



[Formerly known as
Akme Star Housing Finance Limited]

Registered Office:
Akme Business Center (ABC),
2nd Floor, 4-5, Subcity Centre,
Savina Circle, Udaipur 313002
Tel: +91 88280 36610

Corporate Office:
Unit no. 708, Accord Classic,
Station Road, Jayprakash Nagar,
Goregaon East, Mumbai 400063

CIN: L45201RJ2005PLCO20463 | NHB Reg. No.: 12.0080.09

ISIN: INE526R01010
SCRIP CODE: 539017
SCRIP ID: STARHFL
PAN NO. AAGCA1988C

DATE: 29.05.2021

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

Sub: Investor Presentation for the financial year ended on March, 31st, 2021.

Dear Sir/Madam,

With reference to above captioned subject, please find attached Investor Presentation for the financial year ended on March, 31st, 2021.

Kindly take note of the above on your record.

Thanking you,

Yours Faithfully,

For, Star Housing Finance Limited

Digitally signed
by PARITOSH
KOTHARI
Date: 2021.05.29
15:10:54 +05'30'

Paritosh Kothari
Company Secretary
M.No. ACS 36550



Star Housing Finance Limited

Formerly known as Akme Star Housing Finance Limited

Corporate Overview

Registered Office:

*Akme Business Centre (ABC), 4-5 Subcity Centre Savina
Circle, Udaipur - 313002, Rajasthan ☎ 0294-2489501/02/03*

Corporate Office:

*708, Accord Classic, Goregaon East,
Mumbai - 400063 ☎ +91 8828 036610*

About Star HFL

- Founded by Late Shri. Mohan Lal Nagda and Shri. Nirmal Kumar Jain
- Incorporated in 2005 and commenced business operations in Sep 2009
- Shares listed on Bombay Stock Exchange (BSE) on March 2015
- Operates with a philosophy of Providing credit access to Lower and Middle Income segment predominantly in unchartered areas
- Qualified as a Primary Lending Institution under Pradhan Mantri Awas Yojana (PMAY)
- Loan book of Rs. 94.54 crs as with 1108 live accounts as of Mar 31, 2021
- Funding received from National Housing Bank, SBI, Union Bank of India and other banks / financial institutions with a gearing of 1.20x
- Long term credit rating : BWR BBB - / Stable by Brickwork Ratings

Vision

To let the people feel the warmth of their “own house” by delivering quality financial product both in appearance and content

Mission

*We want to be known as an organization where personal attention will never become obsolete
We want to employ people who are extremely satisfied and go the extra mile for clients
We want a culture of growth, profitability and enthusiasm throughout the company*

Values

- Seeking Excellence
- Accountability & Ownership
- Teamwork & collaboration
- Integrity
- Nurturing Lives

Key Management Overview



Ashish Jain

Managing
Director



Kavish Jain

Executive
Director



Natesh Narayanan

Chief Financial
Officer



Paritosh Kothari

Company
Secretary



Kalpesh Dave

Head – Corp.
Strategy & Planning



B.S Kacchawaha

Head - Risk

Our Presence

Udaipur

Mumbai

Pune

Akola

Indore

Surat

Chennai

Cumulative experience of more than 125 years in Financial services space

Core Values

More than 1300 customers have reposed their faith in Star HFL towards availment of housing finance assistance towards purchase of their own home

Perfection and Excellence leading to Sustained growth of Star HFL

Answerability and responsibility for the outcome of the task at hand

Seeking Excellence

Strength and Stability - both Moral & Financial

Accountability & Ownership

"Do it better together"

Integrity

Create value for all stakeholders of Star HFL, be it customers, vendors or employees

Teamwork and Collaboration

Nurturing Lives

Star HFL has been build on these values and validated by the trust of the customers

Journey and Milestones

Mar 2005

Incorporated with the objective to provide housing loans to target EWS/LIG segment

Mar 2015

Star HFL gets Listed on SME platform of the Bombay Stock Exchange (BSE)

Gearing up for next level of Growth

Nov 2019-Till Date

- Deployment of core lending suite (Jaguar) & mobility apps (Credility)
- Expansion of physical presence to Maharashtra, Madhya Pradesh, Tamil Nadu & Gujarat (Head Office in Mumbai)
- On Boarding of experienced mgmt. team to augment overall business
- Shri. A.P Saxena (ex NHB official) inducted on the board
- Loan book as of Mar 31, 2021 of Rs. 94.54 Cr with 1108 live accounts

Dec 2009

Received CoR from National Housing Bank (NHB). Initiates business operations in Rajasthan as Star HFL

July 2017

Stock migrates to BSE Main board. Shares of Star HFL get traded on Bombay Stock Exchange (BSE)

Oct 2019

AIPL invests incremental capital in Star HFL thereby acquiring 21.5% non controlling stake in the Company

Target Customer Segment (Income)

HIG	> 18 Lacs
MIG-II	12-18 Lacs
MIG-I	6-12 Lacs
LIG	3-6 Lacs
EWS	Up to 3 Lacs

Informal Income	Semi Formal Income	Formal Income
Income needs to be assessed	Blend of documented and assessed income	Fully documented income

Target Geographies

Extended Suburbs of Metros/Urban Agglomerations

Extension

Main City



Satellite towns of urban centres



Tier II, Tier III and Tier IV cities



*classification as per PMAY guidelines

Product Offerings

Home loans (New Purchase/Resale)

Home Extension loans

Construction loans

Home Improvement loans

Composite loans

Non Housing loans

Residential Real Estate Developer loans (Low Cost Housing Space)

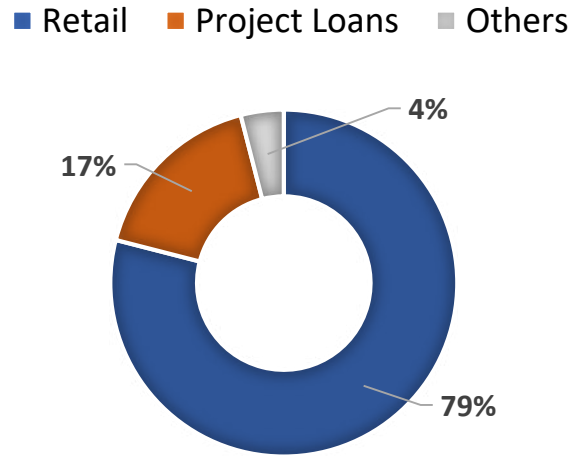
Product Offerings

Products	Home Purchase Loans		Construction Loans	Improvement / Extension Loans	Balance Transfer Loans
Purpose	Purchase of New unit from developer	Purchase of resale (existing) unit	Construction of housing unit on own land	Upgradation/modification of existing housing unit	Takeover of housing loan from an approved financier
Collateral	<i>Underlying housing unit to be purchased/constructed/upgraded/modified</i>				
Disbursement Mode	Bullet	Bullet	Staggered with stage of construction	Staggered with stage of upgradation/modification	Bullet
Ticket Size (Rs.)	2-25 lakhs	2-25 lakhs	2-25 lakhs	2-15 lakhs	2-20 lakhs
LTV	Up to 80%	Up to 80%	Up to 80%	Up to 80%	Up to 70%
Loan Tenure	Minimum: 5 years; Maximum: 20 years				
Repayment	Equated Monthly Instalments				

