

# APTUS VALUE HOUSING FINANCE INDIA LTD.

**RECOMMENDATION : BUY**

**MARKET PRICE : Rs.246.15 (As on 5<sup>th</sup> July 2023)**

**TARGET PRICE : Rs.308.00**

**FACE VALUE : Rs.2**

**BSE CODE : 543335**

**NSE CODE : APTUS**







Headquartered in Chennai, Aptus Value Housing Finance India Ltd. is a housing finance company with focus on affordable housing loans. The Company provides home loans to low and middle income groups, in rural and semi-urban areas for purchase and self construction of residential properties and for home improvement. The Company targets first time home buyers where primary collateral is self occupied residential property.

## ABOUT THE COMPANY

From 20 branches in FY2012 the Company has increased its number of branches to 230+ in FY'23 . The Company is currently focused on operating in Tamil Nadu, Andhra Pradesh, Karnataka, Telangana and the Union Territory of Puducherry. The focus is to further deepen the business in existing markets and to expand contiguously in the states of Maharashtra, Odisha and Chhattisgarh. APTUS has opened its first branch at Bramhapur in Odisha.

# Background



Commenced Operations in 2010  
from Chennai, Tamil Nadu



Regulated by RBI and supervised by NHB



Run by professional  
management team backed by  
strong Founder Promoter and  
marquee investors



