

ICFL/LS/0164/ 2018-19

10 August 2018

**BSE Limited**

Listing Department, 1<sup>st</sup> Floor,  
P J Towers, Dalal Streets, 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.:** Submission of press release and analyst(s) / institutional investor(s) presentation

**Ref:** Regulation 30 of 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 Un-audited Financial Results for the quarter ended 30 June 2018; and
- ii. Analyst(s) / institutional investor(s) presentation with regard to analyst(s) / institutional investor(s) call to be held today i.e. Friday, 10 August, 2018 at 4:15 p.m. (IST).

Request you to kindly take the above on record and oblige.

Thanking you,

Yours faithfully,

**For IndoStar Capital Finance Limited**

  
Jitendra Bhati

SVP – Compliance & Secretarial  
(Membership No. F8937)



Encl: As above

**IndoStar Capital Finance Limited**

Registered Office : One Indiabulls Centre, 20th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai - 400013, India  
T +91 22 4315 7000 | F +91 22 4315 7010 | contact@indostarcapital.com | www.indostarcapital.com  
CIN : L65100MH2009PLC268160



**For Media Queries:**

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**For Immediate Release**

## **IndoStar Capital AUM up by 54% to Rs. 7,640.2 Cr on strong disbursements**

**Mumbai, 10 August, 2018: 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, 2018. The NBFC saw a 54% rise YoY in its AUM from Rs. 4,968.1 Cr to Rs. 7,640.2 Cr in Q1 FY19. The company reported a Total Income of Rs. 141.6 Cr in Q1 FY19, a rise of 31% from Rs. 107.9 Cr in Q1 FY18.

### **Consolidated financial update for the quarter ended June 30, 2018**

- a. Strong disbursement growth, Rs. 2,260.6 Cr up by 3x YoY.
  - Corporate Lending disbursement is Rs. 1,534.9 Cr, up 3.6x YoY.
  - Retail Lending is Rs. 725.7 Cr, up 2.1x YoY.
  - Vehicle Financing run rate ~Rs. 110.0 Cr/ month.
- b. Transition to Retail Lending continues, 71 Corporate Lending: 29 Retail Lending vs. 74:26 QoQ.
- c. Strong Asset Quality maintained; GNPA 1.2%, NNPA 1.0%.

### **Key company developments:**

- The company's total strength is 1,431 people as of June 30, 2018 after adding 337 employees in Q1 FY19.
- IndoStar's retail business has strong presence in 129 locations after adding 38 branches in Q1 FY19.
- With growth in retail business the customer base has increased in retail lending from 560 in Q1 FY18 to 8,714 in Q1 FY19.

Commenting on the results, **Mr. R. Sridhar, Executive Vice - Chairman and CEO**, said, "IndoStar has created a strong branch network of 129 branches and IT infrastructure to scale the retail lending business. Once initial investment in retail business build out crosses break even, profitability metrics will considerably improve. We see a huge opportunity in Corporate Lending, Vehicle Financing, SME Financing and Housing Finance."

(Please note: All financial numbers as per IGAAP)

### **About IndoStar Capital Finance Limited**

IndoStar Capital Finance Ltd. (IndoStar) is a professionally managed and institutionally owned organization, which offers structured term financing solutions for corporates, and loans to small and medium enterprise ("SME") borrowers in India. It has recently expanded its portfolio to offer vehicle finance and housing finance products through its network of 129 branches. The housing finance business is operated through IndoStar's wholly-owned subsidiary IndoStar Home Finance Private Limited, which commenced operations in September 2017. IndoStar has experienced strong growth since the commencement of operations in 2011.

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



# INDOSTAR CAPITAL FINANCE LIMITED

Q1 FY19 Results Update

10 August 2018

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- Strong disbursement growth; ₹ 22,606 Mn, up 3x YoY
  - Corporate Lending ₹ 15,349 Mn, up 3.6x YoY
  - Retail Lending ₹ 7,257 Mn, up 2.1x YoY
  - Vehicle Financing run rate ~ ₹ 1,100 Mn / month
- Transition to Retail Lending continues 71 CL : 29 Retail, vs 74 : 26 in Q 4, FY 18
- Retail Branch Roll-out [129 branches] and People hiring [1,431 FTE] largely completed
- Funding cost stable @ 9%; Strong liquidity ₹13,300 Mn Treasury + undrawn bank lines; Significant pipeline for further bank funding
- Strong Asset Quality maintained; GNPA 1.2%, NNPA 1.0%
- Completed IPO for ₹ 18.44 Bn [Fresh Issue ₹ 7.00 Bn, OFS ₹ 11.44 Bn], subscribed 6.8x
- Equity shares listed on NSE & BSE on 21 May 2018; ~125,000 shareholders

# Q1 FY19: Consolidated Key Metrics – as per IGAAP

**AUM**  
₹ 76,402 Mn  
(+ 23% QoQ; + 54% YoY)

**Disbursements**  
₹ 22,606 Mn  
(+ 4% QoQ; + 304% YoY)

**NIM 5.5%**  
**Unchanged QoQ**  
**CoF 9.0%**  
**+10 bps QoQ**

**GNPA 1.2%**  
**10 bps lower QoQ**  
**NNPA 1.0 %**  
**10 bps lower QoQ**

**PAT**  
INR 449 Mn

**Networth**  
INR 28,927 Mn

**ROAA 2.2%\***  
**ROAE 7.2%\***

**Debt / Equity**  
**1.88**  
**Capital Adequacy**  
**32.0%**

**BVPS ₹ 313.75**  
**EPS ₹ 3.62 #**

**AUM Breakup**  
**71% CL : 29% Retail**  
**74% : 26 % in Q4 FY18**

**Branches 129**  
**Employees 1431**

**Total Customers**  
**8752**

## Discussion Summary

❖ **Business Overview**

❖ Q1 FY19 Results Update

# Experienced Leadership Team

- ✓ 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 (9.1% of diluted shares)