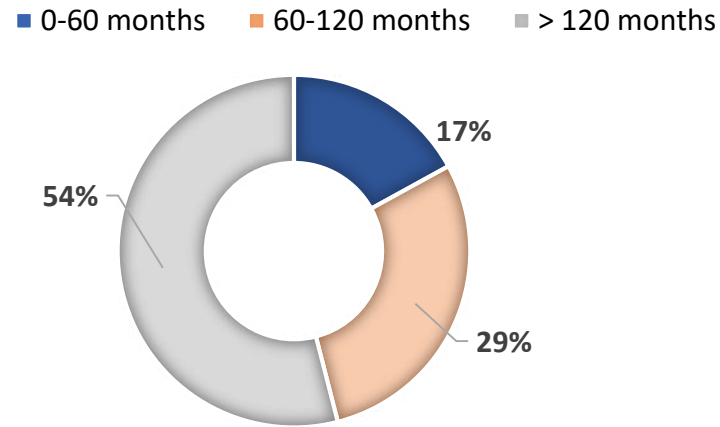
Star HFL has a range of retail financing products to cater to the financing needs of EWS/LIG customers towards purchase of housing units

Loan Book Overview (As of Mar 31, 2021)

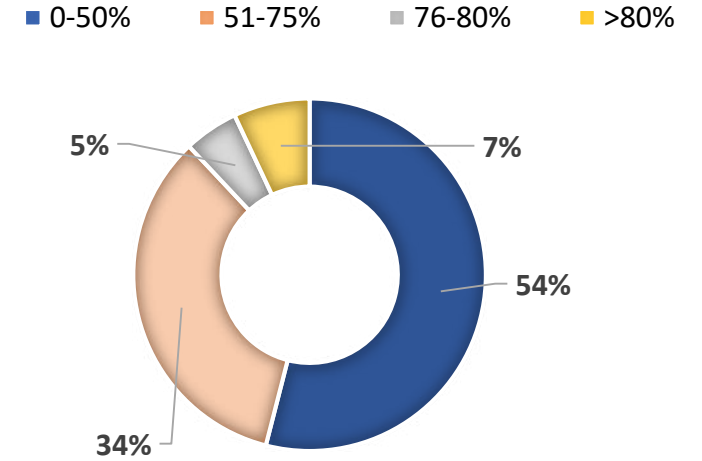
PRODUCT WISE BREAK UP



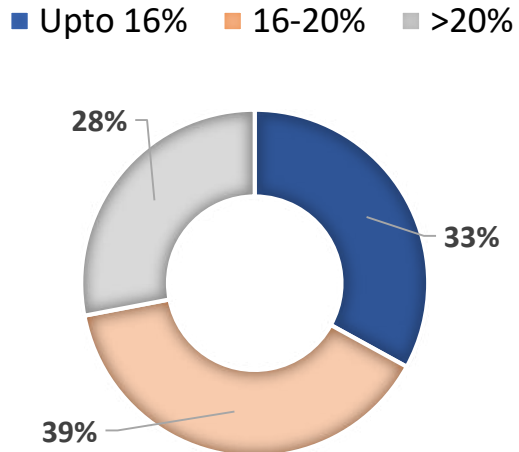
TENURE WISE BREAK UP



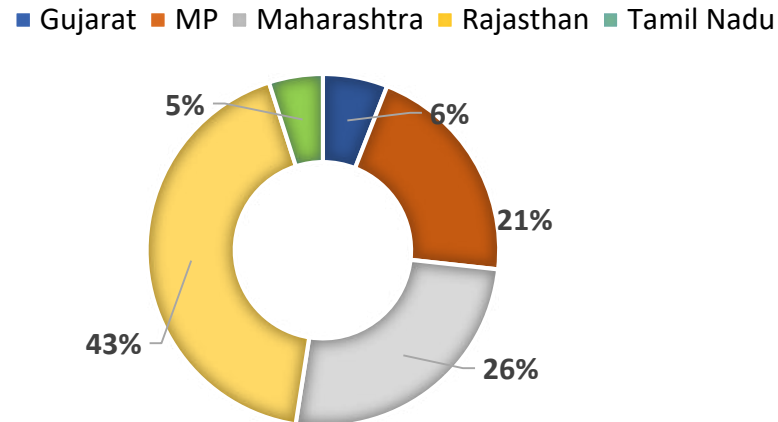
LTV WISE BREAK UP



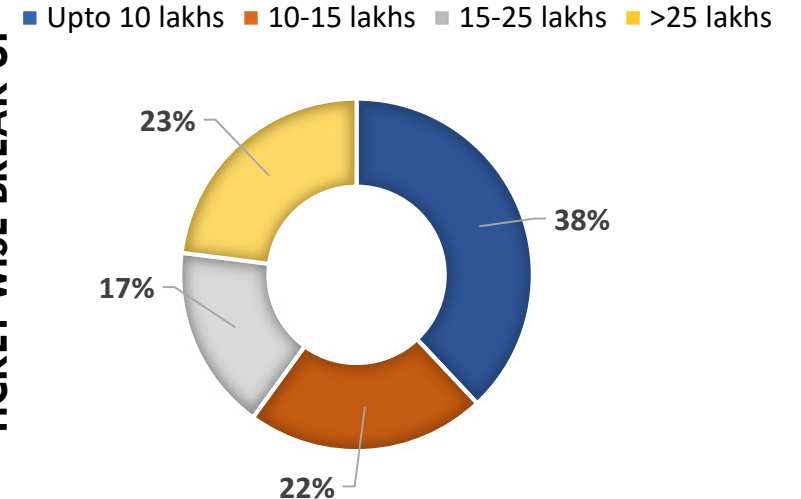
ROI WISE BREAK UP



REGION WISE BREAK UP



TICKET WISE BREAK UP



Shareholding Details (As on Mar 31, 2021)

Category of shareholder*	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares
(A) Promoter & Promoter Group	30	63,23,266	63,23,266	40.34
(B) Public	1024	93,50,234	93,50,234	59.66
(C1) Shares underlying DRs				0.00
(C2) Shares held by Employee Trust				0.00
(C) Non Promoter-Non Public				0.00
Grand Total	1054	1,56,73,500	1,56,73,500	100.00

