



ICFL/LS/157/2023-24

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.: Investor Presentation on Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30 September 2023

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 Investor Presentation on Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended 30 September 2023.

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

Registered Office: Unit No. 505, 5th Floor, Wing 2/E, Corporate Avenue, Andheri - Ghatkopar Link Road, Chakala, Andheri (East), Mumbai – 400099, India. | T +91 22 4315 7000 | contact@indostarcapital.com | www.indostarcapital.com
CIN: L65100MH2009PLC268160



INDOSTAR

"Your Path To A Better Life"

INDOSTAR CAPITAL FINANCE

Investor Presentation

September 2023

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All Maps used in the Presentation are not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Key Performance Highlights – Q2FY24

AUM



₹ 7,726 crs

Q2FY23: ₹ 7,908 crs

Disbursements



₹ 1,269 crs

Q2FY23 : ₹ 334 crs

Gross Stage 3



6.7%

Q2FY23: 7.1%

Net Stage 3



3.3%

Q2FY23: 2.9%

CRAR *



32.8% CRAR

Q2FY23: 34.1%

* Standalone

Branches



476 Branches

Q2FY23: 424

Net Total Income



₹ 148 crs

Q2FY23: ₹ 148 crs

PAT



₹ 25 crs

Q2FY23: ₹ 52 crs

NIMs



6.7%

Q2FY23: 6.0%



INDO MITRA
Making Vehicle Finance Easy
 We Heard You & We Brought Account Management To Your Fingertips
 Live on the Play Store

To download the app scan this QR code

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IndoStar 2.0

“go-to” NBFC in Retail Lending

CV Finance



We provide financing for New/ Used CV, Construction Equipment, Tractor & Used Car

Housing Finance





Our wholly-owned subsidiary IndoStar Home Finance engages in providing affordable home financing solutions to self-employed and salaried customers.


Strategy for INDOSTAR 2.0

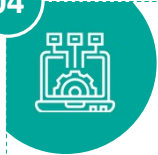
	<p>New Customer Acquisition</p>	<ul style="list-style-type: none"> • Strengthened Core Management Team to focus on each of the business segments • Focused on serving the used CV market with higher yields • Moving branch network into the hinterland, serving customers in tier 3 and tier 4 towns
	<p>Asset Quality</p>	<ul style="list-style-type: none"> • Strengthened controls, reviewed policies and upgraded technology systems right from loan origination, credit appraisal, disbursal, loan management and collection processes and continuing to do that. • Sustained efforts to reduce stressed book through collection, repossession and settlement • Strengthened collection mechanism by adding people. It is enabling robust collections, leading to 120%+ collection efficiency, indicating clearances of old delinquencies
	<p>Cost Optimization</p>	<ul style="list-style-type: none"> • Strengthening the hub and spoke model by opening more branches in tier 3 & 4 towns • Focused on opening smart branches that operate with greater efficiency, less manpower and more through the Customer App • Investments in technology and digitization, to improve operating turnaround times and productivity and drive operating cost efficiencies


Our Strategic Focus Areas


01  Maintaining consistent customer communication


02  Expanding geographically


03  Maintaining asset quality

04  Investing in technology to become more Agile & Process Oriented

05  Digitalization

06  Strengthening controls to minimize risk

07  Ensuring a robust balance sheet

08  Being agile and future-ready



Strategic Performance Indicators

Priority Sector Lending – Key Strategic Initiative

What are the priority sectors?

Under RBI guidelines, loans given to following sectors qualify for Priority Sector Lending:

- Agriculture
- Micro, Small & Medium Enterprises (MSME)
- Export Credit
- Housing loans of up to Rs. 35 lakh, for dwellings costing less than Rs. 45 lakh, are treated as priority sector lending (PSL)



What is the RBI guideline for Banks around PSL?

1) **Domestic commercial banks (excl. RRBs & SFBs) & foreign banks with 20 branches and above:**

40% of

- Adjusted Net Bank Credit (ANBC) or
- Credit Equivalent of Off-Balance Sheet Exposure (CEOBE)

2) **Small Finance Banks (SFB)**

75% of ANBC as computed in para 6 below or CEOBE whichever is higher



What is the qualifier to get an IndoStar loan tagged as PSL?

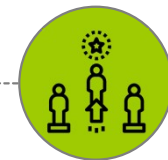
Across the IndoStar portfolio, here are the criteria that is used to tag loans as PSL

- **CV:** Udyam* (MSME) Registration
- **SME:** Udyam* (MSME) Registration
- **Housing:** All loans for housing units <45 Lakhs



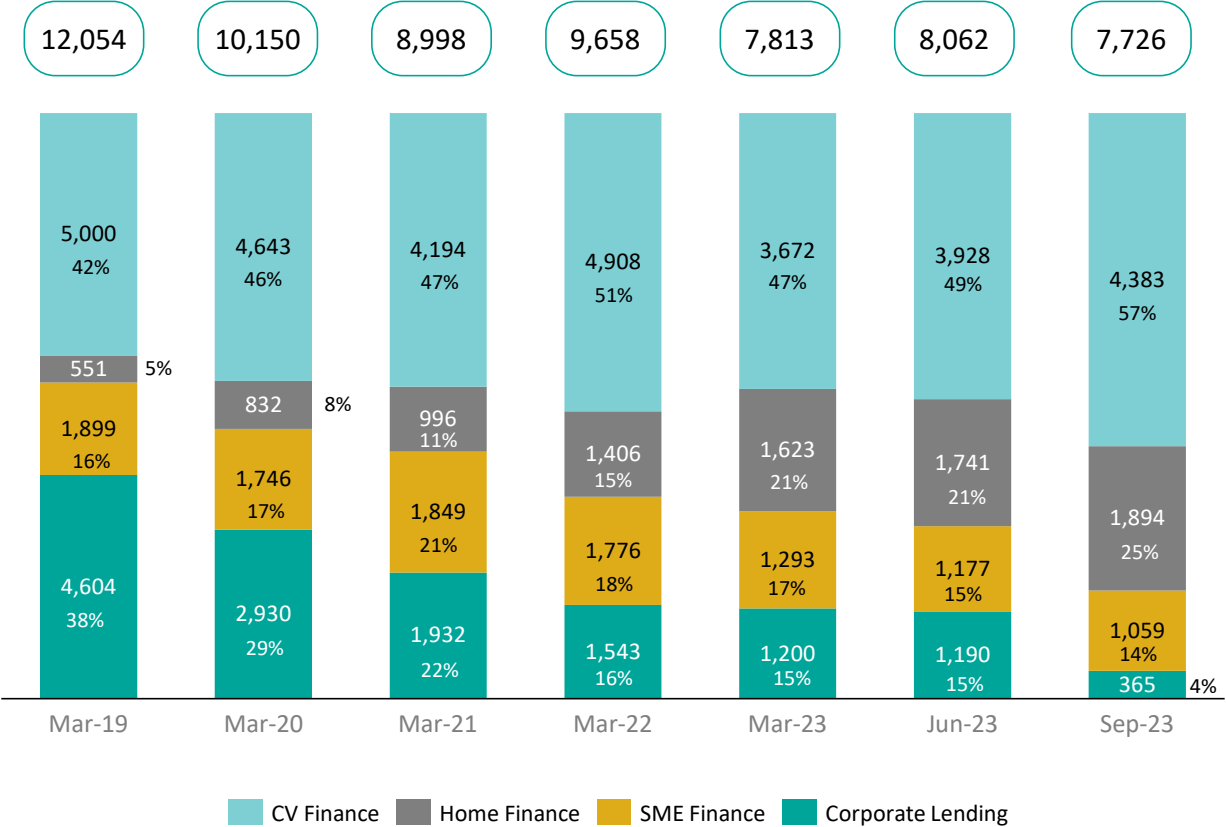
What is the advantage to IndoStar?

- 1) Given the RBI directive to banks to meet 40% of ANBC and 75% for SFBs as PSL, there is a clear market for high quality PSL books
- 2) It is in IndoStar's interest to build the PSL book, as these books can trade at a premium for DA transactions towards the end of the financial year, improving the RoA for the company

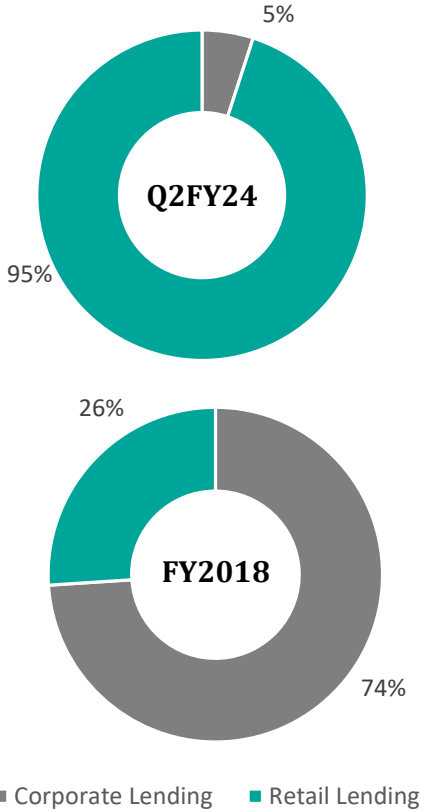


Changing Portfolio Mix Driven by Retailisation Strategy

Break-up of Asset Under Management (₹ crs)



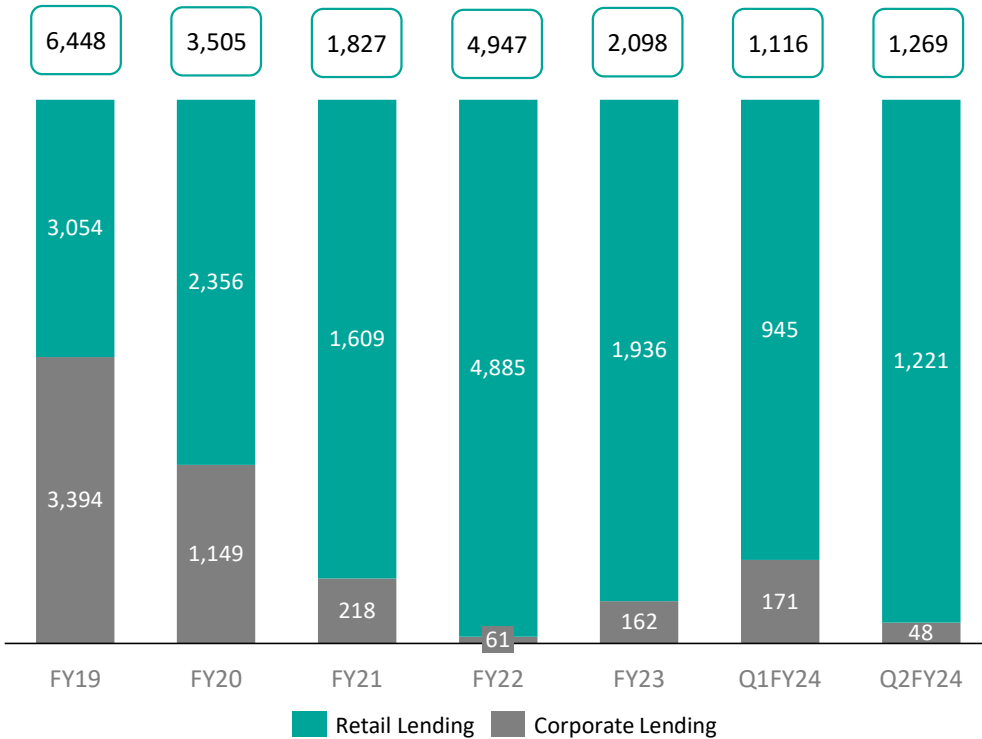
Retailisation Strategy Playing Out



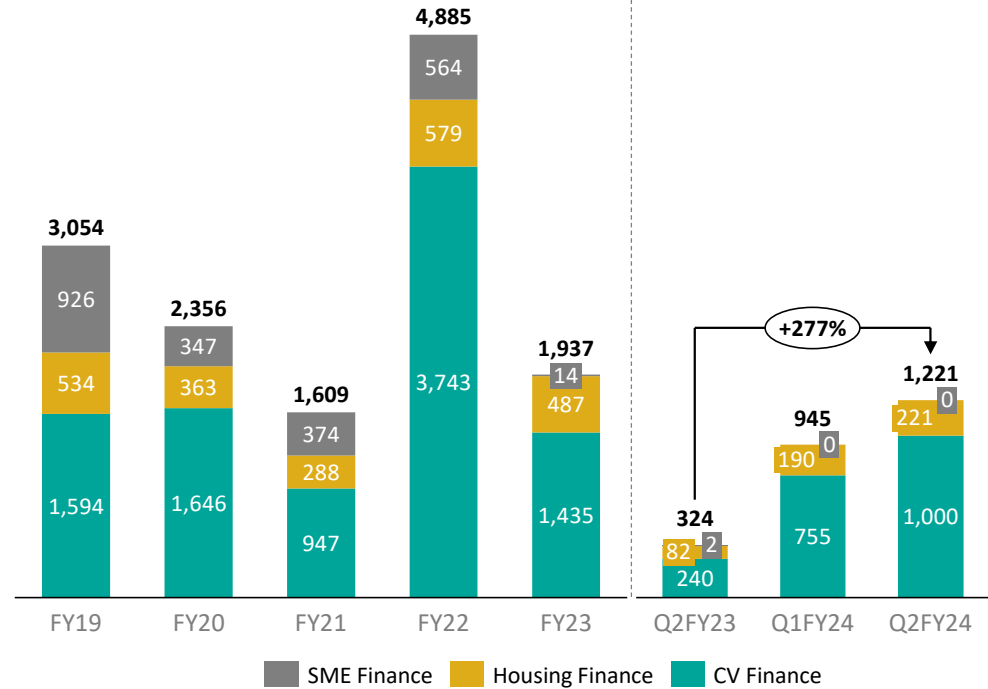
*Total AUM includes Loans given to employees

