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MANBA FINANCE LIMITED

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IPO NOTE

*September 2024*

## ISSUE HIGHLIGHTS

- u** # 0  
 Mumbai, Maharashtra, in May 1996. Thereafter, on conversion  
 K Manba Financ  
 Ltd RBI granted a certificate of registration in January 2022  
 business of banking financial institutions without accepting publi
- Manba Finance** is a Base Layer (NBFC) regulated by the RBI, prov  
 financial solutions for new two-wheeler (2Ws), three-wheeler (3Ws), elec  
 two-wheeler (EV2Ws), electric three-wheeler (EV3Ws), Used Cars, Si  
 Business Loans and Personal Loans
- Manba Finance** operates out of 66 locations connected to 29 branche  
 6 states in western, central and north India. The company has e  
 relationships with more than 1,100 Dealers, including more than  
 Dealers across Maharashtra, Gujarat, Rajasthan, Chhattisgarh, M  
 Pradesh and Uttar Pradesh
- u** target customers are primarily (i) salaried; and -  
 employed individuals The company offers customized products at  
 made schemes to attract prospective customers
- u** AUM has grown at a CAGR of 37.46% between FY20  
 #
- 7** # average cost  
 borrowings as of FY2023 and 2022 as 11.98%, 11.19% and 11.6  
 respectively.
- u** Revenues from operations increased to # in FY202  
 # in FY2024  
 # in FY2024  
 # Gross NPA was 3.95% F  
 2024 and Net NPA was 3.16% for the FY 2024.

## BRIEF FINANCIAL DETAILS<sup>^</sup>

(In Cr)

	U		
	2024	2023	2022
Share Capital	31.42	12.56	12.56
Net Worth as stated	200.61	168.43	151.74
Net Borrowings	752.27	595.93	394.40
Revenue from Operations	191.59	133.32	106.59
Revenue Growth (%) as stated	43.71	25.07	-
EBITDA as stated	125.25	83.85	63.04
Adjusted EBITDA Margin (%) as stated	65.38	62.90	59.14
Net Profit for the period	31.42	16.58	9.74
Net Profit (%) as stated	16.47	12.52	9.20
EPS "	8.34	4.40	2.59
RONW (%)	15.66	9.84	6.42
V * t	53.26	44.71	40.28
ROE (%)	17.03	10.36	6.63
Gross NPA (%)	3.95	3.74	4.94
Net NPA (%)	3.16	3.14	4.30

Source: RHP Restated

## Issue Details

Fresh Issue of 125,70,000 Equity Shares

Issue size 143 151Cr

No. of shares 1,25,70,000 Shares

Face value: 10/-

Price band 114120

Bid Lot 125 Shares and in multiple thereof

Post Issue Implied Market Cap

573 Cr 603 Cr

BRLMs Hem Securities Ltd

Registrar Link Intime India Pvt. Ltd

Issue opens on Monday, Sep 23, 2024

Issue closes on Wednesday, Sep 25, 2024

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	26/09/2024
Refunds/Unblocking ASBA Funds	26/09/2024
Credit of equity shares to DP	27/09/2024
Trading commences	30/09/2024

## Issue breakup

	No. of Share	In Cr		% of Issue
		@Lower	@Upper	
QIE	62,85,000	71.65	75.42	50%
NIE	18,85,500	21.49	22.63	15%
-NIB	12,57,000	14.33	15.08	
-NIB	6,28,500	7.16	7.54	
RET	43,99,500	50.15	52.79	35%
<b>Total</b>	<b>1,25,70,000</b>	<b>143.33</b>	<b>150.88</b>	<b>100%</b>

NIB - V @ @ " 0  
NIB - V @ @ " 0

Category	Retail Category	NII-Bid	NII-Bid
		2-10 Lakh	Lakhs
Minimum Bid Lot (Shares)	125 Shares	1,750 Shares	8,375 Shares
Minimum Bid 0			
Appl for 1x	35,196 Application	359 Application	718 Application

## Listing BSE & NSE

### Shareholding (No. of Shares)

Pre issue	Post issue <sup>#</sup>
3,76,69,410	5,02,39,410

### Shareholding (%)

	Pre Issue	Post Issue
Promoter	99.99%	74.97%
Promoters Group	0.01%	0.01%
Public	0.00%	25.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The Company was incorporated in May 1996. Thereafter on conversion to public limited company in January 2005, the Company was granted a certificate of registration in January 2022, to carry on business banking financial institutions without accepting public deposits. The company is a Base Layer (NBFC) regulated by the RBI, providing financial solutions for two-wheeler (2Ws), three-wheeler (3Ws), electric two-wheeler (EV2Ws), electric three-wheeler (EV3Ws), Used Cars, Small Business Loans and Personal Loans.