As on May 25, 2021
Closing Share Price: Rs.89.70
Market Cap: Rs.140.59 Crs
EPS: 0.99
Price/Book: 2.56

*Arkfin Investments Private Limited (AIPL) has infused incremental capital of Rs.15.5 crs in Star HFL on 26th October 2019 and has acquired 21.5% stake in the expanded capital of the Company

Key Financials*

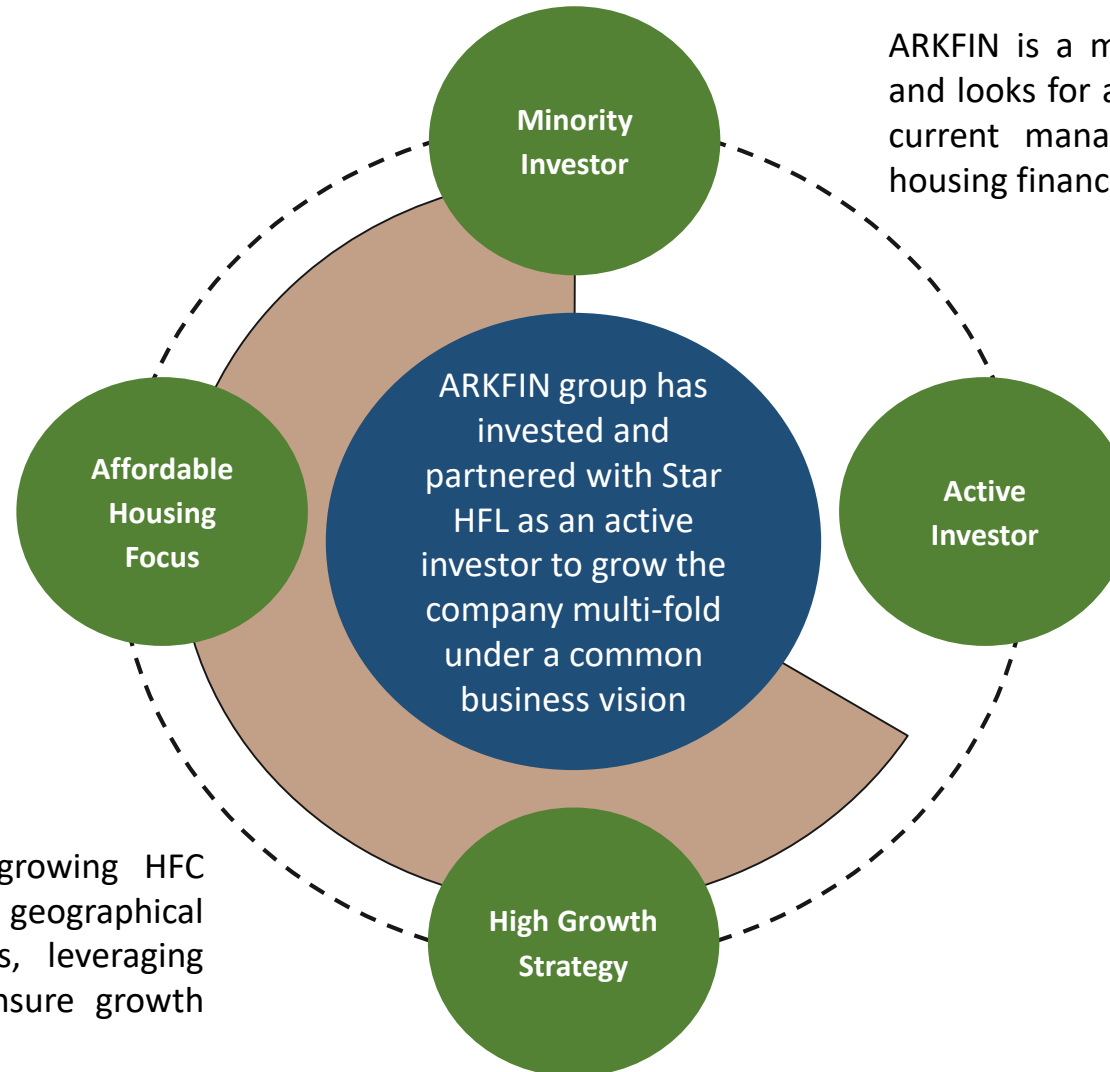
All figures in Lakhs

Balance Sheet as for the period			
Particulars	31-03-2021	31-12-2020	31-03-2020
	Audited	Unaudited	Audited
Assets			
Cash & cash equivalents	2010	54	110
Bank balance other than cash & Cash equivalents	350	20	-
Loans	9283	9745	8269
Investments	356	356	356
Other Financial Assets	196	475	105
Deferred Tax Assets (Net)	48	30	36
Property, Plant & Equipment	114	113	100
Intangible Asset	43	40	20
Other non-financial assets	32	41	97
Current Tax (Net)	43		
Total Assets	12,477	10875	9094
Liabilities			
Borrowings	6428	5314	3770
Other financial liabilities	637	64	36
Provisions	37	28	10
Other non financial liabilities	10	6	31
Total Liabilities	7113	5412	3847
Equity			
Equity share capital	1567	1567	1567
Other equity	3797	3895	3680
Total Equity	5364	5463	5247
Total Liabilities & Equity	12477	10875	9094

Profit & Loss statement for the Period			
Particulars	31-03-2021	31-12-2020	31-03-2020
	Audited	Unaudited	Audited
Income			
Interest Income	1553	1141	1578
Fees & Commission Income	16	13	12
Gain / (Loss) on derecognition of financial assets	(9)	(11)	-
Total Income	1560	1143	1590
Expenses			
Finance Cost	499	361	492
Impairment of Financial Instruments	195	62	83
Employee Benefit Expenses	397	259	203
Depreciation & Amortization expenses	15	10	4
Other expenses	236	109	197
Total Expenses	1342	800	978
Profit Before Tax	218	343	612
Tax Expenses			
Current Tax	74	107	149
Deferred Tax	(12)	6	(40)
Profit After Tax	156	231	504

* As per INDAS

ARKFIN's Strategic Investment as an Active Investor



ARKFIN is a minority investor in Star HFL and looks for a long term journey with the current management in retail low cost housing finance space

Affordable Housing focus of Star HFL will be further strengthened through this investment partnership – focusing on LIG and EWS category in urban outskirts and Tier II, III and IV cities

- ARKFIN intends to actively participate with the management in Star HFL
- ARKFIN seeks to leverage its members' deep industry experience to support the company's operations