**R. Sridhar**  
Executive Vice-  
Chairman & CEO

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



**Shailesh Shirali**  
Managing Director,  
Head – Corporate  
Lending & Markets

- 20+ years of experience in the financial services sector
- Previously worked at Future Capital Holdings



**A. Gowthaman**  
Business Head  
Vehicle Finance

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



**Prashant Joshi**  
Chief Operating  
Officer

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



**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



**Pankaj Thapar**  
Chief Financial  
Officer

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



**Prabhat Kumar  
Tripathy**  
Business Head  
Retail HF

- 20+ years of experience in financial institutions
- Previously worked with Equitas Small Finance Bank, ICICI, Dewan Housing Finance Corporation and others

# Strong Board of Directors

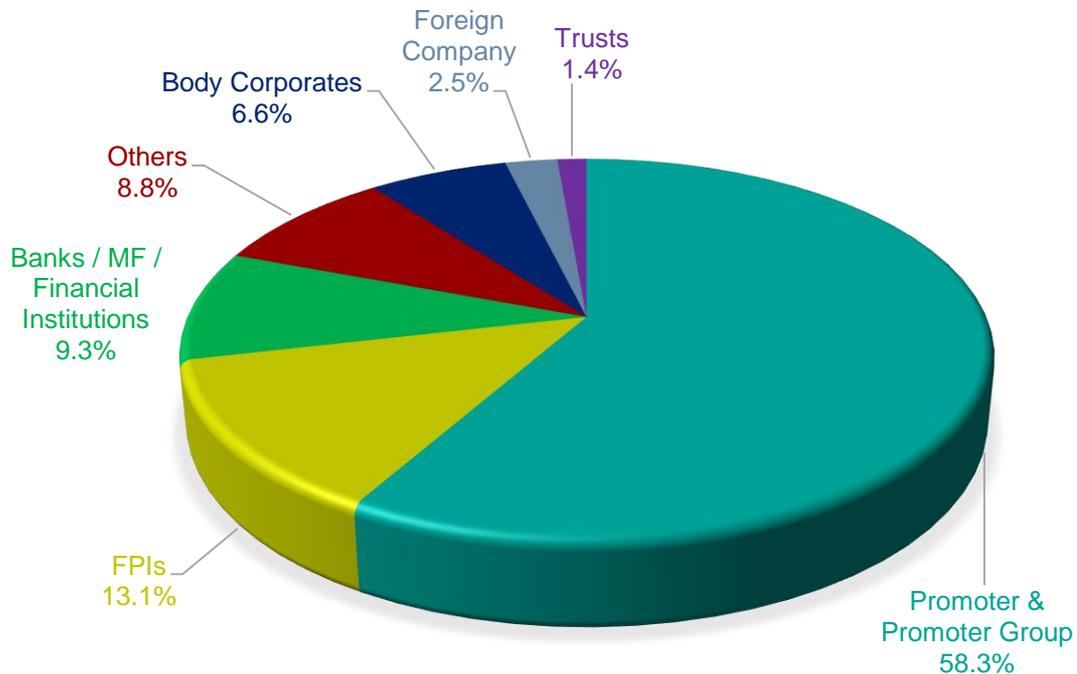
- ✓ 14 committees composed of independent and non-independent directors and also employees<sup>1</sup>
- ✓ Distinct and delineated responsibilities to ensure good corporate governance
- ✓ Strong capital sponsorship also providing access to best industry practices and international corporate governance 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>Sameer Sain</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Director since 2011</li> <li>Several years of experience in investment management, institutional wealth management and special investments</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. 14 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, Allotment and share transfer committee and Debenture committee.

 Independent Directors

## % Shareholding – June 2018



## Major Shareholders

Promoter & Promoter Group
Management Team and Employees*
SBI Mutual Fund
Lenarco (Advent)
BNP Paribas Arbitrage
SBI Life Insurance
ICICI Prudential Life Insurance
SBI Amundi Funds
Fidelity Investment Trust
ICICI Lombard General Insurance
HDFC Standard Life Insurance
Aditya Birla Sun Life Insurance
Reliance Mutual Fund
Bajaj Allianz Life Insurance
Max Life Insurance
Jupiter
Sundaram Mutual Fund
Reliance Nippon Life Insurance



## Strong capital sponsorship of Everstone Group



India and SEA  
focused

**US\$4.0bn**  
AuM



**'Private Equity Firm of the Year in India'**  
for 6 consecutive years <sup>5</sup>

1. Includes Indostar Everstone (42.54%) and Everstar Holdings Pte. Ltd. (8.70%). 2. Includes ACP Libra Limited (16.35%), Beacon India Private Equity Fund (10.79%), Beacon Light Group Limited (2.90%), Global Long Short Partners Mauritius I Limited (8.44%), Private Opportunities (Mauritius) I Limited (5.63%) and CDIB Capital Investment II Limited (4.65%). 3. Incorporated in Mauritius. 4. Others include Everstone Capital Partners II LLC (1.44%) and other institutional / individual investors (including employees). 5. Recognized as 'Private Equity Firm of the Year in India' by Private Equity International for six consecutive years from 2011 to 2016.