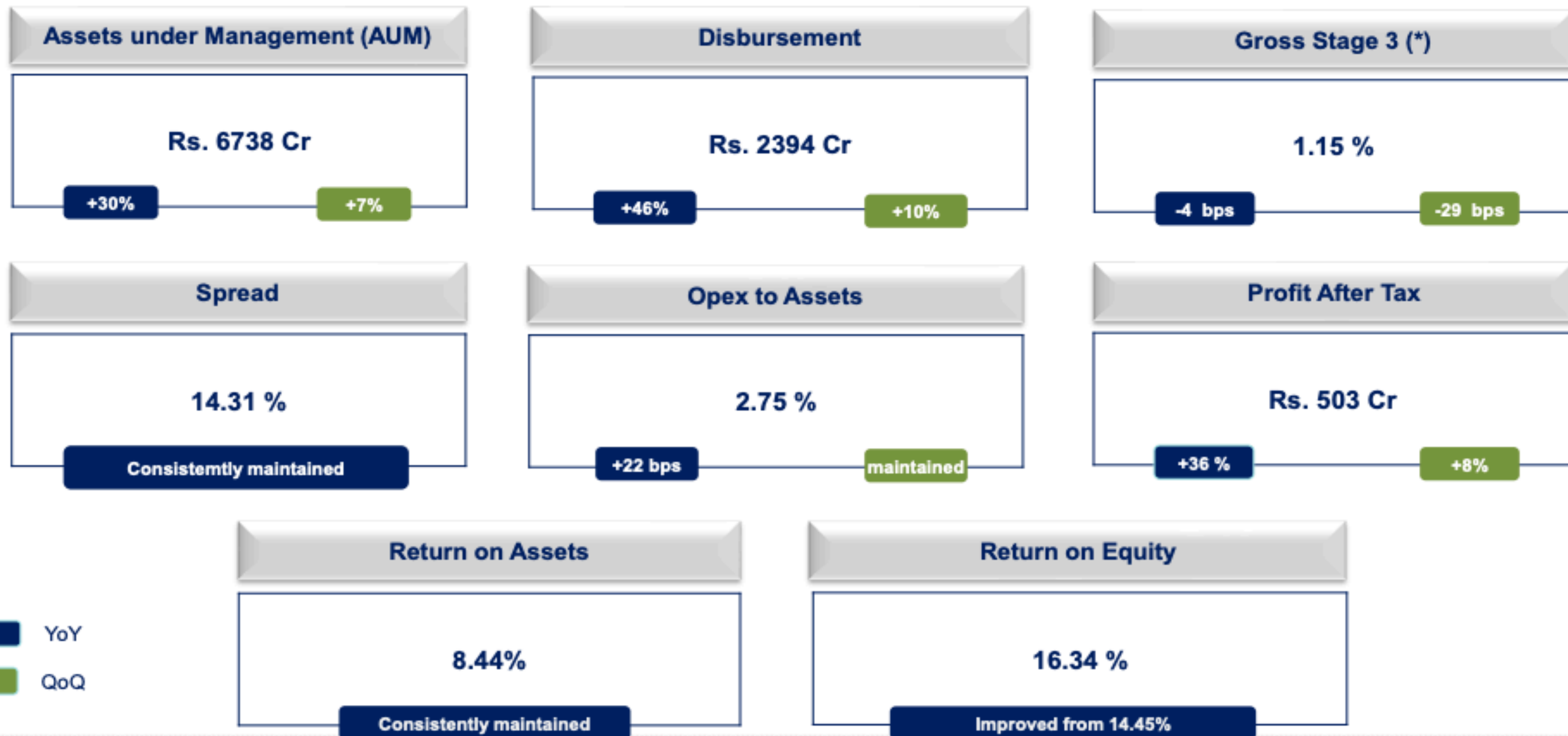
Presence in 231 locations



# Key Strengths



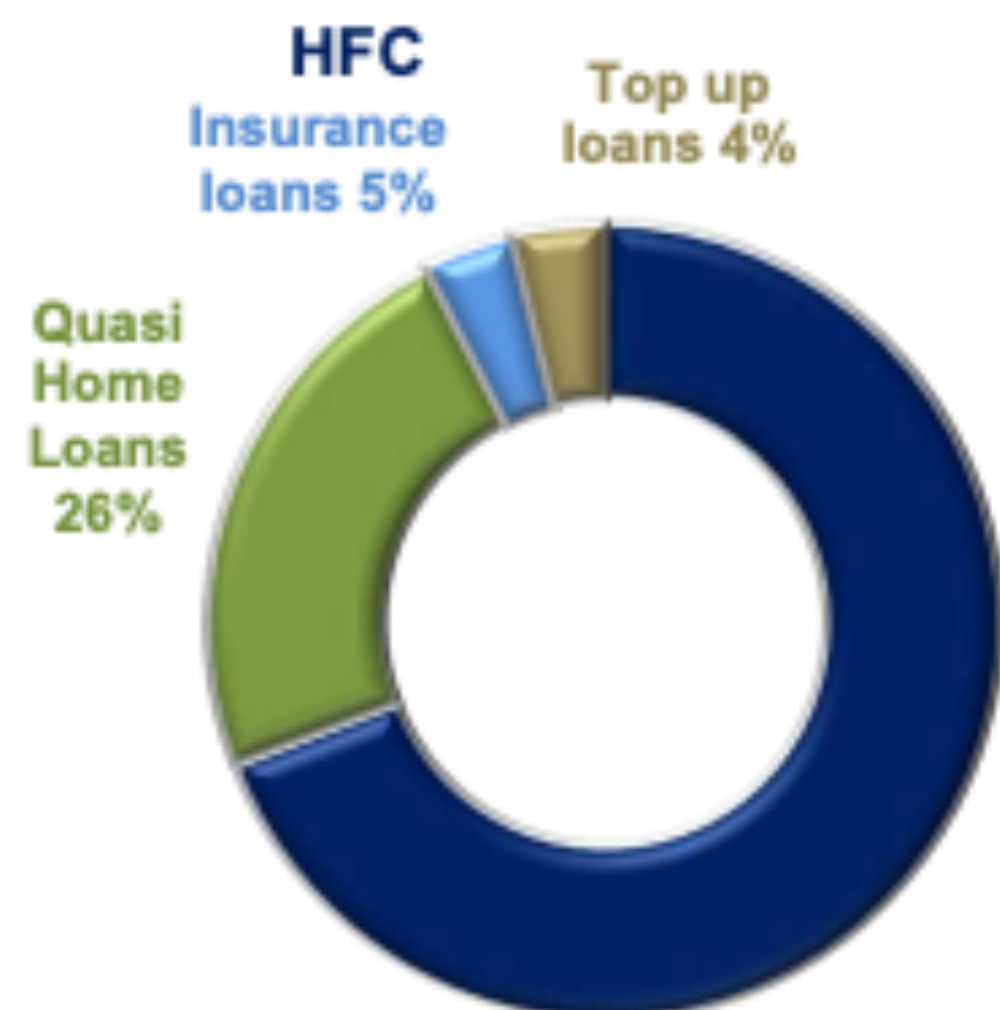
# Snapshot - March 2023





# Diversified Loan Portfolio With Niche Customer Focus

Secured Portfolio – Home Loans (HL) / Small Business Loans (SBL)



