



IPO DETAILS

#IPOlogy

AADHAR HOUSING FINANCE LIMITED



 **ISSUE OPEN**

8th May, 2024

 **ISSUE CLOSE**

10th May, 2024

Min. Lot Size
47 shares

Issue Price Band
₹300 - ₹315

Issue Size

Fresh Issue:
31.75 mn Eq shares
(₹10,000.00 mn)

OFS:
63.49 mn Eq shares
(₹20,000.00 mn)

Face Value

₹10

Industry

Housing Finance

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



AADHAR HOUSING FINANCE LIMITED

Rationale

Considering the Book Value of Rs 52,492 mn on a post issue basis, the company is going to list at a P/B of 2.56x with a market cap of Rs. 1,34,348 mn, whereas its peers namely Aptus Value Housing Finance India Limited, Aavas Financiers Limited, Home First Finance Company India Limited, India Shelter Finance Corporation Limited are trading at a P/B of 4.65x, 3.36x, 4.05x, 4.59x.

We assign "Subscribe" rating to this IPO as company has a seasoned business model with strong resilience through business cycles and robust processes for underwriting, collections and monitoring asset quality. Also, it is available at reasonable valuation as compared to its peers.

Company Overview

Aadhar Housing Finance Limited is a retail-focused HFC focused on the low income housing segment (ticket size less than ₹1.5 million), serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans.

They had the highest AUM and net worth among their analyzed peers in FY2021, FY2022, FY2023 and nine months ended December 31, 2022 and December 31, 2023. In addition, according to the peer set analyzed by CRISIL, they had the highest number of live accounts in FY2023.

In addition, they have a presence in 20 states and union territories, operating in approximately 10,926 pin codes across India which is the highest among the peers analyzed by CRISIL as of March 31, 2023.

They have an extensive network of 487 branches* including 109 sales offices, as of December 31, 2023.

Their Gross AUM as of Dec 31, 2023 was 198,652 million.

They offer a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; and loans for commercial property construction and acquisition.

GlobalTech Alliance

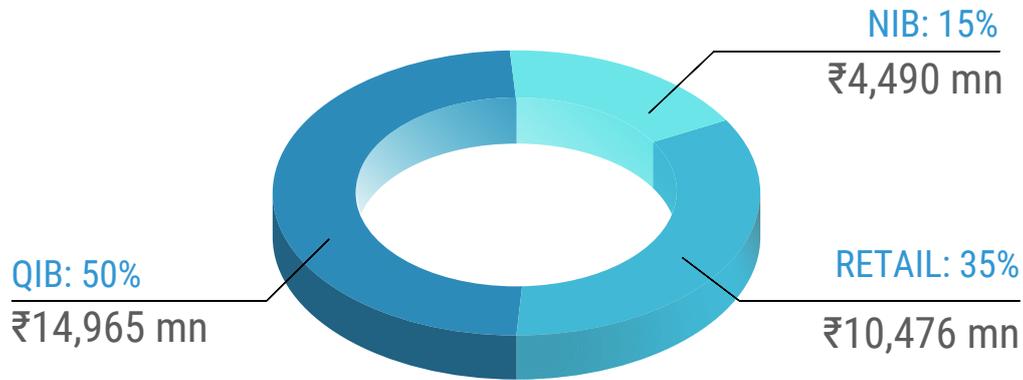
As of December 31, 2023, they have a total of 3,885 employees and Aadhar Sales and Services Private Limited ("ASSPL", 100% wholly owned subsidiary) has a total of 1,875 employees.



