



- **IndoStar completes equity raise of INR 1,225 crore from Brookfield**
- **Reports pre-provisioning profit of INR 428 crores in FY20**
- **41% capital adequacy with equity infusion from Brookfield**
- **Sufficient liquidity to cover all liabilities till March '21**
- **97% provision coverage ratio with proactive provisioning to account for potential Covid-19 related distress**

Mumbai, Wednesday, June 17, 2020 – IndoStar Capital Finance Limited (IndoStar), one of India's leading retail non-banking financial companies announced its Q4FY20 and FY20 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").

The equity infusion is being followed by an open offer which is underway. Brookfield will be a Co-promoter along with Everstone. With this infusion, IndoStar has one of the highest Capital Adequacy ratio amongst all listed NBFCs. Strong liquidity position and low debt:equity of 1.7x 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 27% of its borrowings, sufficient to cover its repayment obligations till March 2021. The company has raised INR 452 crores since March 22, 2020. With AA- credit rating and a strong pipeline of raising further liabilities, IndoStar is well positioned to embark on its next phase of growth.

For the financial year 2019-20, IndoStar posted Net Revenue from operations of INR 738 crores up 12% YOY. The company posted a Pre-Provisioning Operating Profit of INR 428 crores, up 4% YOY. In line with our strategy to de-risk the balance sheet, IndoStar has taken accelerated write-offs in its corporate lending portfolio. In addition, IndoStar has taken additional Covid-19 related credit provisioning of INR 280 crores to ring fence the business from potential stress arising from the current business environment.

For the Quarter ended March 31, 2020, IndoStar posted Net Revenue from operations of INR 139 crores down 21% YOY. The company posted a Pre-Provisioning Operating Profit of INR 58 crores, down 48% YOY.

Speaking on the results, **R Sridhar, Executive Vice-Chairman & CEO, IndoStar**, said "While Covid-19 has brought upon challenging times upon every company and sector, IndoStar, with transformational investment by Brookfield and focused retailisation strategy, is well placed to grow and capture market share in CV, SME and Affordable Housing Finance businesses. With Capital Adequacy of ~41% and one of the best liquidity positions amongst NBFCs, we have sufficient resources to meet all liabilities till March FY'21 without any fresh borrowings. We are excited to partner with Brookfield and Everstone Group in a period that will be challenging but will also provide tremendous opportunities to NBFCs with strong franchise and management, such as ours.

Key Financials:

Particulars (INR Crores)	Q4 FY20	Q3FY20	QoQ	Q4 FY19	YoY	FY20	FY19	YoY
Net Revenue from operations	139	186	-25%	177	-21%	738	657	12%
Pre-Provision Operating Profit	58	111	-48%	112	-48%	428	411	4%
Provisions and accelerated write-offs	341	111	207%	-7	n.a.	584	16	3550%
Covid Provisions	280	-	n.a.	-	n.a.	280	-	n.a.
Profit After Tax	-421	0.2	n.a.	74	-670%	-325	241	-235%

Consolidated financial update for the quarter ended March 31st 2020

- Net Revenue from Operations at INR 139 crores
- Positive ALM across all buckets until March 21
- Gross and Net NPAs at 4.5% and 3.6%

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.

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