



IPO DETAILS

#IPOlogy

MANBA FINANCE LIMITED



 **ISSUE OPEN**

23rd September, 2024

 **ISSUE CLOSE**

25th September, 2024

Min. Lot Size
125 shares

Issue Price Band
₹114 - ₹120

Issue Size

Fresh Issue:
1.26 cr. Eq shares
(₹150.83cr.)

OFS:
NIL

Face Value

₹10

Industry

Finance - NBFC

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



Rationale

Considering the book value of ₹69.95, Manba Finance Limited is set to list at a P/B of 1.72x with a market cap of ₹602.87 crore, whereas its peers, such as Baid Finserv Limited, Arman Financial Services Limited, and MAS Financial Services Limited are trading at P/B ratios of 1.18x, 2.27x, and 2.84x, respectively.

We assign “Subscribe” rating to this IPO as company has ability to expand to new underpenetrated geographies. Also, it is available at reasonable valuation as compared to its peers.

Objectives of the issue

Augmentation of capital base to meet future capital requirements

Company Overview

Manba finance Ltd is a Non-Banking Financial Company – Base Layer (NBFC-BL) regulated by the Reserve Bank of India.

The company provides financial solutions for new two-wheeler (2Ws,) three-wheeler (3Ws), electric two-wheeler (EV2Ws), electric three-wheeler (EV3Ws), Used Cars, Small Business Loans and Personal Loans.

In FY 24, new vehicle financing contributed 98.20%, used vehicle financing contributed 0.3%, personal loans contributed 0.8%, small business loans contributed 0.8%, and other loans contributed 0.3% to the total AUM.

As of March 31, 2024, the company had AUM size of more than ₹ 900 cr and average ticket size (ATS) of ₹ 80,000 in principal amount for two-wheeler loans and an average ticket size (ATS) of around ₹ 1,40,000 for threewheeler loans.

The company's target customers are mainly (i) employees and (ii) the self-employed. The Company tailors its offerings to each of these customer categories and creates customized programs.

The company had gross non-performing assets (“GNPA”) of 3.95% and net non-performing assets (“NNPA”) of 3.16%, as of FY 2024.

The company is based out of Mumbai, Maharashtra and operate out of 66 Locations connected to 29 branches.