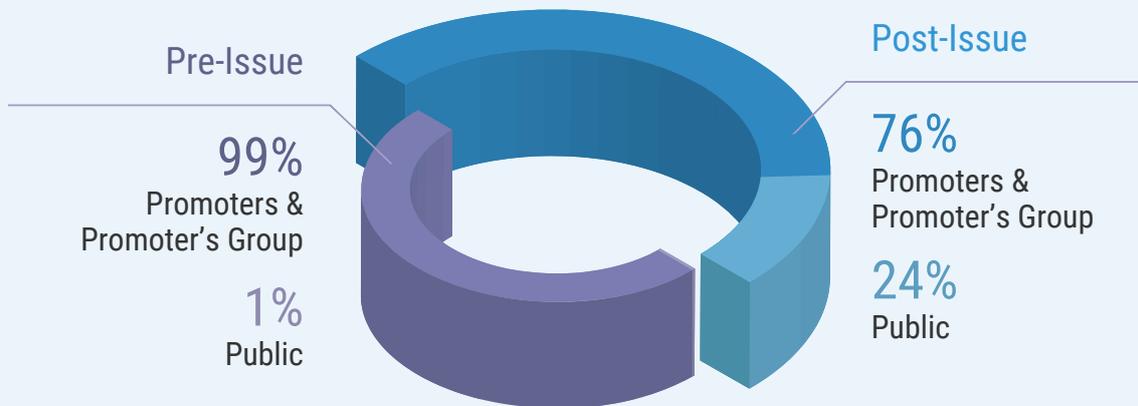
AADHAR HOUSING FINANCE LIMITED

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹)



5000 mn

Authorized Equity Share Capital



3,948 mn

Paid-Up Capital (Pre-Offer)



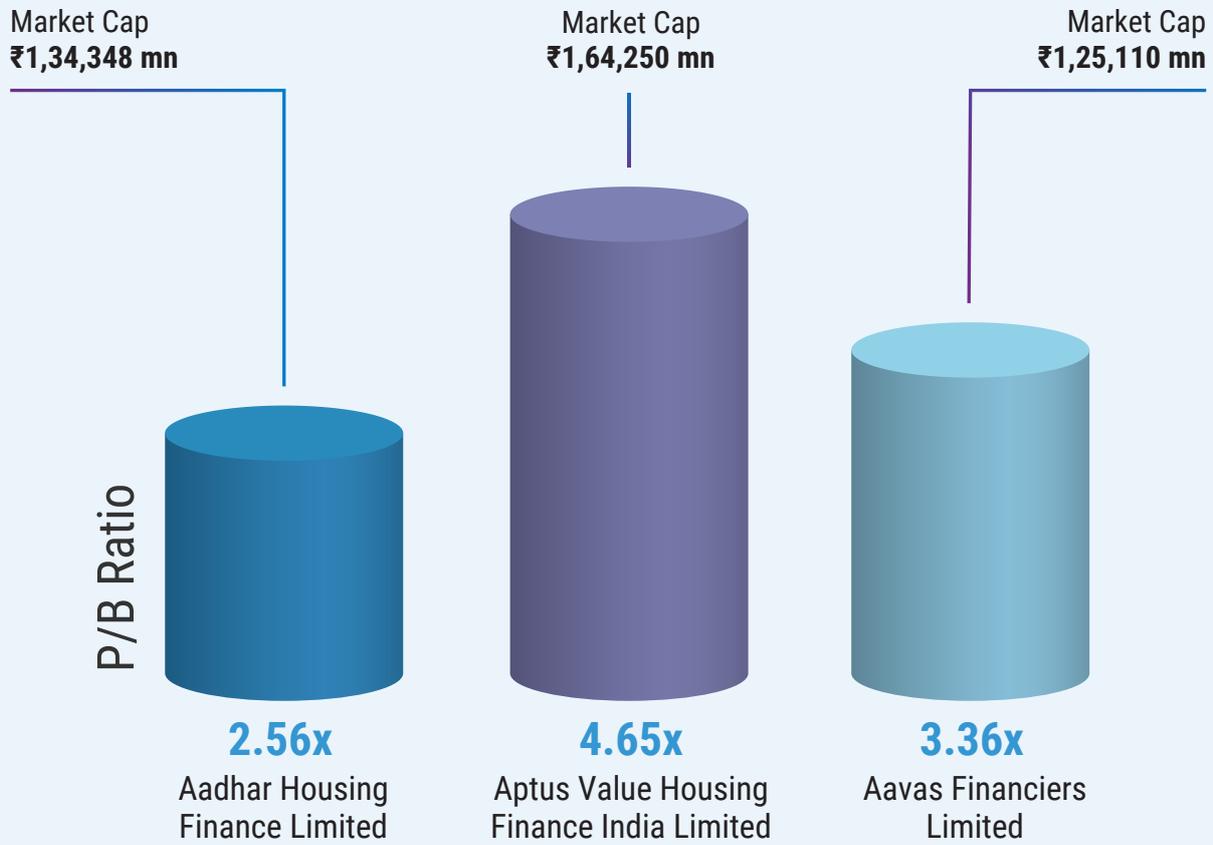
4,265 mn

Paid-Up Capital (Post-Offer)



