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

Date: 10.11.2021

To,

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

Sub: Investor Presentation for the Unaudited Financial Results for the Quarter/ Half year ended 30th September, 2021.

Dear Sir/Madam,

With reference to above captioned subject, please find attached Investor Presentation for the Quarter/ Half year ended 30th September, 2021.

Kindly take note of the above on your record.

Thanking you,

For, Star Housing Finance Limited



Paritosh Kothari
Company Secretary
M.No. A36550





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:

603, Western Edge I, Above Metro Cash & Carry,
Mumbai - 400066 ☎ +91 8828 036610

- Star Housing Finance Limited (Star HFL) is a BSE listed HFC providing housing finance to first time EWS (Economically Weaker Section) home buyers towards purchase/construction of low cost housing units
- Vintage of more than a decade, Star HFL has transformed post receiving institutional funding from ARKFIN in Oct 2019 and has initiated the journey to become a meaningful player in affordable housing finance sector with pan India presence
- Managed by experienced professionals with strong domain. Staff strength of 80+ employees across locations and functions
- Present across Maharashtra, Madhya Pradesh, Gujarat, Rajasthan and Tamil Nadu through 7 branches and 15 digital PoPs and corporate office in Mumbai. Active in tier II, tier III, semi urban/rural locations
- Cumulatively served 1500+ customers in EWS segment since inception assisting them in their home purchase
- Qualified as a Primary Lending Institution under Pradhan Mantri Awas Yojana (PMAY)
- Relationship with public sector banks, private sector banks, financial institutions and the National Housing Bank (The NHB)



Disbursement Rs. 2943.33	Borrowings Rs. 6428.30	Portfolio Rs. 9454.19	Net Worth Rs. 5363.95
Gross Revenue Rs. 1560.29	Total Interest Rs. 1552.96	PBT Rs. 218.43	PAT Rs. 155.66
Net Interest Income Rs. 1098.31	Total Assets Rs. 12476.56	CRAR 86.35%	Cost of Borrowing 9.04%

Data for FY2021 (Figures in Lakhs)

Key Management Overview



Ashish Jain (Managing Director)



Kavish Jain (Director)



Natesh Narayanan CFO



Kalpesh Dave
Head - Corp. Planning & Strategy



Anoop Saxena
Head – Credit & Ops

Name	Designation
B.S Kacchawaha	Head - Risk
Paritosh Kothari	Company Secretary
Shakir Sheikh	Mentor - MP
Rajesh Gopinath	Business Head – Tamil Nadu
Sandeep Kadam	Business Head – Pune
Nilesh Pande	Business Head – Vidarbha
Mohan Tayade	Business Head – Surat

Our Presence

Udaipur

Mumbai

Pune

Akola

Indore

Surat

Chennai

Cumulative experience of more than 125 years in Financial services space

Core Values

More than 1500 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

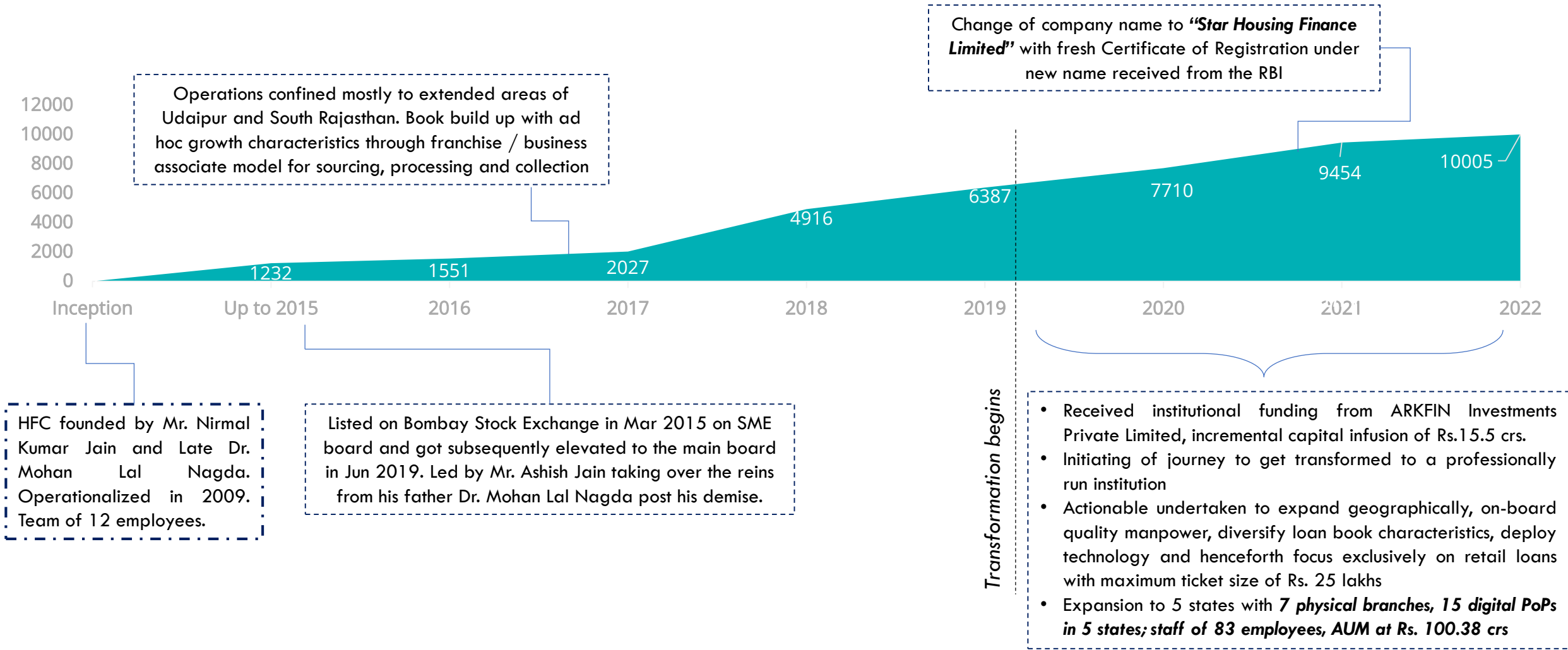
Create value for all stakeholders of Star HFL, be it customers, vendors or employees

