

ICFL/LS/0143/2025-26

August 19, 2025

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.: Transcript of analyst(s) / institutional investor(s) call held on August 14, 2025 at 12:00 p.m. (IST)

Dear Sir / Madam,

Please find enclosed herewith transcript of analyst(s) / institutional investor(s) call held on Thursday, August 14, 2025 at 12:00 p.m. IST, pertaining to the Unaudited Financial Results of the Company for quarter ended June 30, 2025.

The transcript is also available on the website of the Company at www.indostarcapital.com.

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

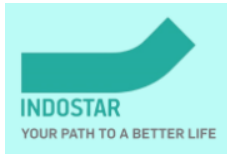
IndoStar Capital Finance Limited

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CIN: L65100MH2009PLC268160



**“IndoStar Capital Finance Limited
Q1 FY '26 Earnings Conference Call”
August 14, 2025**



**MANAGEMENT: MR. RANDHIR SINGH – MANAGING DIRECTOR AND
EXECUTIVE VICE CHAIRMAN – INDOSTAR CAPITAL
FINANCE LIMITED
MR. JAYESH JAIN – CHIEF FINANCIAL OFFICER –
INDOSTAR CAPITAL FINANCE LIMITED**

**MODERATOR: MR. ARYAN SUMRA – MUFG INTIME INDIA PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to IndoStar Capital Finance Limited Q1 FY '26 Earnings Conference Call, hosted by MUFG Intime India Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Sumra from MUFG Intime India Private Limited. Thank you, and over to you, sir.

Aryan Sumra: Thank you. Good afternoon, ladies and gentlemen. I welcome you all to the Q1 and FY '26 earnings conference call for IndoStar Capital Finance Limited. To discuss this quarter's performance, we have from the management, Mr. Randhir Singh, Managing Director and Executive Vice Chairman; and Mr. Jayesh Jain, Chief Financial Officer.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

Without further ado, I would like to hand the call over to the management for their opening remarks, and then we'll open the floor for Q&A. Thank you, and over to you, sir.

Randhir Singh: Thanks, Aryan. Good afternoon, everyone. I'm Randhir Singh, MD of IndoStar Capital Finance. I welcome you all to the Q1 FY '26 Earnings Conference Call for IndoStar Capital Finance Limited.

I truly appreciate your continued support and engagement as the company moves forward on its value creation journey. I trust you had the opportunity to review the company's financial results and investor presentation, which are available on its website and the stock exchanges. Joining me today is my colleague, Mr. Jayesh Jain, Chief Financial Officer of the company.

Let me start with an important update. On June 24, the company successfully completed all the conditions required for the divestiture of its 100% subsidiary, Niwas Housing Finance Private Limited. Sale proceeds were received on July 17, 2025. Following completion, the company has derecognized its investment in Niwas Housing Finance and recognized a one-time gain of INR1,176 crores in Q1, which is INR1,007 crores on a post-tax basis.

IndoStar now operates as a focused stand-alone NBFC with 2 core segments of vehicle finance and micro loans against property. This strategic transition marks a new chapter in our value creation journey, enabling sharper execution, deeper market penetration and agile capital allocation across its core lending businesses. Going forward, IndoStar's investor communication and performance updates will pertain exclusively to its stand-alone business.

Let me begin with a quick look at the macroeconomic backdrop. India's economy continues to demonstrate resilience. FY '25 GDP growth came in at 6.5% and CRISIL projects a similar trajectory for FY '26. Inflation is easing. The monsoon outlook is normal and monetary policy remains

supportive. The RBI has delivered a cumulative 100 basis points of repo rate cuts this calendar year, bringing the rate down to 5.5%. These cuts are expected to transfer to borrowers over the next few quarters, supporting consumption and credit demand.

The outlook in the commercial vehicle segment is improving. After 2 muted years, new vehicle sales are expected to grow by 5% this fiscal, supported by easing interest rates and infrastructure momentum. This is attributed to replacement demand, fleet modernization and anticipated repo rate transmission.

Used CV demand remains robust, aided by the scrappage policy and elevated cost of new vehicles. EMIs for used CVs continue to be 40% to 50% lower, making them attractive for small fleet operators and first-time buyers. CRISIL notes that asset economics remain favorable in semi-urban freight corridors where utilization is high and cost sensitivity is critical.

