



INDOSTAR CAPITAL FINANCE LIMITED

Q3 FY19 Results Update

2 February 2019

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Note : The figures for the previous period have been adjusted, wherever considered necessary to confirm with the financial reporting requirements.

Discussion Summary

- ❖ **Quarterly Results**
- ❖ Business Strategy & Performance
- ❖ Company Overview
- ❖ Shareholding Structure



Retailisation : Execution on track

- Retail AUM: ₹ 32,680 Mn [+274% YoY, +13% QoQ]
- Retail asset book 42% of total AUM



Well-capitalised, Low Leverage – headroom for growth

- Strong Tier 1 CRAR of 30.0%
- Debt : Equity ratio of 2.1x



- Cost under control
- Healthy profitability parameters

- Cost / Income: 33.4% [4.2% down QoQ]
- PAT: ₹ 713 Mn [+181% YoY, +11% QoQ]
- ROA & ROE: 3.2% & 9.8%
- SME business already profitable; VF & HF seeing good revenue traction
- Strong asset quality with low NPAs; GNPA 0.9%; NNPA 0.6%



Comfortable Liquidity position

- Cash & Equivalents of ₹ 21,909 Mn; 35% of borrowings
- Positive ALM in all buckets, month on month, at least for next 15 months

Q3 FY19: Consolidated Profit & Loss Statement

Particulars (₹ Mn)	Q3 FY19	Q2 FY19	QoQ %	Q3 FY18	YoY %
Revenue from Operations	3,212	3,245	-1%	1,927	67%
Interest Expenses	(1,474)	(1,404)	5%	(781)	89%
Net Interest Income	1,737	1,841	-6%	1,146	52%
People Costs	332	456	-27%	265	25%
Operating Expenses	248	235	5%	173	43%
Profit before Credit Costs	1,157	1,149	1%	708	63%
Credit Costs	48	111	-56%	118	-59%
One off Charges	15	47	-69%	15	n.a.
Profit before Tax	1,094	992	10%	576	90%
Tax	382	352	8%	181	110%
Net Profit	713	640	11%	394	81%

Key Metrics	Q3 FY19	Q2 FY19	Q3 FY18
Yield	14.3%	15.0%	14.0%
Cost of Borrowings	9.9%	9.7%	9.2%
Spread	4.4%	5.3%	4.9%
NIM	7.7%	8.5%	8.3%
Cost to Income*	33.4%	37.6%	38.2%

* Excluding credit costs and one off costs

Q3 FY19: Consolidated Balance Sheet

Particulars (₹ Mn)	Q3 FY19	Q2 FY19	QoQ %	Q3 FY18	YoY %
Equity	29,282	28,721	2%	20,258	45%
Borrowings	62,223	58,032	7%	36,883	69%
Others	384	971	-60%	900	-57%
Total Liabilities	91,889	87,723	5%	58,041	58%
Loan Assets	76,508	77,665	-1%	50,435	52%
Treasury Assets	14,683	9,330	57%	7,606	93%
Others	698	727	-4%	-	n.a.
Total Assets	91,889	87,723	5%	58,041	58%

Key Ratios	Q3 FY19	Q2 FY19	Q3 FY18
ROAA *	3.2%	3.0%	2.9%
Leverage	3.1x	3.0x	2.7x
ROAE *	9.8%	9.0%	7.9%

Q3 FY19: Business Segment Performance

Particulars (₹ Mn)	Corporate Lending	SME Lending	Vehicle Finance	Housing Finance	Consolidated [^]
Revenue from Operations	1,940	594	346	133	3,212
Interest Expenses	(789)	(303)	(139)	(63)	(1,474)
Net Interest Income	1,151	292	207	70	1,737
People Costs	23	40	97	81	332
Operating Expenses	1	21	117	24	248
Credit Costs	(65)	61	49	3	48
One off Charges	-	-	-	-	15
Profit Before Tax	1,192	170	(56)	(37)	1,094

Particulars (₹ Mn)	Corporate Lending	SME Lending	Vehicle Finance	Housing Finance	Consolidated
Equity*	14,277	5,622	3,130	1,351	29,282
Borrowings	30,338	11,946	6,652	2,872	62,223
Others	187	74	41	18	384
Total Liabilities	44,803	17,641	9,823	4,241	91,889
Loan Assets	44,803	17,641	9,823	4,241	76,508
Treasury Assets	-	-	-	-	14,683
Others	-	-	-	-	698
Total Assets	44,803	17,641	9,823	4,241	91,889

Credit costs are expected loss provisions computed under IndAS plus write offs

* Allocated

[^] Total of Segmental numbers does not tally with consolidated figures as costs of common functions are not shown under lending segments

9M FY19: Business Segment Performance

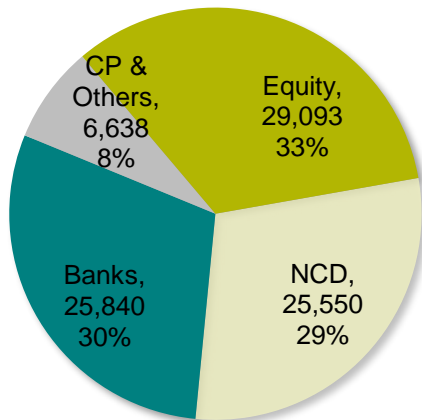
Particulars (₹ Mn)	Corporate Lending	SME Lending	Vehicle Finance	Housing Finance	Consolidated [^]
Revenue from Operations	5,761	1,559	677	238	8,800
Interest Expenses	(2,347)	(817)	(266)	(120)	(3,997)
Net Interest Income	3,413	742	411	119	4,802
People Costs	134	149	311	235	1,111
Operating Expenses	3	62	332	67	701
Credit Costs	(39)	179	85	10	236
One off Charges	0	0	0	0	154
Profit Before Tax	3,316	352	(317)	(193)	2,601

Credit costs are expected loss provisions computed under IndAS plus write offs

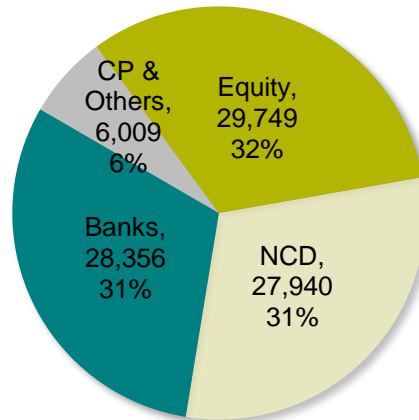
[^] Total of Segmental numbers does not tally with consolidated figures as costs of common functions are not shown under lending segments

Q3 FY19: Diversified Funding Profile

Funding Mix % - September 2018 (₹ Mn)



Funding Mix % - December 2018 (₹ Mn)



Proportion of Commercial Paper and Short Term Funding remains low

Strong Credit Ratings

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

Q2 FY19: Comfortable Liquidity Position

Positive ALM month on month, in FY 19 and FY 20

Particulars (₹ Mn)	Jan-19	Feb-19	Mar-19	FY20
Opening Cash & Cash Equivalents *	21,909	18,715	18,764	17,327
Loan Repayment Inflows (Principal)	669	643	1,088	18,760
Total Inflows	22,578	19,358	19,852	36,087
Liability Repayment (Principal)				
Commercial Papers	3,000	-	1,250	1,150
NCDs	-	100	250	11,050
Term Loans & Others	613	264	1,026	8,221
Others	250	230	-	90
Total Outflows	3,863	594	2,526	20,511
Closing Cash & Cash Equivalents	18,715	18,764	17,327	15,576

* Details of Opening Cash & Equivalents

(₹ Mn)

Cash & Bank Balance	6,950
Cash Equivalents	
Liquid Debt MFs	7,800
Term Deposits with Banks	409
Undrawn Funding Lines	6,751
Total	21,909

Discussion Summary

- ❖ Quarterly Results
- ❖ **Business Strategy & Performance**
- ❖ Company Overview
- ❖ Shareholding Structure

Our Strategic Priority: Build A Well-Balanced & Diversified Lending Institution

Dream.

To build a profitable, diversified asset book

- ✓ Continue to grow profitable corporate lending business
- ✓ Diversify asset book by building high-quality retail lending business
- ✓ Retail assets estimated to be over 50% of AUM within 3 years from present 42%
- ✓ Focus on secured lending to Middle India, having strong growth potential - vehicle finance, affordable housing finance and SME finance
- ✓ Judicious capital allocation

Drive.