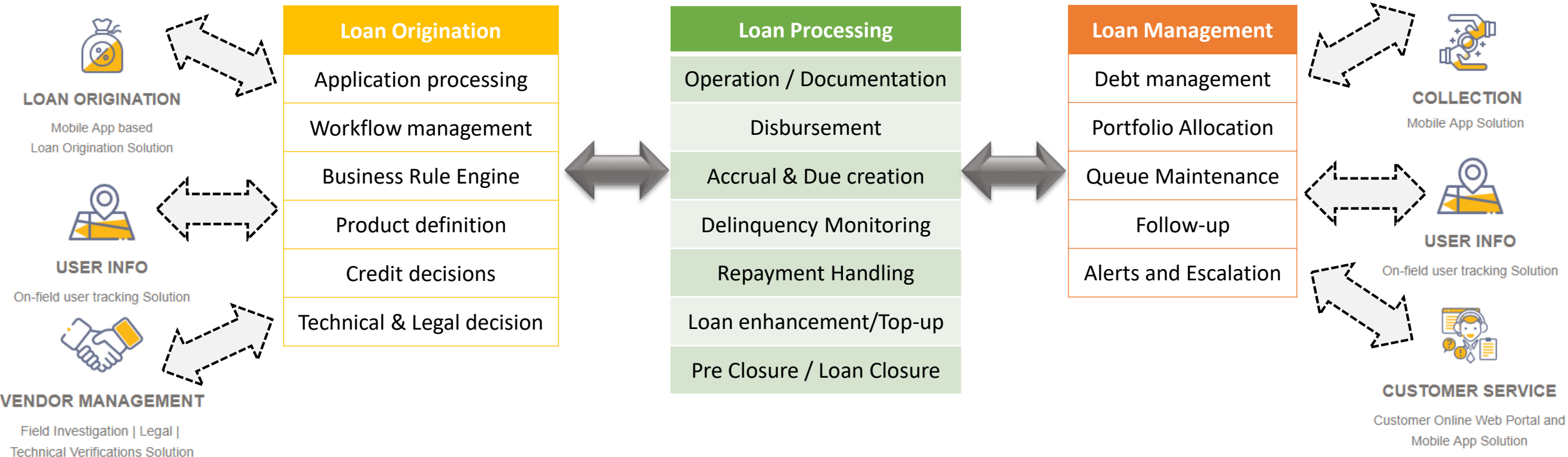
ARKFIN intends to use its experience of growing HFC business enabling growth of Star HFL through geographical expansion, experienced mgmt. across levels, leveraging technology and robust risk framework to ensure growth backed by quality

Taking Definitive Steps towards Transformation

Journey Till Mar 2019	Actionable	Resulting Into
<ul style="list-style-type: none"> • A decade in business operations • Equity base of Rs.27 crs • Shares listed on BSE • Consistently making profits 	Issuance of 21.5% additional shares to Arkfin group	Incremental addition of Rs.15.5 crs capital
Loan Book of Rs.63.27 crs with 682 live accounts. GNPA of 1.72%	Planning of business ramp up targeting loan book of Rs.100 crs	Expansion of geography from Rajasthan to Madhya Pradesh, Gujarat, Maharashtra and Tamil Nadu
Business operations through customized lending suite	<ul style="list-style-type: none"> • Deployment of Jaguar (core lending platform) • Deployment of credility (mobility solution) 	<ul style="list-style-type: none"> • End to end processes covered through technology • Mobility enables efficient processing and handling increased volumes
Focus on Self Employed customer profile in the state of Rajasthan	<ul style="list-style-type: none"> • Focused lending under PMAY • Customer mix of 60:40 (SE: Sal) • Average Loan size: Rs.10 lakhs 	<ul style="list-style-type: none"> • Loans qualifying under Priority Sector Lending (PSL) • Customers benefiting from Govt. policies
Currently having liability program with five public and private financial institutions	<ul style="list-style-type: none"> • NHB Refinance availment • Adding more PSU Banks • Adding more Pvt. Banks / FIs 	<ul style="list-style-type: none"> • Lowering cost of Funds • ALM matching • Diversified liability program

Core Lending Suite Supported by Enterprise Mobility Solutions

- A holistic technology platform to support processing through core lending suite supported by enterprise mobility solutions
- A comprehensive and integrated loan management system that can address day to day operational challenges in a strategic manner
- A flexible, secured, high available technology platform offering dynamic work environment to the end users including - the management, operations, customer and 3rd parties involved
- Enterprise Mobility Solutions deployed to improve efficiency and streamline processing on mobile



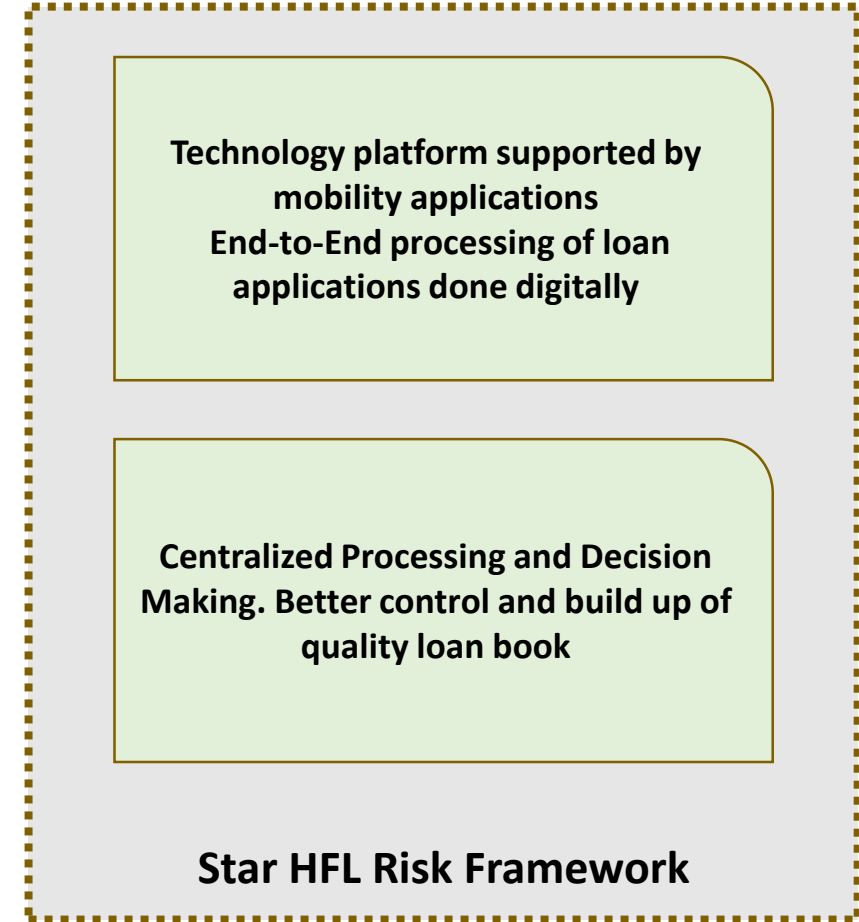
Creation of Robust Business Model

- Traditional brick and mortar presence at selected locations
- Business sourcing through In-house team and supplemented by business associates