In micro LAP, demand remains resilient, especially in semi-urban and rural pockets where informal income streams dominate. CRISIL highlights that the segment is benefiting from improved borrower awareness, digitized sourcing and deeper digital distribution networks.

Moving on to the stand-alone business performance. We had previously highlighted during our Q4 earnings calls about the proactive credit policy adjustment undertaken in response to collection softness observed both within our own portfolio and across peer industries.

These measures were aimed at strengthening asset quality and ensuring tighter underwriting discipline in a challenging operating environment. This policy tightening and usual softness in Q1 has led to a short-term moderation in our disbursement volumes.

Loans originated under the revised policy framework are showing significantly lower delinquency rates. 30-plus DPDs are tracking at nearly half the levels seen for corresponding period in the last year.

To offset the volume impact of policy tightening and leverage our continuously improving cost of funds, we are targeting to onboard higher percentage of higher credit quality customers and have introduced pricing flexibility and revised incentive plans for sales team and for our channel partners. These steps are expected to improve disbursement traction in the coming quarters while maintaining asset quality and profitability discipline.

The company continues to strengthen its borrowing profile through active treasury management and strong lender relationships. As a result, the incremental cost of funds in Q1 FY '26 was lower by 60 basis points compared to Q1 FY '25.

Further, during the quarter, the company replaced high-cost loans of approximately INR870 crores of legacy long-term debt, which had an average cost of about 12% with fresh borrowings at about 9.5%, resulting in annual interest savings of about INR21 crores. We expect to replace another INR1,480 crores of higher cost debt over the next 3 quarters.

The company is making steady progress in making its branches multiproduct. After successfully launching micro LAP in Tamil Nadu last year, we now plan to introduce the product in Andhra

Pradesh. These new micro LAP offerings will be co-located within existing vehicle finance branches to maximize reach and efficiency.

To support this rollout, we have extended offers to senior professionals with relevant experience in micro LAP across micro markets in AP. The initial launch will cover 16 branches. The model remains same. Loans typically will have average ticket size of about INR6 lakhs, loan-to-value below 40%, tenors ranging from 5 to 7 years, yields of approximately 22%, self-occupied residential property as a collateral in 95%-plus cases and 100% origination through our in-house team.

In quarter 1, we revised our technical write-off policy to 200 days past due. This change reflects a more conservative approach to asset recognition. Based on this framework, the company did a technical write-off of INR161 crores of loans that had crossed the 210 DPD threshold. As in the past, the company will continue to pursue recovery efforts and legal actions for these technical write-off cases.

Additionally, we also made an incremental provision of INR255 crores on select security receipts where near-term recoveries look uncertain. This dual action of policy tightening and incremental provision will be long-term positive as this will help strengthen the balance sheet by recognizing stress exposure in a conservative manner.

As shared in a previous earnings call, we have launched a focused internal cost optimization initiative to address its historically high cost-to-income ratio by closely reviewing every expense line and tightening controls, the company expects to achieve annualized savings of 8% to 10% compared to last year's operating costs. These savings will begin to reflect over the next 12 months.

The goal remains clear: to become leaner, more efficient and move steadily towards a cost-to-income ratio in the 50% range in a few years. Looking ahead, the company's focus remains firmly on disciplined execution, operational efficiency and portfolio quality. The company continued to strengthen its multiproduct branch model, deepen its rural reach and embed digital processes across the value chain.

Our leadership team is closely engaged across zones to ensure sharper monitoring, faster feedback loops and tightly controls on collections. The credit policy refinements initiated last quarter are showing very good early signs of impact and the company remains committed to a cautious and data-driven approach. With our strong capital base, robust systems and a clear strategic direction, the company is well positioned to navigate the evolving market landscape and capture emerging opportunities with confidence.

Basis the feedback received from many of you on the call, the company has enhanced its investor disclosure this year, adding additional information like ALM maturity buckets, security receipts and granular breakdown of ECL provisioning. The company remains committed to improving on these aspects further.

Let me now hand over the call to Jayesh to walk you through the financial performance in detail.

Jayesh Jain:

Thank you, Randhir. Good afternoon, everyone. Thank you for joining us today. As shared by Randhir earlier on the call, we shall be discussing the stand-alone numbers. Let me begin by sharing an overview of our Q1 FY '26 numbers.