### Brief Biographies of Directors & Key Managerial Personnel

Manish Kirittkumar Shah is the Managing Director of the Company and has been a director of the Company since incorporation. He has over 25 years of experience in the NBFC sector.

Nikita Manish Shah is a Whole Time Director and Head Business Development of the Company. She has been director of the Company since incorporation. She has over 27 years of experience in the field of business relationship, marketing and management.

Monil Manish Shah is a Whole Time Director and Chief Business Officer of the Company. He has been a director in the Company since 2017. He oversees functions such as sales & strategy, marketing and business expansion.

Jay Khushal Motla is a Whole Time Director and Chief Financial Officer of the Company. He has over 18 years of experience in the field of accounts, finance and taxation. He oversees various facets of accounts & finance of the Company including financial planning and analysis, treasury management, budgeting, financial projections and audit & taxation.

Anshu Shrivastava is the Chairman and Independent Director of the Company since 2015. He has over 20 years of experience in the field of finance. He was previously associated with Piramal Group and Pioneer Investcorp.

Abhinav Sharma is an Independent Director of the Company since 2019. He has more than 16 years of experience in the financial sector.

Neelam Tate is an Independent Director of the Company. She has professional experience of 6 years encompassing risk management and business/management advisory services. She is associated with Evolutionary Systems Private Limited.

Bhavisha Ashish Jain is the Company Secretary and the Compliance Officer of the Company. She has been associated with the Company since October 8, 2019. She has also worked with Solutions Global Pvt. Ltd.

## OFFER DETAILS

Fresh Issue	No. of Shares	#	%
Fresh Issue (upto 151 Cr)	Upto 1,25,70,000 Equity Shares		-

## SHAREHOLDING PATTERN

Shareholders	Preoffer		Fresh Issue of Shares <sup>(^)</sup>	Postoffer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
Promoter	3,76,64,01	99.99%	0	3,76,64,01	74.97%
Promoters Group	5,400	0.01%	0	5,400	0.01%
Total for Promoter & Promoters Group	3,76,69,41	100.00%	0	3,76,69,41	74.98%
Public Others	0	0.00%	1,25,70,00	1,25,70,00	25.02%
Total for Public Shareholder	0	0.00%	1,25,70,00	1,25,70,00	25.02%
Total Equity Share Capital	3,76,69,41	100.00%		5,02,39,41	100.00%

(^ at upper price band)

## BUSINESS OVERVIEW

Manba Finance is a Non-Banking Financial Company (NBFC) providing financial solutions for two-wheeler (2Ws), three-wheeler (3Ws), electric two-wheeler (EV2Ws), electric three-wheeler (EV3Ws), Used Cars, Small Business Loans and Personal Loans as on March 31, 2024.

### BreakUp of Loans Given

	As of March 31		
	2024	2023	2022
Vehicle Loans			
Two-wheeler	543.72	379.48	242.68
Three-wheeler	10.63	0.33	0.00
Top-up loans	50.11	44.90	47.78
Used Two-wheeler Loans	8.76	1.98	0.14
Used Car Loans	0.98	0.00	0.00
Personal Loans	9.02	0.00	0.00
Small business loan	7.15	0.00	0.00
Other Loans	2.50	0.00	0.00
Total	632.86	426.69	290.60

About 97.90% of loan portfolio comprises of New Vehicle Loans with an average ticket size (ATS) of ₹20,000 for two-wheeler loans and an average ticket size (ATS) of ₹10,000 for three-wheeler loans.

