

IPO Details	
<b>Opening Date</b>	Feb 07, 2024
<b>Closing Date</b>	Feb 09, 2024
<b>Stock Exchange</b>	BSE, NSE
<b>Lot Size</b>	32 Shares
<b>Issue Price</b>	₹ 445 to ₹ 468 per share
<b>Issue Size</b>	Aggregating up to 523.07 Cr.
<b>Fresh Issue</b>	Aggregating up to 450.00 Cr.
<b>Offer for Sale</b>	Aggregating up to 73.07 Cr.
<b>Application Amount (Price at Upper Band)</b>	Min. Inv. - ₹ 14,976 (32 shares) Max. Inv. - ₹ 1,94,688 (416 shares)

IPO Objective	
Augmenting the Bank's Tier-I capital base to meet the bank's future capital requirements.	
Meeting offer expenses.	
Receive the benefits of listing the Equity Shares on the Stock Exchanges.	

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	84,89,425	23.96%
Public	2,69,37,711	76.04%

Promoter of the Company	
1	Sarvjit Singh Samra
2	Amarjit Singh Samra
3	Navneet Kaur Samra
4	Surinder Kaur Samra
5	Dinesh Gupta

Competitive Strengths	
1	Retail-focused liability franchise with a high share of CASA.
2	Secured and diversified advances portfolio.
3	Streamlined credit assessment processes and risk management practices.
4	Customer-centric approach and understanding of target customers.
5	Consistent track record of growth with constantly improving operational and profitability metrics.
6	Professional and experienced leadership team.

Company Background	
<ul style="list-style-type: none"> <li>Capital Small Finance Bank Limited was originally incorporated in the year 1999 and has its registered office in Jalandhar, Punjab, India.</li> <li>The company offer a range of banking products on the asset and liability side, in all the states they operate in, i.e., Punjab, Haryana, Delhi, Rajasthan, Himachal Pradesh and Union Territory of Chandigarh.</li> <li>The bank's asset products primarily include agriculture loans, MSME and trading loans (working capital, machinery loans etc.) and mortgages (housing loans and loans against property).</li> <li>As of 30<sup>th</sup> September 2023, the Company had 1,838 employees on its payroll.</li> </ul>	

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 1,658	₹ 2,108

Financial Summary (In Cr.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
<b>Total Assets</b>	6,371.24	7,153.92	7,990.77	8,390.69
<b>Net Assets</b>	450.79	515.78	610.61	711.76
<b>Total Borrowings</b>	616.72	498.44	721.38	572.76
<b>Total Revenue</b>	557.27	632.40	725.48	415.22
<b>Profit After Tax</b>	40.78	62.57	93.60	54.39

Tentative Timeline	
<b>Opening Date</b>	Feb 07, 2024
<b>Closing Date</b>	Feb 09, 2024
<b>Basis of Allotment</b>	Feb 12, 2024
<b>Initiation of Refunds</b>	Feb 13, 2024
<b>Credit of Shares to Demat</b>	Feb 13, 2024
<b>Listing Date</b>	Feb 14, 2024

## Company Background and Analysis

Capital Small Finance Bank Limited commenced operations as India's first small finance bank in 2016 pursuant to RBI's approval dated March 4, 2016. Company offers a range of banking products on the asset and liability side, in all the states company operates in, i.e., Punjab, Haryana, Delhi, Rajasthan, Himachal Pradesh and Union Territory of Chandigarh. The asset products primarily include agriculture loans, MSME and trading loans (working capital, machinery loans etc.) and mortgages (housing loans and loans against property), the details of which are set forth in the table below:

(Amount in Cr.)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
Agricultural and Allied Activities	1,423.21	37.82	1,780.75	37.98	2,137.45	38.81	2,266.93	38.65
Advances to MSME and trading Sector	973.05	25.86	1,092.62	23.30	1,120.46	20.35	1,153.36	19.66
Mortgage Loans	809.65	21.52	1,128.45	24.07	1,434.48	26.05	1,528.81	26.06
Others	557.09	14.80	686.89	14.65	814.87	14.80	916.84	15.63
<b>Total</b>	<b>3,762.99</b>	<b>100.00</b>	<b>4,688.70</b>	<b>100.00</b>	<b>5,507.27</b>	<b>100.00</b>	<b>5,865.94</b>	<b>100.00</b>

Company has an experience of over two decades in the banking industry, having been incorporated in 1999. Company was regulated by RBI and is one out of the two non-NBFC microfinance entities to receive the SFB license in 2015. Company's core strategy is to strengthen its retail-focused banking franchise by enabling access to affordable credit in the states it operates in a well-defined niche catering to middle-income group segment with special emphasis on rural and semi-urban areas. As of the date of the prospectus, company do not have any subsidiaries.

