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**LAXMI INDIA FINANCE LIMITED**

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**IPO NOTE – Investor Education Series**

*July 2025*



## ISSUE HIGHLIGHTS

- ❑ The Company was incorporated as 'Laxmi India Finlease Pvt. Ltd' on May 10, 1996 in Delhi. The name was changed to Laxmi India Finance Pvt. Ltd in January, 2023. Subsequently, the company was converted to public limited company and the name was changed to 'Laxmi India Finance Ltd' in August 2024.
- ❑ The company is a **non-deposit taking non-banking financial company categorized as a 'NBFC-Middle Layer'** primarily operating in **Micro, Small and Medium Enterprises ("MSME")** financing vertical and **vehicle financing** vertical.
- ❑ The company's product portfolio includes **MSME loans, vehicle loans, construction loans and other lending products** catering to the diverse financial needs of its customers.
- ❑ As on March 31, 2025, the company's **operational network spans across 158 branches** in rural, semi-urban and urban areas in the states of **Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh and Uttar Pradesh**.
- ❑ Laxmi Finance has the **widest reach in Rajasthan** in terms of being the company with **highest number of branches amongst its peers for FY25**.
- ❑ Laxmi Finance is **one of the fastest growing players in terms of AUM**. The company witnessed **y-o-y growth of 32.83% in FY25**.
- ❑ The company **performed best in key parameters such as asset quality** compared to its peers in FY 25. **With a GNPA of 1.07%, and NNPA of 0.48%**, it leads the peer group (except CSL Finance), demonstrating strong risk management and a healthy loan book.
- ❑ As on March 31, 2025, the company's **customer base comprises 35,568 customers, including 18,596 active MSME customers and 12,423 active vehicle loan customers**, indicating a **growth of 48.78%** from 23,906 customers as on March 31, 2024.
- ❑ The company has **diversified sources of funding** and has access to funds from 47 lenders, including **8 PSU banks, 10 private banks, 7 small finance banks, 22 NBFCs** and Financial Institutions as of March 31, 2025.
- ❑ The company maintains a **conservative Asset Liability Management** policy. The company's **capital adequacy ratio of 20.80% of risk-weighted assets** as of March 31, 2025 is well above the requirement of 15.00% as prescribed by the RBI.

## BRIEF FINANCIAL DETAILS\*

(₹ In Cr)

Particulars	As at March 31st,		
	2025	2024	2023
Equity Share Capital	20.91	19.86	18.32
Other Equity	236.99	181.87	134.23
Total Borrowings	1,137.06	766.68	615.49
Total Income	248.04	175.02	130.67
Net Interest Income	116.69	81.37	61.97
EBITDA	163.88	114.59	85.96
Profit for the Year	35.91	22.62	16.03
Net Profit Margin (%)	14.48%	12.92%	12.27%
EPS (₹) Basic	8.78	6.11	5.02
EPS (₹) Diluted	8.78	5.66	5.02
RoNW (%)	13.95%	11.24%	10.52%
NAV (₹)	61.57	50.65	38.34
Gross NPAs	12.18	5.97	3.33
Net NPAs	5.46	2.72	1.81

Source: RHP; \*Restated

## Issue Details

**Fresh Issue of upto 1,04,53,575 Equity Shares+ Offer for Sale of upto 56,38,620 Equity Shares**

**Issue size: ₹ 241 - 254 Cr**

**Face value: ₹ 5/-**

**Price band: ₹ 150 - 158**

**Bid Lot: 94 Shares and multiples thereof**

**Post Issue Implied Market Cap = ₹ 784 Cr - ₹ 826 Cr**

**BRLMs: PL Capital Markets**

**Registrar: MUFG Intime India**

**Issue opens on: Tuesday, 29<sup>th</sup> July 2025**

**Issue closes on: Thursday, 31<sup>st</sup> July 2025**

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	01-08-2025
Refunds/Unblocking ASBA Fund	04-08-2025
Credit of equity shares to DP A/c	04-08-2025
Trading commences	05-08-2025

## Issue break-up

	No. of Shares		₹ In Cr		% of Issue
	Lower/	Upper	@upper	@lower	
QIB	79,65,634		119.48	125.86	50%
NIB	23,89,690		35.85	37.76	15%
-NIB2	15,93,127		23.90	25.17	
-NIB1	7,96,563		11.95	12.59	
RET	55,75,943		83.64	88.10	35%
EMP	1,60,928		2.41	2.54	
<b>Total</b>	<b>1,60,92,195</b>		<b>241.38</b>	<b>254.26</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII-Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	94 Shares	1,316 Shares	6,392 Shares
Minimum Bid Lot Amount (₹)	₹ 14,852^	₹ 2,07,928^	₹ 10,09,936^
Appl. for 1x	59,319 Applications	605 Applications	1,211 Applications

**Listing: BSE & NSE**

## Shareholding (No. of Shares)

Pre-issue	Post issue~
4,18,14,300	5,22,67,875

## Shareholding\* (%)

	Pre-Issue	Post-Issue
Promoter & Promoter Group	89.05%	60.45%
Public -Others	10.95%	39.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\* As per RHP



## BACKGROUND

### Company and Directors

The Company was incorporated as 'Laxmi India Finlease Pvt. Ltd' on May 10, 1996 in Delhi. In March 2001, the company was granted a certificate of registration by the RBI to carry on the business of a non-banking financial company without accepting public deposits. The company changed its registered office to West Bengal in July 19, 2011. Further, the registered office was shifted to Rajasthan in December 2020. Thereafter, the name was changed to Laxmi India Finance Pvt. Ltd in January, 2023. Subsequently, the company was converted to public limited company and the name was changed to 'Laxmi India Finance Ltd' in August 2024. The company is a non-deposit taking non-banking financial company categorized as a 'NBFC-Middle Layer' primarily operating in Micro, Small and Medium Enterprises ("MSME") financing vertical and vehicle financing vertical.

