



ICFL/LS/0098/2019-20

8 August 2019

**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 (“SEBI LODR”)

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI LODR, kindly find enclosed the following:

- i. Press Release to be issued by the Company in connection with the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30 June 2019; and
- ii. Presentation on Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30 June 2019.

Request you to kindly take the above on record and disseminate the same on your website.

Thanking you,

Yours Truly,  
**For IndoStar Capital Finance Limited**

  
Jitendra Bhati  
SVP – Compliance & Secretarial  
(Membership No. F8937)



Encl: a/a

**IndoStar Capital Finance Limited**

Registered Office : One Indiabulls Centre, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai - 400013, India  
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CIN : L65100MH2009PLC268160

**IndoStar Capital Finance Limited**

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

**For Media Queries:**

Debashree Chatterjee | Concept PR

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**For Immediate Release****IndoStar posts 50% YoY growth in PAT, to Rs 47 Cr in Q1FY20****IIFL acquisition + ICICI Bank partnership makes IndoStar a formidable player in CV Financing**

Mumbai, August 8, 2019: IndoStar Capital Finance Limited (IndoStar), one of India’s leading non-banking financial companies, announced its consolidated financial results for the quarter ended June 30, 2019.

IndoStar posted a PAT of Rs. 47 Cr, up 50% YoY and Net Revenue from Operations of Rs 194 Cr, up 58% YoY. Total Loan assets were at Rs 10,157 Cr, up 36% YoY. Retail loan assets were Rs 5,850 Cr, an increase of over 2.5 times YoY, taking the Retail AUM to 63%.

Acquisition of CV Financing business from IIFL with its complementary strengths increased our distribution network to give us a pan India presence in 322 locations and 1934 employees in the CV Finance business. This has increased our capacity to originate upto Rs 400 Cr of loans every month. During the quarter, IndoStar finalised a partnership with ICICI Bank with an innovative structure ensuring on-tap funding for our fast growing CV Financing business. The capital efficient nature of this arrangement enables IndoStar to further improve its ROE in CV Finance business.

₹ cr	Q1FY20	Q1FY19	YoY
Net Revenue from operations	194	122	58%
Pre provision operating profit (PPOP)	119	68	74%
Profit before tax (PBT)	58	51	14%
Profit after tax (PAT)	47	32	50%

Consolidated financial update for the quarter ended June 30, 2019

- High Capital Adequacy at 23.7%, to support continued growth
- Cost to Income ratio 38.5%, reduced 560 bps YoY
- Gross NPA for our organic book was 2.9%, net NPA 2.5%; Gross NPA 4.7%, Net NPA 3.7% with IIFL acquired assets – with adequate credit protection cover structured as part of the acquisition
- Comfortable liquidity position – positive ALM buckets across all buckets
- IIFL CV business integration on track

Commenting on the results, Mr. R. Sridhar, Executive Vice - Chairman and CEO, said, “IndoStar with its pan India network is poised to capitalise on opportunities in the market. The innovative tie-up with banks for funding will enable our distribution reach to be utilised effectively and leverage liquidity in the banking system. We are confident that considering our comfortable capital position, robust risk management processes and strong leadership team we will continue to progress on our Retail growth strategy.”

**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. We are a professionally managed and institutionally owned organization which is engaged in providing structured term financing solutions to corporates, Used and New vehicle financing for transporters, Home Finance through our wholly-owned subsidiary IndoStar Home Finance Private Limited and loans to SME borrowers in India.

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

**IndoStar Capital Finance Limited**

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

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# INDOSTAR CAPITAL FINANCE LIMITED

Q1FY20 Results Update

8 August 2019

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

# Q1FY20 performance : Key Highlights



## Strong revenue and profit growth

- Net revenue from operations ₹ 1,937 mn, +58% YoY
- Cost Income ratio 38.5%, reduced 560 bps YoY
- Pre-provision Operating Profit ₹ 1,192 mn, +74% YoY
- Profit after Tax ₹ 471 mn, +50% YoY



## Poised for growth in CV Financing

- Partnership with ICICI Bank - innovative solution for CV Financing
- ROE accretive structure



## Strong capitalisation, Low leverage

- CRAR 23.7% ; Tier 1 CRAR 22.4 %
- Debt : Equity ratio 2.6x



## Comfortable Liquidity position

- Cash & Equivalents ₹ 7,824 mn, ~10% of borrowings
- Positive ALM across all buckets

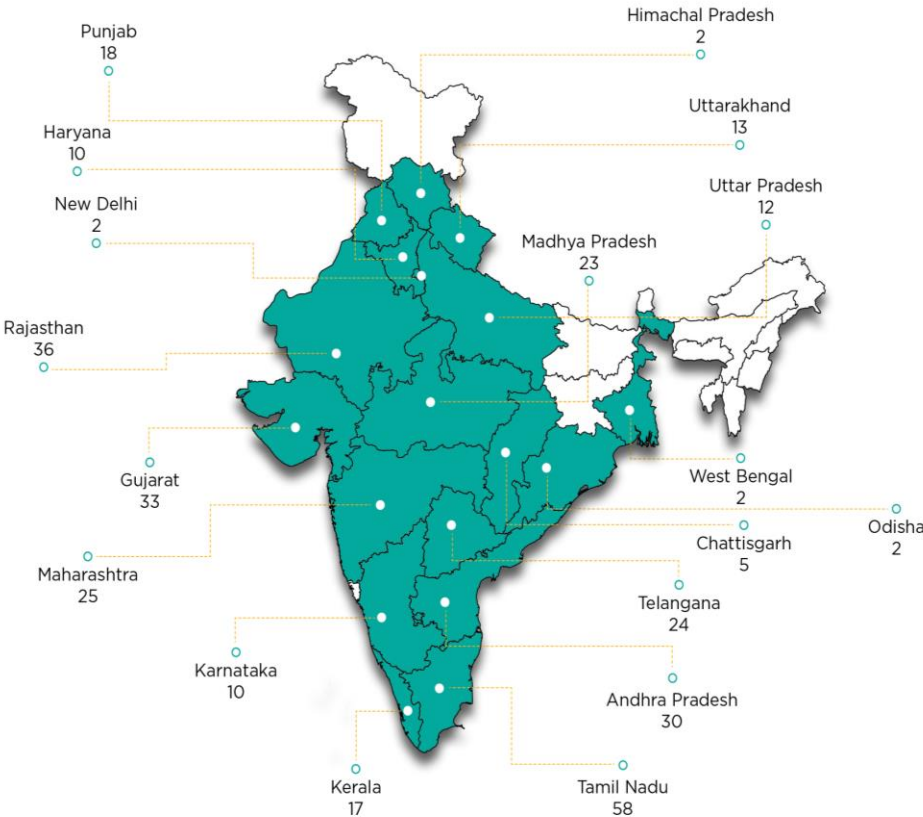
# IIFL acquisition + ICICI Bank partnership makes IndoStar a formidable player in CV Financing



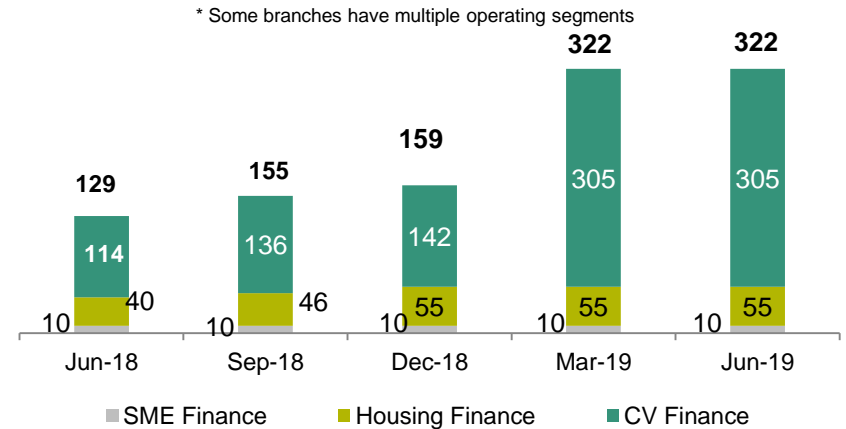
INDOSTAR

- ✓ IIFL acquisition has increased IndoStar's distribution footprint to 322 branches, 1934 employees, monthly disbursement capacity to ₹ 4,000 mn
- ✓ ICICI Bank tie-up ensures on- tap liquidity for CV Finance business
- ✓ Sourcing, Servicing & Collection arrangement with ICICI Bank across all CV Finance branches
- ✓ ICICI Bank to provide entire funding, book loans on its Balance Sheet
- ✓ Earn entire spread ~ 5-6%
- ✓ Capital light arrangement helps optimize capital consumption
- ✓ ROE accretive arrangement with no liquidity constraints

