



Company Overview

- Laxmi India Finance Ltd. is a Rajasthan-based NBFC primarily engaged in providing secured MSME loans, vehicle finance, and construction equipment loans. The company serves semi-urban and rural customers across 5 Indian states.
- It operates a network of 158 branches as of March 2025, with a strong foothold in Rajasthan, followed by Madhya Pradesh, Gujarat, Chhattisgarh, and Uttar Pradesh.
- The company’s AUM has grown at a CAGR of ~36% over FY23–FY25, rising from ₹687 crore in FY23 to ₹1,277 crore in FY25, led by expansion in MSME lending and deepening regional presence.
- Competitive strengths include strong understanding of rural credit behavior, technology-driven underwriting, a well-diversified portfolio (MSME loans 76%, Vehicle Finance 16%, Construction Equipment Loans 8%), and improving profitability metrics.

Sector Outlook

- India’s MSME lending market is growing rapidly, supported by government-backed credit schemes, formalization of small businesses, and increasing digital financial inclusion. It is projected to grow at a CAGR of over 20% between FY24–FY28, supported by government initiatives like CGTMSE, Udyam registration, and rising credit penetration in Tier II/III towns.
- NBFCs account for ~30% of MSME credit disbursements in India, playing a critical role in last-mile delivery where formal banking access remains limited, especially in rural and underserved geographies.

Laxmi India Finance

₹ 150 - 158
Price Band

₹ 254.26 Cr
Issue Size

29th-31st July
Subscription Days

5th August 2025
Listing date

Subscribe for Long Term

Particulars	IPO Details
No of Shares under IPO (Cr.)	1.6092
Post Issue MCap (Cr.)	784 – 826
QIB (Cr.)	0.8046
NIB (Cr.)	0.5632
Retail (Cr.)	0.2414

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	89.1%	60.5%
Others	10.9%	39.5%
Total	100%	100%

Company Outlook

- Laxmi India Finance Ltd. delivered strong performance in FY25 with revenue rising 42% YoY to ₹245.7 crore and net profit growing 60% to ₹36 crore. Net Interest Income grew by ~43.4% to ₹116.7 crore, highlighting robust lending growth and improving interest spreads. Asset quality remained stable, with Gross NPA at 1.07% and Net NPA at 0.48%, while Return on Equity stood at 15.66%, reflecting steady profitability and disciplined underwriting.
- The company plans to raise ₹254.26 crore via IPO, comprising a fresh issue of 1.04 crore shares worth ₹165 crore and an Offer for Sale of 56.38 lakh shares worth ₹89 crore. Proceeds from the fresh issue will be used to strengthen the capital base for future lending, while OFS proceeds will go to existing shareholders.
- At the upper price band of ₹158, Laxmi India Finance is valued at a post-issue P/E of 22.9× and P/B of 1.95×, which remains below several listed peers, making the IPO reasonably priced; considering its RoNW of 15.7%, stable asset quality, and growth prospects, so we recommend a '**Subscribe**' rating for the IPO for its long-term prospects.

Key Risks

- Sector specific risk (monsoon, inflation)
- Regulatory compliance risk
- Relatively small scale of business

Particulars	FY23	FY24	FY25
Revenue (Rs. Cr)	130.67	175.02	248.04
<i>Revenue Growth %</i>		33.9%	41.7%
EBITDA (Rs. Cr)	85.96	114.59	163.88
<i>EBITDA Growth %</i>		33.31%	43.01%
EBITDA Margin %	65.78%	65.47%	66.07%
PAT (Rs. Cr)	15.97	22.47	36.01
ROCE %	13%	13%	14%

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