Disbursements for the quarter amounted to approximately INR858 crores compared to INR1,081 crores in the prior quarter and INR1,416 crores in the same period last year. We expect disbursements to pick up sequentially in the coming quarters as we continue to deepen our presence and tap into growing demand across our focus segment.

Average disbursement yield stood at 18.4%, supported by continued focus on Tier 3 and Tier 4 towns, along with an expanding mix of secured lower ticket size vehicles, including cars, pick-ups, light trucks and small commercial vehicles.

Our assets under management stood at INR7,783 crores, reflecting a 9% year-on-year growth compared to INR7,170 crores in Q1 FY '25. While there is a slight dip from the previous quarter's INR7,963 crores on account of write-offs, as mentioned by Randhir. We remain focused on scaling our core business with discipline and strategic intent.

For the quarter, our net interest income stood at approximately INR158 crores, marking a 10% year-on-year increase from INR144 crores in Q1 FY '25. This was supported by an improvement in our net interest margin, which rose from 6% to 6.2%. The yield on loans improved to 16.8% as compared to the same period last year. The operating expenses for the quarter were around INR139 crores as compared to INR112 crores in Q1 FY '25.

As mentioned by Randhir earlier during the quarter, the company recognized gain of INR1,176 crores on sale of Niwas Housing Finance. The company amended its technical write-off policy for loans over 210 days past due. As a result of this gain, the company has written-off loans of INR161 crores. The company will continue to pursue recovery efforts and legal actions for these technically written-off cases.

Additionally, the company has also made an incremental provision of INR255 crores on select security receipts where the near-term recovery remains uncertain. As a result of these efforts, our gross Stage 3 now stands at 4.04% and net Stage 3 is at 1.68%. Notably, we reported a net profit of INR535 crores, a sharp increase from INR12 crores in the previous quarter and INR11 crores in Q1 FY '25, reflecting the impact of exceptional gains.

In terms of collection, the EMI to EMI collection remains at 89%, while EMI-plus overdue collection stands at 94% compared to 97% in the previous quarter. Our capital adequacy remains strong at around 32.7%. This strong capital position gives us ample headroom to fund future growth while maintaining financial stability.

Our debt-to-equity ratio is around 1.7x, providing ample room for future expansion. As a consequence, our overall cost of funds, which was around 11% in the previous quarter is expected to moderate further. Our incremental cost of borrowing is already in the range of 9.2% to 9.5% compared to 9.7%, 9.8% in the previous quarter, which is equivalent to similar rated companies.

We remain optimistic that these financial indicators will support sustained and profitable growth in the quarters and the years ahead. In the upcoming quarter, our strategic focus will be to continue to improve our cost of funds by paying down our high-cost debt and drive growth while maintaining profitability and asset quality discipline.

As the macroeconomic landscape remains positive, the company intends to lean into the growth in the larger economy by focusing on the growth of the book whilst maintaining its book quality under our tightened norms.

We have also been leveraging our decreasing cost of funds to open up the prime segment, allowing us to broaden the base of customers and market segments that were out of reach until now. With this, I hand over the call to the moderator for initiating our Q&A session .

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vivek Ramakrishnan from DSP Mutual Fund.

Vivek Ramakrishnan:

Sir, thank you for this opportunity. We laud the company's efforts in being more conservative and having greater disclosures. My question are two. Can you give some color on the kind of loans that went over 210 days past due where you had a technical write-off and the expected recovery on such loans? That's question number one.

Question number two is related to that and looking at growth going forward. After recalibrating your credit risk appetite, do you see any pickup in growth returning in the current quarter? Or would you think that will take a little longer for the system to get used to the growth pattern?

Randhir Singh:

Thanks Vivek, I'll take the second question first. Yes, I think we will expect better momentum on the disbursement. I'll take you through why. In fact, we've already seen that in July and August, so this quarter is looking better. I think it's fair to say that we should see about 15% increase in this quarter on disbursement over last quarter. The momentum is very clear there.

Let me just take you through the refinement that we've done. Essentially, a lot of this is related to some of the choices we can make, which were not available to us earlier. You would have seen how our cost of funds has come down significantly. That has allowed us to target a customer base which earlier we could not target, and that's slightly more premium segment, prime segment as is called by many of our peers. That is where we will make up for these volumes.

