



ICFL/LS/0084/2023-24

02 August 2023

BSE Limited

Listing Department, 1st 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.: Investor Presentation on Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30 June 2023

Ref.: 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, please find enclosed Investor Presentation on Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended 30 June 2023.

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, 5th 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 | www.indostarcapital.com CIN: L65100MH2009PLC268160

INDOSTAR
"Your Path To A Better Life"



INDOSTAR CAPITAL FINANCE

Investor Presentation
June 2023







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Key Performance Highlights – Q1FY24

<p>AUM</p>  <p>₹ 8,062 crs Q1FY23: ₹ 8,247 crs</p>	<p>Disbursements</p>  <p>₹ 1,116 crs Q1FY23 : ₹ 344 crs</p>	<p>Gross Stage 3</p>  <p>6.6% Q1FY23: 8.2%</p>	<p>Net Stage 3</p>  <p>3.1% Q1FY23: 3.6%</p>	<p>CRAR</p>  <p>34.4% CRAR Q1FY23: 29.0%</p>	<p>Branches</p>  <p>452 Branches Q1FY23: 413</p>
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<p>Net Total Income</p>  <p>₹ 145.0 crs Q1FY23: ₹ 166.2 crs</p>	<p>PAT</p>  <p>₹ 38.9 crs Q1FY23: ₹ 60.9 crs</p>	<p>NIMs</p>  <p>6.5% Q1FY23: 5.5%</p>
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INDO MITRA
Making Vehicle Finance Easy

We Heard You & We Brought Account Management To Your Fingertips
Live on the Play Store

To download the app scan this QR code

The logo for IndoStar 2.0 is a large, rounded hexagonal shape with a vertical gradient from dark green on the left to light green on the right. It is centered on the left side of the slide. The background of the slide is light gray with a pattern of small, semi-transparent hexagons. There are also some green decorative elements in the corners: a solid green shape in the top right, and white-outlined hexagons in the bottom left and bottom center.

IndoStar 2.0

“go-to” NBFC in Retail Lending

CV Finance



We provide financing for New/ Used CV, Construction Equipment, Tractor & Used Car




Housing Finance



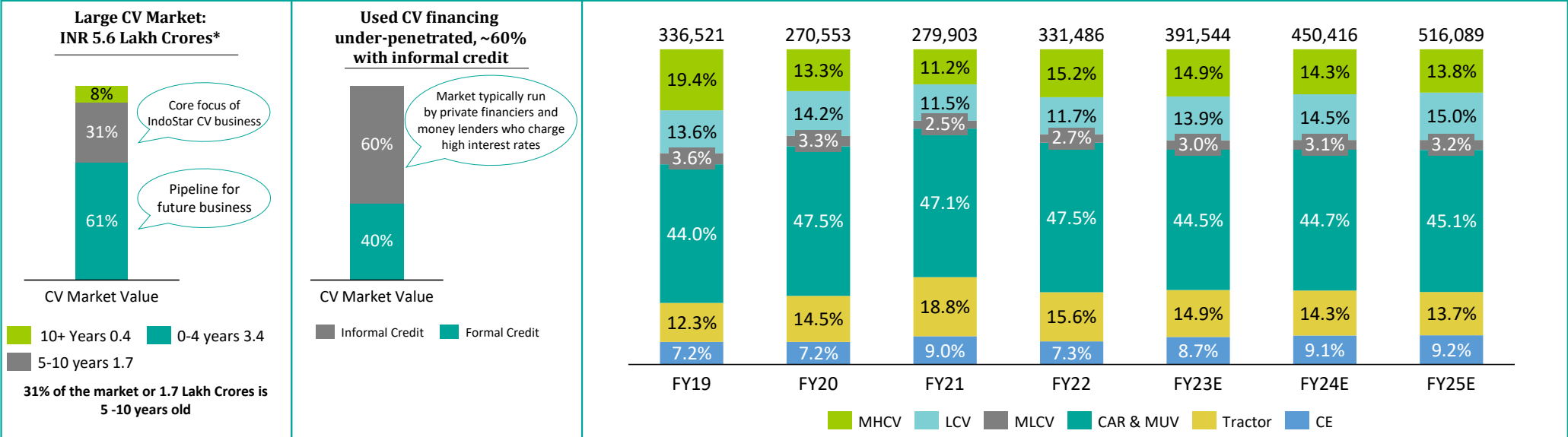
Our wholly-owned subsidiary IndoStar Home Finance engages in providing affordable home financing solutions to self-employed and salaried customers.

Strategy for INDOSTAR 2.0



	New Customer Acquisition	<ul style="list-style-type: none">• Strengthened Core Management Team to focus on each of the business segments• Focused on serving the used CV market with higher yields• Moving branch network into the hinterland, serving customers in tier 3 and tier 4 towns
	Asset Quality	<ul style="list-style-type: none">• Strengthened controls, reviewed policies and upgraded technology systems right from loan origination, credit appraisal, disbursal, loan management and collection processes and continuing to do that.• Sustained efforts to reduce stressed book through collection, repossession and settlement• Strengthened collection mechanism by adding people. It is enabling robust collections, leading to 120%+ collection efficiency, indicating clearances of old delinquencies• Identified stressed pool in our CV portfolio and conservatively made provisions
	Cost Optimization	<ul style="list-style-type: none">• Strengthening the hub and spoke model by opening more branches in tier 3 & 4 towns• Focused on opening smart branches that operate with greater efficiency, less manpower and more through the Customer App• Investments in technology and digitization, to improve operating turnaround times and productivity and drive operating cost efficiencies

Exploring Opportunities in the Used CV Industry



- Commercial vehicle market is growing every year with the annual market size pegged at Rs.5.60 lakh Cr which incl New, Used, WC and Term loan funding
- Similarly, Used vehicle financing expected double by FY25 considering the scrap policy of 15 years limit
- Around 50% to 60% financing is with unorganized sector which should also reduce in future due to scrap policy and organized sector will play major role in UV finance
- In the space of Organized Sector, IndoStar aims to have a decent market share

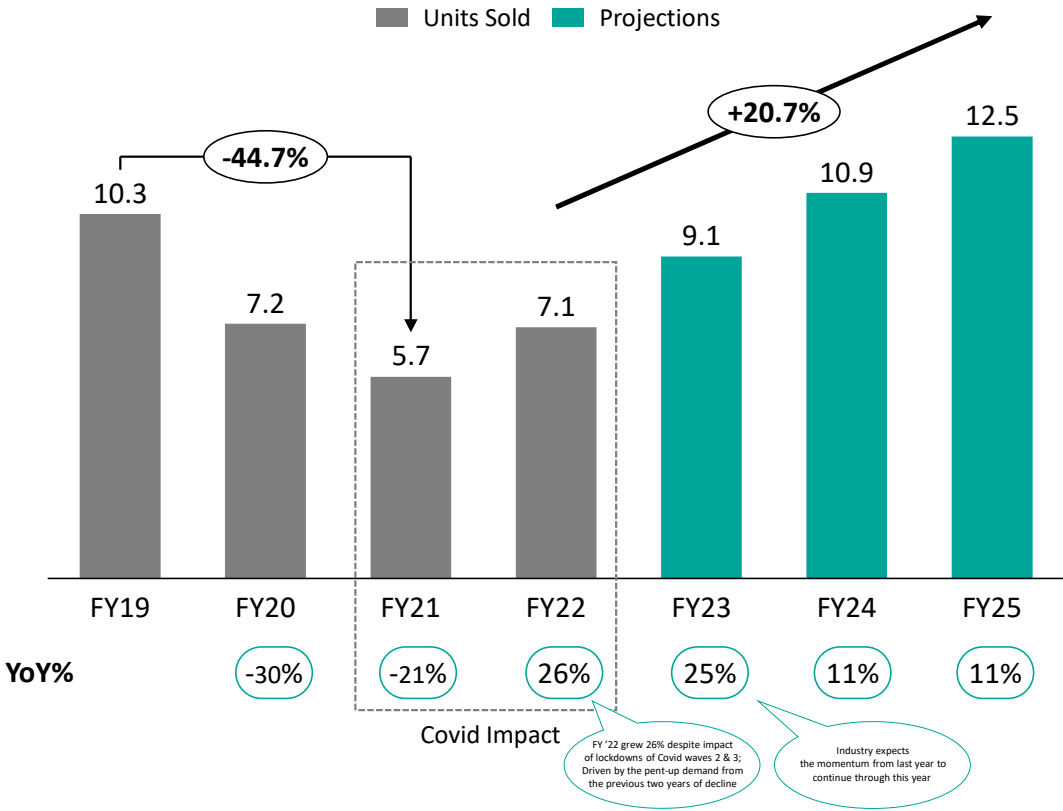
Significant opportunity to scale up the CV disbursement in next 2 years

Used Vehicle Business is going to play a major role in next 4 to 5 years

Source: SIAM & Vahan Data; *As per company analysis

Commercial Vehicle Industry Trends & Market Forecast

Commercial Vehicle Unit Sales India (lakhs)



CV Industry Trend Drivers & Expectations

New Commercial Vehicles (CV) sales fell 45% over two years from 10.3L in FY'19 to 5.7L in FY'21, driven by a slowdown in economic growth in FY'20 and Subsequent lockdowns due to COVID first wave March to August 2020, in FY '21

Follow-on pent-up demand, growth in the economy with robust GST collections and the improvement in the Highway network has spurred the CV sales growth ~@28% in FY23

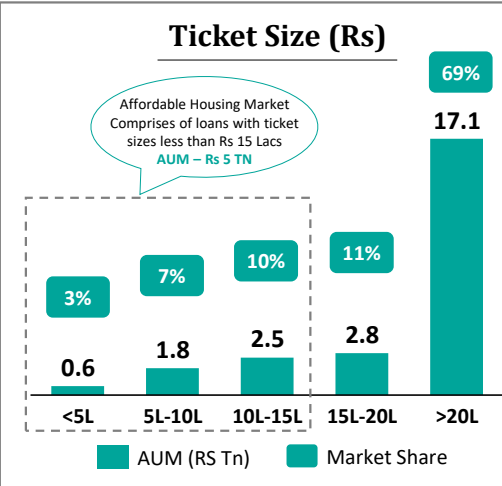
The growth momentum in the economy, the focus of the government on infrastructure projects, and high spending due to elections are likely to keep the CV sales trajectory on the upswing in the next 3 years with a CAGR of 28%

MCVs & HCVs are highly dependent on GDP growth

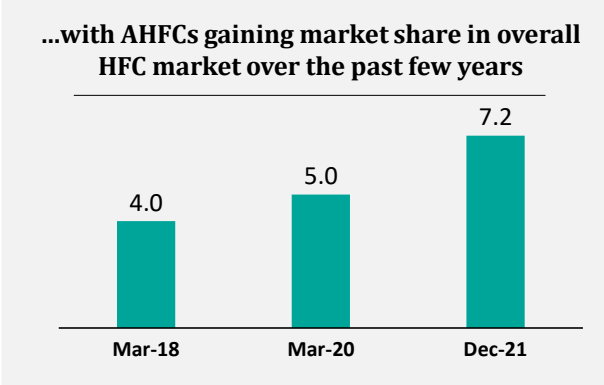
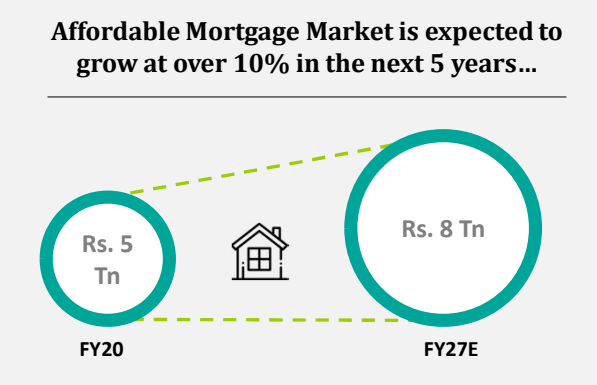
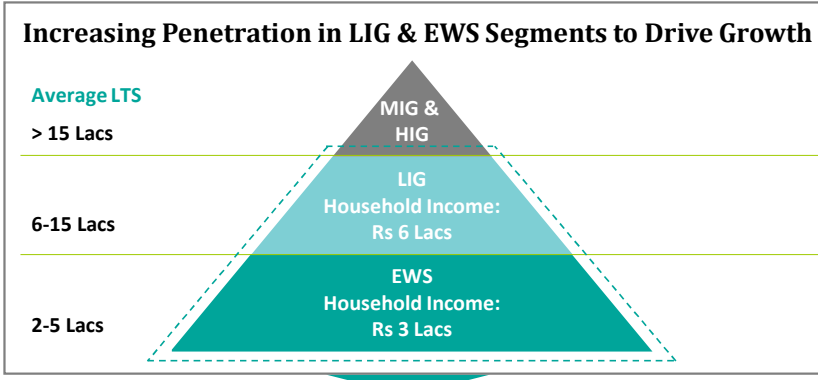
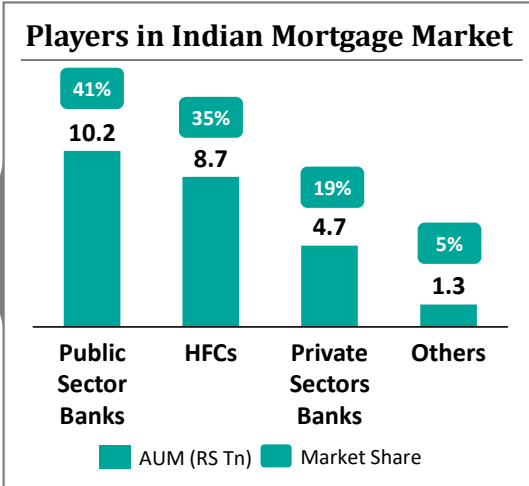
With the increase in the prices of the new CV vehicles, the Used CV demand is expected to continue to be positive in FY'24 and continue as such for the next 2-3 years