## Discussion Summary

❖ Business Overview

❖ **Q1 FY19 Results Update**

IndoStar, since inception, dynamically balances 3 factors: **Growth, Quality and Profitability**

## Growth

- Continuous growth since inception
- Poised for future growth and expansion in Retail Lending while continuing growth in Corporate Lending

## Quality

- Strong focus on asset quality, even with rapid growth and capacity expansion
- Gross NPA ₹ 884 Mn, 1.2%; Net NPA ₹ 740 Mn, 1.0%

## Profitability

- Strong focus on profitability even with rapid growth and capacity expansion
- Once initial investment in retail buildout crosses break even, profitability metrics will improve
- SME already profit making, Vehicle Finance on track to achieve break even in FY 19

## Corporate Lending and Vehicle Finance will be the Primary Growth Engines

### Vehicle Finance

- **Focus area:** Used CV (5 – 12 years)
- **Differentiating strategy:**
  - Sourcing through field offices
  - Leverage team's relationships with SFOs, MFOs and LCV & MCV owners, dealerships
  - Headquartered in Chennai; initial roll out from Tamil Nadu
  - Increase local on-ground presence to 15 key states

Drivers	Q1FY19	Q4FY18	Growth
Branches*	114	75	52%
Employees	883	604	46%
Customers	5,979	1,876	219%
AUM (₹ mn)	4,027	1,307	208%

### Housing Finance

- **Focus area:** Affordable HF, Self-employed individuals in outskirts of urban markets, Tier II cities
- **Differentiating strategy:**
  - Hired experienced personnel
  - Leverage relationships with real estate developer customers
  - Consider developer finance opportunities in select locations
  - Leverage VF branch network

Drivers	Q1FY19	Q4FY18	Growth
Branches*	40	31	29%
Employees	391	341	15%
Customers	1,442	437	230%
AUM (₹ mn)	1,776	512	249%

### SME Lending

- **Focus area:** Traders, Manufacturers and Services
- **Differentiating strategy:**
  - ~ 50% of SME loans qualify for PSL
  - Collateral - Typically completed and self-occupied residential property
  - Customized solutions
  - Short turn-around-time for processing loan applications
  - 100% loans are (1) secured (2) floating (3) monthly interest servicing

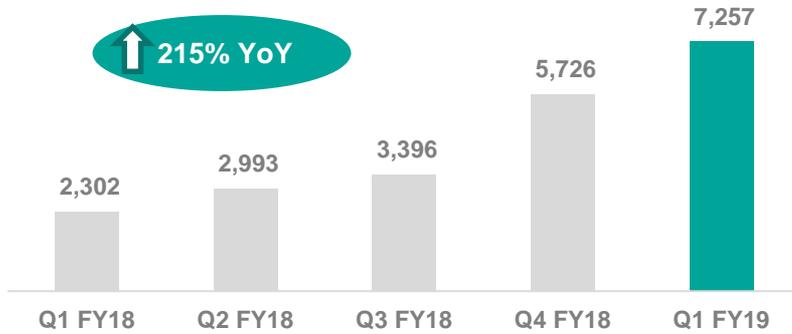
Drivers	Q1FY19	Q4FY18	Growth
Branches*	10	10	-
Employees	77	65	18%
Customers	1,293	1,079	20%
AUM (₹ mn)	16,544	14,532	14%

\* Some branches have multiple operating segments

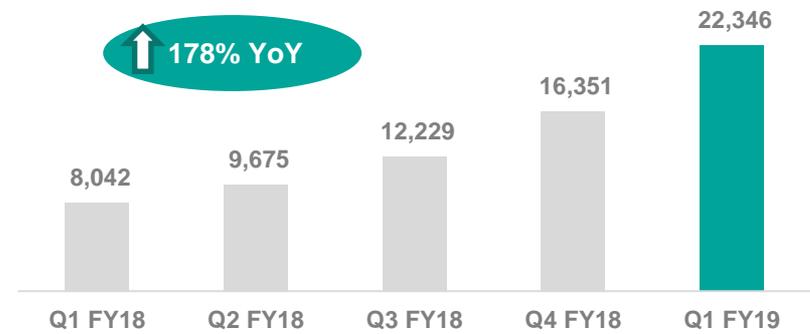
All financial numbers as per IGAAP

# Retail Lending acceleration for Long Term Growth – past 5 Quarters

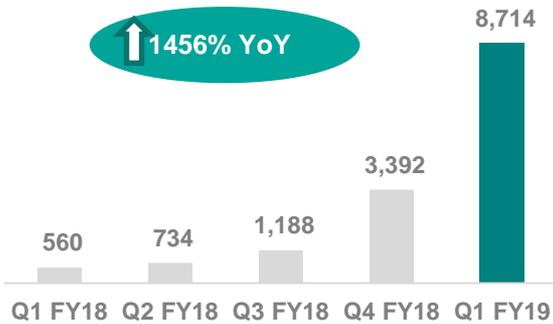
Disbursements (₹ Mn)



