

ICFL/LS/0068/ 2018-19

30 May 2018

**BSE Limited**

Listing Department, 1<sup>st</sup> Floor,  
P J Towers, Dalal Streets, 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 under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI LODR, kindly find enclosed the following:


- i. Copy of Press Release to be issued by the Company in connection with the Annual Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31 March 2018; and
- ii. Copy of the analyst(s) / institutional investor(s) presentation with regard to analyst(s) / institutional investor(s) Call to be held today i.e Wednesday 30 May, 2018 at 5:30 p.m. (IST).

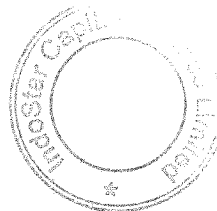
Request you to kindly take the above on record and oblige.

Thanking you,

Yours faithfully,

**For IndoStar Capital Finance Limited**

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



Encl: As above

**IndoStar Capital Finance Limited**

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CIN : U65100MH2009PLC268160

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For Immediate Release

## IndoStar Capital reports 19% y-o-y AUM growth to Rs.6,207 Cr and 14% increase in Net interest income as part of FY 18 results

**Mumbai, May 30, 2018:** IndoStar Capital Finance Limited (IndoStar), one of India's leading non-banking financial companies, announced its financial results for the year ending March 31, 2018. The NBFC reported Net Interest Income of Rs. 378.7Cr for FY18, a rise of 14% from Rs. 331.7 Cr in FY17 and a Profit After Tax of Rs. 224.4Cr for FY18, an increase of 6% from Rs. 210.8 Cr in FY17. This is the first annual results announcement after the company's successful listing on the NSE and BSE on May 21, 2018.

### Summary: Consolidated – FY18

Particulars (Rs. Cr)	Q4 FY18	Q4 FY17	QoQ%	Q3 FY18	QoQ %	FY18	FY17	YoY %
Net Interest Income	92.9	87.4	6%	93.7	-1%	3,78.7	3,31.7	14%
Total Income	1,52.6	1,02.7	49%	1,28.3	19%	5,09.5	4,08.1	25%
PAT	60.3	57.6	5%	53.6	12%	2,24.4	2,10.8	6%

### Consolidated financial update for the year ended March 31, 2018 (FY18)

- Networth stood at Rs. 2137.1 Cr for FY 18 up 12% y-o-y from Rs. 1,902.8 Cr for FY 17
- The disbursement of loans was over Rs. 5,388.4 Cr for FY 18 up by 10% compared to Rs. 4,903.4 Cr in FY 17
- AUM stood at Rs. 6,207.3 Cr for FY 18, a rise of over 19% y-o-y from Rs. 5,235.9 Cr for FY 17

### Key company developments:

- The employee number is over 1,094 as on March 31, 2018 as compared to 93 in March 31, 2017
- The company expanded from 7 branches as on March 31, 2017 to 91 branches as on March 31, 2018 to offer Vehicle Finance, SME Finance and Housing Finance

The Gross NPA of the Company was at 1.3% as on March 31, 2018 (on 90 DPD NPA recognition basis) as compared to 1.4% as on March 31, 2017 (on 120 DPD NPA recognition basis). The Net NPA of the Company was at 1.1% as on March 31, 2018 (on 90 DPD NPA recognition basis) as compared to 1.2% as on March 31, 2017 (on 120 DPD NPA recognition basis).

The Capital Adequacy Ratio of the company stood at 28.3% as on March 31, 2018. The company has forayed into Home Finance and Vehicle Finance in the September 2017 and December 2017.

Commenting on the results, **R. Sridhar, Executive Vice- Chairman & CEO**, said, "IndoStar has consistently posted positive results for the past 7 years while maintaining an excellent asset quality. We are happy to post our first annual result after listing. Our PAT has increased at 6% while we made substantial investments in creating branch infrastructure and manpower for expanding into new business segments. Our primary growth engine will be Corporate Lending and Vehicle Finance whereas Housing Finance and SME Finance will offer strategic leverage.

## IndoStar Capital Finance Limited

BSE Code: 541336 | NSE Code: INDOSTAR

### For Media Queries:

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[akarvi@indostarcapital.com](mailto:akarvi@indostarcapital.com) | +91 75060 06893



### About IndoStar Capital Finance Limited

IndoStar Capital Finance Ltd. (IndoStar) is a professionally managed and institutionally owned organization, which offers structured term financing solutions for corporates, and loans to small and medium enterprise (“SME”) borrowers in India. It has recently expanded its portfolio to offer vehicle finance and housing finance products through its network of branches. The housing finance business is operated through IndoStar’s wholly-owned subsidiary IndoStar Home Finance Private Limited, which commenced operations in September 2017.