### Brief Biographies of Directors & Key Managerial Personnel

**Deepak Baid** is the Managing Director of the Company. He has been associated with the Company since February 4, 2011. He has over 20 years of experience in the finance industry.

**Prem Devi Baid** is the Whole Time Director of the Company. She has completed secondary school examination. She has been associated with the Company since February 4, 2011. She has over 13 years of experience with the Company, with a key focus on overseeing its Corporate Social Responsibility (CSR) initiatives.

**Aneesha Baid** is the Whole Time Director of the Company. She has been associated with the Company since December 31, 2016. With over 9 years of experience, she is involved in human resource management of the Company. She was also previously associated as a director with Trilochana Dealtrade Pvt. Ltd.

**Anil Patwardhan** is a Non-Executive Independent Director of the Company. He has been associated with the Company since December 23, 2021. He has over 40 years of experience in the banking and finance sectors. Previously he has been associated with Brickwork Ratings India Pvt. Ltd as a Senior Director in ratings.

**Surendra Mehta** is a Non-Executive Independent Director of the Company. He has been associated with the Company since December 31, 2016. He is currently also associated with Sushma Mercantiles Pvt. Ltd. He has 40 years of experience in finance and business management.

**Brijmohan Sharma** is an Additional Non-Executive Independent Director of the Company. He has been associated with the Company since September 28, 2024. He has 40 years of experience in the banking and financial services sector. Previously he was associated with Canara Bank as an executive director and Punjab National Bank as a chief general manager. He is currently also associated with T T Limited.

**Gopal Krishan Sain** is the Chief Financial Officer of the Company since March 1, 2024 and has been associated with the Company since February 21, 2022. He has over 9 years' experience in the financial service industry. Previously, he was associated with Akasa Finance Ltd, Ess Kay Fincorp Ltd and Samarth Lifestyle Retail Pvt. Ltd.

**Sourabh Mishra** is the Company Secretary and Compliance Officer of the Company since December 5, 2023 and has been associated with the Company June 21, 2021. Previously, he was the proprietor of M/s. Sourabh Mishra & Associates, a practicing company secretary firm. With over 7 years' experience, he is responsible for managing compliance and secretarial affairs of the Company.

## OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Augmentation of the capital base to meet the future capital requirements towards onward lending	[ • ]
• General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share (₹)
Fresh Issue (~₹ 165Cr <sup>^</sup> )	Upto 1,04,53,575 <sup>^</sup> Equity Shares	-

(<sup>^</sup> upper price band)



Offer for Sale by:	No. of Shares	WACA per Equity Share (₹)
Deepak Baid - Promoter Selling Shareholder	Up to 3,084,952 Equity Shares	32.73
Prem Devi Baid - Promoter Selling Shareholder	Up to 913,070 Equity Shares	24.92
Aneesha Baid - Promoter Selling Shareholder	Up to 1,261,902 Equity Shares	37.89
Deepak Hitech Motors Pvt Ltd - Promoter Selling Shareholder	Up to 180,000 Equity Shares	30.40
Prem Dealers Private Limited - Promoter Group Selling Shareholder	Up to 90,000 Equity Shares	31.94
Preeti Chopra - Promoter Group Selling Shareholder	Up to 54,348 Equity Shares	71.09
Rashmi Giria - Promoter Group Selling Shareholder	Up to 54,348 Equity Shares	78.32

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue of Equity Shares <sup>^</sup>	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
<b>Promoter and Promoters Group</b>					
Promoter	3,67,03,004	87.78%	55,29,924	3,11,73,080	59.64%
Promoters Group	5,33,184	1.28%	1,08,696	4,24,488	0.81%
<b>Total for Promoter and Promoter Group</b>	<b>3,72,36,188</b>	<b>89.05%</b>	<b>56,38,620</b>	<b>3,15,97,568</b>	<b>60.45%</b>
Public - Others	45,78,112	10.95%	1,04,53,575	2,06,70,307	39.55%
<b>Total Public</b>	<b>45,78,112</b>	<b>10.95%</b>		<b>2,06,70,307</b>	<b>39.55%</b>
<b>Total Equity Share Capital</b>	<b>4,18,14,300</b>	<b>100.00%</b>		<b>5,22,67,875</b>	<b>100.00%</b>

(<sup>^</sup> at upper price band)

## BUSINESS OVERVIEW

The company is a non-deposit taking non-banking financial company focused on serving the financial needs of underserved customers in India's lending market. As on March 31, 2025, the company's operational network spans across 158 branches in rural, semi-urban and urban areas in the states of Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh and Uttar Pradesh.

Laxmi Finance has the widest reach in Rajasthan in terms of being the company with highest number of branches amongst its peers for FY25. Laxmi Finance has recorded 2<sup>nd</sup> highest Return on Net Worth in FY25 among the peers compared. The company's product portfolio includes MSME loans, vehicle loans, construction loans and other lending products catering to the diverse financial needs of its customers. 80% of the company's MSME loans qualify as Priority Sector Lending under RBI guidelines.

