

AYE [आय]

IPO NOTE

AYE FINANCE

NEUTRAL



Rating:
Neutral



Aye Finance Limited is an NBFC offers secured and unsecured small business loans for working capital, including mortgage loans, 'Saral' Property Loans, secured and unsecured hypothecation loans, primarily to micro-scale MSMEs.

ISSUE OFFER

Issue Opens on	FEB 09, 2026
Issue Close on	FEB 11, 2026
Total IPO size (cr)	₹1,010
Fresh issue (cr)	₹710
Offer For Sale (cr)	₹300
Price Band (INR)	₹ 122-129
Market Lot	116 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹ 3,183.52 CR

OBJECTS OF THE ISSUE

- Company proposes to utilize the Net Proceeds towards augmenting capital base to meet Company's future capital requirements.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	37.79	39.93	30.45
Net Worth	1,658.87	1,658.87	1,658.87
Total Income	1,621.08	1,192.72	724.04
EBITDA Margin%	47.5%	53.1%	43.6%
Net Profit/Loss of the year	175.25	171.68	39.87

FINANCIAL RATIOS OF FY25

ISSUE BREAK-UP (%)

QIB Portion		75%
NII Portion		15%
Retail Portion		10%

OUTLOOK & VALUATION

- Aye Finance Limited is a non-banking financial company (NBFC) that provides business loans to micro, small, and medium enterprises (MSMEs)
- Fundamentals appear solid, with the company showing consistent revenue and profit growth.
- Compsny implying a P/E multiple near ~14x based on FY25 earnings reasonably priced compared with some listed NBFC peers.
- Overall, the IPO is suitable for long-term investors with belief in MSME lending growth and moderate NBFC credit risk appetite.

7.63%

ROE

14.11x

P/E (Pre IPO)

9.14

EPS (Pre IPO)

INDICATIVE TIMETABLE

Basis of Allotment	12-02-2026
Refunds/Unblocking ASBA Fund	13-02-2026
Credit of Share to Demat A/c	13-02-2026
Listing Date	16-02-2026



COMPANY PROFILE

- The Company operates as an NBFC-Middle Layer and focuses on providing credit to micro and small enterprises across India.
- It does not have an identifiable promoter under applicable regulations.
- The Company primarily serves micro-scale MSMEs engaged in manufacturing, trading, services, and allied sectors, with a strong presence in semi-urban and underserved markets.

- Its loan portfolio includes secured and unsecured hypothecation loans, mortgage loans, and 'Saral' Property Loans, designed to meet working capital and business expansion needs.
- Aye Finance follows a branch-led, technology-enabled operating model that combines local market understanding with data-driven credit assessment.
- It emphasises small-ticket loans, granular diversification, and relationship-based sourcing.



COMPETITIVE STRATEGIES

- Increasing AUM per branch by increased penetration in target segment
- Growing Mortgage Loan Portfolio
- Leveraging Technology and Data Sciences for Improving Productivity and Scalability
- Optimizing Borrowing Costs and Diversifying Lender Base



KEY CONCERNs

- High exposure to micro-enterprises makes the portfolio sensitive to economic stress.
- Unsecured and semi-secured loans increase credit and collection risk.
- Business is highly dependent on continuous access to borrowing sources.
- Asset quality may deteriorate due to borrower cash-flow volatility.
- Regulatory changes for NBFCs could impact capital and operating flexibility.



KEY STRENGTHS

- Strong focus on underserved micro-MSMEs with tailored credit products.
- Pan-India branch network enabling deep semi-urban and rural penetration.
- Proprietary credit assessment built for informal and thin-file customers.
- Granular loan book with small ticket sizes, reducing concentration risk.
- Consistent AUM growth supported by scalable operating model.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Aye Finance Limited	9.51	14.11	90.00	1,621.08	12.12
Peer Group					
Sbfc Finance Limited	3.21	27.32	29.61	1306.1	11.57
Five-star Business Finance Limited	36.61	12.07	215.22	2847.8	18.65



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