

Laxmi India Finance Limited

IPO Note





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Empowering growth through MSME and vehicle finance.

Founded in 1996, Laxmi India Finance Limited is a Non-Banking Financial Company (NBFC) focused on extending credit to small businesses and entrepreneurs through a range of lending solutions. Its primary offerings include MSME loans, vehicle loans, and construction loans, with over 80% of its MSME portfolio qualifying as Priority Sector Lending.

Product Offerings:

- **MSME Finance:** Secured loans (₹0.05–2.5 mn) against property, LTV 65%, tenure up to 84 months.
- **Vehicle Finance:** Loans for commercial vehicles (up to ₹1.5 mn), two-wheelers (₹0.15 mn), and tractors (₹0.7 mn).
- **Construction Loans:** Secured loans (up to ₹2.5 mn) for property construction/renovation, interest 18–28%, tenure up to 84 months.

LIFC maintains a robust risk management framework and has adopted a technology-driven approach to streamline loan origination, customer service, and collections. As of FY24, LIFC reported a healthy growth in its loan book, supported by improved disbursements and expanding geographic reach.

The company is backed by a strong promoter group and an experienced management team, ensuring high standards of governance and operational discipline. LIFC continues to focus on underserved and unbanked segments, contributing to financial inclusion in tier 2, 3, and rural markets.

Strategic Outlook:

LIFC aims to further expand its footprint in existing and new geographies, enhance digital capabilities for loan servicing and underwriting, and diversify its product mix to include new-age lending solutions. The company is also exploring opportunities to deepen its SME financing and cross-sell insurance and other financial products.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	130	85	16	65.5	12.3	3.1	29.2	10.5	14.0	51.6	15.0
FY24	173	113	22	65.1	13.0	4.3	38.6	11.1	13.0	36.7	13.1
FY25	246	162	36	65.7	14.7	6.9	49.4	14.0	13.1	22.9	11.1

Source: Ventura Research & Company update

Industry Financial Services

Scrip Details

Listing	BSE & NSE
Open Date	July 29, 2025
Close Date	July 31, 2025
Price Band	INR 150-158
Face Value	INR 1.0
Market Lot	94 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 254
Issue Size (Shares)	1,60,92,195
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	4.18
Post Issue sh. (cr)	5.22
Post Issue Market Cap (INR cr)	INR 825

Shareholding (%)	Pre (%)	Post (%)
Promoter	100	69.26
Public	0	30.74
TOTAL	100	100

Issue Structure and Offer Details

Laxmi India Finance IPO is a bookbuilding of ₹254.26 crores. The issue is a combination of fresh issue of 1.05 crore shares aggregating to ₹165.17 crores and offer for sale of 0.56 crore shares aggregating to ₹89.09 crores.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 158

Source: Company Reports

Objects of the Issue

Augmentation of the capital base to meet the future capital requirements towards onward lending.