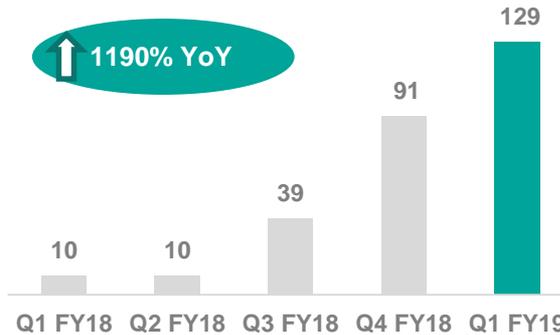
AUM (₹ Mn)



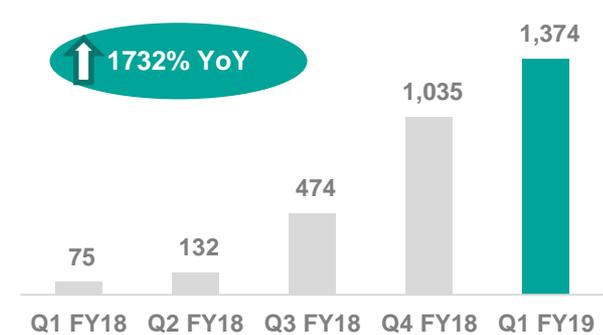
Customers



Branches

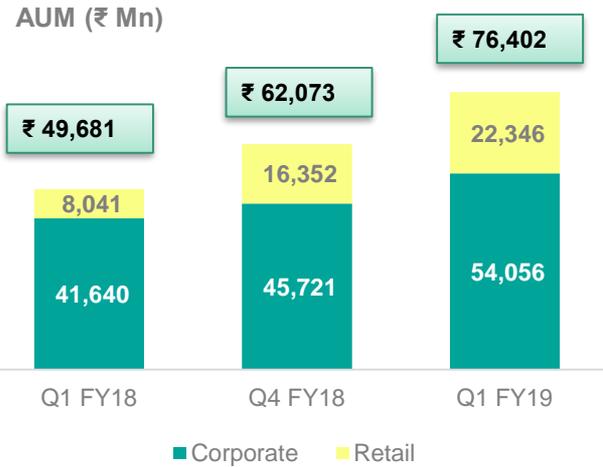


Employees

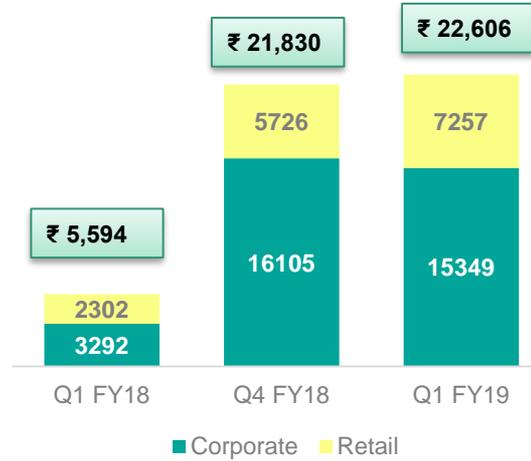


# Q1 FY19: Growth

AUM (₹ Mn)

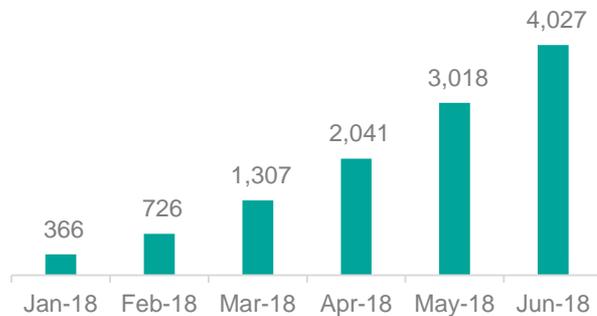


Gross Disbursements (₹ Mn)

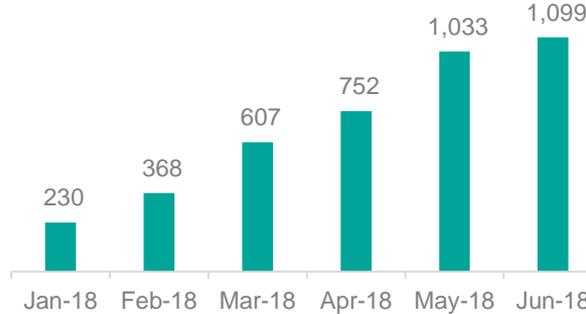


- AUM ₹ 76,402 Mn [+23% vs Q4 FY18; +54% vs Q1 FY18]
- Retail Lending AUM ₹ 22,346 Mn [+37% vs Q4FY18; +178% vs Q1 FY18]
- Gross Disbursements ₹ 22,606 Mn [+4% vs Q4FY18; +304% vs. Q1 FY18]
- Retail Disbursements ₹ 7,257 Mn [+27% vs Q4 FY18; +215% vs Q1 FY18]