Source: SIAM

Indian Affordable Housing Finance Market Expected To Show Significant Growth



Rs 25 Tn
Indian Mortgage Market (FY22)



Indian Mortgage Market	Tier II and Below	~20 Mn Units	Metros and Tier I
Financed Units	10 Mn	Significant room to grow →	10 Mn
Financed Units	1,100 Mn / 220 Mn		230 Mn / 46 Mn
Financed Units	~5%		~22%

- ### Housing Shortage
- In 2022, housing shortage in India was 100 Mn units with LIG & EWS contributing 95% to the same
 - Incremental housing loan demand from above shortage is Rs 50-6- Tn indicating huge potential for growth

Significant Tailwinds In Favour Of Affordable Housing Helping Affordable Housing Finance Companies ('AHFC') Gain Market Share

Source: CRIF High Mark Report, ICRA, Prospectus of Listed Peers

Future Ready to Seize Affordable Housing Market Opportunity



Management Team

- › Seasoned management team supported by regional teams with conservative background recruited from other affordable housing finance companies



Geographical Focus

- › Geographical focus on South & West India with the cluster-based approach to address concentration challenges
- › Targeting states with the highest demand-supply gap for affordable housing



Ecosystem Play

- › Remote access to customers through HomeHub app
- › Fully enabled payment methods for customer leading to cash component using 3-4% of overall transactions



Robust Underwriting

- › Centralized underwriting framework with informal income underwriting play developed from start
- › Aversion to categories such as 'plot + construction' and other with higher delinquency probabilities



Micro LAP Play

- › Presence in tier 3 and 4 towns in southern states with large Micro LAP opportunity

Our Strategic Focus Areas



Maintaining consistent customer communication



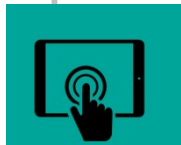
Expanding geographically



Maintaining asset quality



Investing in technology to become more Agile & Process Oriented



Digitalization



Strengthening controls to minimize risk



Ensuring a robust balance sheet



Being agile and future-ready



Strategic Performance Indicators

Key Target Areas

Key Target Areas	Plan	Status
<p>Business</p>	<ul style="list-style-type: none"> • Opportunity to scale-up used CV disbursement due to both increased growth in used CV segment and our small base • Leverage our existing reach by increasing penetration to field/site to enhance customer connect either directly or through DSAs and Dealers • Growth of affordable housing book with a clear mandate to the team to focus on priority sector lending(PSL) within the LAP portfolio 	<ul style="list-style-type: none"> • Increase in Disbursement level from Q3 2023 • Targeting & working for average monthly disbursements of ₹ 350 Cr. plus in FY 24 overall and much higher going forward
<p>Product Mix</p>	<ul style="list-style-type: none"> • Focus on used CV vehicles targeting high yield • Explore product line expansion to car, MUV, Tractor, CE, 2W & 3W • Diversify methods of sourcing through truck addas & DSA networks, to target first-time borrower and drivers transitioning to first-time owners • Actively pursue competition analysis to find niche and white-spaces 	<ul style="list-style-type: none"> • Targeting used CV with avg. ticket size of ~₹ 6-8 Lakhs with ~18% + yield due to higher penetration in used CV market • Affordable housing finance with avg. ticket size of ~₹ 8 lakhs with ~15% yield, with increased focus on Tier 3 & 4 geographies
<p>Reducing OPEX</p>	<ul style="list-style-type: none"> • Drive asset growth and continue to focus on reduction of costs • Increase efficiencies through automation in sales and collections • Right size the team. Focus on improving sales productivity metrics • Improve/ Focus on branch Productivity/ Profitability. 	<ul style="list-style-type: none"> • Reduction in OPEX continues to be primary focus
<p>Decision Making & Empowering Branches</p>	<ul style="list-style-type: none"> • Digitalization to enable quicker decision making at Branch levels with increased ownership and credibility on Branch Heads and employees to improve customer delivery efficiencies • Delegation of power at Branch level with ownership • Open two-way communication channels 	<ul style="list-style-type: none"> • Indo Mitra App and IndoStar Connect launched for improving efficiencies

IndoStar aims to benefit from the high growth in the used cargo LCVs by increasing penetration of rural markets with its branch network relocation

Priority Sector Lending – Key Strategic Initiative

What are the priority sectors?

Under RBI guidelines, loans given to following sectors qualify for Priority Sector Lending:

- Agriculture
- Micro, Small & Medium Enterprises (MSME)
- Export Credit
- Housing loans of up to Rs. 35 lakh, for dwellings costing less than Rs. 45 lakh, are treated as priority sector lending (PSL)



What is the RBI guideline for Banks around PSL?

1) **Domestic commercial banks (excl. RRBs & SFBs) & foreign banks with 20 branches and above:**

40% of

- Adjusted Net Bank Credit (ANBC) or
- Credit Equivalent of Off-Balance Sheet Exposure (CEOBE)

2) **Small Finance Banks (SFB)**

75% of ANBC as computed in para 6 below or CEOBE whichever is higher



What is the qualifier to get an IndoStar loan tagged as PSL?

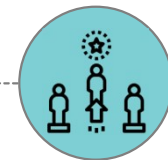
Across the IndoStar portfolio, here are the criteria that is used to tag loans as PSL

- **CV:** Udyam* (MSME) Registration
- **SME:** Udyam* (MSME) Registration
- **Housing:** All loans for housing units <45 Lakhs



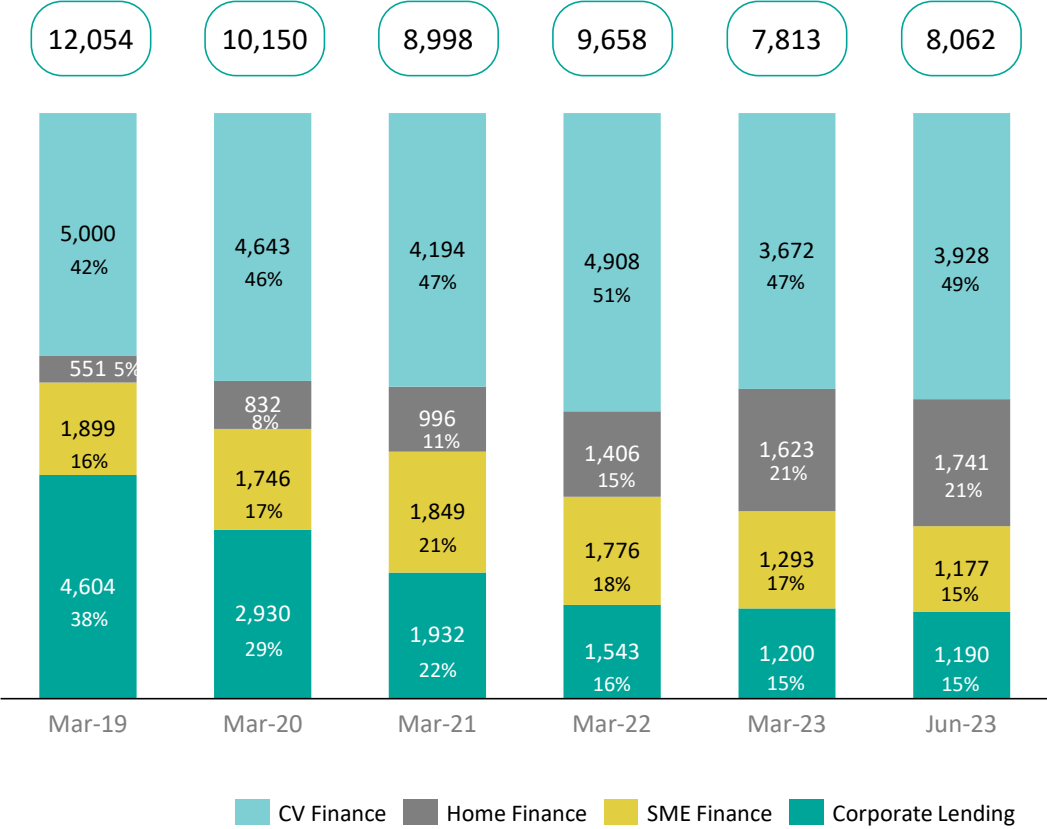
What is the advantage to IndoStar?

- 1) Given the RBI directive to banks to meet 40% of ANBC and 75% for SFBs as PSL, there is a clear market for high quality PSL books
- 2) It is in IndoStar's interest to build the PSL book, as these books can trade at a premium for DA transactions towards the end of the financial year, improving the RoA for the company