The company focuses primarily on the middle-income customer segments i.e., customers with an average annual income of ₹ 0.4 million to ₹ 5 million in semi-urban and rural areas with 41.62% of the branches in rural areas, 34.68% branches in semi-urban areas and 23.70% of the branches in urban areas as on September 30, 2023. Since they focus primarily on the middle-income customer segments, the believe that the full suite of products and services on the asset and liability side will provide them with an opportunity to serve more customers in the middle-income segment that have limited or no access to formal banking channels, spread across rural and semiurban areas.

As of September 30, 2023, company was present in five States and one Union Territory with 173 branches and 175 ATMs with 76.30% of branches located in rural and semi-urban areas covering 24 districts and 75.75% of total customers (both credit and deposit).

As on September 30, 2023, and March 31, 2023, respectively, 99.85% and 99.82% of loan book was secured with 84.26% and 85.16% of the loans secured by immovable properties. Further, company has strategically focused on building a granular loan book. Since Fiscal 2021, loans with ticket size of up to ₹ 2.5 million have increased from 62.88% of total loan book to 67.80% in Fiscal 2023 and stood at 67.44% as on September 30, 2023.

To conclude, Capital Small Finance Bank Limited was incorporated in 1999 and has vast experience in the industry. The company is a retail-focused liability franchise with a high share of CASA. From Fiscal 2021 to 2023, the operating profit and profit after tax grew at a CAGR of 44.23% and 51.49%, respectively.

## Business Strategies

### 1. Continue to grow the loan book organically with a focus on secured lending -

The company intends to undertake geographical expansion by not only penetrating the existing markets deeper by opening new branches in the home state of Punjab but also entering newer territories. The company plans to enter into business partnerships in the states where they have a lower presence currently to gain an understanding of the new markets they intend to penetrate. The company also intends to open targeted branches in urban/ metro areas in order to grow the business in these areas.

### 2. Strength of the liability franchise -

The company continues to target new and existing customers to source retail deposits by cross selling the deposit products to customers who do not have a deposit account and offering additional benefits to existing CASA account holders by focusing on providing high-level customer service across all channels.

### 3. Leverage technology and data analytics for scalability and profitable growth -

The company intends to reduce operating costs and increase efficiency in the business operations to improve the overall customer experience through increasing the use of technology. The company also intends to strengthen the alternate delivery channels such as the ATM, and internet banking and increase their adoption by the customers. The company intends to invest in augmenting the technology infrastructure to ensure that the operations are nimble and efficient to service the customers in an economical manner.

### 4. Focus on strengthening the operational and profitability metrics -

The company aims to further improve its operating efficiency to reduce the cost-to-income ratio while improving the existing return metrics. The company intends to achieve this by generating fee income from the products and services and cross-selling third-party products such as life insurance, general insurance, health insurance, money transfer, inward and outward non-trade remittances, locker rental, 3-in-1 demat and trading accounts etc.

## Competitive Scenario and Peer Mapping

### Competition

The company operates in a highly competitive environment with significant competition from other small finance banks, banks, scheduled commercial banks and NBFCs as well as local moneylenders in rural areas and unorganized, small participants in the market across all the product segments. The company seek to compete with these entities through value-added services, faster customer service response, quality of service, a growing interconnected branch network, and delivery capabilities based on enhanced technology. The company has moderate entry barriers. The bargaining power with the customers is low in the sector in which the company operates.