Retailisation Strategy Playing Out

Disbursements: CL vs Retail (₹ crs)



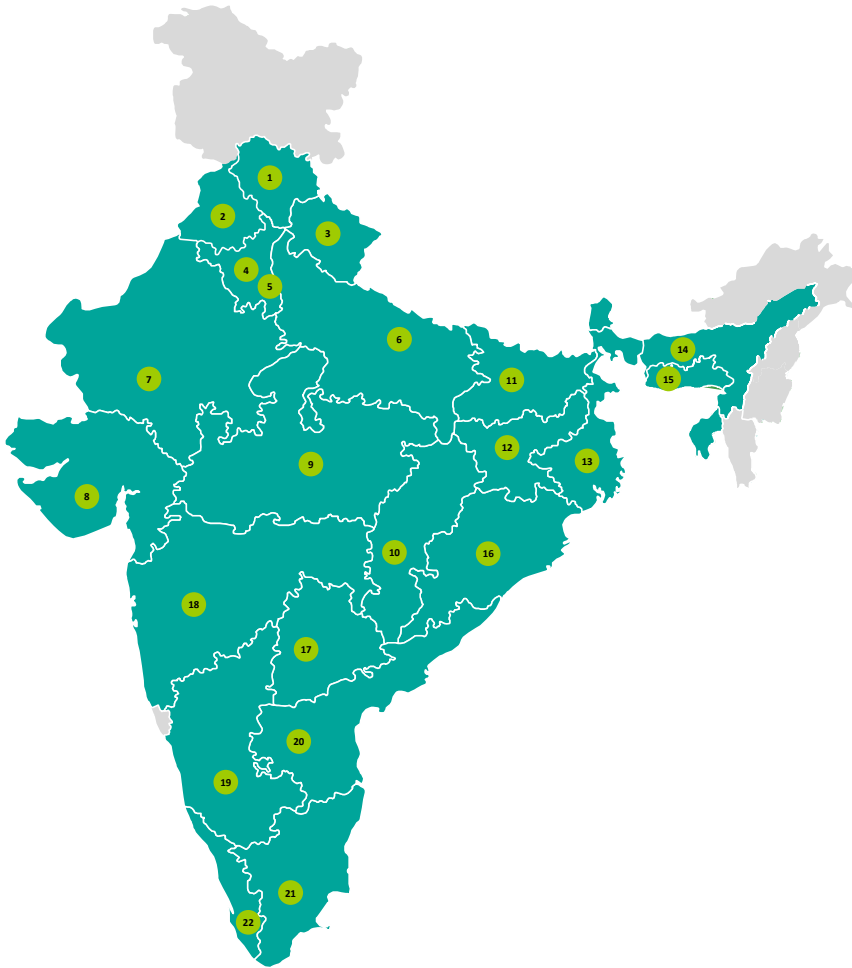
Disbursements: Retail (₹ crs)



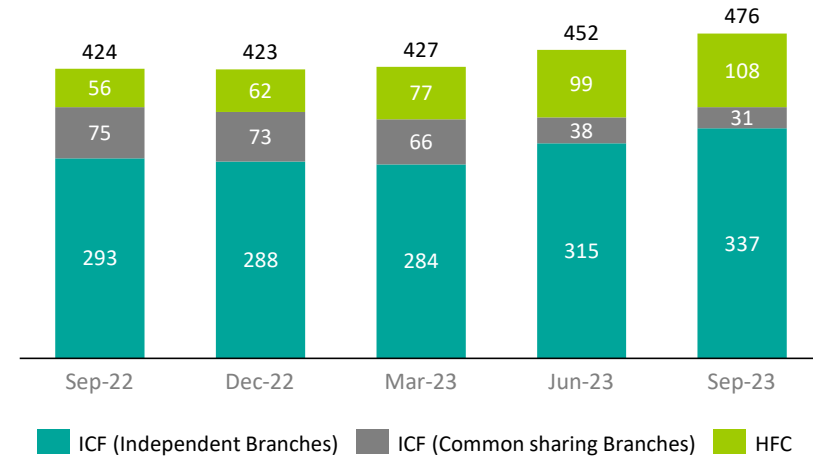
Corporate Lending: CL, Commercial Vehicle Finance: CV Finance, SME Finance: SME, Housing Finance: HF

National Footprint Creating Runway for Growth

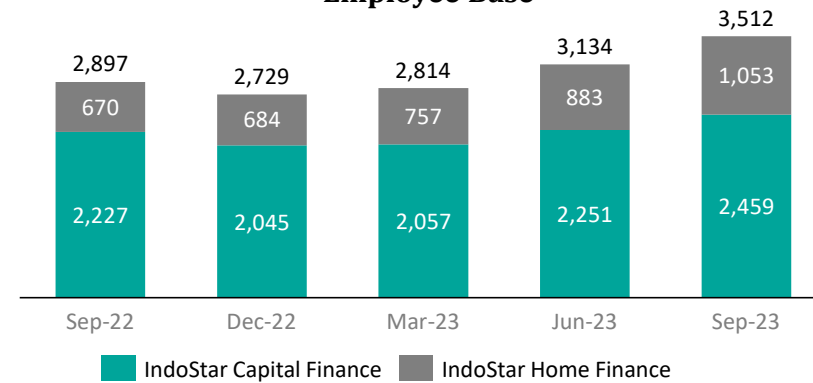
No	States
1	HIMACHAL PRADESH – 2
2	PUNJAB – 9
3	UTTARAKHAND – 9
4	HARYANA – 11
5	NEW DELHI – 2
6	UTTAR PRADESH- 31
7	RAJASTHAN – 32
8	GUJARAT – 34
9	MADHYA PRADESH – 30
10	CHATTISGARH – 7
11	BIHAR – 11
12	JHARKHAND – 11
13	WEST BENGAL – 27
14	ASSAM – 9
15	MEGHALAYA – 1
16	ODISHA – 5
17	TELANGANA – 28
18	MAHARASHTRA – 53
19	KARNATAKA – 14
20	ANDHRA PRADESH – 45
21	TAMIL NADU – 85
22	KERALA – 20



476 Branches Across 22 States



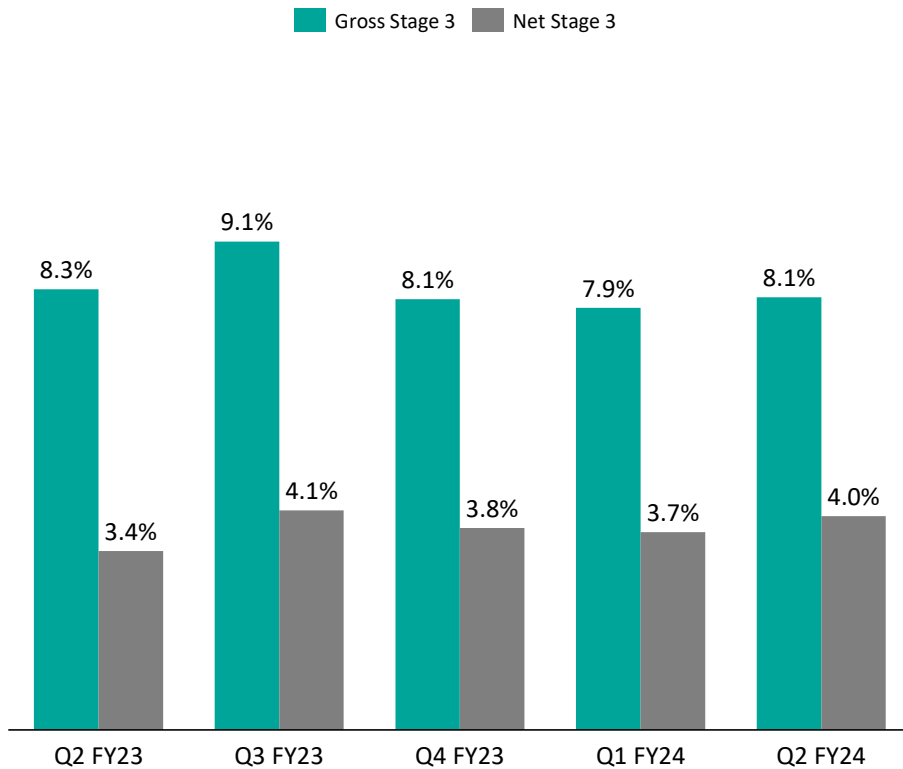
Employee Base



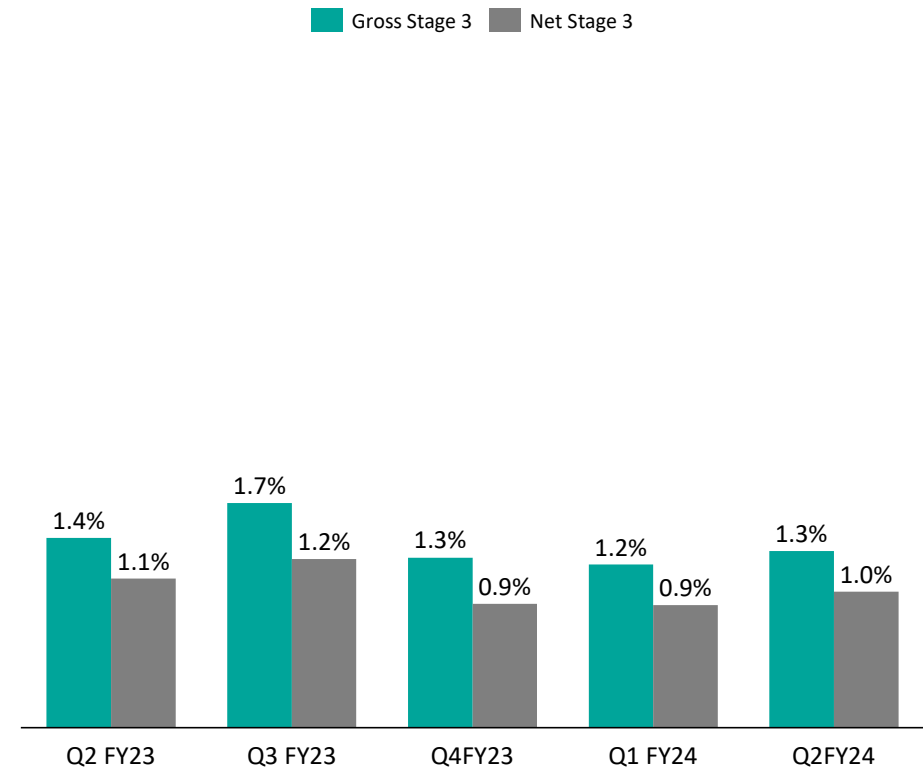
IndoStar Capital Finance: ICF, IndoStar Home Finance: HFC

Movement in Stage 3 Assets - Standalone

IndoStar Capital Finance (%)



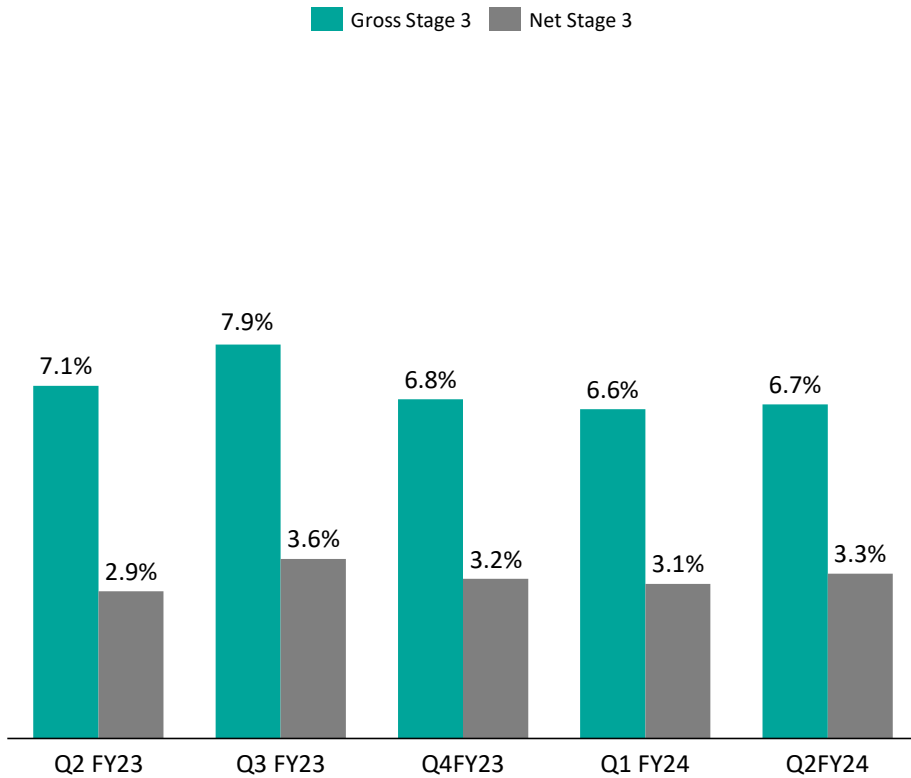
IndoStar Home Finance (%)