For more information, visit- [www.indostarcapital.com](http://www.indostarcapital.com)



# INDOSTAR CAPITAL FINANCE LIMITED

Q4 & FY18 Results Update

30 May 2018

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## Discussion Summary

- ❖ **Business Overview**
- ❖ Leadership team
- ❖ Shareholding Structure
- ❖ Q4 & FY18 Results Update

## 1. First Indian NBFC promoted by Global Investors

- Inception in 2011, sponsored by Everstone Capital and other marquee investors
- IPO for INR 18.44 Bn [Fresh Issue INR 7,000 Mn, OFS INR 11.44 Bn], subscribed 6.8x
- Successfully listed on NSE & BSE in May-18

## 2. Strong Performance Track Record

- FY14-18 CAGR: AUM 24%, PAT 19%
- High asset quality: FY18 GNPA: 1.3%
- Healthy Profitability: FY18 NIM: 6.3%, ROAA: 3.5%
- FY18 CRAR: 28.3%, Sufficient capital available for rapid growth

## 3. Established Corporate Lending Platform

- Differentiated lending with high asset quality; only 1 NPA
- Completed multiple credit cycles – Cumulative disbursement of Rs 225,078 Mn; 80% repaid
- Profitable growth, robust cash generation
- Corporate AUM: Rs 45,721 Mn

## 6. Robust Risk Management & Scalable Technology Platform

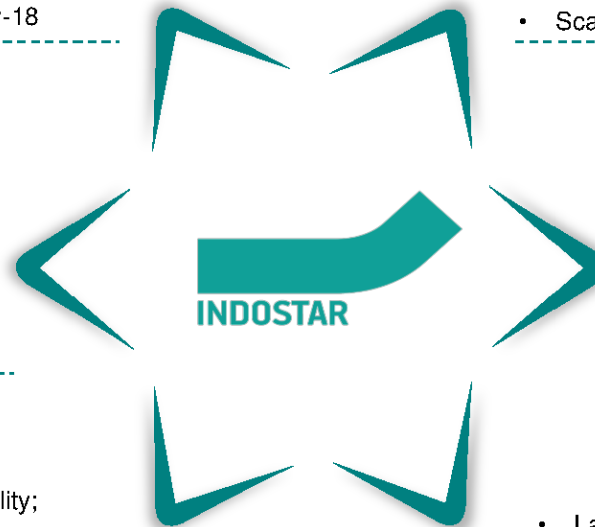
- Strong credit underwriting processes, robust monitoring mechanism
- Active Board oversight
- Scalable technology platform built to support growth

## 5. Entrepreneurial Leadership with Strong Sponsor Backing

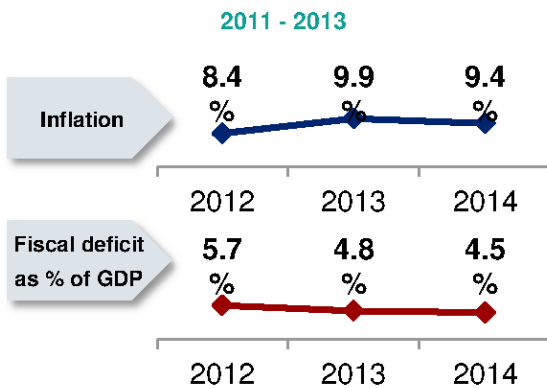
- Experienced team with in-depth understanding of the specific industry and geographic regions
- Separate business / credit heads for each vertical
- ESOP program (10.5% of fully diluted shares), interest aligned with business growth

## 4. Poised for Aggressive Growth in Retail Loan Book

- Launched SME lending in Mar-15, expanded portfolio to HF in Sep-17 & VF in Nov-17
- Retail AUM: Rs 16,352 Mn (26% of total AUM)
- Presence in 15 states, 91 Branches, 1094 Employees, 3428 Customers