The company's AUM increased from ₹ 686.77 Cr as of March 31, 2023, to ₹ 1,277.02 million as of March 31, 2025, representing a CAGR of 36.36%. The growth in the AUM was primarily driven by an increase in volume of its loans due to increase in the disbursement to ₹ 718.53 Cr in March 31, 2025, from ₹ 343.29 Cr in March 31, 2023, and increase in the branch network to 158 branches as of March 31, 2025, from 135 branches as of March 31, 2024. The company's MSME AUM grew at a CAGR of 36.52% between March 31, 2023, and March 31, 2025, and its vehicle financing AUM grew at a CAGR of 47.23%.

As on March 31, 2025, the company's customer base comprises 35,568 customers, including 18,596 active MSME customers and 12,423 active vehicle loan customers, indicating a growth of 48.78% from 23,906 customers as on March 31, 2024.

The company's extensive distribution network which comprises of the company's on-ground sales teams (supported by a tele-marketing team), direct sales associates and digital channels, enables it to provide last-mile coverage and financial support to underserved customers, bridging the financial inclusion gap in these regions.

The company offers a diversified range of lending products. The company's business verticals comprise:

- **MSME Finance:** The company offers secured loans to MSME customers in the form of loans against property, to support their business operations, expansion and working capital needs.
- **Vehicle Finance:** The company provide secured loans to the customers for purchasing used commercial vehicles, used personal vehicles, used tractors, two-wheelers, electric two-wheelers and electric three-wheelers.
- **Construction Loans:** The company offers secured loans to retail customers for purchasing residential property or constructing, renovating or extending their homes.
- **Others:** The company provide (i) small-ticket unsecured business and personal loans to MSME and retail customers for their working capital requirements and personal use, respectively; and (ii) wholesale loans to other NBFCs.



The company has leveraged technology across its operations and throughout the customer life cycle, including loan origination, underwriting, collections, post-disbursement monitoring and customer service.

The share of retail credit in total systemic credit has been steadily increasing from 21.6% in FY19 to a projected 32.1% in FY25. This growth reflects the rising demand for consumer loans, including home loans, personal loans, and auto loans. This favourable market environment, combined with the company's technology-driven approach, positions it well to capitalize on the growing demand for retail and MSME credit.

The company has witnessed consistent improvement in its balance sheet position in the last 3 Fiscals, and its net worth as of March 31, 2023, March 31, 2024, and March 31, 2025, was ₹ 152.337 Cr, ₹ 201.22 Cr and ₹ 257.47 Cr, respectively. In FY 2023, 2024 and 2025, the company's revenue from operations were ₹ 129.53 Cr, ₹ 173.14 Cr and ₹ 245.71 Cr, respectively.

The company has diversified sources of funding and has access to funds from 47 lenders, including 8 public sector banks, 10 private banks, 7 small finance banks, 22 non-banking financial companies and financial institutions as of March 31, 2025. The company raises debt through several instruments such as term loans from public sector banks and private banks, non-convertible debentures (NCDs), working capital demand loans and overdrafts against fixed deposits.

The company caters to a diverse customer base across various demographics, income levels, occupations, geographic regions, and credit histories. As on March 31, 2025, the company's customer base includes 37.10 % of first-time borrowers, demonstrating the company's focus on financial inclusion and providing opportunities for underserved population.

The company has comprehensive systems to optimize its lending operations, covering underwriting and collection processes. The company also utilizes CIBIL scores to ensure a thorough evaluation of creditworthiness. The company's system-driven approach allows for more accurate risk assessments, enabling informed lending decisions.

The company has a centralised, technology-enabled collections infrastructure. As of May 31, 2025, a dedicated collections team of 357 personnel tracks repayment schedules, payments, and loan defaults, ensures timely collections, and reviews customer accounts. The company's collection efficiency for the period FY 2023, 2024 and 2025 stood at 98.92%, 96.69% and 96.76%, respectively.

The company's credit rating has improved to 'A-with a positive outlook' by Acuite Ratings as of date from 'BBB+' by Acuite Ratings during FY2022. The company's average cost of borrowing has reduced from 12.24% as of March 31, 2023, to 12.02% as of March 31, 2025, driven by credit rating upgrades and expanded public sector undertaking (PSU) partnerships.

The company's management team is led by the Promoter, Deepak Baid who has over 20 years' experience in the financial services sector. The company has an experienced and dedicated management team, and it relies on their experience and commitment to help drive the growth of business and maintain the continuity of the organisational culture.