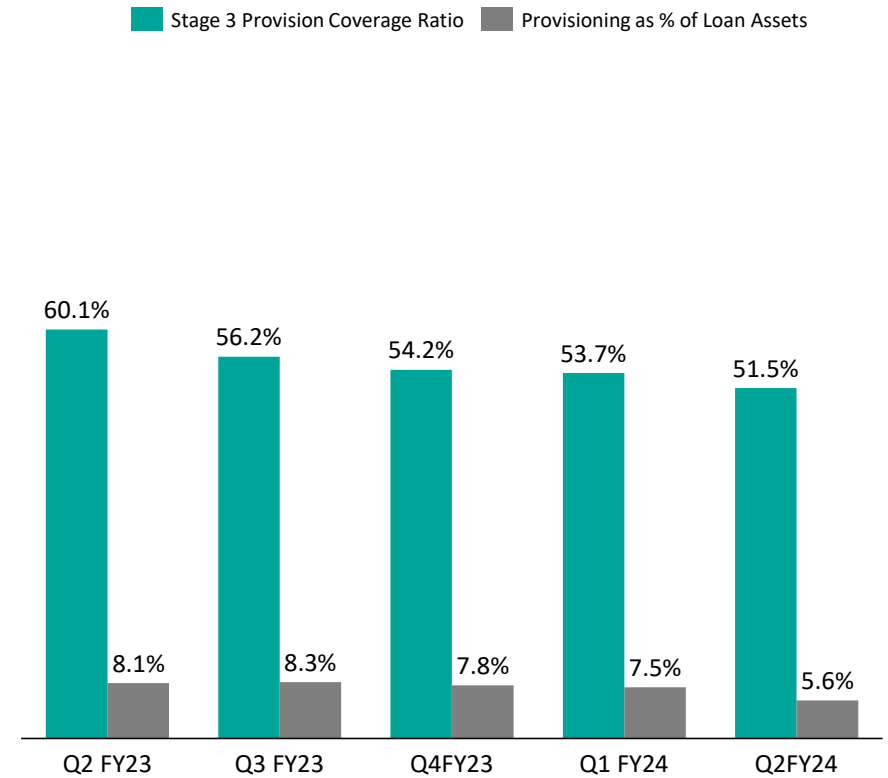
Increase in Gross Stage 3 % from Q1FY24 on account of reduction in AUM due to sale of Corporate Lending portfolio

Movement in Stage 3 Assets - Consolidated

Consolidated Trends (%)



Total Provisioning as % of Loan Assets



Stable Net Stage 3 % in FY23

Particulars (₹ crs)	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23
Gross Stage 1 & 2	6,553	6,905	6,591	6,308	6,478
ECL Stage 1 & 2	152	292	294	265	268
Net Stage 1 & 2	6,401	6,613	6,297	6,043	6,210
ECL Provision %	2.3%	4.2%	4.5%	4.2%	4.1%

Particulars (₹ crs)	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23
Gross Stage 3	468	485	479	537	493
ECL Stage 3	241	260	260	301	296
Net Stage 3	227	225	219	235	197
ECL Provision %	51.5%	53.7%	54.2%	56.2%	60.1%

Particulars (₹ crs)	Q2FY24	Q1FY24	Q4FY23	Q3FY23	Q2FY23
Total ECL Provision	393	552	554	566	565
Gross Stage 3 %	6.7%	6.6%	6.8%	7.9%	7.1%
Net Stage 3 %	3.3%	3.1%	3.2%	3.6%	2.9%

Reduction in total ECL Provision in Q2FY24 is mainly on account of sale of Corporate Loans to ARC and due to collections

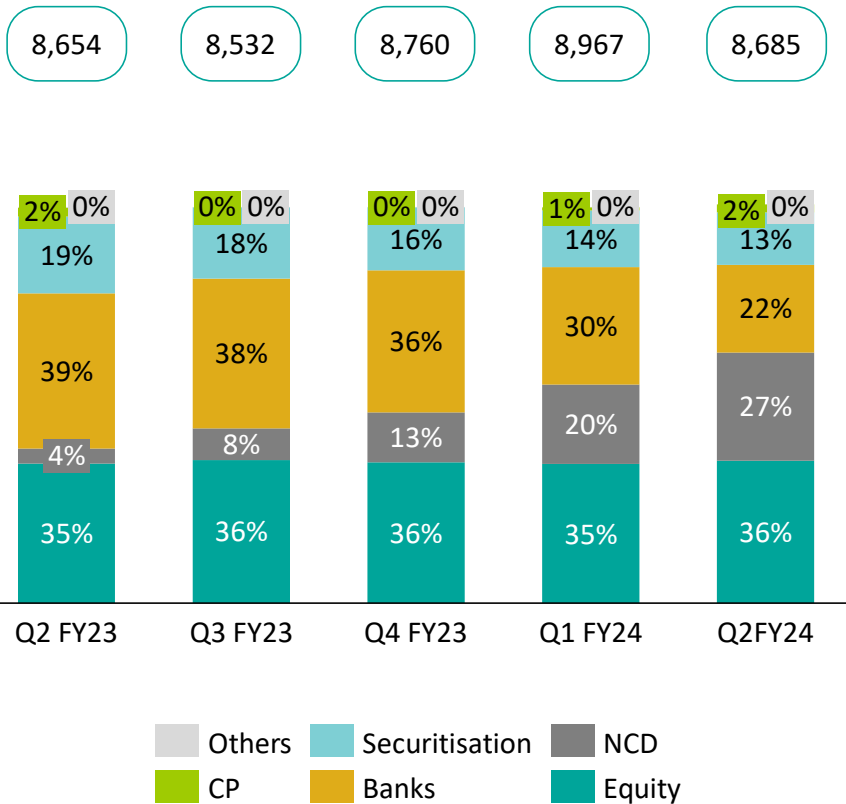
Collection Efficiency

Particulars (₹ crs)	EMI Billing	EMI collected	Billing efficiency %	Collection incl Overdue	Collection efficiency (incl overdue) %	Overall Collection	Overall Collection efficiency %
Oct-22	203	172	84.6%	190	93.5%	251	123.5%
Nov-22	222	172	77.3%	191	85.9%	337	151.8%
Dec-22	260	219	84.2%	255	98.2%	349	134.1%
Jan-23	221	180	81.6%	214	96.8%	297	134.3%
Feb-23	269	178	66.3%	198	73.7%	280	104.0%
Mar-23	239	195	81.4%	242	101.1%	342	142.9%
Apr-23	237	175	74.0%	262	110.7%	383	161.5%
May-23	242	185	76.4%	249	102.8%	334	138.1%
Jun-23	270	205	75.8%	235	87.1%	323	119.4%
Jul-23	259	197	76.3%	240	92.7%	344	133.1%
Aug-23	224	199	89.1%	214	95.5%	303	135.6%
Sep-23	233	206	88.3%	224	96.1%	315	135.4%
Q2FY23	645	556	86.2%	556	86.2%	556	86.2%
Q3FY23	685	563	82.1%	636	92.8%	937	136.7%
Q4FY23	729	553	75.9%	654	89.7%	918	126.0%
FY23	2,784	2,276	81.8%	2,450	88.0%	3,016	108.3%
Q1FY24	749	565	75.4%	747	99.6%	1,040	138.8%
Q2FY24	715	602	84.2%	677	94.7%	963	134.6%

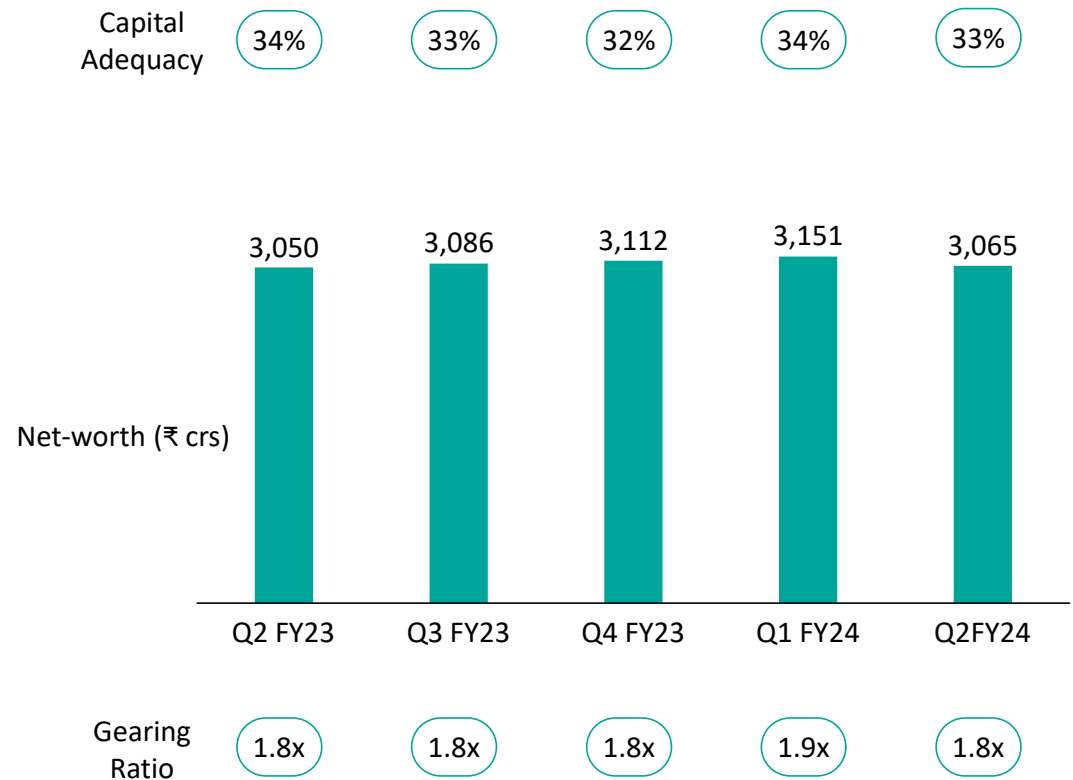
EMI collection efficiency in Q2FY24 for Commercial Vehicle loan portfolio is 90 % and Housing Finance loan portfolio is 96 %

Diversified Borrowing Profile Supported by Capital Adequacy

Diversified Funding Mix (Sep 2023)



Net-worth and Capital Adequacy



Credit Rating remains Strong

Key Rating Drivers

- ✓ Demonstrated support from majority shareholders, Brookfield & Everstone
- ✓ Strong capitalisation with healthy net worth base
- ✓ Increased granularity of loan book owing to retail focus, albeit low seasoning
- ✓ Continued strong performance of housing finance subsidiary

Strong Credit Ratings

Borrowing Type	Rating Firm	Ratings
Term Loans	CRISIL	AA (-)
	CARE	A+
Redeemable NCDs	CRISIL	AA (-)
	CARE	A+
CPs	CRISIL / CARE	A1 (+)

Note: CARE ratings outlook have been changed to “Stable” from “under watch with Negative Implications”. Long term rating by CARE is applicable only for IndoStar Capital Finance Limited. CRISIL while re-affirming the AA- Credit Rating, has modified the Outlook from “Rating Watch with Negative Implications” to AA-/Negative.