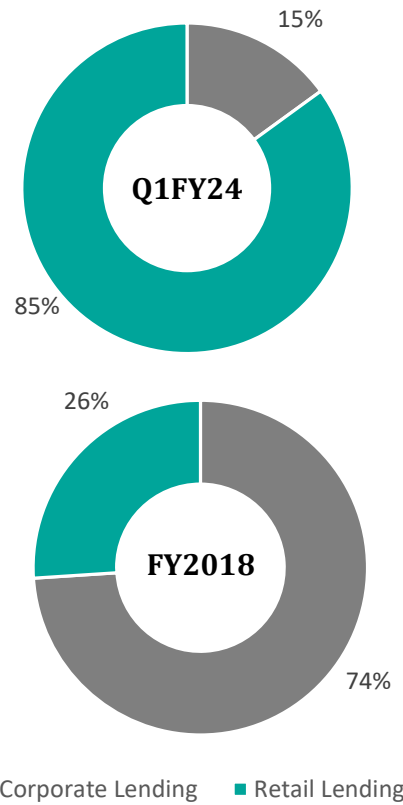


Changing Portfolio Mix Driven by Retailisation Strategy

Break-up of Asset Under Management



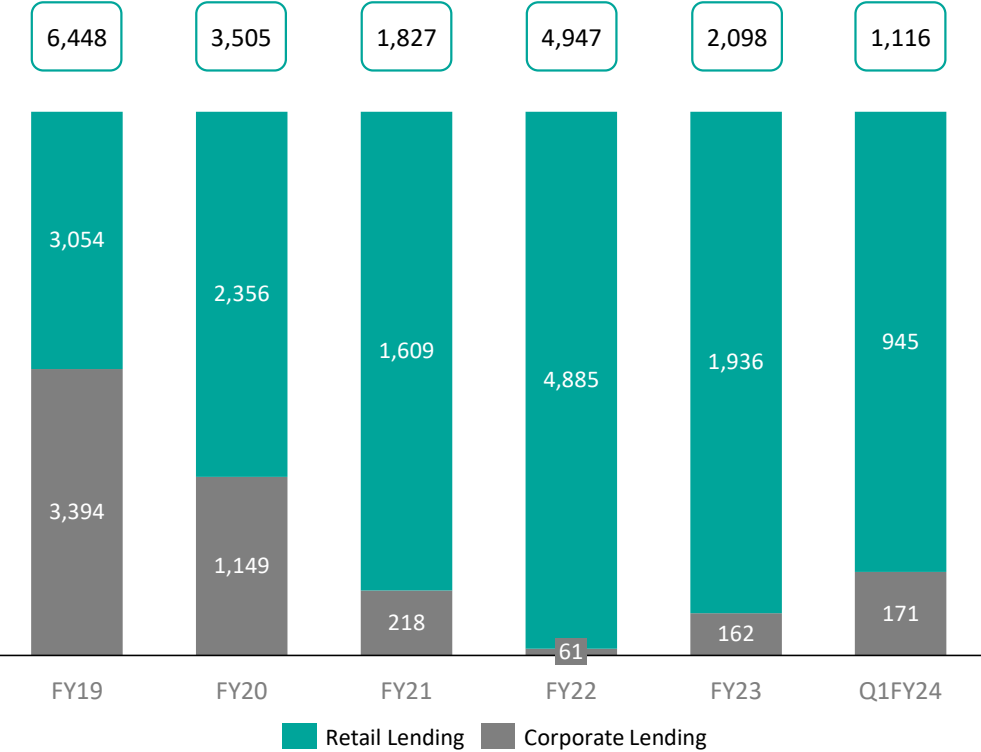
Retailisation Strategy Playing Out



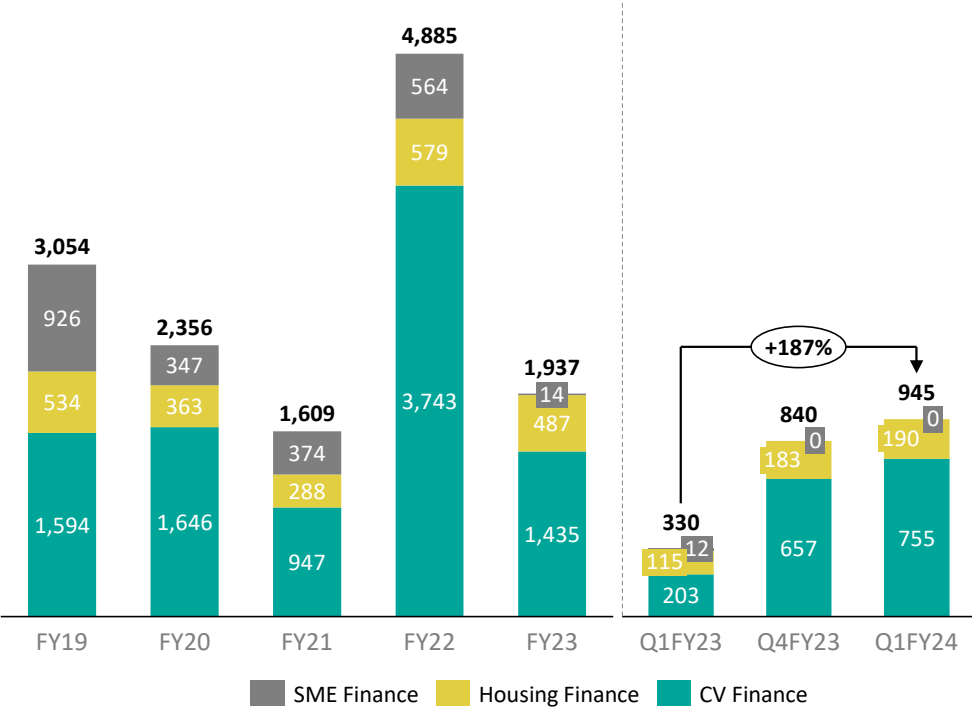
*Total AUM includes Loans given to employees

Retailisation Strategy Playing Out

Disbursements: CL vs Retail (₹ crs)



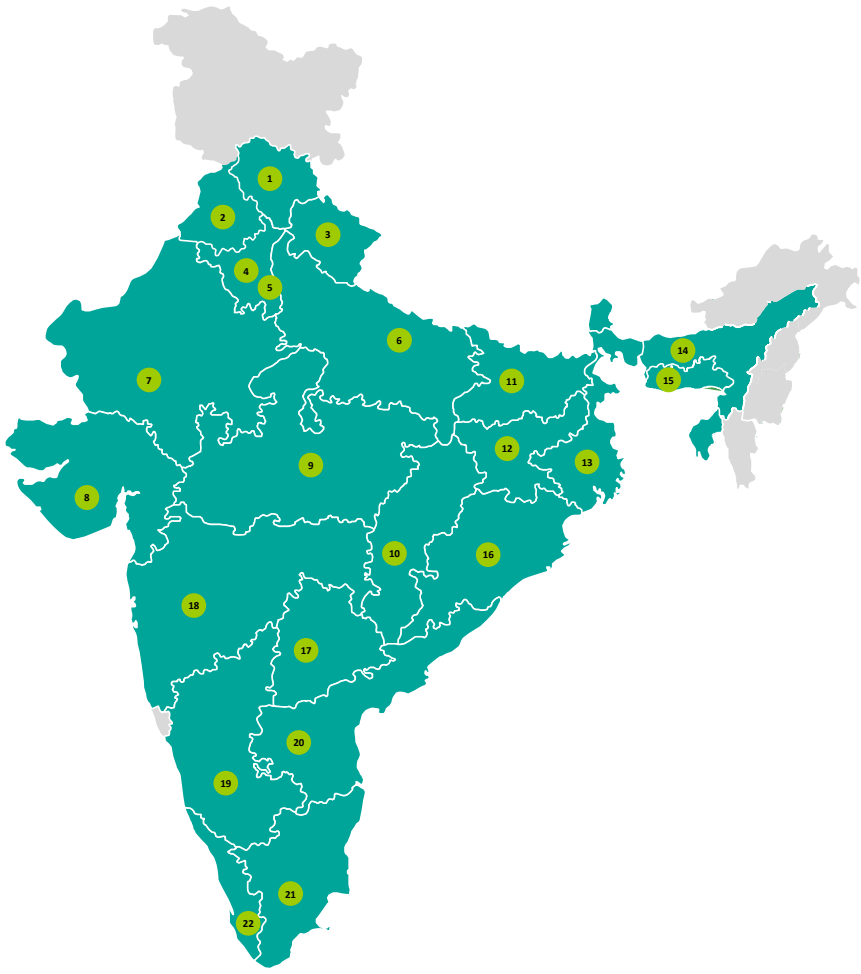
Disbursements: Retail (₹ crs)



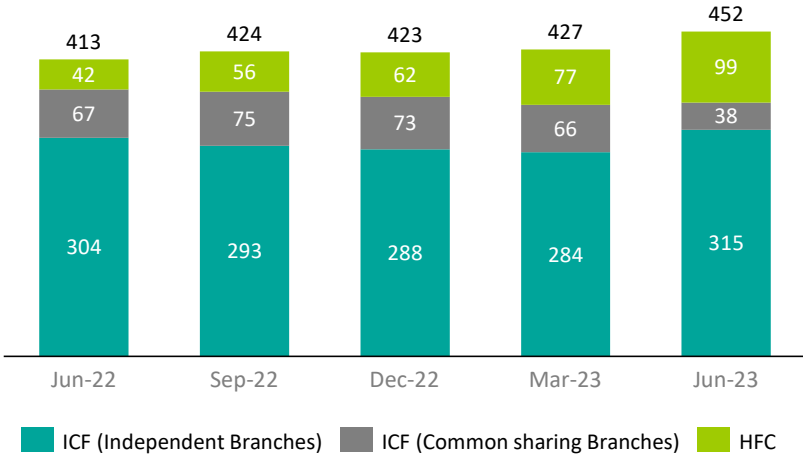
Corporate Lending: CL, Commercial Vehicle Finance: CV Finance, SME Finance: SME, Housing Finance: HF

National Footprint Creating Runway for Growth

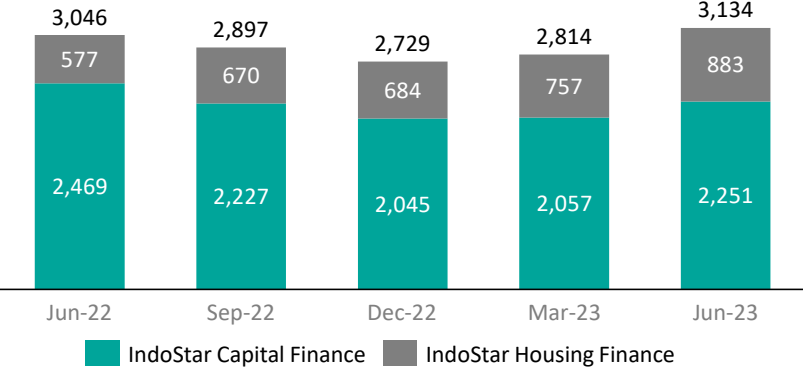
No	States
1	HIMACHAL PRADESH – 2
2	PUNJAB – 9
3	UTTARAKHAND – 9
4	HARYANA – 11
5	NEW DELHI – 2
6	UTTAR PRADESH- 31
7	RAJASTHAN – 29
8	GUJARAT – 28
9	MADHYA PRADESH – 30
10	CHATTISGARH – 6
11	BIHAR – 11
12	JHARKHAND – 11
13	WEST BENGAL – 20
14	ASSAM – 9
15	MEGHALAYA – 1
16	ODISHA – 5
17	TELANGANA – 26
18	MAHARASHTRA – 43
19	KARNATAKA – 14
20	ANDHRA PRADESH – 35
21	TAMIL NADU – 75
22	KERALA – 20



427 Branches Across 22 States



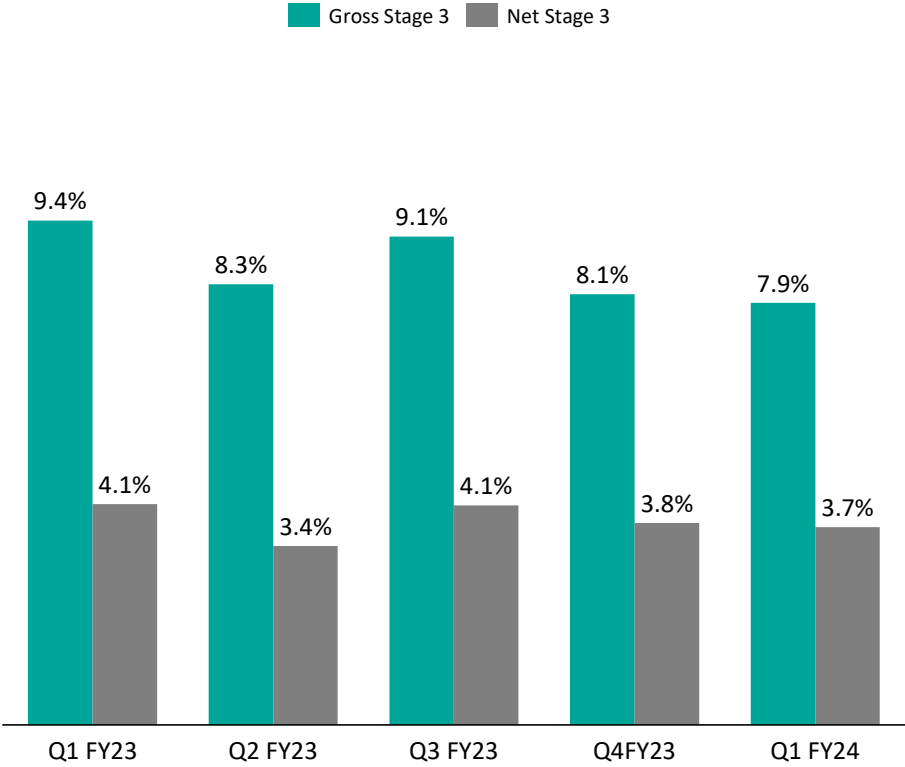
Employee Base



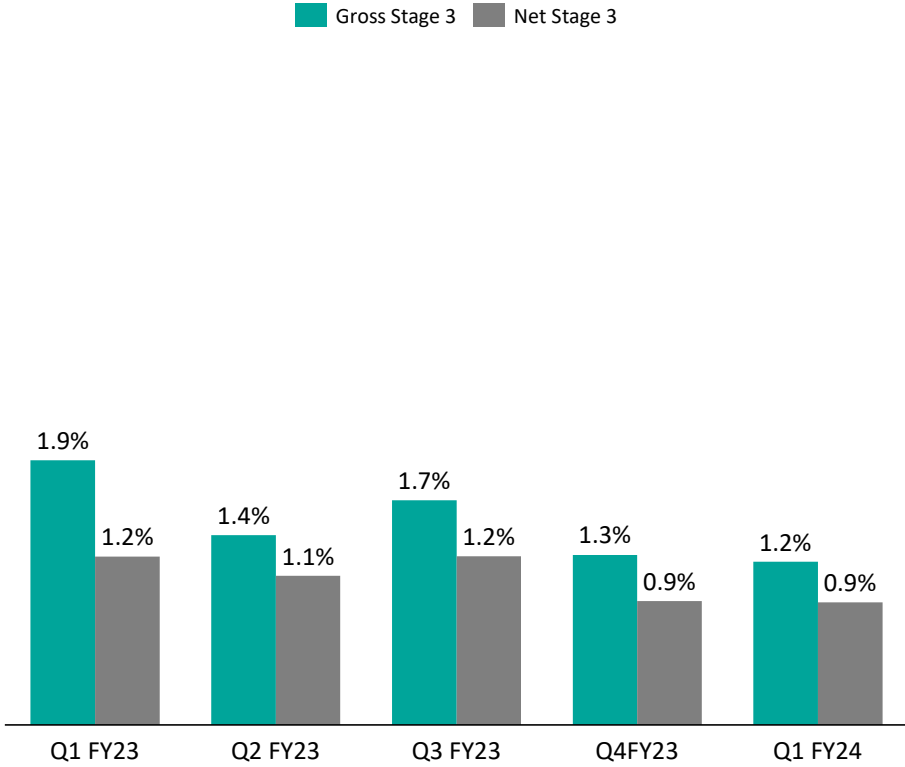
IndoStar Capital Finance: ICF, IndoStar Housing Finance Company: HFC