Teamwork and Collaboration

Nurturing Lives

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

Journey and Milestones



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)

Construction loans

Composite loans

Home Extension loans

Home Improvement loans

Non Housing loans

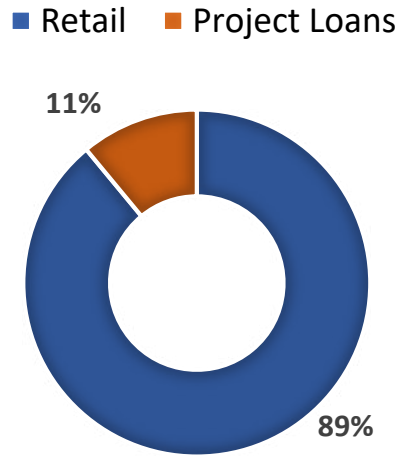
Product Offerings

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				

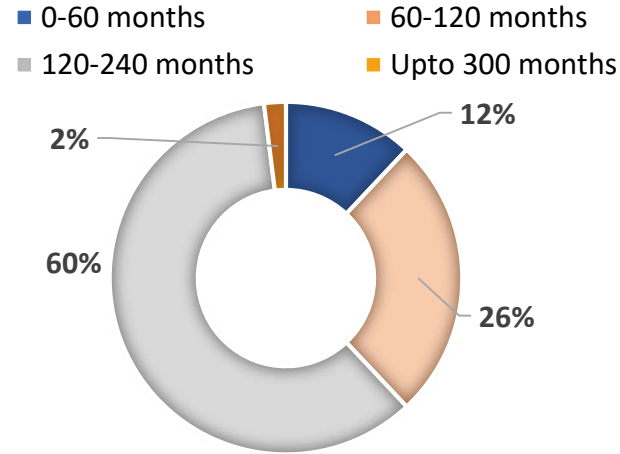
Star HFL has a range of retail financing products to cater to the financing needs of EWS/LIG customers towards purchase of housing units

Loan Book Overview (As of Sep 30, 2021)