Manba Finance is based out of Mumbai, Maharashtra and operates out of 66 Locations connected to 20 branches across states in western, central and northern India. The company has established relationships with more than 1,100 Dealers, including more than 190 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh, Madhya Pradesh and Uttar Pradesh. The company has recently expanded its loan portfolio to Used Car Loans, Small Business Loans and Personal Loans and the company intends to leverage its existing network further to penetrate the market with new products.

The company's target customers are primarily (i) salaried and employed individuals. The company offers customized products and tailored schemes to attract prospective customers. The company funds up to 85% of the purchase price (on road price) of the vehicle proposed to be acquired by the customer, with the customer contributing the balance.

The

Gross NPA was 3.95%, 3.74% and 4.94% for FY 2024, 2023 and 2022, respectively, and Net NPA was 3.16%, 3.20% and 3.22% for FY 2024, 2023 and 2022, respectively.

The company has a centralized credit team which remotely reviews loan applications and undertakes credit decisions primarily based on the credit data of the customer. The company has established business processes and technologies to facilitate sanction of more than 85% loans on the same day of the application. The company also has an in-house collection team which focuses on recovery of the monthly instalments from its customers.

The company commenced its business in 1998 as an NBFC from Mumbai, Maharashtra and started operations from 2009 by way of growth in number of branches and locations across the states. The branches are in urban, suburban and metropolitan cities and towns which serve the surrounding rural areas.

### Statewise number of dealers

Name of the State	Number of Dealer
Maharashtra	502
Gujarat	248
Rajasthan	160
Chhattisgarh	138
Madhya Pradesh	49
Uttar Pradesh	7
Total	1,104

Source: RHP

The company secures funding from various sources including term loans and cash credit facilities from public sector banks, private sector banks, small finance banks & other financial institutions and PTC and issuance of privately placed

unlisted NCDs to meet capital requirements. As of 2024, 2023 and 2022, total borrowings were ₹ 752.27 Cr, ₹ 595.93 Cr and ₹ 394.40 Cr, respectively. The average cost of borrowings for 2024, 2023 and 2022 was 11.98%, 11.19% and 11.61%, respectively. As part of the PTC, the loans of the Company are bundled together into a trust and transferred to a SPV for securitisation of assets by banks, financial institutions or NBFCs. The SPV issues the PTC against the cash flows generated by the underlying pool of loans.

#### Snapshot of borrowings and NPAs

	As of March 31		
	2024	2023	2022
Fixed Interest Rate Liabilities	497.17	310.02	169.80
CP	-	-	30.00
NCD	154.17	11.67	15.00
Securitization	131.06	128.79	39.48
Term Loan	211.94	169.57	85.33
Vehicle Loan	-	-	-
Floating Interest Rate Financial Liabilities	258.28	287.77	225.56
Cash Credit	43.78	46.80	50.35
NCD	9.75	15.00	0.00
Term Loan	203.06	225.60	174.76
Vehicle Loan	1.69	0.37	0.45
Total Borrowings	755.45	597.79	395.36
Unamortized Borrowing	3.17	1.86	0.96
Net Borrowing	752.27	595.93	394.40
Average Tenure of Borrowings (in months)	26.74	27.12	28.89
Average Cost of Borrowing	11.98%	11.19%	11.61%
Weighted Average Residual Tenure of Borrowings (in months)	26.74	27.12	28.89
Gross NPA	31.56	23.69	24.50
Net NPA	25.25	19.90	21.32

Source: RHP

#### REVENUE FROM OPERATIONS

Particulars	As at March 31st,		
	2024	2023	2022
Revenue from operations			
(a) Interest income	168.36	124.96	93.98
(b) Other operating income	23.23	8.35	12.61
Total revenue from operations	191.59	133.32	106.59
(a) Other income	0.05	0.00	0.03
Total income	191.63	133.32	106.62