Movement Non-performing Assets

IndoStar Capital Finance (%)



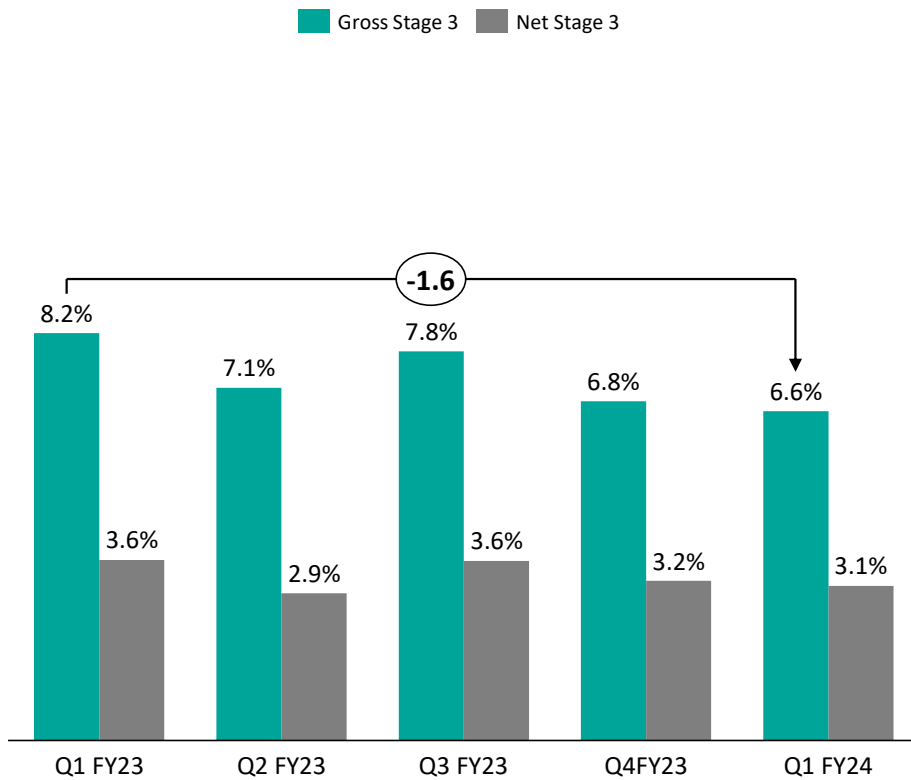
IndoStar Housing Finance (%)



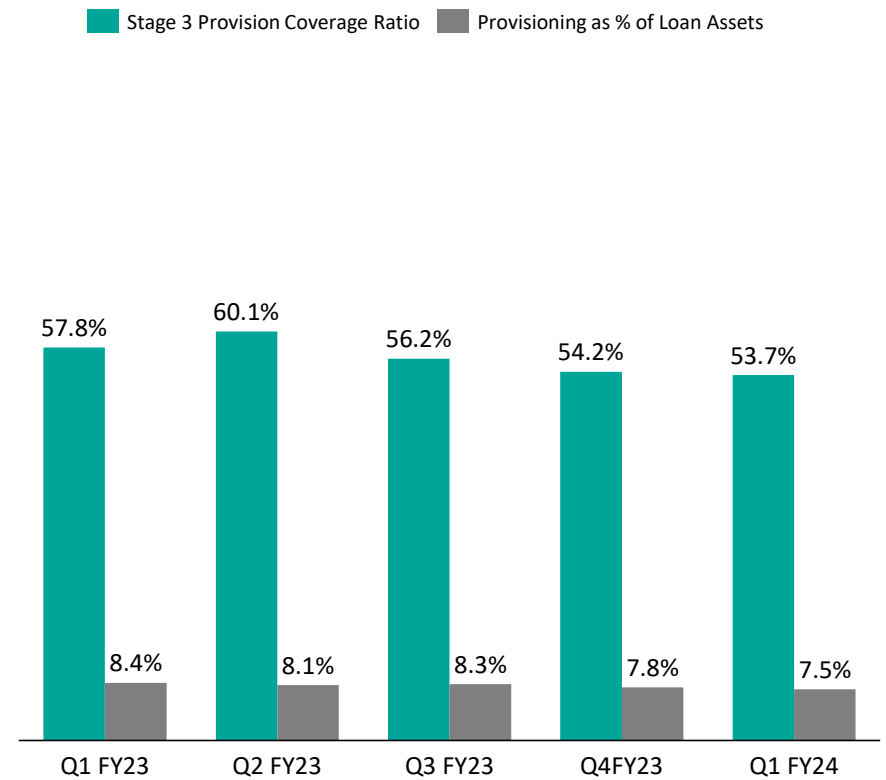
The NPA ratios are reducing over the quarters and expected to reduce further in the coming quarters

Declining Non-performing Assets

Consolidated NPA Trends (%)



Total Provisioning as % of Loan Assets



The NPA ratios are reducing over the quarters and expected to reduce further in the coming quarters

Stable Net Stage 3 % in FY23

Particulars (₹ crs)	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23
Gross Stage 1 & 2	6,905	6,591	6,308	6,478	6,674
ECL Stage 1 & 2	292	294	265	268	271
Net Stage 1 & 2	6,613	6,297	6,043	6,210	6,403
ECL Provision %	4.2%	4.5%	4.2%	4.1%	4.1%

Particulars (₹ crs)	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23
Gross Stage 3	485	479	537	493	593
ECL Stage 3	260	260	301	296	343
Net Stage 3	225	219	235	197	251
ECL Provision %	53.7%	54.2%	56.2%	60.1%	57.8%

Particulars (₹ crs)	Q1FY24	Q4FY23	Q3FY23	Q2FY23	Q1FY23
Total ECL Provision	552	554	566	565	613
Gross Stage 3 %	6.6%	6.8%	7.9%	7.1%	8.2%
Net Stage 3 %	3.1%	3.2%	3.6%	2.9%	3.6%

Collection Efficiency

Particulars (₹ crs)	EMI Billing	EMI collected	Overdue / Prepayments collections	Total Collection	Collection efficiency %
Jul-22	226	191	118	309	136.7%
Aug-22	205	178	88	267	130.3%
Sep-22	214	186	108	294	137.5%
Oct-22	203	172	79	251	123.5%
Nov-22	222	172	165	337	151.8%
Dec-22	260	219	130	349	134.1%
Jan-23	221	180	117	297	134.3%
Feb-23	269	178	102	280	104.1%
Mar-23	239	195	147	342	142.9%
Apr-23	237	175	207	383	161.5%
May-23	242	185	149	334	138.1%
Jun-23	270	205	118	323	119.4%
Q1FY23	725	605	708	1,312	181.0%
Q2FY23	645	556	314	870	134.9%
Q3FY23	685	563	374	937	136.7%
Q4FY23	729	553	365	918	126.0%
FY23	2,784	2,276	1,762	4,038	145.0%
Q1FY24	749	565	475	1,040	138.8%

EMI collection efficiency in Q1FY24 for Commercial Vehicle loan portfolio is 90 % and Housing Finance loan portfolio is 94 %

Collection Efficiency = Total Collection/EMI Billing

Positive ALM on Cumulative Basis

Particulars (₹ in crs)	Jul-23	Aug-23	Sep-23	Q3 FY23	Q4 FY23	Q1 FY24
Opening cash & equivalents*	1,111	1,135	1,046	823	970	894
Loan repayment inflows [Principal]	108	109	110	338	339	386
Fresh borrowings	0	0	0	0	0	0
Total inflow	1,219	1,244	1,155	1,161	1,310	1,280
Liability repayment [Principal]						
NCDs	0	0	20	3	72	43
Term loans & Others	84	198	313	187	269	172
Commercial paper	0	0	0	0	75	0
Total outflow	84	198	333	190	416	215
Closing cash and equivalents	1,135	1,046	823	970	894	1,064

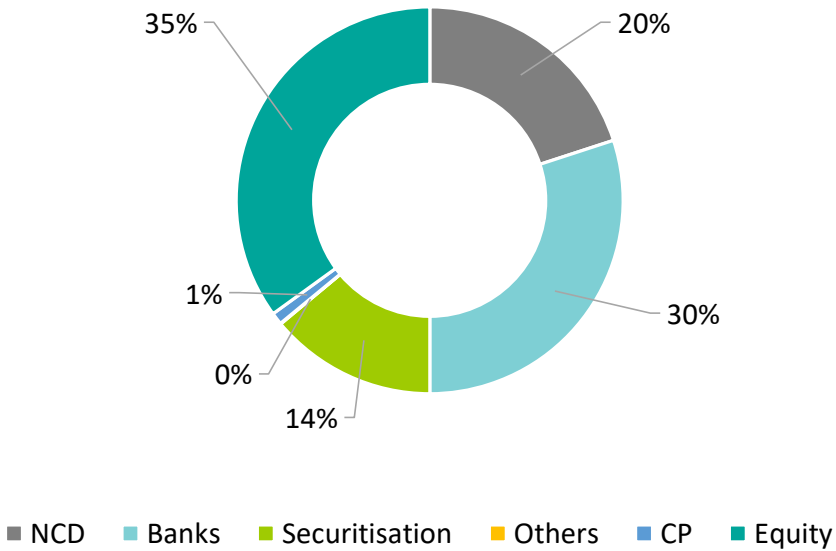
Details of Opening Cash & Equivalents

As on June 30, 2023	₹ crs
Cash & Cash equivalents	719
Liquid Debt Mutual Funds	70
Investment in G-Sec	97
Undrawn funding Lines	226
Total	1,111

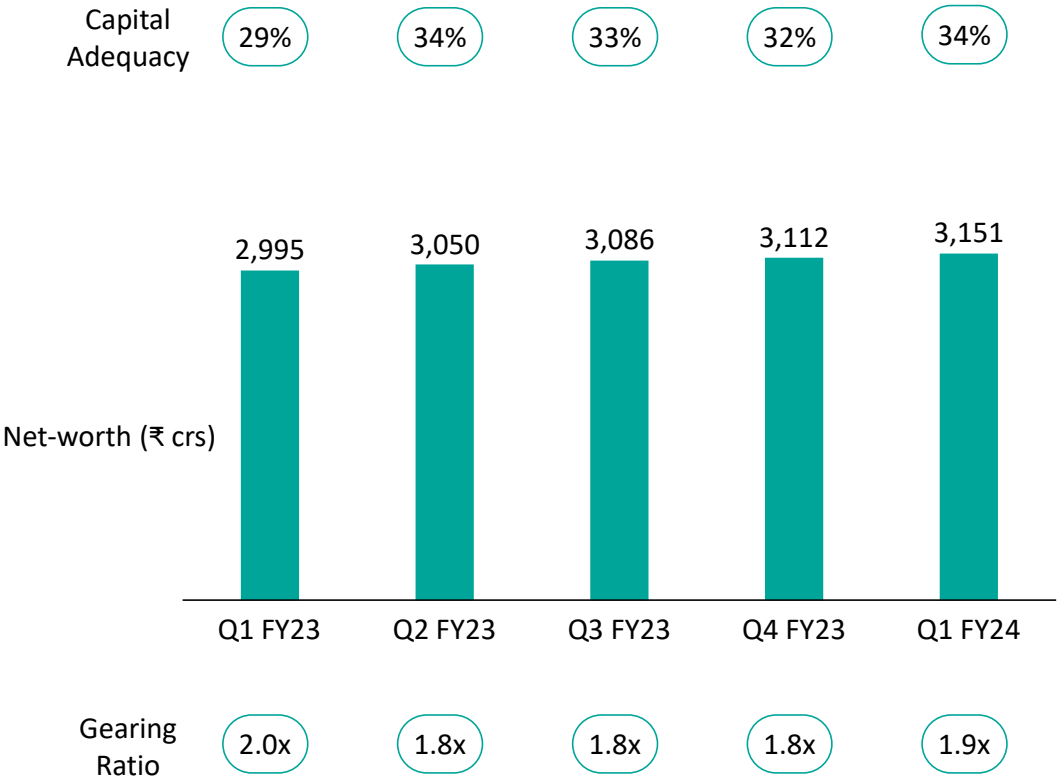
Robust closing cash and bank balance (₹ 1,111 crs as on June 23), sufficient to stable growth going forward

Diversified Borrowing Profile Supported by Capital Adequacy

Diversified Funding Mix (June 2023)



Net-worth and Capital Adequacy



Credit Rating remains Strong

Key Rating Drivers

- ✓ Demonstrated support from majority shareholders, Brookfield & Everstone
- ✓ Strong capitalisation with healthy net worth base
- ✓ Increased granularity of loan book owing to retail focus, albeit low seasoning
- ✓ Continued strong performance of housing finance subsidiary

Strong Credit Ratings

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

Note: CARE ratings outlook have been changed to “Stable” from “under watch with Negative Implications”. Long term rating by CARE is applicable only for IndoStar Capital Finance Limited. CRISIL while re-affirming the AA- Credit Rating, has modified the Outlook from “Rating Watch with Negative Implications” to AA-/Negative.


