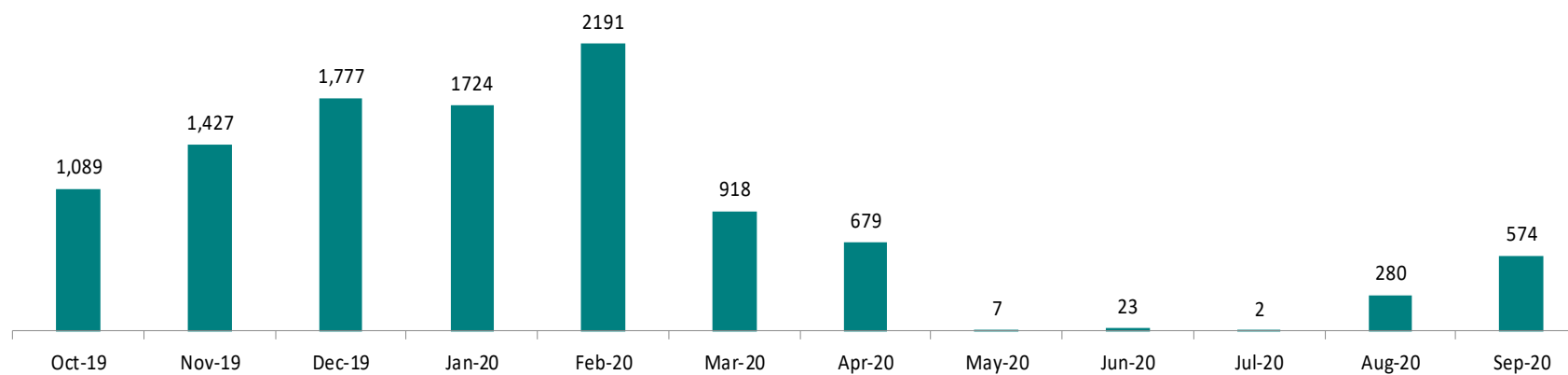
Retail Disbursements (₹ mn)



## CV Finance (1/3)



CV Finance – Monthly Disbursement Trend (₹ mn)



✓ CV Finance AUM ₹ 42,584 mn

✓ AUM of ICICI Bank tie-up ₹ 6,847 mn

## CV Finance : Profit and Loss (2/3)



Particulars (₹ mn)	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Revenue from Operations	1,870	1,743	1,455	1,511	1,458
Interest Expenses	(832)	(771)	(759)	(707)	(642)
<b>Net Interest Income</b>	<b>1,038</b>	<b>971</b>	<b>697</b>	<b>804</b>	<b>817</b>
People Costs	225	206	193	187	182
Operating Expenses	144	119	152	100	157
<b>Pre-provision Operating Profit</b>	<b>670</b>	<b>647</b>	<b>352</b>	<b>517</b>	<b>478</b>
Credit Costs	42	252	901	191	87
<b>Profit before Tax</b>	<b>628</b>	<b>394</b>	<b>(549)</b>	<b>326</b>	<b>391</b>
<b>Loan Assets</b> <sup>\$</sup>	41,269	38,261	36,184	36,951	34,384
<b>Equity</b> <sup>^</sup>	9,912	10,854	9,455	12,154	11,686