## Peer Analysis

**The comparison of the key performance indicators of the listed peers as of Mar-23 is given below –**

Particulars	Capital Small Finance Bank Limited	IDFC First Bank Limited	AU Small Finance Bank	Equitas Small Finance Bank
P/E	17.20	14.68	27.04	13.00
P/B	616.76	2.28	3.74	2.25
RoNW	15.33%	9.61%	13.01%	11.13%
NAV per share	1.30	469.52	18.95	76.87
CRAR	1.89%	16.74%	23.59%	23.80%
Net Interest Margin	47.63%	6.24%	6.10%	9%

Particulars	Capital Small Finance Bank Limited	Ujjivan Small Finance Bank	Suryoday Small Finance Bank	ESAF Small Finance Bank
P/E	17.20	4.48	13.01	8.94
P/B	616.76	2.84	1.20	3.38
RoNW	15.33%	27.44%	4.92%	17.69%
NAV per share	1.30	158.77	16.64	28.49
CRAR	1.89%	25.81%	33.70%	19.83%
Net Interest Margin	47.63%	9.48%	9.50%	10.44%

**The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –**

Particulars	Capital Small Finance Bank Limited	IDFC First Bank Limited	AU Small Finance Bank	Equitas Small Finance Bank
P/E	25.69	189.52	33.61	23.50
P/B	730.15	2.79	5.47	2.73
RoNW	12.13%	0.63%	15.04%	6.62%
NAV per share	1.10	529.70	12.46	80.65
CRAR	1.86%	16.82%	20.99%	25.16%
Net Interest Margin	44.15%	5.96%	5.70%	8.54%

Particulars	Capital Small Finance Bank Limited	Ujjivan Small Finance Bank	Suryoday Small Finance Bank	ESAF Small Finance Bank
P/E	25.69	-6.69	-11.60	49.18
P/B	730.15	4.37	1.26	4.11
RoNW	12.13%	-15.95%	-6.18%	3.89%
NAV per share	1.10	162.12	14.81	23.45
CRAR	1.86%	18.99%	37.90%	18.64%
Net Interest Margin	44.15%	8.79%	8.60%	8.86%

**The comparison of the key performance indicators of the listed peers as of Mar-21 is given below –**

Particulars	Capital Small Finance Bank Limited	IDFC First Bank Limited	AU Small Finance Bank	Equitas Small Finance Bank
P/E	39.07	67.88	31.43	17.98
P/B	835.42	3.29	6.55	3.41
RoNW	9.05%	2.70%	18.66%	11.31%
NAV per share	0.96	310.23	10.65	56.04
CRAR	1.98%	13.77%	23.40%	24.18%
Net Interest Margin	38.83%	5.03%	5.30%	8.44%

Particulars	Capital Small Finance Bank Limited	Ujjivan Small Finance Bank	Suryoday Small Finance Bank	ESAF Small Finance Bank
P/E	39.07	610.00	248.04	24.39
P/B	835.42	3.77	1.19	4.28
RoNW	9.05%	0.27%	0.75%	7.80%
NAV per share	0.96	98.95	5.75	22.53
CRAR	1.98%	26.44%	51.50%	24.23%
Net Interest Margin	38.83%	9.45%	7.10%	8.98%

