



- **Brookfield transaction completed successfully**
- **Brookfield designated as Co-promoter with 2 Board seats**
- **Capital adequacy of 37.7%**
- **Liquidity of over INR 2,100 crores sufficient to meet all obligations till March '21**

Mumbai, Wednesday, August 12, 2020 – IndoStar Capital Finance Limited (IndoStar), one of India's leading retail non-banking financial companies announced its Q1FY21 results on the back of closing an INR 1,225 crore equity capital injection by Brookfield Business Partners L.P, together with its institutional partners (collectively "Brookfield").

All three tranches of the Brookfield investment - the equity infusion, the open offer and the secondary offering of shares have been successfully completed. Brookfield is now a Co - promoter along with Everstone and is represented on the board by two directors.

With this equity infusion, IndoStar has one of the highest Capital Adequacy Ratio of 37.7% amongst all listed NBFCs. Strong liquidity position and low debt:equity of 1.8x positions IndoStar well to further accelerate its retailisation strategy in a challenging market environment and equips it with the ability to use capital for both organic and inorganic growth.

The company currently has liquid assets of around 29% of its borrowings, sufficient to cover its repayment obligations till March 2021. The company has raised INR 730 crores since the lockdown. With a credit rating of AA- and a strong pipeline of raising further liabilities, IndoStar is well positioned to embark on its next phase of growth.

IndoStar has taken steps to calibrate its growth in line with changing economic environment, rationalize its costs, focus on digitization to improve productivity and maintain its asset quality. For the Quarter ended June 30, 2020, IndoStar posted Net Revenue from operations of INR 150 crores, down 23% YOY. The company posted an Profit Before Tax of INR 51 crores, down 14% YOY.

We have seen marked reduction in the retail loan book under moratorium vs 31 March 2020 with improved collection efficiency, 56% of the retail lending portfolio has moved out of moratorium. In Q4FY20, IndoStar had taken additional Covid-19 related credit provisioning of INR 280 crores to ring fence the business from potential stresses arising from the pandemic affected business environment.

Speaking on the results, **R Sridhar, Executive Vice-Chairman & CEO, Indostar**, said "With the economy slowly moving towards normalcy, IndoStar, with transformational investment by Brookfield and focused retailisation strategy, is well placed to grow and capture market share in CV, Affordable Housing Finance and SME businesses. With the backing of strong promoters like Brookfield and Everstone, along with a strong & experienced management, IndoStar is on its way to become a leader in its chosen line of retail businesses."

Key Financials:

Particulars (INR Crores)	Q1FY21	Q4FY0	QoQ	Q1FY20	YoY
Net Revenue from operations	150	139	8%	194	-23%
Pre-Provision Operating Profit	75	58	30%	119	-37%
Profit After Tax	47	-421	n.a.	47	Nil

Consolidated financial update for the quarter ended June 30th 2020

- Net Revenue from Operations at INR 150 crores
- Positive ALM across all buckets until March 21
- Gross and Net NPAs at 4.4% and 3.5%

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. With Brookfield & Everstone as co-promoters, 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.

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