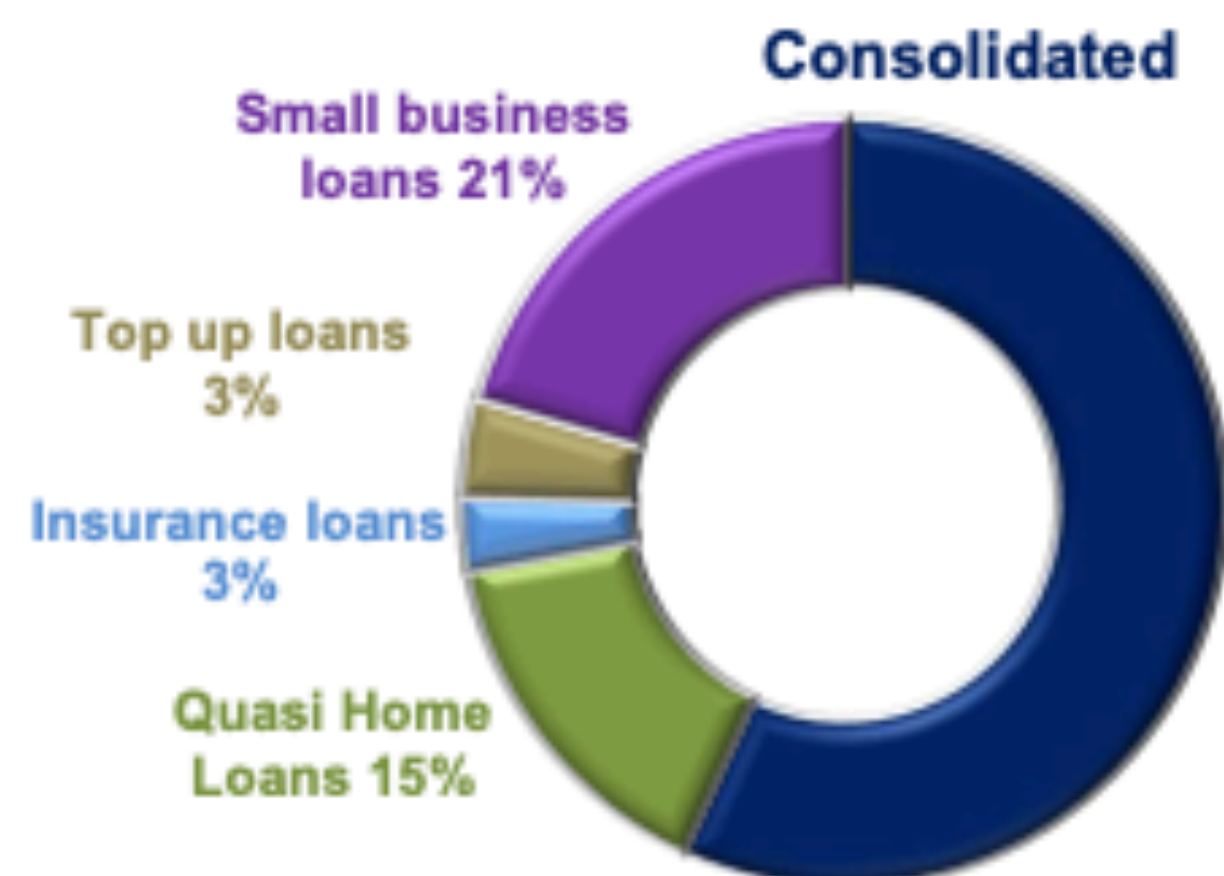
AUM – Rs.5761 Cr

**NBFC**

Small business loans /Non HL- 100%



AUM – Rs.977 Cr



AUM – Rs.6738 Cr

LIG Customers

78%

Self Employed Borrowers

71%

Rural Focus

74%

Avg Ticket Size < Rs.10 lacs

>93%

# 100% In-House Operations

## Fully In-House Team...



**1,346**

*Business Origination*



**257**

*Credit*



**220**

*Legal & technical*



**437**

*Collection*



**145**

*HO / Operations*

## ...Leading to Desired Business Outcomes

**Pricing Power**



**Reduced TAT**



**Low Takeover**



**Reduced Operational Risk**





# Robust Underwriting, Monitoring and Collections Process

## 100% In-House Sourcing

### Lead Generation through

- Cust app, Ref app
- Social media
- 231 Branches

**0%**

*Sourcing from  
DSA / Builders*

## Leveraging Technology

### Digital Onboarding and KYC

### Credit verification app, property app and legal app –

*Optimal leverage of technology leading to efficient processing*