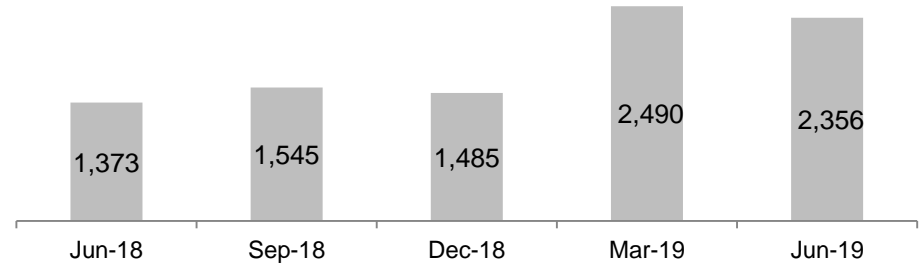
- Well balanced distribution network
- Integration & consolidation underway



322 branches across 18 states



Retail Lending - Employee Base





# Q1FY20: Consolidated Profit & Loss Statement

Particulars (₹ mn)	Q1FY20	Q4 FY19	QoQ %	Q1FY19	YOY %
Revenue from Operations	4,191	3,411	23%	2,343	79%
Interest Expenses	(2,253)	(1,639)	38%	(1,119)	101%
<b>Net Revenue from Operations</b>	<b>1,937</b>	<b>1,772</b>	<b>9%</b>	<b>1,224</b>	<b>58%</b>
People Costs	476	385	24%	323	48%
Operating Expenses	269	271	-1%	218	24%
<b>Pre-provision Operating Profit</b>	<b>1,192</b>	<b>1,116</b>	<b>7%</b>	<b>684</b>	<b>74%</b>
Credit Costs	608 <sup>#</sup>	-73	-928%	77	690%
One off Charges	-	-	n.a.	92	n.a.
<b>Profit before Tax</b>	<b>585</b>	<b>1,190</b>	<b>-51%</b>	<b>515</b>	<b>14%</b>
Tax	114	450	-75%	200	-43%
<b>Net Profit</b>	<b>471</b>	<b>739</b>	<b>-36%</b>	<b>315</b>	<b>50%</b>

Key Metrics	Q1FY20	Q4 FY19	Q1FY19
Yield	14.4%	12.9%	12.0%
Cost of Borrowings	10.3%	9.7%	9.0%
Spread	4.1%	3.2%	3.1%
NIM	6.7%	6.7%	6.3%
Cost to Income	38.5%	37.0%	44.1%

# Includes ₹ 640 mn write offs in acquired CV portfolio

# Consolidated Balance Sheet

Particulars (₹ mn)	Jun-19	Mar-19	QoQ %	Jun-18	YoY %
Equity	30,591	30,063	2%	28,232	8%
Borrowings	80,863	89,357	-10%	54,370	49%
Others	1,159	706	64%	2,616	-56%
<b>Total Liabilities</b>	<b>112,613</b>	<b>120,126</b>	<b>-6%</b>	<b>85,217</b>	<b>32%</b>
Loan Assets	101,568	102,222	-1%	74,701	36%
Treasury Assets	7,109	14,201	-50%	9,692	-27%
Fixed Assets	3,935	3,704	6%	824	378%
<b>Total Assets</b>	<b>112,613</b>	<b>120,126</b>	<b>-6%</b>	<b>85,217</b>	<b>32%</b>

Key Ratios	Q1FY20	Q4 FY19	Q1FY19
ROAA *	1.6% <sup>&amp;</sup>	2.8%	1.6%
Leverage	3.8x	3.6x	3.2x
ROAE *	6.2% <sup>&amp;</sup>	10.0%	5.1%

<sup>&</sup> Excluding write offs, ROAA 3.0% and ROAE 11.7%

\* Annualised

# Q1FY20: Business Segment Performance

Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated
Revenue from Operations	1,676	1,506	587	220	4,191
Interest Expenses	(883)	(673)	(341)	(112)	(2,253)
<b>Net Interest Income</b>	<b>793</b>	<b>833</b>	<b>247</b>	<b>108</b>	<b>1,937</b>
People Costs	49	255	46	55	476
Operating Expenses	1	139	24	24	269
<b>Pre-provision Operating Profit</b>	<b>743</b>	<b>439</b>	<b>177</b>	<b>28</b>	<b>1,192</b>
Credit Costs*	59	484	61	4	608
One off Charges	-	-	-	-	-
<b>Profit Before Tax</b>	<b>685</b>	<b>(45)</b>	<b>115</b>	<b>24</b>	<b>585</b>

Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated
Equity#	11,940	10,154	4,631	1,637	30,591
Borrowings	30,675	28,358	11,897	4,205	80,863
Others	452	385	175	62	1,159
<b>Total Liabilities</b>	<b>43,067</b>	<b>38,897</b>	<b>16,704</b>	<b>5,903</b>	<b>112,613</b>
Loan Assets	43,067	35,895	16,704	5,903	101,568
Treasury Assets	-	-	-	-	7,109
Fixed Assets	-	3,002	-	-	3,935
<b>Total Assets</b>	<b>43,067</b>	<b>38,897</b>	<b>16,704</b>	<b>5,903</b>	<b>112,613</b>

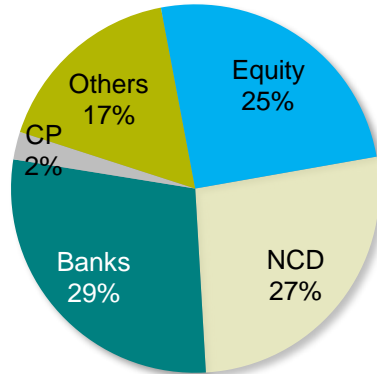
\*Credit costs are expected loss provisions computed under IndAS plus write offs

# Allocated

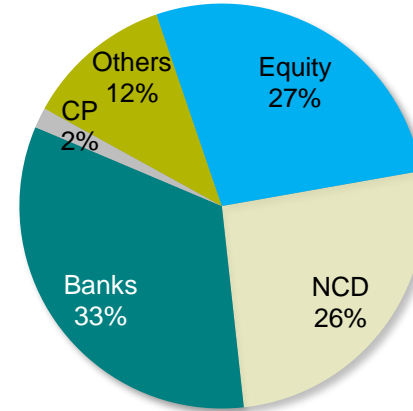
^ Total of Segmental numbers does not tally with consolidated figures as costs of common functions are not shown under lending segments

# Diversified Funding Profile

Funding Mix - March 2019



Funding Mix - June 2019



Incremental Funding mobilized

₹ mn	Q3FY19	Q4FY19	Q1FY20
Banks	5,890	7,870	4,020
Markets	5,500	6,550	
Assignments	1,000	1,390	990
Securitisation			2,400
<b>Total</b>	<b>12,390</b>	<b>15,810</b>	<b>7,410</b>

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 (+)

# Comfortable Liquidity Position

Particulars ₹ mn	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Opening Cash & Equivalents*	7,824 <sup>#</sup>	3,192	1,601	4,445	8,035	10,519	16,054
Additional Funding	7,770	4,000	-	-	-	-	-
Loan repayment inflows [Principal]	5,296	5,689	6,454	6,560	5,189	8,367	6,337
<b>Total Inflow</b>	<b>20,890</b>	<b>12,880</b>	<b>8,055</b>	<b>11,004</b>	<b>13,223</b>	<b>18,886</b>	<b>22,391</b>
Liability Repayment [Principal]							
Commercial Paper	-	1,900	-	-	-	-	-
NCDs	7,250	500	750	250	-	500	3,912
IIFL Payouts	5,010	5,010	470	-	-	-	-
Term Loans & Others	5,390	3,869	2,390	2,720	2,704	2,332	3,425
ICDs	48	-	-	-	-	-	-
<b>Total Outflow</b>	<b>17,698</b>	<b>11,279</b>	<b>3,610</b>	<b>2,970</b>	<b>2,704</b>	<b>2,832</b>	<b>7,337</b>
<b>Closing Cash &amp; Equivalents</b>	<b>3,192</b>	<b>1,601</b>	<b>4,445</b>	<b>8,035</b>	<b>10,519</b>	<b>16,054</b>	<b>15,055</b>

## \* Details of Opening Cash & Equivalents (₹ Mn)

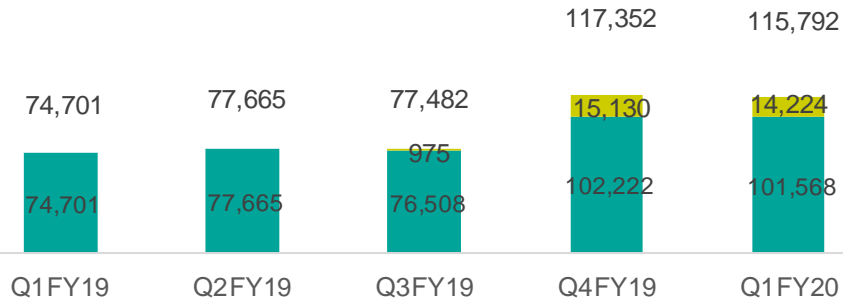
Cash & Bank Balance	5,934
Cash Equivalents	
Term Deposits with Banks	1,175
Undrawn Funding Lines	715
<b>Total</b>	<b>7,824</b>

