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Issue Offer

Fresh Issue of 11,00,000 Equity shares aggregating upto INR 135.3 mn

Issue Summary

Price Band (INR)	INR 123
Face Value (INR)	10
Implied Market Cap (INR mn.)	INR 447.3
Market Lot	1000
Issue Opens on	May, 7, 2024
Issue Close on	May, 9, 2024
No. of share pre-issue	25,36,250
No. of share post issue	36,36,250
Listing	BSE-SME

Issue Break-up (%)

Retail	50
Others	50

Book Running Lead Managers

Fedex Securities Pvt Ltd

Registrar

Skyline Financial Services Pvt Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	71.65%	49.98%
Public & Others	28.35%	50.02%

Objects of the issue

- Purchase of Software.
- To meet working capital requirements.
- General Corporate Purpose.

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Finelistings Technologies Ltd operates in two distinct sectors: B2C retailing of pre-owned luxury cars and software development services catering to digital transformation and data analytics. In the luxury car segment, they specialize in premium and high-end vehicles with an average ticket size of INR 40 lakhs, offering after-sales services, repairs, spare parts sales, and financial assistance. Their software services encompass a wide range of solutions including cloud-based services, big data analytics, IoT development, and digital transformation. With India's IT industry projected to contribute 10% to the GDP by 2025 and IT spending expected to reach US\$ 144 billion in 2025, the company, exemplified by its brand 'Finecars', stands poised to leverage these trends for growth and expansion.

Investment Rational

Expanding Presence and Partnerships in the Luxury Pre-Owned Car Market : The company is strategically expanding its presence in the luxury pre-owned car market through both online and offline channels. By leveraging their established brands and offering specialized services, they aim to boost efficiency and profitability. Through partnerships with banks, insurance companies, and other stakeholders, they plan to expand their reach and offerings. The upcoming launch of the "Finecars" mobile app will facilitate seamless transactions for customers, complementing their strong offline showroom presence. They also plan to establish a franchise network under the "Finecars" brand, ensuring standardized processes and enhancing consumer confidence. This integrated approach positions them to effectively cater to customer needs and drive nationwide business growth.

Ensuring Quality Excellence in Pre-Owned Luxury Cars : The company underscores its commitment to quality assurance throughout its operations, particularly in the procurement and handling of pre-owned luxury cars. With a dedicated quality control team in place, they rigorously enforce compliance with testing, checking, and refurbishment processes. Prior to initiating the selling process, all inventory undergoes meticulous quality checks to ensure they meet specified standards, reflecting the company's unwavering dedication to delivering top-notch products to discerning buyers

Driving Innovation and Customer Engagement through Digital Transformation:

Continued investment in technology and digitalization is a strategic priority for the company in solidifying its position as a premier retailer of premium and luxury pre-owned cars. They aim to leverage technology to accelerate growth and operational efficiency, planning a dedicated platform within their mobile app for personalized customer experiences.

Unlocking Monetization Opportunities Through Value-Added Services : The company aims to capitalize on the complexity of vehicle purchase transactions in the premium and luxury pre-owned car market by introducing value-added services. Through partnerships with dealers, insurance companies, financiers, and after-sales service providers, they plan to offer complementary products and services, such as vehicle servicing, accessories, and insurance, accessible via their online platforms.

Valuation And View: Finelistings Technologies Ltd focuses on expanding its online-to-offline ecosystem with special focus on premium and luxury cars and commitment to seamless customer experiences signal growth potential. The efficient inventory management systems keep mix of vehicles in stock to meet customer requirements. With a strategic emphasis on quality, technology integration, and market expansion, particularly in the pre-owned luxury car retail and software development sectors, the company aims for sustained profitability and market leadership. At the upper band of INR 123, the issue is valued at a P/E of 16.1x based on FY24 (Apr-Feb 24) EPS of INR 10.9. We are recommending "Subscribe" for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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