## KEY OPERATIONAL AND FINANCIAL METRICS

Particulars	Unit	As at March 31 <sup>st</sup> ,		
		2025	2024	2023
Number of Branches	Number	158	135	119
Number of Employees	Number	1,434	1,144	906
AUM	₹ Cr	1,277.02	961.37	686.77
AUM Growth	%	32.83	39.98	29.19
Disbursements	₹ Cr	718.53	525.43	343.29
Disbursement Growth (%)	%	36.75	53.04	45.10
Average ticket size on Disbursement	₹ Cr	0.04	0.05	0.06
Average LTV (%) ON AUM Secured	%	49.65	48.85	47.49
Product Wise AUM	₹ Cr	1,277.02	961.37	686.77
MSME Loans	₹ Cr	974.86	710.85	523.03
Construction loan	₹ Cr	62.15	53.47	51.74
Vehicle Loans	₹ Cr	205.88	176.44	94.98
Other Loans	₹ Cr	34.13	20.61	17.03
Product Wise Disbursement	₹ Cr	718.53	525.43	343.29
MSME Loans	₹ Cr	530.70	349.65	238.76
Construction loan	₹ Cr	26.80	16.76	18.87
Vehicle Loans	₹ Cr	131.63	146.34	72.88
Other Loans	₹ Cr	29.40	12.68	12.79
AUM per branch	₹ Cr	8.08	7.12	5.77
AUM per employee	₹ Cr	0.89	0.84	0.76
Net Worth	₹ Cr	257.47	201.22	152.33



Particulars	Unit	As at March 31 <sup>st</sup> ,		
		2025	2024	2023
CRAR (%)	%	20.80	21.81	23.09
Average Cost of borrowings	%	12.02	12.06	12.24
Total Income	₹ Cr	248.04	175.02	130.67
Net Interest Income	₹ Cr	116.69	81.37	61.97
Profit for the period/year (PAT)	₹ Cr	35.91	22.62	16.03
Yield on average Gross Loans (%)	%	21.92	20.87	21.34
Spread (%)	%	9.90	8.81	9.10
Interest Margin (%)	%	9.73	9.23	9.27
Impairment on financial instruments / Average Total Assets	%	0.99	0.21	0.24
Return on average Total Assets (RoTA) (%)	%	3.00	2.57	2.40
Return on Average Net worth (RoNW) (%)	%	15.66	12.80	11.51
Gross Non-Performing Assets Ratio (%)	%	1.07	0.73	0.58
Net NPAs to net advances (Net NPA Ratio) (%)	%	0.48	0.33	0.32
Provision Coverage Ratio on Gross Non-Performing Assets (%)	%	55.18	54.41	45.60
Disbursement per branch per month	₹ Cr	0.38	0.32	0.24
Disbursement per employee per month	₹ Cr	0.04	0.04	0.03
PAT per Employee	₹ Cr	0.03	0.02	0.02
PAT per Branch	₹ Cr	0.23	0.17	0.14

Source: RHP

### Return Ratio's

(%)

Particulars	As at March 31 <sup>st</sup> ,		
	2025	2024	2023
Revenue from Operations to Average Gross Loan Asset	25.07	24.85	25.27
Other Income to Average Gross Loan Asset	0.24	0.27	0.22
Total Revenue to Average Gross Loan Asset	25.3	25.13	25.49
Finance cost to Average Gross Loan Asset	11.69	11.98	12.26
Interest Margin to Average Gross Loan Asset	11.9	11.68	12.09
Operating Expenses to Average Gross Loan Asset	7.57	8.63	8.61
Impairment loss allowance to Average Gross Loan Asset	0.99	0.21	0.24
PBT to Average Gross Loan Asset	4.83	4.25	4.3
PAT to Average Gross Loan Asset	3.66	3.25	3.13
PAT to Average Net Worth	15.66	12.8	11.51

### Yields, Spreads and Margins

(₹ Cr)

Particulars	As at March 31 <sup>st</sup> ,		
	2025	2024	2023
Interest Income	231.31	164.79	124.82
Finance Costs (A)	114.45	8,33.49	62.83
Interest on lease liability (B)	0.18	0.07	0.03
Adjusted Finance Costs (C=A-B)	114.45	83.35	62.83
Total Interest-earning Assets	1,305.64	915.81	712.55
Average Interest-earning Assets	1,110.73	814.18	597.09
Average Total Assets	1,198.68	881.78	668.57
Average Interest-bearing liabilities	951.87	691.08	513.42
Total Income	248.04	175.02	130.67
Net Interest Income	116.69	81.37	61.97
Average yield on Gross Loan Asset (%)	21.92	20.87	21.34
Average Cost of Borrowings (%)	12.02	12.06	12.24
Spread (%)	9.90	8.81	9.10
Net Interest Margin (%)	9.73	9.23	9.27
Incremental Cost of Borrowings (%)	11.2	11.58	12.04

### Asset Quality - Provisioning and Write-Offs

(₹ Cr)

Asset Category (Loan Book)	As at March 31 <sup>st</sup> ,		
	2025	2024	2023
AUM	1,277.02	961.37	686.77
Gross NPAs	12.18	5.97	3.33
Expected Credit Loss on Gross NPAs	6.72	3.25	1.52
Net NPAs	5.46	2.72	1.81
Bad Debts Write-off	4.22	2.46	1.38





## Productivity Ratios

Particulars	As at March 31 <sup>st</sup> ,		
	2025	2024	2023
Number of branches	158	135	119
Number of sales and collections employees	1,006	795	617
Number of on-roll employees	1,434	1,144	906
Number of customers	35,568	23,906	16,851
AUM per branch (₹ Cr)	8.08	7.12	5.77
AUM per sales and collections employee (₹ Cr)	1.21	1.21	1.11
AUM per employee (₹ Cr)	0.89	0.84	0.76
Disbursement per branch per month (₹ Cr)	0.38	0.32	0.24
Disbursement per sales and collections employee (₹ Cr)	0.06	0.06	0.05
Disbursement per employee per month (₹ Cr)	0.04	0.04	0.03
Number of customers/branches	225.11	177.08	141.61
Number of customers / sales and collections employee	35.36	30.07	27.31
Number of customers/employees	24.80	20.90	18.60