In fact, we are making up these volumes already. I did cover in my initial commentary that we have refined our incentives to our channels. We onboarded some of more channel partners who cater to the prime segment. Yes, the plan remains the same that we obviously would keep focusing on growth by finding newer segment. We just refined this a little more because today, we have a choice to do segments, which we didn't have earlier. We're already seeing significant drop in our borrowing cost. That is really what is driving this subtle change.

On your earlier questions, on the policy refinement and essentially where we have written-off a significant amount, it is across a few profiles. One is, we have increased our CIBIL score requirement. One is we saw some softness in lower CIBIL scores, so we are now essentially trying a higher CIBIL score of 700-plus. We also saw softness in a few models, vehicle models in certain

geographies. We made those changes. We also saw some softness in some of the rental profiles, so it's a fairly detailed data-driven refinement that we've done over sort of by analyzing last 3 years' data.

The early trends of that approach are sort of showing in our portfolio, which means, of course, that portfolio is a much smaller percentage of our current portfolio, but what will be disbursed from Jan 1 '25 to June '25, if we compare that with the previous quarter, our delinquencies are showing almost half of what they were. I hope that answers your question, Vivek.

Vivek Ramakrishnan: Yes, indeed, sir. Can you just repeat the guidance for the disbursements for the current quarter? You said it will be higher than the last.

Randhir Singh: I said, yes, we're targeting about 15%-plus.

Moderator: The next question is from the line of Hitesh Agarwal from NKV Capital.

Hitesh Agarwal: Within our vehicle finance, which product segments are currently showing the strongest growth in disbursement and AUM? What are the underlying demand drivers for this segment? How sustainable are this trend over the next few quarters?

Randhir Singh: If you see our investor presentation, this time we have actually provided you fairly granular details of our disbursements across products, you would see we are actually very, very well diversified now. Basically from not just M&HCV, LCV, SCV, you would see significant volumes in car, farm equipment, construction equipment. It's clearly not just one product.

Today, we have the opportunity to target pretty much all segments in the market. All used vehicle finance, obviously, is open to us. It's not really just one segment which is driving, what we want to do is have a fairly diversified and granular book as a strategy. That's what we are focusing on.

Moderator: The next question is from the line of Shubhranshu Mishra from PhillipCapital.

Shubhranshu Mishra: Two or three questions. The first one is, when I look at the GS3 PCR, that's roughly around 53%, 54% ballpark. Is that our LGD is lower and we are carrying extra provisions? That's first.

Second is, other vehicle financiers have been talking about stress, especially in small commercial vehicles, light commercial vehicles. How are we dealing with that if we are looking at stress? Any specific geographies, any specific use cases which are reflecting that?

Third is, how do we look at the festive season? How is our freight movement moving because a lot of our customers would be working in the spot market? It will be a great thing to understand these things.

Randhir Singh: Shubhranshu, I'll just cover your freight and the CV and light first, and we'll let Jayesh answer your LGD question. I think like we said that what we've done is within each segment, and it is just really not SCV. We have done fairly detailed analysis on various step, which includes not just the CIBIL score, but the age of vehicle, the geography, the residence stability, the ownership, etc. It's a fairly refined process where we are able to see which pockets sort of not performing in a particular to say,

CV is actually performing in some geographies, not performing in certain geographies, and that is really the approach that we've taken.

Wherever we see early warning sign in terms of higher bounce rates or higher roll forward rates, we take very quick action. It's not really, it is not performing across. It is in few pockets, and those are the pockets we want to target so that we are very sharp in our targeting and don't lose disbursement on quality customers. Essentially because we are operating in the used segment, we have not seen any freight impact on our customers per se. Jayesh, you want to take that LGD?

Jayesh Jain: Shubhranshu, the LGD experience over the last few quarters remains the same. We have been able to recover around 55% to 60% on the bad loans. That way, it remains same. There has been no change in the ECL model for us. We continue to follow our consistent ECL model over the last few quarters. The PCR difference reflects adequate provisioning considering what we experienced on our LGD.

Moderator: The next question is from the line of Rahul Kumar from Vaikarya.

Rahul Kumar: Sir, the question I have is what's the disbursement target for FY '26 and FY '27?

Jayesh Jain: In terms of the disbursement target, maybe rather than disbursement, let me address it in the form of AUM because disbursement is a factor of a lot of other things also. What we are targeting the AUM growth for FY '26 is around 12% to 15%. For '27 also, it would be around 15%, 17% AUM growth, which is what we are aiming at. Disbursement would probably work around this. For the current year, it could be in the same range as last year or around that.