## Stringent Credit Underwriting

### Cash flow assessment

*Pre & Post Disbursement*

### Centralized Underwriting

## Robust Collection Management System

### 15-24 months

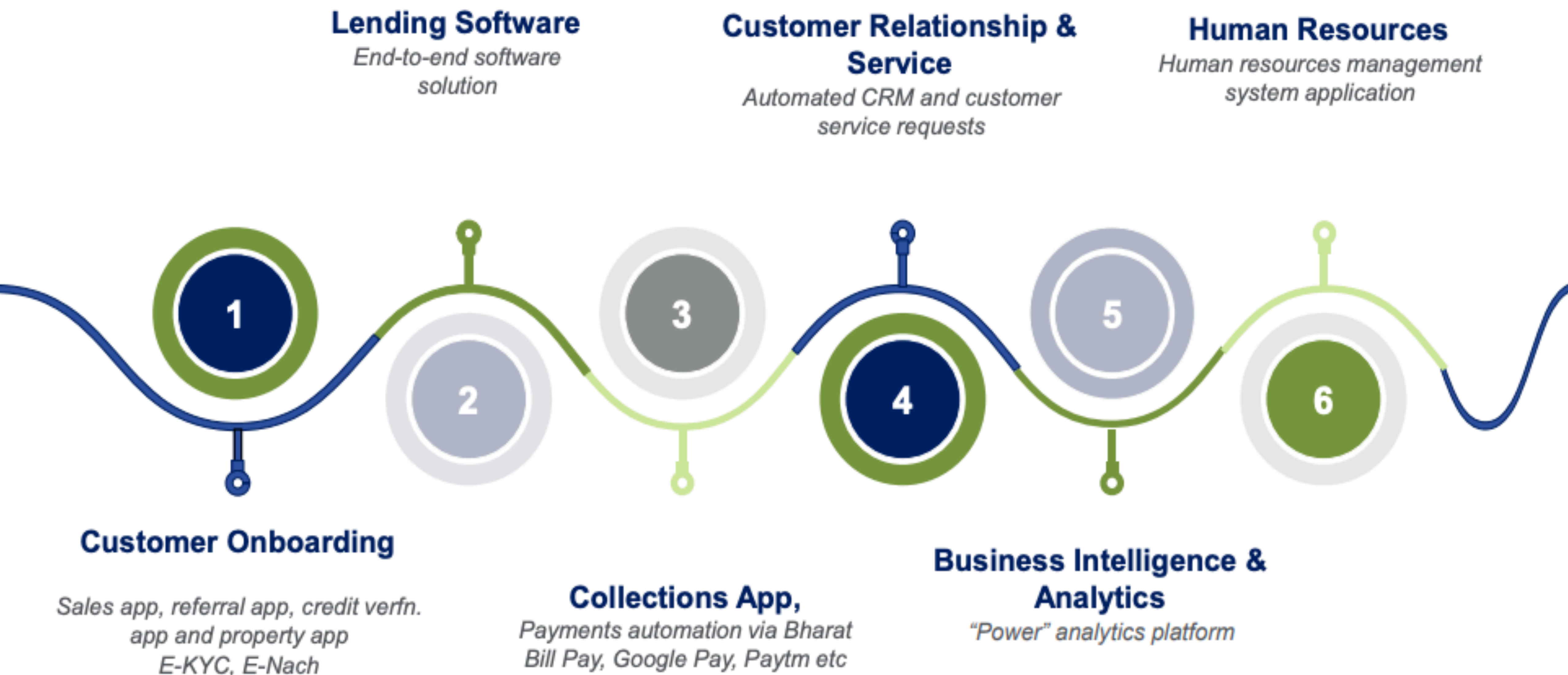
*Monitoring early default signs*

**90 DPD**

*Legal action / SARFAESI*



# Information & Technology : Key Enabler of Growth





# Scalable and Robust Digital Landscape





# Scalability



Tamil Nadu



Andhra Pradesh



Telangana



Karnataka

## Per Capita GDP

Compared to national average of INR 157k

1.8x

1.1x

1.5x

1.5x

## GDP Growth

India average: 4%

13%

9%

8%

7%

State	No of branches	% of AUM as on			
		FY 23	FY 22	FY 21	FY 20
TamilNadu	86	43%	48%	52%	56%
AndhraPradesh	86	35%	31%	28%	24%
Telangana	36	14%	12%	10%	10%
Karnataka	21	8%	9%	10%	10%
Odisha	2	0%	0%	-	-
Total	231	100%	100%	100%	100%

## Branch Productivity as on March 31, 2023

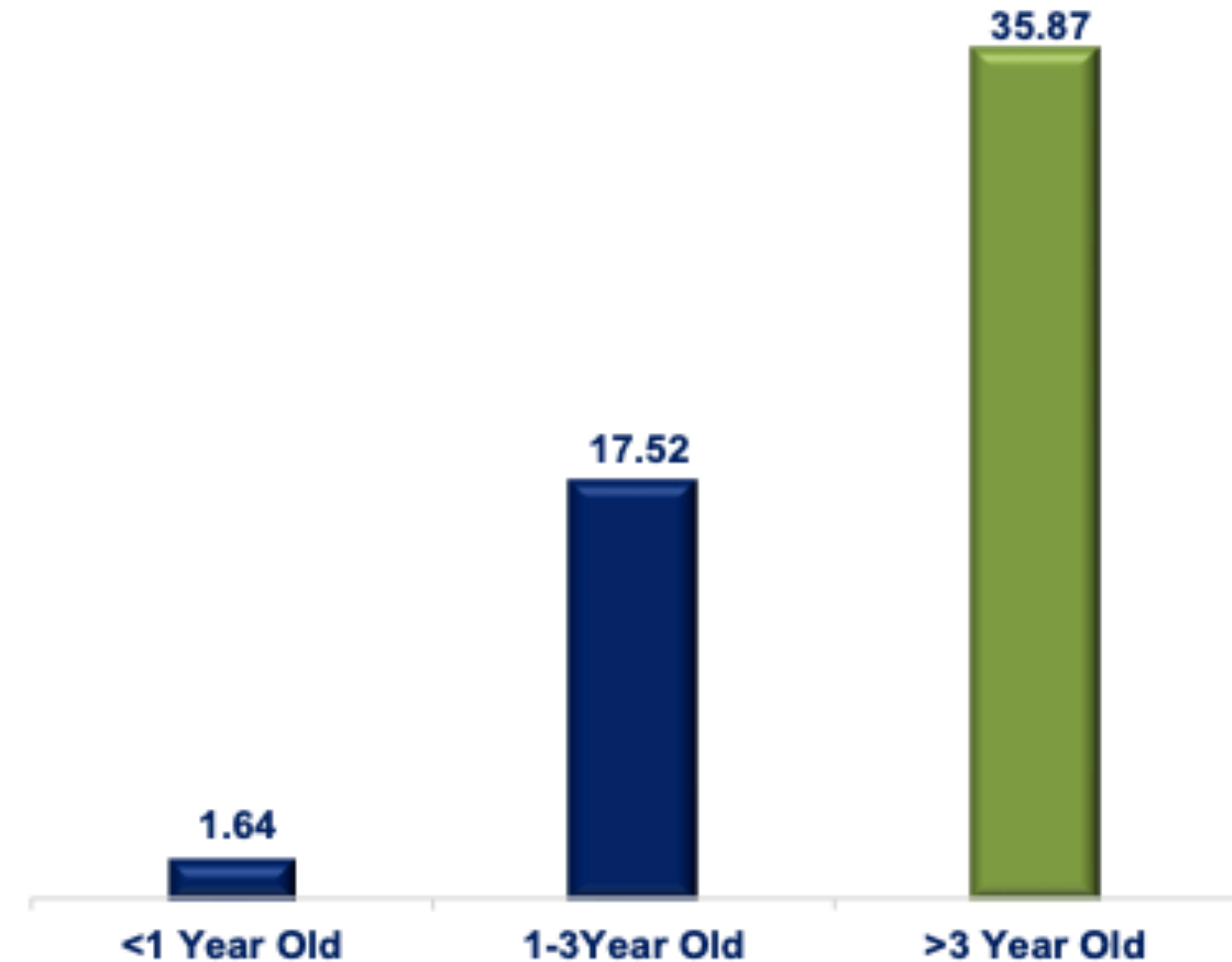
AUM per Branch (Rs. Cr)