## Capital Adequacy

Particulars	As at March 31 <sup>st</sup> ,		
	2025	2024	2023
Tier I Capital (₹ Cr)	237.77	178.37	135.30
Tier II Capital (₹ Cr)	9.75	7.52	2.80
Total Capital (₹ Cr)	247.51	185.89	138.10
Risk Weighted Assets (₹ Cr)	1,189.75	852.27	598.21
Capital Adequacy Ratio (%) (CRAR)	20.80	21.81	23.09
CRAR- Tier I Capital (%)	19.98	20.93	22.62
CRAR -Tier II Capital (%)	0.82	0.88	0.47

## PRODUCT OFFERINGS

The company's loan products are structured to accommodate varying customer needs, ensuring that individuals and businesses can access credit to meet their mobility and operational requirements.

**MSME Finance:** The company provides secured loans against property to MSMEs seeking to mortgage their residential or commercial property in exchange for a loan. The Loan amounts range from ₹ 0.05 million to ₹ 2.5 million at fixed interest rates ranging from 18% to 28% per annum, with an LTV ratio of up to 65% of the property's value and a loan tenure of up to 84 months. As on March 31, 2025, the company had an active customer base of 18,596 MSME consumers.

**Vehicle Finance:** The company's vehicle finance portfolio offers a range of secured loan options, to cater to the customers' needs for credit for personal and commercial purposes. The company provides financing solutions for the following various vehicle types:

- **Commercial Vehicles:** The loan ticket size of up to ₹1.5 million for purchasing used commercial vehicles, enabling businesses to expand their fleet and meet operational demands.
- **Two-Wheelers:** The company's two-wheeler loan options offer financing for purchasing used two- wheeler vehicles with a ticket size of up to ₹ 0.15 million.
- **Tractors:** The company offers tractor loans with a ticket size of up to ₹ 0.7 million.
- **Electric Vehicles:** The company offer financing solutions for electric three-wheelers, with loan amounts with a ticket size of up to ₹0.4 million. The company also provide financing solutions for electric two-wheelers, with loan amounts up to ₹0.08 million.

**Construction Loans:** The company provides secured loans to retail customers against their residential property, commercial property, or land to construct their homes, or to renovate or extend their homes. Loan amounts range from ₹ 0.05 million to ₹ 2.50 million at fixed interest rates ranging from 18% to 28% per annum, with an LTV ratio of up to 65% of the property's value and a loan tenure of up to 84 months.

**Others:** These include business loans, personal loans and wholesale loans.

- **Business loans:** The company provides small-ticket unsecured business loans. These loans provide additional working capital for their urgent business needs. Loan amounts range from ₹0.05 million to ₹0.4 million at interest rates ranging from 14% to 28% per annum and a loan tenure ranging from 12 months to 48 months



- **Personal loans:** The company provides small-ticket unsecured personal loans to retail customers, for their urgent personal needs. Loan amounts range from ₹0.05 million to ₹0.4 million at interest rates ranging from 23% to 28% per annum and a loan tenure ranging from 12 months to 36 months.
- **Wholesale loans:** The company provides secured loans to other non-banking financial companies for the purpose of onward lending. Wholesale loans range from ₹2.50 million to ₹50 million at interest rates ranging from 14% to 20% per annum and a loan tenure ranging from 12 months to 48 months. As on March 31, 2025, the company's wholesale loan AUM stood at ₹18.99 Cr, with disbursements of ₹22 Cr, an average ticket size of ₹1.57 Cr and average yield of 15.69%.

## CUSTOMERS

The company provides financing to a diversified pool of MSME and retail customers across various demographics, income levels, livelihoods, geographic regions, and credit histories. The company extends secured loans ranging from ₹0.05 million to ₹2.50 million to its MSME customers. The company's retail customers, in the other business verticals comprise salaried and self-employed customers. The company extends secured and unsecured loans ranging from ₹0.05 million to ₹2.50 million to its retail customers.

The company has an active customer base comprising of the following

Vertical wise customers	FY2025	FY2024	FY2023
MSME Loans	18,596	14,456	10,513
Vehicle Loans	12,423	5,706	3,906
Construction Loans	2,303	17,54	1,500
Others:			
(a) Business Loans	387	449	442
(b) Personal Loans	1,845	1,541	490
(c) Wholesale Loans	14	-	-
<b>Total</b>	<b>35,568</b>	<b>23,906</b>	<b>16,851</b>

## DISTRIBUTION NETWORK

As on March 31, 2025, the company had 158 branches covering rural, semi urban and urban areas across 5 states of India. The company has built its distribution network with an emphasis on under-served rural and semi-urban markets with growth potential. As of March 31, 2025, the company's branch managers, credit managers, assistant branch managers and relationship officers constituted 46.93% of its total workforce. As of March 31, 2025, each of its relationship officers on average managed 7 customers per month.