Become the “Go-To” NBFC for Middle India

- ✓ Be a catalyst in our customers’ “LIFE KA TAKE-OFF”
- ✓ Become the partner of choice to fulfil growing aspirations of mid-market companies
- ✓ Increase market share in the niche used-vehicle finance business
- ✓ Penetrate deeper and become a preferred financier for small businesses
- ✓ Provide affordable home financing solutions to self employed & salaried customers

Deliver.

Growth, Asset Quality, & Profitability

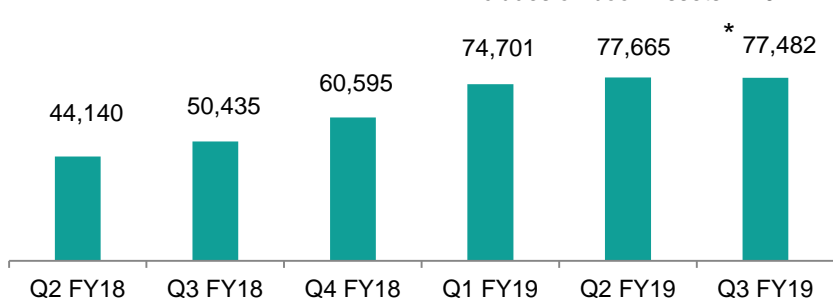
- ✓ Achieve calibrated growth while maintaining strong balance sheet
- ✓ Robust risk management - no compromise on credit quality in the pursuit of growth
- ✓ Achieve consistently improving profitability even while increasing diversity and granularity of our loan book
- ✓ Aim to consistently deliver mid-high teens ROE as the business achieves scale & operating leverage

Q3 FY19: Encouraging Quarterly Performance Trend (1/2)

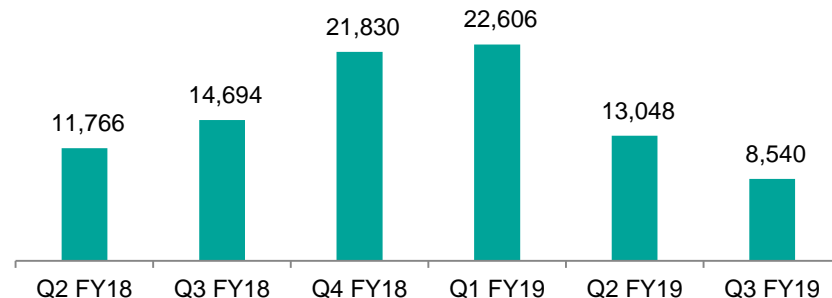
Consolidated Financials

AUM (₹ Mn)

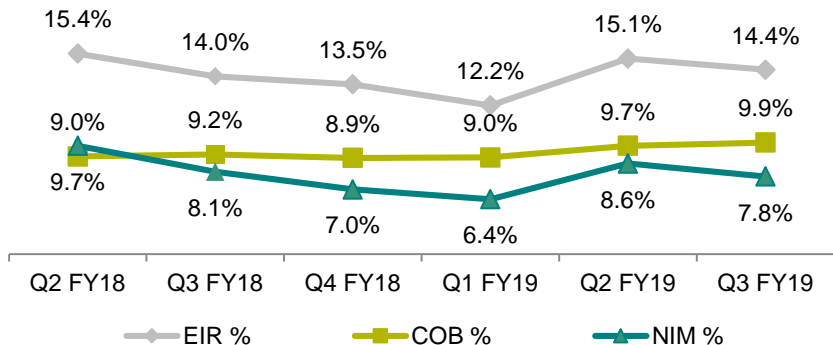
* Includes off book Assets - ₹ 974 Mn



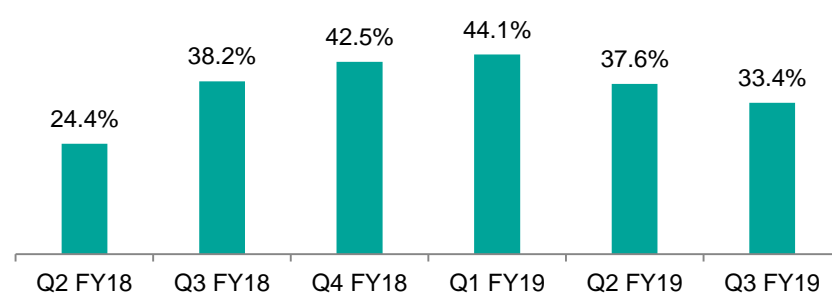
Loan Disbursements (₹ Mn)



Spread Analysis (%)



Cost to Income Ratio (%) *

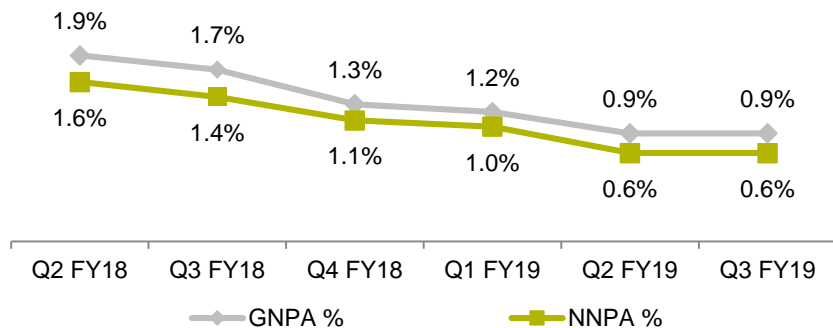


* Excluding credit costs and one off costs

Q3 FY19: Encouraging Quarterly Performance Trend (2/2)

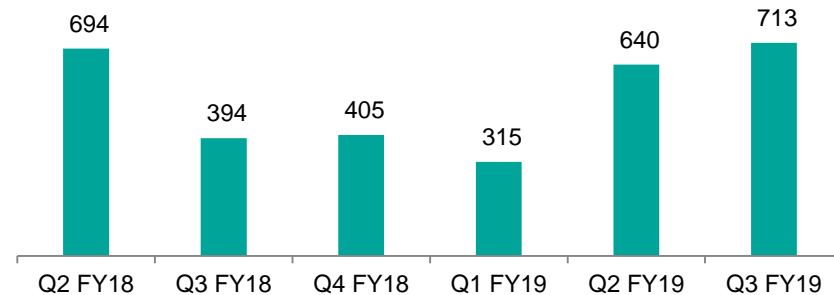
Consolidated Financials

NPA (%)*

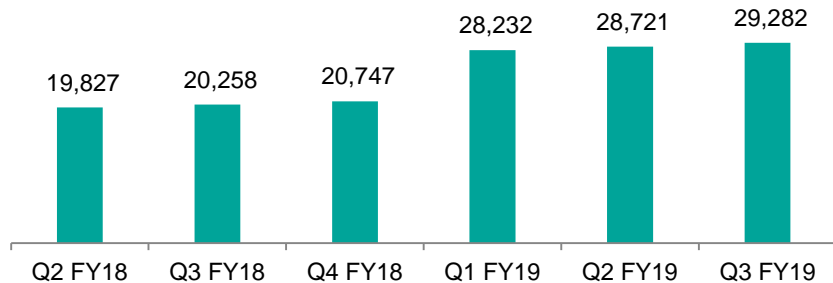


* GNPA & NNPA represents Stage 3 Assets

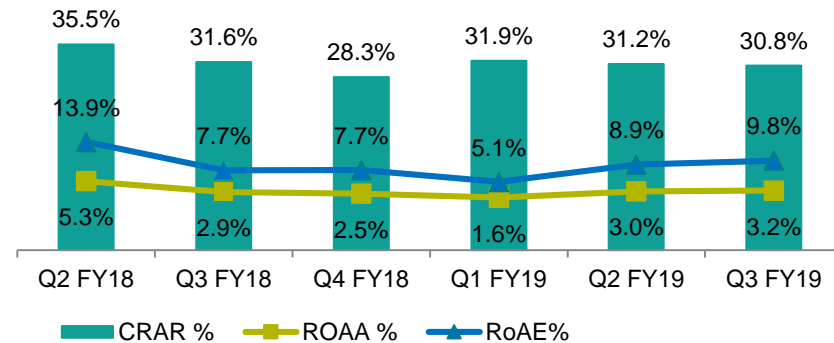
PAT (₹ Mn)



Net worth (₹ Mn)