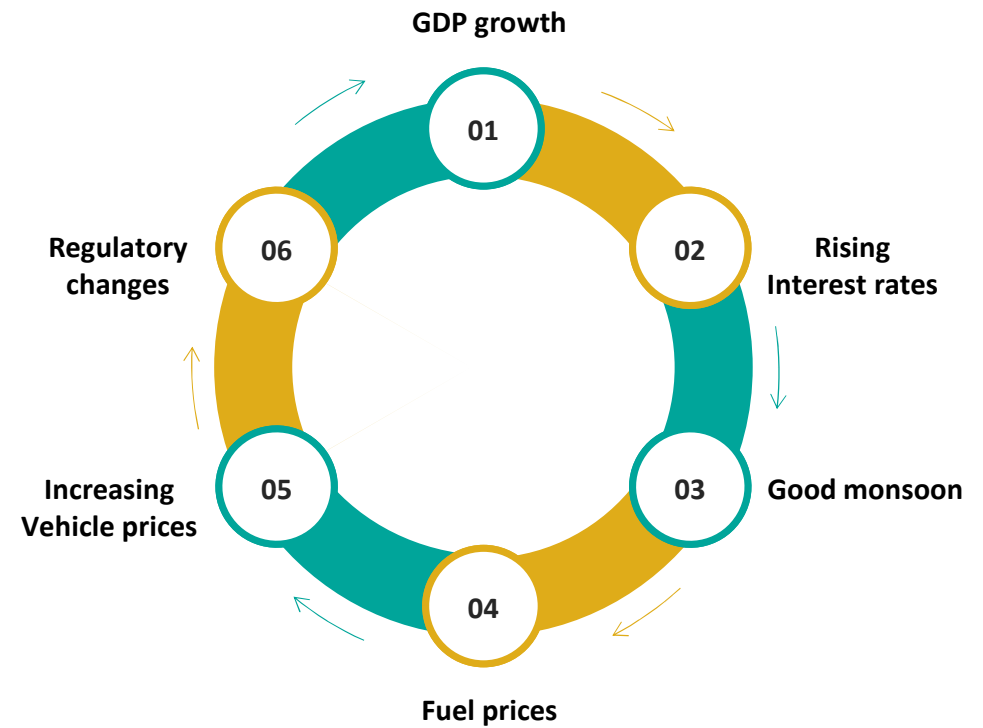
- CRISIL rated long-term rating at **AA-/Negative** and short-term rating at A1+ on 28th July 2023 (Rating watch with negative implications removed).
- CARE re-affirmed long-term rating to A+, short term rating re-affirmed at A1+ on 1st April 2023

The image features a central teal circle with a yellow-green border, containing the text "CV Finance" in white. This central element is surrounded by a thin teal arc with four small teal dots. The background is a light gray grid with diagonal white bands and scattered teal and lime green circles of various sizes in the corners.

CV Finance

Industry Overview

- Commercial Vehicles are a proxy for economic growth
- Provides direct / indirect employment to more than 50 Mn people
- Over 70% of the goods/ people movement is by Road Transport
- GDP Growth of 6%+, Robust Tax collections, Transparent / focused policies are spurring growth across CV segments
- CV Sales have seen robust Growth of 34% in FY23. Likely to post 20% growth in FY24



CV Used Business Potential

Used Vehicle potential ₹ 1.50 Lakh crore per annum



Regulatory changes

10

9

8

7

6

5

4

3

2

1

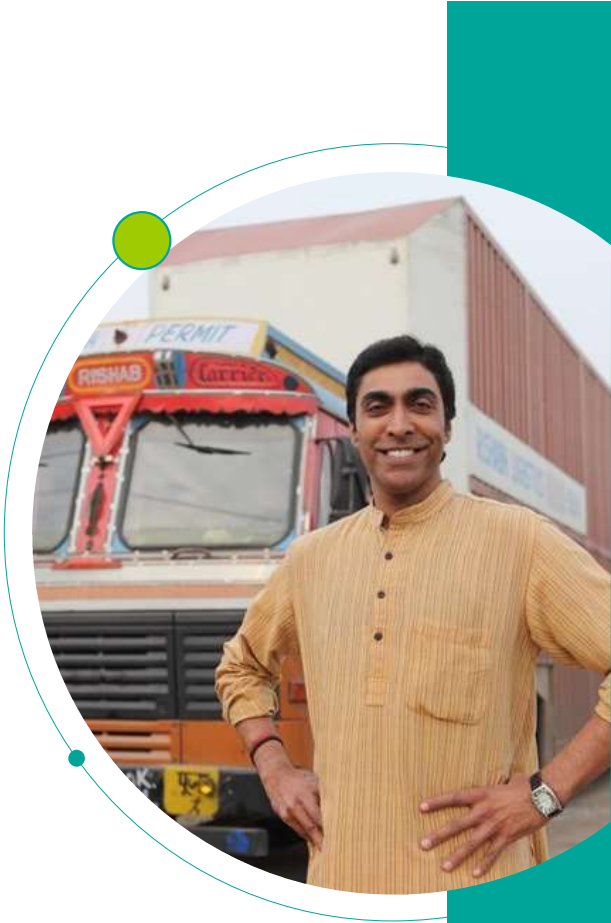
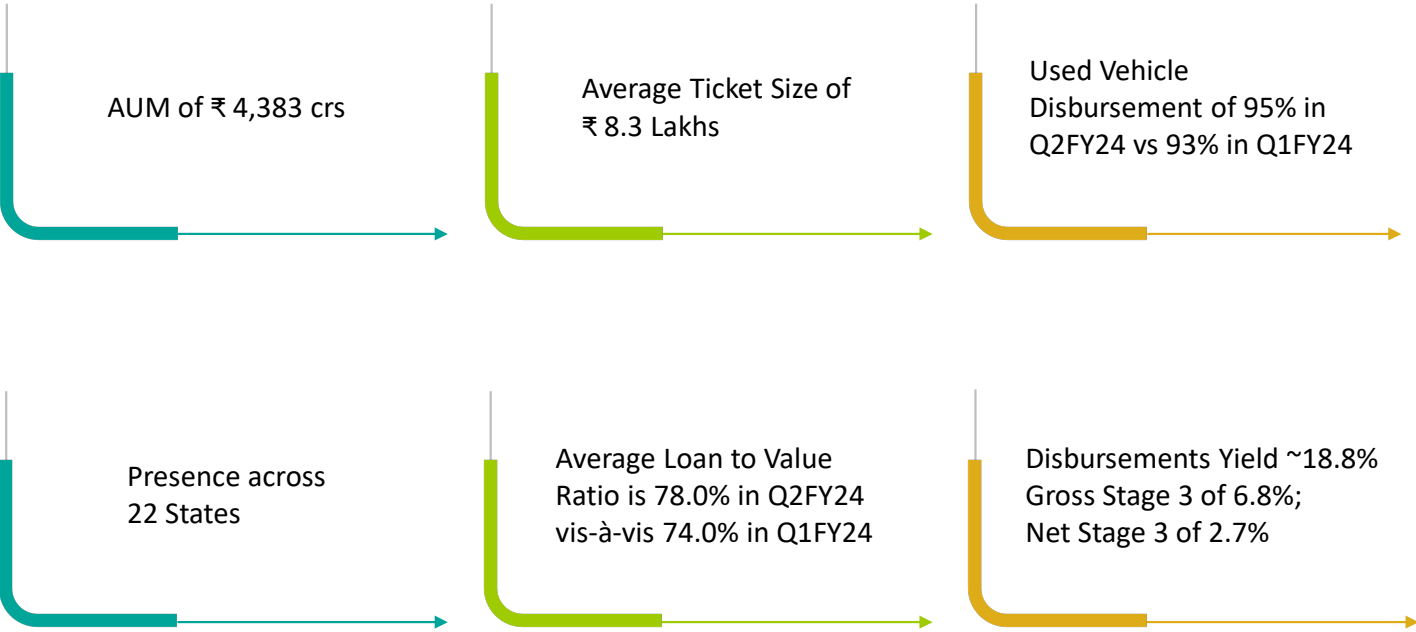
0

Year	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
MHCV (units)	2,68,263	2,00,618	2,32,755	3,02,397	3,02,529	3,27,254	3,63,888	2,05,851	1,03,048	1,47,853	2,53,869
LCV (units)	5,24,887	4,32,233	3,82,206	3,83,307	4,11,703	5,45,954	6,43,249	5,11,313	4,13,818	5,07,794	6,54,118
Total (Units)	7,93,150	6,32,851	6,14,961	6,85,704	7,14,232	8,73,208	10,07,137	7,17,164	5,16,866	6,55,647	9,07,987

Year of Manufacture	Vehicle Sales (in Lakh Units)	Used Vehicle Transactions (in Lakh Units)	Value (in ₹ crs)	Funding Value (in ₹ crs)
2018-22	26	5	₹ 60,000	₹ 45,000
2011-17	29	20	₹ 1,40,000	₹ 1,05,000
Total	75	25	₹ 2,00,000	₹ 1,50,000

Source: indicative retail sales data

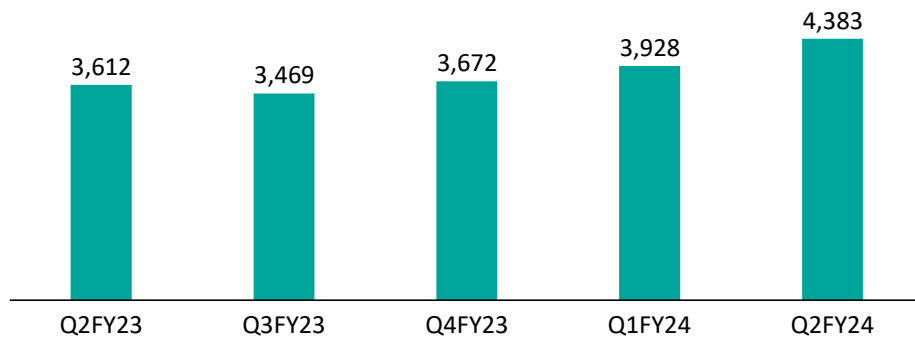
Commercial Vehicle Finance



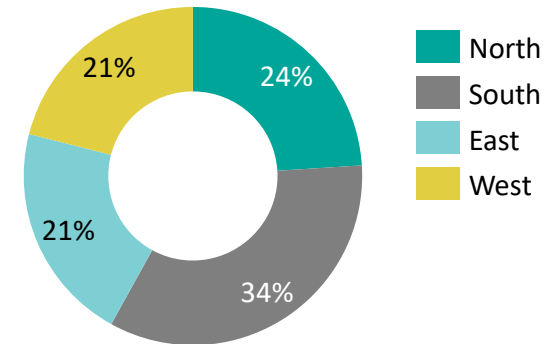
*Data as of September 2023

CV Finance : Key Operational Parameters

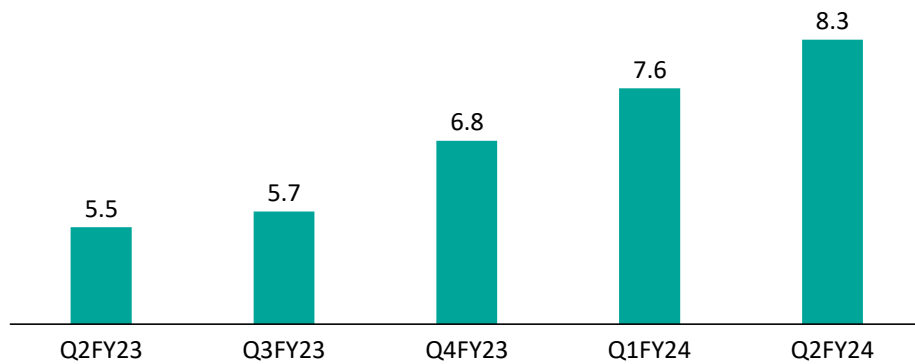
AUM (₹ crs)



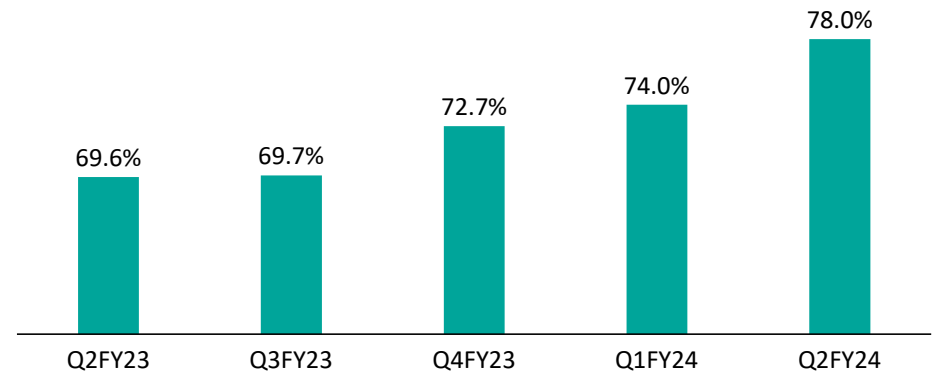
AUM Mix (Geography -Wise) (%)



Average Ticket Size (₹ lakhs)

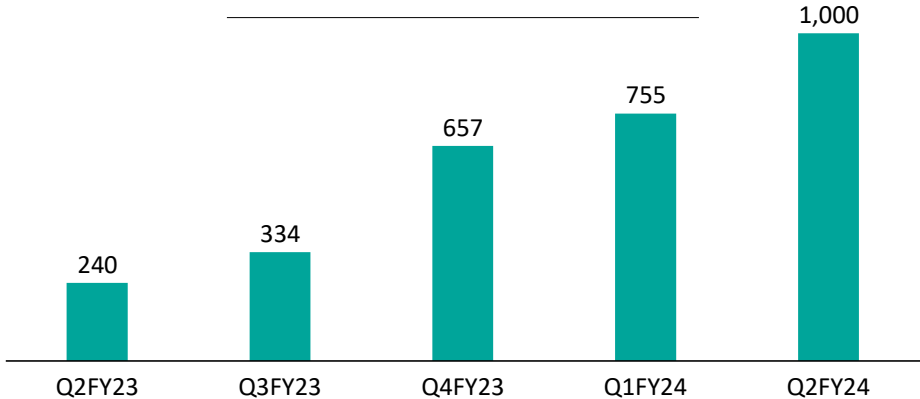


Loan to Value (%)