AUM (₹ Mn) - Vehicle Finance

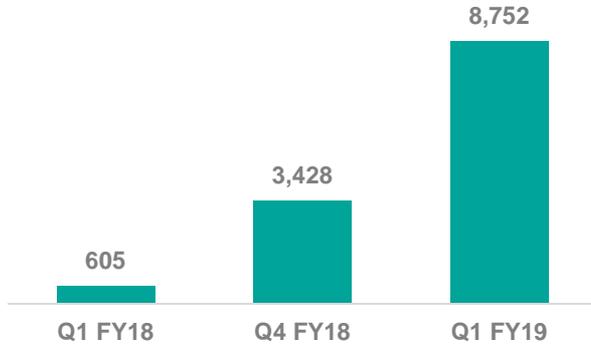


Disbursements (₹ Mn) - Vehicle Finance

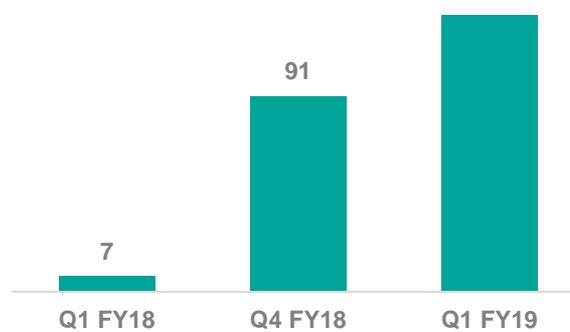


- Vehicle Finance – strongest driver of retail growth; Monthly Disbursement ~ ₹ 1100 Mn
- SME and Housing Finance also growing well

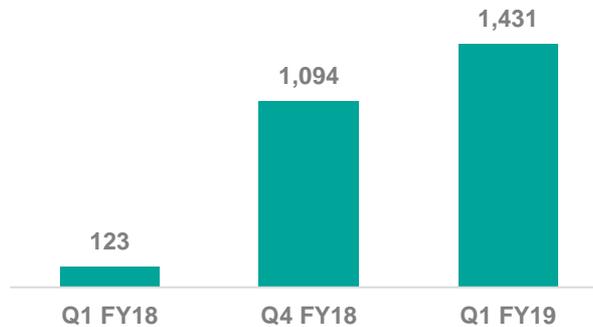
## Customers



## Branches



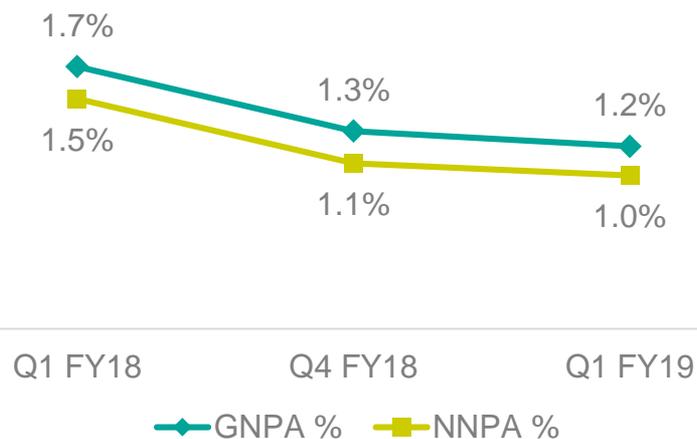
## Employees



- 8,752 Customers  
[+1.6x vs Q4FY18;  
+13.5x vs. Q1FY18]
- 129 Branches [+0.4x vs  
Q4FY18; +17.4x vs.  
Q1FY18]
- 1,431 Employees  
[+0.3x vs Q4FY18;  
+10.6x vs. Q1FY18]

# Q1 FY19: Maintained High Asset Quality

NPA Analysis (%)



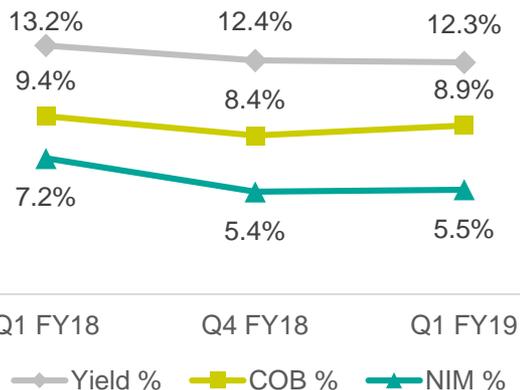
Particulars	Q1 FY19	Q4 FY18	Q1 FY18
GNPA (₹ Mn)	884	768	838
NNPA (₹ Mn)	740	640	734
<b><u>Corporate Lending</u></b>			
# Customers	1	1	2
NNPA (₹ Mn)	357	376	558
<b><u>Retail Lending</u></b>			
# Customers	21	14	6
NNPA (₹ Mn)	383	263	176

# Q1 FY19: Profitability

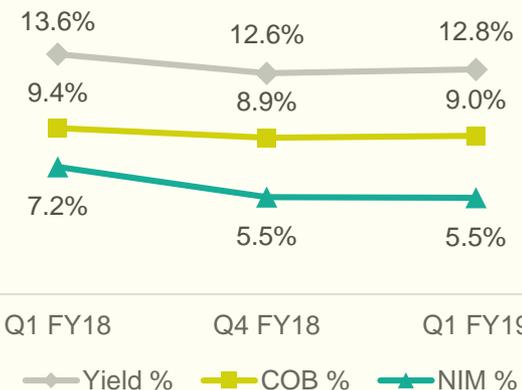
After absorbing full year cost (on pro-rata basis) of scaling up Retail Lending presence, IndoStar still delivered decent profits during Q1FY19

- Net Interest Margin [NIM] - 5.5%
- Return on Average Assets [RoAA] - 2.2% (annualised)
- Return on Average Equity [RoAE] – 7.2% (8.3% without IPO proceeds)