Geographical Spread of branches and AUM details

State	FY2025			FY2024			FY2023		
	Branches	AUM (₹ Cr)	% of AUM	Branches	AUM (₹ Cr)	% of AUM	Branches	AUM (₹ Cr)	% of AUM
Rajasthan	91	1,022.43	80.06	89	787.29	81.89	90	608.40	88.59
Madhya Pradesh	35	160.52	12.57	24	100.05	10.41	14	34.26	4.99
Gujarat	24	88.47	6.93	18	72.71	7.56	15	44.10	6.42
Chhattisgarh	4	5.60	0.44	4	1.32	0.14	-	-	-
Uttar Pradesh	4	-	-	-	-	-	-	-	-
<b>Total</b>	<b>158</b>	<b>1,277.02</b>	<b>100.00</b>	<b>135</b>	<b>961.37</b>	<b>100.00</b>	<b>119</b>	<b>686.77</b>	<b>100.00</b>

## COMPETITIVE STRENGTHS

- **Focus on MSME financing**

Over the last 3 Financial Years 2025, 2024 and 2023 the revenues generated from MSME financing constituted 80.96%, 75.37% and 83.64%, respectively. The company's MSME financing vertical represented 76.34%, 73.94% and 76.16% of its overall AUM for FY2025, FY2024 and FY2023. The company caters to diverse business requirements and provides support to entrepreneurs. The MSME loans sanctioned by the typically vary in the range of ₹ 0.05 million to ₹ 2.5 million and are secured by mortgage of residential or commercial property. The relatively smaller ticket size of financing which is secured by tangible assets facilitates mitigation default risk. As on March 31, 2025, the company had 18,596 MSME customers, and its secured MSME loans have an average LTV ratio of 43.79%.

MSME customers are becoming an increasingly attractive customer base with the shift towards the formalisation and digitisation of MSMEs, which generates additional data points for lenders and improves the efficacy of credit assessments. As of March, 2025, the company's total credit exposure stood at ₹ 1,277.02 Cr, with MSME loans comprising 76.34%. As on March,





2025, 18,596 of the Company's customers are micro enterprises with an AUM of ₹ 974.86 Cr. Combined with rapid processing of loan applications and deep domain expertise in financial services, the company is well-positioned to capitalize on the vast opportunities in India's growing MSME market.

- **Access to diversified sources of capital and effective cost of funds**

The company has historically secured, and seeks to continue to secure, cost effective funding through a variety of sources, including public sector banks, private sector banks, small finance banks, other non-banking financial institutions, together with NCDs and direct assignment of loans.

#### Different Types of Lenders

Particulars	FY2025		FY2024		FY2023	
	No. of Lenders	Amount (₹ Cr)	No. of Lenders	Amount (₹ Cr)	No. of Lenders	Amount (₹ Cr)
Public sector banks	8	231.15	7	191.86	7	164.66
Private banks	10	250.36	10	175.02	7	122.52
Small finance banks	7	194.73	5	78.24	5	67.05
NBFCs and Financial Inst.	22	460.82	21	321.57	22	261.25

The company has established strong relationships with its lenders which has enabled us to maintain an average tenure of 4+ years with its top 5 lenders, secure repeat funding from 80% of lenders, and increase credit limits by 7.20% YoY with its top 5 lenders. The company's average costs have trended downward, being 12.24%, 12.06% and 12.02% in FY 2023, 2024 and 2025 respectively. The company managed to reduce its average cost of borrowing by 0.22% during FY 2023.

Further, the company maintains a conservative Asset Liability Management (ALM) policy recognizing its operating metrics. The company's capital adequacy ratio of 20.80% of risk-weighted assets as of March 31, 2025 which is well above the requirement of 15.00% of the aggregate risk-weighted assets prescribed by the RBI.

- **Comprehensive credit assessment, underwriting and risk management framework**

The company's risk management committee has developed comprehensive risk management policies addressing credit risk, market risk, liquidity risks and operational risks. The company focuses on the profile of the borrower, and as of March 31, 2025, 49.31% of its secured customers have a CIBIL score above 650 at the time of origination, while 37.10% of the company's customers are new to the formal secured lending ecosystem. The company focuses on collateral-backed lending and as of March 31, 2025, 98.81% of its loan portfolio was secured.

As of March 31, 2025, the company's secured MSME loans have an average Loan-to-Value (LTV) ratio of 43.79% while its secured vehicle loans have an average LTV ratio of 73.21%. As of March 31, 2025, the company's write-off of loans remains negligible, demonstrating its effective loan recovery and monitoring processes.

#### Loans written off by the company

(₹ in Cr, unless specified)

Particulars	FY2025	FY2024	FY2023
Written off loans	4.22	2.46	1.38
Bad debts recovered	(1.45)	(1.43)	(1.63)
Net written off amount after considering bad debts recovered	2.77	1.03	(0.25)
AUM	1,277.02	961.37	686.77
Percentage of written off loans to AUM (%)	0.33	0.26	0.2

Source: RHP

As per CARE report Laxmi Finance performed best in key parameters such as asset quality compared to its peers in FY 25. With a GNPA of 1.07%, and NNPA of 0.48%, it leads the peer group (except CSL Finance), demonstrating strong risk management and a healthy loan book.

- **Deeper regional penetration in semi-urban and rural areas supported by a mix of direct and indirect sourcing channels**

The company has a growing sales network that caters to customers primarily in the rural and semi-urban areas of India. As per the CARE Report, the rural and semi-urban credit market in India is significantly under-penetrated, presenting a substantial opportunity for NBFCs to capitalize on this whitespace. Currently, scheduled commercial banks primarily follow traditional lending patterns, leaving mid-sized and lower-rated companies underserved. This gap creates an opening for NBFCs to introduce more innovative and flexible financing solutions.



