



ICFL/LS/0031/2020-21

27 May 2020

**BSE Limited**

Listing Department, 1<sup>st</sup> 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.:** Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

We refer to our letter reference no. ICFL/LS/0030/2020-21 dated 27 May 2020 intimating that the Board of Directors of the Company vide resolution passed on 27 May 2020 allotted equity shares and compulsorily convertible preference shares to BCP V Multiple Holdings Pte. Ltd.

Please find enclosed the following in this regard:

- i. Press Release titled "*IndoStar announces completion of equity raise of INR 1,225 crore from Brookfield*"; and
- ii. Presentation on "*Primary Capital infusion by Brookfield*"

Request you to kindly take the above on record and disseminate the same on your website.

Thanking you,

Yours Truly,

For IndoStar Capital Finance Limited

**Jitendra Bhati**  
SVP - Compliance & Secretarial  
(Membership No: FCS 8937)



Encl: a/a

**IndoStar Capital Finance Limited**

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CIN : L65100MH2009PLC268160



## IndoStar announces completion of equity raise of INR 1,225 crore from Brookfield

- **IndoStar's capital adequacy almost at 40% and leverage at 1.5x after equity infusion**
- **Strengthens IndoStar's liquidity position and resilience**
- **Capital injection will enable Company to accelerate growth of its retail lending business**

**Mumbai, Wednesday, May 27, 2020** – IndoStar Capital Finance Limited (IndoStar), one of India's leading retail non-banking financial companies closed on INR 1,225 crore equity capital injection by Brookfield Business Partners L.P., together with its institutional partners (collectively "Brookfield").

With this infusion, IndoStar's capital adequacy ratio improves to almost 40%, one of the highest amongst all listed NBFCs. Strong liquidity position and low leverage of around 1.5x positions IndoStar well to further accelerate its retail lending strategy in a challenging market environment and equips it with the ability to use capital for both organic and inorganic growth.

As part of the investment, Brookfield will become a co-promoter in IndoStar and has the ability to nominate two board members.

Speaking on the investment, **R Sridhar, Executive Vice-Chairman & CEO, Indostar**, said "This is truly a transformational investment for Indostar. We are excited to partner with Brookfield and Everstone Group to accelerate our retail lending strategy across Vehicle Finance, SME Finance and Affordable Housing Finance. This investment is a strong endorsement of IndoStar's business model, management capability and quality of its franchise. This investment not only provides equity funding but also access to new debt financing via Brookfield's relationships with financial institutions."

Indostar Capital, Mauritius continues to be the promoter and an active shareholder in IndoStar. IndoStar has assets under management of around INR 10,200 crores and offers a wide range of loans to nearly 70,000 customers.

Nomura served as the exclusive financial advisor. S&R Associates, AZB & Partners and Cyril Amarchand Mangaldas acted as legal counsel for Everstone, Brookfield and IndoStar respectively.

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

IndoStar is a non-banking finance company (NBFC) registered with the Reserve Bank of India as a systemically important non-deposit taking company. Promoted by Everstone Group, IndoStar is a professionally managed and institutionally owned organization which is engaged in providing used and new commercial vehicle financing for transporters, loans to SME borrowers and affordable Home Finance through its wholly owned subsidiary IndoStar Home Finance Private Limited. For more information, visit [www.indostarcapital.com](http://www.indostarcapital.com).

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# INDOSTAR CAPITAL FINANCE LIMITED

Primary capital infusion by Brookfield

27 May 2020

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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



INDOSTAR

## **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

## **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

## **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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