

IPO Note of Aavas Financiers Limited

Issue Highlights:

Issue Type	100% Book Built Issue IPO	
Issue Open	Tuesday, 25 th Sept, 2018	
Issue Close	Thursday, 27 th Sept, 2018	
Offer for sale	1,62,49,359 Equity Shares	
Issue Size	Fresh Issue: Rs. 4,000 Million	
Face Value	Rs. 10 per Equity Share	
Price Band	Rs. 818 - Rs. 821 per Equity Share	
Minimum Order Quantity Retail	18 Equity Shares and in multiples thereof	
Maximum Bid amount for Retail	Rs. 2 Lakhs	
Listing	NSE & BSE	
Issue Size and Investor Category Allocation	QIB	50% of the Net Offer
	NIB	15% of the Net Offer
	Retail Individual	35% of the Net Offer
Book Running Lead Managers	ICICI Securities, Citigroup, Edelweiss, Spark Capital, HDFC Bank	
Registrar	Link Intime India Private Limited	

Key Business Strategies:

- » Expand the Branch Network to Achieve Deeper Penetration
- » Continue to Focus on Low and Middle Income Self Employed Customers
- » Diversify the Borrowing Profile to Optimize our Borrowings Costs
- » Increase the Product Portfolio and Improve Cost Efficiency through Use of Technology and Data Analytics
- » Enhance the Brand Recall to Attract New Customers

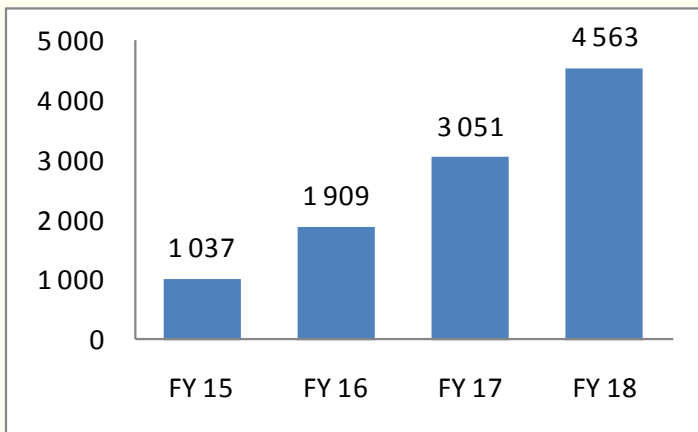
Key Strengths:

- » Strong Distribution Network with Deep Penetration Serving Underserved Customers in Rural and Semi-Urban Markets
- » In-house Sourcing Model leading to Superior Business Outcomes
- » Robust and Comprehensive Credit Assessment, Risk Management and Collections Framework
- » Access to Diversified and Cost-Effective Long-Term Financing
- » Effective Use of Technology and Analytics to build a Scalable and Efficient Operating Model

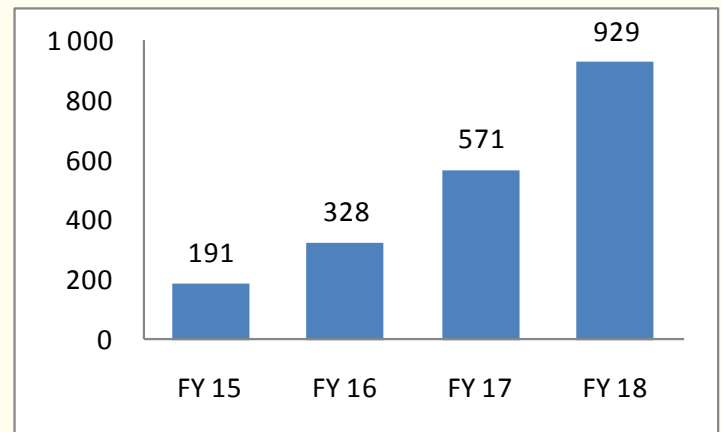
About the Issuer:

- » Aavas Financiers Limited provides affordable housing finance to lower and middle income self employed customer in semi-urban and rural area.
- » According to ICRA Report, the company had the lowest GNPA's as of March 31, 2018 and the second highest growth rate of assets under management for the last three financial years, among affordable housing finance companies that had assets under management between ₹ 25 billion and ₹ 200 billion.
- » It offers customers home loans for the purchase or construction of residential properties, and for the extension and repair of existing housing units.
- » The company is registered with the NHB as an HFC. In addition to home loans, it offers customers other mortgage loans including loans against property, which accounted for 22.44% of its Gross Loan Assets as of March 31, 2018.
- » The company operates through 165 branches spread across 92 districts in 8 states of which, it has a significant presence in the four states of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. Their customers are sourced directly by them, and as of March 31, 2018, they employed 1,862 personnel and had 52,788 loan accounts including securitized and assigned cases.
- » The company was initially promoted by AU Small Finance bank limited which sold 90.10% of the outstanding equity interest of the company in connection with its conversion to a small finance bank, to Lake District Holdings Limited in June 2016.

Revenue from Operations (Rs. Million)



Net Profit After Tax (Rs. Million)



Brief Financial Details:

Particulars	Year Ended March 31,			
	2018	2017	2016	2015
Share Capital	691.73	581.64	383.83	329.17
Reserves & surplus	10,290.58	5,081.62	1,654.35	685.24
Money received against share warrants	2.40	-	-	-
i) Shareholders' funds	10,984.71	5,663.26	2,038.18	1,014.41
ii) Non-current liabilities	22,593.04	15,296.89	12,174.40	5,334.99
iii) Current liabilities	4,596.77	3,546.51	2,895.21	2,174.43
Total (i+ii+iii)	38,174.52	24,506.66	17,107.79	8,523.83
Revenue from Operations	4,563.39	3,051.28	1,908.79	1,036.78
Other income	9.06	3.64	0.20	0.77
Total Revenue	4,572.45	3,054.92	1,908.99	1,037.55
Total Expenditure	3,154.92	2,179.33	1,409.47	748.00
Profit Before Tax	488.20	304.22	171.72	98.74
Profit After Tax	929.33	571.37	327.80	190.81
EPS Basic (Rs.)	15.87	11.10	8.24	5.54
EPS Diluted (Rs.)	15.21	11.10	8.24	5.54
Nominal value per share (Rs.)	10.00	10.00	10.00	10.00

Source: RHP

Disclaimer

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