



ICFL/LS/0156/2023-24

27 October 2023

BSE Limited

Listing Department, 1st Floor,
P J Towers, Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

Scrip Code: 541336

Symbol: INDOSTAR

Sub.: 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, kindly find enclosed Press Release to be issued by the Company in connection with the Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30 September 2023 and other matters at **Annexure I**.

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

Thanking you,

Yours Faithfully,

For IndoStar Capital Finance Limited

Shikha Jain

Company Secretary & Compliance Officer
(Membership No. A59686)

Encl: a/a

IndoStar Capital Finance Limited

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CIN: L65100MH2009PLC268160

IndoStar Capital Finance Limited

Q2 FY24 Highlights (Consolidated):

- Retail AUM ~ ₹ 7,361 crore; up 7% from ~ ₹ 6,871 crore in Q1FY24
- AUM at ₹ 7,726 crore, down 4% from ₹ 8,062 crore in Q1 FY24 (driven by Corporate book sale)
- Disbursements of ₹ 1,269 crore up 14% from ₹ 1,116 crore in Q1 FY24
- Incremental funding of ₹ 970 crore raised during Q2 FY24
- Debt/Equity Ratio - at 1.8X times
- Continued Profitability – Q2 FY24 PAT at ₹ 25 crore
- Gross Collections of ₹ 963 crore during the quarter
- Gross Collection efficiency of 135%
- Gross Stage 3 assets are at 6.7% for Q2 FY24
- Net Stage 3 assets are at 3.3% for Q2 FY24

Q2 FY24 Highlights (Standalone):

- Retail AUM ~ ₹ 5,467 crore; up 7% from ~ ₹ 5,130 crore in Q1FY24
- AUM at ₹ 5,832 crore, down 8% from ₹ 6,321 crore in Q1 FY24 (driven by Corporate book sale)
- Disbursements of ₹ 1,048 crore up 13% from ₹ 926 crore in Q1 FY24
- Incremental funding of ₹ 890 crore raised during Q2 FY24
- Debt/Equity Ratio at 1.5X times
- Continued Profitability – Q2 FY24 PAT at ₹ 11 crore
- Gross Collections of ₹ 837 crore during the quarter
- Gross Collection efficiency of 131%
- Gross Stage 3 assets are at 8.1% for Q2 FY24
- Net Stage 3 assets are at 4.0% for Q2 FY24
- Strong Capital Adequacy at 32.8%, on a standalone basis

Mumbai, October 27, 2023: The Board of IndoStar Capital Finance Limited (IndoStar), a systemically important non-deposit taking NBFC, announced the unaudited financial results for the quarter and six months ended September 30, 2023, earlier today. The company reported a consolidated net profit of ₹ 25.0 crore for Q2 FY24.

IndoStar reported robust collections of ₹ 963 crore during the quarter with a gross collection efficiency of 135%. IndoStar's AUM stands at ₹ 7,726 crore and Debt/Equity ratio stands at 1.8 times, which continues to be amongst the lowest in the industry.

Sale of Corporate Loan accounts

During the quarter, the company took a decisive step forward in its stated retailization strategy by selling a significant portion of its legacy corporate loan book to Phoenix ARC. The sale consists of certain accounts that were tagged in Stage 2, aggregating to dues outstanding of ₹ 915 crore. This arrangement will enable IndoStar's management team to further increase their focus on building its core retail lending business. Post the transaction, the share of the retail lending book in the company's assets under management has increased from 85% to about 95%.

Accelerating the Commercial Vehicle Business Disbursement Engine

The company is growing its retail business, and in particular the Commercial Vehicle (CV) lending business where it is focused on the higher-yielding used commercial vehicles segment in tier-2 and tier-3 towns. The company is also leveraging technology-enabled systems to drive higher process adherence, improve collection efficiencies, credit underwriting and sales productivity.

CRISIL Removes Rating Watch with Negative Implications

On July 28, 2023, CRISIL removed 'Rating Watch with Negative Implications' from the company's debt instruments and long-term bank facilities, while reaffirming the ratings at 'CRISIL AA-'; and assigned a 'Negative' outlook to the long-term rating.