**Industry Overview**

Exhibit 1: SFB Industry growth and outlook -

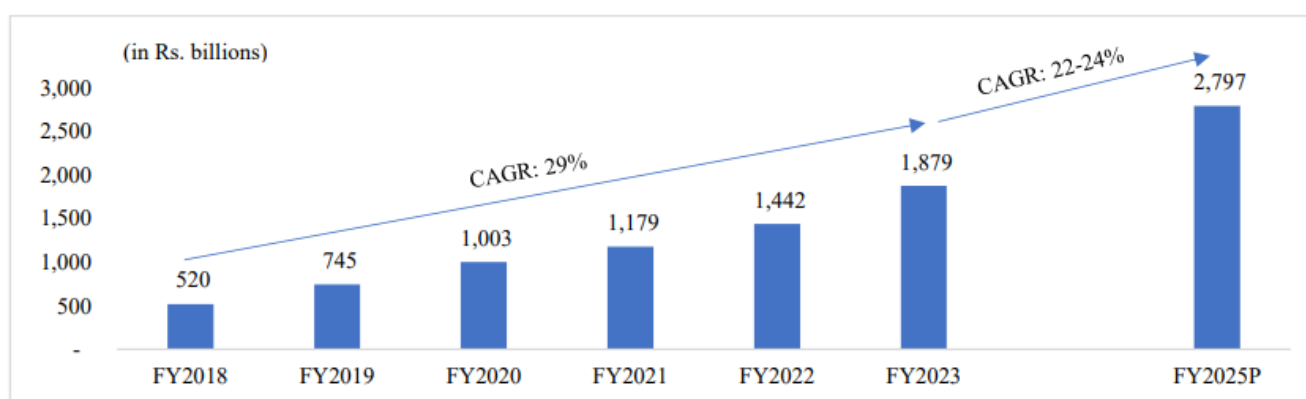
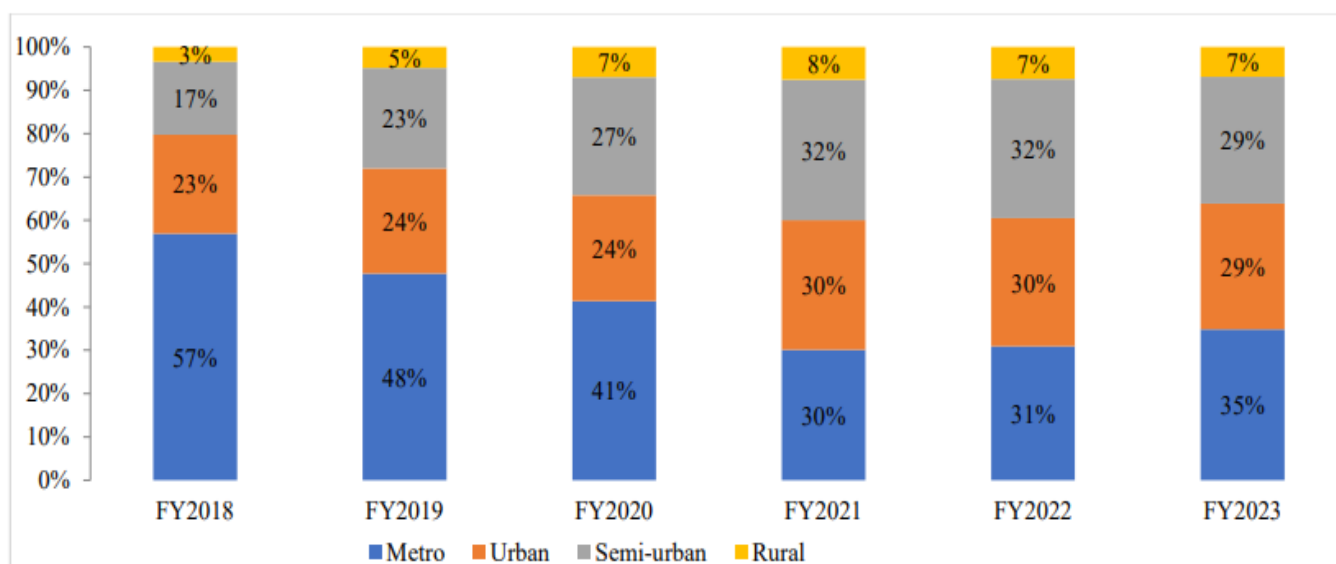


Exhibit 2: Share of urban and semi-urban regions in total advances continues to increase for SFBs -



Note: As at the end of each Fiscal. Rural: Population less than 10,000, Semi urban: 10,000 <=Population <0.1 million, Urban: 0.1 million <=Population <1 million, Metropolitan: Population 1 million and above

(Source: prospectus)



### **Small Finance Banking Industry -**

In 2013, the RBI constituted a committee to further their goal of financial inclusion. The committee recommended differential licencing in the form small finance banks which was chaired by Mrs. Usha Thorat. On November 27, 2014, the RBI released guidelines for a new class of banking entity called small finance banks that would cater to the diverse needs of low-income groups. On September 16, 2015, the RBI awarded small finance bank licences to 10 players on account of the government's focus on financial inclusion and inclusive banking. 8 out of the 10 entities given in-principal approval were microfinance institutions. Players like AU SFB and Capital SFB are the only two that are not NBFC-MFIs to receive an SFB license.

