



Aye Finance Limited

Financials

IPO Report

May Apply

MainBoard IPO

Price Band: ₹122 to ₹129 per share

Bidding: 9 Feb to 11 Feb, 2026

Listing At: BSE & NSE

Listing Date: Feb 16, 2026

ESG Rating: Not Rated

ESG Initiatives

- ESG related activities not disclosed

Details of the Issue

Lead Manager Axis Capital Ltd.

Registrar Kfin Technologies Ltd.

Offer Structure

QIB Min. 75% of Offer

Retail Up to 10% of the Offer

NII Up to 15% of the Offer

Fresh Issue 5,50,38,759 shares

Offer For Sale 2,32,55,813 shares

Total Issue ₹1,010.00 Cr

Financial Summary (₹ in Millions)

| Particular | FY25 | FY24 |
|------------|-----------|-----------|
| Revenue | 14,597.32 | 10,402.18 |
| EBITDA | 7,151.76 | 5,689.31 |
| PAT | 1,752.52 | 1716.79 |

Minimum Application

| Category | Lots | Shares | Amount |
|----------|-------|-------------|---------------------|
| Retail | 1-13 | 116-1,508 | ₹14,964-₹1,94,532 |
| S-HNI | 14-66 | 1,624-7,656 | ₹2,09,496-₹9,87,624 |
| B-HNI | 67 | 7,772 | ₹10,02,588 |

Valuations

NAV(FY25) 88.38

EPS(Pre Issue) 9.34

P/E(Pre Issue) 13.81

Company Overview

Incorporated in 1993, Aye Finance Ltd (AFL) is a Non-Banking Financial Company – Middle Layer (NBFC-ML) focused on meeting the financing needs of micro-scale MSMEs across India. The Company addresses the largely underserved micro-enterprise segment by providing credit in areas where traditional banking access may be limited. AFL offers a range of business loans to support working capital requirements and business expansion, typically secured through hypothecation of working assets or property, and serves customers across manufacturing, trading, services, and allied agriculture sectors.

Object of the Issue

- To utilize the Net Proceeds for augmenting the capital base to meet future capital requirements arising out of growth in business and assets: Up to ₹7,100.00 millions

Price Band Analysis

At the upper price band of ₹129, Aye Finance Limited is valued at a post-issue P/E of 18.17x (post-issue EPS ₹7.10) and a P/B of 1.46x, implying a reasonable-to-moderate valuation that factors in profitability and return potential while leaving room for execution-led upside. Industry prospects for MSME-focused lending remain supported by formalisation and digitalisation, though key overhangs include interest-rate movements, asset quality pressures and regulatory risks. Peer-relative attractiveness will ultimately depend on sustained margin performance, credit-cost discipline, and prudent liquidity and working-capital management.

Peer Comparison

| Company Name | EPS (₹) | NAV (₹) | P/E | RONW (%) |
|------------------------------------|---------|---------|-------|----------|
| Aye Finance Limited | 9.34 | 88.38 | 13.81 | 12.12 |
| SBFC Finance Limited | 3.15 | 29.10 | 27.32 | 11.57 |
| Five-Star Business Finance Limited | 36.50 | 214.58 | 12.07 | 18.65 |

Risk Measures:

- The Company's borrower base consists largely of micro-scale businesses with limited financial documentation, which increases the risk of non-payment or default. The Gross NPA ratio increased from 2.49% as of March 31, 2023 to 4.85% as of September 30, 2025. Further, unsecured loans accounted for 37.97% of total AUM as of September 30, 2025, and any inability to recover such receivables could adversely impact the Company's results of operations and cash flows.

- Interest income accounted for 85.03% of total income for the six months ended September 30, 2025. Any volatility in interest rates including increases in policy rates by the Reserve Bank of India (RBI) may raise the Company's cost of funds and/or affect lending rates, which could adversely impact net interest margins and profitability.

