



LONG TERM SUBSCRIBE

IPO Report

09th Jan'26

Snapshot

Company is a non-banking financial company - middle layer (“NBFC-ML”) focused on providing loans to micro scale micro, small and medium enterprises (“MSMEs”) across India. Company offer a range of business loans for working capital and business expansion needs, against hypothecation of working assets or against security of property to customers across manufacturing, trading, service and allied agriculture sectors. Company is among the leading nonbanking financial companies (“NBFCs”) providing business loans to the largely underserved micro scale enterprises in India, with 586,825 active unique customers across 18 states and 3 union territories and with assets under management (“AUM”) of ₹ 60,276.22 million, as of September 30, 2025.

VALUATION

Company is bringing the issue at price band of Rs 122-129 per share at p/b multiple of 1.3x on post issue basis. Company is leading small-ticket lender in MSME ecosystem with focus on serving large and untapped market of micro enterprises. Company has comprehensive portfolio of lending products for micro enterprises resulting in high customer retention. Company has strong underwriting method & robust multi-tiered collections capabilities. Company has access to diversified lender base and cost-effective financing. We recommend “Long term Subscribe” to the issue.

Price Band (Rs./Share)	122-129
Opening date of the issue	09th Feb '2026
Closing Date of the issue	11th Feb '2026
No of shares pre issue	19,17,41,570 Eq Shares
Issue Size	Rs 1010 Cr
Offer For Sale	Rs 300 Cr
Fresh issue	Rs 710 Cr
Face Value (Rs/ share)	Rs 2/share
Bid Lot	116

BIDDING DETAILS

QIBs (Including Anchor)	75% of the offer (Approx 5,87,20,930 eq Shares)
Non-Institutional	15% of the offer (Approx 1,17,44,185 eq Shares)
Retail	10% of the offer (Approx 78,29,457 eq Shares)
Lead managers	Axis Capital, IIFL Capital, JM Financial, Nuvama Wealth
Registrar to the issue	Kfin Technologies Limited

WHAT WE LIKE

Leading Lender of Small-Ticket Loans to Micro Scale MSMEs with Comprehensive Product Offerings and Focus on Serving Large and Unaddressed TAM

Company is uniquely positioned in the micro enterprise lending space as one of the only providers among the Peer MSME Focused NBFCs to offer a full product line (secured and unsecured) to serve a large unaddressed customer segment, with a mix of secured and unsecured MSME loans in its portfolio. In addition to providing loans secured against property as collateral, company have expanded its coverage to include a large number of businesses that intend to borrow loans against hypothecation of their working assets.

Strong Sourcing Capabilities Supported by a Diversified Pan-India Presence and High Customer Retention

Company's AUM has grown from ₹ 27,215.51 million as of March 31, 2023 to ₹ 44,632.91 million as of March 31, 2024, to ₹ 55,338.96 million as of March 31, 2025, and was ₹ 60,276.22 million as of September 30, 2025. Company's disbursements grew from ₹ 23,570.93 million in Fiscal 2023 to ₹ 39,389.34 million in Fiscal 2024, and to ₹ 42,913.39 million in Fiscal 2025, and were ₹ 23,167.95 million in the six months ended September 30, 2025. Accordingly, company's active base of unique customers has grown from 305,524 as of March 31, 2023 to 454,586 as of March 31, 2024, and to 554,699 as of March 31, 2025, and was 586,825 as of September 30, 2025.

Access to Diversified Lender Base and Cost-Effective Financing

Company have historically funded its growth through a combination of equity and debt financing. Company's debt to equity ratio was 3.02, 2.56, 2.73, 2.84 and 3.04 as of September 30, 2025 and September 30, 2024 and March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Company benefit from a diversified lender base, accessing capital from 82 different lenders as of September 30, 2025. Company's lender base has increased from 56, as of March 31, 2023 to 80, as of March 31, 2025.