#### Product Wise Revenues

	As of March 31					
	2024	%	2023	%	2022	%
Two Wheeler	171.60	89.55%	129.11	96.84%	104.61	98.12%
Three Wheeler	1.18	0.61%	0.02	0.02%	0.00	0.00%
Personal Loan	1.36	0.71%	0.00	0.00%	0.00	0.00%
Small Business Loan	0.36	0.19%	0.00	0.00%	0.00	0.00%
Used Two Wheeler	0.72	0.38%	0.26	0.19%	0.03	0.03%
Used Car Loan	0.04	0.02%	0.00	0.00%	0.00	0.00%
Other Operating Income	16.33	8.52%	3.93	2.95%	1.94	1.82%
Other Income	0.05	0.02%	0.00	0.00%	0.03	0.03%
Revenue Bifurcation Total	191.63	100.00%	133.32	100.00%	106.62	100.00%

Source: RHP

#### PRODUCTS

The company is an NBFC providing financial solutions for the purchase of New Vehicle Loans, Used Car Loans, Small Business Loans and Personal Loans. The company has recently launched Used Car Loans, Small Business Loans and Personal Loans.

##### New Vehicle Loans:

The company provides financing for the purchase of new two-wheeler loans. The target customers are mainly (i) salaried; and (ii) small business who intend to purchase a

2Ws/3Ws/EV2Ws/EV3Ws. The company normally funds around 85% of the purchase price (on road price) of proposed to be acquired by the customer of the New Vehicle Loans and prefer the customer to contribute the balance 15%.

**Top-up Loan:** The Top-up Loan is an additional credit that can be availed by a customer over and above an existing New Vehicle Loan secured against the original asset funded by the Company. It is provided as an additional product to those customers who are at the end of their repayment schedule and who have paid the instalments on time.

**Used Car Loans:** The company provides Used Car Loans to customers who do not own a car but now desires to own a car but does not have the financial resources to purchase a new car. The Company steps in to fulfill his desire, subject to the customer being eligible as per the internal credit policy for Used Car Loans. The company would require the vehicle proposed to be acquired to be up to 12 years old and the funding tenure to be between 12 months to 24 months. The ticket size for providing funds for Used Car Loans is between 2.00 lakhs to 6.00 lakhs which should be around 75% of the value of the car.

**Small Business Loans (Manba Vyapaar Loans):** The company has recently launched its Small Business Loans viz. Manba Vyapaar Loans offerings in Mumbai, Maharashtra. The company offers Small Business Loans to MSME businesses of 5.00 lakhs to 10.00 lakhs for a tenure of 12 months to 48 months with the target customers being small businesses like kirana stores, medical stores, carpenters, small manufacturing units, tailors and such other sections of the population running small and medium businesses.

**Personal Loans:** The company has launched its Personal Loan offerings July 2023. It is offering this product on a basis of quick TAT for sanction and disbursement. The target customers are salaried and self-employed individuals who require funds on an immediate basis and do not have the time to avail borrowings.

**Dealer Network:** The company has established relationship with more than 1,100 Dealers, including more than 1,000 EV Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh, Madhya Pradesh and Uttar Pradesh.

#### State wise loan portfolio

States	As at March 31st,					
	2024	%	2023	%	2022	%
Maharashtra	516.23	64.63%	436.65	68.91%	389.25	78.50%
Gujarat	185.02	23.16%	168.61	26.61%	96.87	19.54%
Rajasthan	52.34	6.55%	18.85	2.97%	9.71	1.96%
Chhattisgarh	40.54	5.08%	9.58	1.51%	0.00	0.00%
Madhya Pradesh	4.63	0.58%	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>798.77</b>	<b>100.00%</b>	<b>633.69</b>	<b>100.00%</b>	<b>495.83</b>	<b>100.00%</b>

Source: RHP

**Customer reach:** The company is currently present in six states with 66 Locations and over 1,100 Dealership network including more than 190 EV Dealers, supported by digital channels and 600 personnel and sales representative at respective locations.

The company has an extensive network of 29 Branches as of July 31, 2024, in the states of Maharashtra, Gujarat, Chhattisgarh, Madhya Pradesh and Uttar Pradesh providing financial solutions to the requirements who are largely excluded by the traditional financial institutions.

