



INDOSTAR CAPITAL FINANCE LIMITED

Primary capital infusion by Brookfield

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

IndoStar completes primary equity raise of INR 12,250mn



Strong Endorsement of IndoStar's Business Model, Management Capability and Quality of Retail Lending Franchise

- Brookfield has invested growth capital of ₹ 12,250 mn via equity shares and CCPS
- First Private Equity deal by Brookfield in the Indian Financial Services space
- Brookfield is a leading global alternative asset manager with AUM of USD 515 bn+
- Brookfield will become a Promoter, along with IndoStar Capital Mauritius and will have the ability to nominate two members to IndoStar's Board of Directors
- Open Offer likely to be launched in June/July, after receiving regulatory approvals

Strong Capital and Liquidity position



Brookfield investment expected to act as a catalyst for additional liquidity from banks

- IndoStar will have amongst the highest capital adequacy ratio within all the listed NBFCs
 - Pre equity infusion CAR of ~ 27% will go up to ~ 40% post equity infusion. Also, pre equity D/E of 2.2x goes down to 1.5x post Brookfield investment
- Since lockdown, IndoStar has been able to raise additional liquidity of ₹ 3,000 million, with further liquidity forthcoming
- Capital infusion will further assist in accessing bank borrowings as normal business environment returns
- Post equity infusion, the business is well capitalized to be resilient through the current environment and scale rapidly as we come out of the current crisis

Significant Growth capital : A real edge in current environment



IndoStar now has all the essential ingredients to rapidly grow its loan book in the future

- Capital : We now have substantial growth capital, which we will utilize to pursue calibrated growth
- Infrastructure : Our current infrastructure can comfortably support disbursements in line with our pre crisis disbursements of ₹ 9,300 mn per quarter and higher
- Market Demand : We are well poised to capitalize on the large near-term growth opportunity provided by ongoing consolidation, further accelerated by the current pandemic
 - Though we expect to be cautious over the immediate near-term, we are confident of significantly increasing our retail AUMs over next 18-24 months
- Multiple Growth Levers :
 - Large market opportunity to lend to both existing and new customers across all our three retail segments - Vehicle Finance, SME Finance and Affordable Housing Finance
 - Will continue to scale all three retail segments both through organic growth and opportunistic tuck-in M&A

For Further Queries



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