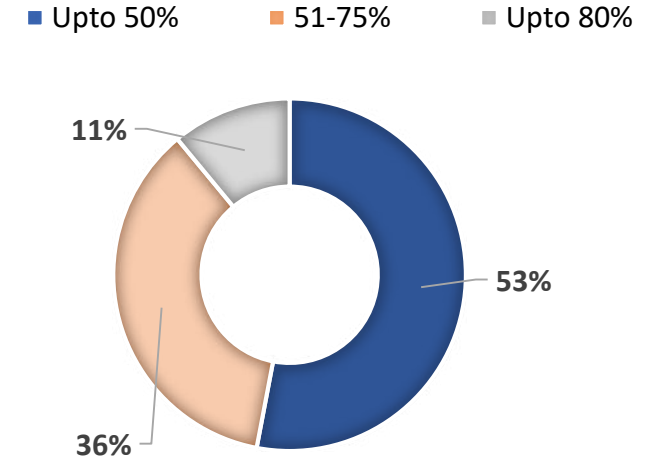
PRODUCT WISE BREAK UP



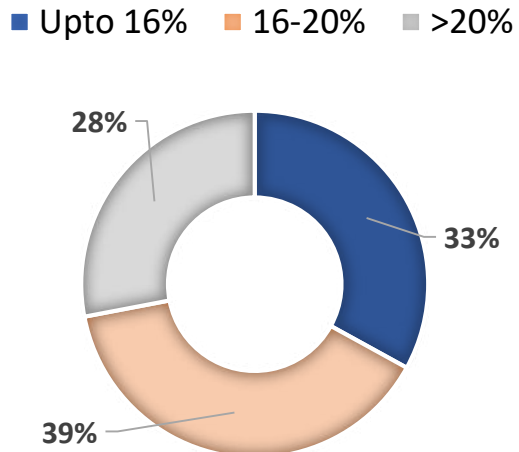
TENURE WISE BREAK UP



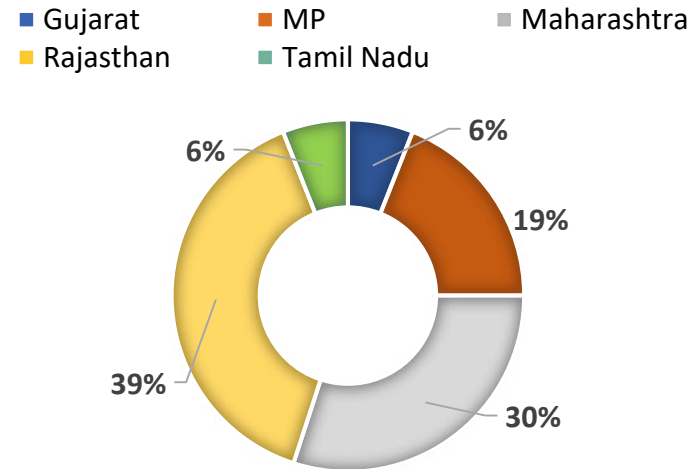
LTV WISE BREAK UP



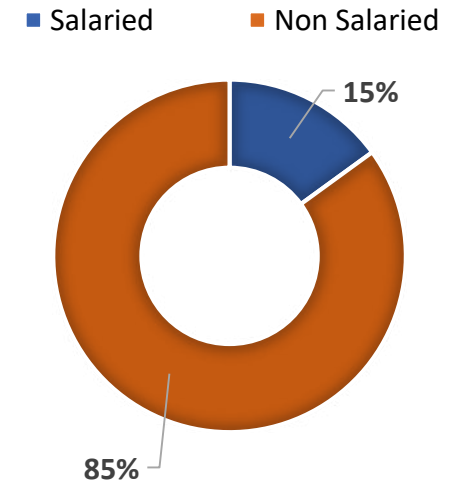
ROI WISE BREAK UP



REGION WISE BREAK UP



OCCUPATION WISE BREAK UP



Shareholding Details (As on Sep 30, 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	64,10,874	64,10,874	40.90
(B) Public	1150	92,62,626	92,62,626	59.10
(C1) Shares underlying DRs				0.00
(C2) Shares held by Employee Trust				0.00
(C) Non Promoter-Non Public				0.00
Grand Total	1180	1,56,73,500	1,56,73,500	100.00

As on Oct 29, 2021
Closing Share Price: Rs.93.30
Market Cap: Rs.146.23 Crs
EPS: Rs. 1.04
Price/Book: 2.62x