# of Branches

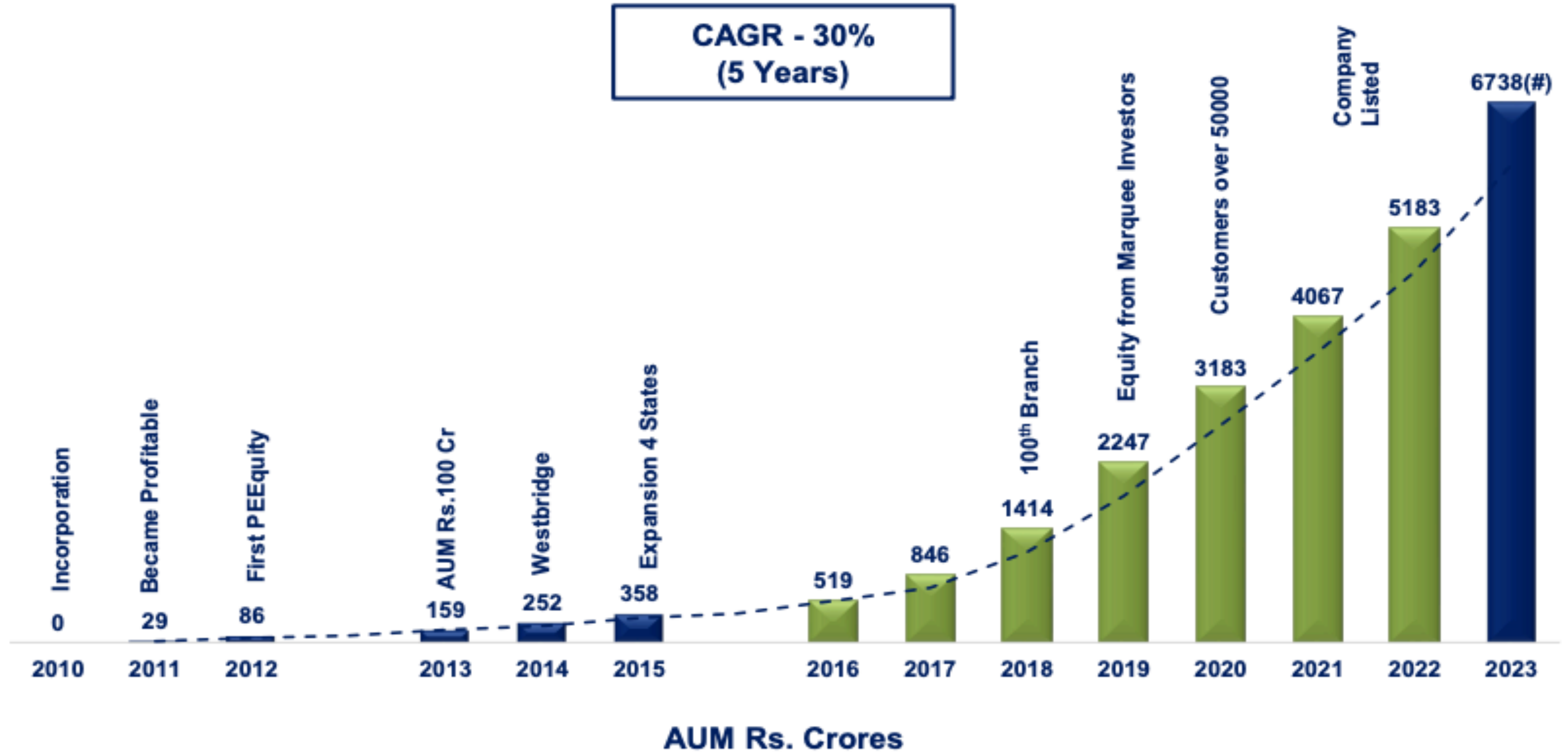
27

34

170



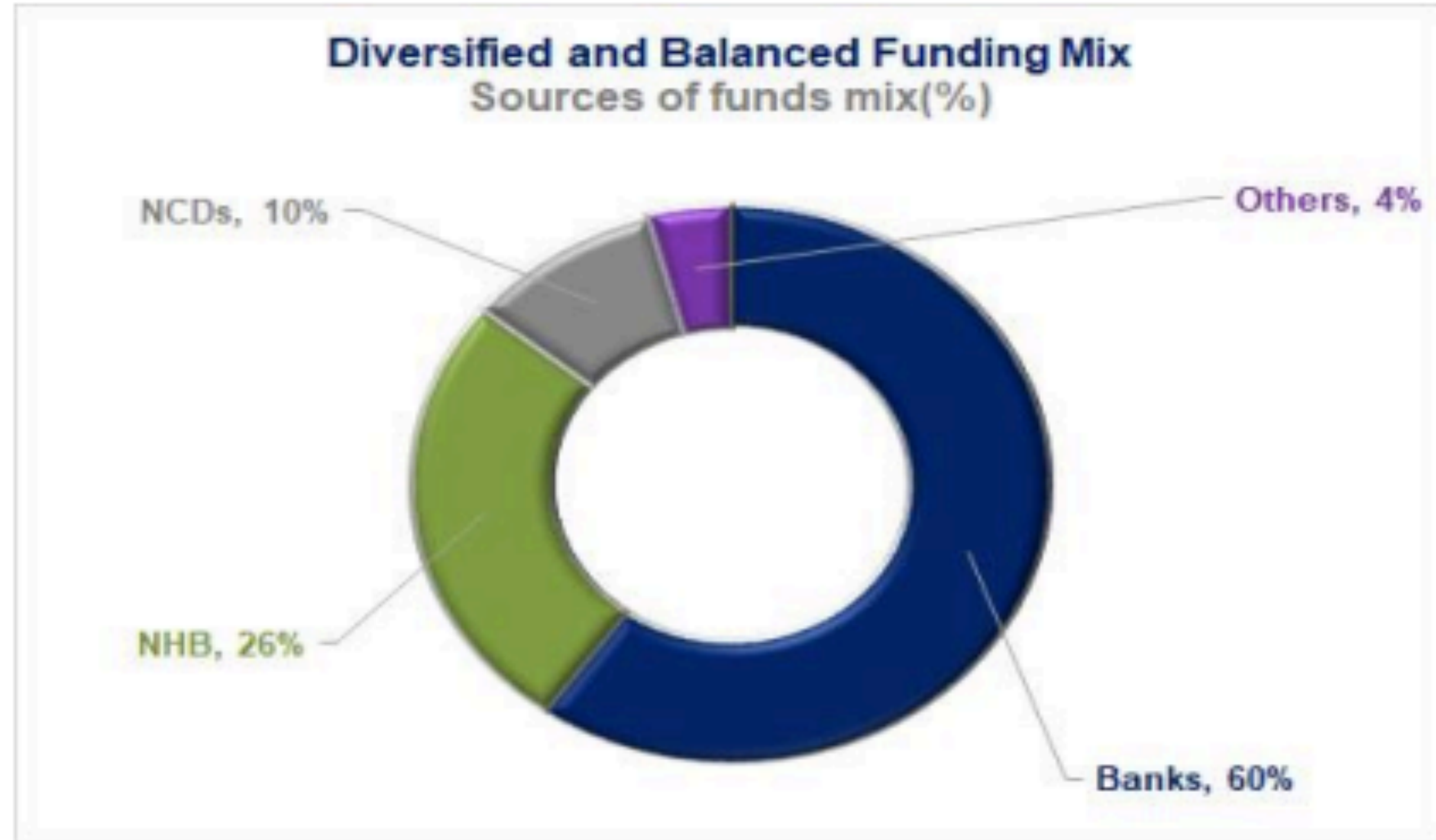
# Scalable Operating Model



(#) – Represents on book portfolio  
- no Direct Assignment transactions done



# Robust Funding Management and Credit Profile



No Exposure  
to Short term  
loan incl CPs

20+ Lender Relationships