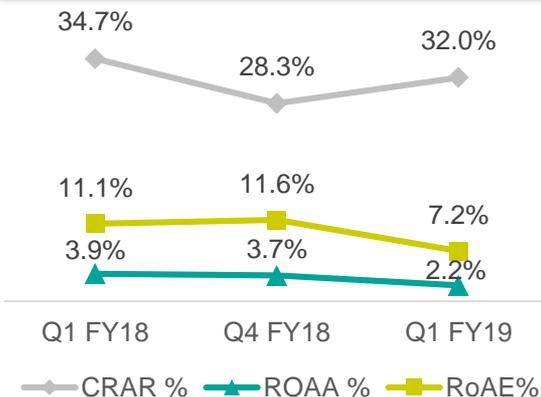
**NIM Analysis on Loans (%) – On Monthly Averages**



**NIM Analysis on Loans (%) – On Quarter End**



**Return Ratios & Capital Adequacy (%)**



To scale up Retail Lending Business to deliver continuous GROWTH without compromising on QUALITY and PROFITABILITY, we have made appropriate investments:

➤ **Infrastructure:**

- Added 84 branches in FY 18 + 38 branches in Q1 FY 19; Total Branches 129
- Spent ~ ₹ 180 Mn on IT infrastructure / applications, ~ ₹ 450 Mn on Capex

➤ **People:**

- Added 1,001 people in FY 18 + 337 employees in Q1 FY 19; Total Employees 1,431

➤ **Opex impact ~ ₹ 800 Mn**

# Q1 FY19: Consolidated Profit & Loss Statement - IGAAP

Particulars (₹ Mn)	Q1 FY19	Q1 FY18	YoY %	Q4 FY18	QoQ %
Interest Income	2,228	1,705	31%	1,924	16%
Interest Expense	(1,126)	(764)	47%	(954)	18%
<b>Net Interest Income</b>	<b>1,102</b>	<b>942</b>	<b>17%</b>	<b>970</b>	<b>14%</b>
Fee Income	314	137	128%	556	(44%)
<b>Total Income</b>	<b>1,416</b>	<b>1,079</b>	<b>31%</b>	<b>1,526</b>	<b>(7%)</b>
Employee expenses	(257)	(169)	52%	(251)	3%
Acquisition costs	(78)	(33)	132%	(81)	(4%)
Other operating expenses	(217)	(55)	298%	(193)	12%
<b>Total Opex</b>	<b>(552)</b>	<b>(257)</b>	<b>115%</b>	<b>(525)</b>	<b>(100%)</b>
<b>Pre-provision Operating Profit</b>	<b>864</b>	<b>822</b>	<b>5%</b>	<b>1,001</b>	<b>(14%)</b>
One off charge	# (76)	-	n.a.	-	n.a.
Std Asset Provision	(59)	12	399%	(35)	70%
NPA Provisions & Write-offs	(16)	(11)	46%	32	(150%)
<b>PBT</b>	<b>712</b>	<b>823</b>	<b>(13%)</b>	<b>998</b>	<b>(29%)</b>
Tax	(264)	(289)	(9%)	(395)	(33%)
<b>PAT</b>	<b>449</b>	<b>533</b>	<b>(16%)</b>	<b>603</b>	<b>(26%)</b>

# One off charge on sale of investments / MTM valuation

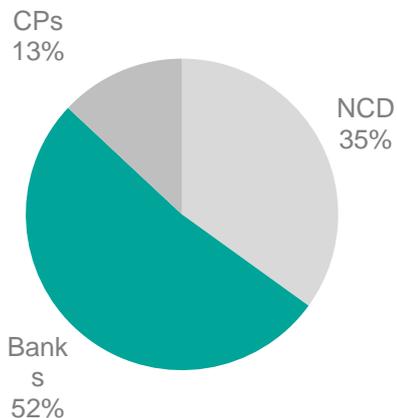
# Q1 FY19: Consolidated Balance Sheet – IGAAP

Particulars (₹ Mn)	Q1 FY19	Q1 FY18	YoY %	Q4 FY18	QoQ %
<b>Equity &amp; Liabilities</b>					
Equity	28,928	19,668	47%	21,372	35%
Borrowings	54,370	33,295	63%	48,228	13%
Other Liabilities & Provisions	4,832	1,186	307%	3,364	44%
<b>Total Equity &amp; Liabilities</b>	<b>88,129</b>	<b>54,148</b>	<b>63%</b>	<b>72,964</b>	<b>21%</b>
<b>Assets</b>					
Loans *	76,402	49,681	54%	62,073	23%
Investments	7,396	2,552	190%	7,930	(7%)
Cash & Bank Balances	2,332	1,001	133%	1,278	82%
Other Assets	1,998	914	119%	1,682	19%
<b>Total Assets</b>	<b>88,129</b>	<b>54,148</b>	<b>63%</b>	<b>72,964</b>	<b>21%</b>
<b>Leverage (Total Assets / Equity)</b>	<b>3.05</b>	<b>2.75</b>		<b>3.41</b>	
<b>Debt / Equity</b>	<b>1.88</b>	<b>1.69</b>		<b>2.26</b>	
<b>Book Value Per Share (₹)</b>	<b>313.76</b>	<b>249.97</b>		<b>271.63</b>	