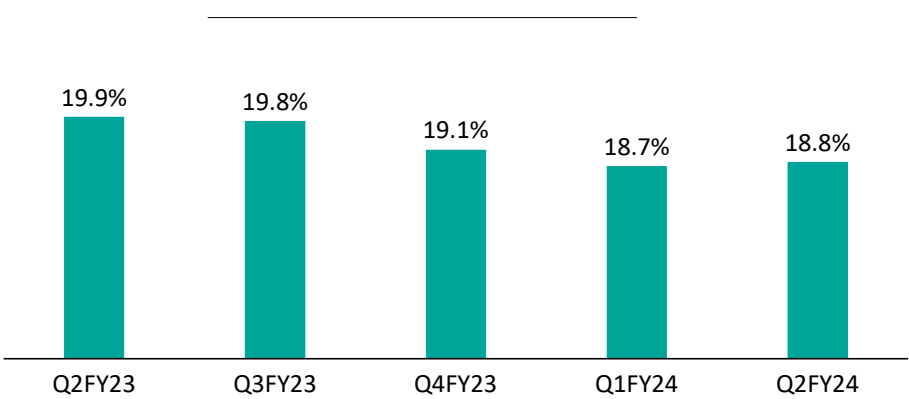


CV Finance : Key Operational Parameters

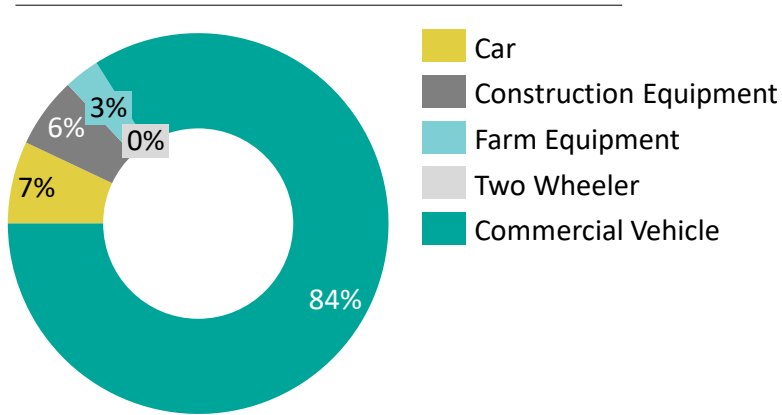
Disbursements (₹ crs)



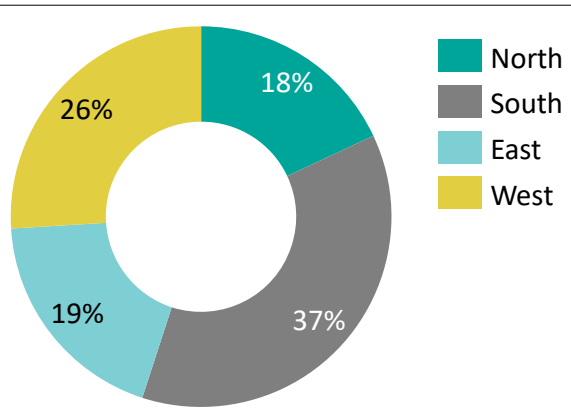
Disbursements Yield (%)



Disbursement Mix (Product -Wise) (%)



Disbursement Mix (Geography -Wise) (%)



IT – Key Enabler for Control / Growth



IndoStar Connect – Onboarding

- Digital loan origination mobile and web application for seamless journey.
- Enabling sales, credit and operations to improve quantity and quality.
- Enabling paperless lending.
- Increased regulatory and audit compliance.



IndoStar Connect - Verification & Validation

- One click verification of proof of address (POA) and proof of identity (POI) via API integration.
- Quick CIBIL check for Go/No-Go decision.
- Geo-tagging of field visits
- Internal customer and asset dedupe.
- Instant Registration certification (RC) verification from Vahaan.
- Document upload through mobile application.
- Instant bank statement analysis and plotting through integration.
- API integrated repayment track record mapping from CIBIL.
- Instant Anti money laundering (AML) check for credit decisioning.



Lending Software End to End services

- Digital case credit assessment memo (CAM) generation.
- Automated deviations to credit hierarchy based on data captured from different sources and user inputs. (BRE driven)
- Enabling RCU workflow for screening, sampling and hunter check.
- Enabling e-Signing and e-stamping of loan agreements.
- Enabling e-NACH and e-Mandates for EMI repayment.
- Verified bank details via penny drop service.
- Reduced turn around time for operations due to API based customer data verification.



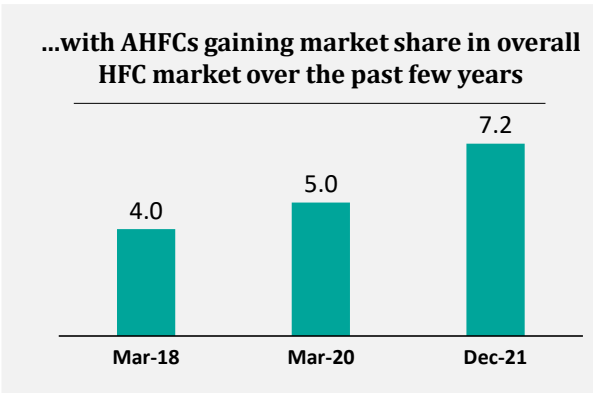
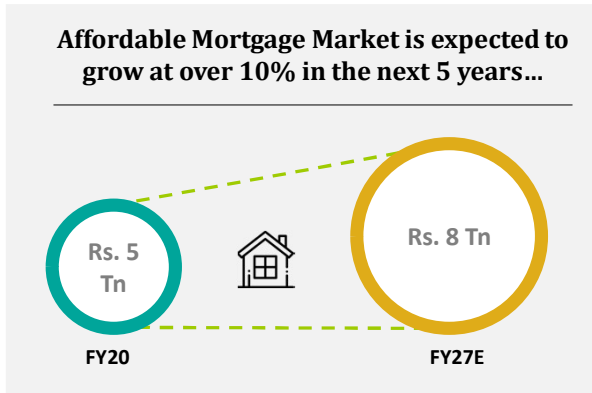
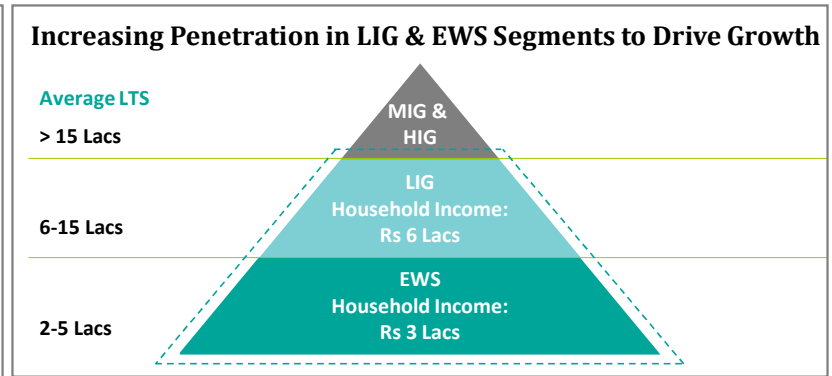
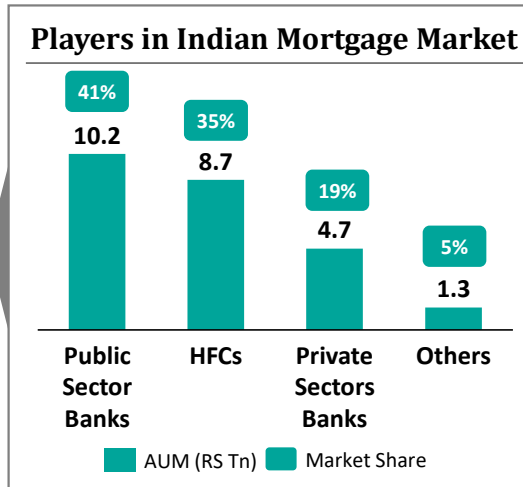
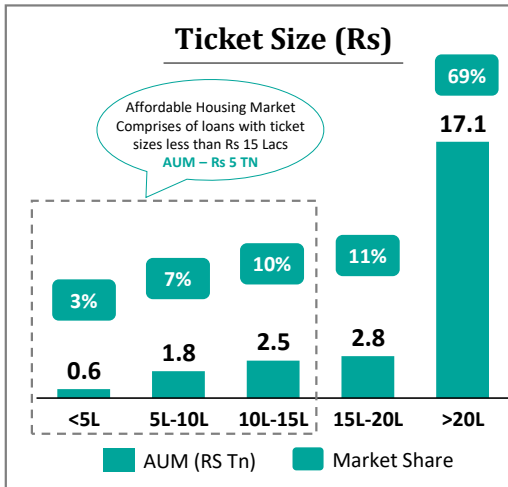
Payment Automation

- A digitized way of collection by way of enhanced monitoring, controlling and issuing receipt
- Easy access mobile app which can be used on any compatible device
- Auto allocation of cases based on suitability and on set parameters
- GEO Tagging of all employees using application
- Auto tracking of commitment with reminders
- Permanent trail of cases without any manual intervention
- Better controls at different levels
- Transparency in operations and evaluation
- empaneling UPI & GPay to fast-track collection mechanism



IndoStar Home Finance
Private Limited

Indian Affordable Housing Finance Market Expected To Show Significant Growth



Indian Mortgage Market	Tier II and Below	~20 Mn Units	Metros and Tier I
Financed Units	10 Mn	Significant room to grow →	10 Mn
Financed Units	1,100 Mn / 220 Mn		230 Mn / 46 Mn
Financed Units	~5%		~22%

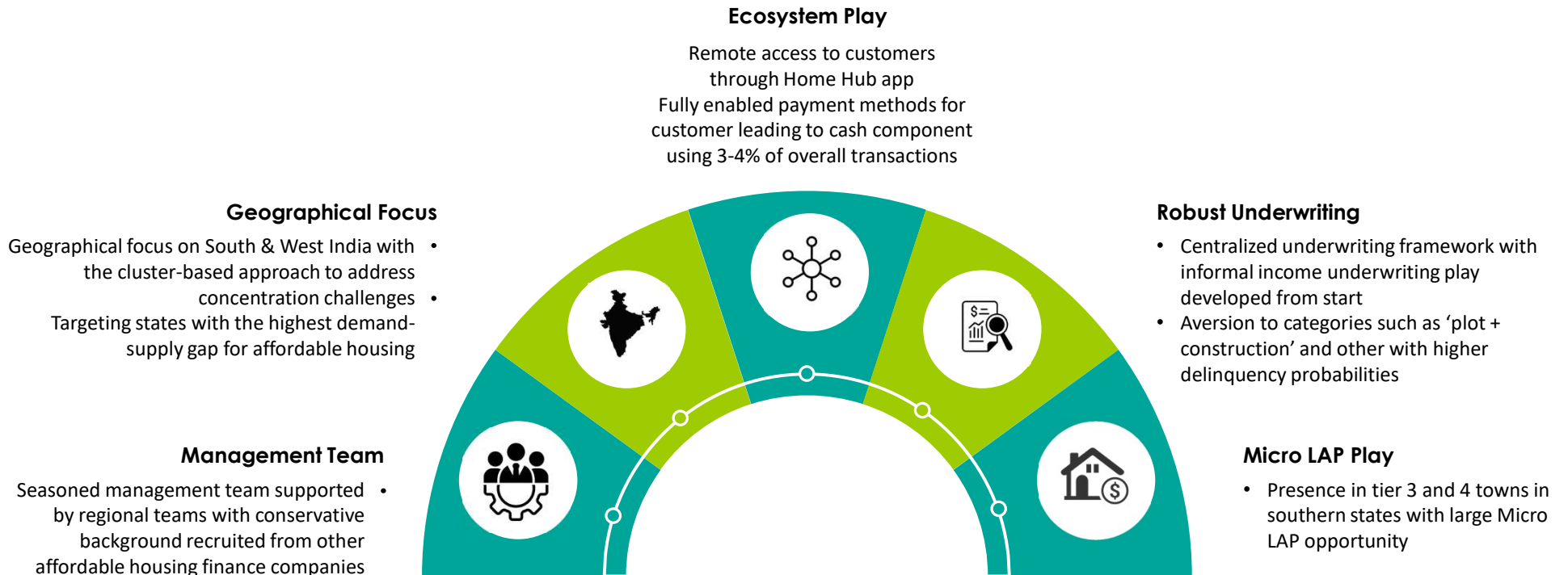
Housing Shortage

- In 2022, housing shortage in India was 100 Mn units with LIG & EWS contributing 95% to the same
- Incremental housing loan demand from above shortage is Rs 50-6- Tn indicating huge potential for growth

Significant Tailwinds In Favour Of Affordable Housing Helping Affordable Housing Finance Companies ('AHFC') Gain Market Share

