

IndoStar Capital Finance Limited

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IndoStar reports Q3 FY21 results

- **Retail disbursements more than doubled to Rs. 477 crores in Q3FY21 compared to Rs 204 crores in Q2FY21.**
- **Retail AUM ~ 75% - up from 69% last year**
- **Capital Adequacy at 35%**
- **Pre-Provision Operating Profit of Rs. 77 crores & PAT of Rs. 24 crores**

Mumbai, Thursday, February 4, 2021 – IndoStar Capital Finance Limited (IndoStar), one of India's leading retail non-banking financial companies announced its Q3FY21 results today. The company's profit after tax (PAT) is Rs 24 Crores against Rs 0.2 Crore in Q3FY20. The AUM was flat at Rs 8,865 crore, on account of gradual reduction in Corporate lending book.

Stable Asset Quality:

IndoStar has one of the highest Capital Adequacy ratio amongst all listed NBFCs. With strong ALM and low leverage, IndoStar has further improved its asset quality with GNPL of 2.8%.

Stable credit rating and robust liquidity pipeline:

The company currently has liquid assets of around 39% of its borrowings, sufficient to cover its repayment obligations till September 2021. After raising over INR 1,700 crores since the lockdown and a stable credit rating of AA- with stable outlook, even in the current challenging times, recently reaffirmed by Crisil, the company has a strong pipeline and multiple avenues to raise further liabilities to finance additional growth.

Expansion across geographies, products and customer segments:

In Q4FY20, IndoStar had taken additional Covid-19 related credit provisioning of INR 280 crores to ring-fence the business from potential stresses arising from the pandemic affected business environment. The conservative approach adopted has strengthened IndoStar's position and places it ideally to take advantage of future growth opportunities. The company is now looking to build the retail business over the next five years. The combination of opening smart branches along with the digitisation initiative will help the company to enhance productivity and reduce Operating expenses. The company is also expanding Geography, Products and customer Segment to gain market share. The company has also strengthened partnership with ICICI Bank with renegotiated commercials

Retail disbursements reached Pre-Covid disbursement levels:

Collection efficiency improved significantly in Q2 and reached 100% in Q3. With the moratorium behind us, the company, with signs of an imminent economic recovery, has restarted its disbursements and quickly reached its Pre-Covid disbursement levels in January 2021. Retail disbursements more than doubled from Rs 204 crores in Q2FY21 to Rs. 477 crores in Q3FY21.

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

Speaking on the results, R Sridhar, Executive Vice-Chairman & CEO, IndoStar, “With the pandemic impact subsiding and Collections efficiency improving to 100%, we re-started the retail disbursements and quickly reached Pre-Covid levels of retail disbursements. The announcement of a voluntary scrappage policy will completely revitalize the CV sector and is a game changer. We have charted a distinct trajectory of expanding our portfolio in the second-hand commercial vehicles, SME and affordable housing segments. We are very excited and are preparing ourselves for a great FY22.”

Key Financials:

Particulars (INR Crores)	Q3FY21	Q2FY21	QoQ	Q3FY20	YoY
Net Revenue from operations	157	154	2%	186	-16%
Pre-Provision Operating Profit	77	78	-2%	111	-31%
Provisions and accelerated write-offs	46	33	41%	111	-58%
Profit After Tax	24	32	-24%	0.2	120x

Consolidated financial update for the quarter ended December 31st 2020

- Net Revenue from Operations at INR 157 crores
- Positive ALM across all buckets
- Gross and Net NPAs at 2.8% and 1.8% 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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