- CRISIL rated long-term rating at **AA-/Negative** and short-term rating at A1+ on 28th July 2023 (Rating watch with negative implications removed).
- CARE re-affirmed long-term rating to A+, short term rating re-affirmed at A1+ on 1st April 2023





CV Finance


Commercial Vehicle Finance





- 

AUM of ₹ 3,928 crs
- 

Average Ticket Size of ₹ 7.6 Lakhs
- 

Used Vehicle Disbursement of 93% in Q1FY24 vs 96% in Q4FY23
- 

Presence across 22 States
- 

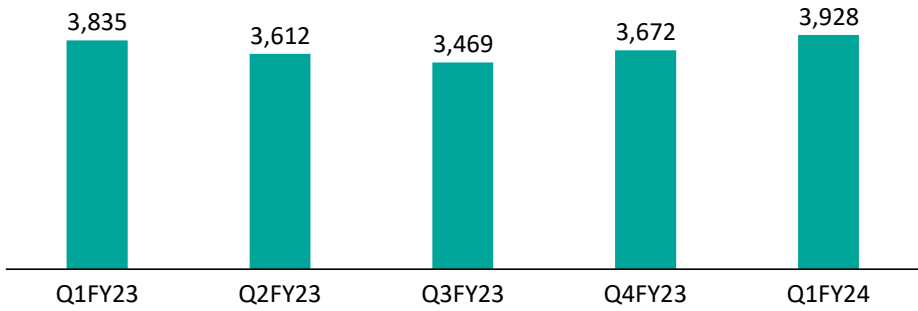
Average Loan to Value Ratio is 74.0% in Q1FY24 vis-à-vis 72.7% in Q4FY23
- 

Disbursements Yield ~18.7%
Gross Stage 3 of 7.5% & Net Stage 3 of 2.8%

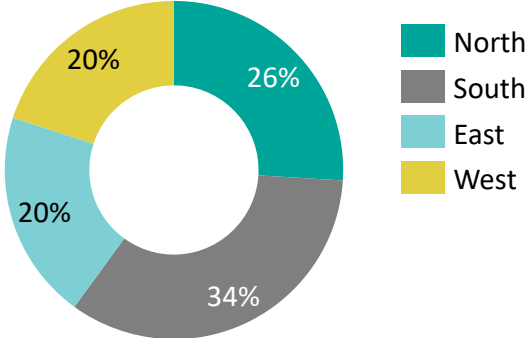
*Data as of June 2023

CV Finance : Key Operational Parameters

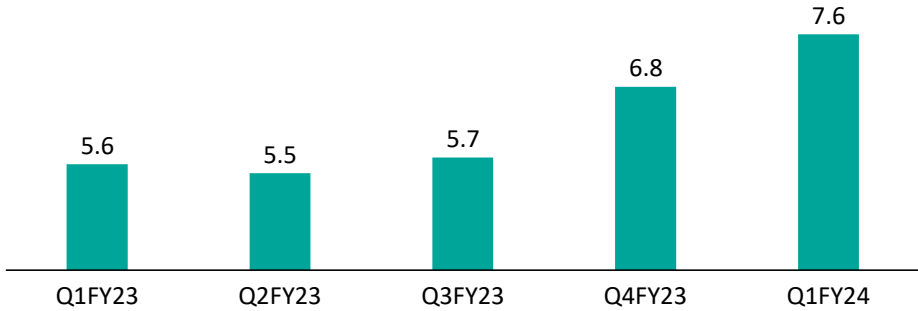
AUM (₹ crs)



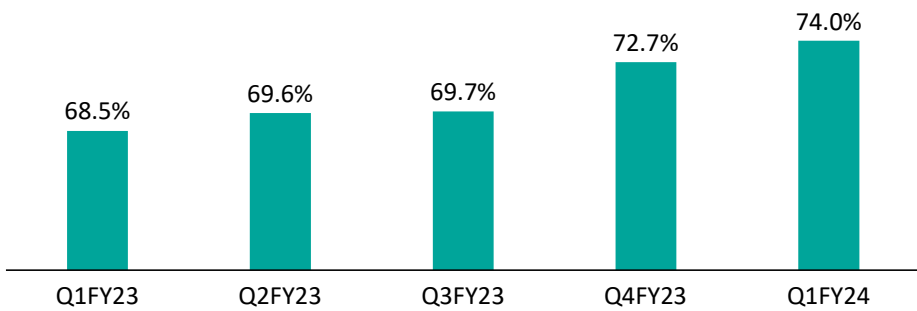
AUM Mix (Geography -Wise) (%)



Average Ticket Size (₹ lakhs)

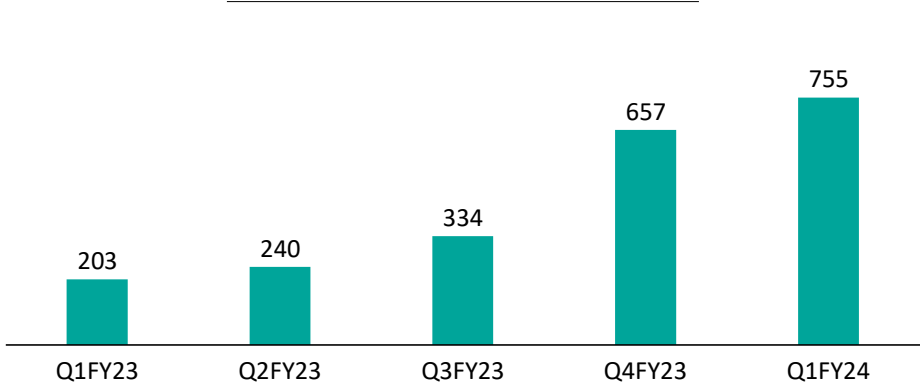


Loan to Value (%)

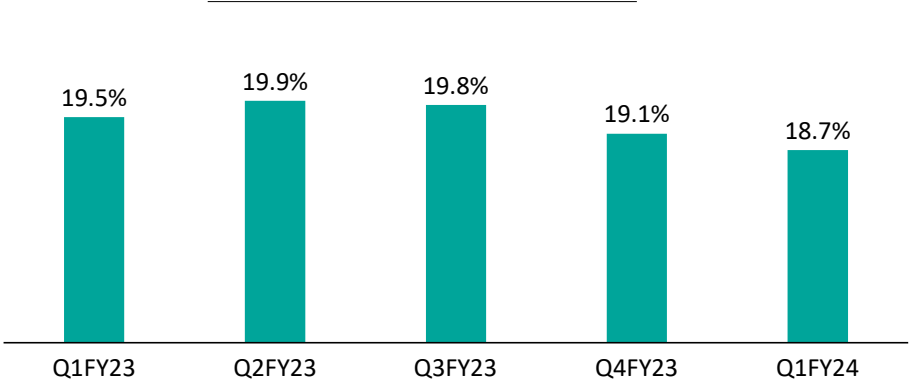


CV Finance : Key Operational Parameters

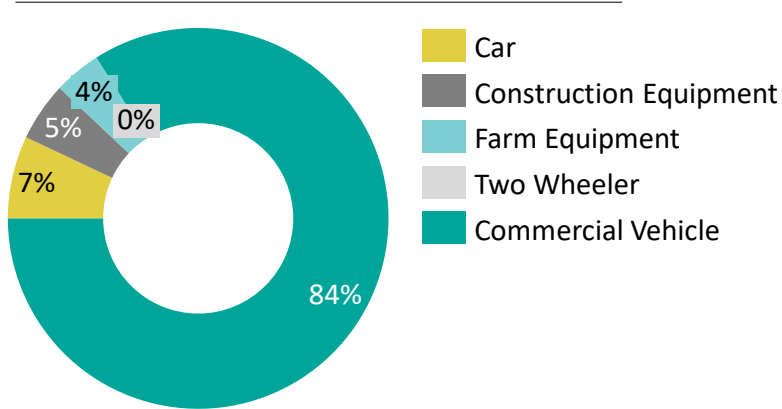
Disbursements (₹ crs)



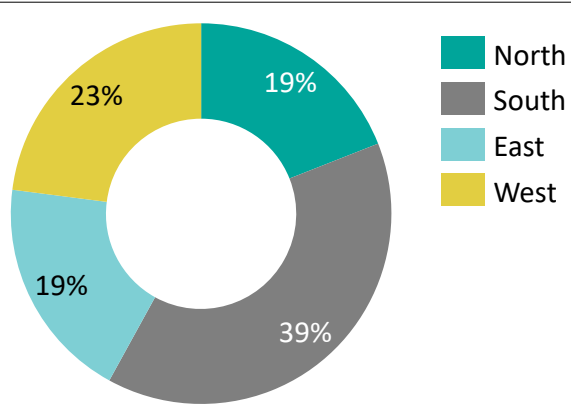
Disbursements Yield (%)



Disbursement Mix (Product -Wise) (%)



Disbursement Mix (Geography -Wise) (%)



IT – Key Enabler for Control / Growth



IndoStar Connect – Onboarding

- Digital loan origination mobile and web application for seamless journey.
- Enabling sales, credit and operations to improve quantity and quality.
- Enabling paperless lending.
- Increased regulatory and audit compliance.



IndoStar Connect - Verification & Validation

- One click verification of proof of address (POA) and proof of identity (POI) via API integration.
- Quick CIBIL check for Go/No-Go decision.
- Geo-tagging of field visits
- Internal customer and asset dedupe.
- Instant Registration certification (RC) verification from Vahaan.
- Document upload through mobile application.
- Instant bank statement analysis and plotting through integration.
- API integrated repayment track record mapping from CIBIL.
- Instant Anti money laundering (AML) check for credit decisioning.



Lending Software End to End services

- Digital case credit assessment memo (CAM) generation.
- Automated deviations to credit hierarchy based on data captured from different sources and user inputs. (BRE driven)
- Enabling RCU workflow for screening, sampling and hunter check.
- Enabling e-Signing and e-stamping of loan agreements.
- Enabling e-NACH and e-Mandates for EMI repayment.
- Verified bank details via penny drop service.
- Reduced turn around time for operations due to API based customer data verification.



Payment Automation

- A digitized way of collection by way of enhanced monitoring, controlling and issuing receipt
- Easy access mobile app which can be used on any compatible device
- Auto allocation of cases based on suitability and on set parameters
- GEO Tagging of all employees using application
- Auto tracking of commitment with reminders
- Permanent trail of cases without any manual intervention
- Better controls at different levels
- Transparency in operations and evaluation
- Empowering UPI & GPay to fast-track collection mechanism

The logo is a large, rounded hexagonal shape with a vertical gradient from dark green on the left to light green on the right. It is centered on a light gray background with a pattern of small, semi-transparent hexagons. There are also some white hexagonal outlines scattered around the logo.