DFI

International Finance  
Corporation

Refinance

National Housing  
Bank

Private Sector

HDFC Bank

Axis Bank

Federal Bank

Kotak Bank

Public Sector

SBI

Indian Bank

Bank of Baroda

Bank of Maharashtra

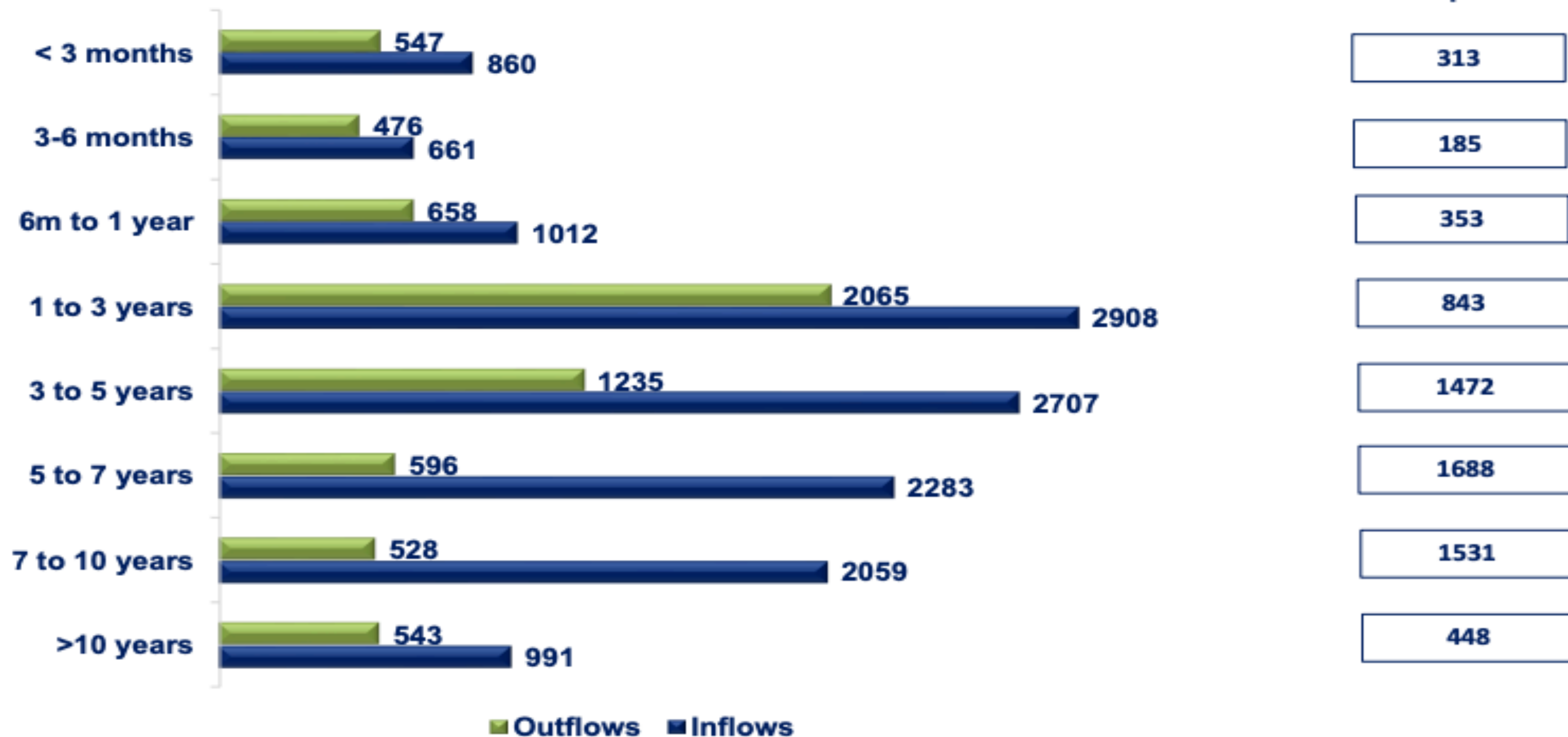
Avg. Tenure of Borrowings (months)	FY 23	FY22	FY21
	86.9	84.7	83.3