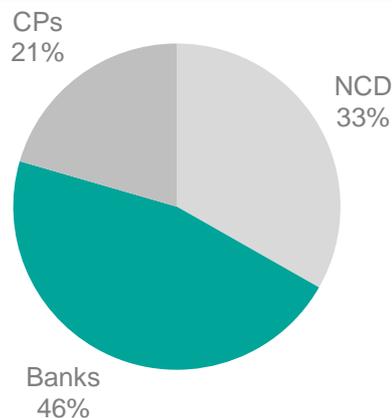
\* Include investment in PTCs

# Q1 FY19: Diversified Borrowing Profile

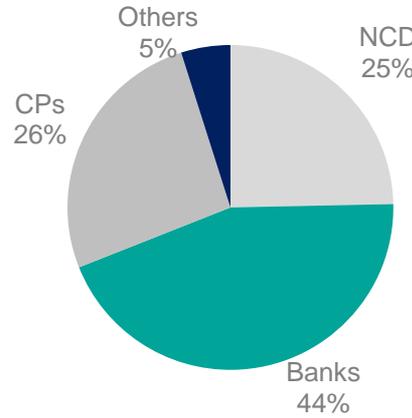
Borrowing Mix % - March 2016



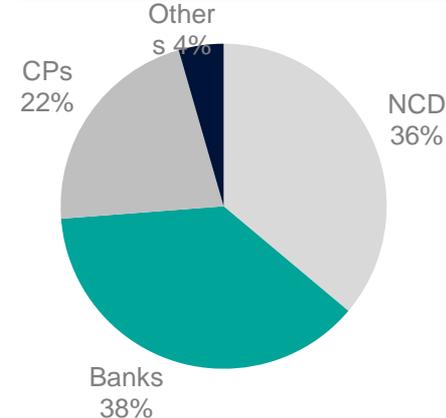
Borrowing Mix % - March 2017



Borrowing Mix % - March 2018



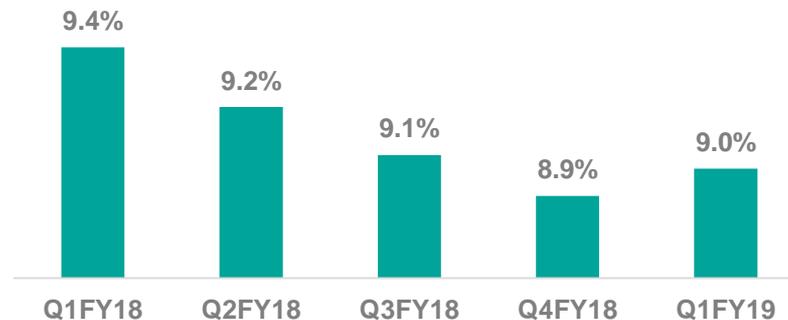
Borrowing Mix % - June 2018



## Strong Credit Ratings

Borrowing Type	Rating Firm	FY18 - Ratings
Term Loans	INDIA RATINGS / CARE	AA (-)
Redeemable NCDs	INDIA RATINGS / CARE	AA (-)
CPs	CRISIL / CARE / ICRA	A1 (+)

## Overall Cost of Borrowing (COB %)



## IndAS Financial results

*As permitted under circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 issued by Securities and Exchange Board of India ("SEBI"), the Company has opted to avail exemption for submission of IndAS compliant financial results for the quarter ended March 31, 2018 and previous year ended March 31, 2018. However, the consolidated financial results for the quarter ended March 31, 2018, provided in this presentation, are based on management reports.*

# Q1 FY19: Consolidated Profit & Loss Statement – IndAS

Particulars (₹ Mn)	Q1 FY19	Q1 FY18	YoY %	Q4 FY18	QoQ %
Interest Income	2,287	1,813	26%	1,861	23%
Interest Expense	(1,119)	(766)	46%	(968)	16%
<b>Net Interest Income</b>	<b>1,167</b>	<b>1,047</b>	<b>12%</b>	<b>893</b>	<b>31%</b>
Fee Income	57	22	153%	261	(78%)
<b>Total Income</b>	<b>1,224</b>	<b>1,069</b>	<b>15%</b>	<b>1,154</b>	<b>6%</b>
Employee expenses	(323)	(244)	33%	(317)	2%
Other operating expenses	(218)	(54)	299%	(178)	22%
<b>Total Opex</b>	<b>(540)</b>	<b>(298)</b>	<b>81%</b>	<b>(495)</b>	<b>9%</b>
<b>Pre-provision Operating Profit</b>	<b>684</b>	<b>771</b>	<b>(11%)</b>	<b>659</b>	<b>4%</b>
One off charge	# (92)	-	n.a.	(6)	n.a.
Provisions & Write-offs	(77)	17	564%	20	483%
<b>PBT</b>	<b>515</b>	<b>787</b>	<b>(35%)</b>	<b>673</b>	<b>(24%)</b>
Tax	(200)	(277)	(28%)	(283)	(29%)
<b>PAT</b>	<b>315</b>	<b>510</b>	<b>(38%)</b>	<b>391</b>	<b>(19%)</b>

