



Presents

Suryoda Small Finance Bank

Brief about the company

1. The company was founded in 2008-09. They got license from RBI in 2009 to operate as an NBFC. Received funding from Aavishkaar Goodwill. Opened branches in Maharashtra and Andhra Pradesh.

2. From 2009 to 2014, they expanded their operations across Maharashtra, Andhra Pradesh, Odisha, Tamil Nadu, Karnataka, Gujarat and Rajasthan, bringing the network to 70 branches with 274,000 active customers. Received investments from Lok Capital, HDFC Holdings, HDFC Life and IFC.

3. In 2014- 2015, total number of branches increased to 145 with 5,62,000 active customers. The company reached an Assets Under Management of 582 crore and Net worth of 132 crore.

4. Received in-principle approval from RBI for setting up Small Finance Bank (September 2015) and subsequently, launched operations as Small Finance Bank (January 2017).

5. In 2017-18, it has received status of 'Scheduled Commercial Bank'. Got investment from IDFC Bank, Gaja Capital, ASK Pravi, Responsibility Participations Mauritius. The company reached an Assets Under Management of 1760 crore and Net worth of 540 crore.

6. In 2018-19, Received investments from DEG – a KfW Group Company and Kotak Life. The Branch count increased to 382 and AUM reached 3003 Cr. Long-term rating of 'A' by ICRA and short-term rating of 'A1+' by CRISIL and ICRA. ROA of 3.0% and ROE of 14.1% and Net Worth of 880 Cr.

Types of loans.

  <p>JOINT LIABILITY GROUP LOANS (JLG)</p> <ul style="list-style-type: none"> Group Loans disbursed cycle wise for income-generating activities with ticket size ₹ 15,000-50,000 Top-up loans to supplement JLG loans given to existing JLG customers 	  <p>INDIVIDUAL BUSINESS LOANS (T-NAGAR)</p> <ul style="list-style-type: none"> Higher ticket size loans ranging from ₹ 50,000 to ₹ 3 lakh designed for small business owners 	  <p>COMMERCIAL VEHICLES</p> <ul style="list-style-type: none"> Funding for new or used vehicles Primary focus on high quality retail CV and fleet operators and gradual expansion into used CV
  <p>HOUSING LOAN</p> <ul style="list-style-type: none"> Predominantly offering affordable home loans with ticket size of ₹ 10-15 lakh and tenure upto 240 months 	  <p>FINANCIAL INTERMEDIARY GROUP (FIG)</p> <ul style="list-style-type: none"> Lending to Financial Institutions – Term Loans to other NBFCs & NBFC-MFIs, including HFCs 	  <p>SECURED AND UNSECURED BUSINESS LOANS (MSME)/SME)</p> <ul style="list-style-type: none"> Secured MSME/SME loans with ticket size ranging from ₹ 10 lakh to ₹ 5 crore and a tenure of up to 48 months Unsecured MSME/SME loans with ticket-size ranging from ₹ 10 lakh to ₹ 1 crore with a tenure of up to 48 months

In FY18-19, the deposit book has grown by more than 100% to reach ~1,600 crore with retail deposits accounting for almost 50% share.

In FY18-19, the AUM grew by 71% to ~3,003 crore, with 20% of this contributed by Affordable Home Loans, Commercial Vehicle Finance, and SME & NBFC funding.

Gross loans portfolio in FY18-19

1. **Inclusive Finance** = 80.9%

(JLG, Individual Business Loan)

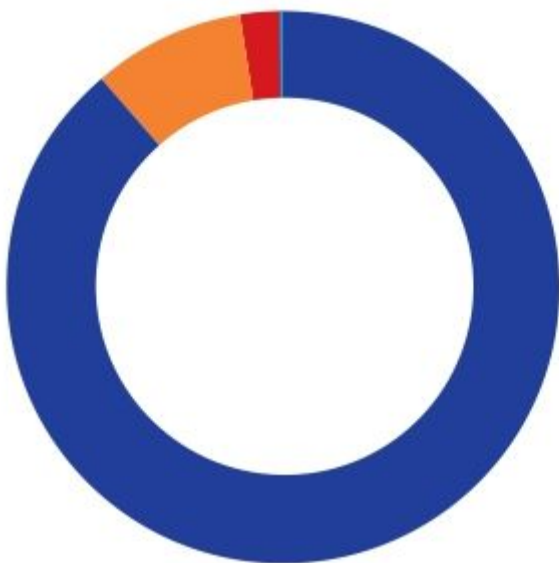
2. **Retail Assets** = 16.9%

(Commercial Vehicle loan = 48% , Housing loan = 17%, MSME loan = 20% and Loan against property = 15%).