Rahul Kumar: Because last year, we had, I think, disbursement of close to, I think, INR5,000 crores kind of.

Jayesh Jain: Yes.

Randhir Singh: Yes. Obviously, what we are trying to fine-tune is as we have seen the softness, across, we obviously just want to make sure that we are absolutely tight on risk reward. That's why much closer monitoring and sort of much tighter action, if at all, that we need to take. Essentially, we are in 23 states, we have 450 branches. We have all the firepower and distribution needed to build volumes.

We have cost of fund advantage now, and we are not in just one segment, but multiproduct. Whether it's vehicle finance, within vehicle finance, we cater to 5, 6 segments, then we have micro LAPs, so the whole idea is obviously to grow and grow with portfolio quality and profitability, but we have do have all the building blocks to amp up the growth. We just want to do a good job by balancing in a slightly challenging macro environment, which is what it is today.

Rahul Kumar: Second question, more of a data-keeping number. What has driven the sharp increase in the employee cost, I think, versus last quarter?

Jayesh Jain: In terms of the last quarter, there was a reversal of the provisioning, which had happened on the employee cost into certain ESOP cost because of the attrition of a few of the employees, so that has led. Otherwise, in terms of absolute thing, there has not been a significant increase quarter-on-quarter.

- Rahul Kumar:** Third question, what was the total write-off in this quarter? I mean, apart from this INR150 crores on the change in GNPA provisioning?
- Jayesh Jain:** Sorry, come back again. I didn't catch your question, please.
- Rahul Kumar:** I was saying what is the total write-off in this quarter?
- Jayesh Jain:** The one-time technical write-off is INR161 crores, where we see lesser chances of the recovery, so that has been written-off where we will continue to do the effort, which is there. Considering overall ECL cost, we had a one-time settlement losses of around INR45 crores, where we have possessed the vehicle or the settled the loans with the customer, which was around INR45 crores and incremental ECL provision on the book of around INR29 crores. That's a breakup of the credit cost.
- Moderator:** The next question is from the line of Raj Patel from RK Securities.
- Raj Patel:** I wanted to know about the disbursement. As we look in Q1 FY '26, our disbursement have been dropped to INR858 crores as compared to INR1,081 crores in Q4 FY '25. What are the key reasons behind this decline? How do we see the disbursement trend in the upcoming quarters?
- Randhir Singh:** Sure, Raj. Just a few reasons. One is, obviously, the Q1 has been soft in general not just for us, but I think industry in general. Like I mentioned in response to the previous question, we are seeing much better traction in Q2, and we would expect around 15% plus growth in disbursements in Q2 over Q1. That's one.
- Second, besides being a general softness in the market, I think what also led to a drop, which was like I explained, a conscious effort on our part to tighten our policy filters, and that is, again, in response to general market conditions, collection softness, not in just our portfolio, but across the peer industries.
- We took a conscious call to tighten our policy parameters. These 2 are the reasons which have led to the drop, but like I explained, we obviously want to make sure that we make it up by targeting newer segments and which is what we have done.
- Essentially, we have tightened our parameters. We will let go of some of the lower credit customers and replace that with the better quality customers. You would see that change over a few quarters, that adjustment. I think we should be able to get there because we're already seeing that in Q2 that our disbursement are trending almost 15% over Q1.
- We will see the results of some of the actions we've taken about 1, 2, 3 months back, on adding some of these prime customers, prime channel and prime channel partners. You should see a clear uptrend on this. Like I explained in the earlier question, that obviously remains our focus area, and we do have all the tools.
- We do have a significant presence in the market, not just by having these 450 branches, but a significant sales force. It's been conscious, but we can amp it up, which is what we are already doing.

Raj Patel:

Now my second question was that the vehicle finance continued to dominate our AUMs with 93 percentage. Are there any plans to diversify into the other secured retail segment beyond micro LAP in order to reduce our concentration risk?

Randhir Singh:

Raj, so one is vehicle finance, like you said. Second is micro LAP. Beyond these 2 products, we have no plans to launch anything in the near term. The reason for that is very simple. I think one is both of our products have a fairly large addressable target market. Both vehicle finance and micro LAP are fairly large sort of segment for the market.