- Manned by Resident Officer operating from own premises
- The officer in charge is responsible for business and managing the portfolio

- On site presence across pre-approved projects
- Direct business sourcing through collaboration with the associated developer in residential space



Technology platform supported by mobility applications
End-to-End processing of loan applications done digitally

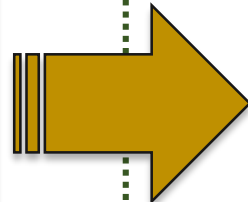
Centralized Processing and Decision Making. Better control and build up of quality loan book

Star HFL Risk Framework

Transformation through Business Development Initiatives

Reaching out to:

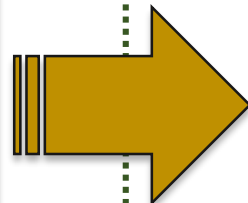
- Builders / Developers
- Quality sales profiles: to strengthen in house sourcing
- Business Associates (DSA / Connectors)
- Insurance partners (Life/Non Life/Health)
- Third Party associates (Legal/Technical)
- Key business vendors



- Increased presence across key affordable housing projects across locations
- Enhanced direct sourcing from relationships
- Strong In house sales team supplemented by increased traction from business associates in DSA driven markets
- Rationalization of legal/technical related expenses and key opex. line items through relationship mgmt.

Marketing/Branding

- Presence on digital platform: social media (LinkedIn / Facebook / twitter), website and online marketplace
- On ground venue/lane mktg: Loan Mela, Loan on Wheels, spot sanction drive, medical check up camps
- Print/TV media at local and regional level
- Participation in summits, property fair/exhibitions

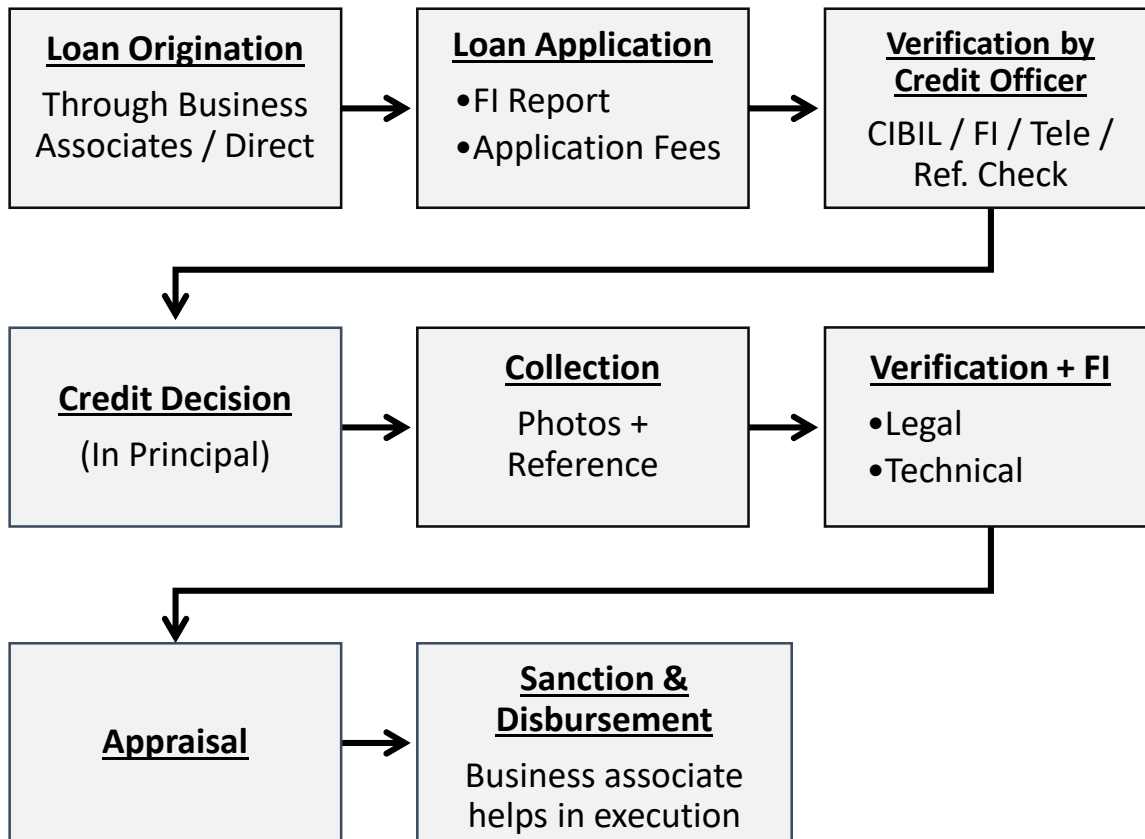


- Enhanced enquiries, allocation of leads to branches and follow up
- Measurable efficacy of the on ground branding efforts through enquiries, lead generation and subsequent conversion (Branch / Unit head is responsible)