Focus of Raising Liquidity

The company has made progress in improving its liquidity position, by raising incremental funding of ~ ₹ 970 crore in Q2 FY24. IndoStar maintains a healthy amount of liquidity, with cash and cash equivalents on September 30, 2023, at ₹ 372 crore. As the company accelerates its disbursement engine, it aims to raise a significant amount of debt, bringing its current low debt-to-equity ratio position closer to industry norms.

IndoStar Capital Finance Limited ("ICFL") (Standalone)

ICFL delivered a PAT of ₹ 11 crore in Q2 FY24 vs ₹ 31 crore in Q1 FY24. The AUM for ICFL stands at ₹ 5,832 crore out of which the retail vehicle finance business is ₹ 4,383 crore. Disbursements during the quarter stood at ₹ 1,048 crore, up 13% from ₹ 926 crore in Q1 FY24. With the focus on the collections during the quarter, Gross Stage 3 stands at 8.1% in Q2 FY24, up from 7.9% in Q1 FY24; Net Stage 3 increased to 4.0% in Q2 FY24 from 3.7% in Q1 FY24. The company has a strong Capital Adequacy Ratio (CAR) of 32.8% on a standalone basis.

IndoStar Home Finance Private Limited ("IHFPL")

IHFPL delivered a PAT of ₹ 14 crore in Q2 FY24 vs ₹ 8 crore in Q1 FY24. The AUM in IHFPL stands at ₹ 1,894 crore in Q2 FY24 up from 1,741 crore in Q1 FY24. IHFPL continues to deliver on its core strategy of giving affordable housing loans in semi-rural and rural markets, while keeping its Gross Stage 3 at 1.25%. IHFPL has a Capital Adequacy Ratio (CAR) of 70.8%.

The Board continuously endeavors to make IHFPL increasingly self-reliant as an independent business operation. The Board of Directors had provided an in-principle approval to the Business Review Committee, to engage in discussions with prospective investors and to simultaneously explore potential strategic options for value unlocking and delivering long-term growth of the housing finance and certain mortgage-backed business through possible corporate actions (such as sale, demergers, spin-offs, etc.). These discussions are currently ongoing.

Key Performance Highlights:

Particulars (₹ in crs)	Q2FY24	Q1FY24	Q-o-Q %	Q2FY23	Y-o-Y %	H1 FY24	H1 FY23	Y-o-Y %
Net Revenue from operations	148	145	2%	149	0%	293	314	(7%)
Operating expenses	119	115	3%	113	5%	234	214	9%
Pre-provision operating profit	30	30	1%	36	(16%)	59	100	(41%)
Profit after tax	25	39	(35%)	52	(51%)	64	113	(43%)
CAR (%) Standalone	32.8%	34.4%	-	34.1%	-	32.8%	34.1%	-
Leverage (D/E)	1.8	1.9	-	1.8	-	1.8	1.6	-

About IndoStar Capital Finance Limited

IndoStar is a non-banking finance company (NBFC) registered with the Reserve Bank of India as a systemically important non-deposit taking company. With Brookfield & Everstone as co-promoters, IndoStar is a professionally managed and institutionally owned entity engaged in providing used and new commercial vehicle financing and affordable Home Finance through its wholly owned subsidiary, IndoStar Home Finance Private Limited.

For more information, visit www.indostarcapital.com.

Safe Harbor

This document is to provide the general background information about the Company's activities as at the date of the release. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares. The Company makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information contained herein. This release may include certain forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "projects", or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, our ability to manage our international operations, government policies, regulations, etc. The Company does not undertake any obligation to revise or update any forward-looking statement that may be made from time to time by or on behalf of the Company including to reflect actual results, changes in assumptions or changes in factors affecting these statements. Given these risks, uncertainties and other factors, viewers of this release are cautioned not to place undue reliance on these forward-looking statements. This release may contain certain currency exchange rates and the same have been provided only for the convenience of reader.

For further information, please connect with us:

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