They were given approval on account of lending in contiguous districts, mobilizing rural savings and making them available for local investments and were aimed at furthering financial inclusion. These were given SFB licenses on account of their lending primary in the rural and semi-urban regions as well as furthering financial inclusion by means of bringing high number of people into the banking fold. With small finance banks and payments bank increasing their reach and expanding into rural areas and increasing financial awareness, faster growth in rural areas can be expected in the future given the huge untapped potential. Between the end of Fiscal 2015 and the end of Fiscal 2023, the number of credit accounts in semi-urban areas grew at a CAGR of 10% and between the end of Fiscal 2015 and the end of Fiscal 2023, the number of deposit accounts grew at a CAGR of 6%.

The number of bank credit accounts in rural areas grew at a CAGR of 10% between the end of Fiscal 2015 and the end of Fiscal 2023 and the number of bank deposit accounts grew at a CAGR of 3% between the end of Fiscal 2015 and the end of Fiscal 2023. These entities can focus on both the asset and liability side where currently the PSBs dominate. This provides considerable opportunity to SFBs to gain further share through their specialised offerings and expanding their services to the underbanked.

Similarly, in terms of credit and deposits, the share of SFBs across various regions is in the range of 0-2% and hence significant improvement in their share is possible by providing targeted services by being attached with the population at ground level. Given the strong hold and experience of these entities in dealing with customers across these regions, the share of SFBs will go up as against the public and private sector banks and thus presents a large opportunity for SFBs to penetrate these regions deeply at the expense of others.

A large potential exists for SFBs to wrestle share from other player groups especially the public sector banks in the rural and semi urban region where there exists scope for deepening the levels of financial inclusion of the population. Especially the entities with strong background and experience will be able to garner higher share in these regions as can be seen from the experience in last few years, these entities can focus on both the asset and liability side where currently the PSBs dominate.

Further, SFBs have a considerable share of their overall share of branches, deposits and credit in the semi-urban region as compared with private banks, foreign banks, and public sector banks. Slowly, we expect that the SFBs will incrementally expand share in the rural region considering their experience in the semi-urban areas and lower competition in the rural region from other player categories. This in turn can work to their benefit on account of being specialised with certain products and having deeper on the ground connection in these regions.

(Source: prospectus)

## Key Managerial Personnel

**Navin Kumar Maini**, aged 68, is an Independent Director and Part-time Chairman of the company. He holds a bachelor's degree in law and a bachelor's degree in science (honours), a post-graduate diploma in international trade from the Indian Institute of Foreign Trade, and a post-graduate diploma in management. He has over four decades of experience in the banking industry.

**Sarvjit Singh Samra**, aged 59, is one of the Promoters, Managing Director and Chief Executive Officer of the Company. He holds a bachelor's degree in arts and a master's degree in business administration. He has over 36 years of experience in the banking and financial industry spread over various roles, including senior positions. He has also previously served as the part-time chairman for over three years.

**Munish Jain**, aged 48, is the Executive Director and Chief Financial Officer of the company. He holds a bachelor's degree in commerce. He is a fellow member of the Institute of Chartered Accountants of India and a fellow member of the Institute of Company Secretaries of India. He has over 23 years of experience in the banking sector, including in finance, compliance, treasury, strategic decision making and execution of strategic decisions.

**Srinath Srinivasan**, aged 57, is a Non-Executive Director and a nominee of Oman India Joint Investment Fund II of the company. He holds a bachelor's degree in engineering (electronics and communication), a master's degree in business management. He has completed an executive education programme on leadership skills for top management.

**Mahesh Parasuraman**, aged 48, is a Non-Executive Director and a nominee of Amicus Capital Private Equity of the company. He holds a bachelor's degree in commerce, is an associate member of the Institute of Chartered Accountants of India and is a member of The Institute of Cost Accountants of India. He has over 25 years of experience.

**Dinesh Gupta**, aged 59, is one of the Promoters, and Non-Executive Director of the company. He holds a bachelor's degree in commerce and a bachelor's degree in law. He is also a fellow member of the Institute of Company Secretaries of India. He has over 35 years of experience in, among others, finance, taxation, corporate laws, corporate restructuring, commercial laws, banking and business process management. He also practised as an Advocate with Punjab & Haryana High Court from 1988 to 1992.

**Amarjit Singh Samra**, aged 80 years, is one of the Promoters of the company. He has a bachelor's degree in science (Agriculture and Animal Husbandry). He has over 34 years of experience in asset finance.

