



IndoStar reports Q2 FY23 results

- **Incremental funding of ₹ 2,527 crore raised during H1FY23**
- **Continued Profitability - Q2 FY23 PAT at ₹ 51.6 crore**
- **Debt/Equity 1.8X times**
- **Gross Collection efficiency of 135%**
- **Net Stage 3 assets lower at 2.9%, vs 3.6% in Q1FY23**
- **Retail AUM ~ ₹ 6,642 crore; ~ 84% of AUM**
- **Strong Capital Adequacy at 34.1%, 510 bps higher vs 29.0% in Q1 FY23 on Standalone basis**
- **Statutory auditors, Deloitte, have removed their comment on going concern risk**

Mumbai, Tuesday, 8 November 2022 – IndoStar Capital Finance Limited (IndoStar) today announced its Q2 FY23 results. At a consolidated level, the company reported a net profit of ₹ 51.6 crore for Q2 FY23. Collections of ₹ 870 crore during the quarter resulted in gross collection efficiency of 135%. AUM stands at ₹ 7,908 crore and Capital Adequacy at 34.1%*, 510 bps higher than Q1 FY23. The company's Debt/Equity ratio stands at 1.8 times which continues to be one of the lowest in the industry.

The company has raised incremental funding of ~ ₹ 2,527 crore in H1FY23 and continues to enjoy a healthy liquidity position, with cash and cash equivalents at 30 September 2022 at ₹ 834 crore. All of this is reflected in IndoStar's Asset Liability Matching (ALM) profile, which has seen significant improvement from previous quarter, and in their limited review for the quarter ended 30 September 2022, the statutory auditors Deloitte Haskins and Sells ('Deloitte') have removed their comment on going concern risk.

With robust portfolio performance, reduction in the size of stress book, and improvement in staging of loans, the Gross Stage 3 assets and Net Stage 3 assets at 30 September 2022 are 7.1% and 2.9% respectively. The company continues to make focused efforts to further reduce its stress book. As part of its retailization strategy, the company's retail loans have gone up from 78% in FY21 to 84% in Q2FY23.

The company's 100% owned housing finance subsidiary, IndoStar Home Finance, continued to register strong performance. Disbursement for H1FY23 is ~₹197 crore, AUM at 30 September 2022 is ~ ₹1,489 crore, recording 34% growth over Q2 FY22. Gross Stage 3 assets for housing finance business stood at 1.4%, one of the lowest in the industry and demonstrates strong asset quality of the business. The home finance business has a strong capital adequacy of 89.4%. With the net addition of 25 new branches in this quarter, IndoStar Home Finance now has 134 branches across the country and is poised for further growth.

Key Financials:

Particulars (₹ crore)	Q2FY23	Q1FY23	QoQ	Q2FY22	YoY
Net Revenue from operations	149.0	167.0	(11%)	144.8	3%
Pre-Provision Operating Profit	36.1	64.1	(44%)	50.2	(28%)
Provisions and accelerated write-offs	(20.2)	(2.3)	-	(2.8)	-
Profit After Tax	51.6	60.9	(15%)	39.5	31%
CAR (%)*	34.1%	29.0%	-	34.8%	-
Leverage (D/E) (times)	1.8	2.0	-	1.6	-

* Capital Adequacy Ratio ("CAR") is computed on stand-alone basis

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 entity engaged in providing used and new commercial vehicle financing, 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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