#### Geographical Breakup of Revenue

Particulars	As at March 31st,					
	2024	% share	2023	% share	2022	% share
Maharashtra	133.00	69.40	100.79	75.60	89.73	84.19
Gujarat	46.05	24.03	29.67	22.26	15.42	14.47
Rajasthan	6.86	3.58	2.32	1.74	1.43	1.34
Chhattisgarh	5.45	2.84	0.54	0.40	0.00	0.00
Madhya Pradesh	0.28	0.15	0.00	0.00	0.00	0.00
<b>Total</b>	<b>191.63</b>	<b>100.00</b>	<b>133.32</b>	<b>100.00</b>	<b>106.62</b>	<b>100.00</b>

Source: RHP

## COMPETITIVE STRENGTHS

### Established relationships with the Dealers

The company commenced its business in 1998 as a NBFC from Mumbai, Maharashtra and operations from 2009 with vehicle financing. The Company has established strong relationships with more than 1,100 Dealers, including 1,000 Dealers, across Maharashtra, Gujarat, Rajasthan, Chhattisgarh, Madhya Pradesh and Uttar Pradesh where

2Ws/3Ws/2EVWs/3EVWs. Dealer network acts as a point of sale business model. To become the preferred finance company of the Dealer, the company provides support in the form of customer specific schemes, incentives & advances and other marketing & branding support to enable increased sales. The company offer tailor made solutions for specific needs of dealers by offering quarterly, monthly and annual incentives, organize dealer conferences and events.

### Ability to expand to new underpenetrated geographies

The Company is present in 66 Locations across states in western, central and northern India. The company initially focused on Maharashtra and after gaining the necessary knowledge and experience, the company expanded our operations to other states like Gujarat, Rajasthan, Chhattisgarh, Madhya Pradesh and Uttar Pradesh. The company grows through dealer networks where the Branches follow the hub and spoke model for handling functions such as operations and Branches are established only in markets having sizeable opportunity.

The growth has primarily been volume led with consistent AFS and yield. The growth in New Vehicle Loans is due to customer and dealer centric business model, where through special incentives and schemes, the company addresses issues faced by both the Dealer and customers and provide specific solutions.

### Access to diversified and effective long-term borrowing

The company has developed long term relationships with various banks, NBFCs and other financial institutions for requirements. The company borrows funds from these sources and together with funds lends to the customers for their asset acquisition funding requirements.

The company has entered into a lending arrangement with Muthoot Capital Services Limited on an 80:20 fund sharing basis in terms of RBI guidelines, where 80% of the share provided by Muthoot Capital Services Limited and the balance 20% obligation. The company is undertaking all front and back end lending processing and collection activities under its name and brand. The company acts as the security agent in this arrangement where creation, perfection and enforcement of the security interests in the vehicle funded under this instrument. The company is also liable to buyback the customers who are more than 75 DPD under this arrangement.

FY2024, 2023 and 2022 was 11.98%, 11.19% and 11.61%, respectively.

### Technology driven and scalable operating model with quick Turn Around Time (TAT) for loan processing

The company has organized each of its functions into separate activities and deployed the necessary technology, manpower and systems to ensure smooth running of operations in a collective and conducive environment. The company uses Customer Relationship Management (CRM) platform for business operations management with a TU CIBIL service provider for providing access to its database information regarding the credit rating of customers and service provider for KYC and bank account verification. The company has installed the marketing automation tool from Salesforce for its products. The company uses IT service management software for its customer service. The company has also integrated its payment systems with all the leading payment gateways provided by Razorpay, PayU, Virtual Bank payment facilities and such other services. The company is also availing services from Karix Mobile, one of the mobile engagement and communications provider for SMS solutions for customer service.

### Extensive collections infrastructure and processes leading to maintenance of

More than 80% of monthly collection are received through NACHs on the EMI date. The company has an in-house collections team, responsible for detecting likely default early through check on low Gross NPA. The company has a three-tier collections infrastructure, comprising of (i) field collection; and (ii) legal recovery in order to optimize collections and minimize NPAs. Additionally, the company employs external collection agencies to assist

in-house collections team in the collection or recovery of outstanding dues from customers, where required, in accordance with RBI Guidelines.