# ₹ 6,570 mn already raised in July-19

# Q1FY20: Quarterly Performance Trend (1/2)

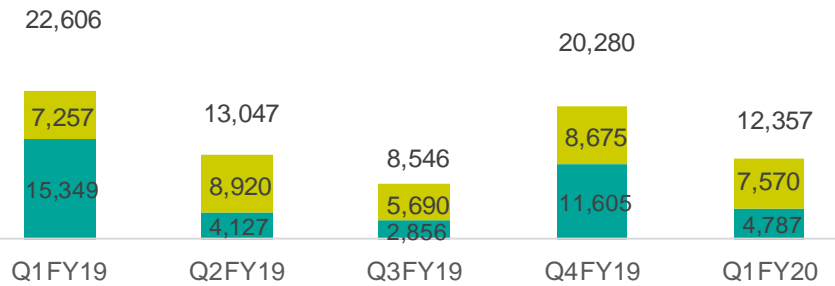
## AUM (₹ mn)

■ On-book Loans ■ Off-book Loans AUM

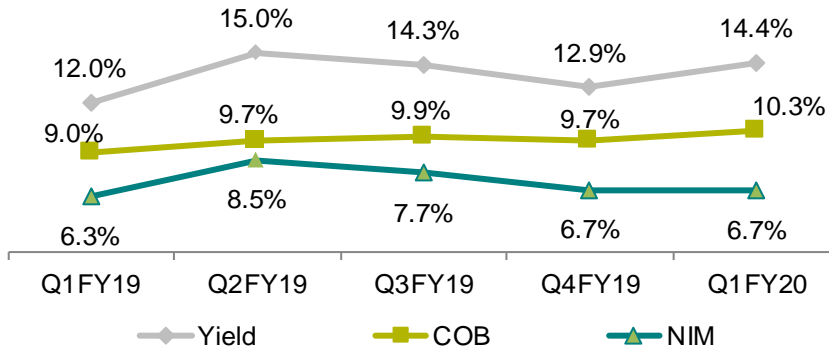


## Loan Disbursements (₹ mn)

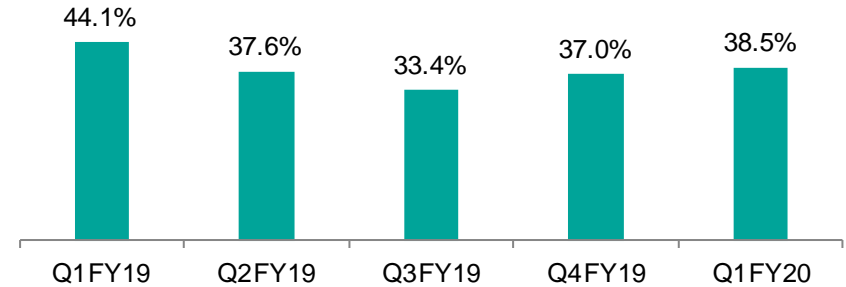
■ Corporate Lending ■ Retail Finance Total



## Margin Analysis (%)

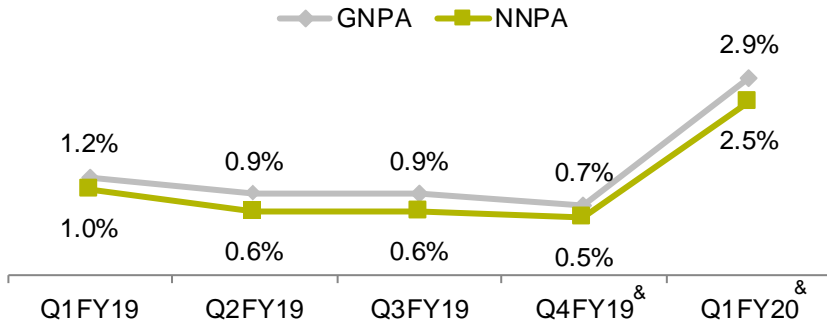


## Cost to Income Ratio (%)



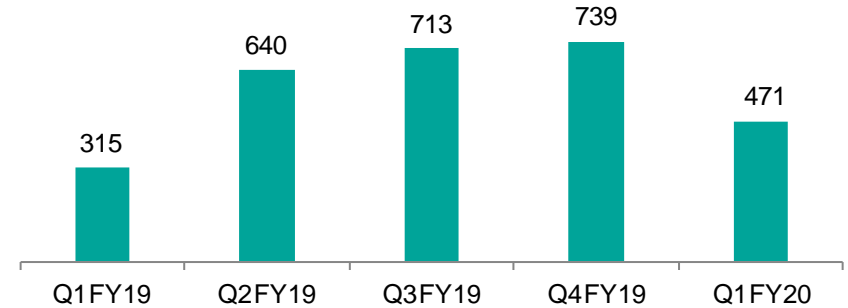
# Q1FY20: Quarterly Performance Trend (2/2)

### NPA\*

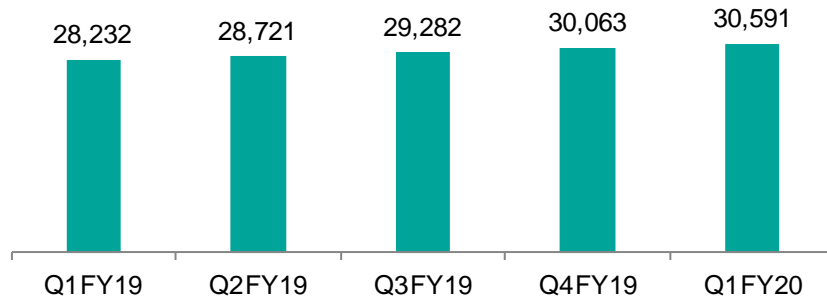


<sup>&</sup> Including IIFL, Gross and Net NPA Q4FY19 2.6% & 1.7%; Q1FY20 4.7% & 3.7%  
 \* GNPA & NNPA represents Stage 3 Assets

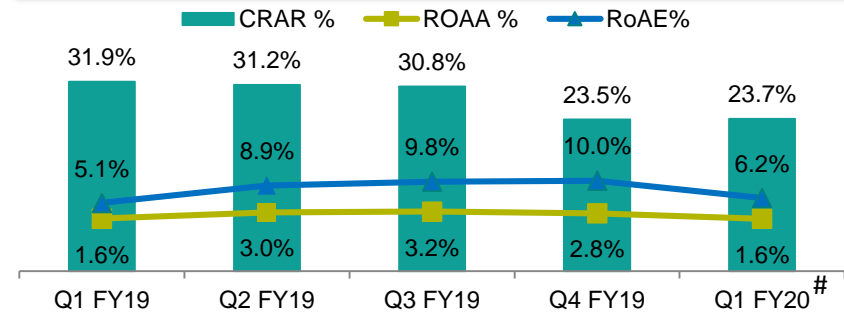
### PAT (₹ mn)



### Net worth (₹ mn)



### Return Ratios<sup>^</sup> & Capital Adequacy (%)



<sup>#</sup> Excluding write off ROAA 3.0%, ROAE 11.7%

<sup>^</sup> Annualized

Gross NPA (₹ mn)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Corporate Lending	446	205	136	0	1,546 <sup>&amp;</sup>
CV Finance	0	0	11	59	190
SME Finance	438	455	574	545	677
Housing Finance	0	0	3	7	19
Total	884	660	724	611	2,432

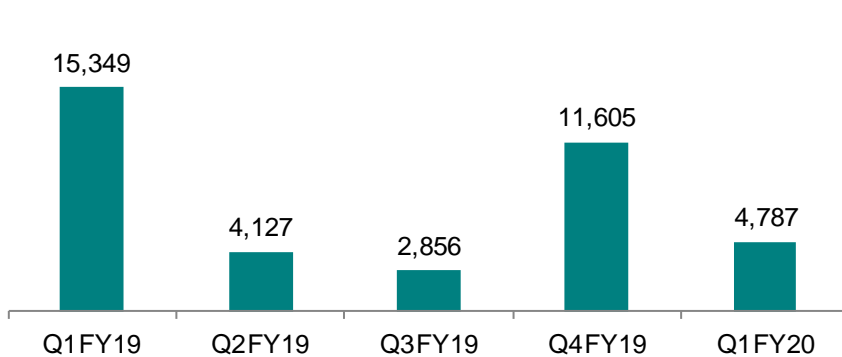
<sup>&</sup> One asset turned NPA; confident of full recovery in FY20