### Details of branches across different types of regions

Area	FY2025			FY2024			FY2023		
	AUM (₹ Cr)	Branches (No's)	% of total branches	AUM (₹ Cr)	Branches (No's)	% of total branches	AUM (₹ Cr)	Branches (No's)	% of total branches
Urban	423.36	40	25.32	322.12	32	23.70	258.18	28	23.53
Semi Urban	677.85	88	55.70	502.07	74	54.82	330.24	66	55.46
Rural	175.81	30	18.99	137.18	29	21.48	98.35	25	21.01
Total	<b>1,277.02</b>	<b>158</b>	<b>100.00</b>	<b>961.37</b>	<b>135</b>	<b>100.00</b>	<b>686.77</b>	<b>119</b>	<b>100.00</b>

Source: RHP

To tap into this growing market, the company employs a multi-channel approach for sourcing customers through (a) direct channel, i.e., through its on-ground sales teams that report to the branches, (b) direct sales associates (DSAs), and (c) digital channels.

### Break-up of the aggregate disbursements by sourcing channel

Particulars	FY 2025		FY2024		FY 2023	
	Disbursements (₹ Cr)	% of Total Disbursement	Disbursements (₹ Cr)	% of Total Disbursement	Disbursements (₹ Cr)	% of Total Disbursement
Direct channel	553.70	77.06	422.68	80.44	307.33	89.52
DSAs	158.08	22.00	93.80	17.85	31.89	9.29
Digital channels	6.76	0.94	8.95	1.70	4.08	1.19

Source: RHP

- **The Hub and Branch model streamlines operations, reduces costs, and increases customer accessibility, driving business growth and market expansion**

The company operates on a hub and branch business model, strategically designed to enhance efficiency, reduce costs, and expand its reach. At the core of its structure are hub (disbursement) branches, which serve as hubs for files that can be checked and disbursement advice raised. Each hub facilitates disbursement of surrounding branches. This increases efficiency with time and reduces operational costs to serve branch customers. These hub branches are equipped with key decision-makers, including credit managers, business development managers, operations teams, and collections teams. Strategically located in rural and semi-urban areas, the company has expanded its presence in the underserved markets.

- **Experienced management with good corporate governance practices**

The company's Board, Promoters and Senior Management is composed of experienced professional, industry veterans and management professionals. The Board consists of 7 directors, of which 4 are independent directors. The Senior Management team consists of qualified, seasoned professionals with experience across a variety of sectors.

## KEY BUSINESS STRATEGIES

- **Expansion of the geographical footprint to deepen the penetration in the target customer segment**

During FY 2025, the company expanded its reach by opening 23 additional branches. As per the CARE Report, NBFCs credit is expected to grow between 12%-15% y-o-y in FY25. This growth is expected to be driven by continued demand for retail loans, particularly vehicle loans, home loans, and credit towards MSMEs.

Further, the company is constantly evaluating additional locations and expects to continue to add branches to grow its network in the near term, and in turn, its loan portfolio. As of March 31, 2025, the company had reached an average district level penetration of 30% in the states in which it operates, calculated based on location of the branches. Additionally, the company will consider strategic acquisitions on an opportunistic basis to drive inorganic growth, expand into new geographies, or enhance its existing branch network.

- **Leveraging the existing branch and network of customers to drive growth in other verticals**

As of March 31, 2025, the company's gross loan portfolio per branch stood at ₹ 8.08 Cr. The company plans to increase its gross loan portfolio per branch through cross-selling additional loan products to its existing customers, acquisition of new customers through existing branches and the increasing loan ticket sizes to low-risk, existing customers.



Further, the company expects to derive benefits from economies of scale as there is limited incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from the company since they have progressed to higher loan cycles, and they have been the company's customers for a number of months or years.

- **Continuing to enhance information technology with a focus on customer service, operational efficiency and cost optimization**

As the company continues to expand geographically, it plans to invest in technology to support growth, improve the quality of services and better operational turnover time. The company endeavour to use technology and automation across the business processes, including, among others, sourcing, underwriting, disbursement and collection.

The company's current technology allows it to undertake integrated credit bureau data check, stage wise review of the disbursement process and real-time process integrating all branch information. The company has implemented mobility-based loan origination systems with GPS tagging.

The company will continue using its analytics capabilities such as tracking lead generation rates, sales funnel optimization, analysis of drop-off points, etc. the company intends to leverage these simple analytics tools which can help business for making data driven decisions and drive revenue growth. The company intends to continue investing and augmenting its analytics capabilities in order to better service the needs of the customers.

- **Diversify the borrowing profile and optimize the borrowing costs**

The company has successfully secured competitive interest rates that have led to a consistent decline in borrowing costs. The average costs have trended lower from 12.24% in FY2023 to 12.06% FY2024 and 12.02% in FY2025, respectively. The company managed to reduce the average cost of borrowing despite an increase in repo rate by the RBI, demonstrating its ability to secure cost-effective funding.

To optimize the costs, the company has diversified its funding sources by utilizing term loans, working capital facilities, proceeds from securitized loans, NCDs to ensure that its debt capital requirements are met at optimal costs. The company's redeemable NCDs comprised 3.77%, 0.65% and 2.41% in FY 2023, 2024 and 2025, respectively.

The company plans to continue focusing on its asset and liability management to ensure that it continues to have a positive asset-liability position. This strategic approach will enable it to further improve its credit ratings and further reduce the cost of its borrowings, thereby supporting sustainable growth and financial stability.