Our collections team consist of 446 personnel who are assisted with technology to ensure collection of monthly instalments. The collection representatives are able to access customer data on their mobile devices and issue receipts through the device provided by the Company. Our Gross NPA was 3.95%, 3.74% and 4.94% for FY 2024, 2023 and 2022, respectively, and Net NPA was 3.14% and 4.30% for FY 2024, 2023 and 2022, respectively.

**Experienced Promoters and professional management team**

Promoters have vast knowledge and experience in the NBFC sector and have attracted and retained senior experienced professionals with operational and capabilities, management skills, business development experience and financial management. The Promoters, Directors and Senior Management team help company in implementing the business strategies in an efficient manner and continue to build the track record of successful product offerings.

## KEY BUSINESS STRATEGIES

**Increasing penetration in existing markets and diversifying into new markets**

The company intend to further penetrate the existing markets by not only offering 2Ws/3Ws/EV2Ws/EV3Ws loans but also diversify the loan portfolio to new products such as Used Small Business Loans and Personal Loans to customers. The company launched new product offerings in Gujarat in the year 2019 and disbursements of more than ₹100 Cr by 2024. The company entered Rajasthan in the year 2020 and disbursements of more than ₹120 Cr by 2024. The company further expanded its operations to Chhattisgarh in the year 2022 and disbursements of more than ₹15 Cr by 2024. The company has recently launched its operations in Madhya Pradesh and Uttar Pradesh. Considering the size of the market in these states, appetite for credit in the 2Ws/3Ws/EV2Ws/EV3Ws space and the proximity to existing markets and operations.

**Continue focus on vehicle finance and the growing 2Ws/3Ws/EV2Ws/EV3Ws market**

New Vehicle Loans constitute 97.96% of total AUM and will continue to focus on this product. The EV3Ws space is also catching up which is mainly a commercial segment by small and private transporters are now preferring EV3Ws for their business operations to save cost and to increase their margins by using EV3Ws for local or short distance transport. The company has entered into arrangements with more than 190 EV Dealers and offer various incentives to customers for the purchase of EV3Ws vehicles.

**Diversifying the portfolio into Used Car Loans, Small Business Loans and Personal Loans**

The company intend to offer Used Car Loans with a ticket size of ₹2.00 lakh to ₹6.00 lakh. The company intend to offer this product to the aspirational 2Ws/EV2Ws vehicle finance customers who desire to upgrade or add a car to their existing vehicle. The company has recently started offering Small Business Loans in Maharashtra through the product MANBA Vyaapaar loans. The company intend to offer Small Business Loans having a ticket size of ₹0.50 lakhs to ₹10.00 lakhs and Personal Loans up to ₹1.00 lakh. The company has also employed experienced professionals who have significant experience in MSME lending to small businesses and Personal Loans.

**Leveraging existing Branch and location setup by adding new products**

Currently the company operates out of 66 Locations in Maharashtra, Gujarat, Rajasthan, Chhattisgarh, Madhya Pradesh and Uttar Pradesh providing financial services to target customers. The company believe that leveraging the existing Branches and Locations as a base for offering these new loan products will enable speedy growth of these product offerings.

The company funds the customer for the purchase of the Used Car where the vehicle to be acquired up to 12 months and the funding tenure to be between 12 months to 48 months. The ticket size for the Used Car is between ₹2.00 lakhs to ₹6.00 lakhs. The company have already launched these products in the Mumbai Market in December 2023 and from April 2024 the company has launched these products in the certain markets of Maharashtra, Gujarat and Rajasthan.

**Continue to invest in technology and digitization initiatives to the operating model and improve customer experience**

The company will continue to focus and invest in technology and digitization initiatives which is the business and operational. The company has planned various technology related upgrades and adoption of newer technologies.



The company plans to launch web-based app to provide dedicated logins for business correspondents across Branches and Locations using a pre-determined set of business rules for acquiring customers.

• Enhance brand recall to attract new customers

The company plans to take initiatives to increase the strength of its U.S. brand through hoarding advertising on buses, dealer gate panels, standees, table placers and such other marketing and branding initiatives. The company plans to enhance its brand by engaging with existing and potential customers through various programs and schemes, sponsor popular events and festivals in the regions and advertise in physical and digital media for increasing its reach and brand to the general public.