# One off charge on sale of investments / MTM valuation

# Q1 FY19: Consolidated Balance Sheet – IndAS

Particulars (₹ Mn)	Q1 FY19	Q4 FY18	QoQ %
<b>Equity &amp; Liabilities</b>			
Equity	28,553	21,064	36%
Borrowings	54,370	48,228	13%
Other Liabilities & Provisions	4,204	3,143	34%
<b>Total Equity &amp; Liabilities</b>	<b>87,126</b>	<b>72,434</b>	<b>20%</b>
<b>Assets</b>			
Loans *	74,498	60,560	23%
Investments	7,360	7,910	(7%)
Cash & Bank Balances	2,332	1,278	82%
Other Assets	2,936	2,686	9%
<b>Total Assets</b>	<b>87,126</b>	<b>72,434</b>	<b>20%</b>
<b>Leverage (Total Assets / Equity)</b>	<b>3.05</b>	<b>3.44</b>	
<b>Debt / Equity</b>	<b>1.90</b>	<b>2.29</b>	
<b>Book Value Per Share (₹)</b>	<b>309.69</b>	<b>267.72</b>	

\* Include investment in PTCs

# One-time transition impact on opening Reserves & Surplus as of 01 April 2017

Particulars	₹ Million	Remarks
Opening Reserves & Surplus balance as per previous GAAP	19,004	
<b><u>Ind AS adjustments increasing / (decreasing) Reserves &amp; Surplus (Pre tax):</u></b>		
Adoption of Effective Interest Rate (EIR) for financial assets recognised at amortised cost	(501)	Impact on the reserve on account of amortisation of upfront fees net of loan acquisition cost
Adoption of Effective Interest Rate (EIR) for financial liabilities recognised at amortised cost	30	Increase in Reserves & Surplus due to amortisation of cost incurred on raising of borrowings
Expected Credit Loss	(463)	New way of measuring the loan losses in P&L.
Gain/ (losses) on fair valuation of financial assets at fair value through profit and loss	(1)	Unrecognised MTM loss on investments as of 31 March 2017
Deferred Tax Assets on the above adjustments	776	Net deferred tax asset created on transition
<b>Net impact on Reserves &amp; Surplus (Post tax)</b>	<b>(160)</b>	
Opening Reserves & Surplus balance as per Ind AS	18,844	

# Reconciliation of consolidated profit with previous GAAP

₹ million

Particulars	Q1 FY19	Q1 FY18	Q4 FY18	FY18	Remarks
Profit after tax as per previous GAAP	449	533	603	2,244	
<b><u>Ind AS adjustments increasing / (decreasing) profit :</u></b>					
Adoption of Effective Interest Rate (EIR) for financial assets recognised at amortised cost	(122)	14	(231)	(552)	On account of amortisation of upfront fees and acquisition cost
Adoption of Effective Interest Rate (EIR) for financial liabilities recognised at amortised cost	7	(2)	(14)	(11)	On account of amortisation of cost incurred on raising of funds through borrowings
Expected Credit Loss	(1)	27	(11)	222	New way of measuring the loan losses in P&L.
Fair value of stock options as per Ind AS 102	(66)	(75)	(66)	(249)	Required to be recognised through P&L
Gain/ (losses) on fair valuation of financial assets at fair value through profit and loss	(16)	-	(6)	(21)	MTM gain/(losses) on investments, charged to P&L
Deferred Tax Assets on the above adjustments	64	12	116	211	
<b>Net profit after tax as per Ind AS</b>	<b>315</b>	<b>510</b>	<b>391</b>	<b>1,844</b>	

# Consolidated Financial Statements – IGAAP vs IndAS

Profit & Loss (₹ Mn)	Q1 FY19		
	IGAAP	Ind AS Adj.	Ind AS
Interest Income	2,228	58	2,287
Interest Expense	(1,126)	7	(1,119)
<b>Net Interest Income</b>	<b>1,102</b>	<b>65</b>	<b>1,167</b>
Fee Income	314	(257)	57
<b>Total Income</b>	<b>1,416</b>	<b>(192)</b>	<b>1,224</b>
Employee expenses	(257)	(66)	(323)
Acquisition costs	(78)	78	-
Other operating expenses	(217)	(0)	(218)
<b>Total Opex</b>	<b>(552)</b>	<b>12</b>	<b>(540)</b>
<b>Pre-provision Operating Profit</b>	<b>864</b>	<b>(180)</b>	<b>684</b>
One off charge	(76)	(16)	(92)
Provisions & Write-offs	(75)	(1)	(77)
<b>PBT</b>	<b>712</b>	<b>(198)</b>	<b>515</b>
Tax	(264)	64	(200)
<b>PAT</b>	<b>449</b>	<b>(134)</b>	<b>315</b>

Balance Sheet (₹ Mn)	Q1 FY19		
	IGAAP	Ind AS Adj.	Ind AS
<b>Equity &amp; Liabilities</b>			
Equity	28,928	(375)	28,553
Borrowings	54,370	-	54,370
Other Liabilities & Provisions	4,832	(628)	4,204
<b>Total Equity &amp; Liabilities</b>	<b>88,129</b>	<b>(1,003)</b>	<b>87,126</b>
<b>Assets</b>			
Loans #	76,402	(1,904)	74,498
Investments	7,396	(36)	7,360
Cash & Bank Balances	2,332	-	2,332
Other Assets	1,998	937	2,936
<b>Total Assets</b>	<b>88,129</b>	<b>(1,003)</b>	<b>87,126</b>
<b>Leverage (Total Assets / Equity)</b>	3.05		3.05
<b>Debt / Equity</b>	1.88		1.90
<b>Book Value Per Share (Rs)</b>	313.76		309.69

# include investments in PTCs

**For Further Queries:**



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