Source: CRIF High Mark Report, ICRA, Prospectus of Listed Peers

Future Ready to Seize Affordable Housing Market Opportunity



IndoStar Home Finance Private Limited

AUM of ₹ 1,894 crs

Portfolio Average
Ticket Size of ₹ 9 Lakhs

Salaried: 50% and Self
Employed 50%
HF:70% and LAP: 30%

Presence across
10 States

Average Loan to Value
Ratio: 47.94%

Blended Yield ~15.0%
Gross Stage 3 of 1.3%;
Net Stage 3 of 1.0%

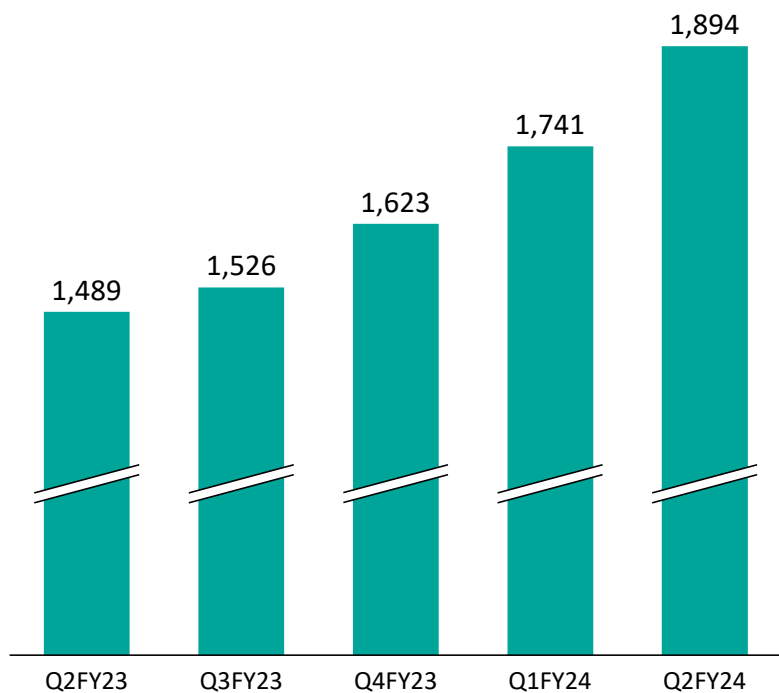


Focusing on Growing Housing Finance Book



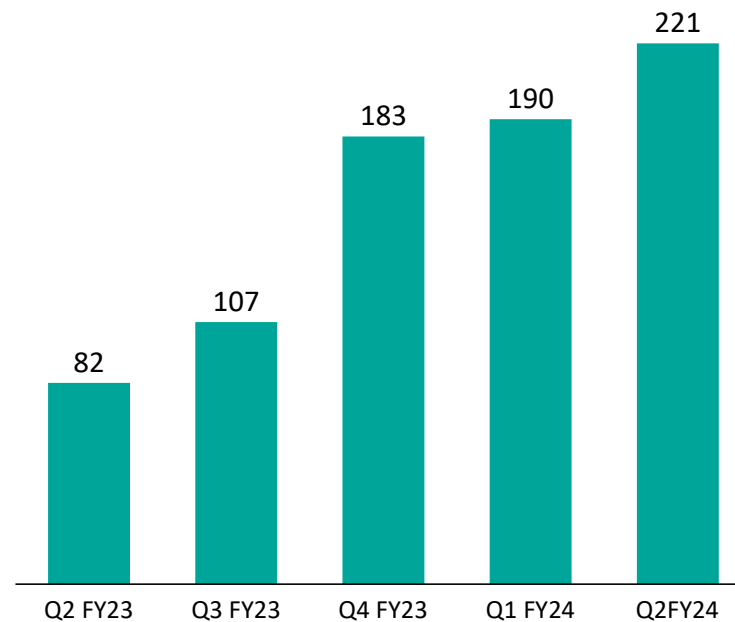
Housing Finance - AUM

(₹ crs)



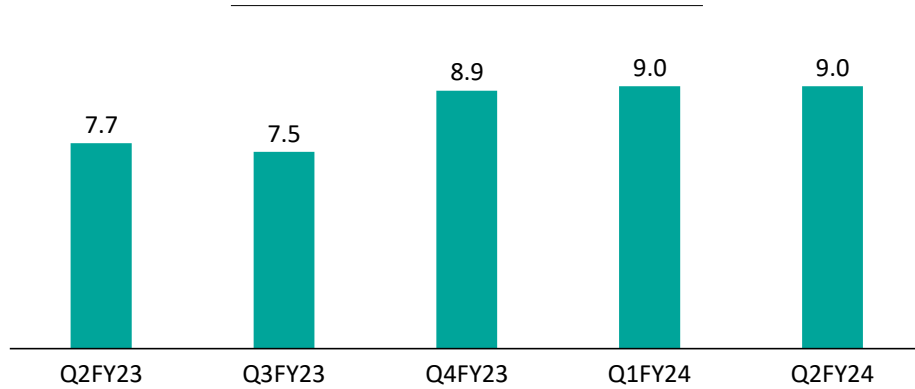
Housing Finance - Disbursements

(₹ crs)

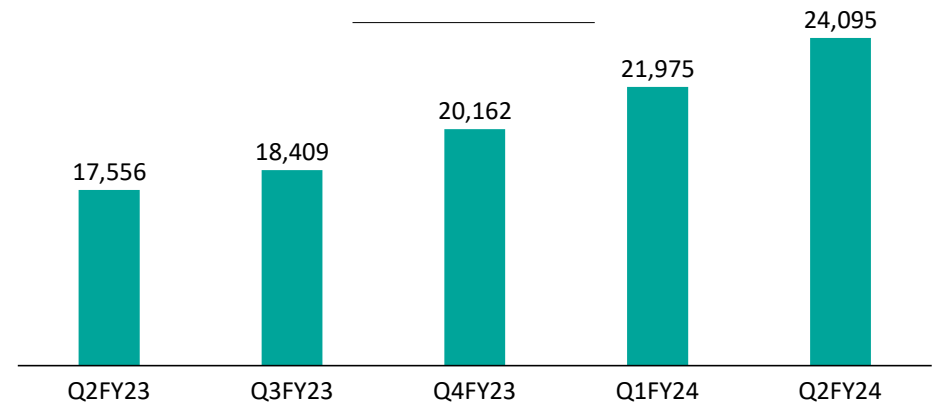


Housing Finance : Key Operational Parameters

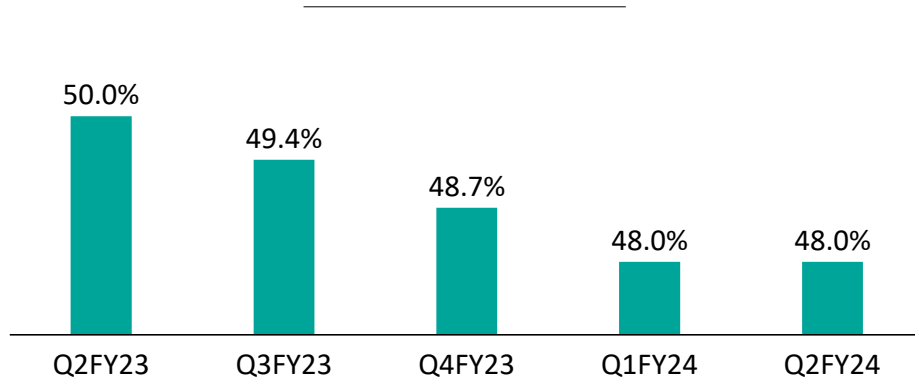
Average Ticket Size (₹ lakhs)



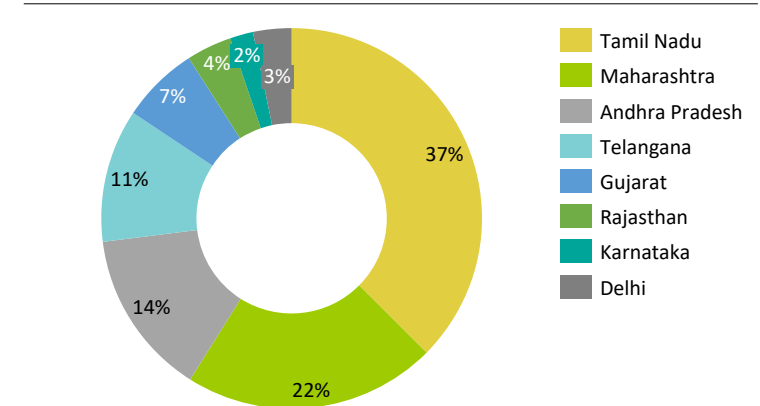
Live Accounts



Loan to Value (%)

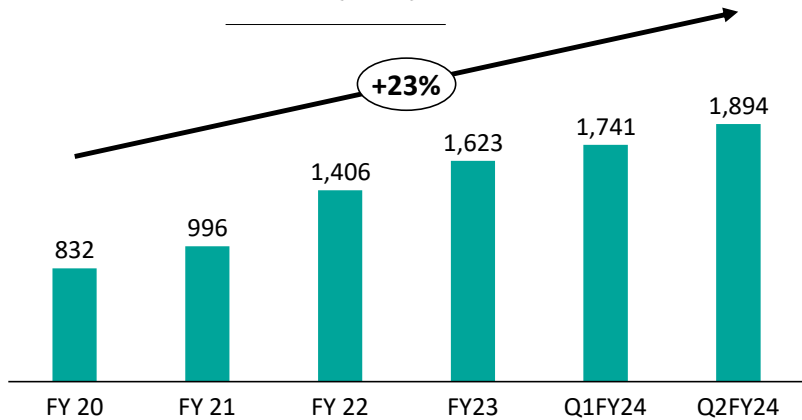


Geographical Distribution (Value -Wise) (%)

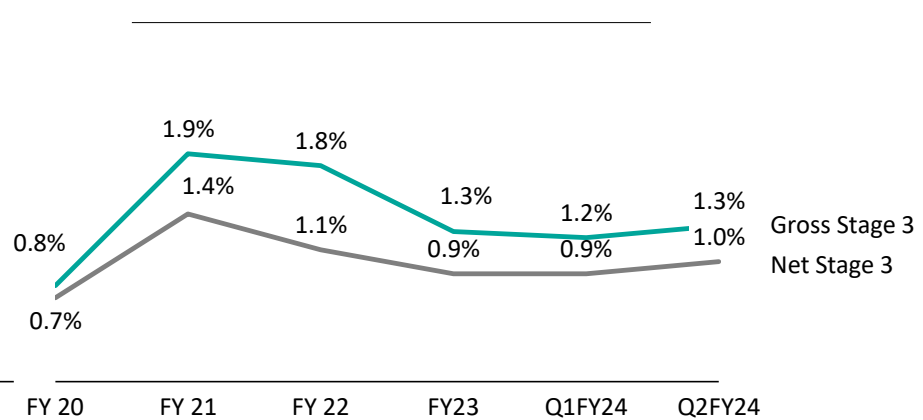


Housing Finance : Key Financial Parameters

AUM (₹ crs)

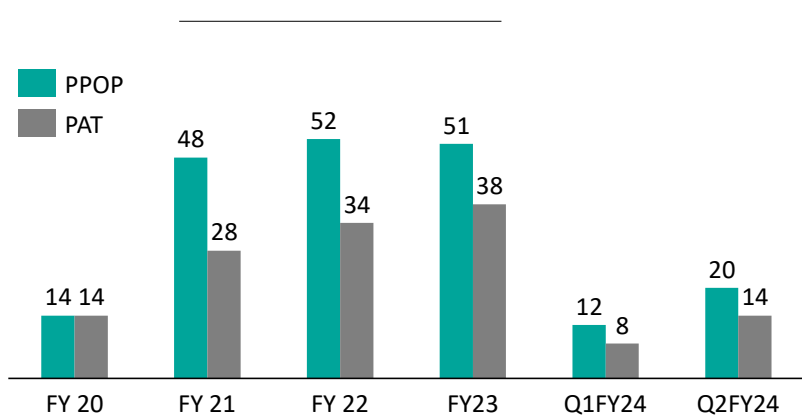


Gross Stage 3 & Net Stage 3 (%)

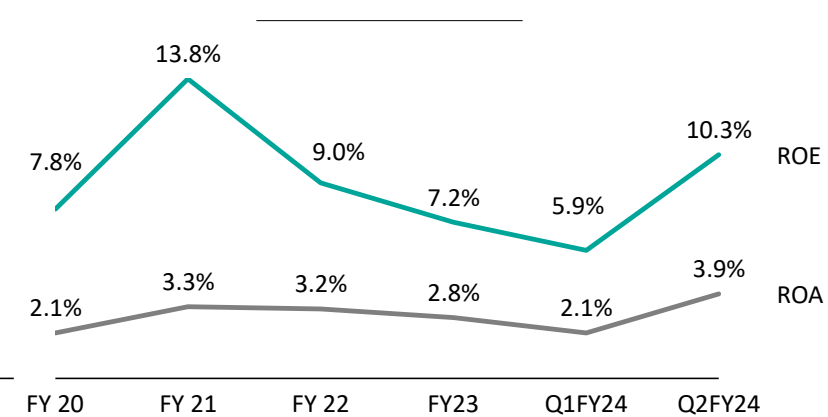


CRAR
70.8%
Sep 23

PPOP & PAT (₹ crs)



