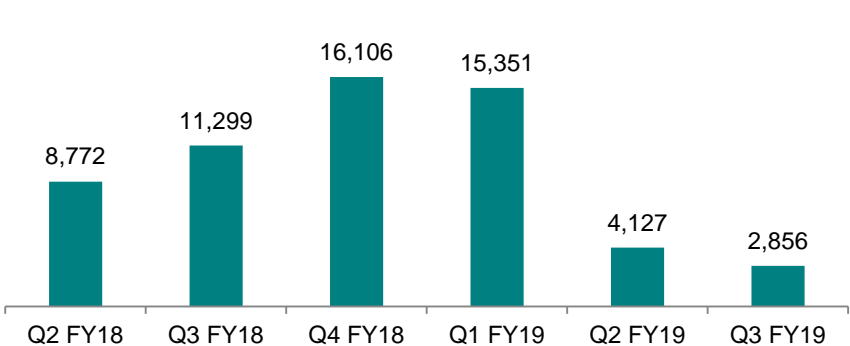
Return Ratios^ & Capital Adequacy (%)



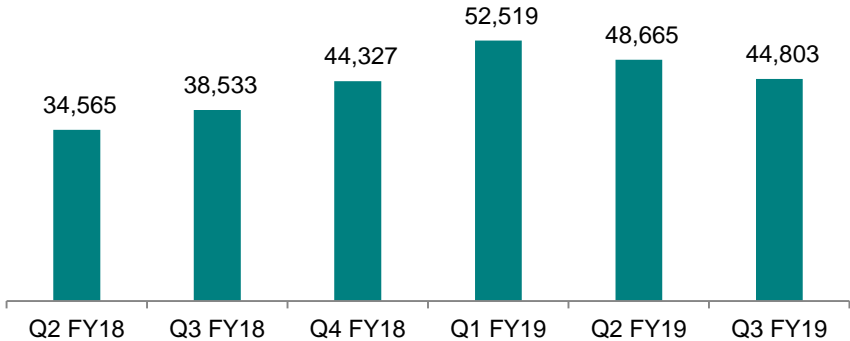
^ Annualized basis

Corporate Lending : Calibrated disbursements in Q3 (1/3)

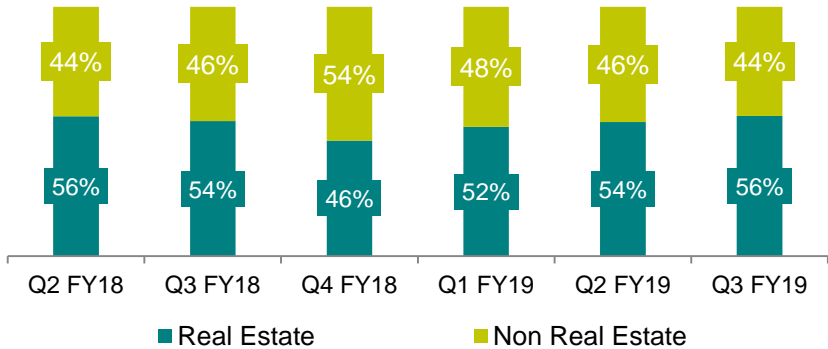
Gross Disbursements (₹ Mn)



Corporate Lending AUM (₹ Mn)



AUM Breakup: RE vs. Non-RE



Corporate Lending : Strong Profitability (2/3)

Particulars (₹ Mn)	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations	1,589	1,461	1,577	1,614	2,206	1,940
Interest Expenses	(536)	(522)	(627)	(722)	(836)	(789)
Net Interest Income	1,053	939	950	892	1,370	1,151
People Costs	69	65	53	44	67	23
Operating Expenses	5	5	1	1	0	1
Profit before Credit Costs	979	870	897	847	1,303	1,127
Credit Costs *	(181)	72	(42)	17	10	(65)
Profit before Tax	1,160	798	939	831	1,293	1,192
Loan Assets	34,565	38,533	44,327	52,519	48,665	44,803
Equity [^]	13,202	13,389	13,058	17,399	15,933	14,277

* Credit costs are expected loss provisions computed under IndAs plus write offs

[^] Allocated

	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations*	16.8%	15.5%	14.7%	13.4%	16.7%	15.7%
Net Interest Income *	11.1%	9.9%	8.9%	7.4%	10.4%	9.3%
Operating Expenses *	0.8%	0.7%	0.5%	0.4%	0.5%	0.2%
Cost / Income	7.0%	7.4%	5.6%	5.0%	4.9%	2.1%
Profit before Credit Costs *	10.3%	9.2%	8.4%	7.0%	9.9%	9.1%
Credit Costs *	-1.9%	0.8%	-0.4%	0.1%	0.1%	-0.5%
GNPA	1.7%	1.5%	1.1%	0.8%	0.4%	0.3%
NNPA	1.4%	1.1%	0.9%	0.7%	0.2%	0.2%
ROAA[^]	8.0%	5.9%	5.4%	4.5%	6.6%	6.4%
Leverage	2.7x	2.7x	3.1x	3.2x	3.2x	3.3x
ROAE[^]	21.5%	16.3%	17.0%	14.4%	21.0%	20.9%

- ✓ Consistent growth and profitability
- ✓ Strong Asset Quality – zero credit losses till date
- ✓ Motivated team, low attrition in top management team
- ✓ Poised for strong growth with increasing lending opportunities

* On daily average basis

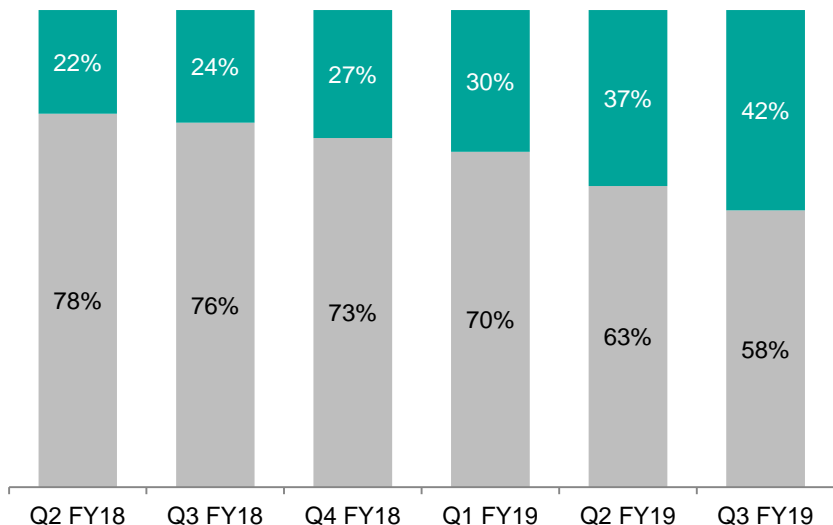
[^] Annualized basis

Retailisation Strategy Continues with Strong Momentum

Rising Proportion of Retail Lending in the Overall AUM and Disbursements

AUM: CL vs Retail (%)

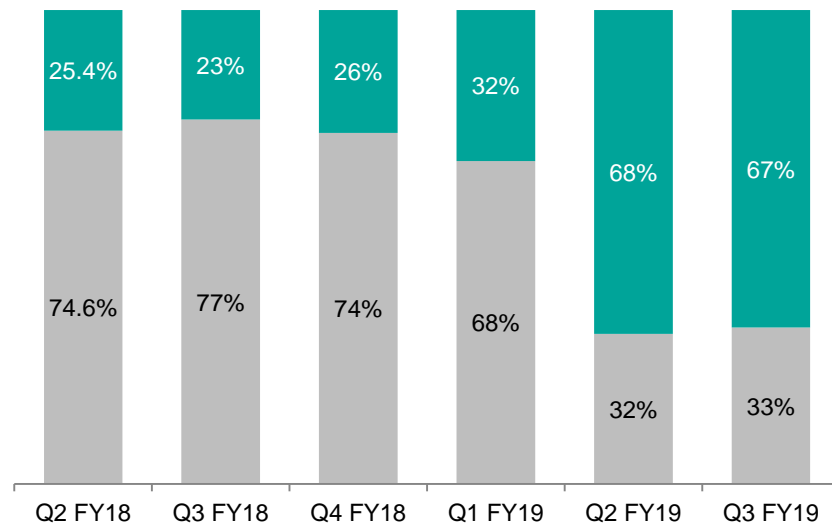
44,140 50,435 60,595 74,701 77,665 77,482



■ Total AUM (₹ Mn) ■ Corporate ■ Retail (SME, VF, HF)

Disbursements: CL vs Retail (%)

