

Incorporated in 1996, is Jaipur Rajasthan based non-banking finance company focused on retail segment serving low and middle income individuals and businesses that have limited or no access to formal banking and finance channels.

Au Financiers operate in 3 business lines:

1. Vehicle finance
2. Micro, small and medium enterprises (MSMEs) loans
3. Small and medium enterprises (SMEs) loans

On December 20, 2016, Au Financiers received RBI license for Small Finance Bank (SFB). With this company is planning to offer a diverse suite of banking products in near future.

As of December 31, 2016, company had 300 branches spread across 10 states and one union territory in India, with significant presence in the states of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh and employed 6,092 personnel serving 270,692 active loan accounts.

Object of the Issue

- Achieve the benefits of listing the equity share on NSE
- Enhance it's visibility and brand image and provide liquidity to it's existing shareholders.

Investment Rationale

- Diversified Product Portfolio and Revenue Streams
 - *Vehicle finance loans*
 - *MSME loans*
 - *SME loans*
 - *Our other asset product offerings include working capital facilities, gold loans, agriculture loan etc.*

- Customer Centric Organizational Commitment
- Significant Presence in Rural and Semi-Urban Markets with Focus on Low and Middle Income Customers
- Robust and Comprehensive Credit Assessment and Risk Management Framework
- Access to Diversified Sources of Funding
- Experienced Management Team and Qualified Operational Personnel
- Leverage Our Existing Capabilities and Customer Base
- Grow Our Branch Network
- Provide a Comprehensive Suite of Banking Services
- Leverage Technology to Grow Our Business
- Enhance Our Brand Presence

Key Ratio			
Particular	FY 17	FY16	FY15
EPS	11.96	9.34	5.31
BVPS	70.40	227	173.87
RONW (in %)	42.14*	24.69	18.19
Current Ratio	1.58	1	1
PE Ratio^	29.93	38.32	67.41
BV to Price Ratio	5.08	1.57	2.06

* Includes Exceptional item

^ PE Ratio & BV to Price Ratio has been calculated on basis of Upper band issue price



BULL STREET
CONSULTANCY

Valuation

On the upper price band of Rs 358 & on EPS for FY 2017 of Rs 11.96, PE Ratio work out at 29.98 times compare to Average Industry PE Ratio of 30.16. Return on Net Worth is very impressive compare to it peer companies. On Upper price band Price to Book value is 5.08 compare to average industry price to book value of 4. Hence in our opinion issue is fairly priced.

Peer Comparison for year ended 2016 (Rs in Cr)			
Particulars	AU Finance	RBL Bank	Ujjvan
Total Income	1052	3234	1027
PAT	247.10	292	177.22
Face Value	10	10	10
Net Worth	1007	2988	1197
CMP per share	358	506	313
Market Capitalization	1912	19068	3745
EPS per share	9.34	9.01	17.51
Book Value per share	227	92	118.75
P/BV Ratio	1.57	5.50	2.63
PE Ratio	38.32	56.15	17.87

Summary of financial Information

Particulars	For the year/period ended (in Rs. Cr)		
	31-Mar-17	31-Mar-16	31-Mar-15
Total Assets	9817.60	6273	3979.90
Total Revenue	1430.50	1051.90	689.40
Profit Before Tax & Exceptional item	504.50	377.20	207.30