



## SBI Cards and Payment Services Ltd IPO (SBI Cards IPO) Detail

**Mar 2, 2020 - Mar 5, 2020**

Incorporated in 1998, SBI Cards and Payment Services Limited is a subsidiary of SBI, India's largest commercial bank in terms of deposits, advances and the number of branches. SBI currently holds (along with its nominees) 689,927,363 Equity Shares, constituting to 74.00 % of the pre-Offer issued, subscribed and paid-up Equity Share capital of the Company.

The company the 2nd largest credit card issuer in the country, with a 17.6% and 18.1% market share of the Indian credit card market (number of credit cards) as of March 31, 2019, and November 30, 2019, respectively, and a 17.1% and 17.9% market share of the Indian credit card market ( total credit card spends) in fiscal 2019 and in the eight months ended November 30, 2019.

SBI Cards offers a wide range of credit cards to individual and corporate clients including lifestyle, rewards, shopping, travel, fuel, banking partnership cards, and corporate cards, etc.

SBI Cards has partnered with several leading names across industries, including Air India, Apollo Hospitals, BPCL, Etihad Guest, Fbb, IRCTC, OLA Money and Yatra, amongst others.

As a subsidiary of SBI, the company has access to SBI's extensive network of 21,961 branches across India. The partnership enables it to market its cards to a huge customer base of 445.5 million customers.

Headquartered in New Delhi, as of December 31, 2019, the company has a sales force of 38,677 outsourced sales personnel operating out of 145 Indian cities.

The company's total income increased at a CAGR of 44.9% and the revenues from operations have increased at a CAGR of 44.6% between fiscal 2017 to 2019. The net profit grew at a CAGR of 52.1% during the period.

### **Competitive Strengths**

1. 2nd largest credit card issuer in India with a strong track record of growth and profitability.
2. Leading player in open market customer acquisitions using physical and digital channels in India.
3. A well-known promoter in SBI with strong brand recognition.
4. Diversified credit card portfolio and partnerships with leading brands across industries.

### **Company Promoters:**

The promoter of the Company is SBI.



## Company Financials:

Summary of financial Information (Restated)

Particulars	For the year/period ended (□ in Million)			
	31-Dec-19	31-March-19	31-Mar-18	31-Mar-17
<b>Total Assets</b>	259,934.65	202,396.36	156,860.07	107,649.82
<b>Total Revenue</b>	72,401.56	72,868.35	53,701.92	34,710.38
<b>Profit After Tax</b>	11,612.07	8,627.22	6,011.42	3,728.61

## Objects of the Issue:

The Offer comprises of a Fresh Issue and an Offer for Sale-

1. The Offer for Sale- The object of the Offer for Sale is to allow the Selling Shareholders to sell an aggregate of up to [●] Equity Shares held by them. The company will not receive any proceeds from the Offer for Sale.
2. Fresh Issue- The net proceeds of the Fresh Issue, i.e. Gross proceeds of the Fresh Issue less the Offer Expenses apportioned to the Company ("Net Proceeds") are proposed to be utilized for augmenting the capital base to meet company's future capital requirements.

## SBI Cards IPO Details

<b>IPO Date</b>	Mar 2, 2020 - Mar 5, 2020
<b>Issue Type</b>	Book Built Issue IPO
<b>Issue Size</b>	137,193,464 Eq Shares of □10 (aggregating up to □10,354.77 Cr)
Fresh Issue	6,622,517 Eq Shares of □10 (aggregating up to □500.00 Cr)



## NIFTY ONLY

Offer for Sale	130,526,798 Eq Shares of ₹10 (aggregating up to ₹9,854.77 Cr)
Face Value	₹10 Per Equity Share
IPO Price	₹750 to ₹755 Per Equity Share
Employee Discount	₹75
Market Lot	19 Shares
Min Order Quantity	19 Shares
Listing At	BSE, NSE
P/E (x)	45.8
Market Cap (₹ Cr.)	70890

Note:

- Investors Portion: QIB = Not More than 50% of the offer, NII = Not less than 15% of the offer and Retail = Not less than 35% of the offer
- Employee Reservation Portion: Up to 1,864,669 Equity Shares
- Shareholders Reservation Portion: Up to 13,052,680 Equity Shares

**Conclusion: Although the valuations are fairly priced, we are positive on the future outlook of the company given under-penetration in India in this sector. Investors may consider investment for medium to long term. (Subscribe).**