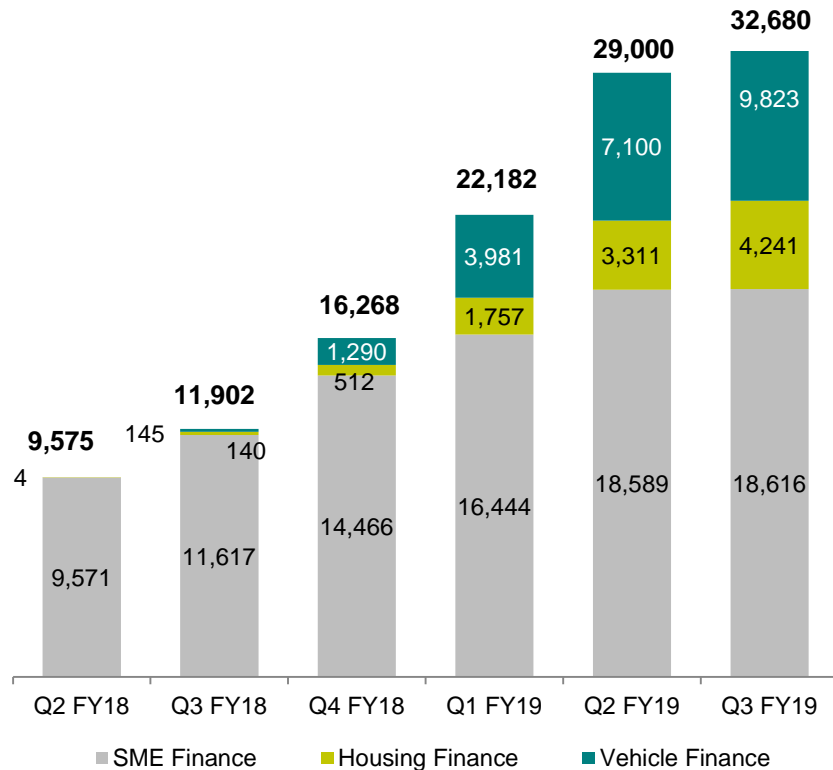
11,766 14,694 21,830 22,606 13,048 8,540



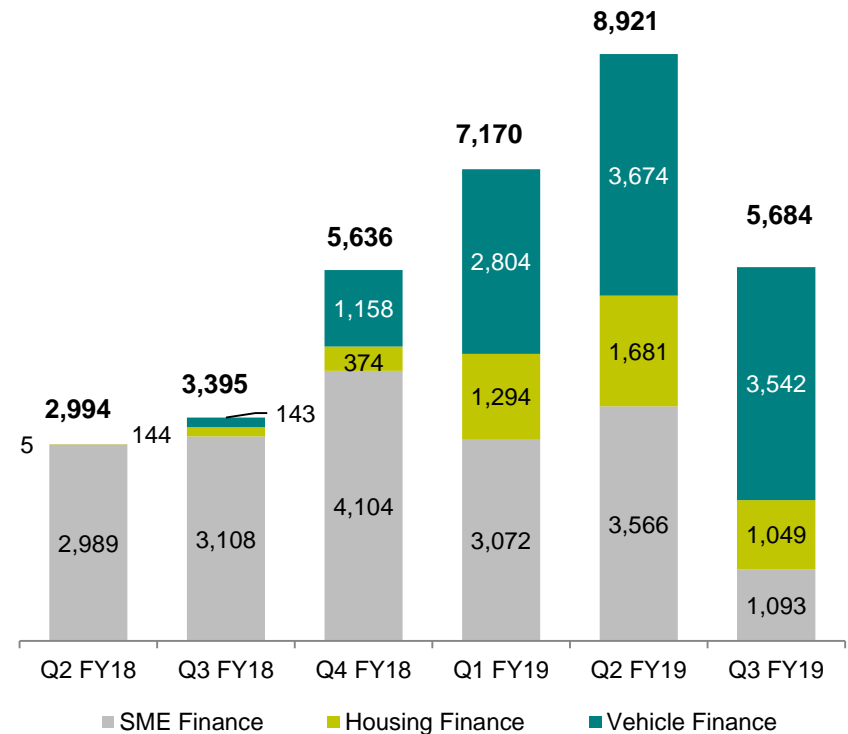
■ Total Disbursements (₹ Mn) ■ Corporate ■ Retail (SME, VF, HF)

Retail expansion on track : Calibrated disbursements in Q3

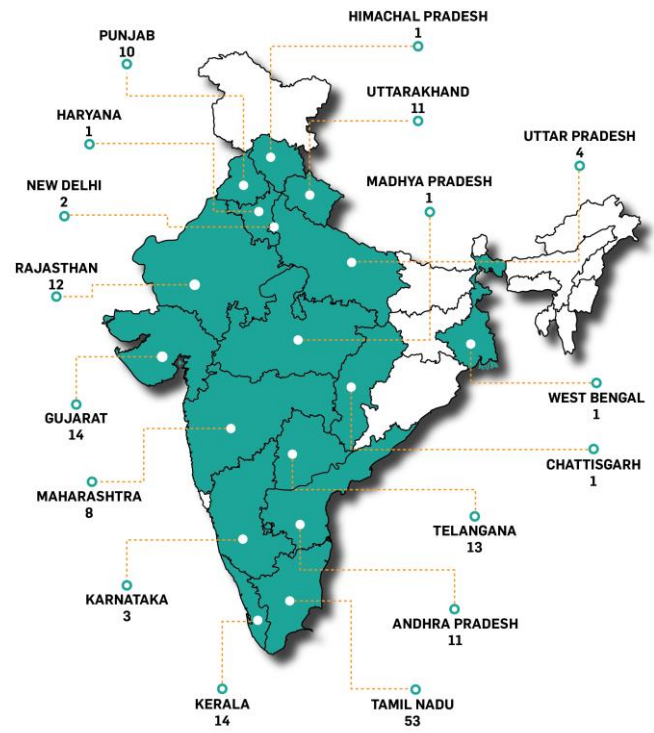
Retail AUM (₹ Mn)



Retail Disbursements (₹ Mn)



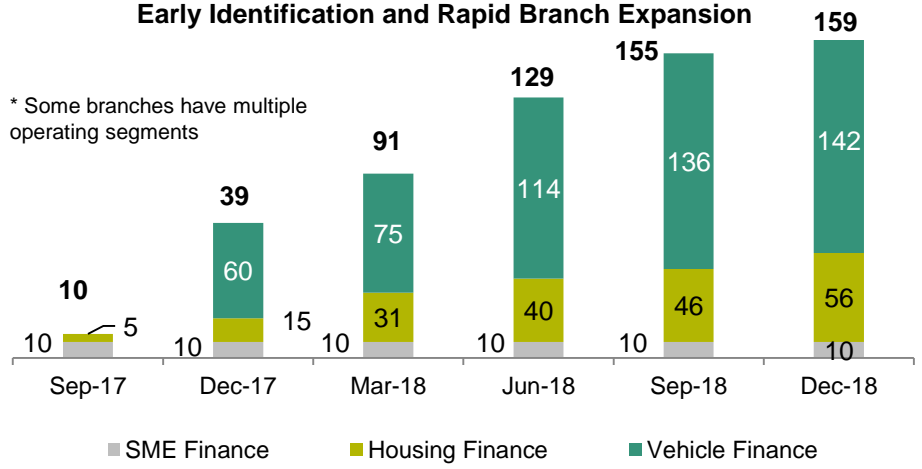
159 Branches Across 17 States



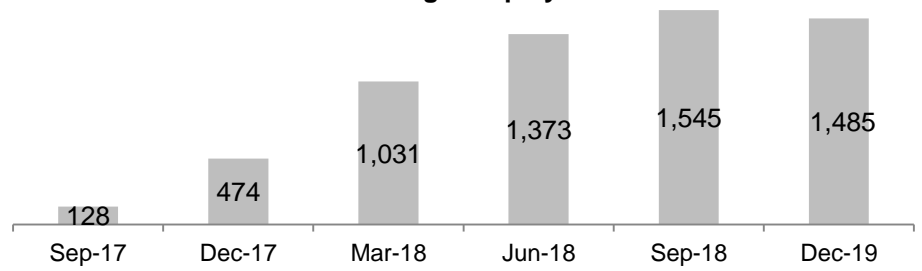
- ✓ Phase 1 of Retail Business roll-out completed
- ✓ Significant investments in people & infrastructure