AADHAR HOUSING FINANCE LIMITED

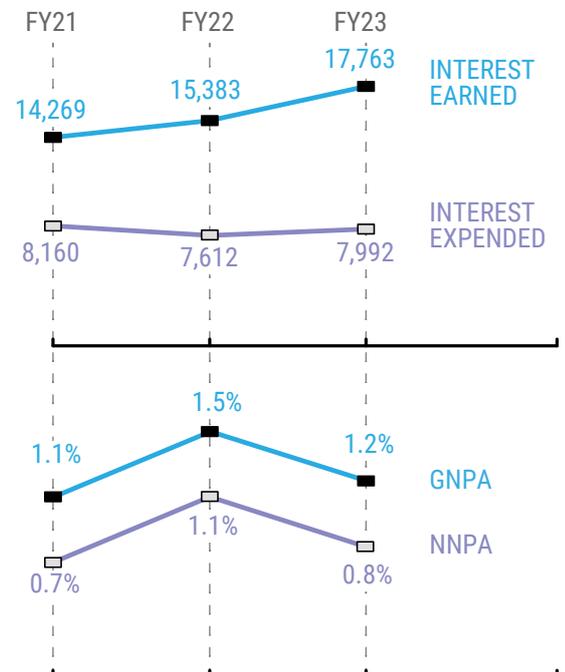
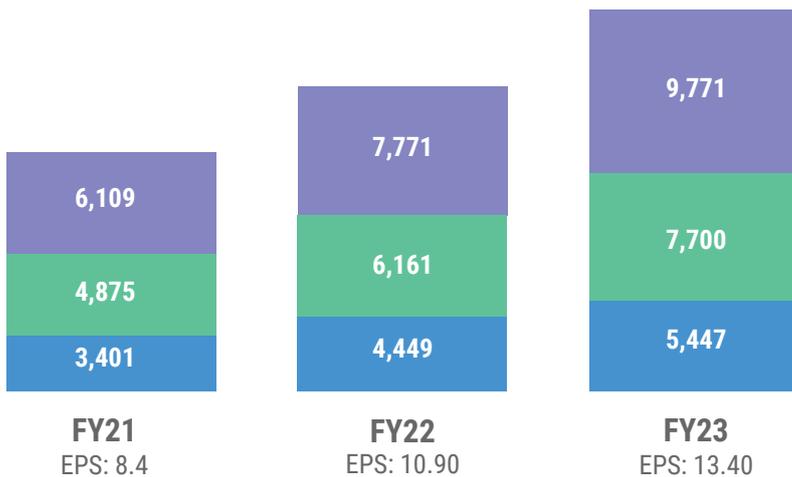
Valuations and Peer Comparison



Market Cap data of listed securities as on May 03, 2024

Financial Snapshot (in ₹ mn)

- NII
- PPOP
- PAT





AADHAR HOUSING FINANCE LIMITED

Business Insights



Competitive Strengths

- HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among their analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2022 and December 31, 2023.
- Seasoned business model with strong resilience through business cycles.
- Extensive branch and sales office network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing.
- Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality.
- Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management.
- Social objectives are one of the core components of their business model.
- Experienced, cycle-tested and professional management team with strong corporate governance.



Business Strategy

- Expand their distribution network to achieve deeper penetration in key states.
- Continue to focus on their target customers and grow their customer base.
- Continue to invest in and roll out digital and technology enabled solutions across their business to improve customer experience and improve cost efficiency.
- Optimize their borrowing costs and reduce operating expenses further.



Risks

- They have had negative net cash flows in the past and may continue to have negative cash flows in the future.
- Any increase in the levels of non-performing assets in their AUM would adversely affect their business, results of operations, cash flows and financial condition.
- They are vulnerable to the volatility in interest rates and they may face interest rate and maturity mismatches between their assets and liabilities in the future which may cause liquidity issues.
- Their indebtedness and conditions and restrictions imposed by their financing arrangements could adversely affect their ability to conduct their business and operations.

Promoters and Management Details

Om Prakash Bhatt - Non-Executive Chairman and Independent Director

Deo Shankar Tripathi - Whole – Time Director and Executive Vice Chairman

Rishi Anand - Managing Director and Chief Executive Officer

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