ROA & ROE (%)



D/E Ratio
1.8x
Sep 23

Catering to Underpenetrated Segments Across Product Types

Characteristics	Salaried	Self Employed
Profession	 Textile loom workers  Retail workers  FMCG workers  School teachers  Manual labourers  Helpers  Factory labourers  Class IV government employees	 Small traders  Kirana shop owners  Tea & snack vendors  Vegetable vendors  Small time manufacturers  Micro scale milk vendors  Textile loom  Small contractors
Annual Household Income	< Rs 6 Lacs	
Formal Credit Experience	35-40% are New to Credit; Others may have some credit history largely on account of consumer durable loans	

Process Excellence: Credit & Underwriting

Evaluation of Profile and Property Risk

- Collecting KYCs -Aadhar, PAN, Credit history checks with bureaus. Assessment of LTV, FOIR
- Assessment of employment / business stability
- Banking Flows, establishing surrogates
- RCU/FI checks
- Legal & Technical checks

Assessment of Total Income (Individual & Household)

- Verification of assets wherever applicable
- Detailed cash flow assessment done including income inflows and cost of running household/business
- Personal discussion with applicant and family member
- Verification of assets wherever applicable
- Arriving at disposable income

CREDIT & UNDERWRITING

Evolving Underwriting Processes

- Building self learnings in the credit programs
- Continuous improvement in the underwriting process to factor in profile risk and property risk
- Introducing centralized underwriting
- Property score card development under process



Excluded from Portfolio



Builder under Construction



Plot + Construction



Balance Transfer + Top up

Process Excellence: Collections & Monitoring

Collection Process

Pre Bounce / Delinquency

- Use of Bounce prediction tool which provides with the pool of customers with high probability where focused efforts are put in to collect advance EMIs to avoid bounce
- Sales team is responsible for collections with less than 500 loan count and bounce ratio of less than 10%
- Pre due calling on entire portfolio through External Bot Vendor

Post Bounce / Delinquency

- Cases are allocated to branch sales RM/collections officers
- Repeated follow-ups and hand-holding with the customers on case to case basis
- Special focus on contracts in 31-60 dpd bucket to stop flow forward
- Enforcement of SARFAESI with the help of an external agency in deep bucket cases

- Continuous monitoring from corporate office with the help of robust dashboard system developed with the help of Tableau.
- These dashboards provide real-time details of bounces, collections status, dpd details etc

- In house collections team
- Collections legal person is in place
- Collections Responsibility on sales employees ensure right customer sourcing
- Strict adherence to code of conduct prescribed by regulator in collections

Analytics driven Risk Management to control Delinquency

Key Risk Management Aspects Monitored

Roll Rate Analysis

Lagged Delinquencies

Bounce Rate Analysis

Portfolio Triggers Monitoring

Billing Efficiency



Robust dashboards developed in the system to enable real time monitoring of mentioned parameters



Dashboards are sent to branch managers to enable them to monitor their originated portfolio and take corrective action as necessary

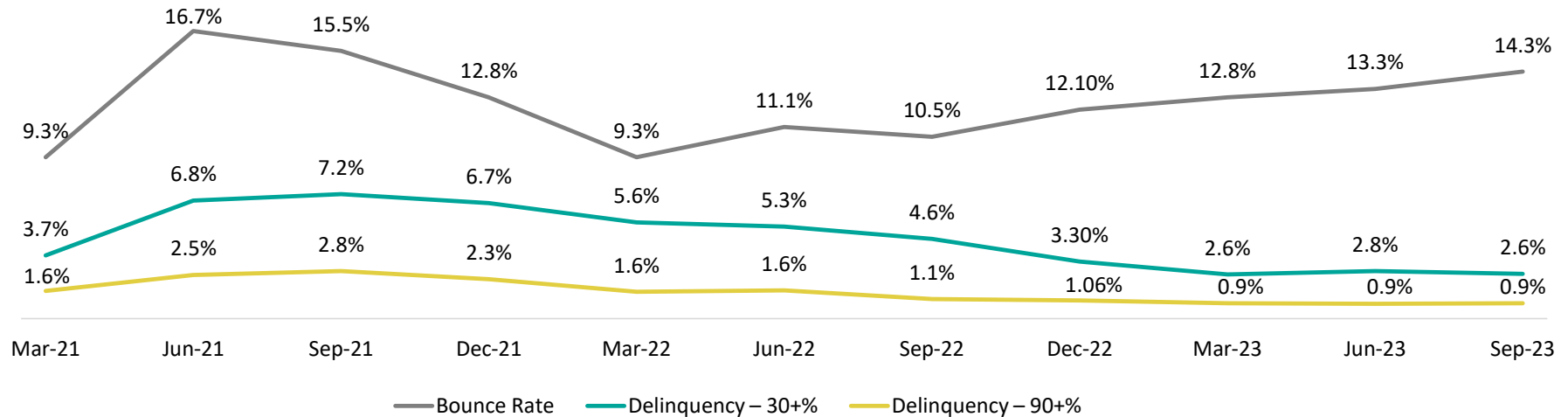


Rigorous review mechanism in place to conduct regular reviews at branch, state, region and corporate level to ensure proper monitoring and action



Origination and underwriting parameters are continuously watched and improved based on the dashboard results

Bounce and 30+ & 90+ Delinquency Trends





Financial Performance

ICF Standalone - Income Statement

Particulars (₹ in crs)	Q2FY24	Q1FY24	Q-o-Q	Q2FY23	Y-o-Y	H1FY24	H1FY23	Y-o-Y
Revenue from operations	234.2	241.2		237.3		475.4	495.7	
Interest expenses	140.8	133.1		130.7		273.9	263.1	
Net Interest Income	93.4	108.1	(14%)	106.6	(12%)	201.5	232.6	(13%)
Other Income	0.1	0.1		0.1		0.2	0.3	
Total Income	93.5	108.2	(14%)	106.7	(12%)	201.7	232.9	(13%)
Employee Benefits Expense	48.4	49.1		44.8		97.5	90.6	
Depreciation and Amortization Expense	6.4	6.7		9.4		13.0	18.7	
Other Expenses	29.3	34.3		36.2		63.6	65.8	
Total operating expenses	84.1	90.1	(7%)	90.4	(7%)	174.1	175.0	(1%)
Pre-provision operating profit	9.4	18.1	(48%)	16.3	(42%)	27.6	57.9	(52%)
ECL Provision	(132.6)	(19.4)		(46.6)		(152.0)	(505.5)	
Write offs	131.5	6.6		24.8		138.1	480.4	
Credit costs	(1.1)	(12.8)	(92%)	(21.9)	(95%)	(13.9)	(25.2)	(45%)
Profit before tax	10.5	30.9	(66%)	38.2	(72%)	41.4	83.1	(50%)
Tax	0.0	0.0		0.0		0.0	0.0	
Profit after tax	10.5	30.9	(66%)	38.2	(72%)	41.4	83.1	(50%)

ICF Standalone - Balance Sheet

Equity & Liabilities (₹ in crs)	Sep'23	Jun'23	Sep'22
Financial Liabilities			
Trade payables	0.1	5.8	7.5
Debt Securities	2,548.0	1,867.4	477.6
Borrowings other than debt securities	2,089.7	2,967.5	4,375.7
Other financial liabilities	172.3	205.0	287.4
Total financial liabilities	4,810.1	5,045.7	5,148.2
Non- Financial Liabilities			
Provisions	5.0	4.8	5.4
Other non - financial liabilities	5.3	7.1	4.7
Total non-financial liabilities	10.3	11.9	10.1
Equity			
Equity share capital	136.1	136.1	136.1
Other equity	2,929.3	2,918.0	2,833.6
Total equity	3,065.4	3,054.1	2,969.7
Total Liabilities & Equity	7,885.8	8,111.7	8,128.0

Assets (₹ in crs)	Sep'23	Jun'23	Sep'22
Financial Asset			
Cash and cash equivalents	110.4	623.2	325.5
Bank balance other than cash & cash equivalent	209.8	206.5	275.6
Loans	5,136.4	5,409.9	5,221.7
Investments	1,329.2	771.7	1,162.2
Other financial assets	306.3	304.0	326.2
Total financial assets	7,092.1	7,315.3	7,311.2
Non-Financial assets			
Current tax assets (Net)	66.4	62.2	85.7
Deferred tax assets (Net)	316.4	316.4	316.7
Property, plant and equipment	39.5	42.3	55.8
Assets held for sale	13.0	13.0	13.0
Goodwill	300.2	300.2	300.2
Intangible assets	15.4	17.9	10.2
Other non-financial assets	42.8	44.4	35.2
Total non-financial assets	793.7	796.4	816.7
Total Assets	7,885.8	8,111.7	8,128.0

HFC - Income Statement



Particulars (₹ in crs)	Q2FY24	Q1FY24	Q-o-Q	Q2FY23	Y-o-Y	H1FY24	H1FY23	Y-o-Y
Revenue from operations	79.0	59.3		56.9		138.3	112.2	
Interest expenses	24.4	22.7		15.8		47.1	31.4	
Net Interest Income	54.6	36.6	49%	41.1	33%	91.2	80.8	13%
Other Income	0.0	0.2		0.3		0.2	0.5	
Total Income	54.6	36.8	49%	41.4	32%	91.4	81.3	12%
Employee Benefits Expense	16.7	14.4		13.3		31.1	22.4	
Depreciation and Amortization Expense	1.3	1.2		0.9		2.5	1.5	
Other Expenses	16.4	9.6		7.5		26.0	15.1	
Total operating expenses	34.4	25.2	37%	21.6	59%	59.6	39.0	53%
Pre-provision operating profit	20.2	11.6	75%	19.8	2%	31.8	42.3	(25%)
ECL Provision	0.8	(1.7)		(5.3)		(0.8)	(4.3)	
Write offs	0.3	2.6		7.0		2.8	7.0	
Credit costs	1.1	0.9	26%	1.7	(34%)	2.0	2.7	(24%)
Profit before tax	19.1	10.7	79%	18.1	5%	29.8	39.6	(25%)
Tax	4.9	2.7		4.7		7.6	10.2	
Profit after tax	14.2	8.0	78%	13.4	6%	22.2	29.4	(25%)

HFC - Balance Sheet

Equity & Liabilities (₹ in crs)	Sep'23	Jun'23	Sep'22
Financial Liabilities			
Trade payables	23.3	23.2	0.1
Debt Securities	31.3	30.6	49.8
Borrowings other than debt securities	982.5	981.4	700.9
Other financial liabilities	70.6	30.0	28.3
Total financial liabilities	1,107.7	1,065.2	779.1
Non- Financial Liabilities			
Current tax liabilities (Net)	0.0	0.0	0.0
Provisions	1.2	1.2	1.0
Deferred tax liabilities (Net)	8.5	6.3	5.6
Other non - financial liabilities	0.7	0.5	0.7
Total non-financial liabilities	10.4	8.0	7.3
Equity			
Equity share capital	450.0	450.0	450.0
Other equity	109.2	95.0	78.7
Total equity	559.2	545.0	528.7
Total Liabilities & Equity	1,677.3	1,618.2	1,315.1

Assets (₹ in crs)	Sep'23	Jun'23	Sep'22
Financial Asset			
Cash and cash equivalents	11.3	65.2	15.6
Bank balance other than cash & cash equivalent	36.3	60.8	26.1
Loans	1,492.1	1,427.3	1,184.6
Investments	54.0	0.0	36.1
Other financial assets	57.3	41.6	38.7
Total financial assets	1,651.0	1,594.9	1,301.1
Non-Financial Assets			
Current tax assets (Net)	5.6	3.1	3.1
Property, plant and equipment	10.7	9.3	5.0
Intangible assets	3.0	3.3	2.7
Other non-financial assets	7.0	7.6	3.2
Total non-financial assets	26.3	23.3	14.0
Total assets	1,677.3	1,618.2	1,315.1

Consolidated - Income Statement

Particulars (₹ in crs)	Q2FY24	Q1FY24	Q-o-Q	Q2FY23	Y-o-Y	H1FY24	H1FY23	Y-o-Y
Revenue from operations	313.3	299.1		294.1		612.4	607.9	
Interest expenses	165.2	154.4		146.4		319.5	294.4	
Net Interest Income	148.1	144.7	2%	147.7	0%	292.9	313.5	(7%)
Other Income	0.1	0.3		0.4		0.4	0.8	
Total Income	148.2	145.0	2%	148.1	0%	293.3	314.3	(7%)
Employee Benefits Expense	65.1	63.5		58.1		128.6	112.9	
Depreciation and Amortization Expense	7.7	7.9		10.2		15.6	20.2	
Other Expenses	45.7	43.9		43.7		89.6	81.0	
Total operating expenses	118.5	115.3	3%	112.0	6%	233.8	214.1	9%
Pre-provision operating profit	29.7	29.7	0%	36.1	(18%)	59.5	100.2	(41%)
ECL Provision	(131.7)	(21.1)		(51.9)		(152.8)	(509.8)	
Write offs	131.8	9.2		31.7		141.0	487.3	
Credit costs	0.1	(11.9)	(100%)	(20.2)	(100%)	(11.8)	(22.5)	(47%)
Profit before tax	29.7	41.6	(29%)	56.3	(47%)	71.3	122.7	(42%)
Tax	4.9	2.7		4.7		7.6	10.2	
Profit after tax	24.8	38.9	(36%)	51.6	(52%)	63.7	112.5	(43%)