Early Identification and Rapid Branch Expansion

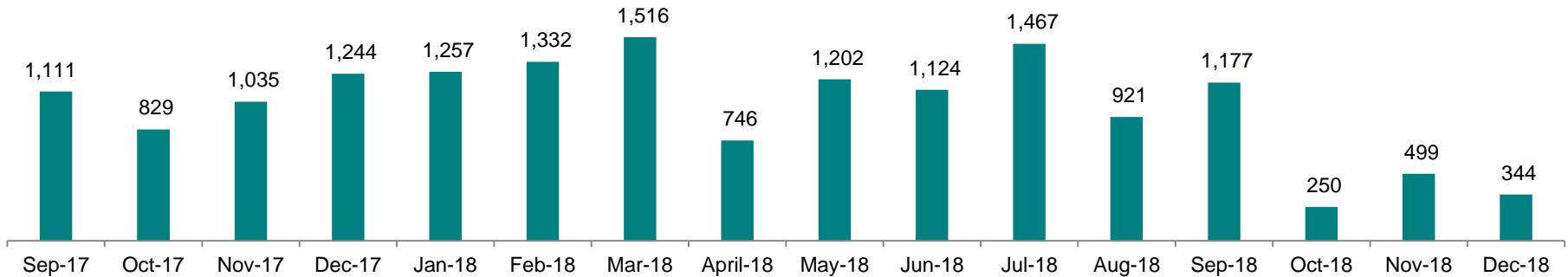
* Some branches have multiple operating segments



Retail Lending - Employee Base



SME Finance – Monthly Disbursement Trend (₹ Mn)



- ✓ SME Business is already profitable; Achieved profitability in FY18
- ✓ SME Finance being operated out of 10 branches in 8 states
- ✓ No further branch addition and investments planned
- ✓ Assignment of SME portfolio initiated; first pool of INR 1,098 mn assigned in Q3 FY 19
- ✓ AUM growth and business scale leading to positive operating leverage and improving profitability

Particulars (₹ Mn)	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations	277	311	346	425	539	594
Interest Expenses	(124)	(150)	(193)	(230)	(284)	(303)
Net Interest Income	153	161	152	196	255	292
People Costs	59	57	39	53	56	40
Operating Expenses	13	23	21	20	21	21
Profit before Credit Costs	81	81	92	122	177	231
Credit Costs*	62	44	15	44	73	61
Profit before Tax	20	37	78	78	104	170
Loan Assets	9,571	11,617	14,466	16,444	18,589	17,641 [#]
Equity [^]	3,656	4,037	4,261	5,448	6,086	5,622

* Credit costs are expected loss provisions computed under IndAS plus write offs

[^] Allocated

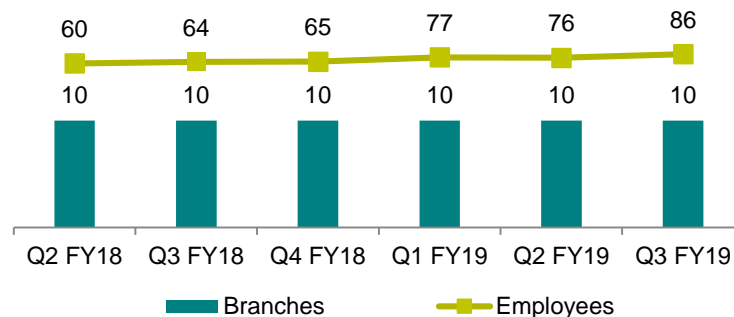
[#] After considering assignment transaction of ₹ 1,098 Mn

	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations *	12.8%	11.8%	10.8%	11.2%	12.4%	13.0%
Net Interest Income	7.1%	6.1%	4.8%	5.2%	5.9%	6.4%
Operating Expenses*	3.3%	3.0%	1.9%	1.9%	1.8%	1.3%
Cost / Income	47.0%	49.6%	39.4%	37.5%	30.4%	20.8%
Profit before Credit Costs*	3.8%	3.1%	2.9%	3.2%	4.1%	5.0%
Credit Costs*	2.9%	1.7%	0.5%	1.2%	1.7%	1.3%
GNPA	2.5%	2.5%	2.1%	2.6%	2.4%	3.2%
NNPA	2.3%	2.2%	1.8%	2.3%	1.9%	2.3%
ROAA[^]	0.6%	1.0%	1.5%	1.3%	1.6%	2.5%
Leverage	2.7x	2.8x	3.1x	3.2x	3.0x	3.1x
ROAE[^]	1.6%	2.7%	4.7%	4.3%	4.9%	7.6%

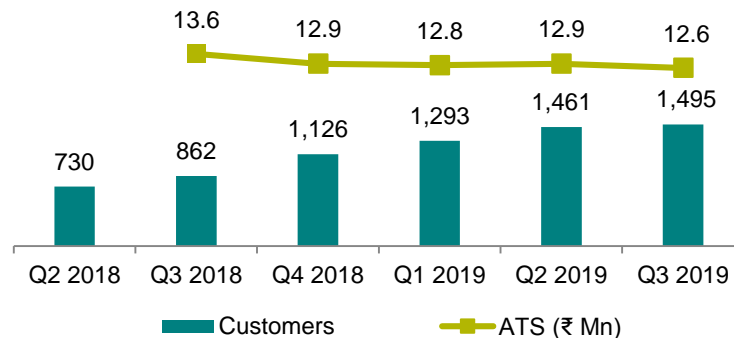
* On daily average basis

[^] Annualized basis

Branches & Employees

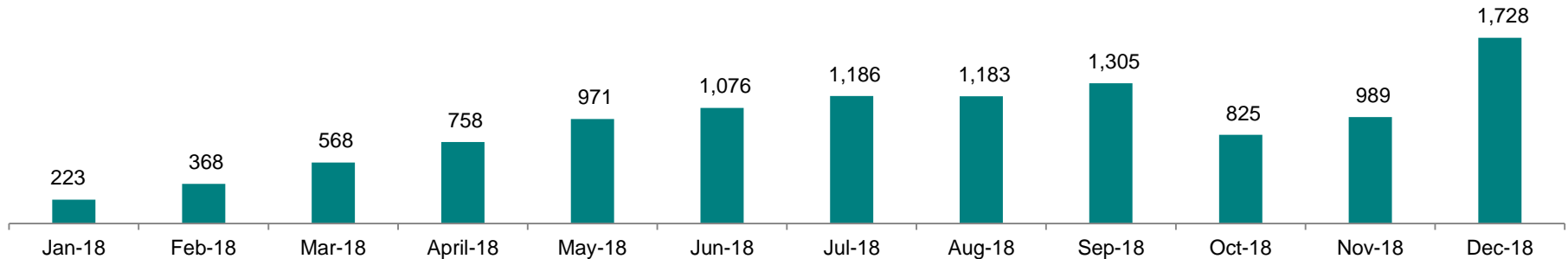


Customers & Avg. Ticket Size



Vehicle Finance : Continued strong growth in Q3 (1/3)

Vehicle Finance – Monthly Disbursement Trend (₹ Mn)



- ✓ Commenced VF disbursements in December 2017
- ✓ Consistent monthly growth in AUM and disbursements
- ✓ Disburse YTD Q3 FY 2019 ₹ 10,021 Mn
- ✓ Phase 1 of branch expansion completed
- ✓ Significant improvement in branch level profitability led by increasing business scale
- ✓ Branch-level break-even estimated at branch AUM of ₹ 120 Mn, to be attained within 12-15 months

Vehicle Finance : Profitability is improving (2/3)

Particulars (₹ Mn)	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations	-	0	25	101	231	346
Interest Expenses	(0)	(1)	(9)	(38)	(89)	(139)
Net Interest Income	-	(0)	16	63	141	207
People Costs	10	32	77	95	119	97
Operating Expenses	0	11	49	107	108	117
Profit before Credit Costs	(10)	(43)	(110)	(139)	(86)	(7)
Credit Costs*	-	1	4	13	24	49
Profit before Tax	(10)	(43)	(114)	(152)	(109)	(56)
Loan Assets	-	140	1,290	3,981	7,100	9,823
Equity ^	-	49	380	1,319	2,325	3,130

* Credit cost are expected loss provisions computed under IndAS plus write offs

^ Allocated

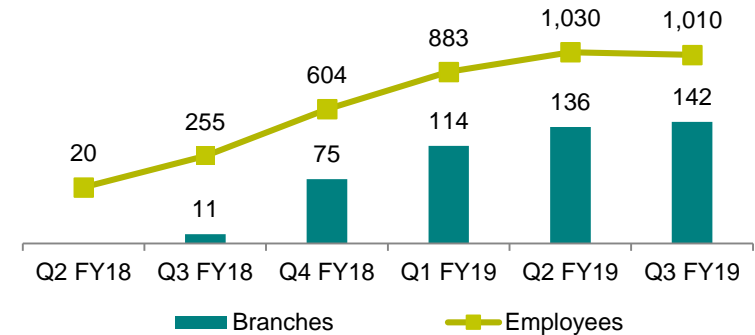
Vehicle Finance : Key ratios (3/3)