You can see that with many of our larger players in both segments. There's a huge scope to grow. I think we are fairly well diversified already by being present in 23 states. We don't run any geographical concentration risk in any case. We only offer secured loans. That itself kind of adds to the portfolio stability.

We do not see any reason to sort of consider launch of a third product right now. We will continue to grow both vehicle finance as well as LAP. LAP does present a significant opportunity because we have launched only in one state, Tamil Nadu, over the last 1 year. Because we saw significant traction, very good profitability and portfolio quality, we are obviously planning to launch it in many other states.

We gave guidance of launching it in a few states this year, and we think we are well on the plan. We have made offers to senior team members for AP, so AP, we will start within the next 2 months. We should be able to book our first loan in the next 2 months. After that would be Telangana. I think these 2 products do represent a significant growth opportunity given our significant distribution strength in 23 states in 450 branches.

Moderator:

The next question is from the line of Hitanshi Patel from ABS Investments.

Hitanshi Patel:

Sir, my first question is can you elaborate on your competitive positioning in the used vehicle financial market?

Randhir Singh:

Essentially, today, we are targeting a few sort of various slices of that used CV segment. From essentially being a new car, new CVs to used, we are obviously present in all segments. What we do see is obviously a different kind of competition in various segments that we are present in.

In used in certain geographies, they will be X, in some places, Y, but essentially, the basics remains the same, which is essentially having a strong presence on the ground that does bring in a competitive advantage being present in Tier 3, Tier 4 towns in semi-urban rural markets. Our reach is another competitive advantage that we have. Faster PAT, again, is something that helps us.

We also aligned our incentive with the market for our channel partners. These are things which provide us advantage. The last but not the least, and I think we will talk about a little more in subsequent quarters. We have digitized a lot and in terms of both onboarding as well as subsequent top-ups. Today, we are able to do everything on our apps that sales team has and customers also have the opportunity to do the transaction digitally, including signing all the paper.

A lot of that, we will provide the data on this journey in the next quarter on how much of our transactions are now happening totally digitally, what is the percent of the agreements. We launched a lot of this over the last 1 to 3 months, but that is turning out to be, again, a significant competitive advantage because we are able to offer a significantly smoother experience to our customer base.

Just one last bit of data. As you would see that there's a fairly large market on the used segment. For someone like us with the 450 branches in 23 states, there are enough and more opportunities to grow. The only thing we obviously want to consider as a management team is how do we make sure that when we grow, we also maintain our profitability and portfolio quality. If that requires some adjustment in a few quarters, we are more than happy to do that to maintain our long-term portfolio quality and growth.

Hitanshi Patel:

Sir, just one last question. The weighted average cost of borrowing has reduced to 10.5% from 10.8% in Q4. What's the sustainable level going forward? Is there any scope for further reduction, given the current interest rate trends?

Jayesh Jain:

Jayesh here. A wonderful observation. We are today borrowing in the range of around 9.5%, and our rate of borrowing currently is largely aligned with our rating and is almost equal to what peers are borrowing money from. Largely whatever the delta which had to come because of improvement in the quality of the book and the growth, which has come in.

Way forward, our cost of borrowing would kind of align with the industry. Depending on the macroeconomic factors and the decline in the overall interest rate, that would be reflective and in fact, in my speech also, I mentioned that around INR1,400 crores of book is to be repriced in the next 3 quarters.

That benefit would come in. That delta roughly could be between the current cost of borrowing, which is in the range of that particular INR1,400 crores, which is around 11%, 11.5%, would go down to around 9.5%. That way probably, 20 to 25 basis points of increment or improvement in the cost of borrowing, you would see in next 3 quarters.

Randhir Singh:

Essentially, our incremental cost is much lower than the cost of the book. As the time progresses and we replace it, you would see a significant reduction in the overall borrowing cost as we replace over a period of time.

Moderator:

Ladies and gentlemen, due to interest of time, that was the last question for today. I now hand the conference to Aryan sir for closing comments.

Aryan Sumra:

I would like to thank the management for taking your time out for this conference call today. I would also like to thank all the participants for joining the call. If you have any further queries, feel free to contact us. We are MUFG Intime India Private Limited, Investor Relations Advisors to IndoStar Capital Finance Limited. Thank you so much.

Randhir Singh:

Thank you, everyone.

Moderator:

Thank you. Ladies and gentlemen, on behalf of MUFG Intime Private Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.