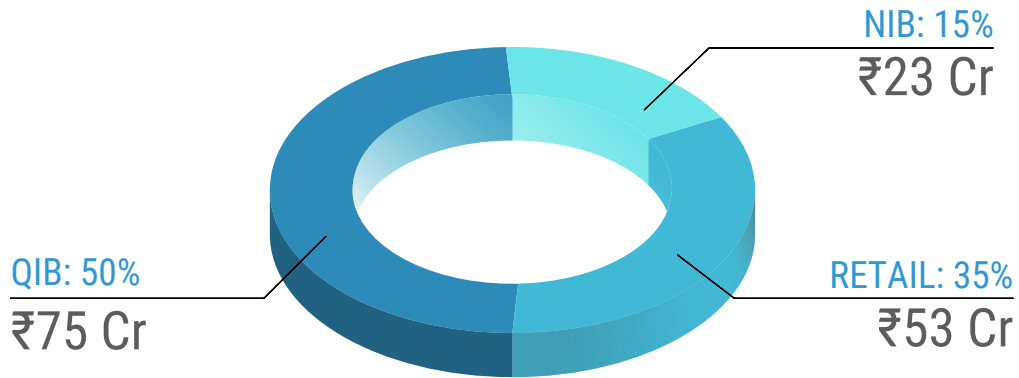
EV and Auto Dealer Alliance

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

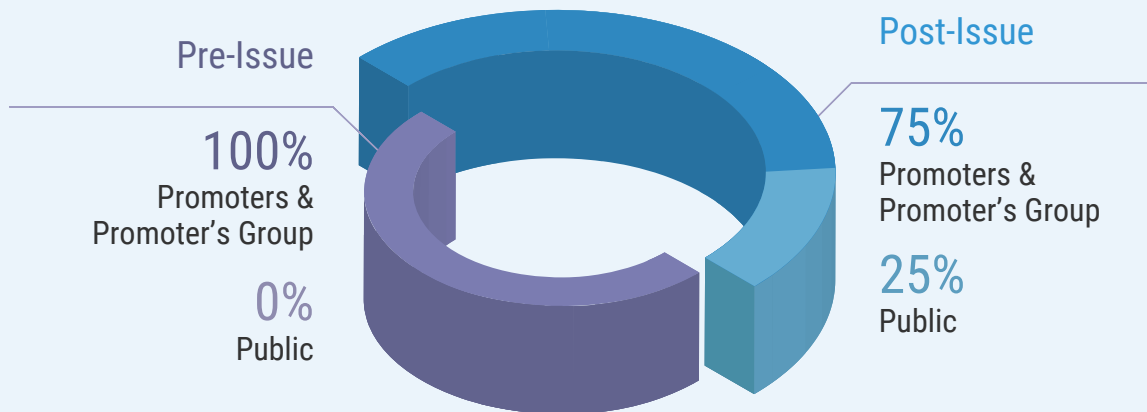


MANBA FINANCE LIMITED
Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹ Cr.)



55 Cr

Authorised Equity Share Capital



38 Cr

Paid-Up Capital (Pre-Offer)



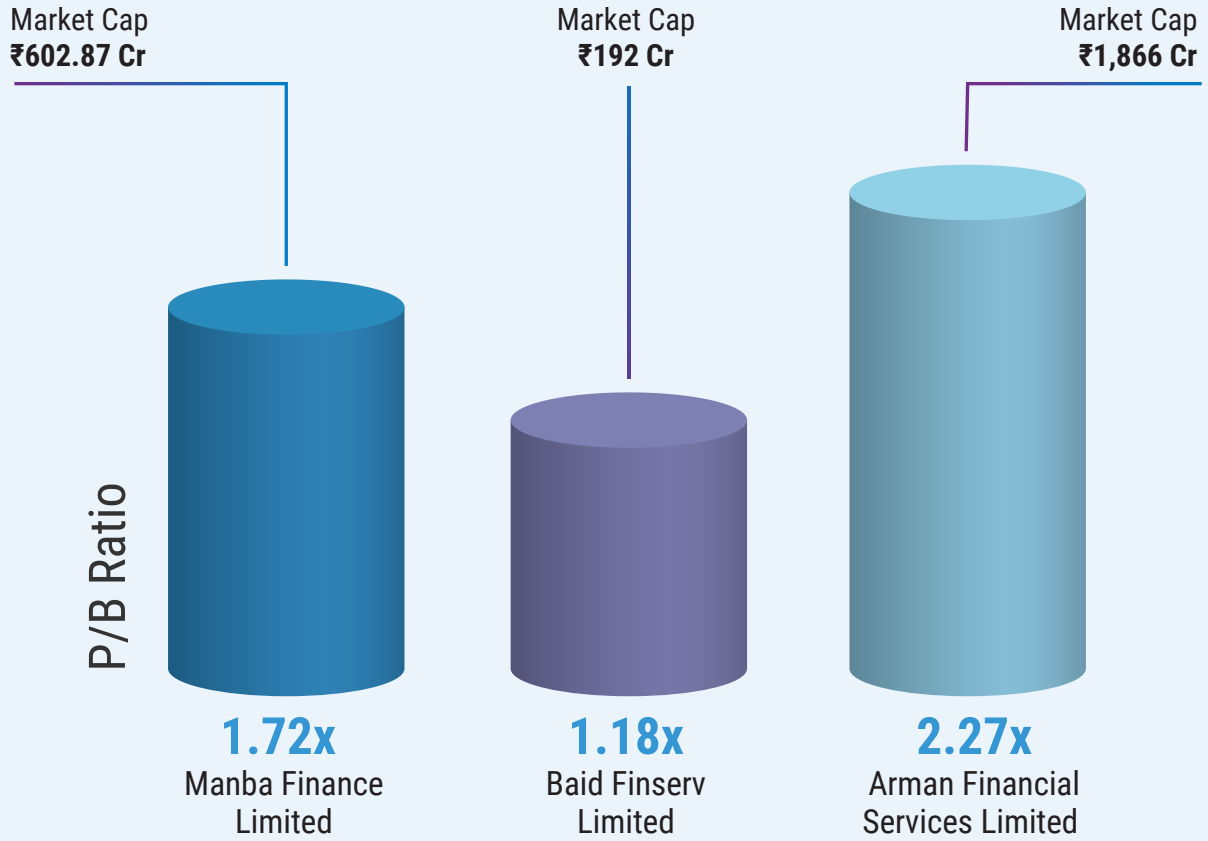
50 Cr

Paid-Up Capital (Post-Offer)