• Others represents Securitisation

- Credit Rating (ICRA)– Upgraded to AA-from A+
- Credit Rating(CARE) – Upgraded to AA-from A+

# ALM Surplus

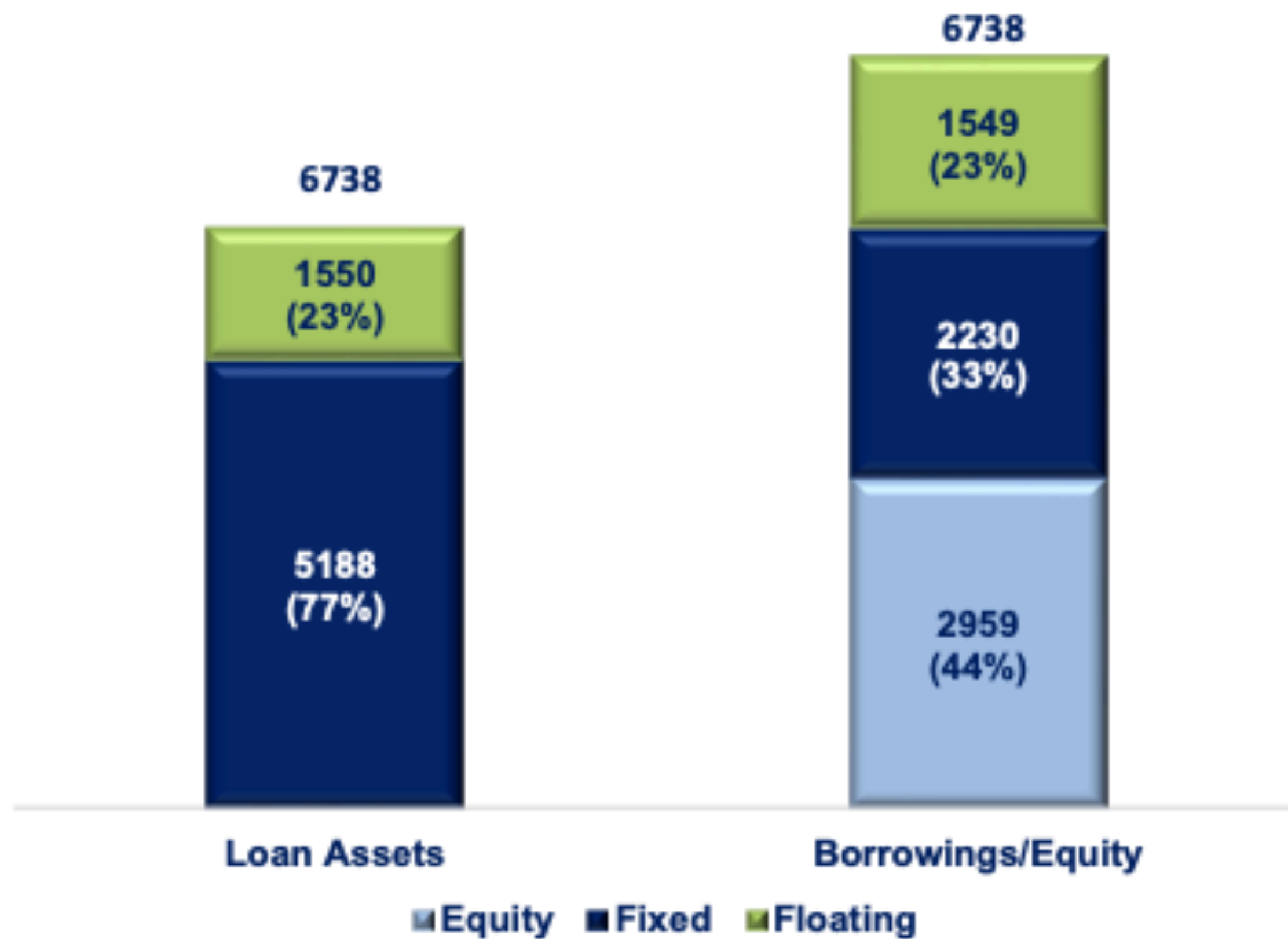
Position as on 31 Mar 2023 (Rs.Cr)