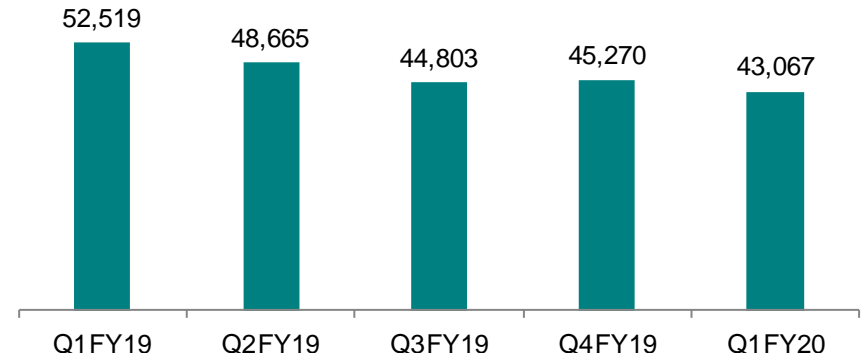
Credit Loss Protection (₹ mn)	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Portfolio O/S ...(A)	22,425	21,676	21,132	19,971	19,146
Gross NPA...(B)	2,167	2,789	3,435	2,461	1,858
ECL Provision...(C)	2,020	1,943	1,905	1,767	1,713
<b>Credit Loss Protection... (D) = (C/A)</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>8.9%</b>	<b>8.9%</b>

# Corporate Lending : Conservative approach continues (1/3)

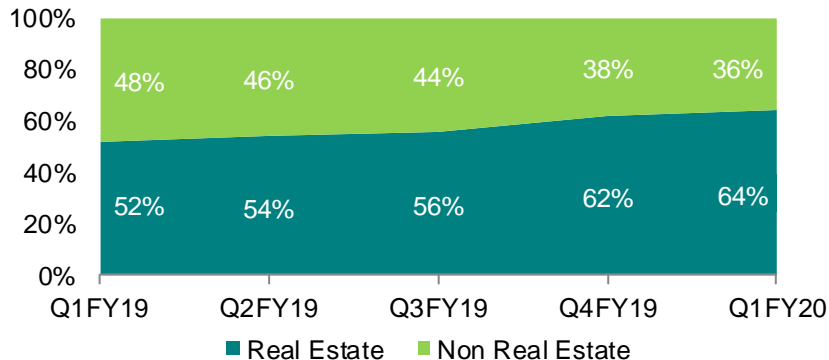
Gross Disbursements (₹ mn)



Corporate Lending AUM (₹ mn)



AUM Breakup: RE vs. Non-RE



- Repayments in Q4FY19 ₹ 27,436 mn and Q1FY20 ₹ 6,116 mn (predominantly pre-payments)
- Expect AUM to remain flat

## Corporate Lending : Continues to be highly profitable (2/3)

Particulars (₹ mn)	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations	1,614	2,206	1,940	1,817	1,676
Interest Expenses	(722)	(836)	(789)	(790)	(883)
<b>Net Interest Income</b>	<b>892</b>	<b>1,370</b>	<b>1,151</b>	<b>1,028</b>	<b>793</b>
People Costs	44	67	23	108	49
Operating Expenses	1	0	1	1	1
<b>Pre-provision Operating Profit</b>	<b>847</b>	<b>1,303</b>	<b>1,127</b>	<b>918</b>	<b>743</b>
Credit Costs *	17	10	-65	-121	59
<b>Profit before Tax</b>	<b>831</b>	<b>1,293</b>	<b>1,192</b>	<b>1,039</b>	<b>685</b>
Loan Assets	52,519	48,665	44,803	45,270	43,067
Equity <sup>^</sup>	17,399	15,933	14,277	11,329	11,940

\* Credit costs are expected loss provisions computed under Ind AS plus write offs

<sup>^</sup> Allocated

# Corporate Lending : Key ratios (3/3)

	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations *	13.4%	16.7%	15.7%	15.6%	14.7%
<b>Net Interest Income*</b>	<b>7.4%</b>	<b>10.4%</b>	<b>9.3%</b>	<b>8.8%</b>	<b>6.9%</b>
Operating Expenses *	0.4%	0.5%	0.2%	0.9%	0.4%
Cost / Income	5.0%	4.9%	2.1%	10.7%	6.2%
<b>Pre-provision Operating Profit *</b>	<b>7.0%</b>	<b>9.9%</b>	<b>9.1%</b>	<b>7.9%</b>	<b>6.5%</b>
Credit Costs	0.1%	0.1%	-0.5%	-1.0%	0.5%
<b>GNPA</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>3.5%</b>
<b>NNPA</b>	<b>0.7%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>3.2%</b>
<b>ROAA<sup>^</sup></b>	<b>4.5%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>5.5%</b>	<b>4.0%</b>
Leverage	3.2x	3.2x	3.3x	4.0x	3.8x
<b>ROAE<sup>^</sup></b>	<b>14.4%</b>	<b>21.0%</b>	<b>20.9%</b>	<b>21.8%</b>	<b>15.2%</b>

- ✓ Consistent high profitability
- ✓ One asset turned NPA; confident of full recovery in FY20
- ✓ Motivated team, low attrition in top management team
- ✓ Conservative lending approach to continue

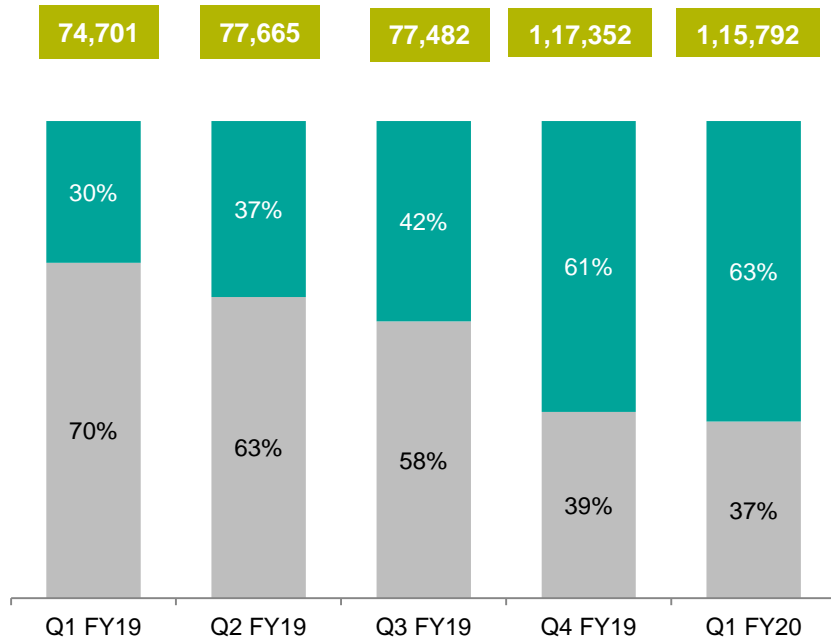
\* On daily average basis

<sup>^</sup> Annualized

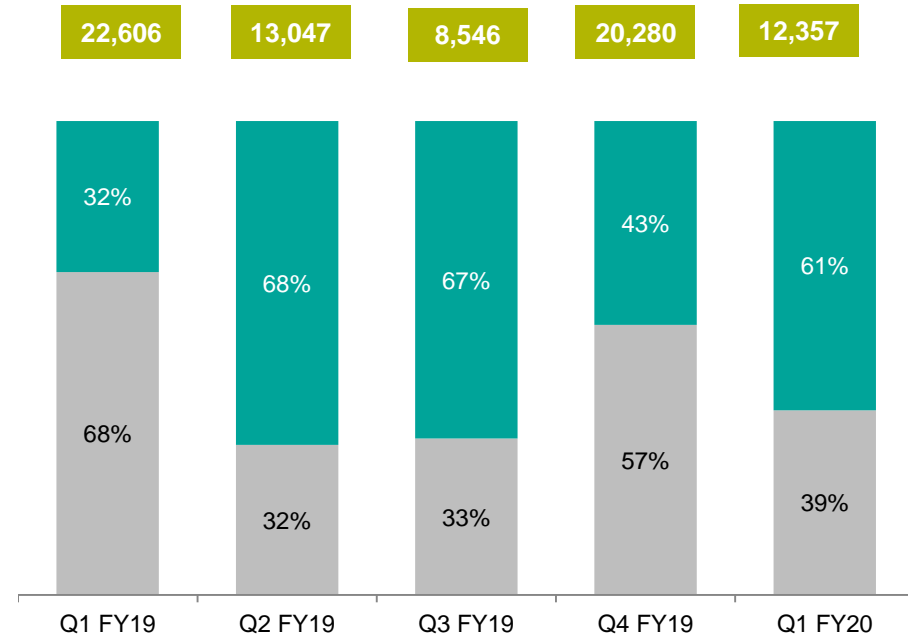
# Retailisation Strategy continues with strong momentum

