



ICFL/LS/0042/2023-24

25 May 2023

**BSE Limited**

Listing Department, 1<sup>st</sup> 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.:** 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, kindly find enclosed Press Release to be issued by the Company in connection with the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31 March 2023 and other matters at **Annexure I**.

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, 5<sup>th</sup> Floor, Wing 2/E, Corporate Avenue, Andheri - Ghatkopar Link Road, Chakala, Andheri (East), Mumbai – 400093, India. T +91 22 4315 7000 | F +91 022 4315 7010  
[contact@indostarcapital.com](mailto:contact@indostarcapital.com) [www.indostarcapital.com](http://www.indostarcapital.com) CIN: L65100MH2009PLC268160

## IndoStar Capital Finance Limited

### FY23 Performance (Consolidated) in Key Focus Areas:

- PAT of ₹ 225.2 crore in FY23 vs. loss of 736.5 crore in FY22
- FY23 Gross Stage 3 improved to 6.8% vs. 13.6% in FY22
- FY23 Retail AUM has risen to 85% vs. 84% in FY22 with a focus on used Commercial Vehicle and Affordable Housing Finance business

### Q4 FY23 Highlights:

- AUM at ₹ 7,813 crore up 2% from ₹ 7,669 crore in Q3 FY23
- Disbursements ₹ 898 crore up 72% from ₹ 522 crore in Q3 FY23
- Incremental funding of ₹ 908 crore raised during Q4 FY23
- Continued Profitability – Q4 FY23 PAT at ₹ 76 crore
- Debt/Equity Ratio sustained at 1.8X times
- Gross Collections of ₹ 918 crore during the quarter
- Gross Collection efficiency of 126%
- Gross Stage 3 assets are at 6.8% for Q4 FY23
- Net Stage 3 assets are at 3.2% for Q4 FY23
- Retail AUM ~ ₹ 6,613 crore; ~ 85% of AUM
- Strong Capital Adequacy at 31.5%, on a standalone basis

**Mumbai, May 25, 2023:** The board of IndoStar Capital Finance Limited (IndoStar), a systematically important non-deposit taking NBFC, announced the audited financial results for the quarter & year ended March 31, 2023, earlier today. The company reported a net profit of ₹ 76.0 crore for Q4 FY23 and a PAT of ₹ 225.2 crore in FY23 vs. a loss of ₹ 736.5 crore in FY22, at a consolidated level.

IndoStar reported robust collections of ₹ 918 crore during the quarter with a gross collection efficiency of 126%. IndoStar's AUM stands at ₹ 7,813 crore and Capital Adequacy at 31.5% on a standalone basis. The company's Debt/Equity ratio stands at 1.8 times, which continues to be amongst the lowest in the industry.

### Accelerating the Commercial Vehicle Business Disbursement Engine:

The company is focused on growing its retail business, and in particular the Commercial Vehicle (CV) lending business where it is focused on the higher-yielding used commercial vehicles segment and increasingly on used light CVs in tier-2 and tier-3 towns. The company is also leveraging technology enabled systems to drive higher process adherence, improve collection efficiencies, credit underwriting and sales productivity.

The company's CV Business has demonstrated a high disbursement growth of an average of 48% CQGR, from ~ ₹ 203 crore in Q1 FY23 to ~ ₹ 657 crore in Q4 FY23, along with improving quality of book reflected in the lowering of Gross Stage 3 numbers.

### **CARE removes 'Negative Watch' on Rating and assigned a 'Stable' Outlook:**

CARE Ratings, one of the leading credit rating agencies in India, removed the 'Rating Watch with Negative Implications' on March 31, 2023, and assigned a 'Stable' Outlook, to the instruments and facilities of IndoStar Capital Finance Limited (ICFL). In its press release, CARE stated, "The rating action factors the demonstrated ability of the company to raise resources from the market, continued support of the banking system to ICFL with no recall of borrowings from any lenders, resumption of disbursements, improvement in earning profile with quarter-on-quarter positive profit after tax (PAT), moderate gearing backed by healthy capitalisation and comfortable liquidity position."

Some of the key drivers that triggered the ratings action, included the strong institutional support from the promoters, strong capitalisation with healthy net worth base and increased granularity of loan book owing to retail focus.

### **Focus of Raising Liquidity:**

The company has made progress in its endeavor to improve liquidity, by raising incremental funding of ~ ₹ 908 crore in Q4 FY23. IndoStar maintains a healthy liquidity position, with cash and cash equivalents on March 31, 2023, at ₹ 1,069 crore, up 17% from ₹ 917 crore in Q3 FY23. As the company accelerates its disbursement engine, it aims to raise a significant amount of debt, and bring its current low debt-to-equity ratio position closer to industry norms.

