

ICFL/LS/00101/2022-23

04 November 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.: Submission of Press Release

Ref.: 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 the Press Release to be issued by the Company and IndoStar Home Finance Private Limited (“IHFPL”), material subsidiary of the Company, in connection with the Unaudited Financial Results of IHFPL for the quarter and half year ended 30 September 2022.

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**

Jitendra Bhati

SVP – Compliance & Secretarial
(Membership No. F8937)

Encl: a/a

IndoStar Capital Finance Limited

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CIN: L65100MH2009PLC268160

IndoStar Capital Finance Limited

BSE: 541336 | NSE: INDOSTAR | Bloomberg: INDOSTAR:IN



IndoStar Home Finance Private Ltd. reports PAT of ₹13.4 crores for Q2 FY'23, up 68% from Q2 FY'22

- Total Retail Disbursements at ₹197 crore during H1 FY'23
- AUM ~ ₹ 1,489 crore
- Strong Capital Adequacy at 89.4%
- Gross NPA stands at 1.4% reduced from 3.1% in Q2 FY'22
- Net NPA stands at 1.1% reduced from 2.4% in Q2 FY'22
- The company delivered an EMI-to-EMI collection efficiency of 97% in Q2 FY'23 vs 95% in Q1 FY'23 and 93% in Q2 FY'22
- Opened 28 new branches leading to a total of 134 branches across 8 states
- 196 new employees joined in Q2 FY'23, taking the total headcount to 670
- The company has delivered an RoA of 4.4% in Q2 FY'23 vs 2.6% in Q2 FY'22

Mumbai, Thursday, November 03, 2022 – IndoStar Home Finance Private Limited, a wholly owned subsidiary of Indostar Capital Finance Limited (IndoStar), announced its Q2FY'23 results today. The company delivered a PAT of ₹13.4 crore for Q2 FY'23, up 68% over Q2FY'22. The company AUM stands at ₹1,489 crore, up 34% from ₹1,110 crore in Q2 FY'22. The company continues to deliver on its core strategy of giving affordable housing loans in semi-rural and rural markets, while keeping its Gross NPA under 2%.

Post COVID-19 Expansion

The company has grown its branches from 109 at the end of Q1 FY'23 to 134 in Q2 FY'23. The branch expansion has been focused on the company's core regions of Southern and Western India, in tier 3 and 4 towns like Meerpet and Boduppall in Telangana and Tirupati, Srikalahasti, Guduru and Nellore in AP and Namakkal and Tirupattur in TN, delivering access to institutional credit to communities that have had little or no exposure to institutional lending. The company has also grown its employee base to 670 in Q2 FY'23 with an addition of 196 new employees across its frontline.

Process and Operational Excellence:

With a pronounced focus on process excellence, robust underwriting policies and collections practices, aided by simple mobile-based tech-enabled tools, backed by robust AI/ML data-models, the company has been able to give loans to customers who are new to credit, while ensuring the quality of its book. This has resulted in a significant improvement of EMI-to-EMI collection efficiency, up from 93% in Q2 FY'22 to 95% in Q1 FY'23 and 97% in Q2 FY'23. Consequently, the company has also seen an improvement in its RoA up from 2.6% in Q2 FY'22 to 4.4% in Q2 FY'23.

Speaking on the results, Shreejit Menon, Dy CEO, IndoStar Home Finance remarked “While we had growth challenges, the team has shown extraordinary resilience in improving asset quality, leading to higher profitability. The company has used this period to focus on resolution of overdue assets along with building capabilities to penetrate deeper in the targeted markets of TN, AP and Telangana. As things are turning positive for the business, the company will focus its full capacity utilisation for AUM growth with sustained profitability.”

Key Financials:

Particulars (₹ Crores)	Q2FY'23	Q2FY'22	QoQ	Q1FY'23
Net Revenue from operations	41.4	19.6	111%	39.9
Pre-Provision Operating Profit	19.8	10.7	86%	22.5
Profit After Tax	13.4	8.0	68%	16.0

About IndoStar Home Finance Private Limited

IndoStar Home Finance Private Limited (IHFPL), registered with National Housing Bank, as a Housing Finance Company, a wholly owned subsidiary of IndoStar Capital Finance Limited, a non-banking finance company and with Brookfield & Everstone as co-promoters, IHFPL is professionally managed and institutionally owned organization which is engaged in providing Affordable Home Finance across tier 3 and 4 cities of India. For more information, visit <https://www.indostarcapital.com> and <https://www.indostarhfc.com>.

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