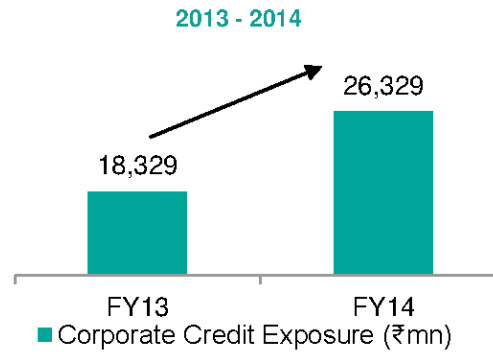


## Started operations in a challenging credit environment



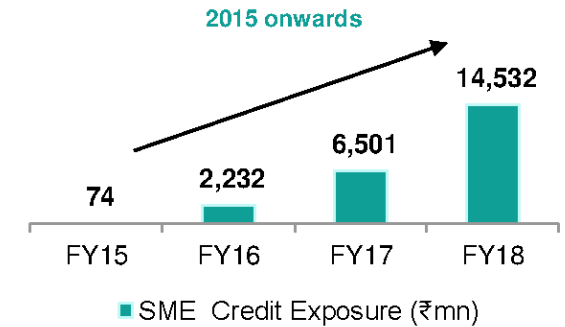
- ✓ Strong growth since commencement in 2011
- ✓ Upfront capitalization
- ✓ Vigilant monitoring of assets
- ✓ AA- rating within 12 months of operations

## Established a strong Corporate Lending platform



- ✓ 42 corporate lending clients in FY14
- ✓ Lender engagement with 33 banks and MFs in FY14
- ✓ High asset quality with 0.8% GNPA in FY14

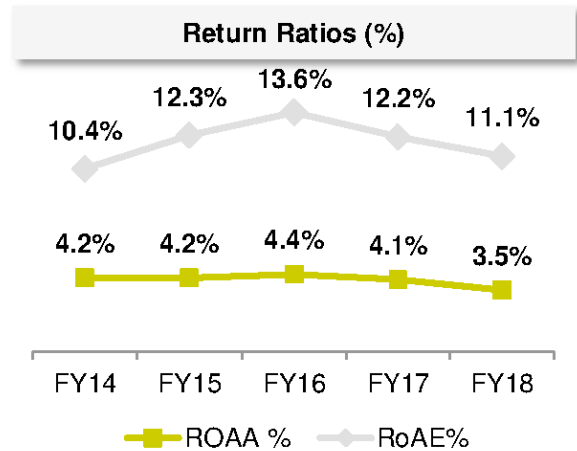
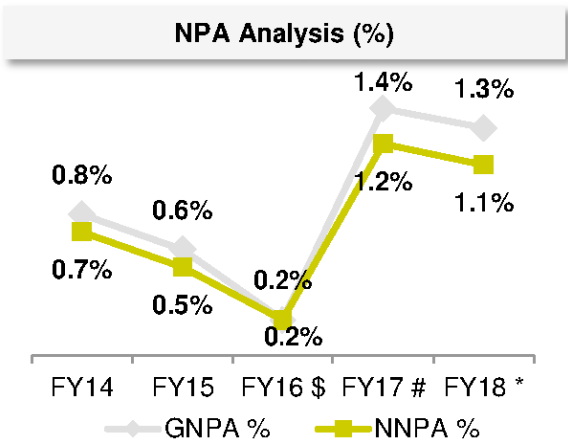
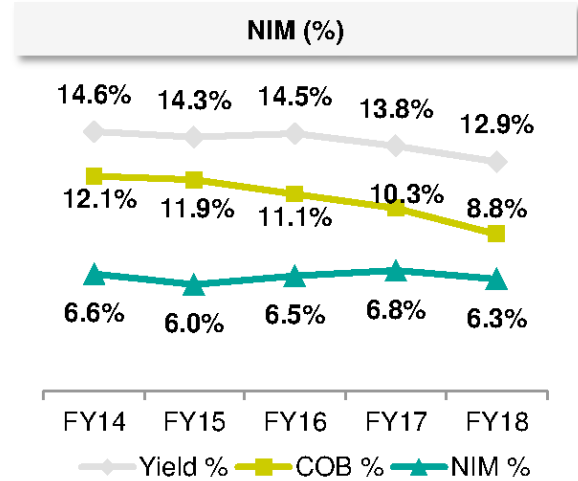
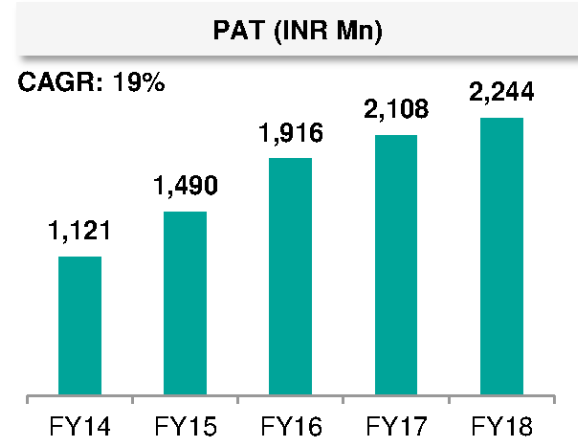
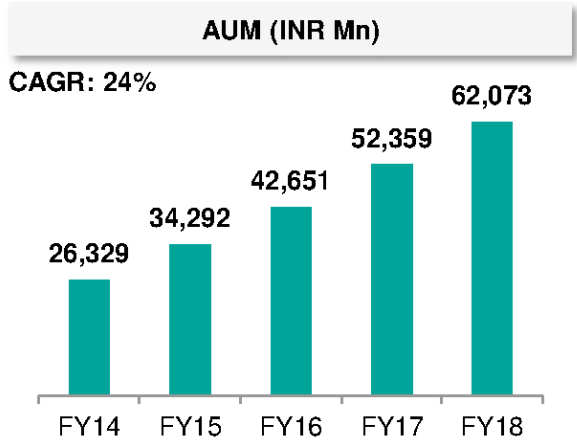
## Successfully forayed into SME; Expanding into Vehicle & Housing Finance



