March 11, 2020

Indostar Capital Finance Limited: ICRA withdraws ratings for assignee payouts

Summary of Rated Instrument

Trust Name	Instrument*	Initial Amount (Rs. crore[1])	Amount o/s after last surveillance (Rs. crore)	Current Amount O/s (Rs. crore)	Rating action
Star PCG CV Nov 2019	Assignee Payouts	160.15	NA	0.00	Provisional [ICRA]AA(SO) withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings for Assignee Payouts issued under commercial vehicle, passenger vehicle and other asset-backed loan securitisation transaction originated by Indostar Capital Finance Limited, as tabulated above.

Star PCG CV Nov 2019 transaction did not get placed and hence there is no outstanding amount against the rated instrument.

Key rating drivers

Credit strengths

- N.A.

Credit challenges

- N.A.

Description of key rating drivers highlighted above

N.A.

Liquidity position

N.A

Rating sensitivities

N.A

Key rating assumptions

N.A.

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[1] *100 lakh = 1 crore = 10 million*

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company

Indostar Capital Finance Limited was originally incorporated as R V Vyapaar Private Ltd. in July, 2009. The company's name was changed to IndoStar Capital Finance Private Limited in November 2010 and to IndoStar Capital Finance Limited in April 2014. The company is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit accepting non-banking financial company. It is sponsored by a group of financial institutions including Everstone Capital, Goldman Sachs Group, Baer Capital Partners and ACPI Investment Managers.

Indostar Capital (ICF Mauritius), a company incorporated in Mauritius, has a majority shareholding in Indostar with a 57.01% stake as on March 31, 2019. ICF Mauritius is promoted by the sponsors of Indostar. It was listed in May 2018 and received a fresh equity infusion of Rs. 700 crores. The promoters & promoters group stake as on March 31, 2019 stood at 60.5%. It initially provided wholesale loans to both real estate and non-real estate segment. It also commenced commercial vehicle financing in addition to SME financing. The company's loan book and net worth stood at Rs. 10,183 crore and Rs. 3,030 crore respectively as on March 31, 2019.
In FY2019, it reported a net profit of Rs. 255 crore on an asset base of Rs. 12,278 crore compared to a net profit of Rs. 212 crore on an asset base of Rs. 7,194 crore in FY2018.

Indostar currently has a rating of [ICRA]A1+ for its commercial paper programme.

Key financial indicators (standalone)

Particulars	FY2018	FY2019
Net interest income	392	478
Profit after tax	212	255
Net worth	2,084	3,030
Loan book	5,850	10,183
Total assets	7,194	12,278
Return on average total assets	3.34%	2.62%
Return on equity	10.64%	9.98%
Gearing	2.38	3.01
Gross NPA	1.61%	2.72%
Net NPA	1.02%	1.61%
Net NPA/Net worth	2.86%	5.42%
Capital adequacy ratio	27.2%	24%

As per Ind-AS; Note: Amounts in Rs. crore
Source: indostar, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

S.No	Name of Instrument	Current Rating (FY2020)					Chronology of Rating History for the past 3 years		
		Type	Amount Rated	Amount Outstanding	Date & Rating 11-Mar-20	FY2020 03-Dec-19	FY2019 --	FY2018 --	FY2017 -
1	Star PCG CV Nov 2019	Assignee Payouts	160.15	0.00	Provisional [ICRA]AA(SO) Withdrawn	Provisional [ICRA]AA(SO)	-	--	--

Amounts in Rs. crore

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website click here

Annexure I: Details of Instruments

Trust Name	Instrument Name	Date of Issuance	Coupon Rate#	Scheduled Maturity Date	Current amount o/s (Rs. crore[2])	Current Rating
Star PCG CV Nov 2019	Assignee Payouts	November 2019	9.50%	May 2024	0.00	Provisional [ICRA] AA(SO) Withdrawn

 # Per annum payable monthly

[2] *100 lakh = 1 crore = 10 million*

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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