## Growing Proportion of Retail Lending in AUM and Disbursements

AUM: CL vs Retail (%)



Disbursements: CL vs Retail (%)

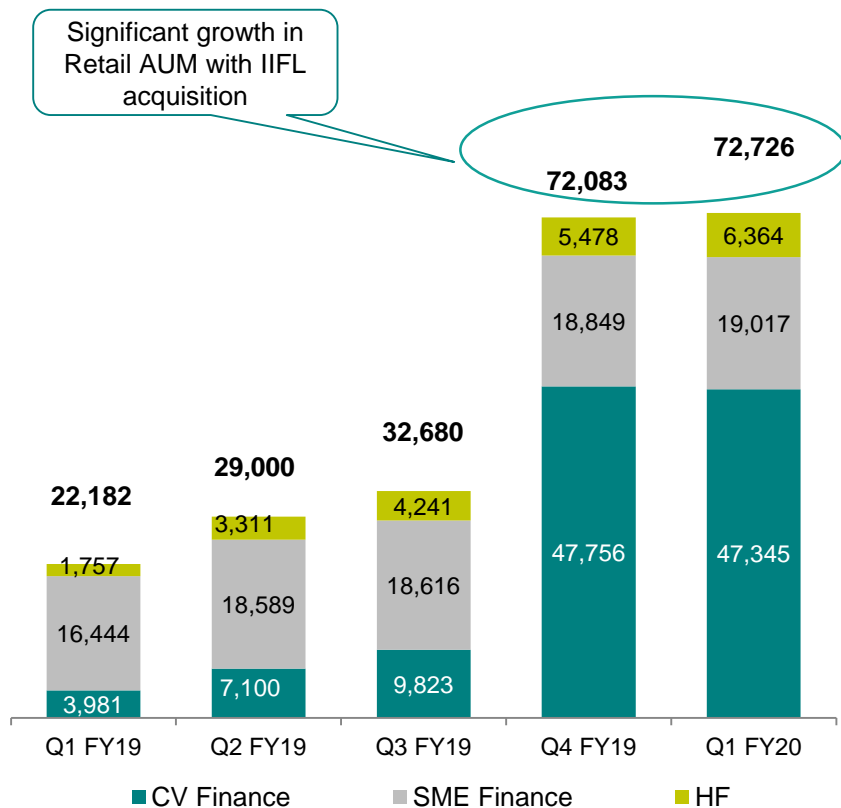


■ Total AUM (₹ Mn)   ■ CL   ■ Retail (CV Finance, SME, HF)

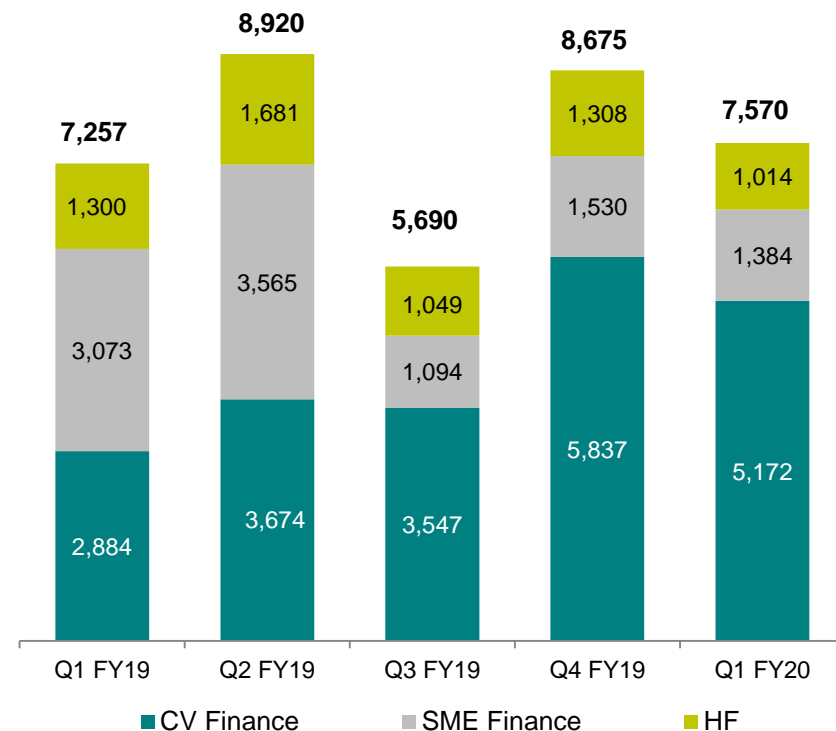
■ Total Disbursements (₹ Mn)   ■ CL   ■ Retail (CV Finance, SME, HF)

# CV Finance maintains momentum; SME and Home Finance volumes calibrated in line with our cautious outlook

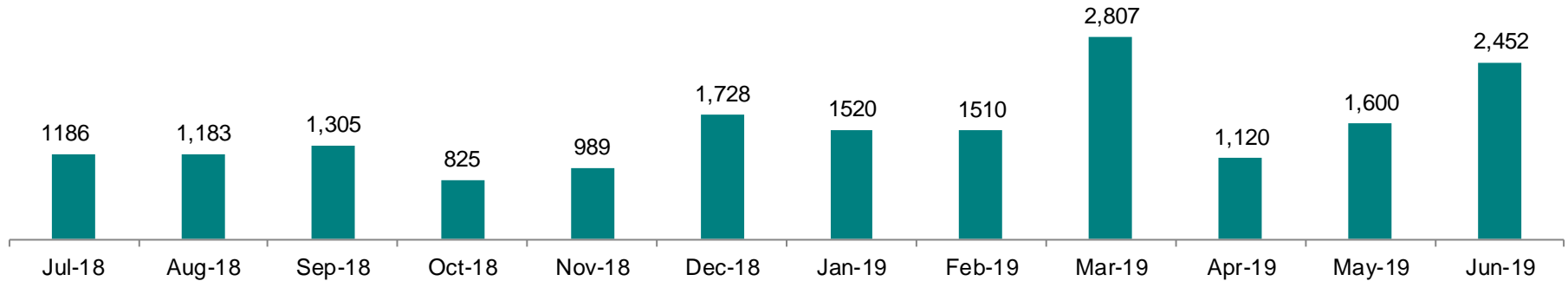
Retail AUM (₹ mn)



Retail Disbursements (₹ mn)



CV Finance – Monthly Disbursement Trend (₹ mn)



- ✓ Sustained growth momentum in Q1FY20
- ✓ Average monthly disbursements Q1FY20 ₹ 1,724 mn, + 30%
- ✓ CV Finance AUM ₹ 47,345 mn, + 1089% YoY
- ✓ Securitised loans ₹ 2,401 mn in Q1FY20
- ✓ ICICI Bank tie-up ensures on tap liquidity for CV Finance business

## CV Finance : Revenue growth driven by acquisition (2/3)

Particulars (₹ mn)	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations	103	234	346	542	1,506
Interest Expenses	(38)	(89)	(139)	(204)	(673)
<b>Net Interest Income</b>	<b>65</b>	<b>145</b>	<b>207</b>	<b>338</b>	<b>833</b>
People Costs	95	119	97	149	255
Operating Expenses	107	108	117	115	139
<b>Pre-provision Operating Profit</b>	<b>-137</b>	<b>-82</b>	<b>-7</b>	<b>75</b>	<b>439</b>
Credit Costs	13	24	49	68	484*
<b>Profit before Tax</b>	<b>(150)</b>	<b>(106)</b>	<b>(56)</b>	<b>7</b>	<b>(45)</b>
<b>Loan Assets</b>	<b>3,981</b>	<b>7,100</b>	<b>9,823</b>	<b>34,328</b>	<b>35,895</b>
<b>Equity<sup>^</sup></b>	<b>1,319</b>	<b>2,325</b>	<b>3,130</b>	<b>8,591</b>	<b>10,154</b>

\* Credit costs include ₹ 640 mn write offs in acquired CV portfolio



# CV Finance : Key ratios (3/3)

	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations *	16.1%	17.5%	17.1%	18.7%	16.8%
<b>Net Interest Income *</b>	<b>10.2%</b>	<b>10.8%</b>	<b>10.3%</b>	<b>11.6%</b>	<b>9.3%</b>
Operating Expenses *	31.7%	16.9%	10.6%	9.1%	4.4%
Cost / Income	311.4%	156.5%	103.5%	77.8%	47.2%
<b>Pre-provision Operating Profit *</b>	<b>-21.5%</b>	<b>-6.1%</b>	<b>-0.4%</b>	<b>2.6%</b>	<b>4.9%</b>
<b>Credit Costs</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>5.4%</b>
<b>GNPA</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>1.0%</b> <sup>&amp;</sup>
<b>NNPA</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.7%</b> <sup>&amp;</sup>
<b>ROAA<sup>^</sup></b>	<b>-15.3%</b>	<b>-5.2%</b>	<b>-1.9%</b>	<b>0.1%</b>	<b>-0.3%</b> <sup>#</sup>
Leverage	3.1x	3.0x	3.1x	3.8x	3.9x
<b>ROAE<sup>^</sup></b>	<b>-47.4%</b>	<b>-16.0%</b>	<b>-5.7%</b>	<b>0.2%</b>	<b>-1.3%</b> <sup>#</sup>