**Navneet Kaur Samra**, aged 56 years, is one of the Promoters of the company. She has completed her matriculation. She has over nine years of experience in asset finance.

**Surinder Kaur Samra**, aged 82 years, is one of the Promoters of the company. She has completed her bachelor's course in Arts, and a bachelor's degree in teaching. She has over 22 years of experience in asset finance.

To conclude, the company has 5 Promoters, out of which 2 promoters are involved in the operations of the business and they have vast experience in the industry in which the company operates in. The remaining directors have good knowledge and experience in the industry in which the company operates in and in the fields which help in the growth of the company.

**Financial Snapshot**

<b>P&amp;L Statement</b>				<b>(Amt in Cr)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>Revenue from operations</b>				
Interest income	511.44	578.22	676.01	385.98
<b>Other Income</b>	45.83	54.19	49.48	29.23
<b>Total Income</b>	<b>557.27</b>	<b>632.40</b>	<b>725.48</b>	<b>415.22</b>
<b>Expenses</b>				
Interest Expended	312.83	322.94	354.02	215.01
Operating Expenses	172.96	196.25	222.75	124.82
Provision and Contingencies	30.70	50.65	55.11	20.99
<b>Total Expenses</b>	<b>516.49</b>	<b>569.83</b>	<b>631.89</b>	<b>360.83</b>
<b>Net profit for the period</b>	<b>40.78</b>	<b>62.57</b>	<b>93.60</b>	<b>54.39</b>
<b>Net Profit Margin</b>	<b>7.97%</b>	<b>10.82%</b>	<b>13.85%</b>	<b>14.09%</b>
<b>Profit brought forward</b>	<b>98.77</b>	<b>126.29</b>	<b>167.02</b>	<b>233.18</b>
<b>Total Profit</b>	<b>139.56</b>	<b>188.86</b>	<b>260.62</b>	<b>287.57</b>
<b>Net Interest Income</b>	<b>198.61</b>	<b>255.28</b>	<b>321.98</b>	<b>170.97</b>
<b>Interest Margin</b>	<b>39%</b>	<b>44%</b>	<b>48%</b>	<b>44%</b>

