

IndoStar Capital Finance Limited

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



IndoStar reports stable quarter with pre-provisioning profit of INR 78.2 cr in Q2FY21

- **Focused on collections during lockdown and moratorium period. Disbursements started as the company achieved near to 100% collections.**
- **Retail AUM ~ 73%; up from 66% last year**
- **Substantial reduction in Corporate Loans and Gross NPL**
- **Strong Liquidity profile and Capital Adequacy at 35%**
- **Smart branches and digitisation are major initiatives to enhance productivity and lower operating costs**

Mumbai, Thursday, November 5, 2020 – IndoStar Capital Finance Limited (IndoStar), one of India's leading retail non-banking financial companies announced its Q2FY21 results.

IndoStar, with one of the highest Capital Adequacy ratio amongst all listed NBFCs, strong liquidity position and a low debt:equity of 1.8x has further accelerated its retailisation strategy in a challenging market environment and has equipped itself with capital to pursue growth opportunities.

The company currently has liquid assets of around 36% of its borrowings, sufficient to cover its repayment obligations for next 15 months. The company has a stable credit rating of AA-, a strong liquidity pipeline and multiple avenues to raise further liabilities to finance additional growth.

Collection efficiency has improved significantly in Q2. The company focused on collection during moratorium period and we have reached close to 100% collections in October 2020 and have re-started disbursements from November.

The company is at an inflection point, strengthening its senior leadership in key positions with an eye on the post pandemic growth opportunity available in the asset financing segment.

For the Quarter ended September 30, 2020, IndoStar declared Net Revenue from operations of INR 153.8 crores and PBT of INR 31.6 crores. The corporate book has reduced by INR 453 crores and total GNPA stands at 2.9%

Speaking on the results, **R Sridhar, Executive Vice-Chairman & CEO, IndoStar**, said *"There are visible green-shoots in the economy, with consumer demand showing signs of an uptick and the rural economy performing well. These factors will provide a fillip to lending companies. We have charted a distinct trajectory of expanding our portfolio in the second-hand Commercial Vehicles, SME and Affordable Home finance segments. We have ambitious plans for next 5 years. We have also started focusing on "Smart branches" and "Digitisation" as major initiatives, which will result in enhanced productivity and lower costs. With great promoters in Brookfield and Everstone, along with superior quality of management and franchise, IndoStar will certainly be a dominant lender in the retail segments."*

Key Financials:

Particulars (INR Crores)	Q2FY21	Q1FY21	QoQ	Q2FY20	YoY
Net Revenue from operations	154	150	3%	220	-30%
Pre-Provision Operating Profit	78	75	4%	140	-44%
Provisions and accelerated write-offs	33	25	33%	72	-55%
Profit After Tax	32	47	-33%	49	-36%

Consolidated financial update for the quarter ended September 30th 2020

- Net Revenue from Operations at INR 154 crores
- Positive ALM across all buckets for next 15 months
- Gross and Net NPAs at 2.9% and 2.1% respectively

About IndoStar Capital Finance Limited

IndoStar is a non-banking finance company (NBFC) registered with the Reserve Bank of India as a systemically important non-deposit taking company. With Brookfield & Everstone as co-promoters, IndoStar is a professionally managed and institutionally owned organization which is engaged in providing used and new commercial vehicle financing for transporters, loans to SME borrowers and affordable Home Finance through its wholly owned subsidiary, IndoStar Home Finance Private Limited. For more information, visit www.indostarcapital.com.

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