	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations *	n.a.	n.a.	16.8%	15.8%	17.2%	17.1%
Net Interest Income*	n.a.	n.a.	10.5%	9.9%	10.6%	10.3%
Operating Expenses *	n.a.	n.a.	84.7%	31.7%	16.9%	10.6%
Cost / Income	n.a.	n.a.	807.5%	320.9%	160.6%	103.5%
Profit before Credit Costs	n.a.	n.a.	-74.2%	-21.8%	-6.4%	-0.4%
Credit Costs	n.a.	n.a.	3.0%	2.0%	1.8%	2.4%
GNPA	n.a.	n.a.	0.0%	0.0%	0.0%	0.1%
NNPA	n.a.	n.a.	0.0%	0.0%	0.0%	0.1%
ROAA[^]	n.a.	n.a.	-47.7%	-15.6%	-5.5%	-1.9%
Leverage	n.a.	n.a.	3.3x	3.1x	3.0x	3.1x
ROAE[^]	n.a.	n.a.	-159.0%	-48.3%	-16.8%	-5.7%

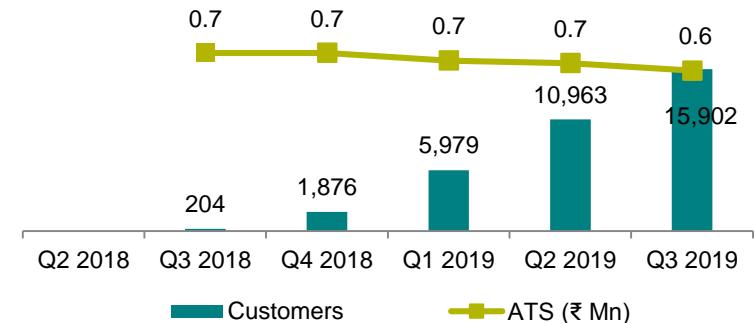
* On daily average basis

[^] Annualized basis

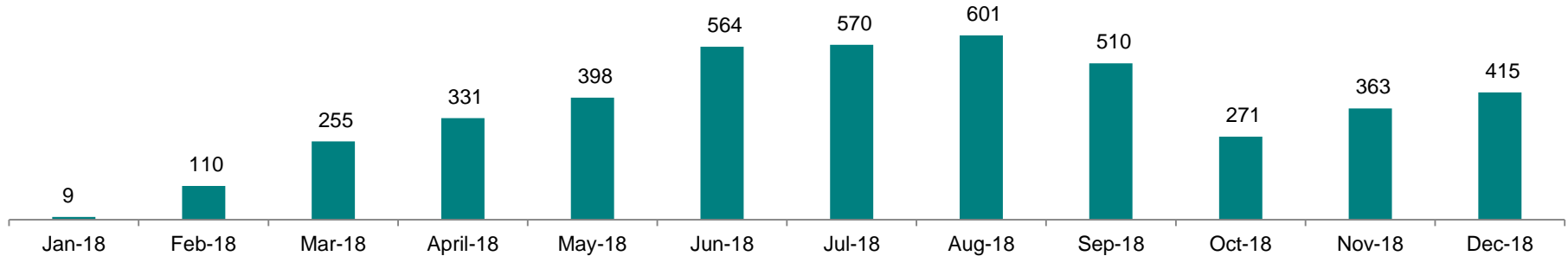
Branches & Employees



Customers & Avg. Ticket Size



Housing Finance – Monthly Disbursement Trend (₹ Mn)



- ✓ Consistent month-over-month growth in AUM and disbursements
- ✓ Phase 1 of branch expansion completed
- ✓ Significant improvement in profitability led by increasing business scale
- ✓ Branch-level break-even estimated at branch AUM of ₹ 150 Mn

Housing Finance Business : Revenue traction improving (2/3)

Particulars (₹ Mn)	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations	0	1	9	31	75	# 133
Interest Expenses	(0)	(1)	(4)	(16)	(41)	(63)
Net Interest Income	0	1	5	15	33	70
People Costs	15	27	47	62	93	81
Operating Expenses	2	4	12	13	30	24
Profit before Credit Costs	(18)	(31)	(55)	(59)	(90)	(34)
Credit Costs*	0	1	3	3	4	3
Profit before Tax	(18)	(32)	(58)	(63)	(93)	(37)
Loan Assets	4	145	512	1,757	3,311	4,241
Equity[^]	2	50	151	582	1,084	1,351

* Credit cost are expected loss provisions computed under IndAS plus write offs

[^] Allocated

This number reflects the impact of cumulative fee adjustment of ₹ 11 Mn

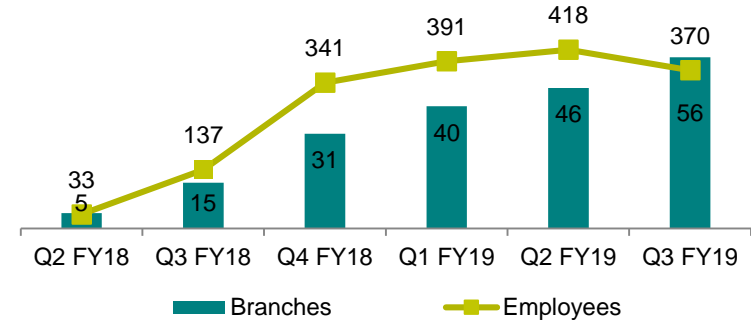
Housing Finance : Key ratios (3/3)

	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Revenue from Operations*	n.a.	18.8%	15.0%	12.5%	12.4%	14.3%
Net Interest Income*	n.a.	8.9%	8.4%	6.1%	5.5%	7.6%
Operating Expenses*	n.a.	406.7%	100.8%	30.1%	20.4%	11.3%
Cost / Income	n.a.	4580.8%	1199.8%	492.0%	368.3%	148.3%
Profit before Credit Costs	n.a.	-397.8%	-92.4%	-24.0%	-14.8%	-3.7%
Credit Costs*	n.a.	19.3%	5.4%	1.3%	0.6%	0.3%
GNPA	n.a.	0.0%	0.0%	0.0%	0.0%	0.1%
NNPA	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%
ROAA[^]	n.a.	-417.1%	-97.7%	-25.3%	-15.5%	-4.0%
Leverage	n.a.	2.9x	3.3x	3.1x	3.0x	3.1x
ROAE[^]	n.a.	-1196.9%	-319.1%	-78.3%	-47.1%	-12.4%

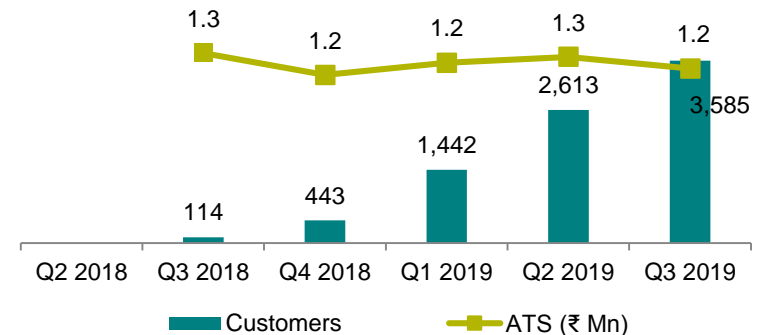
* On daily average basis

[^] Annualized basis

Branches & Employees



Customers & Avg. Ticket Size



Discussion Summary

- ❖ Quarterly Results
- ❖ Business Strategy & Performance
- ❖ **Company Overview**
- ❖ Shareholding Structure

1. First Indian NBFC promoted by Global PE Investors

- Incorporated in 2011, sponsored by Everstone Capital and other marquee investors
- Listed on NSE & BSE in May-18

2. Strong Performance Track Record

- FY14-18 CAGR: AUM 24%, PAT 19%
- High Asset Quality, Healthy Profitability
- CRAR: 30.8%, sufficient capital available for rapid growth

3. Established Corporate Lending Platform

- Q3 FY19 Corporate AUM: ₹ 44,803 Mn (58% of total AUM)
- Differentiated lending with high asset quality, low opex., high NIMs, high ROAA
- Completed multiple credit cycles – Cumulative disbursement of Rs 2,47,413 Mn; of which 82% fully repaid