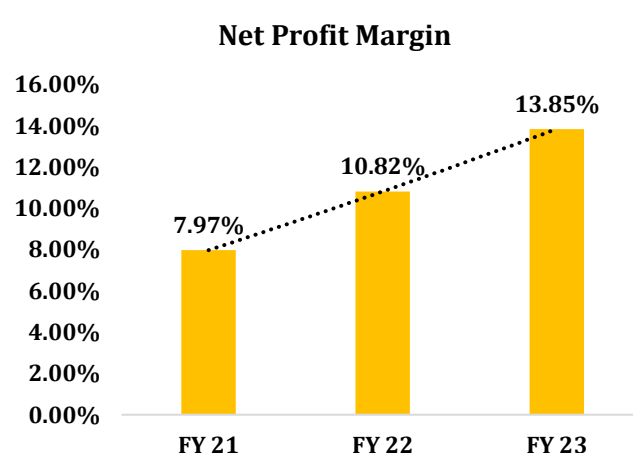
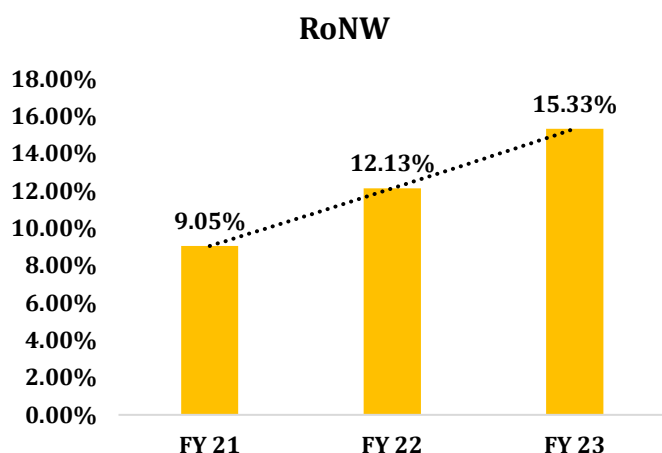
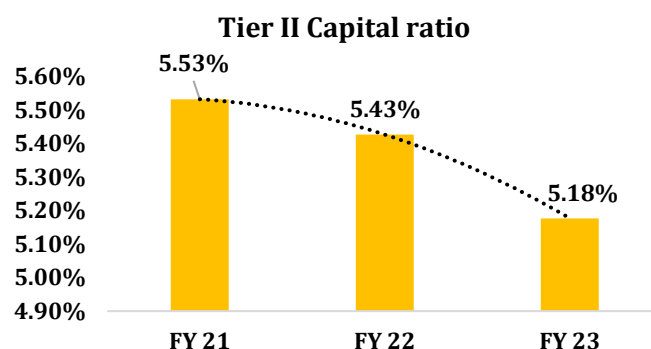
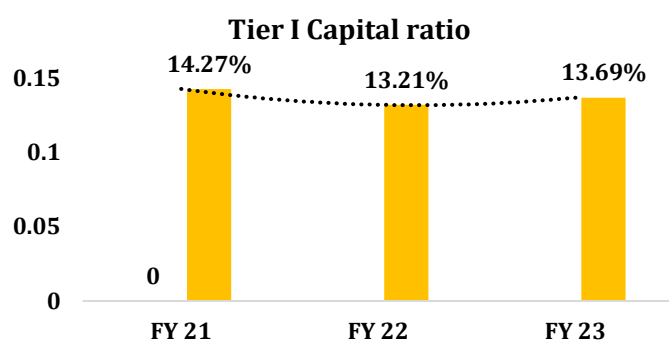
<b>Balance Sheet</b>				<b>(Amt in Cr)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>Equity</b>				
Capital	33.91	34.04	34.25	35.35
Reserves and Surplus	416.88	481.74	576.36	676.41
<b>Total Equity</b>	<b>450.79</b>	<b>515.78</b>	<b>610.61</b>	<b>711.76</b>
<b>Liabilities</b>				
Deposits	5,221.07	6,046.36	6,560.62	7,000.29
Borrowings	616.72	498.44	721.38	572.76
Other Liabilities and Provisions	82.66	93.35	98.16	105.89
<b>Total Liabilities</b>	<b>5,920.45</b>	<b>6,638.15</b>	<b>7,380.16</b>	<b>7,678.93</b>
<b>Total Capital and Liabilities</b>	<b>6,371.24</b>	<b>7,153.93</b>	<b>7,990.77</b>	<b>8,390.69</b>
<b>Assets</b>				
Cash and Balances with Reserve Bank of India	721.72	364.00	462.65	502.46
Balances with Banks and Money at Call and Short Notice	568.70	655.06	418.21	350.14
Investments	1,212.25	1,357.06	1,488.58	1,549.46
Advances	3,726.89	4,634.80	5,428.69	5,784.19
Fixed Assets	86.55	83.59	82.59	80.76
Other Assets	55.12	59.42	110.05	123.69
<b>Total Assets</b>	<b>6,371.24</b>	<b>7,153.92</b>	<b>7,990.77</b>	<b>8,390.69</b>

<b>Cash Flow Statement</b>				<b>(Amt in Cr)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Cash Flow from Operating Activities	174.318	-210.741	-107.444	188.472
Cash Flow from Investing Activities	-12.421	-13.154	-19.663	-6.743
Cash Flow from Financing Activities	196.814	-119.703	221.515	-103.081



Particulars	FY 21	FY 22	FY 23
<b>Banking ratios</b>			
Common Equity Tier I (CET) capital ratio	14.27%	13.21%	13.69%
Tier I Capital ratio	14.27%	13.21%	13.69%
Tier II Capital ratio	5.53%	5.43%	5.18%
Total Capital ratio (CRAR)	19.80%	18.63%	18.87%
CASA	40.08%	42.16%	41.88%
<b>Return Ratios</b>			
RoNW	9.05%	12.13%	15.33%
RoA	0.64%	0.87%	1.17%
<b>Valuation Ratios</b>			
P/E	39.07	25.69	17.20
P/B	8.35	7.30	6.17
<b>Leverage Ratios</b>			
Leverage Ratio	6.67%	6.73%	7.21%
Debt-to-Equity Ratio	1.37	0.97	1.18
Debt-to-Capital Ratio	10.25	7.20	8.92
Net Interest Margin	38.83%	44.15%	47.63%
<b>NPA Ratios</b>			
GNPA	2.08%	2.50%	2.77%
NNPA	1.13%	1.36%	1.36%