<sup>^</sup> Allocated

<sup>\$</sup> Restated



## CV Finance : Key ratios (3/3)



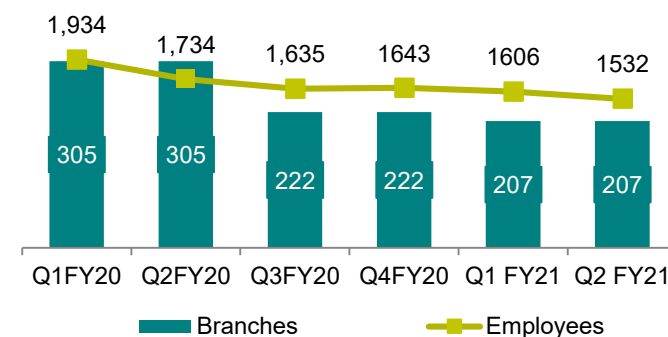
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Revenue from Operations*	16.7%	16.9%	15.2%	16.0%	15.7%
<b>Net Interest Income*</b>	<b>9.3%</b>	<b>9.4%</b>	<b>7.3%</b>	<b>8.5%</b>	<b>8.8%</b>
Operating Expenses*	3.3%	3.1%	3.6%	3.0%	3.6%
Cost / Income	35.5%	33.4%	49.5%	35.7%	41.4%
<b>Pre-provision Operating Profit*</b>	<b>6.0%</b>	<b>6.3%</b>	<b>3.7%</b>	<b>5.5%</b>	<b>5.2%</b>
<b>Credit Costs</b>	<b>0.4%</b>	<b>2.4%</b>	<b>9.4%</b>	<b>2.0%</b>	<b>0.9%</b>
GNPA <sup>\$</sup>	4.2%	5.8%	6.2%	6.3%	1.6%
NNPA <sup>\$</sup>	2.9%	4.1%	5.0%	5.0%	1.3%
ROAA <sup>^</sup>	4.6%	3.4%	-4.3%	3.2%	3.0%
Leverage	4.6x	3.8x	3.4x	3.2x	2.9x
<b>ROAE<sup>^</sup></b>	<b>21.0%</b>	<b>13.2%</b>	<b>-14.9%</b>	<b>10.5%</b>	<b>8.7%</b>

\* On daily average basis

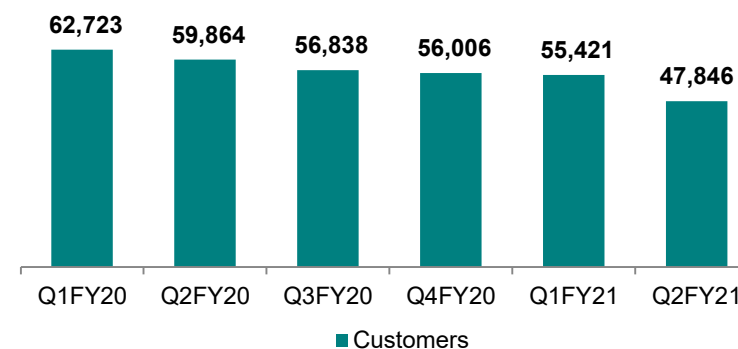
<sup>^</sup> Annualized

<sup>\$</sup> Restated

### Branches & Employees



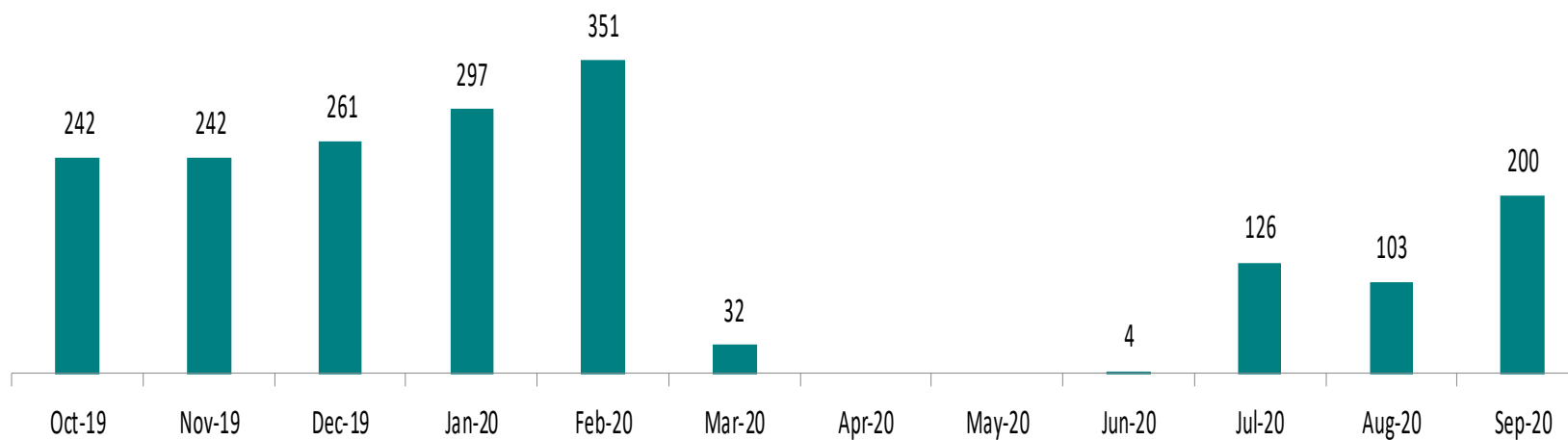
### Customer Count



## SME Finance (1/3)



SME Finance – Monthly Disbursement Trend (₹ mn)