MANBA FINANCE LIMITED

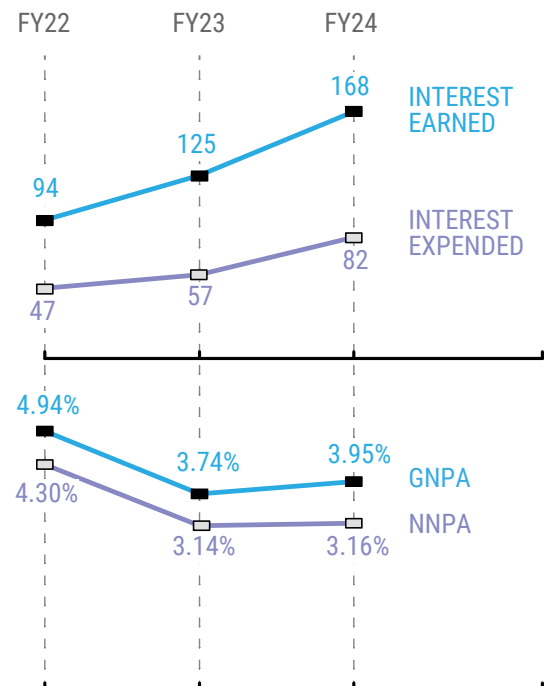
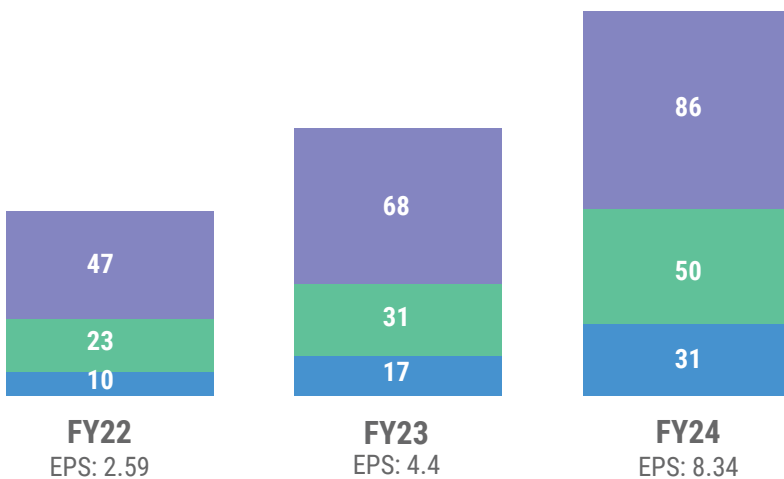
Valuations and Peer Comparison



Market Cap data of listed securities as on September 18, 2024

Financial Snapshot (in ₹ Cr.)

- NII
- PPOP
- PAT





MANBA FINANCE LIMITED

Business Insights



Competitive 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 with quick Turn Around Time (TAT) for loan processing
- Extensive collections infrastructure and processes leading to maintenance of Company's asset quality
- Experienced Promoters and professional management team



Business Strategy

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



Risks

- The business and future prospects could get adversely affected if company is not able to maintain relationships with Dealers from whom they derive significant portion of New Vehicle Loans business
- New Vehicle Loans constitute 97.90% of AUM. Lack of diversity in loan products may affect growth, prospects and financial condition.

Promoters and Management Details

Man sh K r tkumar Shah - Manag ng D rector

N k ta Man sh Shah - Whole T me D rector and Head – Bus ness Development

Mon l Man sh Shah - Whole T me D rector and Ch ef Bus ness Off cer

Jay Khushal Mota - Whole T me D rector and Ch ef F nanc al Off cer

Anshu Shr vastava - Cha rman and Independent D rector

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