Consolidated - Balance Sheet

Equity & Liabilities (₹ in crs)	Sep'23	Jun'23	Sep'22
Financial Liabilities			
Trade payables	0.1	5.8	7.6
Debt Securities	2,579.3	1,898.0	527.4
Borrowings other than debt securities	3,072.1	3,948.8	5,076.6
Other financial liabilities	231.1	235.1	315.8
Total financial liabilities	5,882.6	6,087.7	5,927.4
Non- Financial Liabilities			
Current tax liabilities (Net)	0.0	0.0	0.0
Provisions	6.2	6.0	6.4
Deferred tax liabilities (Net)	8.5	6.3	5.6
Other non - financial liabilities	6.0	7.6	5.3
Total non-financial liabilities	20.7	19.9	17.3
Equity			
Equity share capital	136.1	136.1	136.1
Other equity	3,040.6	3,015.0	2,914.2
Total equity	3,176.7	3,151.1	3,050.3
Total Liabilities & Equity	9,080.0	9,258.7	8,995.0

Assets (₹ in crs)	Sep'23	Jun'23	Sep'22
Financial Asset			
Cash and cash equivalents	126.3	693.0	345.6
Bank balance other than cash & cash equivalent	246.1	267.2	301.7
Loans	6,628.5	6,837.2	6,406.3
Investments	930.6	319.1	745.6
Other financial assets	328.4	322.5	365.0
Total financial assets	8,259.9	8,439.0	8,164.2
Non-Financial assets			
Current tax assets (Net)	72.0	65.3	88.9
Deferred tax assets (Net)	316.4	316.4	316.7
Property, plant and equipment	50.2	51.6	60.8
Assets held for sale	13.0	13.0	13.0
Goodwill	300.2	300.2	300.2
Intangible assets	18.4	21.2	12.9
Other non-financial assets	49.9	52.0	38.3
Total non-financial assets	820.1	819.7	830.8
Total Assets	9,080.0	9,258.7	8,995.0

Historical - Consolidated Income Statement



Particulars (₹ in crs)	FY23	FY22	FY21	FY20
Revenue from operations	1,174.3	1,162.7	1,279.8	1,597.5
Interest expenses	580.3	539.5	708.6	863.4
Net Interest Income	594.0	623.2	571.2	734.1
Other Income	5.3	11.6	7.4	1.5
Total Income	599.3	634.8	578.6	735.5
Employee Benefits Expense	177.8	205.0	173.7	188.7
Depreciation and Amortization Expense	39.6	35.4	33.5	30.1
Other Expenses	183.7	132.3	128.3	93.2
Total operating expenses	401.1	372.7	335.5	312.0
Pre-provision operating profit	198.2	262.1	243.1	423.5
ECL Provision	(527.0)	578.9	169.1	362.8
Write offs	486.6	579.6	292.9	497.4
Credit costs	(40.4)	1,158.5	462.0	860.2
Profit before tax	238.6	(896.4)	(218.9)	(436.7)
Tax	13.4	(159.9)	(4.8)	(112.1)
Profit after tax	225.2	(736.5)	(214.1)	(324.6)

Historical - Consolidated Balance Sheet

Assets (₹ in crs)	Mar'23	Mar'22	Mar'21	Mar'20
Financial Asset				
Cash and cash equivalents	179.7	80.3	279.2	168.4
Bank balance other than cash & cash equivalent	236.0	409.4	241.0	376.7
Loans	6,515.7	7,706.9	7,139.3	8,293.1
Investments	1,039.4	547.7	1,591.4	230.6
Other financial assets	351.6	101.0	143.7	339.3
Total financial assets	8,322.4	8,845.3	9,394.6	9,408.1
Non-Financial assets				
Current tax assets (Net)	56.1	69.0	120.5	133.9
Deferred tax assets (Net)	316.4	316.7	145.2	129.8
Property, plant and equipment	53.5	72.7	60.9	78.6
Assets held for sale	13.0	13.0	20.9	38.7
Goodwill	300.2	300.2	300.2	300.2
Intangible assets	23.5	13.1	4.5	3.8
Other non-financial assets	37.1	31.6	37.0	35.5
Total non-financial assets	799.8	816.2	689.2	720.5
Total Assets	9,122.2	9,661.5	10,083.8	10,128.6

Historical - Consolidated Balance Sheet

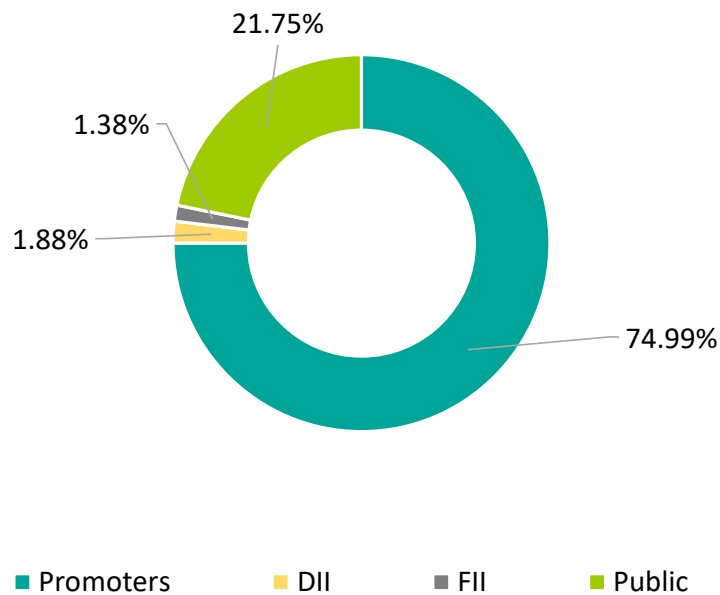
Equity & Liabilities (₹ in crs)	Mar'23	Mar'22	Mar'21	Mar'20
Financial Liabilities				
Trade payables	7.9	2.7	3.9	11.1
Debt Securities	1,108.9	1,977.9	2,012.8	2,089.5
Borrowings other than debt securities	4,539.2	4,245.5	3,994.8	5,052.5
Other financial liabilities	332.1	491.4	357.2	256.4
Total financial liabilities	5,988.1	6,717.5	6,368.7	7,409.5
Non- Financial Liabilities				
Provisions	5.6	7.0	7.5	9.1
Deferred tax liabilities (Net)	5.8	0.8	2.3	0.0
Other non - financial liabilities	11.1	7.1	7.0	29.4
Total non-financial liabilities	22.5	14.9	16.8	38.5
Equity				
Equity share capital	136.1	136.1	123.7	92.5
Preference share capital	0.0	0.0	12.1	0.0
Other equity	2,975.5	2,793.0	3,562.5	2,588.1
Total equity	3,111.6	2,929.1	3,698.3	2,680.6
Total Liabilities & Equity	9,122.2	9,661.5	10,083.8	10,128.6



Ownership
Structure and
Management Team

Large Global Private Equity Parentage

Shareholding Pattern (As on September 2023)



Shareholders	%
Promoters	74.99
BCP V Multiple Holdings Pte Ltd (Brookfield)	56.20
Everstone Group	18.79
Domestic Institutional Investors	1.88
ICICI Prudential Life Insurance Company Limited	1.36
Foreign Institutional Investors	1.38
Foreign Portfolio Investors Category I & II	1.38

Note: Everstone Group has completed the sale of 14.21% of the total paid-up equity share capital of the Company through an Offer for Sale, to comply with the minimum public shareholding requirements as per SEBI. Pursuant to the same Everstone Group's holding stands at 18.8% and public shareholding in the company increased to 25% w.e.f. 05th May 2023

Experienced Management Team - IndoStar



Karthikeyan Srinivasan

Chief Executive Officer - ICF

- He has over 25 years of experience in the areas of Retail Sales, Client Servicing, Credit/Portfolio Management and People Management in BFSI sector and have handled a wide range of financial products including CV Loans, Construction Equipment Loan, Tractor Loans, Two-wheeler Loans etc.
- He has worked with various Banks like ICICI Bank Ltd, Kotak Mahindra Finance Limited, Cholamandalam Investment and Finance Company Ltd.



Vinodkumar Panicker

Chief Financial Officer - ICF

- He has a career span of over 35 years serving in Banking & Financial Services and has a rich experience in managing & handling finance & accounts, legal & secretarial, investors & analysts, board members etc.
- In his last assignment with Muthoot Capital Services, Vinod was designated as CFO



Shreejit Menon

Chief Executive Officer - HFC

- He is a Commerce Graduate and has a Master's degree in Management Studies from University of Mumbai
- He has several years of experience with financial institutions like Religare Housing Development Finance Corporation Limited, Muthoot Housing Finance Company Limited and HSBC Limited



Pushkar Joshi

Chief Financial Officer - HFC

- He has over 13 plus years of experience in Treasury & Corporate Finance domain with expertise in fund raising & fund management, asset liability management & cash flow management.
- He has also worked with Avanse Financial Services Ltd, Tata Motors Finance Ltd & was Industrial Trainee (Financial Controls) at Hon-Kong & Shanghai Banking Corporation (HSBC).



Shikha Jain

Company Secretary and Compliance Officer - ICF

- She is a Commerce Graduate and a qualified Company Secretary from the Institute of Company Secretaries of India
- She has experience in working under secretarial department of Public and Private Limited Companies. She has worked with IIFL Wealth Finance Limited and Anand Rathi Group prior to joining IndoStar



Nidhi Sadani

Chief Compliance Officer - HFC

- She has more than 7 years of experience in Compliance Management
- She has earlier worked with Intelligent Money Manager Pvt Ltd

Esteemed Board of Directors



BOBBY PARIKH

Chairman and Non-Executive Independent Director

- He has nearly three decades of experience in financial services industry/reorganizations
- His area of focus is providing tax and regulatory advice in relation to transactions and other forms of business reorganizations
- He is a qualified Chartered Accountant from the ICAI and holds a Bachelor of Commerce degree from the University of Mumbai



Naina Krishna Murthy

Non-Executive Independent Director

- She has more than two decades of experience in the legal sector. She is the Founder and Managing Partner of Krishnamurthy & Company
- Over the years, Mrs. Murthy has built a strong reputation in corporate commercial law, specifically in the areas of M&As, JVs, collaborations and PE/VC investments
- She holds a degree in Law, with a B.A. and LLB (Hons) from National Law School, Bangalore



Hemant Kaul

Non-Executive Independent Director

- He has vast experience as an independent management consultant, having worked with private equity firms to evaluate investments in the financial sector
- He holds a Bachelor's degree in Science and a Master's degree in Business Administration from Rajasthan University

Esteemed Board of Directors



Dhanpal Jhaveri
Non-Executive Director

- He has over two decades of experience in investments, strategy, M&A and investment banking. Currently, he is a Managing Partner at the Everstone Group
- He holds a degree in Bachelor of Commerce from the University of Mumbai and an MBA from Babson College, USA



Aditya Joshi
Non-Executive Director

- He is MD in Brookfield's Private Equity Group and heads the PE for Brookfield in India
- Prior to Brookfield, he was a Principal at Apex Partners in India, he also worked at The Blackstone Group and Morgan Stanley in India
- He holds an MBA from The Wharton School, University of Pennsylvania, a bachelor's degree in accounting and finance from the University of Pune and is a CA and member of The ICAI



Vibhor Talreja
Non-Executive Director

- He joined Everstone in 2019 as a Managing Director to lead the financial services sector along with other responsibilities
- He has extensive experience in Financial Services, Industrial/Consumer, Real Estate & Telecom sectors and has worked with JM, Morgan Stanley and Tata Administrative Services. He is an alumnus of IIT Kanpur and IIM Bangalore



Devdutt Marathe
Non-Executive Director

- He is Senior Vice President – Private Equity at Brookfield Asset Management and has over 13 years' experience in private equity and financial services
- He is a B.Tech. and M.S. in Electrical Engineering from IIT Madras and Caltech, and PGDM (MBA) from IIM Ahmedabad

COMPANY



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Indostar Capital Finance Limited

CIN: L65100MH2009PLC268160

Email: investor.relations@indostarcapital.com

Website: www.indostarcapital.com

INVESTOR RELATIONS ADVISORS



Orient Capital (a division of Link Group)

Mr. Nikunj Jain

+91 9769060608

nikunj.jain@linkintime.co.in

Mr. Amar Yardi

+91 7045121239

amar.yardi@linkintime.co.in



Thank You