✓ SME Finance AUM : ₹ 17,495 mn

✓ Assigned/Securitized Portfolio : ₹ 4,003 mn

## SME Finance: Profit and Loss (2/3)



Particulars (₹ mn)	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Revenue from Operations	679	441	428	436	419
Interest Expenses	(314)	(260)	(266)	(245)	(232)
<b>Net Interest Income</b>	<b>365</b>	<b>181</b>	<b>162</b>	<b>191</b>	<b>188</b>
People Costs	47	45	44	39	42
Operating Expenses	32	33	31	17	16
<b>Pre-provision Operating Profit</b>	<b>287</b>	<b>103</b>	<b>87</b>	<b>135</b>	<b>129</b>
Credit Costs	98	85	63	(29)	23
<b>Profit before Tax</b>	<b>189</b>	<b>17</b>	<b>24</b>	<b>164</b>	<b>105</b>
Loan Assets	14,069	13,513	13,360	13,371	13,491
Equity <sup>^</sup>	4,215	4,607	4,161	5,126	5,244

<sup>^</sup> Allocated

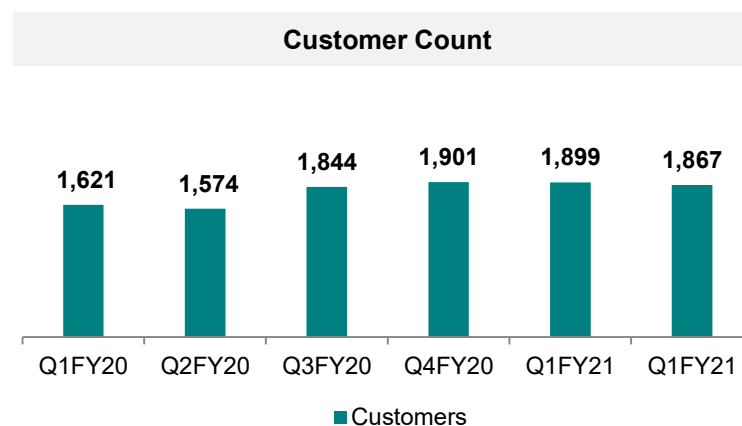
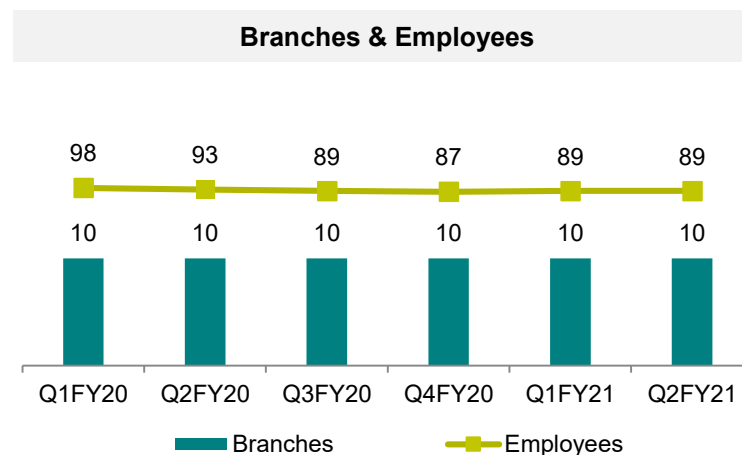
## SME Finance : Key ratios (3/3)



