

Issue Details

Listing	NSE & BSE
Open Date	02/03/2020
Close Date	05/03//2020
Price Band	750 - 755

**Issue Structure
(In number of shares)**

Fresh issue	Upto 66,66,666 shares*
Offer for Sale	Upto 130,526,798 shares

*As per lower price band

Shareholding Pattern (%)

Category	Pre	Post
Promoter & Pro. Group	74.0	69.5
CA Rover Holdings	26.0	15.9
Public	-	14.6
Total	100.0	100.0

Business Overview:

SBI Cards and Payments Services Ltd. is a subsidiary of SBI, India's largest commercial bank in terms of deposits, advances and number of branches as of September 30, 2019, according to the RBI. The company is the second-largest credit card issuer in India, with an 18.0% and 17.9% market share of the Indian credit card market in terms of the number of credit cards outstanding as of September 30, 2019 and total credit card spends in the six months ended September 30, 2019, respectively, according to the RBI.

Number of credit cards in force (in Million)

Particulars	FY17	FY18	FY19
SBI Card	4.6	6.3	8.3
HDFC Bank	8.5	10.7	12.5
ICICI Bank	4.3	5.0	6.6
Axis Bank	3.3	4.5	6.0
Citi Bank	2.5	2.7	2.7

Total Spend (Rs. in Million)

Particulars	FY17	FY18	FY19
SBI Card	4,38,545	7,70,232	10,38,353
HDFC Bank	9,74,749	13,24,039	17,04,208
ICICI Bank	3,62,055	5,15,331	6,73,006
Axis Bank	2,87,305	4,43,288	6,28,827
Citi Bank	4,25,583	4,88,625	5,32,185

Company Highlights:

- The revenue from operations for Fiscals 2017, 2018 and 2019 was Rs. 3,346 crores, Rs. 5,187 crores and Rs. 6,999 crores, respectively, representing a CAGR of 44.6%.
- The profit before tax for Fiscals 2017, 2018 and 2019 was Rs. 572 crores, Rs. 919 crores and Rs. 1,332 crores, respectively, representing a CAGR of 52.6%.
- Profit for the year for Fiscals 2017, 2018 and 2019 was Rs. 373 crores, Rs. 601 crores and Rs. 863 crores, respectively, representing a CAGR of 52.1%.
- From March 31, 2017 to March 31, 2019, the company's total credit card spends grew at a 54.2% CAGR (as compared to a 35.6% CAGR for the overall credit card industry, according to the RBI) and the number of credit cards outstanding grew at a 34.5% CAGR (as compared to a 25.6% CAGR for the overall credit card industry, according to the RBI).
- The company has a broad credit card portfolio that includes SBI Card-branded credit cards as well as co-branded credit cards that bear both the SBI Card brand and the co-brand partners' brands.

Objective of the Issue:

- Augmenting capital base to meet the company's future capital requirements.
- Meet the expenses in relation to any future operating activities and working capital requirements.

Competitive Strengths:

- Second largest credit card issuer in India with deep industry expertise and a demonstrated track record of growth and profitability
- Diversified customer acquisition capabilities
- Supported by a strong brand and pre-eminent promoter
- Diversified portfolio of credit card offerings
- Advanced risk management and data analytics capabilities
- Modern and scalable technology infrastructure
- Highly experienced and professional management team

Business Strategy:

- Expand customer acquisition capabilities to grow their cardholder base
- Tap into new cardholder segments by broadening their portfolio of credit card products
- Stimulate growth in credit card transaction volumes
- Continue to optimize risk management processes
- Enhance cardholder experience
- Continue leveraging technology across operations

Issue Structure:

The SBI Cards IPO contains fresh issue of equity shares aggregating upto ₹500 crores and offer for sale of up to 130,526,798 Equity Shares. The bid lot consists of 19 shares and in multiples thereof.

Category	Allocation
QIB	50%
NIB	15%
Retail	35%
Total	100%

Financial Statements:

Profit & Loss Statement		(Rs in crore)		
Particulars	FY17	FY18	FY19	
Income from Operations	3,346	5,187	6,999	
Other Income	125	183	288	
Total Income	3,471	5,370	7,287	
Employee Cost	95	193	390	
Operating & Establishment Expenses	257	364	582	
Administrations & Other Expenses	841	1,670	2,379	
Miscellaneous Expenses	575	838	1,196	
Depreciation	5	24	81	
Interest	1,127	1,361	1,327	
Total Expenses	2,899	4,451	5,955	
Profit Before Tax	572	919	1,332	
Tax expense including deferred tax	199	318	469	
Net Profit after tax	373	601	863	

Balance Sheet

(Rs in crore)

Particulars	FY17	FY18	FY19
EQUITY AND LIABILITIES			
Share Capital	785	785	837
Share Warrants & Outstandings	-	95	95
Total Reserves	664	1,473	2,649
Shareholder's Funds	1,449	2,353	3,582
Unsecured Loans	563	1,771	3,333
Deferred Tax Assets / Liabilities	-129	-88	-167
Total Non-Current Liabilities	434	1,683	3,167
Trade Payables	119	530	665
Other Current Liabilities	432	988	1,638
Short Term Borrowings	7,705	9,641	10,317
Short Term Provisions	497	403	705
Total Current Liabilities	8,753	11,562	13,325
Total Liabilities	10,636	15,598	20,073
ASSETS			
Gross Block	29	271	397
Less: Accumulated Depreciation	5	29	110
Net Block	24	242	286
Capital Work in Progress		13	4
Intangible assets under development		22	16
Non Current Investments	-	-	1
Long Term Loans & Advances	29	44	47
Other Non Current Assets	0	89	7
Total Non-Current Assets	53	410	363
Sundry Debtors	132	151	295
Cash and Bank	283	473	777
Other Current Assets	179	480	812
Short Term Loans and Advances	9,988	14,085	17,827
Total Current Assets	10,582	15,188	19,710
Total Assets	10,636	15,598	20,073

Cash Flow Statement

(Rs in crore)

Particulars	FY17	FY18	FY19
Profit Before Tax	572	919	1,332
Adjustment	1,063	1,530	2,225
Changes In working Capital	-3,028	-4,376	-4,548
Cash Flow after changes in Working Capital	-1,394	-1,927	-991
Interest Paid	-502	-692	-895
Tax Paid	-339	-258	-479
Cash From Operating Activities	-2,235	-2,877	-2,365
Purchase of Fixed Assets	-2	-36	-93
Sale of Fixed Assets	0	0	0
Purchase of Investment	-1,270	-1,430	-766
Sale of Investments	1,270	1,431	765
Interest Income	0	3	21
Cash Flow from Investing Activities	-1	-31	-72
Increase / (Decrease) in Loan Funds	2,343	3,044	2,306
Proceeds from Issue of Equity Share Capital	-	-	470
Equity Dividend Paid	-79	-79	-
Income tax on dividend paid	-16	-16	-
Other Financial Activities	-4	-14	-35
Cash from Financing Activities	2,244	2,935	2,741
Net Cash Inflow / Outflow	9	26	304
Opening Cash & Cash Equivalent	274	283	473
Cash on Amalgamation/Take over/Merger	-	163	-
Closing Cash & Cash Equivalent	283	473	777

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