*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

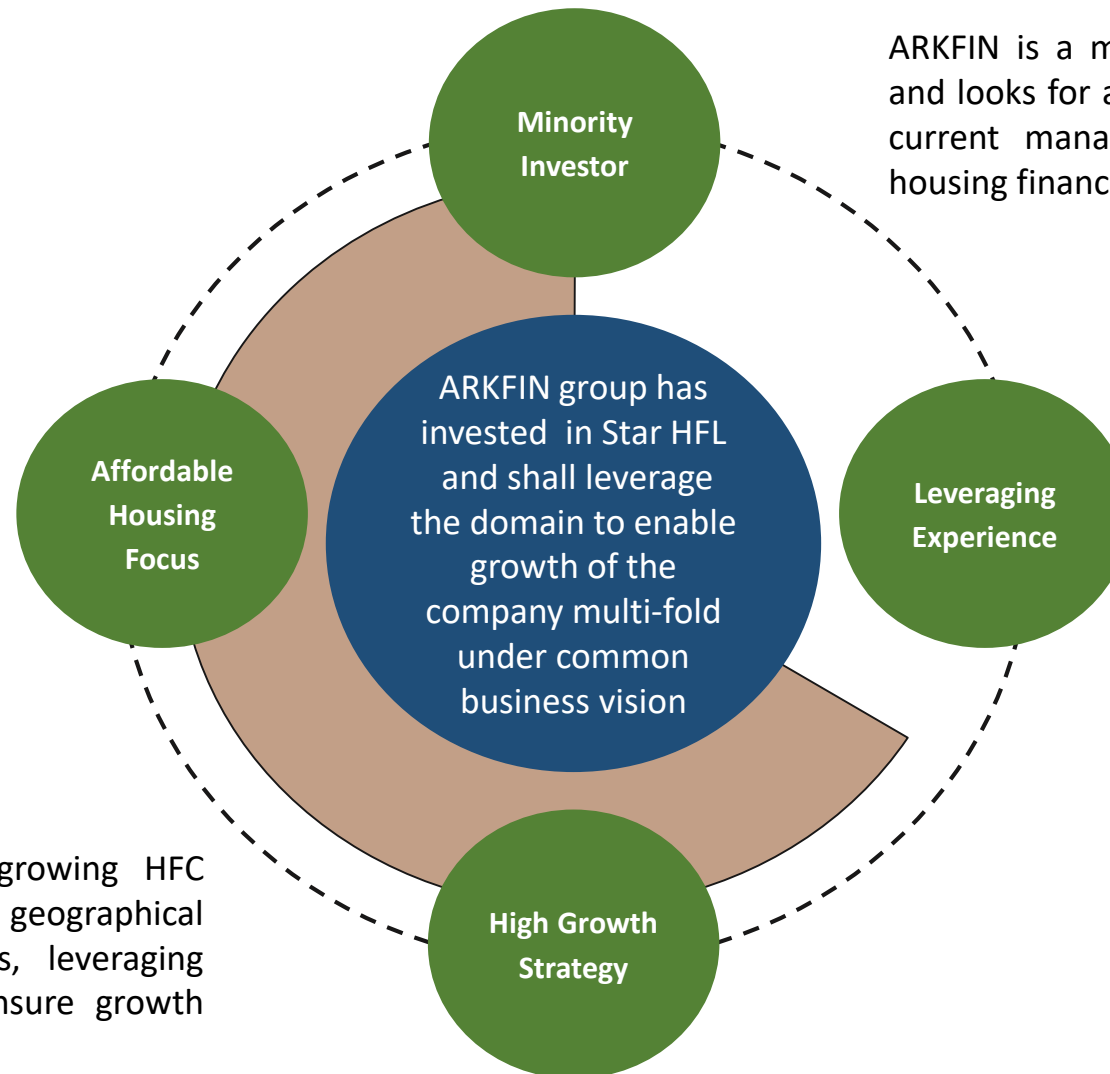
Key Financials

Balance Sheet as for the period		
Particulars	30-09-2021	31-03-2021
	Unaudited	Audited
Assets		
Cash & cash equivalents	108	2010
Bank balance other than cash & Cash equivalents	352	351
Loans	10435	9284
Investments	842	356
Other Financial Assets	393	196
Deferred Tax Assets (Net)	50	48
Property, Plant & Equipment	106	102
Right to use Assets	10	12
Intangible Asset	53	43
Other Non Financial Assets	65	32
Current Tax (Net)	59	43
Total Assets	12,473	12,477
Liabilities		
Borrowings	6522	6428
Other financial liabilities	485	637
Provisions	35	37
Other non financial liabilities	7	11
Total Liabilities	7045	7113
Equity		
Equity share capital	1567	1567
Other equity	3857	3797
Total Equity	5425	5364
Total Liabilities & Equity	12473	12477

Profit & Loss statement for the Period		
Particulars	30-09-2021 (Half Year)	31-03-2021 (Full Year)
	Unaudited	Audited
Income		
Interest Income	875	1553