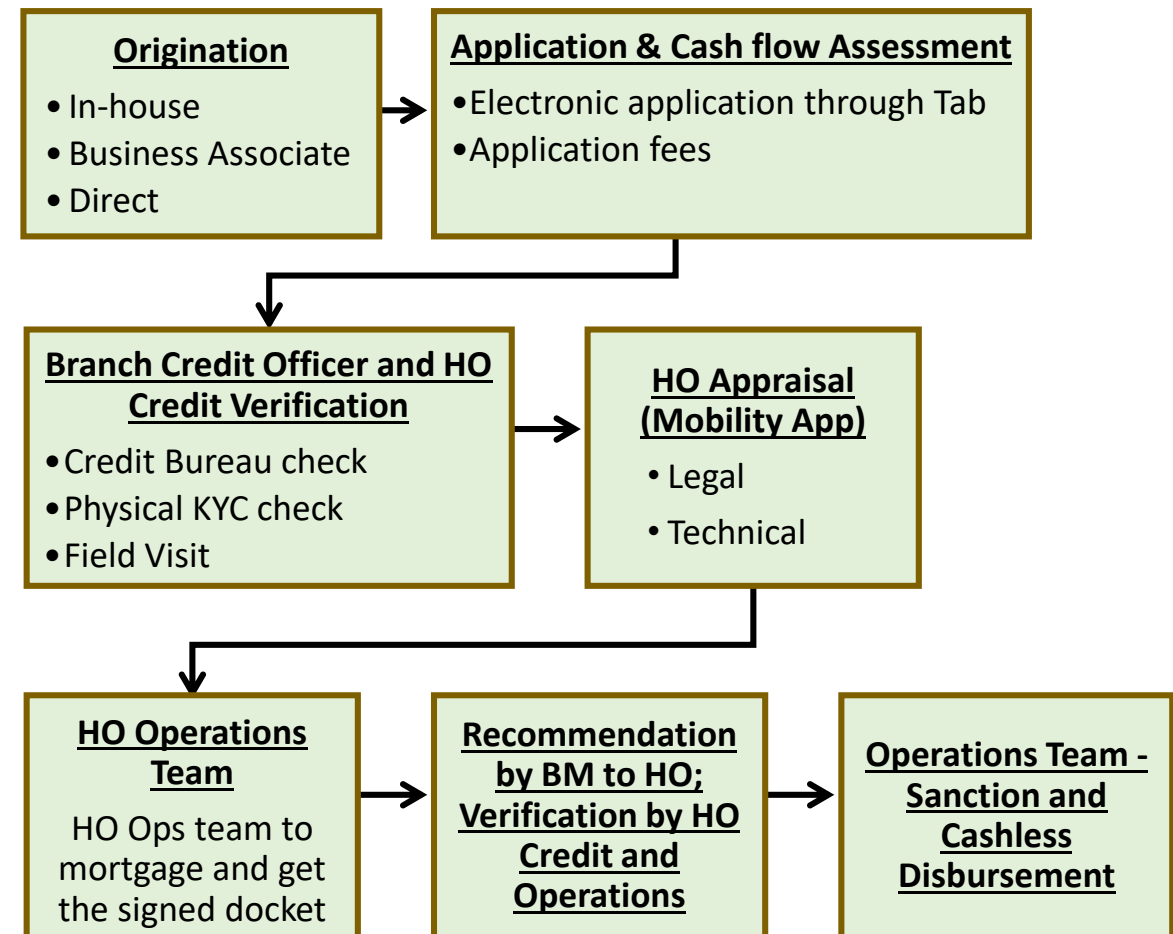
Clear focus on establishing Star HFL as a customer centric and tech enabled meaningful player in low ticket affordable housing finance space across major markets

Transformation of Loan Origination and Disbursement Cycle

Current Process



Way Forward

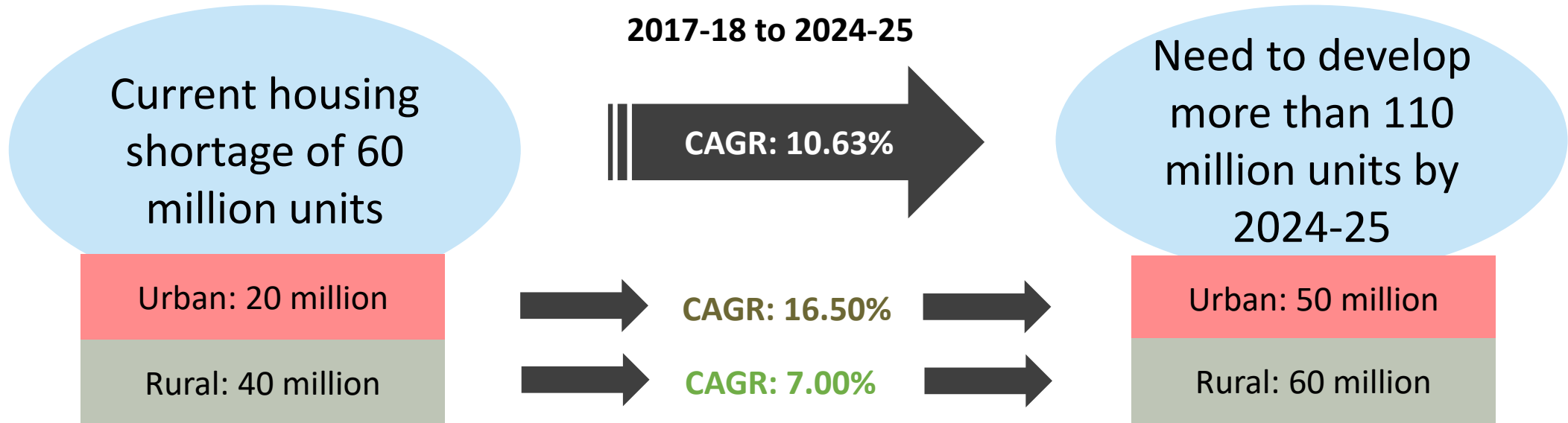


Holistic Risk Management



- Identification and isolation of business risks through a. centralized decision making set up b. digital platform c. capturing data related to business risk through data science enabling strategic alignment through changes in policies and guidelines
- Engagement with internal/external stakeholders to ensure book is without systemic anomalies/surprises on sustainable basis

Indian Housing Finance Sector Overview: Demand for 25 mn housing units



- Projected investment of more than \$2 trillion in housing and 250+ ancillary industries
- Urban housing to account for 85-90% of the total projected investment
- Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Karnataka, Andhra Pradesh, Telangana, Tamil Nadu and Uttar Pradesh to form more than 3/4th of the total housing requirements
- Low Cost housing units (up to Rs.40 lakhs) for LIG households constitute more than half of urban housing requirements

This translates to current latent demand of more than 10 mn low cost housing units and projected demand of more than 25 mn low cost housing units by 2024-25

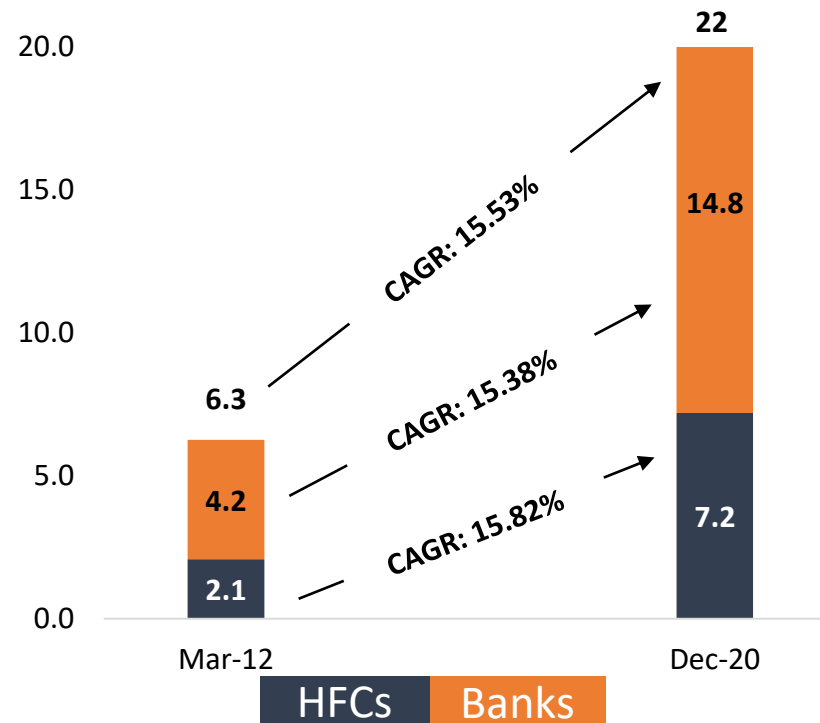
Indian Housing Finance Sector Overview: A \$400 Bn business opportunity