### **IndoStar Capital Finance Limited ("ICFL")**

ICFL delivered a PAT of ₹ 187.3 crore in FY23, from a loss of ₹ 769.2 crore in FY22. The AUM in ICFL stands at ₹ 6,190 crore out of which retail vehicle finance business is ₹ 3,672 crore. Disbursements during the year are ₹ 1,612 crore of which ~ 90% were in the vehicle finance business. With the focus on the collections during the year, Gross Stage 3 stands at 8.1% in FY23, substantially improved from 15.5% in FY22 and Net Stage 3 improved to 3.8% in FY23 from 7.3% in FY22.

### **IndoStar Home Finance Private Limited ("IHFPL")**

IHFPL delivered a PAT of ₹ 37.8 crore in FY23, up 10.1% from ₹ 34.3 crore in FY22. The AUM in IHFPL stands at ₹ 1,623 crore, up 15.4% from ₹ 1,460 crore in Q4 FY22. IHFPL continues to deliver on its core strategy of giving affordable housing loans in semi-rural and rural markets, while keeping its Gross Stage 3 at 1.3%.

The Board continuously endeavors to make IHFPL increasingly self-reliant as an independent business operation. The Board of Directors had provided an in-principle approval to the Business Review Committee, to engage in discussions with prospective investors and to simultaneously explore relevant options for value unlocking and delivering long-term growth of the housing finance/ mortgage-backed business through possible corporate actions (such as sale, demergers, spin-offs, etc.). These discussions are currently ongoing.

### **Offer for Sale:**

IndoStar Capital and Everstone Capital Partners II LLC, members of the promoter and promoter group of the Company (collectively referred to as the "Selling Shareholders"), successfully completed the sale of 1,93,40,000 shares via an Offer for Sale (OFS) using the stock exchanges on May 3, 2023 and May 4, 2023. This transaction corresponds to 14.21% of the company's total paid-up equity share capital.

Pursuant to these actions, the public shareholding in IndoStar has increased from 10.79% to 25%, making the Company compliant with the minimum public shareholding requirements under Regulation 38 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

# Press Release



## Key Performance Highlights:

Particulars (₹ in crs)	Q4FY23	Q4FY22	Y-o-Y	Q3FY23	Q-o-Q	FY23	FY22	Y-o-Y
Net Revenue from operations	139	202	(31%)	146	(5%)	599	635	(6%)
Operating expenses	66	85	(23%)	121	(45%)	401	373	8%
Pre-provision operating profit	73	117	(38%)	25	188%	198	262	(24%)
Profit after tax	76	(754)	(110%)	37	107%	225	(737)	(131%)
CAR (%) Standalone	31.5%	25.8%	-	33.0%	-	31.5%	25.8%	-
Leverage (D/E)	1.8	2.1	-	1.8	-	1.8	2.1	-

### 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 and affordable Home Finance through its wholly owned subsidiary, IndoStar Home Finance Private Limited.

For more information, visit [www.indostarcapital.com](http://www.indostarcapital.com).

### Safe Harbor

This document is to provide the general background information about the Company's activities as at the date of the release. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares. The Company makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information contained herein. This release may include certain forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects", "plans", "will", "estimates", "projects", or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, our ability to manage our international operations, government policies, regulations, etc. The Company does not undertake any obligation to revise or update any forward-looking statement that may be made from time to time by or on behalf of the Company including to reflect actual results, changes in assumptions or changes in factors affecting these statements. Given these risks, uncertainties and other factors, viewers of this release are cautioned not to place undue reliance on these forward-looking statements. This release may contain certain currency exchange rates and the same have been provided only for the convenience of reader.

# Press Release



For further information, please connect with us:

Company: Indostar capital Finance Limited	Investor Relations: Orient Capital
 INDOSTAR	 orient capital
<b>Investor Relations Team</b> CIN: L65100MH2009PLC268160 Email: <a href="mailto:investor.relations@indostarcapital.com">investor.relations@indostarcapital.com</a> Website: <a href="http://www.indostarcapital.com">www.indostarcapital.com</a>	<b>Mr. Nikunj Jain/ Mr. Amar Yardi</b> Email: <a href="mailto:nikunj.jain@linkintime.co.in">nikunj.jain@linkintime.co.in</a> / <a href="mailto:amar.yardi@linkintime.co.in">amar.yardi@linkintime.co.in</a> Tel: +91 97690 60608 / +91 70451 21239