Fees & Commission Income	15	16
Gain / (Loss) on derecognition of financial assets	2	(9)
Net Gain / Loss on Fair Value Charges	(4)	-
Other Income	14	-
Total Income	902	1560
Expenses		
Finance Cost	306	499
Impairment of Financial Instruments	43	195
Employee Benefit Expenses	273	397
Depreciation & Amortization expenses	11	15
Other expenses	188	236
Total Expenses	822	1342
Profit Before Tax	81	218
Tax Expenses		
Current Tax	22	74
Deferred Tax	(2)	(12)
Profit After Tax	61	156

All figures in lakhs

ARKFIN's Investment in Star Housing Finance Limited



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 partner with the management at Star HFL
- ARKFIN seeks to leverage its members' deep industry experience to support the company's operations

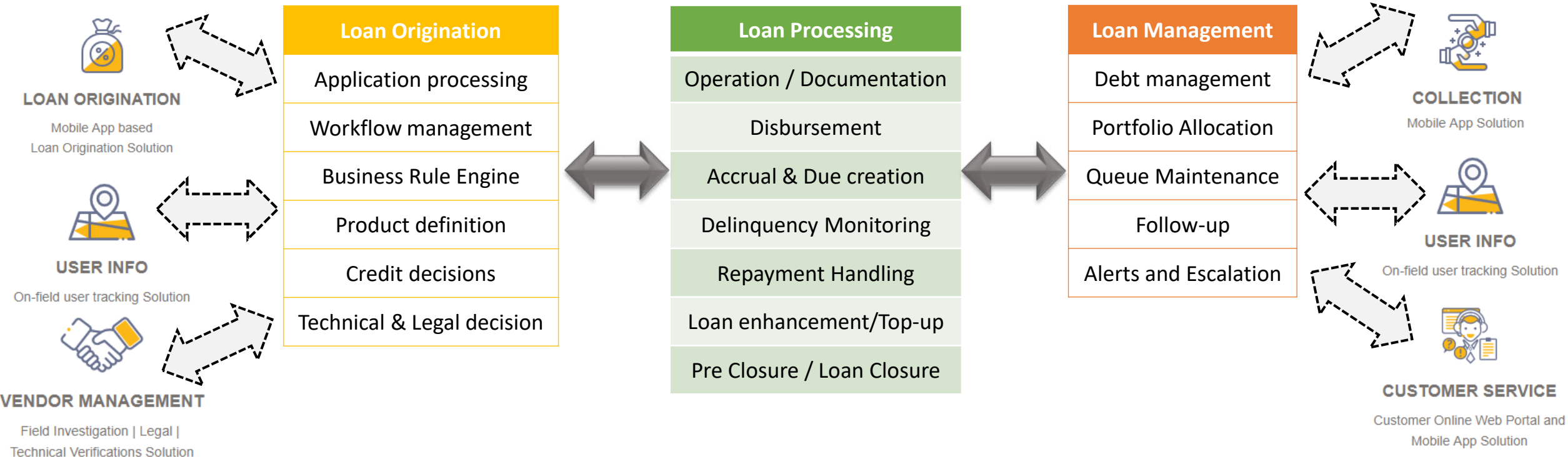
ARKFIN intends to use its experience of growing HFC business enabling growth of Star HFL through geographical expansion, experienced mgmt. across levels, leveraging technology and robust risk framework to ensure growth backed by quality