IndoStar Home
Finance Private
Limited

Affordable Home Financing Solutions



IndoStar Home Finance Private Limited



- ✓ AUM of ₹ 1,741 crs
- ✓ Portfolio Average Ticket Size of ₹ 9 Lakhs
- ✓ Salaried: 50% and Self Employed 50%
HF:71% and LAP: 29%
- ✓ Presence across 10 States
- ✓ Average Loan to Value Ratio: 48.39%
- ✓ Blended Yield ~15%
Gross Stage 3 of 1.2% & Net Stage 3 of 0.9%

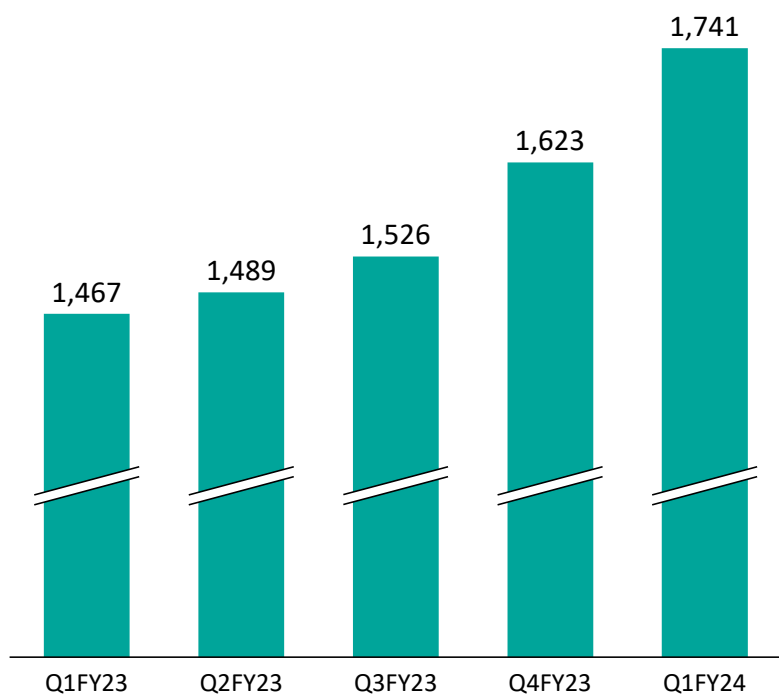
*Data as of December 2022

Focusing on Growing Housing Finance Book



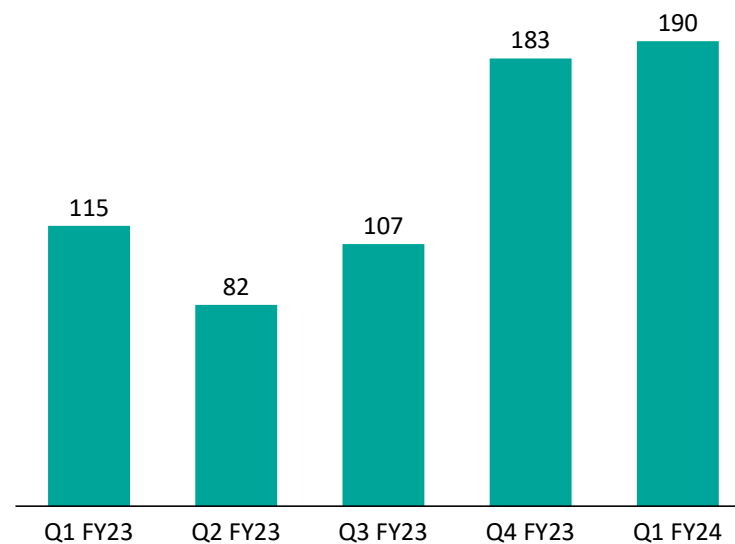
Housing Finance - AUM

(₹ crs)



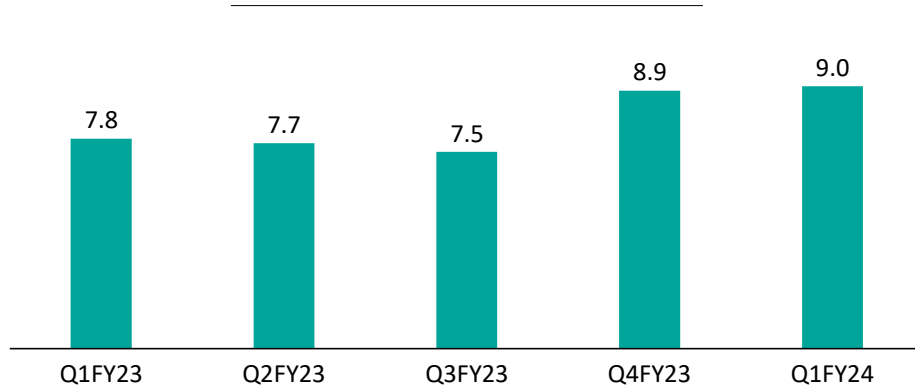
Housing Finance - Disbursements

(₹ crs)

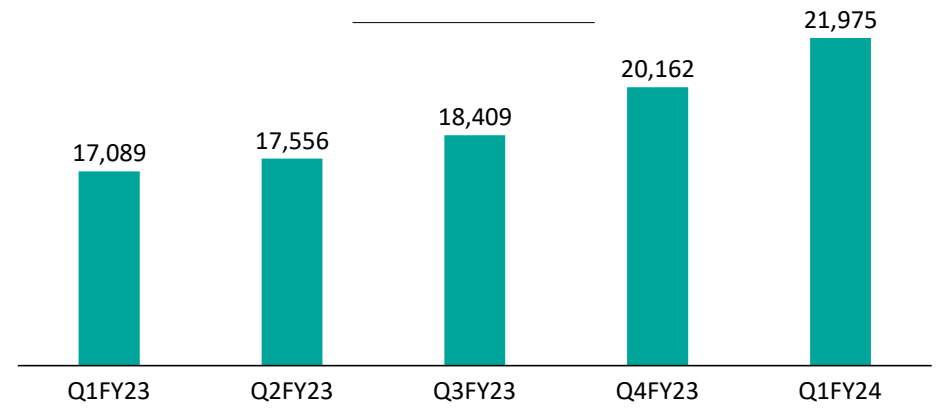


Housing Finance : Key Operational Parameters

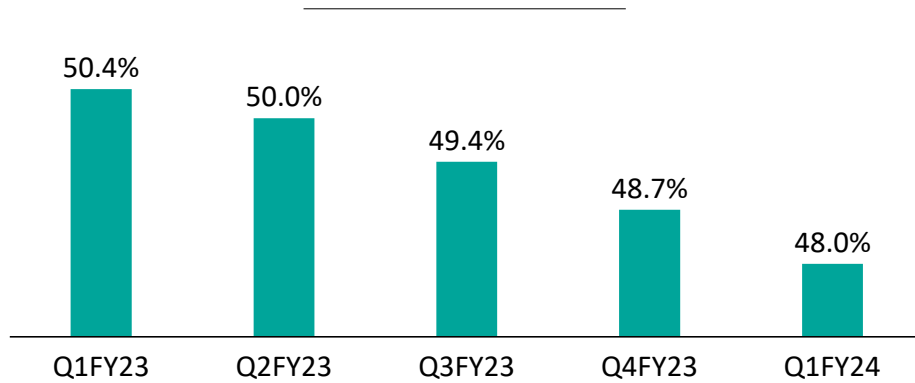
Average Ticket Size (₹ lakhs)



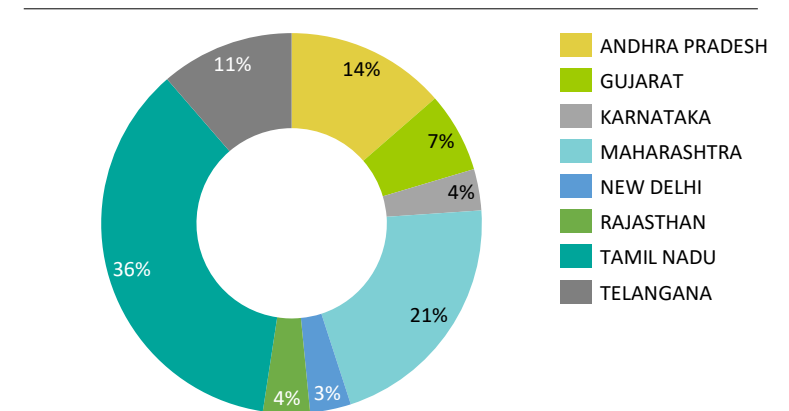
Live Accounts



Loan to Value (%)

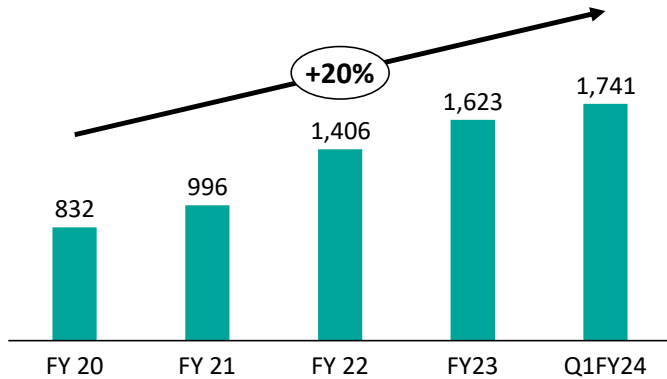


Geographical Distribution (Value -Wise) (%)

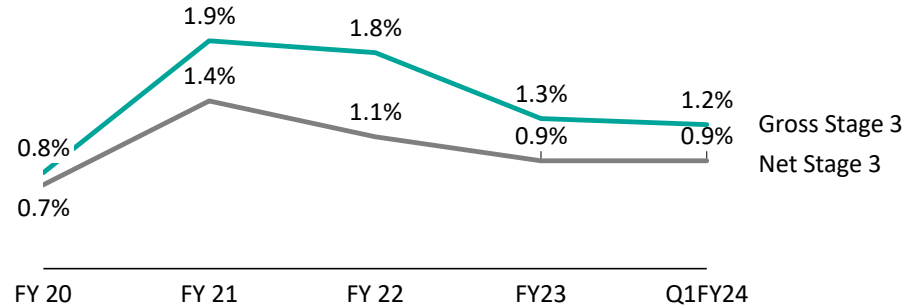


Housing Finance : Key Financial Parameters

AUM (₹ crs)

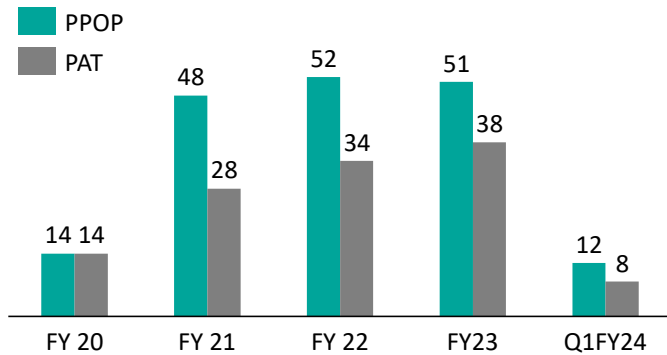


Gross Stage 3 & Net Stage 3 (%)

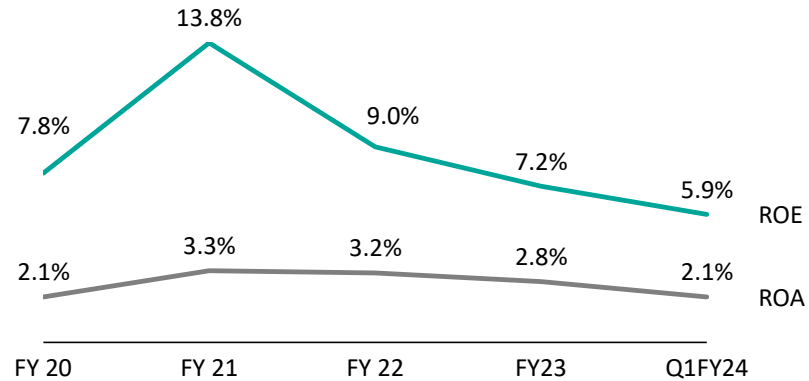


CRAR
73.41%
Jun 23

PPOP & PAT (₹ crs)



















ROA & ROE (%)



D/E Ratio
1.88x
Jun 23

Catering to Underpenetrated Segments Across Product Types

Characteristics	Salaried	Self Employed
Profession	 Textile loom workers  Retail workers  FMCG workers  School teachers  Manual labourers  Helpers  Factory labourers  Class IV government employees	 Small traders  Kirana shop owners  Tea & snack vendors  Vegetable vendors  Small time manufacturers  Micro scale milk vendors  Textile loom  Small contractors
Annual Household Income	< Rs 6 Lacs	
Formal Credit Experience	35-40% are New to Credit; Others may have some credit history largely on account of consumer durable loans	

Process Excellence: Credit & Underwriting

Evaluation of Profile and Property Risk

- Collecting KYCs -Aadhar, PAN, Credit history checks with bureaus. Assessment of LTV, FOIR
- Assessment of employment / business stability
- Banking Flows, establishing surrogates
- RCU/FI checks
- Legal & Technical checks

Assessment of Total Income (Individual & Household)