## RETURN ON EQUITY AND ASSETS

Particulars	As of March 31		
	2024	2023	2022
Profit After Tax	31.42	16.58	9.7402
Total Assets	973.75	787.25	561.46
Average Total Assets	880.50	674.35	558.43
AUM	936.86	633.69	495.83
Average AUM	785.27	564.76	512.97
Net Worth	200.61	168.43	151.74
Average Equity or Average Net Worth	184.52	160.09	146.84
Total Borrowings	752.27	595.93	394.40
Average Total Borrowings	674.10	495.16	399.54
Return on Average Total Asset (%)	3.57%	2.46%	1.74%
Return on Equity (%)	17.03%	10.36%	6.63%
Basic Earnings Per Equity Share	8.34	4.40	2.59
Diluted Earnings Per Equity Share	8.34	4.40	2.59
Net Asset Value Per Equity Share	53.26	44.71	40.28
Total Tangible Assets	972.93	786.45	560.92
Average Tangible Asset	879.69	673.68	557.65
AUM on Net Worth	4.67	3.76	3.27
Return on Average Total Tangible Asset	3.57%	2.46%	1.75%

Source: RHP

## FINANCIAL RATIOS

Particulars	As of and for Fiscal		
	2024	2023	2022
AUM	936.86	633.69	495.83
AUM Growth (%)	47.84%	27.80%	(6.47) %
Average AUM	785.27	564.76	512.97
Gross Loan Book	798.77	633.69	495.83
Securitized Assets	156.06	151.69	49.35
Total Assets	973.75	787.25	561.46
Disbursements	632.86	426.69	290.60
Total Revenue from Operations	191.59	133.62	106.59
Other Income	0.05	0.00	0.03
Total Income	191.63	133.32	106.62
Adjusted Finance Costs	80.74	55.42	46.39
Operating Expenses	72.00	55.11	47.57
Operating Expense to Average Total Asset (%)	8.18%	8.17%	8.52%
Operating Expense Per Location	1.11	1.08	1.44
Pre-Provision Operating Profit (PPOP)	51.18	32.05	23.29
Pre-Provision Operating Profit (PPOP) to Average Total Assets (%)	5.81%	4.75%	4.17%

Particulars	As of and for Fiscal		
	2024	2023	2022
Impairment on Financial Instrument	11.32	8.31	10.04
Impairment on Financial Instrument to Average Total Assets (%)	1.29%	1.23%	1.80%
Gross NPA	31.56	23.69	24.50
Gross NPA (%)	3.95%	3.74%	4.94%
NPA Provision	6.31	3.79	3.19
Net NPA	25.25	19.90	21.32
Net NPA (%)	3.16%	3.14%	4.30%
Provision Coverage Ratio (%)	20.00%	16.00%	13.00%
Total Loan Loss Provision (LLP)	10.56	6.46	6.41
Total LLP to Gross Loan Book (%)	1.32%	1.02%	1.29%
Operating Expense to Net Income (%)	37.58%	41.34%	44.62%
Gross Loan Book/Net Worth	3.98	3.76	3.27
Average Gross Loan Book	716.23	564.76	512.97
Average Gross Loan Book/Average Net Worth	3.88	3.53	3.49
Net Loan Book	783.05	623.32	482.67
Adjusted Spread (%)	8.67%	9.08%	6.73%

Source: RHP

## RETURN RATIOS

(%)

Particulars	As of and for Fiscal		
	2024	2023	2022
Total Revenue from Operations to Average AUM	24.40%	23.61%	20.78%
Other Income to Average AUM	0.01%	0.00%	0.01%
Total Income to Average AUM	24.40%	23.61%	20.78%
Adjusted Finance Cost to Average AUM	10.28%	9.81%	9.04%
Net Income to Average AUM	14.12%	13.79%	11.74%
Operating Expense to Average AUM	9.17%	9.76%	9.27%
Impairment on Financial Instrument (credit cost) to Average AUM	1.44%	1.47%	1.96%
PBT to Average AUM	4.95%	4.03%	2.47%
PAT to Average AUM	4.00%	2.94%	1.90%
PAT to Average Net Worth	17.03%	10.36%	6.63%

