



IPO OFFERING BANDHAN BANK LTD



About Company

Recommendation: Subscribe for Long term

Bandhan Bank Ltd (BBL) is a Kolkata based commercial bank focused on serving underbanked and underpenetrated markets in India. BBL has a banking license that permits it to provide banking services pan-India across customer segments. BBL currently offers variety of products and services including micro loans, SME loans, small enterprise loans, savings accounts, current accounts and a variety of fixed deposit accounts. BBL also provides other banking products and services including debit cards, internet banking, mobile banking to generate non-interest income. BBL's distribution network is strong in East and Northeast India, with West Bengal, Assam and Bihar. BBL's strength lies in microfinance including a network of 2,546 doorstep service centres ("DSCs") and 9.47 million micro loan customers.

Price Band	: Rs. 370 to 375 per share
Issue size	: Rs. 4,413 Cr – 4,473 Cr
Bid Lot size	: 40 Shares
Issue Opens	: March 15th 2018, Thursday
Issue Closes	: March 19th 2018, Monday
Min App Amount	: Rs. 15,000/- at upper band

Msearch View:

We believe BBL strength lies in microfinance network which is strong in East and Northeast India focusing on serving under banked and underpenetrated markets in India. BBL also look for favourable growth opportunities in three areas outside the micro-credit portfolio like affordable homes, MSMEs, and gold loan providing scope of growth as well as a favourable investment opportunity for long term investors. At Rs. 375, BBL will have a market cap of Rs. 44,730 Cr, On valuation perse BBL trades at 9x P/BV multiples which seems aggressively priced when compared to listed banking peers, well on RONW it commands better space with 25% compared industry avg 15%. Considering all parameters we recommend investors to subscribe to the IPO offer and investors can expect healthy return on investment on long term basis.

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