	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Revenue from Operations*	17.1%	12.9%	13.0%	12.8%	12.6%
<b>Net Interest Income*</b>	<b>9.2%</b>	<b>5.3%</b>	<b>4.9%</b>	<b>5.6%</b>	<b>5.6%</b>
Operating Expenses*	2.0%	2.3%	2.3%	1.6%	1.8%
Cost / Income	21.5%	43.1%	46.1%	29.3%	31.3%
<b>Pre-provision Operating Profit*</b>	<b>7.2%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>4.0%</b>	<b>3.9%</b>
Credit Costs	2.5%	2.5%	1.9%	-0.9%	0.7%
<b>GNPA</b>	<b>3.1%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.1%</b>	<b>1.3%</b>
<b>NNPA</b>	<b>2.5%</b>	<b>1.6%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>1.1%</b>
<b>ROAA ^</b>	<b>3.5%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>4.5%</b>	<b>2.0%</b>
Leverage	3.5x	3.1x	3.1x	2.9x	2.6x
<b>ROAE ^</b>	<b>12.1%</b>	<b>1.4%</b>	<b>2.1%</b>	<b>13.1%</b>	<b>5.2%</b>

\* On daily average basis

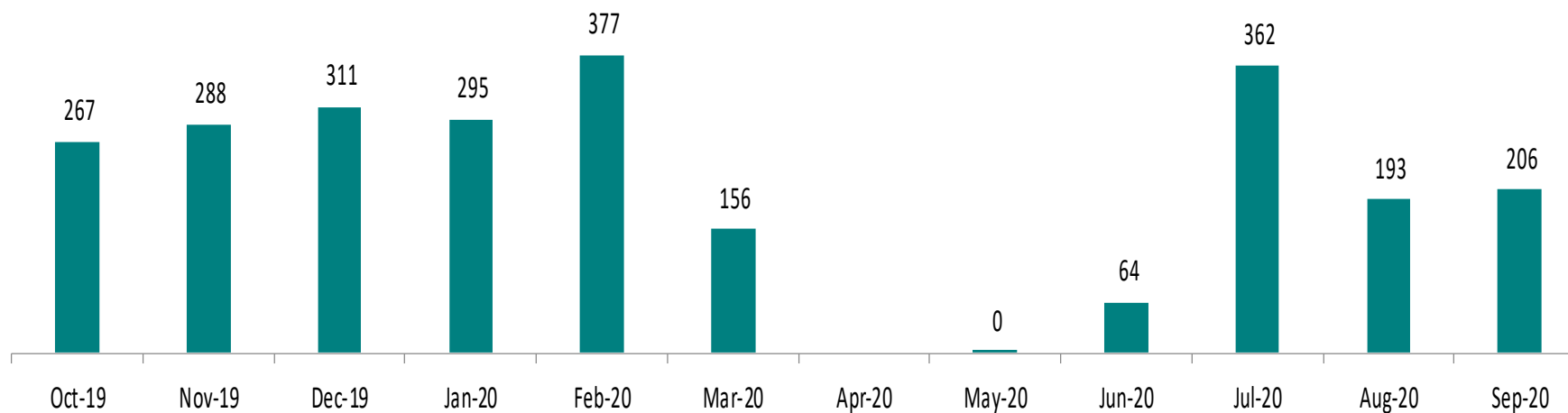
^ Annualized



## Housing Finance (1/3)



Housing Finance – Monthly Disbursement Trend (₹ mn)



✓ Housing Finance AUM : ₹ 8,538 mn

✓ Assigned/Securitized Portfolio : ₹ 813 mn

## Housing Finance: Profit and Loss (2/3)



Particulars (₹ mn)	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Revenue from Operations	259	245	261	261	285
Interest Expenses	(124)	(121)	(141)	(136)	(132)
<b>Net Interest Income</b>	<b>134</b>	<b>124</b>	<b>119</b>	<b>125</b>	<b>153</b>
People Costs	60	58	63	53	51
Operating Expenses	25	31	36	21	27
<b>Pre-provision Operating Profit</b>	<b>49</b>	<b>36</b>	<b>20</b>	<b>51</b>	<b>75</b>
Credit Costs	2	6	51	0.3	4
<b>Profit before Tax</b>	<b>47</b>	<b>30</b>	<b>(30)</b>	<b>50</b>	<b>70</b>
<b>Loan Assets</b>	<b>6,126</b>	<b>6,819</b>	<b>7,477</b>	<b>7,460</b>	<b>7,725</b>
<b>Equity <sup>^</sup></b>	<b>1,835</b>	<b>2,325</b>	<b>2,329</b>	<b>2,860</b>	<b>3,003</b>