3. **Financial Intermediary Group** = 1.8%

(Lending to NBFCs)

4. **Others** = 0.5%



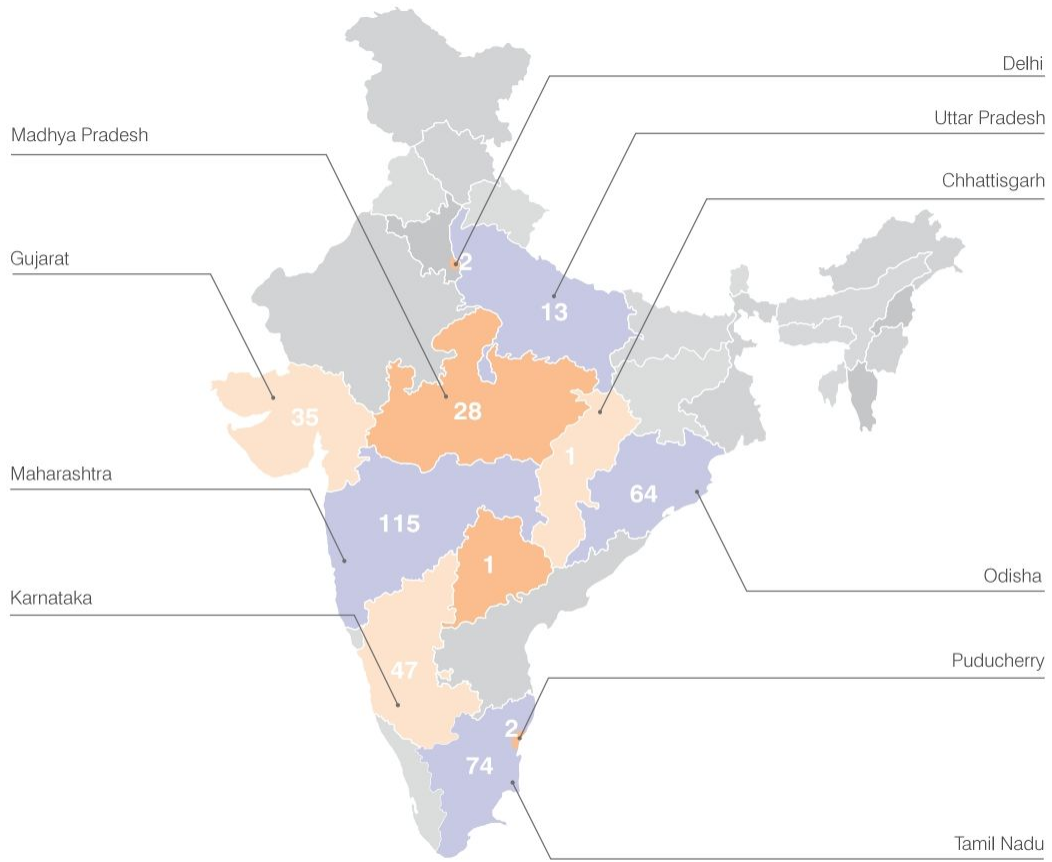
● Inclusive Finance **80.9%**

● Retail Assets **16.9%**

● Financial Intermediary Group **1.8%**

● Others **0.5%**

Presence of the company



Map not to scale. For illustrative purposes only

Management of the company

The company has a team of experienced management from different banking sector and from RBI.



DR. (MRS.) SHEELA BHIDE
Independent Director and Chairperson

Served as IAS Officer with the Government of India for 36 years across the Ministry of External Affairs, Ministry of Defence and Ministry of Corporate Affairs, Ex-Chairman & Managing Director, ITPO.



MR. R. RAMACHANDRAN
Independent Director

Over 35 years of experience in the banking industry. Ex-Chairman & Managing Director – Andhra Bank; Ex-Executive Director, Syndicate Bank; Ex-Director SIDBI.



MR. JYOTIN MEHTA
Independent Director

Finance and Compliance Professional with over 36 years of experience. Ex-General Manager and Company Secretary of ICICI Bank Ltd. Retired Chief Internal Auditor of Voltas Limited.



MR. MRUTUNJAY SAHOO
(Independent Director)

Ex-Special Chief Secretary to the Government of Andhra Pradesh. Ex-Director as government nominee in Navratna and Miniratna PSUs.



MRS. MEENA HEMCHANDRA
(Independent Director)

Retired Executive Director, Reserve Bank of India.