6. Robust Risk Management & Scalable Technology Platform

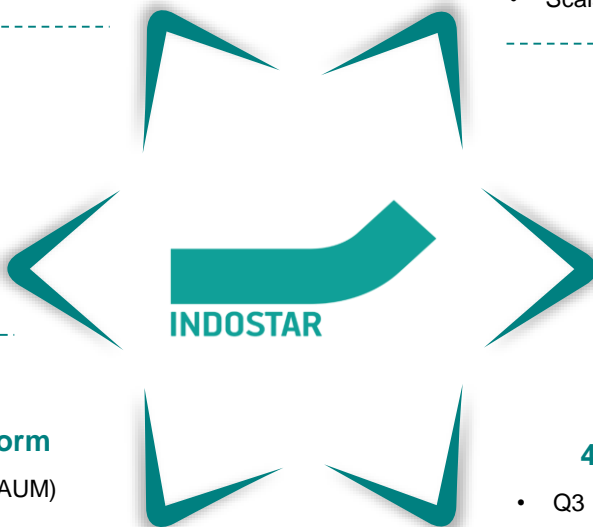
- Strong credit underwriting processes
- Active Board oversight
- Scalable technology platform to support growth

5. Entrepreneurial Leadership with Strong Sponsor Backing

- In-depth understanding of specific industry and geographic regions
- Separate business / credit heads for each vertical
- ESOP program (8.7% of fully diluted shares), interest aligned with business growth

4. Aggressive Growth in Retail Loan Book

- Q3 FY19 Retail AUM: ₹ 32,680 Mn (42% of total AUM)
- Pan-India presence - 17 States, 159 Branches, 1,485 Employees, 20,982 Customers
- SME already profitable, VF & HF on track to achieve break even



Commenced Retail Lending in 2015 with Focus on High Growth Segments

Vehicle Finance to be the primary growth engine, while Housing Finance and SME Finance to offer strategic leverage

SME Finance

- **Commenced in FY 2016**
- **Focus area:** Traders, Manufacturers and Services. Turnover upto ₹ 250 Mn
- **Differentiating strategy:**
 - ~ 40% of SME loans qualify for PSL
 - Collateral - Self-occupied residential property
 - Customized solutions, short processing turn-around-time
 - 100% loans are secured, floating, monthly interest servicing
 - Sourcing : DSA driven
- **Q3 FY19 Branches: 10 ***
- **Q3 FY19 AUM: ₹ 18,616 Mn**
- **Avg. Yield: 11.5%, ATS: ₹ 13 Mn, Avg. Tenor: 15 years**

Housing Finance

- **Commenced in FY 2018**
- **Focus area:** Affordable HF, Self-employed individuals in outskirts of urban markets, Tier II cities
- **Differentiating strategy:**
 - Hired experienced personnel
 - Leverage VF branch network
 - Sourcing : Self, DSA, Connectors
- **Q3 FY19 Branches: 56 ***
- **Q3 FY19 AUM: ₹ 4,241 Mn**
- **Avg. Yield: 13.3%**
- **ATS: ₹ 1.2 Mn**
- **Avg. Tenor: 20 years**

Vehicle Finance

- **Commenced in FY 2018**
- **Focus area:** Used CV (5 – 12 years)
- **Differentiating strategy:**
 - Sourcing through field officers
 - Leverage team's relationships with SFOs, MFOs and LCV & MCV owners, dealerships
 - Headquartered in Chennai
 - Increase local on-ground presence to 17 key states
 - Sourcing : Self driven
- **Q3 FY19 Branches: 142 [inc.16 Rural Centres] ***
- **Q3 FY19 AUM: ₹ 9,823 Mn**
- **Avg. Yield: 16.6%, ATS: ₹ 0.6 Mn, Avg. Tenor: 3 years**

Entrepreneurial Leadership Team with Strong Sponsor Backing

- ✓ Several years of experience and in-depth understanding of the specific industry and geographic regions
- ✓ Separate business & credit heads for each vertical
- ✓ Strong alignment through large ESOP program (8.7% of diluted shares)



R. Sridhar
Executive VC
& CEO

- 30+ years of experience in financial services industry
- Previously associated with various entities forming part of the Shriram group
- Previously served as the MD of Shriram Transport Finance Company



Shailesh Shirali
MD, Head –
Corporate Lending
and Markets

- 20+ years of experience in the financial services sector
- Previously worked at Future Capital Holdings, Rabo Bank, ICICI & Meryll Lynch



Prashant Joshi
Chief Operating &
Risk Officer

- 20+ years of experience across SME, Retail & Corporate banking
- Previously worked with Deutsche Bank, Standard Chartered Bank, IDBI Bank & ICICI



Pankaj Thapar
CFO

- 30+ years of experience in corporate finance
- Previously worked with Everstone Capital Advisors, Dentsu, Coca-Cola India, ANZ Grindlays Bank, Citibank & ICICI



A. Gowthaman
Business Head
Vehicle Finance

- 20+ years of experience in financial institutions
- Previously worked with Cholamandalam Investment & Finance Company, Shriram Transport Finance Company, Shriram Investments and others



Hansraj Thakur
Business Head
SME Finance

- Several years of experience in SME, commercial banking, and sales and relationship management
- Previously worked at IDFC Bank and Standard Chartered Bank



Shreejit Menon
Business Head
Affordable HF

- Several years of experience with financial Institutions
- Previously worked with Religare Housing Development Finance Corporation, HSBC and Muthoot Housing Finance Company

Entrepreneurial Leadership Team with Strong Sponsor Backing



Siva S.
National Credit
Head – Vehicle Finance

- 24 years of experience with financial Institutions
- Previously worked with Fullerton India, Citigroup, Equitas Small Finance Bank. Also worked in Ashok Leyland Limited



Uday Narayan
National Credit
Head - SME

- 20 years of experience with banks & financial Institutions
- Previously worked with Reliance Capital, Bajaj Finance, ICICI Bank, Axis Bank and L & T Finance



Shripad Desai
National Credit
Head – Housing Finance

- 21 years of experience with banks & financial Institutions
- Previously worked with IDBI Bank, Reliance Capital, ICICI Bank, Deutsche Bank and others



Benaifer Palsetia
Chief Human Resources
Officer

- More than 19 years of experience with banks and financial institutions
- Previously worked with IDFC Bank, Citibank and Credit Suisse



Pradeep Kumar
Chief Technology
Officer

- More than 20 years of IT experience with financial Institutions and IT Companies
- Previously worked with PNB Housing Finance Limited, BirlaSoft Limited, WNS, Tata Infotech



N. Ramesh
Group
Head Operations

- 31 years of experience with banks & financial Institutions
- Previously worked with GE Countrywide, Cholamandalam Investment & Finance Co. Ltd., Shriram City Union Limited, Equitas Small Finance Bank.

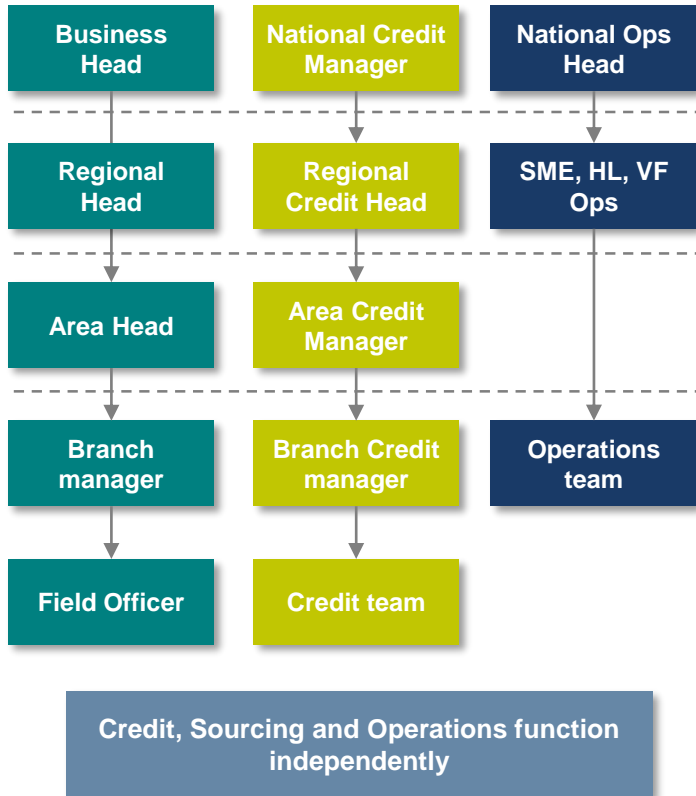
Strong & Distinguished Board

- ✓ 13 committees composed of independent and non-independent directors and also employees¹
- ✓ Distinct and delineated responsibilities to ensure good corporate governance
- ✓ Strong capital sponsorship also providing access to best industry practices and international corporate governance standards