- **Diversify the loan book**

The company has recently entered into a business transfer agreement with another non-banking financial company to acquire its retail lending business (comprising gross loans aggregating to ₹ 53.33 Cr, 1750 customers, 2 employees, 2 branches and all assets and liabilities pertaining to the said business vertically) for an aggregate consideration of ₹ 51.69 Cr, to strengthen and scale its retail loans. The company believes that such inorganic expansion will help to accelerate its retail business and provide access to a wider customer base.

## COMPARISON WITH INDUSTRY PEERS (AS OF MARCH 2025)

Company	Face Value (₹)	Total Income (₹ Cr)	PAT (₹ Cr)	EPS (₹)		NAV per Share (₹)	P/E (x)	P/B (x)	RoNW (%)
				Basic	Diluted				
Laxmi India Finance	5.00	248.04	35.91	8.78	8.78	61.57	[●]	[●]	15.66
MAS Financial Services	10.00	1,520.45	320.21	17.48	17.48	142.50	16.97	2.08	14.71
Five Star Business Fin.	1.00	2,866.02	1,069.59	36.61	36.50	214.13	20.62	3.52	18.60
SBFC Finance	10.00	1,306.75	339.91	3.21	3.15	29.40	34.38	3.68	11.39
Ugro Capital	10.00	1,441.85	151.23	15.68	14.71	222.57	11.65	0.77	8.68
CSL Finance	10.00	216.04	72.08	31.64	31.29	241.21	10.56	1.37	14.18
AKME Fintrade (India)	10.00	102.72	33.58	8.28	8.28	89.56	0.94	0.09	11.09
Moneyboxx Finance	10.00	199.23	1.14	0.39	0.39	79.85	476.67	2.33	0.53

Source: RHP; P/E, P/B of peers based on CMP on BSE as of June 17, 2025



## Restated Statement of Assets and Liabilities

(₹ In Cr)

Particulars	As at March 31st,		
	2025	2024	2023
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	102.43	42.27	95.28
Bank balance other than cash & cash equivalents	112.34	72.96	73.79
Receivables	0.17	0.31	0.07
Other receivables			
Loans	1,126.91	815.24	568.21
Investments	29.27	14.51	7.67
Other Financial Asset	21.82	24.34	20.32
<b>Non-financial Assets</b>			
Current tax Assets	0.35	2.16	1.84
Property, Plant and Equipment	12.76	11.07	10.08
Intangible Assets under development	0.05	0.08	-
Other Intangible Assets	0.08	0.04	0.04
Other non-financial assets	6.34	1.86	1.41
<b>Total Assets</b>	<b>1,412.52</b>	<b>984.85</b>	<b>778.71</b>
<b>Liabilities and Equity</b>			
<b>Financial Liabilities</b>			
Trade Payables	3.29	2.41	1.16
Debt Securities	27.39	5.00	23.17
Borrowings (Other than Debt Securities)	1,101.73	753.74	592.31
Subordinated Liabilities	7.95	7.94	-
Other Financial Liabilities	8.79	6.18	3.28
<b>Non- Financial Liabilities</b>			
Current Tax Liabilities	0.67	0.06	0.06
Provisions	1.56	1.14	1.13
Deferred Tax Liabilities (Net)	1.30	4.97	3.88
Other non-financial liabilities	1.95	1.69	1.16
<b>Total Non- Financial Liabilities</b>	<b>5.48</b>	<b>7.86</b>	<b>6.24</b>
<b>Equity</b>			
Equity Share capital	20.91	19.86	18.32
Other Equity	236.99	181.87	134.23
<b>Total Equity</b>	<b>257.89</b>	<b>201.73</b>	<b>152.55</b>
<b>Total Equity and Liabilities</b>	<b>1,412.52</b>	<b>984.85</b>	<b>778.71</b>

Source: RHP;

## Restated Consolidated Statement of Profit and Loss

(₹ In Cr)

Particulars	As at March 31st,		
	2025	2024	2023
<b>Revenue from Operations</b>			
Interest Income	231.31	164.79	124.82
Fees and Commission Income	13.46	4.47	4.44
Net Gain on Fair Value Changes	0.94	3.88	0.27
<b>Total Revenue from Operations</b>	<b>245.71</b>	<b>173.14</b>	<b>129.53</b>
Other Income	2.33	1.88	1.14
<b>Total Income</b>	<b>248.04</b>	<b>175.02</b>	<b>130.67</b>
Finance Costs	114.63	83.42	62.86
Impairment on financial instruments	11.89	1.88	1.64
Employee Benefits Expense	54.03	43.20	31.91
Depreciation & Amortisation Expense	1.90	1.53	1.08
Other Expenses	18.24	15.35	11.17
<b>Total Expenses</b>	<b>200.68</b>	<b>145.38</b>	<b>108.65</b>
<b>Profit/(Loss) Before Tax</b>	<b>47.36</b>	<b>29.64</b>	<b>22.02</b>
Total Tax Expenses	11.35	7.17	6.05
<b>Profit/(loss) for the year</b>	<b>36.01</b>	<b>22.47</b>	<b>15.97</b>
Other Comprehensive Income	(0.09)	0.15	0.06
<b>Total Comprehensive Income for the year</b>	<b>35.91</b>	<b>22.62</b>	<b>16.03</b>

Source: RHP



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