COMPANY BACKGROUND

Company offer small-ticket business loans with an average ticket size (“ATS”) on disbursement of ₹ 0.18 million to micro enterprises. Company’s expertise in underwriting business cash flows of a variety of business clusters has enabled it to maintain stable credit costs and allowed it to profitably scale up its operations. Company is the most geographically diversified lender amongst the Peer MSME Focused NBFCs

Salient aspects of company’s business are set out below:

1. **Diversified Growth.** Company’s AUM has grown at a CAGR of 42.60% between Fiscal 2023 and Fiscal 2025 and was ₹ 60,276.22 million as of September 30, 2025. Company is the fastest growing NBFC in India among the Peer MSME Focused NBFCs in terms of year-on-year AUM growth between Fiscal 2023 and Fiscal 2025, growing at 23.9%. Company’s growth has been achieved through a well-diversified presence across the regions company serve, with no single state accounting for more than 15.77% of its total AUM, and top five states collectively contributing 57.00% to its overall AUM as of September 30, 2025. Company manage its business across four zones in India, namely North, South, East and West Zones, and its AUM is well distributed across these zones, with 34.80% in the North, 27.79% in the East, 22.73% in then West and 14.69% in the South, as of September 30, 2025, with mature businesses in each zone. Company’s geographical spread offers several opportunities for growth.
2. **Right Product Market Fit** Company’s experience in providing business loans against security of property or security of working assets, as well as providing unsecured loans or partly secured loans, has allowed it to remain flexible and responsive to business needs of micro scale MSMEs. Company is able to service such micro scale MSMEs through a ‘phygital’ presence that leverages company’s on-the-ground presence with technology and data science.
3. **Unique Underwriting** Capabilities and Field Collections. Company’s underwriting expertise is a key competitive advantage for company’s target segments where its customers have limited business documentation or credit history. Company’s rigor in evaluating creditworthiness is based on an estimation of business cash flows and profit margins of a specific category of business, namely a ‘business cluster’ , developed from company’s deep understanding of over 70 business clusters as of September 30, 2025. This underwriting is backed by company’s collection capabilities that include a field team at company’s branches, as well as tele-collections and digital models to optimize collections.
4. **Technology-Driven Operational Efficiency.** Company’s ‘phygital’ model combines the ‘high touch’ approach through field teams at its branches and its digital capabilities to enhance its pan-India presence. Company use technology to streamline company’s end-to-end operations, which span across its sourcing, underwriting, disbursement and collections processes. The benefits of technology are also complemented by its in-house data science and artificial intelligence (“AI”) team, through which company have deployed several statistical and machine learning (“ML”) models that improve the execution of many of company’s key business processes. This approach allows company to enhance company’s branch-based model and effectively address competition from new entrants, as well as maintain a high level of operational efficiency.

OBJECTS OF OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds from the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon, as applicable.

Fresh Issue

Company proposes to utilize the Net Proceeds towards augmenting its capital base to meet Company’s future capital requirements arising out of growth of company’s business and assets (referred to herein as the “Objects”).

RISKS

Company is subject to the risk of non-payment or default by its borrowers which may adversely affect company’s business, results of operations and financial condition. Company’s Gross NPA ratio has increased from 2.49% as of March 31, 2023 to 4.21% as of March 31, 2025, and was 4.85% as of September 30, 2025.

Source:RHP



Financial Statement

Financials (Mn)	FY23	FY24	FY25	H1FY26
Total Income	4454.25	7452.19	10369.84	6041.58
Total Expenses	3006.29	3859.62	5231.46	3486.55
Pre Provision Profit	1447.96	3592.57	5138.38	2555.03
Provisions	733.50	1314.01	2888.26	1729.25
PBT	714.46	2278.56	2250.12	825.78
Share of Earning	0	0	0	0
Adjusted PBT	714.46	2278.56	2250.12	825.78
Tax	315.23	561.77	497.60	179.81
PAT	399.23	1716.79	1752.52	645.97
Eq Cap	304.53	399.31	377.81	377.88
Net Worth	7,544.93	12,326.47	16,588.61	17,273.72
EPS	2.57	10.62	9.51	3.37
Book value	49.55	61.74	87.81	91.42
NIM %	13.54	15.56	15.31	14.12
ROE%	5.46	17.28	12.12	7.63
ROA%	1.47	4.29	3.13	1.92
CRAR%	31.07	32.79	34.92	32.27

(Source: RHP)



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