



MSEARCH

IPO OFFERING

INDOSTAR CAPITAL FINANCE LTD



About Company

Recommendation: A Long term STAR

Indostar Capital Finance Ltd (IFCL) is a decade old Mumbai based NBFC. IFCL operates into four business verticals namely corporate lending, SME lending, vehicle financing and housing financing. IFCL is primarily engaged in providing structured term financing solutions to corporates. IFCL recently expanded its portfolio to offer vehicle finance and housing finance products. IFCL conducts its retail operations through ten branches across Mumbai, Delhi, Chennai, Bengaluru, Hyderabad, Jaipur, Surat, Ahmedabad, Pune and Indore and central support office in Mumbai.

Price Band	: Rs. 570 to 572 per share
Bid Lot size	: 26 Shares
Issue Opens	: May 9 th 2018, Wednesday
Issue Closes	: May 11 th 2018, Friday
Min App Amount*	: Rs. 14,872/- at upper band

Msearch View:

We believe in a very short time span of 6 years, Indostar has built healthy corporate lending business & strong relationships with leading corporates to grow better than industry growth. It has also forayed into the SME segment in 10 major cities of India which accounts for more than 20% of credit book. Besides this Indostar has ventured into vehicle finance and housing finance during mid of FY18 which is the next growth engine. Well on valuation perse it is reasonable priced (Rs 570 to 572 per share) with P/ABV of 1.9x (Post IPO) vs Avg peers trading at more than 3-5x. Considering parameters like institutional investors ensuring corporate governance standards, better CV business cycle, decent asset quality through robust credit assessment, strong credit rating and reasonable valuation makes this offer a rewarding investment on long term horizon. Hence we recommend investors to **'SUBSCRIBE'** on the issue.

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