Star HFL - A Beginning of Transformation

ACTIONABLE	BEFORE OCT 2019	POST OCT 2019
Adding Talent	11 member team operating from a single office	Now 83 member team across geographies of Rajasthan, Maharashtra, MP, Gujarat & Tamil Nadu
Technology & Mobility	SRG lending suite leased	Deployed a new lending package – Jaguar with digital functionalities for credit & collections enabling scale backed by quality
Branches & Expansion	Single state presence in Rajasthan	Expanded to 5 states, 7 physical branches and 15 digital POPs, thereby preparing a base for a Rs. 25 crs monthly run rate
Term Loans / Debt	<ul style="list-style-type: none"> ▪ Availed from 3 Banks and 3 FIs ▪ AUM Split: Retail 60% Wholesale: 40% 	Strong relationship with 4 banks (SBI, BOB, UBI & AU SF); 4 FIs (Mahindra, Avanse, Hinduja & MAS) and The National Housing Bank AUM Split: Retail 89% Wholesale: 11%
Business Transformation	<ul style="list-style-type: none"> ▪ Sourcing through franchise model ▪ Predominantly self employed customer base ▪ Concentrated in one region of Southern Rajasthan 	<ul style="list-style-type: none"> ▪ Sourcing, processing & receivable management through in-house staff ▪ Incremental sourcing diversified, with focus on salaried customers as well. Geographical diversification to 5 states
The Board	Promoter driven board	<ul style="list-style-type: none"> ▪ Mr. A.P Saxena (an ex-NHB official) on-boarded as Independent Director ▪ Professionals with strong domain to be inducted on the board in a phased manner, subject to all clearances
Head Office & Registered Office	At Udaipur	<ul style="list-style-type: none"> ▪ Head office shifted to Mumbai. Operating from a 3500 sq ft premises in North Mumbai ▪ Registered office to be shifted post necessary clearances
Company Name Change	Erstwhile name “Akme Star Housing Finance Ltd”	Company name changed to “Star Housing Finance Ltd” with fresh Registration Certificate under new name received from RBI

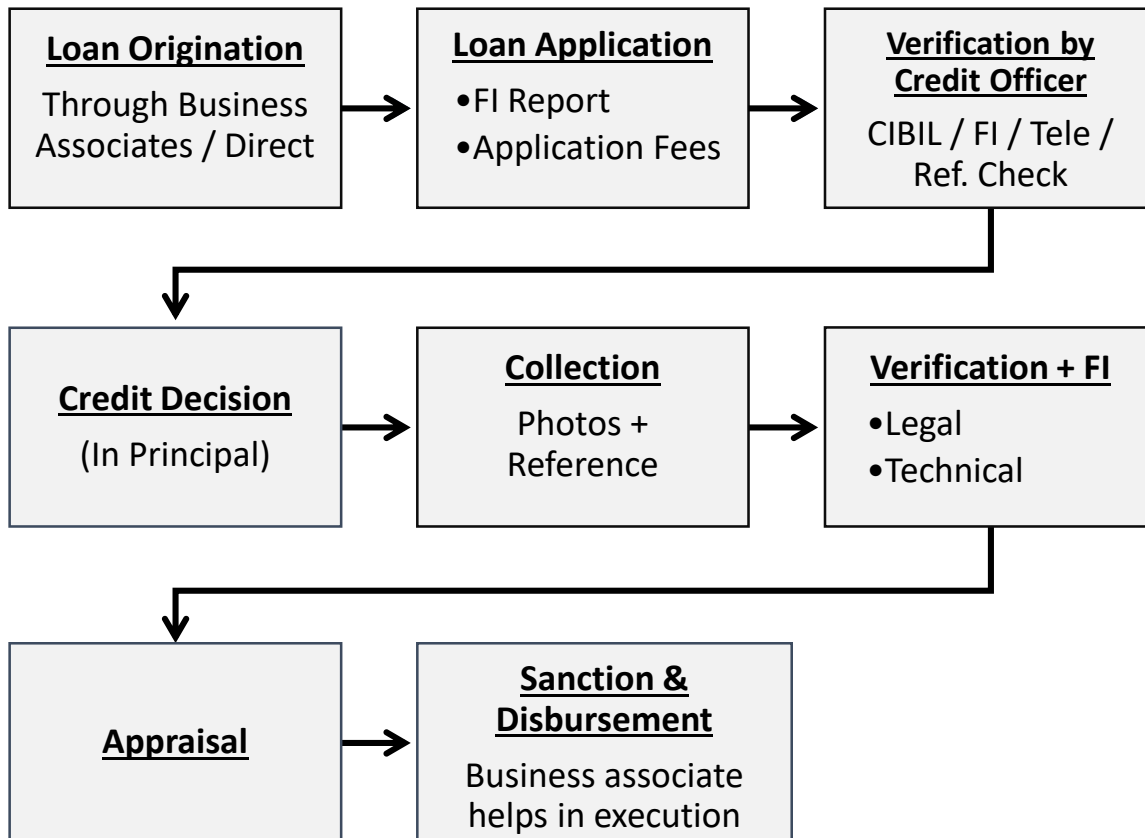
Core Lending Suite Supported by Enterprise Mobility Solutions