<sup>^</sup> Allocated

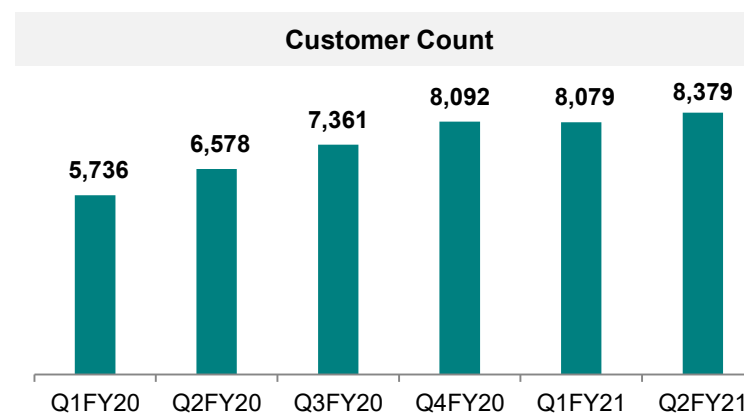
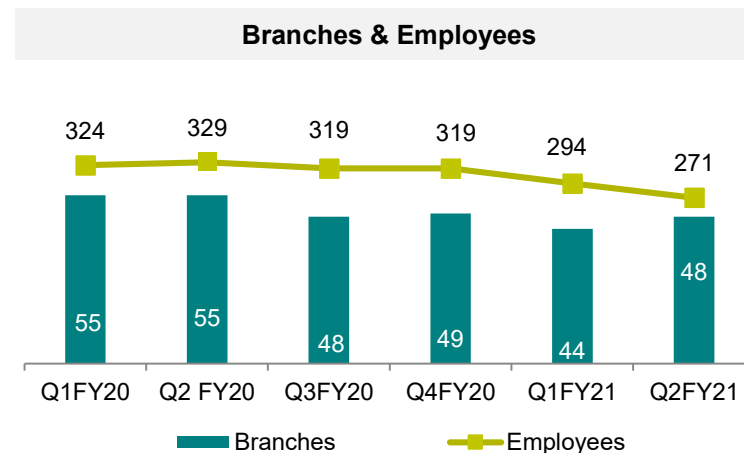
## Housing Finance : Key ratios (3/3)



	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Revenue from Operations*	16.5%	15.3%	14.6%	13.9%	14.7%
<b>Net Interest Income*</b>	<b>8.6%</b>	<b>7.8%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>7.9%</b>
Operating Expenses*	5.4%	5.5%	5.6%	4.0%	4.0%
Cost / Income	63.4%	71.1%	83.0%	59.5%	51.3%
<b>Pre-provision Operating Profit*</b>	<b>3.1%</b>	<b>2.2%</b>	<b>1.1%</b>	<b>2.7%</b>	<b>3.8%</b>
Credit Costs	0.1%	0.4%	2.9%	0.0%	0.2%
<b>GNPA</b>	<b>0.4%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.9%</b>
<b>NNPA</b>	<b>0.3%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>
<b>ROAA ^</b>	<b>1.5%</b>	<b>1.7%</b>	<b>-1.5%</b>	<b>2.4%</b>	<b>2.9%</b>
Leverage	3.5x	3.1x	3.1x	2.9x	2.6x
<b>ROAE ^</b>	<b>5.3%</b>	<b>5.2%</b>	<b>-4.6%</b>	<b>7.0%</b>	<b>7.6%</b>

\* On daily average basis

^ Annualized



## Significant Growth Capital : A real edge in current environment



**IndoStar now has all the essential ingredients to rapidly grow its loan book in the future**

- Capital : We now have substantial growth capital, which we will utilize to pursue calibrated growth
- Infrastructure : Our current infrastructure can comfortably support disbursements
- Inflection point in growth journey : Our businesses are now moving from dependence to independence
- For the next phase of growth, best management team on board and sufficient resources for each of our businesses
- Market Demand : We are well poised to capitalize on the large near-term growth opportunities
- Large market opportunity to lend to both existing and new customers across all our three retail segments - Asset Finance, SME Finance and Affordable Home Finance
- Will continue to scale all three retail segments both through organic growth and opportunistic tuck-in M&A



# Entrepreneurial Leadership Team with Strong Sponsor Backing



- ✓ Several years of experience and in-depth understanding of the specific industry and geographic regions
- ✓ Separate business & credit heads for each vertical
- ✓ Strong alignment through large ESOP program