- Verification of assets wherever applicable
- Detailed cash flow assessment done including income inflows and cost of running household/business
- Personal discussion with applicant and family member
- Verification of assets wherever applicable
- Arriving at disposable income

CREDIT & UNDERWRITING

Evolving Underwriting Processes

- Building self learnings in the credit programs
- Continuous improvement in the underwriting process to factor in profile risk and property risk
- Introducing centralized underwriting
- Property score card development under process



Excluded from Portfolio



Builder under Construction



Plot + Construction



Balance Transfer + Top up

Process Excellence: Collections & Monitoring

Collection Process

Pre Bounce / Delinquency

- Use of Bounce prediction tool which provides with the pool of customers with high probability where focused efforts are put in to collect advance EMIs to avoid bounce
- Sales team is responsible for collections with less than 500 loan count and bounce ratio of less than 10%
- Pre due calling on entire portfolio through External Bot Vendor

Post Bounce / Delinquency

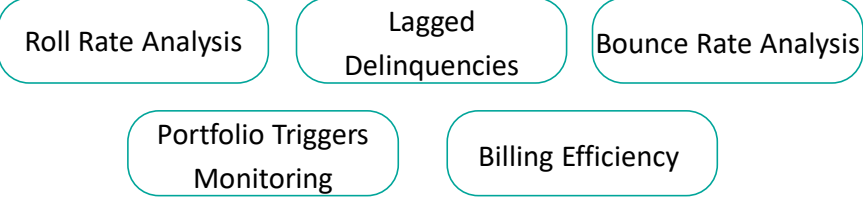
- Cases are allocated to branch sales RM/collections officers
- Repeated follow-ups and hand-holding with the customers on case to case basis
- Special focus on contracts in 31-60 dpd bucket to stop flow forward
- Enforcement of SARFAESI with the help of an external agency in deep bucket cases

- Continuous monitoring from corporate office with the help of robust dashboard system developed with the help of Tableau.
- These dashboards provide real-time details of bounces, collections status, dpd details etc

- In house collections team
- Collections legal person is in place
- Collections Responsibility on sales employees ensure right customer sourcing
- Strict adherence to code of conduct prescribed by regulator in collections

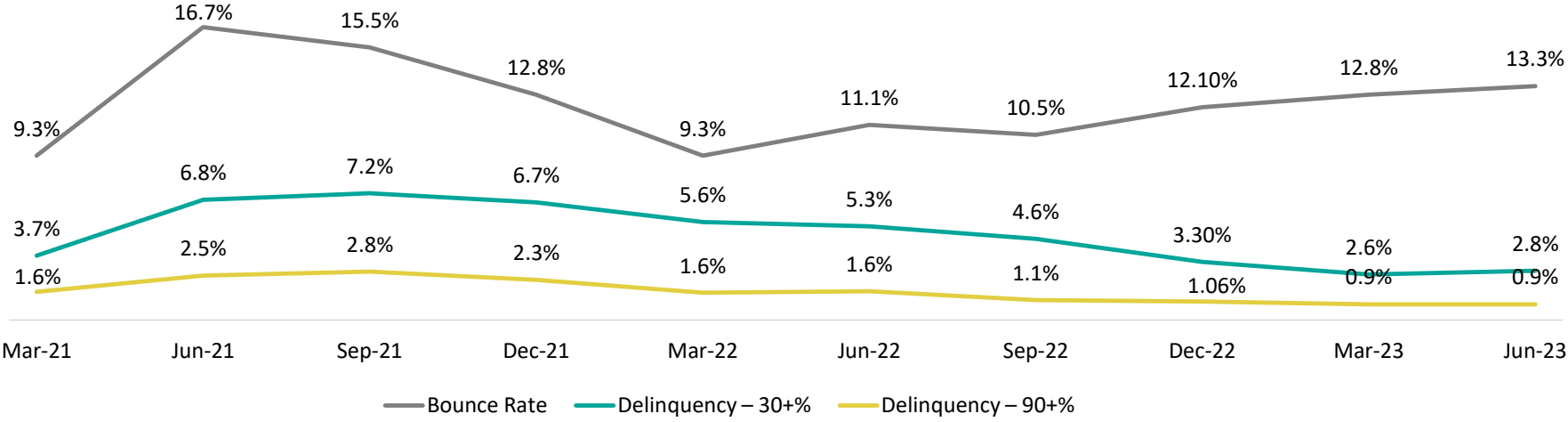
Analytics driven Risk Management to control Delinquency

Key Risk Management Aspects Monitored



- ✓ Robust dashboards developed in the system to enable real time monitoring of mentioned parameters
- ✓ Dashboards are sent to branch managers to enable them to monitor their originated portfolio and take corrective action as necessary
- ✓ Rigorous review mechanism in place to conduct regular reviews at branch, state, region and corporate level to ensure proper monitoring and action
- ✓ Origination and underwriting parameters are continuously watched and improved based on the dashboard results

Bounce and 30+ & 90+ Delinquency Trends





Financial
Performance



ICF Standalone - Income Statement



Particulars (₹ in crs)	Q1FY24	Q4FY23	Q-o-Q	Q1FY23	Y-o-Y	FY23	FY22	Y-o-Y
Revenue from operations	241.2	236.0		258.5		968.9	1,042.2	
Interest expenses	133.3	134.3		132.4		518.0	514.3	
Net Interest Income	108.1	101.7	6%	126.1	(14%)	450.9	527.9	(15%)
Other Income	0.1	3.9		0.2		4.4	11.4	
Total Income	108.2	105.6	2%	126.2	(14%)	455.2	539.2	(16%)
Employee Benefits Expense*	49.1	(6.6)		45.7		132.6	176.3	
Depreciation and Amortization Expense	6.7	8.3		9.3		36.3	33.8	
Other Expenses	34.3	32.1		29.6		139.2	119.2	
Total operating expenses	90.1	33.7	167%	84.6	6%	308.1	329.3	(6%)
Pre-provision operating profit	18.1	71.9	(75%)	41.6	(56%)	147.1	209.9	(30%)
ECL Provision	(19.4)	(3.0)		(458.9)		(520.3)	573.1	
Write offs	6.6	1.7		455.6		480.1	577.6	
Credit costs	(12.8)	(1.2)	941%	(3.3)	288%	(40.1)	1,150.8	(103%)
Profit before tax	30.9	73.1	(58%)	44.9	(31%)	187.3	(940.9)	(120%)
Tax	0.0	0.0		0.0		0.0	(171.7)	
Profit after tax	30.9	73.1	(58%)	44.9	(31%)	187.3	(769.2)	(124%)

*Q4FY23 and FY23 includes reversal of ₹ 50.5 crore & ₹ 44.2 crore on account of cancellation of unvested ESOPs

ICF Standalone - Balance Sheet

Equity & Liabilities (₹ in crs)	Jun'23	Mar'23	Jun'22
Financial Liabilities			
Trade payables	5.8	7.4	1.2
Debt Securities	1,867.4	1,108.9	1,612.8
Borrowings other than debt securities	2,967.5	3,704.2	3,446.2
Other financial liabilities	205.0	282.1	406.6
Total financial liabilities	5,045.7	5,102.6	5,466.8
Non- Financial Liabilities			
Provisions	4.8	4.7	5.5
Other non - financial liabilities	7.1	9.5	1.6
Total non-financial liabilities	11.9	14.2	7.1
Equity			
Equity share capital	136.1	136.1	136.1
Other equity	2,918.0	2,886.5	2,791.9
Total equity	3,054.1	3,022.6	2,928.0
Total Liabilities & Equity	8,111.7	8,139.3	8,401.9

Assets (₹ in crs)	Jun'23	Mar'23	Jun'22
Financial Asset			
Cash and cash equivalents	623.2	165.0	255.1
Bank balance other than cash & cash equivalent	206.5	203.4	367.0
Loans	5,409.9	5,195.6	5,440.2
Investments	771.7	1,457.1	1,159.9
Other financial assets	304.1	334.2	369.5
Total financial assets	7,315.3	7,355.3	7,591.7
Non-Financial assets			
Current tax assets (Net)	62.2	53.8	77.5
Deferred tax assets (Net)	316.4	316.4	316.6
Property, plant and equipment	42.3	47.9	63.1
Assets held for sale	13.0	13.0	13.0
Goodwill	300.2	300.2	300.2
Intangible assets	17.9	20.4	11.3
Other non-financial assets	44.4	32.3	28.6
Total non-financial assets	796.4	784.0	810.2
Total Assets	8,111.7	8,139.3	8,401.9

HFC - Income Statement



Particulars (₹ in crs)	Q1FY24	Q4FY23	Q-o-Q	Q1FY23	Y-o-Y	FY23	FY22	Y-o-Y
Revenue from operations	59.3	50.6		55.4		208.3	144.6	
Interest expenses	22.7	17.7		15.7		65.2	49.3	
Net Interest Income	36.6	32.9	11%	39.7	(8)%	143.1	95.3	50%
Other Income	0.2	0.3		0.2		0.9	0.2	
Total Income	36.8	33.2	11%	39.9	(8)%	144.0	95.5	51%
Employee Benefits Expense	14.4	10.1		9.1		45.3	28.8	
Depreciation and Amortization Expense	1.2	0.9		0.6		3.2	1.6	
Other Expenses	9.6	21.5		7.7		44.5	13.0	
Total operating expenses	25.2	32.5	(23)%	17.4	44%	93.0	43.3	115%
Pre-provision operating profit	11.6	0.7	1554%	22.5	(48)%	51.0	52.2	(2)%
ECL Provision	(1.7)	(3.6)		1.0		(6.7)	4.9	
Write offs	2.6	(0.2)		0.0		6.5	1.3	
Credit costs	0.9	(3.7)	(124)%	1.0	(8)%	(0.2)	6.1	-
Profit before tax	10.7	4.4	141%	21.5	(50)%	51.2	46.1	11%
Tax	2.7	1.4		5.5		13.5	11.8	
Profit after tax	8.0	3.1	158%	16.0	(50)%	37.8	34.3	10%

HFC - Balance Sheet

Equity & Liabilities (₹ in crs)	Jun'23	Mar'23	Jun'22
Financial Liabilities			
Trade payables	23.3	23.9	11.7
Debt Securities	30.6	0.0	48.9
Borrowings other than debt securities	981.4	835.0	761.3
Other financial liabilities	30.0	50.0	24.5
Total financial liabilities	1,065.3	908.9	846.4
Non- Financial Liabilities			
Current tax liabilities (Net)	0.0	0.0	0.6
Provisions	1.2	0.9	1.0
Deferred tax liabilities (Net)	6.3	5.8	2.3
Other non - financial liabilities	0.6	1.6	1.0
Total non-financial liabilities	8.0	8.3	4.9
Equity			
Equity share capital	450.0	450.0	450.0
Other equity	95.0	87.1	65.3
Total equity	545.0	537.1	515.3
Total Liabilities & Equity	1,618.2	1,454.3	1,366.5

Assets (₹ in crs)	Jun'23	Mar'23	Jun'22
Financial Asset			
Cash and cash equivalents	65.2	10.1	3.1
Bank balance other than cash & cash equivalent	60.8	32.6	20.9
Loans	1,427.3	1,320.1	1,213.6
Investments	0.0	35.0	87.6
Other financial assets	41.6	40.7	30.8
Total financial assets	1,594.9	1,438.4	1,356.0
Non-Financial assets			
Current tax assets (Net)	3.1	2.3	2.5
Property, plant and equipment	9.3	5.6	4.1
Intangible assets	3.3	3.2	1.9
Other non-financial assets	7.6	4.7	2.2
Total non-financial assets	23.3	15.9	10.6
Total assets	1,618.2	1,454.3	1,366.5

Consolidated - Income Statement

Particulars (₹ in crs)	Q1FY24	Q4FY23	Q-o-Q	Q1FY23	Y-o-Y	FY23	FY22	Y-o-Y
Revenue from operations	299.1	285.2		313.8		1,174.3	1,162.7	
Interest expenses	154.4	150.4		148.1		580.3	539.5	
Net Interest Income	144.7	134.8	7%	165.7	(13%)	594.1	623.2	(5%)
Other Income	0.3	4.1		0.4		5.3	11.6	
Total Income	145.0	138.8	4%	166.1	(13%)	599.4	634.8	(6%)
Employee Benefits Expense*	63.5	3.5		54.8		177.8	205.0	
Depreciation and Amortization Expense	7.9	9.2		9.9		39.6	35.4	
Other Expenses	43.9	53.5		37.3		183.8	132.2	
Total operating expenses	115.3	66.2	74%	102.0	13%	401.1	372.6	8%
Pre-provision operating profit	29.7	72.6	(59%)	64.1	(54%)	198.3	262.1	(24%)
ECL Provision	(21.1)	(6.3)		(457.9)		(527.0)	578.9	
Write offs	9.2	1.6		455.6		486.6	579.6	
Credit costs	(11.9)	(4.7)	153%	(2.3)	411%	(40.4)	1,158.5	(103%)
Profit before tax	41.6	77.3	(46%)	66.4	(37%)	238.6	(896.4)	(127%)
Tax	2.7	1.3		5.5		13.5	(159.9)	
Profit after tax	38.9	76.0	(49%)	60.9	(36%)	225.2	(736.5)	(131%)