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	129.5	173.1	245.7	Adjusted EPS (INR)	3.1	4.3	6.9
YoY Growth (%)	32.7	33.7	41.9	Adjusted Cash EPS (INR)	3.3	4.6	7.3
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	29.2	38.6	49.4
RM Cost to Sales (%)	0.0	0.0	0.0	Adjusted CFO per share (INR)	(32.5)	(42.9)	(59.6)
Employee Cost	31.9	43.2	54.0	CFO Yield (%)	(20.5)	(27.1)	(37.7)
Employee Cost to Sales (%)	24.6	25.0	22.0	Adjusted FCF per share (INR)	(24.7)	(31.2)	(43.6)
Other Expenses	12.8	17.2	30.1	FCF Yield (%)	(15.6)	(19.8)	(27.6)
Other Exp to Sales (%)	9.9	9.9	12.3	Solvency Ratio (X)			
EBITDA	84.8	112.7	161.5	Total Debt to Equity	4.0	3.8	4.4
Margin (%)	65.5	65.1	65.7	Net Debt to Equity	2.9	3.2	3.7
YoY Growth (%)	21.6	32.9	43.3	Net Debt to EBITDA	5.3	5.8	6.0
Depreciation & Amortization	1.1	1.5	1.9	Return Ratios (%)			
EBIT	83.7	111.2	159.6	Return on Equity	10.5	11.1	14.0
Margin (%)	64.6	64.2	65.0	Return on Capital Employed	7.9	8.7	8.7
YoY Growth (%)	21.6	32.8	43.6	Return on Invested Capital	14.0	13.0	13.1
Other Income	1.1	1.9	2.3	Working Capital Ratios			
Interest	62.9	83.4	114.6	Payable Days (Nos)	3	5	5
Exceptional Item	0.0	0.0	0.0	Inventory Days (Nos)	0	0	0
PBT	22.0	29.6	47.4	Receivable Days (Nos)	0	1	0
Margin (%)	17.0	17.1	19.3	Net Working Capital Days (Nos)	-3	-4	-5
YoY Growth (%)	12.9	34.6	59.8	Net Working Capital to Sales (%)	(0.8)	(1.2)	(1.3)
Tax Expense	6.0	7.2	11.4	Valuation (X)			
Tax Rate (%)	27.5	24.2	24.0	P/E	51.6	36.7	22.9
PAT	16.0	22.5	36.0	P/BV	5.4	4.1	3.2
Margin (%)	12.3	13.0	14.7	EV/EBITDA	15.0	13.1	11.1
YoY Growth (%)	9.0	40.7	60.2	EV/Sales	9.8	8.5	7.3
Min Int/Sh of Assoc	0.0	0.0	0.0	Cash Flow Statement			
Net Profit	16.0	22.5	36.0	PBT	22.0	29.6	47.4
Margin (%)	12.3	13.0	14.7	Adjustments	(184.8)	(247.2)	(348.3)
YoY Growth (%)	9.0	40.7	60.2	Change in Working Capital	(0.6)	1.0	1.0
Balance Sheet				Less: Tax Paid	(6.0)	(7.2)	(11.4)
Share Capital	18.3	19.9	20.9	Cash Flow from Operations	(169.4)	(223.8)	(311.3)
Total Reserves	134.2	181.9	237.0	Net Capital Expenditure	(5.1)	(2.4)	(3.7)
Shareholders Fund	152.5	201.7	257.9	Change in Investments	10.3	(4.4)	(14.7)
Long Term Borrowings	613.5	759.1	728.6	Cash Flow from Investing	5.1	(6.8)	(18.4)
Deferred Tax Assets / Liabilities	3.9	5.0	1.3	Change in Borrowings	265.7	234.4	484.6
Other Long Term Liabilities	0.4	1.0	0.0	Less: Finance Cost	(62.9)	(83.4)	(114.6)
Long Term Trade Payables	0.0	0.0	0.0	Proceeds from Equity	9.9	26.6	19.8
Long Term Provisions	0.0	0.0	1.6	Buyback of Shares	0.0	0.0	0.0
Total Liabilities	770.3	966.9	989.3	Dividend Paid	0.0	0.0	0.0
Net Block	10.1	11.1	12.8	Cash flow from Financing	212.7	177.5	389.8
Capital Work in Progress	0.0	0.0	0.0	Net Cash Flow	48.4	(53.0)	60.2
Intangible assets under development	0.0	0.1	0.0	Forex Effect	0.0	0.0	0.0
Non Current Investments	7.7	14.5	29.3	Opening Balance of Cash	46.9	95.3	42.3
Long Term Loans & Advances	0.6	0.5	767.1	Closing Balance of Cash	95.3	42.3	102.4
Other Non Current Assets	0.0	0.0	50.6				
Net Current Assets	751.9	940.6	129.4				
Total Assets	770.3	966.9	989.3				

Source: Company Reports

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