**R. Sridhar**  
**Executive VC**  
**& CEO**

- 30+ years of experience in financial services industry
- Previously associated with various entities forming part of the Shriram group
- Previously served as the MD of Shriram Transport Finance Company



**Deep Jaggi**  
**Chief Business**  
**Officer**

- 20+ years of experience across Asset Finance and other retail businesses
- Previously worked with HDB, Cholamandalam Finance & Apollo Tyres



**Pankaj Thapar**  
**Director -**  
**Strategy**

- 30+ years of experience in corporate finance
- Previously worked with Everstone Capital Advisors, Dentsu, Coca-Cola India, ANZ Grindlays Bank, Citibank & ICICI



**Amol Joshi**  
**CFO**

- 20+ years of leadership experience across all areas of finance in Banks and NBFCs
- Previously worked with Citicorp, Standard Chartered Bank, Amex and L&T Financial Services



**Jaya Janardanan**  
**COO**

- More than 25 years of experience with banks and financial institutions
- Previously worked with Ujjivan Small Finance Bank, Aditya Birla Payment Bank, Bank Of America, JP Morgan and ICICI Bank



**Mohit Mairal**  
**Chief Risk**  
**Officer**

- 20 years of experience in Underwriting, Collections, Risk Management and Sales in banking and financial services sector
- Previously worked with ICICI Bank, HDFC Bank, GE Capital, IIFL



**Benaifer Palsetia**  
**Chief Human**  
**Resources**  
**Officer**

- More than 19 years of experience with banks and financial institutions
- Previously worked with IDFC Bank, Citibank and Credit Suisse



**Jayant Gunjal**  
**Director -**  
**Treasury**

- 20+ years of leadership experience across all areas: treasury & debt capital markets
- Previously worked with JP Morgan; IDFC Capital, Merrill Lynch India, Kotak Bank

# Entrepreneurial Leadership Team with Strong Sponsor Backing



**Salil Bawa**  
Head – IR & Marketing

- 20 years of experience in Investor Relations, Strategy and Fund Raising
- Previously worked with Bharti, Tata Group, Edelweiss Financial Services, Manappuram



**Pradeep Kumar**  
Chief Technology Officer

- More than 20 years of IT experience with financial Institutions and IT Companies
- Previously worked with PNB Housing Finance Limited, BirlaSoft Limited, WNS, Tata Infotech



**A. Gowthaman**  
Business Head Vehicle Finance

- 20+ years of experience in financial institutions
- Previously worked with Cholamandalam Investment & Finance Co, Shriram Transport Finance Co, Shriram Investments etc



**Hansraj Thakur**  
Business Head SME Finance

- Several years of experience in SME, commercial banking, and sales
- Previously worked at IDFC Bank, Standard Chartered Bank, ICICI Bank and Development Credit Bank



**Shreejit Menon**  
Business Head Affordable HF

- Several years of experience with financial Institutions
- Previously worked with Religare Housing Development Finance Corporation, HSBC and Muthoot Housing Finance



**Siva S.**  
National Credit Head – Vehicle Finance

- 24 years of experience with financial Institutions
- Previously worked with Fullerton India, Citigroup, Equitas Small Finance Bank. Also worked in Ashok Leyland Limited



**Uday Narayan**  
National Credit Head - SME

- 20 years of experience with banks & financial Institutions
- Previously worked with Reliance Capital, Bajaj Finance, ICICI Bank, Axis Bank and L & T Finance



**Shripad Desai**  
National Credit Head – Housing Finance

- 21 years of experience with banks & financial Institutions
- Previously worked with IDBI Bank, Reliance Capital, ICICI Bank, Deutsche Bank and others



**N. Ramesh**  
Group Head Operations

- 31 years of experience with banks & financial Institutions
- Previously worked with GE Countrywide, Cholamandalam Investment & Finance Co. Ltd., Shriram City Union Limited, Equitas Small Finance Bank.