*Q4FY23 and FY23 includes reversal of ₹ 50.5 crore & ₹ 44.2 crore on account of cancellation of unvested ESOPs

Consolidated - Balance Sheet

Equity & Liabilities (₹ in crs)	Jun'23	Mar'23	Jun'22
Financial Liabilities			
Trade payables	5.8	7.9	12.9
Debt Securities	1,898.0	1,108.9	1,661.7
Borrowings other than debt securities	3,948.8	4,539.2	4,207.5
Other financial liabilities	235.1	332.2	431.1
Total financial liabilities	6,087.7	5,988.1	6,313.2
Non- Financial Liabilities			
Current tax liabilities (Net)	0.0	0.0	0.6
Provisions	6.0	5.6	6.5
Deferred tax liabilities (Net)	6.3	5.8	2.3
Other non - financial liabilities	7.7	11.1	2.6
Total non-financial liabilities	19.9	22.5	12.0
Equity			
Equity share capital	136.1	136.1	136.1
Other equity	3,015.0	2,975.5	2,859.0
Total equity	3,151.0	3,111.6	2,995.1
Total Liabilities & Equity	9,258.7	9,122.2	9,320.3

Assets (₹ in crs)	Jun'23	Mar'23	Jun'22
Financial Asset			
Cash and cash equivalents	693.0	179.7	262.7
Bank balance other than cash & cash equivalent	267.2	236.0	387.8
Loans	6,837.2	6,515.7	6,653.9
Investments	319.1	1,039.4	794.8
Other financial assets	322.4	351.6	400.3
Total financial assets	8,439.0	8,322.4	8,499.5
Non-Financial assets			
Current tax assets (Net)	65.3	56.1	80.0
Deferred tax assets (Net)	316.4	316.4	316.6
Property, plant and equipment	51.6	53.5	67.2
Assets held for sale	13.0	13.0	13.0
Goodwill	300.2	300.2	300.2
Intangible assets	21.2	23.5	13.1
Other non-financial assets	52.0	37.1	30.7
Total non-financial assets	819.7	799.8	820.8
Total Assets	9,258.7	9,122.2	9,320.3

Historical - Consolidated Income Statement

Particulars (₹ in crs)	FY23	FY22	FY21	FY20
Revenue from operations	1,174.3	1,162.7	1,279.8	1,597.5
Interest expenses	580.3	539.5	708.6	863.4
Net Interest Income	594.1	623.2	571.2	734.1
Other Income	5.3	11.6	7.4	1.5
Total Income	599.4	634.8	578.6	735.5
Employee Benefits Expense	177.8	205.0	173.7	188.7
Depreciation and Amortization Expense	39.6	35.4	33.5	30.1
Other Expenses	183.8	132.2	128.3	93.2
Total operating expenses	401.1	372.6	335.5	312.0
Pre-provision operating profit	198.3	262.1	243.1	423.5
ECL Provision	(527.0)	578.9	169.1	362.8
Write offs	486.6	579.6	292.9	497.4
Credit costs	(40.4)	1,158.5	462.0	860.2
Profit before tax	238.6	(896.4)	(218.9)	(436.7)
Tax	13.5	(159.9)	(4.8)	(112.1)
Profit after tax	225.2	(736.5)	(214.1)	(324.6)

Historical - Consolidated Balance Sheet

Assets (₹ in crs)	Mar'23	Mar'22	Mar'21	Mar'20
Financial Asset				
Cash and cash equivalents	179.7	80.3	279.2	168.4
Bank balance other than cash & cash equivalent	236.0	409.4	241.0	376.7
Loans	6,515.7	7,706.9	7,139.3	8,293.1
Investments	1,039.4	547.7	1,591.4	230.6
Other financial assets	351.6	101.0	143.8	339.4
Total financial assets	8,322.4	8,845.2	9,394.6	9,408.1
Non-Financial assets				
Current tax assets (Net)	56.1	69.0	120.5	133.9
Deferred tax assets (Net)	316.4	316.7	145.2	129.8
Property, plant and equipment	53.5	72.7	60.9	78.6
Assets held for sale	13.0	13.0	20.9	38.7
Goodwill	300.2	300.2	300.2	300.2
Intangible assets	23.5	13.1	4.5	3.8
Other non-financial assets	37.1	31.6	37.0	35.5
Total non-financial assets	799.8	816.2	689.2	720.5
Total Assets	9,122.2	9,661.5	10,083.8	10,128.6

Historical - Consolidated Balance Sheet

Equity & Liabilities (₹ in crs)	Mar'23	Mar'22	Mar'21	Mar'20
Financial Liabilities				
Trade payables	7.9	2.7	3.9	11.1
Debt Securities	1,108.9	1,977.9	2,012.8	2,089.5
Borrowings other than debt securities	4,539.2	4,245.5	3,994.8	5,052.5
Other financial liabilities	332.2	491.4	357.2	256.5
Total financial liabilities	5,988.1	6,717.5	6,368.7	7,409.5
Non- Financial Liabilities				
Provisions	5.6	7.0	7.6	9.1
Deferred tax liabilities (Net)	5.8	0.8	2.3	0.0
Other non - financial liabilities	11.1	7.1	7.0	29.4
Total non-financial liabilities	22.5	14.9	16.8	38.5
Equity				
Equity share capital	136.1	136.1	123.7	92.5
Preference share capital	0.0	0.0	12.1	0.0
Other equity	2,975.5	2,793.0	3,562.5	2,588.1
Total equity	3,111.6	2,929.1	3,698.3	2,680.6
Total Liabilities & Equity	9,122.2	9,661.5	10,083.8	10,128.6

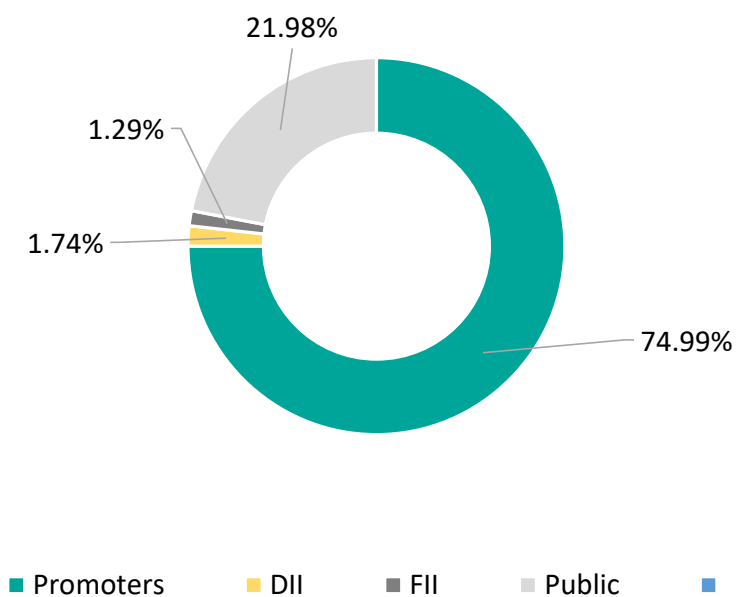


Ownership Structure and Management Team

Large Global Private Equity Parentage



Shareholding Pattern (As on June 2023)



Shareholders	%
Promoters	74.99
BCP V Multiple Holdings Pte Ltd (Brookfield)	56.20
Everstone Group	18.79
Domestic Institutional Investors	1.74
ICICI Prudential Life Insurance Company Limited	1.36
Foreign Institutional Investors	1.29
Foreign Portfolio Investors Category I & II	1.29

Note: Everstone Group have completed the sale of 14.21% of the total paid-up equity share capital of the Company through an Offer for Sale, to comply with the minimum public shareholding requirements as per SEBI. Pursuant to the same Everstone Group's holding stands at 18.8% and public shareholding in the company increased to 25% w.e.f. 05th May 2023

Experienced Management Team - IndoStar



Karthikeyan Srinivasan

Chief Executive Officer - ICF

- He has over 25 years of experience in the areas of Retail Sales, Client Servicing, Credit/Portfolio Management and People Management in BFSI sector and have handled a wide range of financial products including CV Loans, Construction Equipment Loan, Tractor Loans, Two-wheeler Loans etc.
- He has worked with various Banks like ICICI Bank Ltd, Kotak Mahindra Finance Limited, Cholamandalam Investment and Finance Company Ltd.



Vinodkumar Panicker

Chief Financial Officer - ICF

- He has a career span of over 35 years serving in Banking & Financial Services and has a rich experience in managing & handling finance & accounts, legal & secretarial, investors & analysts, board members etc.
- In his last assignment with Muthoot Capital Services, Vinod was designated as CFO



Shreejit Menon

Chief Executive Officer - HFC

- He is a Commerce Graduate and has a Master's degree in Management Studies from University of Mumbai
- He has several years of experience with financial institutions like Religare Housing Development Finance Corporation Limited, Muthoot Housing Finance Company Limited and HSBC Limited



Pushkar Joshi

Chief Financial Officer - HFC

- He has over 13 plus years of experience in Treasury & Corporate Finance domain with expertise in fund raising & fund management, asset liability management & cash flow management.
- He has also worked with Avanse Financial Services Ltd, Tata Motors Finance Ltd & was Industrial Trainee (Financial Controls) at Hon-Kong & Shanghai Banking Corporation (HSBC).



Shikha Jain

Company Secretary and Compliance Officer - ICF

- She is a Commerce Graduate and a qualified Company Secretary from the Institute of Company Secretaries of India
- She has experience in working under secretarial department of Public and Private Limited Companies. She has worked with IIFL Wealth Finance Limited and Anand Rathi Group prior to joining IndoStar



Nidhi Sadani

Chief Compliance Officer - HFC

- She has more than 7 years of experience in Compliance Management
- She has earlier worked with Intelligent Money Manager Pvt Ltd

Esteemed Board of Directors



BOBBY PARIKH

Chairman and Non-Executive Independent Director

- He has nearly three decades of experience in financial services industry/reorganizations
- His area of focus is providing tax and regulatory advice in relation to transactions and other forms of business reorganizations
- He is a qualified Chartered Accountant from the ICAI and holds a Bachelor of Commerce degree from the University of Mumbai



Naina Krishna Murthy

Non-Executive Independent Director

- She has more than two decades of experience in the legal sector. She is the Founder and Managing Partner of Krishnamurthy & Company
- Over the years, Mrs. Murthy has built a strong reputation in corporate commercial law, specifically in the areas of M&As, JVs, collaborations and PE/VC investments
- She holds a degree in Law, with a B.A. and LLB (Hons) from National Law School, Bangalore



Hemant Kaul

Non-Executive Independent Director

- He has vast experience as an independent management consultant, having worked with private equity firms to evaluate investments in the financial sector
- He holds a Bachelor's degree in Science and a Master's degree in Business Administration from Rajasthan University

Esteemed Board of Directors



Munish Dayal

Non-Executive Director

- He is Managing Director - Private Equity & Business Operations at Brookfield Asset Management (BAM) and has over three decades of experience in financial services
- He is a commerce graduate from Shri Ram College of Commerce, University of Delhi and completed his master's in business administration from Faculty of Management Studies, University of Delhi



Aditya Joshi

Non-Executive Director

- He is MD in Brookfield's Private Equity Group and heads the PE for Brookfield in India
- Prior to Brookfield, he was a Principal at Apex Partners in India, he also worked at The Blackstone Group and Morgan Stanley in India
- He holds an MBA from The Wharton School, University of Pennsylvania, a bachelor's degree in accounting and finance from the University of Pune and is a CA and member of The ICAI



Vibhor Talreja

Non-Executive Director

- He joined Everstone in 2019 as a Managing Director to lead the financial services sector along with other responsibilities
- He has extensive experience in Financial Services, Industrial/Consumer, Real Estate & Telecom sectors and has worked with JM, Morgan Stanley and Tata Administrative Services. He is an alumnus of IIT Kanpur and IIM Bangalore



Dhanpal Jhaveri

Non-Executive Director

- He has over two decades of experience in investments, strategy, M&A and investment banking. Currently, he is a Managing Partner at the Everstone Group
- He holds a degree in Bachelor of Commerce from the University of Mumbai and an MBA from Babson College, USA

Thank You

COMPANY



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