Private equity investors in the Company

INSTITUTIONAL INVESTORS



IDFC First Bank and Kotak Life are also institutional investors

DEVELOPMENT/IMPACT FUNDS



PRIVATE EQUITY



Shareholding Pattern (top 10 Investors)

Sl. No	Name of Top 10 Shareholders	Date wise increase/ decrease in shareholding during the year	Shareholding during the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Sarva Capital LLC					
	At the beginning of the year	01.04.2018	61,15,911	9.06		
	At the end of the year				61,15,911	7.50
2.	DWM (International) Mauritius Limited					
	At the beginning of the year	01.04.2018	43,17,682	6.40		
	Allotment under Private Placement	28.03.2019	9,30,183	1.14	52,47,865	6.43
	At the end of the year				52,47,865	6.43
3.	International Financial Corporation					
	At the beginning of the year	01.04.2018	43,87,888	6.50		
	At the end of the year				43,87,888	5.38
4.	ResponsAbility Participations Mauritius					
	At the beginning of the year	01.04.2018	31,74,033	4.70		
	Allotment under Private Placement	28.03.2019	8,97,660	1.10	40,71,693	4.99
	At the end of the year				40,71,693	4.99
5.	Gaja Capital Fund II Limited					
	At the beginning of the year	01.04.2018	30,15,332	4.47		
	Allotment under Private Placement	28.03.2019	8,52,368	1.04	38,67,700	4.74
	At the end of the year				38,67,700	4.74
6.	Evolve India Fund II Limited					
	At the beginning of the year	01.04.2018	29,69,656	4.40		
	Allotment under Private Placement	28.03.2019	7,00,000	0.86	36,69,656	4.50
	At the end of the year				36,69,656	4.50
7.	DEG-DEUTSCHE INVESTITIONS -UND ENTWICKLUNGSGESELLS					
	At the beginning of the year	01.04.2018	0	0.00		
	Allotment under Private Placement	28.03.2019	35,08,674	4.30	35,08,674	4.30
	At the end of the year				35,08,674	4.30
8.	Ask Pravi Private Equity Opportunities Fund					
	At the beginning of the year	01.04.2018	29,69,656	4.40		
	At the end of the year				29,69,656	3.64
9.	TVS Shriram Growth Fund					
	At the beginning of the year	01.04.2018	28,96,098	4.29		
	At the end of the year				28,96,098	3.55
10.	Americorp Ventures Limited					
	At the beginning of the year	01.04.2018	26,71,758	3.96		
	At the end of the year				26,71,758	3.27

Advances and Income growth in the last 3 years

ADVANCES (₹ in Crore)

FY 2018-19	2,712
FY 2017-18	1,575
FY 2016-17	820

NET TOTAL INCOME (₹ in Crore)

FY 2018-19	408
FY 2017-18	202
FY 2016-17	140

Net Interest Income and NIM Growth

NET INTEREST INCOME (₹ in Crore)

FY 2018-19	339
FY 2017-18	164
FY 2016-17	128

NET INTEREST MARGIN (%)

FY 2018-19	12.6
FY 2017-18	10.2
FY 2016-17	10.6

Cost of funds

COST OF FUNDS (%)

FY 2018-19	8.8
FY 2017-18	9.9
FY 2016-17	12.1

GNPA and Net NPA

GNPA (%)

FY 2018-19	1.8
FY 2017-18	3.5
FY 2016-17	6.2

NNPA (%)

FY 2018-19	0.8
FY 2017-18	1.9
FY 2016-17	3.8

PAT growth

PROFIT AFTER TAX (₹ in Crore)

FY 2018-19	87
FY 2017-18	10
FY 2016-17	16

D/E

DEBT EQUITY (X)

FY 2018-19	3.1
FY 2017-18	2.7
FY 2016-17	2.1

UnlistedZone review of financials of the company

Particulars(Cr)	FY15	FY16	FY17	FY18	FY19
Advances	582	983	834	1596	2711
Gross NPA	0.13%	0.18%	6.15%	3.15%	1.81%
Revenue	180	225	255	325	599.25
PAT	19.9	27.14	15.1	10.1	86.6

1. The Bank's Networth as on 31.03.2019 is 880 Cr, up by 62% as compared to last year. The company had 540 Cr of Net-worth last year.

2. In FY18-19, the Bank has raised 248.44 cr through a private placement of 13,802,083 Equity shares of 10/- each in March 2019 and 3.28 cr by the issue of 2,83,727 equity shares of 10/- each to the employees of the Bank .

3. As on March 31, 2019, the paid-up share capital of the Bank stood at 81.58 cr divided into 8,15,82,482 Equity Shares of 10 each.

4. The company has clocked a revenue of 599 Cr in FY18-19 as compared to 324 Cr last year, representing a growth of 84%.

5. The company has clocked a PAT of 86 Cr in FY18-19 as compared to 10 Cr last year, representing a growth of 760%.

6. The Advances has been grown to 2711 cr in FY18-19 as compared to 1596 Cr last year. The Gross NPA has also reduced to 1.81% in FY18-19 as compared to 3.5% last year.

Valuation of the share

The Book Value of the Bank as on 31.03.2019 stands at 107. The company has done private placement to key investors in March 2019 at a Rs. 180 per shares. The placement has been done at P/B multiple of 1.68x.

The Fair value in unlisted market should be between 225-250 per share.

If you are interested in buying this share, then drop us an email at sales@unlistedzone.com or you can Whatsapp at 08010009625 to Mr. Dinesh Gupta

Disclaimer: This research document is prepared only for education purpose. This should not be construed as an investment advice. Please consult your advisor before investing.