- 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

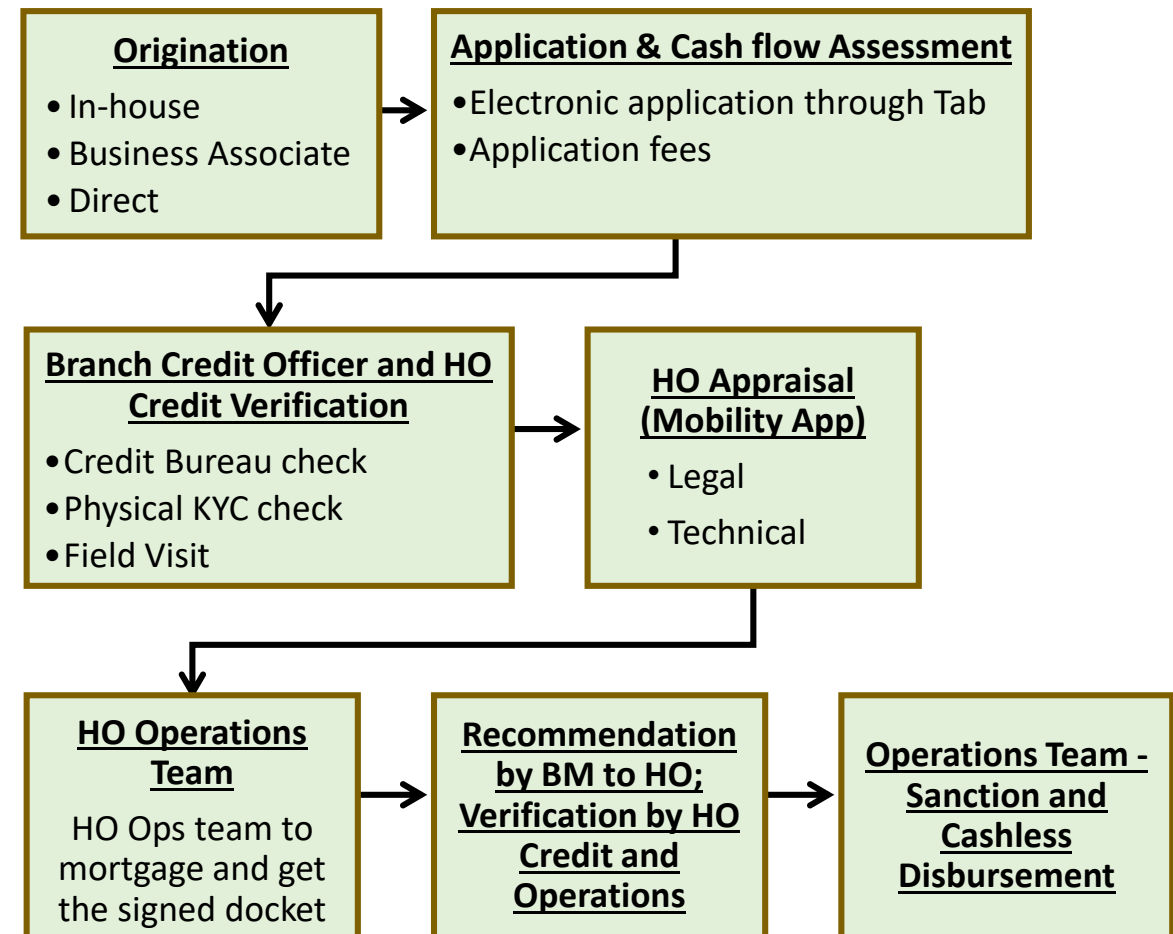


Transformation of Loan Origination and Disbursement Cycle

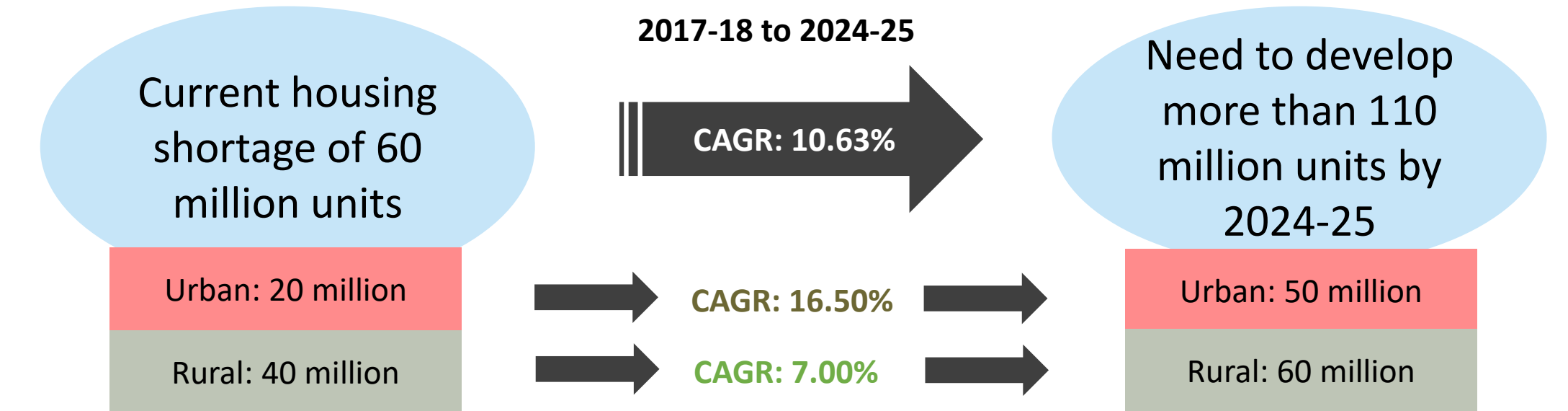
Previous Process



Current Process



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

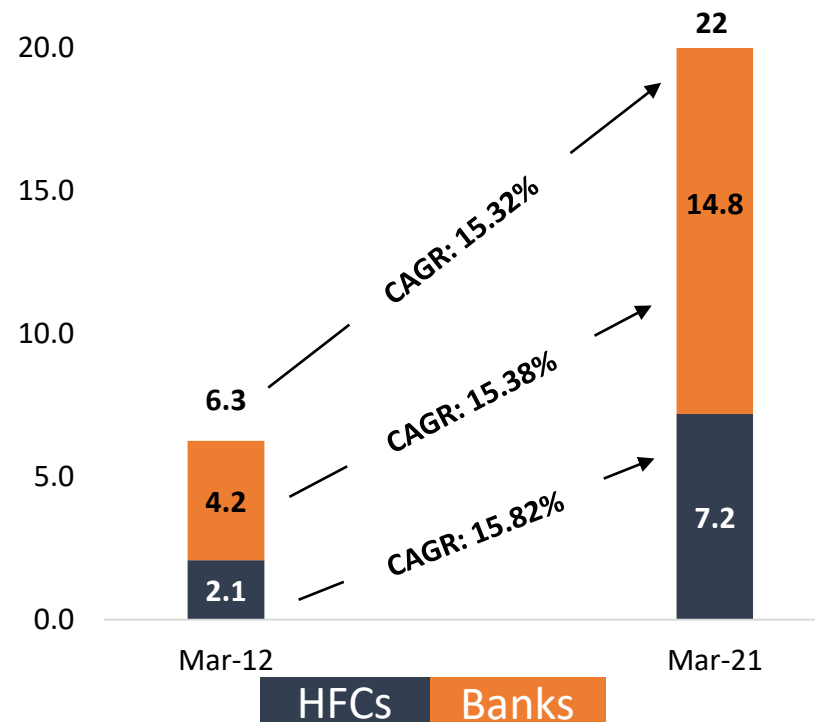
Indian Housing Finance Sector Overview: A \$400 Bn business opportunity

