



Source URL: <http://www.vccircle.com/news/finance/2013/06/12/indostar-capital-doubles-loan-book-pat-69-fy13>

IndoStar Capital doubles loan book, PAT up 69% in FY13

The NBFC, engaged in wholesale secured structured financing, is promoted by investors such as Everstone Capital and Goldman Sachs.

IndoStar Capital Finance, a non-banking financial company (NBFC) engaged in wholesale secured structured financing, saw its loan book double and profit after tax increase by over two-thirds in FY13. IndoStar posted a 169 per cent increase in revenues to Rs 241.6 crore with profit after tax moving up 69 per cent to Rs 90.1 crore.

The company's loan book went up 103 per cent to Rs 1,768 crore, with net interest income (NII) moving up 185 per cent to Rs 128.1 crore, according to a statement.

IndoStar is majority owned and promoted by private equity investors led by Everstone Capital which include Ashmore Group, Goldman Sachs, Beacon India Private Equity Fund, CDIB Capital and ACP Investments. The management team is led by former Aegon India CEO Vimal Bhandari. IndoStar Capital (Mauritius) is the holding company; it has a majority stake in the Indian entity with approximately 87 per cent stake.

IndoStar's loan book comprises loans against security of operating assets of companies at 45 per cent, loans against property at 33 per cent and loans against retail asset portfolios at 22 per cent. As on March 31, 2013, the company did not have NPAs; its capital to risk assets ratio (CRAR) stood at 50.19 per cent.

"The company was able to decisively step up loan growth and yields in the second half of the year, after having consciously chosen a more cautious approach in the first half of the year when debt markets showed higher risk," said the statement.

Since starting operations in April 2011, IndoStar has transacted 53 deals cumulatively worth Rs 4,300 crore. Additionally, it has built an asset base in excess of Rs 2,200 crore.

IndoStar also recently appointed Ravi Narain as independent director on the board. Narain has been with the National Stock Exchange (NSE) since inception and was MD and CEO of the exchange for 12 years before assuming position as non-executive vice-chairman earlier this year.

For more on IndoStar strategy and expansion plans, click [here](#) and [here](#).

(Edited by Joby Puthuparampil Johnson)