

Indostar Capital Finance Limited

May 22, 2018

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Commercial Paper	1,250	[ICRA]A1+
Total	1,250	

Material Event

Indostar Capital Finance Limited has raised capital through an Initial Public offer (IPO) of fresh issue up to Rs. 700 crore and an offer for sale of up to 20,000,000 equity shares (including anchor portion of 9,671,328 equity shares at Rs. 572) raising approx. Rs 1,844 crore through IPO route.

The company proposes to utilize the net proceeds from the fresh issue towards augmenting its capital base to meet future capital requirements.

Impact of the Material Event

The rating of the short-term debt programme remains unchanged.

The IPO would result in net capital infusion of ~Rs. 700 crore in the company. In ICRA's opinion, this capital infusion is likely to support the company's ability to grow its portfolio as per its business plans while maintaining adequate capitalisation levels.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key Financial Indicators:

Instrument	FY2016	FY2017	9MFY2018
	Standalone	Standalone	Standalone
Net Interest Income	272	326	286
Profit before Tax	293	320	255
Profit after tax	191	209	169
Networth	1,541	1,900	2,080
Total Advances	4,265	5,145	5,152
Total managed assets	4,693	5,485	6,038
%Tier 1	33.82%	33.40%	31.30%
% CRAR	34.21%	33.80%	31.60%
Return on managed assets	4.49%	4.11%	3.90%
Return on equity	13.31%	12.15%	10.83%
Gearing (times)	2.01	1.84	1.9
Gross NPA	0.23%	1.38%	1.69%
Net NPA	0.19%	1.20%	1.27%
Net NPA/Net Worth	5.19%	32.33%	34.05%

Amounts in Rs. crore

Source: ICF; ICRA research

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