Investment Rationale:

- AFL has scaled rapidly, with AUM growing at a CAGR of 42.60% between FY23 and FY25, supported by geographic diversification with no single state contributing over 15.77% of AUM and a differentiated phygital model combining paperless processing, analytics-led underwriting, and an on-ground branch network.

- Its diversified secured and unsecured loan mix, proprietary SwitchPe platform, and business-cluster underwriting across 70+ industry clusters provide a competitive edge; however, asset quality has weakened, with gross NPAs rising from 2.49% in FY23 to 3.32% in FY25 and further to 4.85% as of September 30, 2025, and PAR 30+ at 6.77%, while unsecured loans form 37.97% of AUM, elevating credit risk.

- Earnings sensitivity remains high due to reliance on interest income (85.03% of total income for the six months ended September 30, 2025), alongside execution risks from elevated employee attrition (64.56% in FY25; 65.53% as of September 30, 2025). An asset-liability tenor gap, with average asset maturity of 29.23 months exceeding borrowing tenor of 23.43 months, together with RBI scrutiny in FY23 and statutory auditor observations in FY24 and FY25, heightens liquidity and governance risks, positioning the offering for higher-risk, medium-to-long-term investors.

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Financials (₹ in Millions, Except for Percentage & Ratios)

| Particular | FY23 | FY24 | FY25 |
|--|----------|-----------|-----------|
| Revenue From Operations | 6,234.25 | 10,402.18 | 14,597.32 |
| EBITDA | 2,808.03 | 5,689.31 | 7,151.76 |
| EBITDA Margin (%) | 45.04 | 54.69 | 48.99 |
| PAT | 398.73 | 1,716.79 | 1,752.52 |
| PAT Margin (%) | 6.40 | 16.50 | 12.01 |
| EPS | 2.54 | 10.50 | 9.34 |
| Return on Equity (RoE%) | 5.46 | 17.28 | 12.12 |
| Return on average Total Assets (RoTA%) | 1.47 | 4.29 | 3.13 |
| Debt to Equity Ratio | 3.04 | 2.84 | 2.73 |

Source: RHP

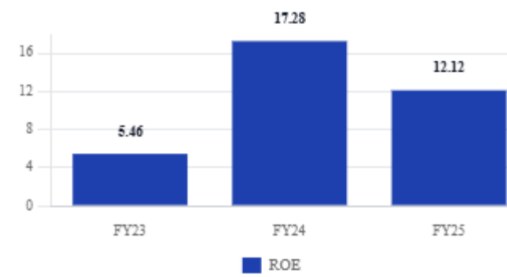
About The Founder



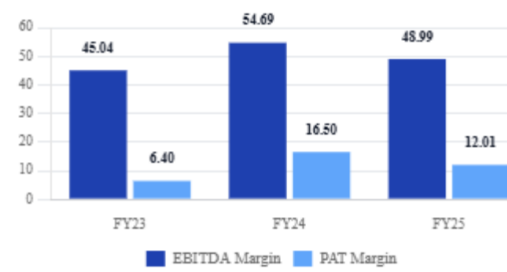
Sanjay Sharma is the Founder and Managing Director of the Company. He holds a B.Tech in Mechanical Engineering from IIT Bombay and a postgraduate diploma from IIM Bangalore. He began his career with The Hongkong and Shanghai Banking Corporation Limited in 1988, worked with Standard Chartered Bank in India and the UAE, and later served as Vice President at HDFC Bank heading the direct banking business. He has over 29 years of experience across banking, finance and insurance in India and abroad.

FINANCIAL HIGHLIGHTS

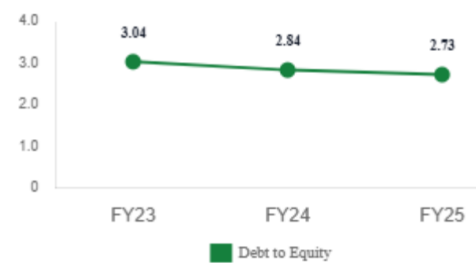
Return Ratios



EBITDA and PAT Margin



Key Ratios:



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