The HFC space is expected to grow at 16-18% CAGR over the next 10 years

Total credit outstanding at Rs. 22 trillion as of Dec 31, 2020

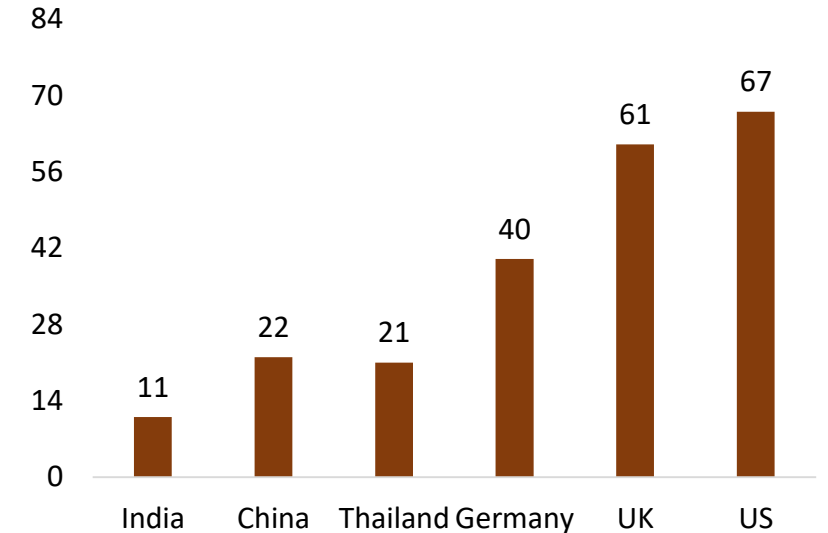
HFC-retail credit grew by CAGR of 15.53% for the period Mar-12 to Dec-20

In Rs. '000 Bn **Strong growth in Housing Credit**



- HFCs have outpaced Banks in growth
- HFCs have Gained market share (currently at 34%) over the years
- HFCs are expected to continue the same performance in the next decade

Mortgage to GDP ratio for India remains comparatively lower...

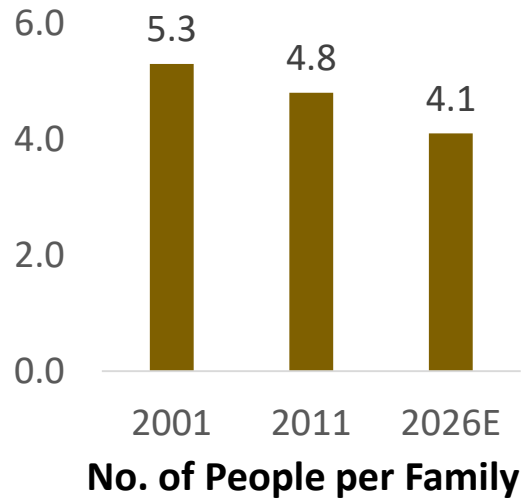


...Reflecting enormous potential for further growth

- Industry to exhibit 15+% CAGR post normalization of pandemic
- Projected 25+% CAGR for HFCs in affordable space
- Tailwind in the low cost housing space is prevalent & would be the harbinger of post COVID-19 normalization going ahead

Indian Housing Finance Sector Overview: Rising Nuclear Families

Traditional large joint families are breaking up into small nuclear families



Source: ICRA mortgage market report, Industry reports



3 BHK

2 BHK

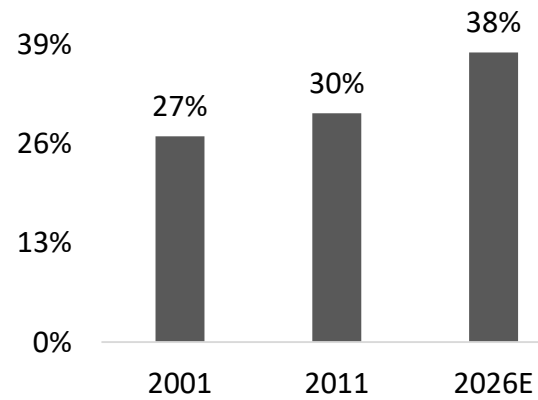
1 BHK



- Modern day space/ privacy needs lead to constant upgrades to larger apartments
- This process gives Housing Finance opportunity at all transaction levels

Indian Housing Finance Sector Overview: Migration / Upgrade

Rising Urban Population



% of population residing in urban areas

Source: ICRA mortgage market report, Industry reports



Migration to Urban areas



Usual Entry Level Housing



First Upgrade from Slum



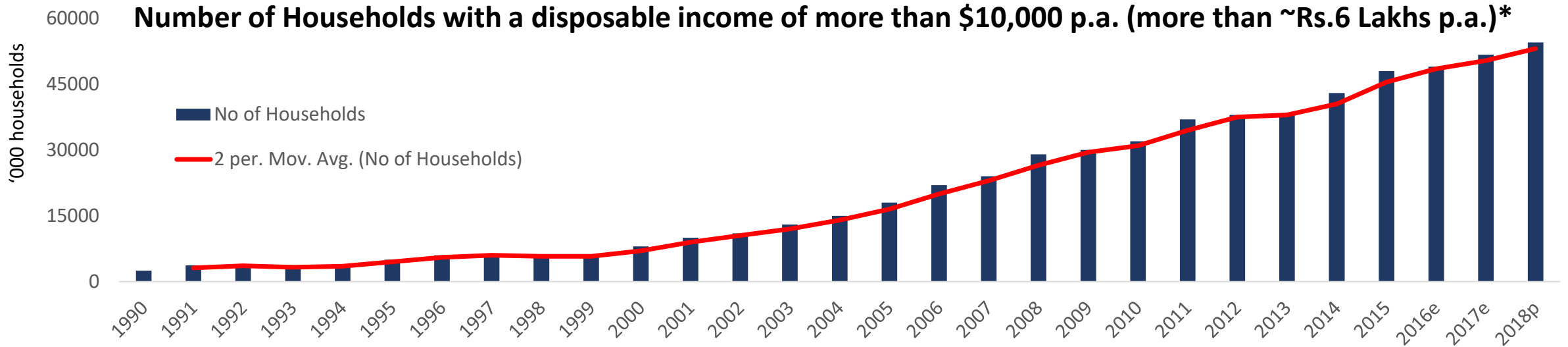
Third Upgrade



Second Upgrade

- Relentless migration has given rise to Slums in most large cities
- HFCs are involved right from the first upgrade
- Every transaction thereon presents additional funding opportunity