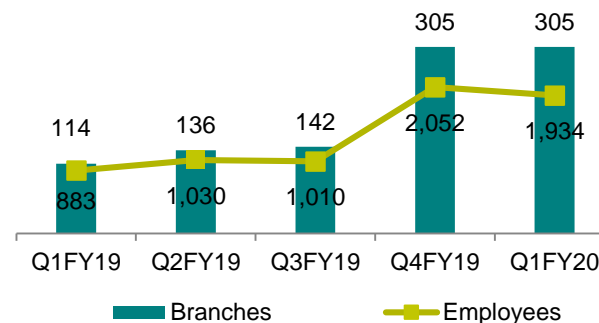
<sup>&</sup> Gross and Net NPA (including IIFL acquisition) for Q4FY19 6.1% & 3.8%, for Q1FY20 7.0% & 5.0%

<sup>#</sup> ROAA, ROAE excluding write offs 4.3% and 17.0% respectively

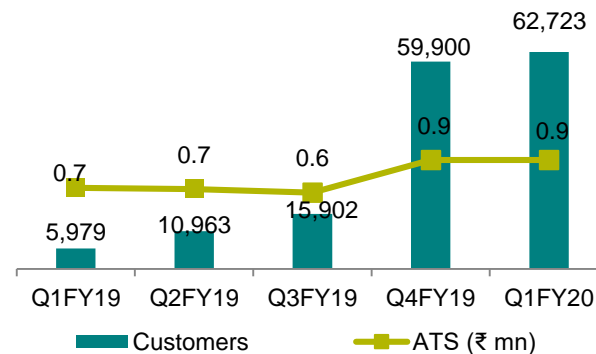
\* On daily average basis

<sup>^</sup> Annualized

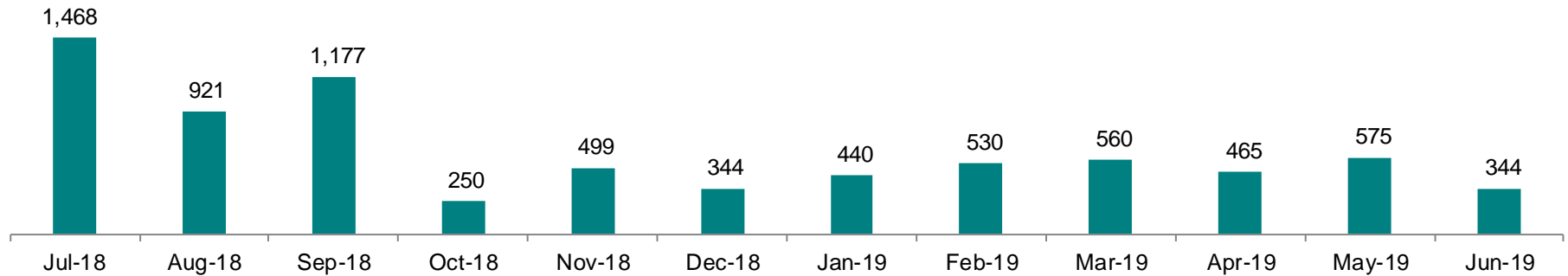
## Branches & Employees



## Customers & Avg. Ticket Size



SME Finance – Monthly Disbursement Trend (₹ mn)



✓ Disbursement during Q1FY20 : ₹ 1,384 mn

✓ Direct assignment in Q1FY20 : ₹ 988 mn

## SME Finance remains Profitable (2/3)

Particulars (₹ mn)	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations	432	544	594	585	587
Interest Expenses	(230)	(284)	(303)	(309)	(341)
<b>Net Interest Income</b>	<b>203</b>	<b>260</b>	<b>292</b>	<b>276</b>	<b>247</b>
People Costs	53	56	40	38	46
Operating Expenses	20	21	21	23	24
<b>Pre-provision Operating Profit</b>	<b>129</b>	<b>182</b>	<b>231</b>	<b>214</b>	<b>177</b>
Credit Costs	44	73	61	-26	61
<b>Profit before Tax</b>	<b>85</b>	<b>109</b>	<b>170</b>	<b>240</b>	<b>115</b>
Loan Assets	16,444	18,589	17,641	17,385	16,704
Equity <sup>^</sup>	5,448	6,086	5,622	4,351	4,631

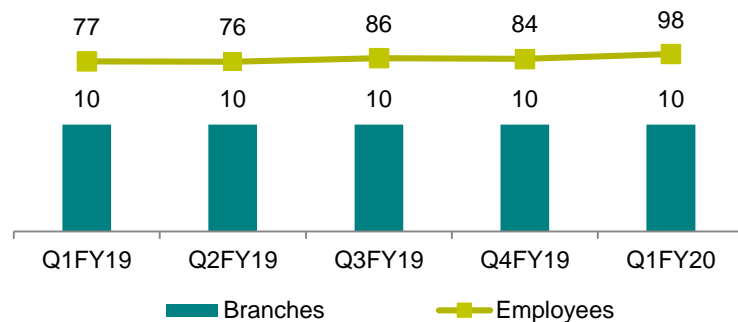
<sup>^</sup> Allocated

	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations *	11.4%	12.5%	13.0%	13.3%	13.6%
<b>Net Interest Income *</b>	<b>5.3%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>5.7%</b>
Operating Expenses *	1.9%	1.8%	1.3%	1.4%	1.6%
Cost / Income	36.3%	29.9%	20.8%	22.3%	28.4%
<b>Pre-provision Operating Profit *</b>	<b>3.4%</b>	<b>4.2%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>4.1%</b>
Credit Costs	1.2%	1.7%	1.3%	-0.6%	1.4%
<b>GNPA</b>	<b>2.6%</b>	<b>2.4%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>4.0%</b>
<b>NNPA</b>	<b>2.3%</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.1%</b>	<b>3.3%</b>
<b>ROAA<sup>^</sup></b>	<b>1.5%</b>	<b>1.7%</b>	<b>2.5%</b>	<b>3.3%</b>	<b>1.8%</b>
Leverage	3.2x	3.0x	3.1x	3.5x	3.8x
<b>ROAE<sup>^</sup></b>	<b>4.9%</b>	<b>5.3%</b>	<b>7.6%</b>	<b>11.5%</b>	<b>6.8%</b>

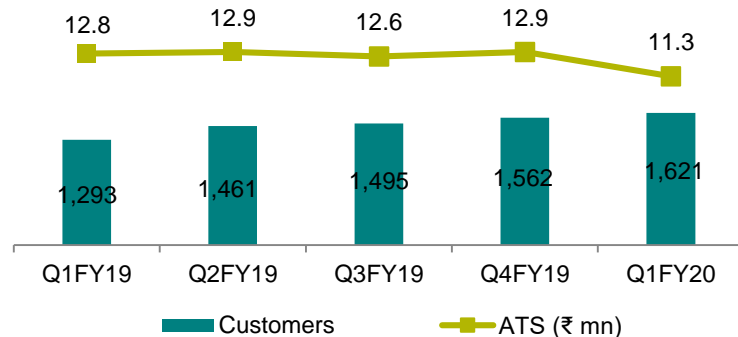
\* On daily average basis

<sup>^</sup> Annualized

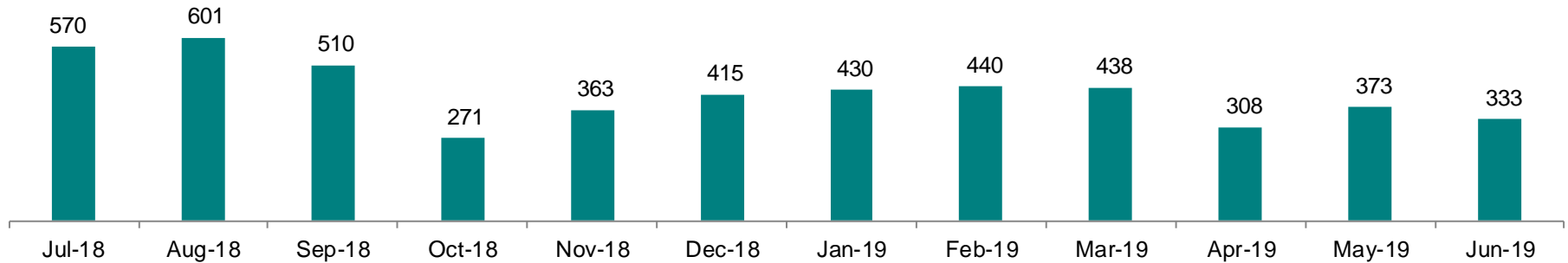
## Branches & Employees



## Customers & Avg. Ticket Size



Housing Finance – Monthly Disbursement Trend (₹ mn)