## Financial Charts



**Key Risk Factors**

1. The bank has settled a matter with SEBI in the past in connection with the allotment of Equity Shares to more than 49 investors due to non-compliance with the applicable laws, in accordance with the circulars issued by SEBI.
2. The company have certain contingent liabilities amounting to Rs. 52.91 Cr. If these contingent liabilities materialise, the financial condition, cash flows and results of operations may be adversely impacted.
3. The company has experienced negative cash flows for the FY ended 2021, 2022, and 2023.
4. The company is involved in certain legal proceedings amounting to Rs. 64.61 Cr, any adverse developments related to which could adversely affect the reputation, business and cash flows.
5. The business is concentrated in North India 149 branches out of a total of 173 branches, as of September 30, 2023, are located in the state of Punjab. Any adverse change in the economy of North India could have an adverse effect on the financial condition, results of operations and cash flows.
6. The company received complaints from the customers in the ordinary course of business. Any delay in resolving these complaints may impact the reputation and affect the operations.

### Track Record of Lead Manager

The lead managers to the issue are Nuvama Wealth Management Limited, Dam Capital Advisors Limited, and Equirus Capital Private Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager in recent times –

#### Nuvama Wealth Management Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Medi Assist Healthcare Limited	1,171.58	418.00	January 23, 2024	528.00
2.	Flair Writing Industries Limited	593.00	304.00	December 01, 2023	329.55
3.	Gandhar Oil Refinery (India) Limited	500.69	169.00	November 30, 2023	250.65
4.	ESAF Small Finance Bank Limited	463.00	60.00	November 10, 2023	78.65
5.	Sai Silks (Kalamandir) Limited	1,201.00	222.00	September 27, 2023	246.45

The company has had 19 mandates in the past three years (including the current year).

#### Dam Capital Advisors Limited-

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	EPACK Durable Limited	640.05	230.00	January 30, 2024	195.75
2.	Credo Brands Marketing Limited	549.78	280.00	December 27, 2023	261.00
3.	ESAF Small Finance Bank Limited	463.00	60.00	November 10, 2023	78.65
4.	JSW Infrastructure Limited	2,800.00	119.00	October 03, 2023	218.10
5.	Yatra Online Limited	775.00	142.00	September 28, 2023	173.55

The company has had 19 mandates in the past three years (including the current year).

#### Equirus Capital Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Jyoti CNC Automation Limited	1,000.00	331.00	January 16, 2024	592
2.	Happy Forgings Limited	1,008.59	850.00	December 27, 2023	1,005.10
3.	Fedbank Financial Services Limited	1,092.26	140.00	November 30, 2023	130.00
4.	Protean eGov Technologies Limited	490.33	792.00	November 13, 2023	1,615.45
5.	Zaggle Prepaid Ocean Services Limited	563.38	164.00	September 22, 2023	277.80

The company has had 17 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 7<sup>th</sup> February 2024.

As per the offer document, of the above-mentioned mandates for all the Lead Managers, EPACK Durable Limited, Yatra Online and Zaggle Prepaid Ocean Services Limited have opened at discount, Fedbank Financial Services has opened at par and the remaining have opened at premiums on the listing day.

## Recommendation

The company has been in the industry since 1999 and has vast experience in the industry in which the company operates. The top line of the company and the bottom line have seen consistency in their increase over the years. The company's competition is moderate. The management overview is satisfactory.

The P/E on a post-IPO basis is 24.15 times which seems to be slightly highly priced by looking at the performance of the company.

The company operates in a competitive segment with significant competitors in the industry. The company has seen an increase in its financials. The financial outlook of the company is good and can expect the same growth in the future years. The company has a good Net Interest Margin and is sustainable going forward. The company also has a decent Net NPA % indicating that the company has a good recovery rate. The company has negative operating cash flow majorly due to the increase in their loans and we believe this can provide them a good growth in the interest income earned in the future and it may have an impact on the NPA. Thus, we recommend **APPLY** to this IPO keeping in mind the above-mentioned points.

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