# Strong & Distinguished Board



- ✓ 14 committees composed of independent and non-independent directors and also employees<sup>1</sup>
- ✓ Distinct and delineated responsibilities to ensure good corporate governance
- ✓ Strong capital sponsorship also providing access to best industry practices and international corporate governance standards

	Name	Designation	Description
	<b>Bobby Parikh</b>	Chairman & Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Director since 2011</li> <li>Several years of experience in finance</li> </ul>
	<b>R.Sridhar</b>	Executive Vice Chairman & CEO	<ul style="list-style-type: none"> <li>30+ years of experience in financial services industry</li> <li>Previously associated with various entities forming part of the Shriram group</li> </ul>
	<b>Dhanpal Jhaveri</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Director since 2010; Partner at Everstone Capital</li> <li>Experience in investing, corporate strategy, mergers and acquisitions and investment banking</li> <li>Previously worked with Vedanta Group, ICICI Securities, KPMG India</li> </ul>
	<b>Vibhor Talreja</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Managing Director at Everstone Capital since 2019</li> <li>Previously worked at Temasek India, JM Financial, Morgan Stanley and Tata Administrative Services</li> </ul>
	<b>Aditya Joshi</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Senior Vice-President at Brookfield Asset Management. Mumbai leading the Private Equity Investment team in India</li> <li>Previously worked with Apax Partners and The Blackstone Group</li> </ul>
	<b>Sridhar Rengan</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Managing Director at Brookfield Asset Management India responsible for Corporate Finance activities</li> <li>Before joining Brookfield, Mr Rengan has held senior level positions across various many business groups</li> </ul>
	<b>Hemant Kaul</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Several years of experience in the fields of banking and insurance</li> <li>Previously worked with Axis Bank and Bajaj Allianz General Insurance</li> </ul>
	<b>Naina Krishna Murthy</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>17+ years of experience in the field of law</li> <li>Founder of India law firm K Law</li> </ul>

1. 14 committees include Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, Credit Committee, Management Committee, Corporate Lending Committee, Retail Lending Committee, IT Strategy Committee, Grievance Redressal Committee, Banking Committee and Debenture Committee

 Independent Directors

## Discussion Summary

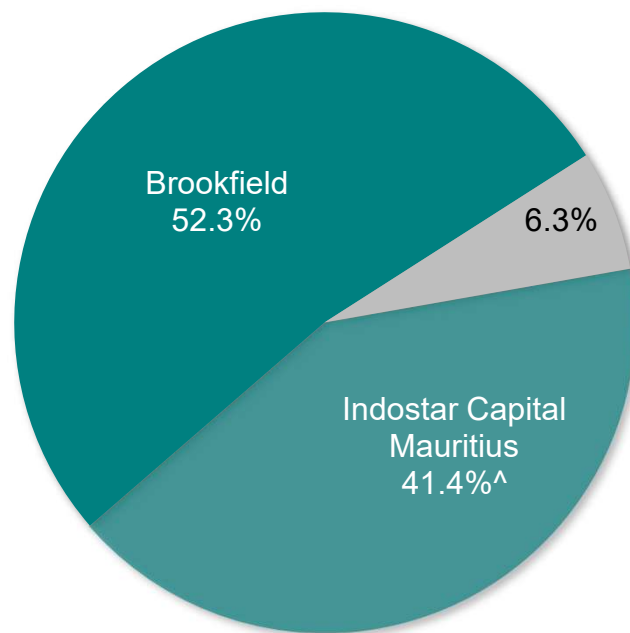
- ❖ Strategy
- ❖ Quarterly Results
- ❖ Business Update
- ❖ **Shareholding Structure**

# Shareholding Pattern



Shareholding# @ 30 September 2020

**Brookfield**



**EVERSTONE**

# Excluding CCPS

^ includes ECP II & ECP III

ESOP is 3.73% of diluted shares capital (excluding CCPS)

Source – NSE, Company data

## For Further Queries



**Salil Bawa**  
**Head Investor Relations**  
**Contact No: +91 9987644008**  
**Email – [sbawa@indostarcapital.com](mailto:sbawa@indostarcapital.com)**  
**Email - [investor.relations@indostarcapital.com](mailto:investor.relations@indostarcapital.com)**

### **Media Contact**

**Snigdha Nair**  
**Adfactors PR**  
**Email - [snigdha.nair@adfactorspr.com](mailto:snigdha.nair@adfactorspr.com); [indostar@adfactorspr.com](mailto:indostar@adfactorspr.com)**