



IPO NOTE

MANBA FINANCE LIMITED



Rating:

Subscribe




(For High Risk Investors)



ISSUE OFFER

Issue Opens on	SEP 23, 2024
Issue Close on	SEP 25, 2024
Total IPO size (cr)	₹150.84
Fresh issue (cr)	₹150.84
Offer For Sale (cr)	NIL
Price Band (INR)	114- 120
Market Lot	125
Face Value (INR)	₹10
Listing At	NSE, BSE
Market Capitalization (cr)	602.87

ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%

PROMOTER HOLDING %

Pre Issue	Post Issue
100%	74.98 %

INDICATIVE TIMETABLE

Basis of Allotment	26-09-2024
Refunds/Unblocking ASBA Fund	26-09-2024
Credit of Share to Demat A/c	27-09-2024
Listing Date	30-09-2024

A Non-Banking Financial Company-Base Layer providing financial solutions for New two wheeler three wheeler, electric two wheeler, electric three wheeler, Used Cars, Small Business Loans and Personal Loans.

OBJECTS OF THE ISSUE

- Augmenting the capital base to meet the Company's future capital requirements.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	37.6	12.5	12.5
Net Worth	973.75	787.24	561.45
Asset Under Management	936.85	633.68	495.82
Revenue	168.35	124.96	93.97
Net Interest Margin%	11.16%	12.31%	9.28%
Net Profit of the year	31.4	16.58	9.74

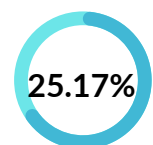
FINANCIAL RATIOS OF FY24



D/E



P/B



Capital Adequacy

OUTLOOK & VALUATION

- Leading financier specializing in two- and three-wheelers, with plans to expand its product offerings.
- Demonstrated robust growth in revenue, NIM and other positive financial metrics.
- The IPO's valuation is fully priced.
- Investors with a high-risk tolerance may consider applying for the IPO. However, careful consideration of the company's size and potential risks and market volatility is essential.



COMPANY PROFILE

- About 97.90% of its loan portfolio comprises of New Vehicle Loans.
- Based in Mumbai, Maharashtra, with 66 locations connected to 29 branches across six states in western, central, and north India
- Target customers are mainly (i) salaried; and (ii) self-employed.
- Relationships with more than 1,100 Dealers, including more than 190 EV Dealers.
- Centralised credit team to remotely reviews loan applications.



COMPETITIVE STRATEGIES

- Increasing penetration in existing markets and diversifying into new markets.
- Continue focus on vehicle finance and the growing 2Ws/3Ws/EV2Ws/EV3Ws market.
- Enhance its brand recall to attract new customers.
- Diversifying its portfolio into Used Car Loans, Small Business Loans and Personal Loans.
- Leveraging its existing Branch and location setup by adding new products.
- Continue to invest in technology and digitization.



KEY CONCERNS

- Asset and liability mismatch.
- Dependent on its ability to timely access cost effective sources of funding.
- Geographical Concentration.
- Competitive market.
- Operate in a seasonal industry.
- Operate in a highly regulated industry.



KEY STRENGTHS

- Established relationships with the Dealers.
- Ability to expand to new underpenetrated geographies.
- Access to diversified and cost-effective long-term borrowing.
- Technology driven and scalable operating model.
- Extensive collections infrastructure.
- Experienced Promoters and professional management team..

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/B	TOTAL INCOME (In CR.)	RoNW (%)
Manba Finance Limited	8.34	53.26	2.25	191.63	15.66%
Peer Group					
Baid Finserv Limited	1.08	13.89	1.06	66.35	7.75%
Arman Financial Services Limited	195.00	775.70	2.15	661.52	21.36%
MAS Financial Services Limited	15.31	108.71	2.55	1,285.68	14.25%


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