✓ Q1FY20 disbursements ₹ 1,014 mn

✓ Direct assignment in Q1FY20 ₹ 234 mn

## Housing Finance: Continued Profitability (2/3)

Particulars (₹ mn)	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations	36	80	133	189	220
Interest Expenses	(16)	(41)	(63)	(84)	(112)
<b>Net Interest Income</b>	<b>20</b>	<b>38</b>	<b>70</b>	<b>105</b>	<b>108</b>
People Costs	62	93	81	28	55
Operating Expenses	13	30	24	28	24
<b>Pre-provision Operating Profit</b>	<b>-55</b>	<b>-85</b>	<b>-34</b>	<b>49</b>	<b>28</b>
Credit Costs	3	4	3	4	4
<b>Profit before Tax</b>	<b>(58)</b>	<b>(88)</b>	<b>(37)</b>	<b>45</b>	<b>24</b>
<b>Loan Assets</b>	<b>1,757</b>	<b>3,311</b>	<b>4,241</b>	<b>5,239</b>	<b>5,903</b>
<b>Equity<sup>^</sup></b>	<b>582</b>	<b>1,084</b>	<b>1,351</b>	<b>1,311</b>	<b>1,637</b>

<sup>^</sup> Allocated

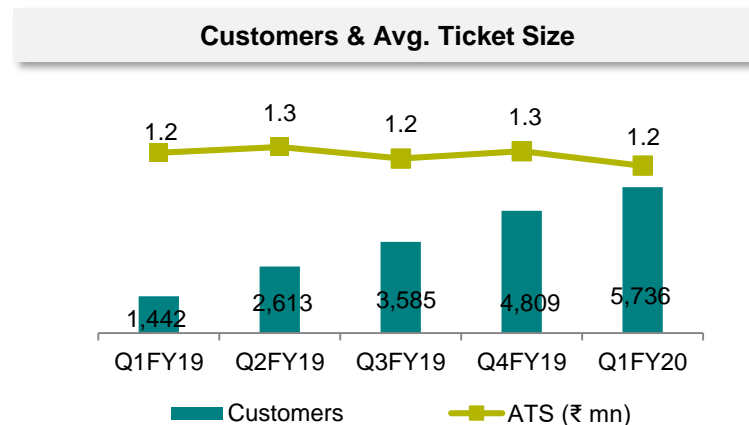
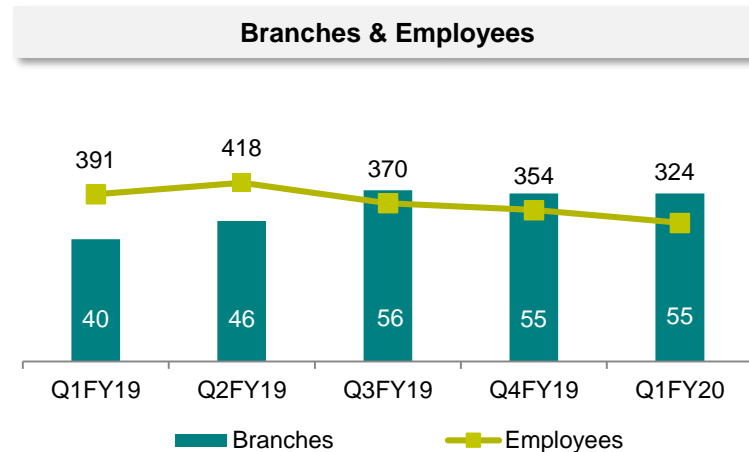
# Housing Finance : Key ratios (3/3)

	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Revenue from Operations *	14.4%	13.2%	14.3%	15.8%	15.7%
<b>Net Interest Income *</b>	<b>8.1%</b>	<b>6.4%</b>	<b>7.6%</b>	<b>8.8%</b>	<b>7.7%</b>
Operating Expenses *	30.1%	20.4%	11.3%	4.7%	5.7%
Cost / Income	374.0%	320.1%	148.3%	53.2%	74.1%
<b>Pre-provision Operating Profit*</b>	<b>-22.1%</b>	<b>-14.0%</b>	<b>-3.7%</b>	<b>4.1%</b>	<b>2.0%</b>
Credit Costs	1.3%	0.6%	0.3%	0.4%	0.3%
<b>GNPA</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.08%</b>	<b>0.10%</b>	<b>0.31%</b>
<b>NNPA</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.04%</b>	<b>0.10%</b>	<b>0.27%</b>
<b>ROAA <sup>^</sup></b>	<b>-23.4%</b>	<b>-14.6%</b>	<b>-4.0%</b>	<b>3.7%</b>	<b>6.9%</b>
Leverage	3.1x	3.0x	3.1x	3.6x	3.8x
<b>ROAE <sup>^</sup></b>	<b>-72.3%</b>	<b>-44.5%</b>	<b>-12.4%</b>	<b>13.3%</b>	<b>26.0%</b>

# ROAA & ROAE – reflects impact of one-off tax credit ₹ 76 mn

\* On daily average basis

<sup>^</sup> Annualized



# 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 targeted at 75% of AUM by FY21
- ✓ Focus on secured lending to Middle India, having strong growth potential - CV 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-CV finance business
- ✓ Penetrate deeper and become a preferred financier for small businesses
- ✓ Provide affordable home financing solutions to self employed & salaried customers

## Deliver

Quality, Profitability & Growth

- ✓ 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



## 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

- FY15-19 CAGR: AUM 36%, PAT 13%
- Good Asset Quality, Healthy Profitability
- CRAR: 23.7%, sufficient capital available for rapid growth

## 3. Established Corporate Lending Platform

- Q1FY20 Corporate AUM: ₹ 43,067 mn (37% of total AUM)
- Differentiated lending with high asset quality, low opex., high NIMs, high ROAA
- Completed multiple credit cycles – Cumulative disbursement of Rs 263,081 Mn; of which 83% fully repaid

## 6. Robust Risk Management & Scalable Technology Platform

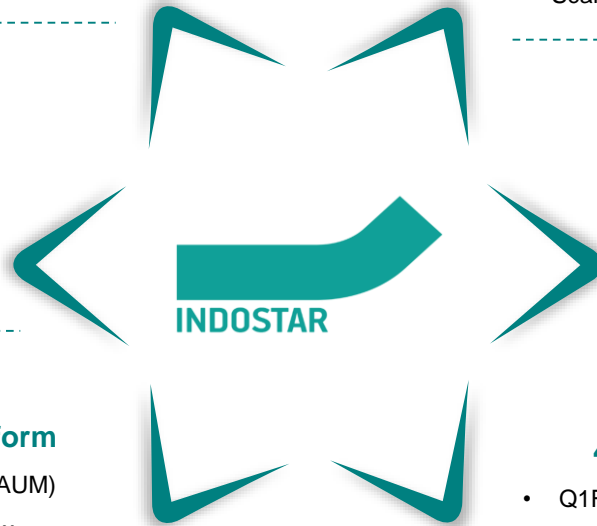
- Strong credit underwriting processes
- Active Board oversight
- Scalable technology platform to support growth

## 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 (8.5% of fully diluted shares), interest aligned with business growth

## 4. Continued Growth in Retail Loan Book

- Q1FY20 Retail AUM: ₹ 72,726 mn (63% of total AUM)
- Pan-India presence - 18 States, 322 Branches, 2,356 Employees, 70,080 Customers



## Commenced Retail Lending in 2016 with Focus on High Growth Segments

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

### CV 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 18 key states
  - Sourcing : Self driven
- **Q1FY20 Branches:** 305
- **Q1FY20 AUM:** ₹ 47,345 Mn
- **Indicative Yield:** 17%, **ATS:** ₹ 0.9 Mn, **Avg. Tenor:** 3 years

### 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
- **Q1FY20 Branches:** 10 \*
- **Q1FY20 AUM:** ₹ 19,017 Mn
- **Indicative Yield:** 13%, **ATS:** ₹ 11.3 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 CV Finance branch network
  - Sourcing : Self, DSA, Connectors
- **Q1FY20 Branches:** 55 \*
- **Q1FY20 AUM:** ₹ 6,364 Mn
- **Indicative Yield:** 13.3%
- **ATS:** ₹ 1.2 Mn
- **Avg. Tenor:** 20 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 (8.5% 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**  
Whole Time  
Director  
Head – Corporate  
Lending and  
Markets

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



**Amol Joshi**  
Director  
Finance

- 20+ years of leadership experience across all areas of finance in Banks and NBFCs
- Previously worked with Citicorp, Standard Chartered Bank, Amex and L&T Financial Services



**A. Gowthaman**  
Business Head  
Vehicle Finance

- 20+ years of experience in financial institutions
- Previously worked with Chola Mandalam 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.