Indian Housing Finance Sector Overview: Increase in Income Levels



Source: Euromonitor International/UN. Avg. exchange rate of ~Rs.60 = 1USD. Average of daily rates for the period Sep 2010-Sep 2018

- Households having disposable income of more than Rs.6 Lakhs p.a. increased from 2.5 mn in 1990 to more than 50 mn in 2017-18
- This increase has transformed India into a middle class society within two and a half decades of liberalization

Impact

- Upsurge in the number of first time home buyers looking to purchase an own home
- Resultant increase in the demand for housing units especially in the 25-50 lakh price unit segment across the fringes of metros, semi urban and satellite centres
- Enormous potential for financiers with a positive long term outlook as Indian middle class is set to expand in future

Indian Housing Finance Sector Overview: Increased Govt. Support

Government of India's Flagship Program "Housing for All" Pradhan Mantri Awas Yojana (PMAY)

Supply Side Intervention Schemes

- In-Situ slum redevelopment: Utilization of land under slum
- Affordable housing in partnership with private and public sector

Demand Side Intervention Schemes

- Credit Linked Subsidy Scheme (CLSS)
- Subsidy for Beneficiary-led individual house construction / enhancement

Target to construct 20 million houses targeting EWS/LIG/MIG households
Projected financial assistance of Rs.2,000 bn from central government

Enhanced Budgetary and other Support

- Infrastructure status accorded to affordable housing sector
- Benami Transactions (Prohibition) Amended Act, 2016
- Implementation of Real Estate Development and Regulation Act (RERA)
- Real estate transactions brought under the ambit of Goods and Services Tax (GST)



Enhanced flow of credit to the sector

Increased transparency, accountability and speedy redressal of disputes

Indian Housing Finance Sector Overview: Robust Regulatory Environment

- The RBI is the regulator for NBFCs and HFCs. Refinance assistance continues to be handled by The National Housing Bank (NHB)
- Despite at lower levels of mortgage penetration which preclude a possibility of major meltdown, the Regulator has learnt from the pitfalls of developed countries and has put in place several checks and measures through a) exposure limits, b) asset quality and c) capital requirements

LTV and Risk Weights:
A move to ensure adequate capital buffer

Loan Value	LTV	Risk Weight
Up to Rs.30 lakhs	Less than 80%	35%
Up to Rs.30 lakhs	80-90%	50%
Rs.30-75 lakhs	Up to 80%	35%
Greater than Rs.75 lakhs	Less than 75%	50%
Restructured Loans (Additional)		25%
Other housing loans (Not qualified in above)		100%
Loan Category	Standard Asset Provisioning	
Individual housing loans	0.25%	
Commercial real estate residential housing	0.75%	
Commercial real estate	1.00%	

Provisioning norms:
Tightening the belts to avoid any leakages

Provisioning norms:
Conservative approach towards provisioning for NPAs

NPA Type	No of Days	Provision
Substandard Assets	91-455 days	15%
Doubtful Assets		
Up to 1 year	456 days to 820 days	25%
1-3 years	821 days to 1550 days	40%
Greater than 3 years	1551 days and above	100%
Loss Assets	-	100%

- The RBI as a regulator has continued to incorporate checks and balances to ensure that overall growth in housing finance space is bereft of systemic risks. Some of the key announcements being, (a) Increase in capital requirement for HFCs, (b) classification of HFCs as systematically important HFCs with asset size of more than Rs.500 crs (c) Defining minimum business operating guidelines for a company to be qualified as an HFC (principal business), (d) Introduction with LCR framework with HFCs assets size of Rs.5000 crs (e) Issuance of guidelines on liquidity risk management framework with minimum asset size of Rs. 100 crs (f) Issuance of moratorium guidelines in Mar 2020 in the wake of first Covid-19 wave and announcement of loan recast during the second Covid-19 wave



Indian Housing Finance Sector Overview: Reforms Paving the Way

Regulation

Infrastructure status accorded to Affordable Housing

Benami Transactions (Prohibition) Amended Act, 2016

Real Estate Development and Regulation Act (RERA)

Goods and Services Tax (GST)

Insolvency and Bankruptcy code

RBI as a regulator for the HFCs, NHB continues to continue in supervisory and financing role

Impact

- Enhanced flow of credit to the sector
- Lowering of borrowing cost at the project level
- Simplification of approval processes

- Minimization of fraud / collusion
- Greater transparency
- Keeps questionable entities at bay

- Increases transparency
- Imposes greater accountability
- Protects the interests of home buyers

- Replaces multi layered taxation with single tax
- GST @ 5% for under construction projects and @ 1% for affordable housing projects

- Brings seriousness to resolve bad loans
- Treats home buyers as creditors (at par with FIs)
- Strict vigilance over developer in case of default

- RBI, through its various guidelines form time to time has further strengthened the regulatory framework
- NHB continues to provide support through its various refinance schemes incl. LIFt, SRF lines during the Covid-19 pandemic

This presentation may contain statements about events and expectations that may be “forward-looking,” including those relating to general business plans and overall growth strategy of Star Housing Finance Limited (“Star HFL”), formerly known as Akme Star Housing Finance Limited, and its associated/subsidiaries/JVs, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of risks and uncertainties, including future changes or developments in Star HFL and its associates/subsidiaries/JVs, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in the Country. All financial data in this presentation is obtained from the Financial Statements for FY’2018-19, FY’2019-20 and FY’ 2020-21 on the basis of which key ratios are calculated.

The purpose of this presentation is to provide general information to prospective investors in a manner to assist them in making investment decision. It does not purport to contain all the information that the prospective investor may require.

The presentation is made for informational purposes only and should not be regarded as an official opinion of any kind or a recommendation. It does not constitute an offer, solicitation or an invitation to the public in general to invest in Star HFL. This presentation is intended for the use of prospective investors only to whom it is addressed and who is willing and eligible to invest in Star HFL. The information contained in this presentation is obtained from sources believed to be reliable. We do not represent that any information, including third party information, is accurate or complete and it should not be relied upon without proper investigation on the part of investor(s).

Star HFL or any of its director(s) or employees does not assure/give guarantee for any accuracy of any of the facts/interpretations in this document, and shall not be liable to any person including the beneficiary for any claim or demand for damages or otherwise in relation to this opinion or its contents.

All investors must consider the risk factors, do their own analysis and/or avail expert professional help to arrive at an investment decision.

Contact details:

Kalpesh R Dave: 9152021863

Thank You