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 Mar 31, 2021

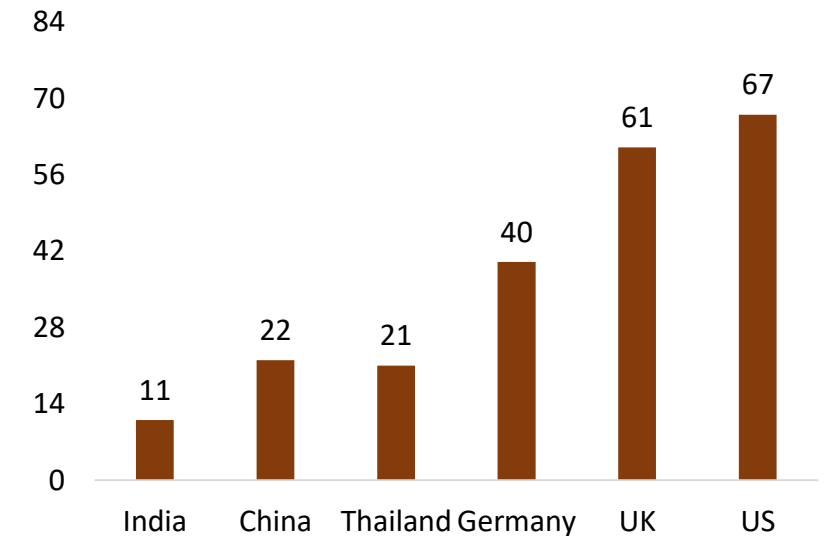
HFC-retail credit grew by CAGR of 15.32% for the period Mar-12 to Mar-21

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...

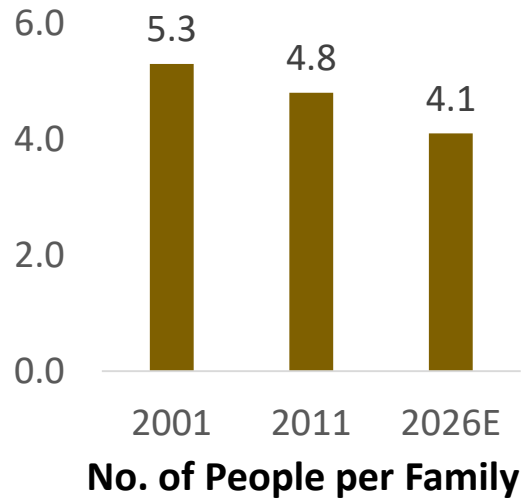


...Reflecting enormous potential for further growth

- 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



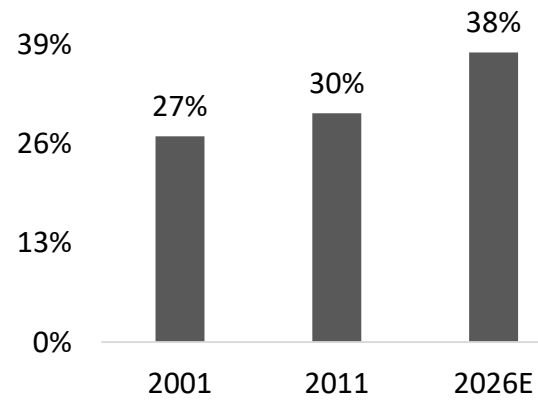
1 BHK



- 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



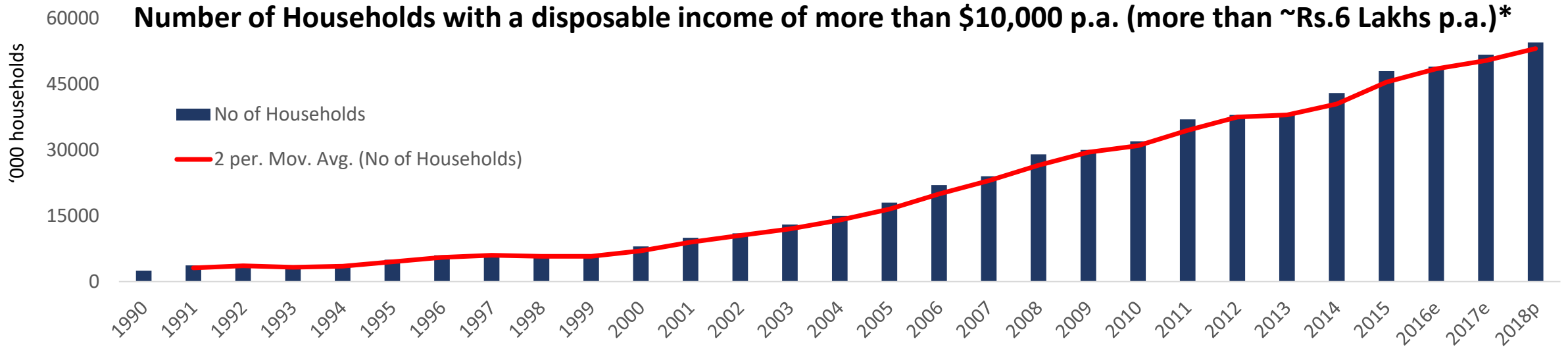
Third Upgrade



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%
Provisioning norms: Tightening the belts to avoid any leakages	Loan Category	Standard Asset Provisioning	
	Individual housing loans	0.25%	
	Commercial real estate residential housing	0.75%	
	Commercial real estate	1.00%	

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, FY’ 2020-21 and FY’ 2021-22 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).

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

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Thank You