- ✓ Established SME Lending
- ✓ Geographic expansion: 10 SME branches
- ✓ Received HFC license
- ✓ Maintained growth with high asset quality



# Strong Performance Track Record



\$ 150 DPD # 120 DPD, \* 90 DPD

Corporate Lending and Vehicle Finance will be the Primary Growth Engines  
 Housing Finance and SME Lending will offer strategic leverage

## Vehicle Finance

- **Focus area:** Used CV (5 – 12 years)
- **Differentiating strategy:**
  - Sourcing through field offices
  - Leverage team's relationships with SFOs, MFOs and LCV & MCV owners, dealerships
  - Headquartered in Chennai; initial roll out from Tamil Nadu
  - Increase local on-ground presence to 15 key states

Branches*	75
Employees	604
Customers	1,876
AUM (INR Mn)	1,307

## Housing Finance

- **Focus area:** Affordable HF, Self-employed individuals in outskirts of urban markets, Tier II cities
- **Differentiating strategy:**
  - Hired experienced personnel
  - Leverage relationships with real estate developer customers
  - Consider developer finance opportunities in select locations
  - Leverage VF branch network

Branches*	31
Employees	341
Customers	437
AUM (INR Mn)	512

## SME Lending

- **Focus area:** Businessmen, traders, manufacturers
- **Differentiating strategy:**
  - ~ 50% of SME loans qualify for PSL
  - Collateral - Typically completed and self-occupied residential property
  - Customized solutions
  - Short turn-around-time for processing loan applications
  - 100% loans are (1) secured (2) floating (3) monthly interest servicing

Branches	10
Employees	65
Customers	1,079
AUM (INR Mn)	14,352

\* Some branches have multiple operating segments

## Discussion Summary

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# Entrepreneurial Leadership 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 (10.5% of diluted shares)



**R. Sridhar**  
Executive Vice-  
Chairman & CEO

- c.3 decades of experience in financial services industry
- Previously associated with various entities forming part of the Shriram group
- Served as the managing director of Shriram Transport Finance Company



**Shalesh Shirali**  
Managing Director,  
Head – Corporate  
Lending & Markets

- Several years of experience in the financial services sector
- Previously worked at Future Capital Holdings



**A. Gowthaman**  
Business Head  
Vehicle Finance

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



**Prashant Joshi**  
Chief Operating  
Officer

- 20+ years of experience across SME, Corporate banking
- Previously worked with Deutsche Bank, Standard Chartered Bank, IDBI Bank, ICICI



**Pankaj Thapar**  
Chief Financial  
Officer

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



**Sanjay Athalye**  
Chief Risk Officer

- Experience in commercial finance, managing credit, risk & portfolio quality
- Previously worked with Reliance Capital, Centurion Bank of Punjab, IDBI Bank, ICICI, Reliance Telecom



**Prabhat Kumar Tripathy**  
Business Head  
Housing Finance

- 20+ years of experience in financial institutions
- Previously worked with Equitas Small Finance Bank, ICICI, Dewan Housing Finance Corporation and others



**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 Company



**Hansraj Thakur**  
Business Head  
SME Finance

- Several years of experience in SME, commercial banking, and sales and relationship management
- Previously worked at IDFC Bank and Standard Chartered Bank