

## IndoStar Capital Finance Limited

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



### IndoStar reports Q4 FY21 results

- **Restarted Retail disbursements and reached Pre-Covid level in the quarter. Retail disbursements up 78% over Q3FY21**
- **Retail AUM ~ 78% - up from 71% last year**
- **Strong Capital Adequacy at 35%**
- **Focus on Retail disbursements, expanding geography, products and customer segments**

**Mumbai, Thursday, June 17, 2021** – IndoStar Capital Finance Limited (IndoStar), one of India’s leading retail non-banking financial companies announced its Q4FY21 results today. The AUM remained at Rs. 8,400 crores, on account of gradual reduction in the corporate lending book, a steady endeavor in the company’s retailisation strategy. The company re-started retail disbursements and quickly reached Pre-Covid disbursement levels.

#### **Incremental Provisioning and Asset quality:**

IndoStar has one of the highest Capital Adequacy ratios amongst all listed NBFCs. With strong ALM and low leverage, the company reported stable collection performance during these challenging times by building a separate collection vertical.

In line with the strategy to de-risk the balance sheet, IndoStar continues to actively reduce its corporate lending portfolio. IndoStar has taken additional related credit provisioning to ring fence the business from potential stress arising from the current business environment caused due to the pandemic, the total additional Covid-19 provisions carried are Rs 400 crores (of which Rs 150 crores is added in the FY21).

#### **Ready to capitalize sizeable post pandemic market opportunity:**

The conservative approach of ring-fencing balance sheet over last few quarters has strengthened IndoStar’s position and places it ideally to take advantage of future growth opportunities. The company is now looking to accelerate the buildup of the retail business. The combination of opening smart branches along with the digitization initiative will help the company to enhance productivity and reduce operating expenses. The company is also expanding Geography, Products and customer segments to gain market share. The company has also strengthened partnership with ICICI Bank with

renegotiated commercials and is poised to capture a sizeable chunk of the retail segment post lockdown 2.0.

**Stable credit rating and robust liquidity pipeline:**

The company currently has liquid assets of more than 30% of its borrowings, sufficient to cover all its repayment obligations for this financial year without any incremental borrowings. With a credit rating of AA- with stable outlook, even in the current challenging times, the company has a strong pipeline and multiple avenues to raise further liabilities to finance additional growth.

**Retail AUM increases to 78%; focus on Used CV and affordable Home finance**

In line with its retailisation strategy, the share of retail is now 78%, up from 71% last year. The company is at an inflection point and has strengthened 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, “While second wave of Covid-19 has brought upon challenging times upon every company and sector, IndoStar, with transformational investment by Brookfield and focused retailisation strategy, is well placed to grow and capture market share in Used CV, SME and Affordable Housing Finance businesses. With Capital Adequacy of ~35%, strengthened management team and one of the best liquidity positions amongst NBFCs, we are well positioned post pandemic to exploit the tremendous opportunities available to NBFCs with strong franchise and management, such as ours”*

**Key Financials:**

Particulars (INR Crores)	Q4FY21	Q3FY21	QoQ	Q4FY20
Net Revenue from operations	121	157	-23%	139
Pre-Provision Operating Profit	38	77	-50%	58
Provisions and accelerated write-offs	384	46	n.a.	621
Profit After Tax	-317	24	n.a.	-421

### Consolidated financial update for the quarter ended March 31st 2021

- **Net Revenue from Operations at INR 121 crores**
- **Positive ALM across all buckets**
- **Gross and Net NPAs at 4.4% and 2.1% 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](http://www.indostarcapital.com).

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