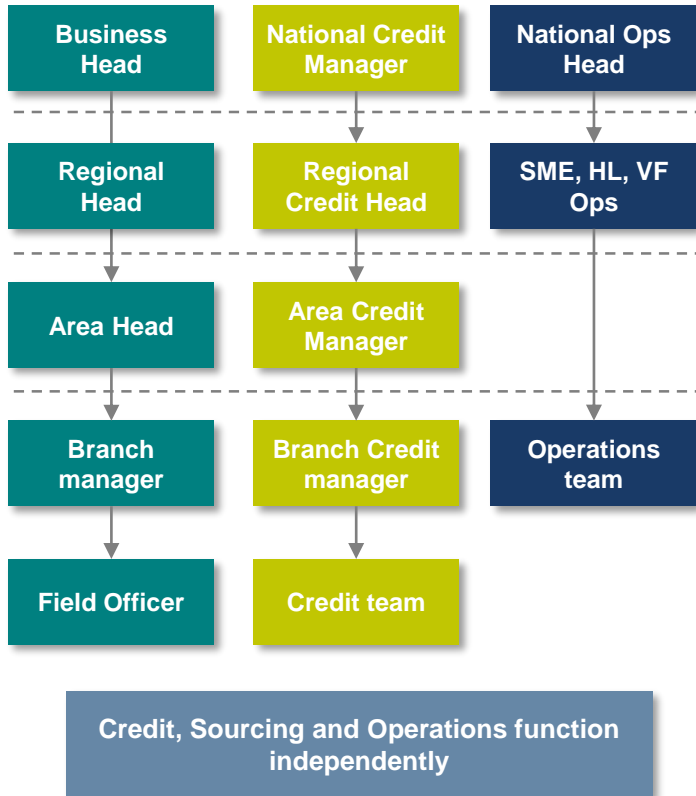
# Strong & Distinguished Board

- ✓ 13 committees composed of independent and non-independent directors and also employees<sup>1</sup>
- ✓ 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
 <b>Dhanpal Jhaveri</b>	Chairman & Non-Executive Director	<ul style="list-style-type: none"> <li>Director since 2010; Partner at Everstone Capital</li> <li>Experience in investing, corporate strategy, mergers and acquisitions and investment banking</li> <li>Previously worked with Vedanta Group, ICICI Securities, KPMG India</li> </ul>
 <b>R.Sridhar</b>	Executive Vice Chairman & CEO	<ul style="list-style-type: none"> <li>30+ years of experience in financial services industry</li> <li>Previously associated with various entities forming part of the Shriram group</li> </ul>
 <b>Shailesh Shirali</b>	Whole time Director	<ul style="list-style-type: none"> <li>20+ years of experience in financial services industry</li> <li>Previously worked at Future Capital Holdings, Rabo Bank, ICICI Bank and Merrill Lynch</li> </ul>
 <b>Alok Oberoi</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Director since 2011</li> <li>Experience in Investment and structuring international joint ventures and transactions</li> <li>Founder of ACPI investments, previously worked with Goldman Sachs</li> </ul>
 <b>Hemant Kaul</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Several years of experience in the fields of banking and insurance</li> <li>Previously worked with Axis Bank and Bajaj Allianz General Insurance</li> </ul>
 <b>Dinesh Kumar Mehrotra</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>30+ years experience in insurance</li> <li>Previously served as the Chairman of Life Insurance Corporation of India</li> </ul>
 <b>Bobby Parikh</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Director since 2011</li> <li>Several years of experience in finance</li> </ul>
 <b>Naina Krishna Murthy</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>17+ years of experience in the field of law</li> <li>Founder of India law firm K Law</li> </ul>

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

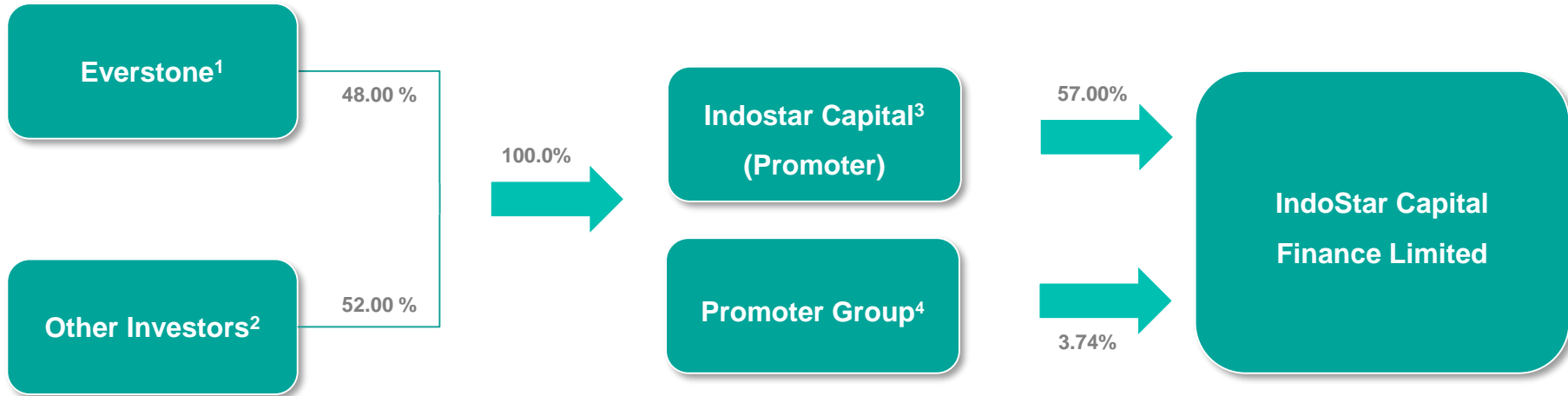
### Risk Management Policies

- 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



## Strong capital sponsorship of Everstone Group



India and SEA  
focused

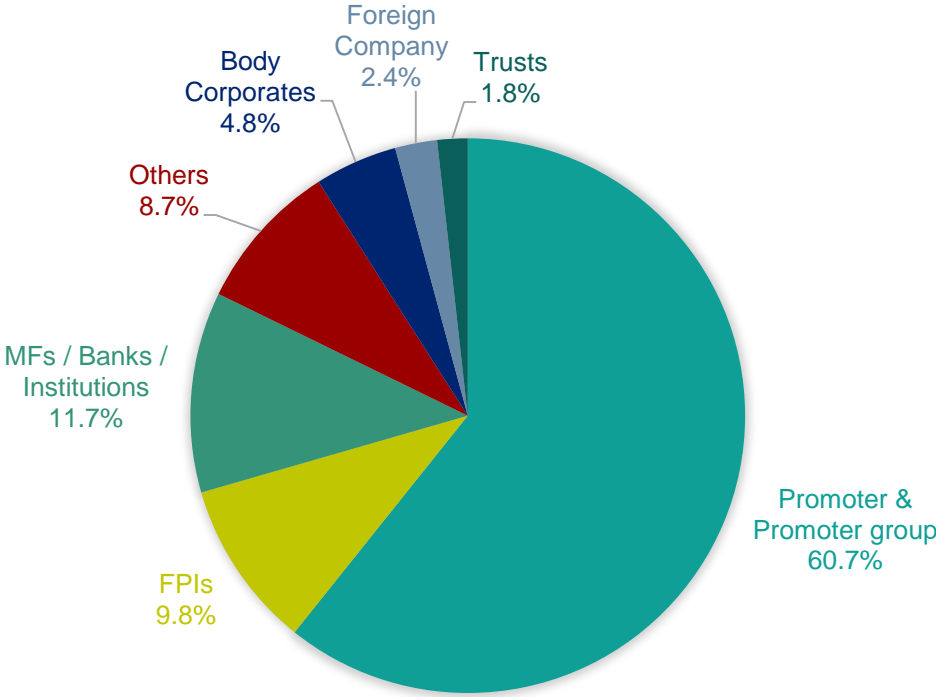
**US\$5.0bn**  
AuM



**'Private Equity Firm of the Year in India'**  
for 7 consecutive years <sup>5</sup>

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. (2.51%) 5. Recognized as 'Private Equity Firm of the Year in India' by Private Equity International for seven consecutive years from 2011 to 2017.

## Shareholding @ 30 June 2019



### 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
Edelweiss Alternative Investments
Jupiter
ICICI Lombard General Insurance
HDFC Standard Life Insurance
Aditya Birla MF
Sundaram MF
East Bridge Capital

Source – NSE, Company data

\* Additionally hold ESOP for ~ 8.5% of fully diluted equity



# For Further Queries



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