Source: RHP

## YIELDS SPREADS AND MARGINS

#

Particulars	As of and for Fiscal		
	2024	2023	2022
Interest Income**	168.36	124.96	93.98
Adjusted Finance Cost	80.74	55.42	46.39
Total Interest Earning Assets	884.04	679.11	513.39
Average Interest Earning Assets	781.57	596.25	526.18
Average Total Assets	880.50	674.35	558.43
Average Interest Bearing Liabilities	674.10	495.16	399.54
Total Income	191.63	133.32	106.62
Net Interest Income	87.62	69.54	47.59
Average Yield on Average AUM	21.44%	22.13%	18.32%
Average Cost of Borrowings	11.98%	11.19%	11.61%
Spread	9.46%	10.93%	6.71%
Net Interest Margin (%)	11.16%	12.31%	9.28%
Incremental Cost of Borrowings (%)	12.36%	12.34%	11.49%
Incremental Borrowings	610.10	551.71	271.16

Source: RHP\* Interest income does not include loan fees

## ASSET QUALITY- PROVISIONING AND WRITEOFFS

Asset category (Loan Book)	As of and for Fiscal		
	2024	2023	2022
Gross Loan Book	798.77	633.69	495.83
Gross NPAs	31.56	23.69	24.50
NPA Provisions	6.31	3.79	3.19
Net NPAs	25.25	19.90	21.32
Bad Debts Writeoff	7.22	5.95	9.07

Source: RHP

## PRODUCTIVITY RATIOS OVERALL

Particulars	As of and for Fiscal		
	2024	2023	2022
Number of locations	65	51	33
Number of on-roll employees	1,133	827	663
AUM per location (in Cr)	14.41	12.43	15.03
AUM per employee (in Cr)	0.83	0.77	0.75
Disbursement per location (in Cr)	9.74	8.37	8.81
Disbursement per location per month (in Cr)	0.81	0.70	0.73
Disbursement per employee (in Cr)	0.56	0.52	0.44

Source: RHP

## CAPITAL ADEQUACY

(cr, except percentages and ratios)

Particulars	As of and for Fiscal		
	2024	2023	2022
Tier I Capital	200.61	168.43	151.74
Tier II Capital	-	-	-
Total Capital	200.61	168.43	151.74
Risk Weighted Assets	796.87	623.32	482.67
Capital Adequacy Ratio (%)			
Tier I Capital (%)	25.17%	27.02%	31.44%
Tier II Capital (%)	-	-	-
Total Borrowing (₹) to Equity ratio (2)	3.75	3.54	2.60

Source: RHP

## COMPETITION

Our competitors include established commercial banks, NBFCs, small finance banks, local money lenders in rural areas and the private unorganized and informal financiers who principally operate in the local market and micro medium enterprises who are focused on lending to low and middle income segments.

## COMPARISON OF OFFERINGS VS. INDUSTRY PEERS

	Two wheeler	Three wheeler	Car/Used Car	MSME/SME/Small Business	Personal	Commercial Vehicle	Tractor	Housing	Micro Finance
Arman Financial	J			J					J
Baid Finserv			J	J		J			
Berar Finance	J		J	J	J				
Hero Fincorp	J		J	J	J				
Manba Finance	J	J	J	J	J				
MAS Financial	J		J	J	J	J	J	J	
Muthoot Fincorp	J			J				J	J
TVS Credit	J	J	J	J	J	J	J		

Source: RHP

## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31<sup>ST</sup> MARCH 2024)

Name of the company	Total Income	Face Value	P/E (X)	P/B (X)	EPS Basic	RoNW (%)	NAV	PAT #	D/E (X)
Manba Finance	191.63	10.00			8.34	15.66	53.26	31.42	3.75
Baid Finserv	66.36	2.00	13.65	1.06	1.08	7.75	13.89	12.92	1.45
Arman Financial Services	661.53	10.00	8.57	2.15	195.00	21.36	775.70	173.57	2.09
MAS Financial Services	1,285.68	10.00	18.13	2.55	15.31	14.25	108.71	254.01	4.00

Source: RHP/E Ratio has been computed based on Free equity shares on August 22, 2024

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