Name	Designation	Description
 Dhanpal Jhaveri	Chairman & Non-Executive Director	<ul style="list-style-type: none"> Director since 2010; Partner at Everstone Capital Experience in investing, corporate strategy, mergers and acquisitions and investment banking Previously worked with Vedanta Group, ICICI Securities, KPMG India
 R.Sridhar	Executive Vice Chairman & CEO	<ul style="list-style-type: none"> 30+ years of experience in financial services industry Previously associated with various entities forming part of the Shriram group
 Sameer Sain	Non-Executive Director	<ul style="list-style-type: none"> Director since 2011 Several years of experience in investment management, institutional wealth management and special investments
 Alok Oberoi	Non-Executive Director	<ul style="list-style-type: none"> Director since 2011 Experience in Investment and structuring international joint ventures and transactions Founder of ACPI investments, previously worked with Goldman Sachs
 Hemant Kaul	Non-Executive Independent Director	<ul style="list-style-type: none"> Several years of experience in the fields of banking and insurance Previously worked with Axis Bank and Bajaj Allianz General Insurance
 Dinesh Kumar Mehrotra	Non-Executive Independent Director	<ul style="list-style-type: none"> 30+ years experience in insurance Previously served as the Chairman of Life Insurance Corporation of India
 Bobby Parikh	Non-Executive Independent Director	<ul style="list-style-type: none"> Director since 2011 Several years of experience in finance
 Naina Krishna Murthy	Non-Executive Independent Director	<ul style="list-style-type: none"> 17+ years of experience in the field of law Founder of India law firm K Law

1. 13 committees include Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, IPO Committee, Credit Committee, Management Committee, Corporate Lending Committee, Retail Lending Committee, Banking Committee and Debenture Committee

Organizational Framework Aligned to Mitigate Risk



Strong Credit / Underwriting Processes Followed by Robust Monitoring Mechanism

1

Structured Credit Appraisal / Approvals

- Corporate: Pre-screened by corporate lending committee, prior to credit committee approval
- Retail / SME lending: Internal credit policy based loan approvals
- Loan Proposals sanctioned, disbursed and monitored through customized technology platform (i.e. **Omnifin for SME & Housing Finance and UNO for Vehicle Finance**)

2

Monitoring mechanism

- Close monitoring mechanism ensures timely compliance of sanctioned terms
- Regular portfolio review allows timely corrective action

3

Risk Management Policies

- Policies for KYC, AML, Investment & Loans, Underwriting risk guidelines, etc.
- Robust Collateral management

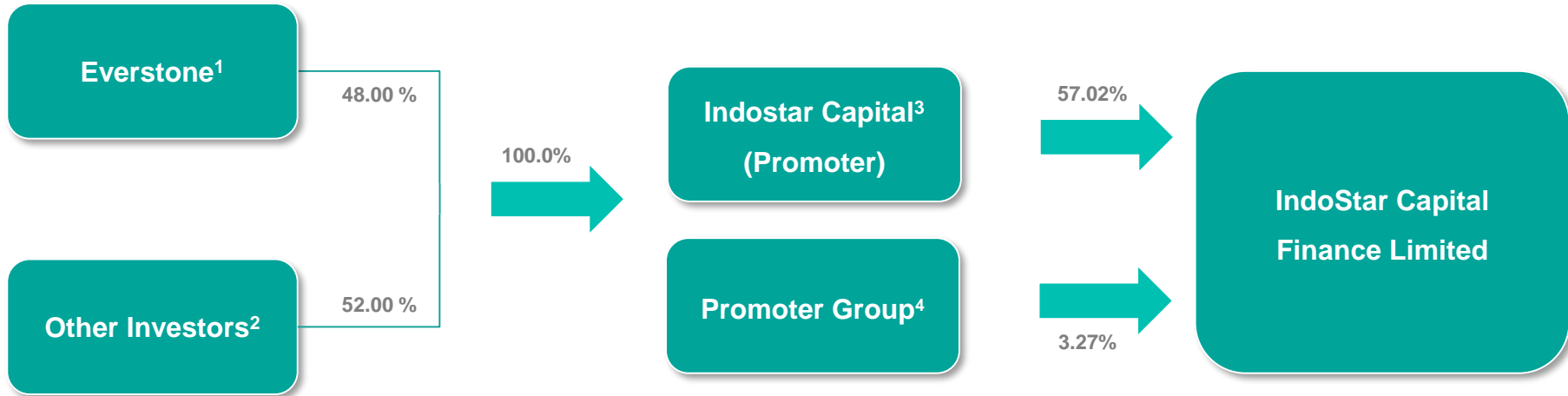
4

Internal Controls and Processes

- Standard operating processes
- Regular internal audit - KPMG
- E&Y as statutory auditor
- Concurrent audit

Discussion Summary

- ❖ Quarterly Results
- ❖ Business Strategy & Performance
- ❖ Company Overview
- ❖ **Shareholding Structure**



Strong capital sponsorship of Everstone Group



India and SEA
focused

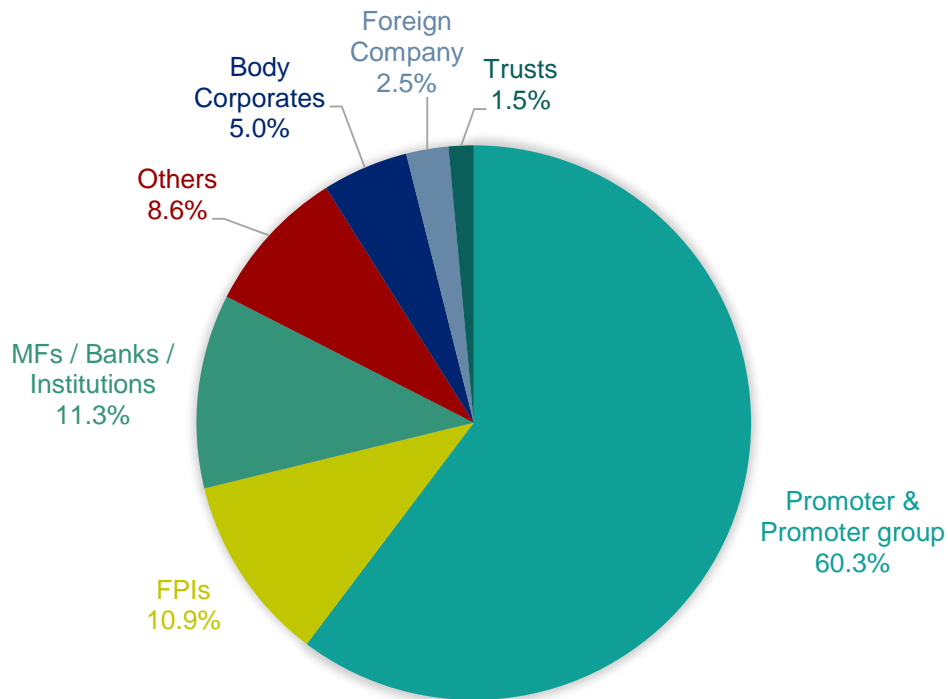
US\$5.0bn
AuM



'Private Equity Firm of the Year in India'
for 7 consecutive years ⁵

1. Includes Indostar Everstone (36.24%) and Everstar Holdings Pte. Ltd. (11.76%). 2. Includes ACP Libra Limited (16.95%), Beacon India Private Equity Fund (11.92%), Beacon Light Group Limited (3.92%), Global Long Short Partners Mauritius I Limited (9.12%), Private Opportunities (Mauritius) I Limited (6.08%) and CDIB Capital Investment II Limited (4.00%). 3. Incorporated in Mauritius. 4. include Everstone Capital Partners II LLC (1.23%) and ECP III FVCI PTE Ltd. (2.04%) 5. Recognized as 'Private Equity Firm of the Year in India' by Private Equity International for seven consecutive years from 2011 to 2017.

Shareholding @ 31 Dec 2018



Major Shareholders

Promoter & Promoter Group
Management Team and Employees*
SBI MF
Lenarco (Advent)
ICICI Prudential Life Insurance
Fidelity Emerging Markets Fund
HDFC MF
SBI Amundi Funds
BNP Paribas Arbitrage Fund
Edelweiss Alternative Investments
Jupiter
ICICI Lombard General Insurance
HDFC Standard Life Insurance
Aditya Birla MF
Sundaram MF
East Bridge Capital

For Further Queries



Pankaj Thapar
CFO

Contact No: +91 22 4315 7036

Email – pthapar@indostarcapital.com

Rajagopal Ramanathan
IRO

Contact No: +91 22 4315 7068

Email - rramanathan@indostarcapital.com



Nilesh Dalvi
IR Consultant

Contact No: + 91 9819289131

Email – nilesh.dalvi@dickensonir.com

Ravindra Bhandari
IR Consultant

Contact No: 9283614197

Email: ravindra.bhandari@dickensonir.com