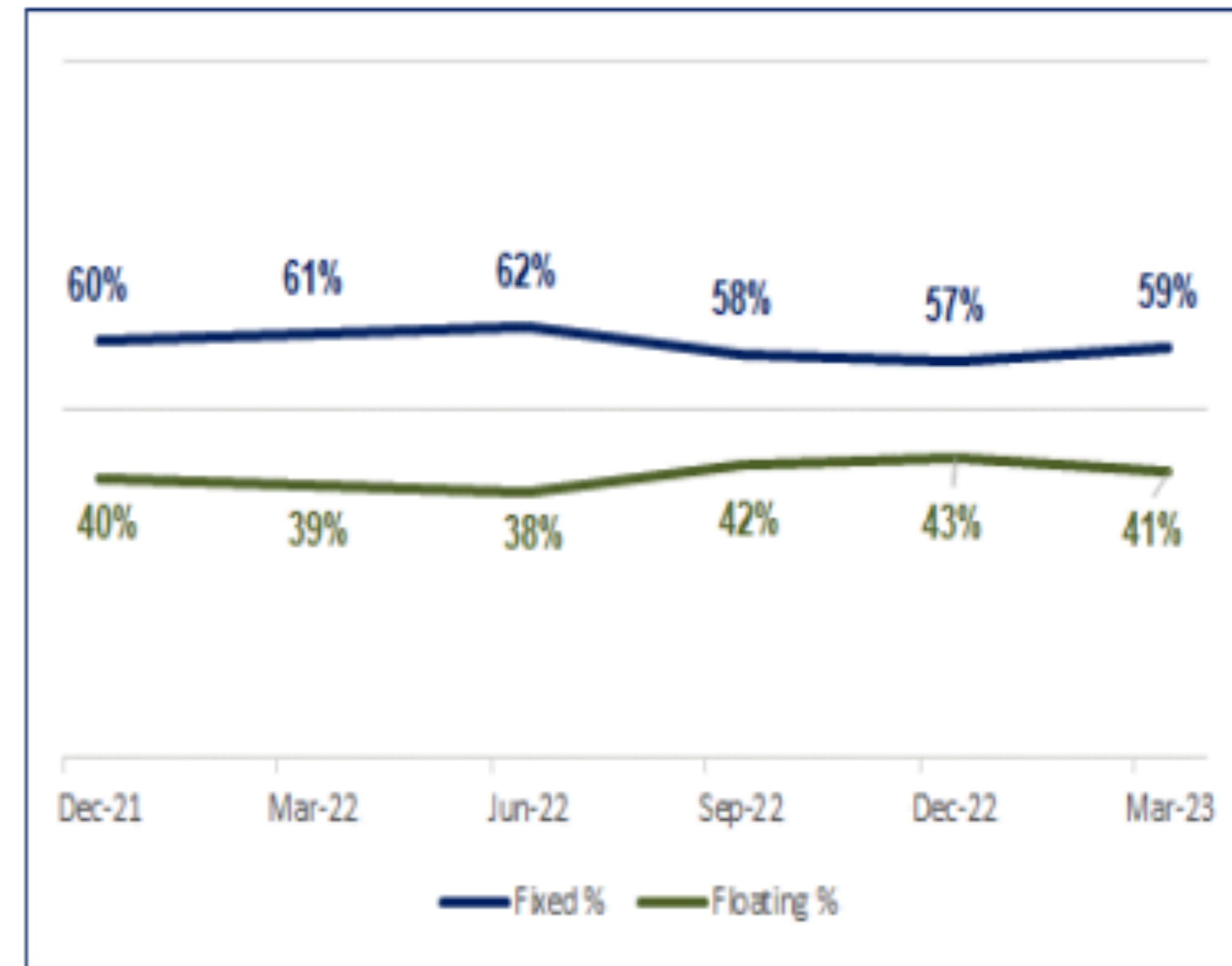


# Fixed Vs Floating (Assets Vs. Liabilities)

Loan Assets & Borrowings (₹ Cr) As on Mar-23



Borrowings - Fixed Vs. Floating



gap between Loan Assets & Borrowings filled by a portion of Equity

# Comfortable liquidity position/Capital Adequacy

## A. Liquidity

Rs. Crores

<b>Unencumbered Cash and Cash Equivalents</b>	<b>511</b>
<b>Un availed sanctions from NHB/Banks</b>	<b>625</b>
<b>Total</b>	<b>1,136</b>

<b>Particulars</b>	<b>Q1 FY 24</b>	<b>Q2 FY 24</b>
<b>Opening Liquidity</b>	<b>1,136</b>	<b>1,236</b>
<b>Add: Principal repayments and surplus from operations</b>	<b>325</b>	<b>342</b>
<b>Less: Debt repayments</b>	<b>225</b>	<b>235</b>
<b>Closing Liquidity</b>	<b>1,236</b>	<b>1,344</b>

- Rs.1340 crores available for business upto Sep 2023

## B. Capital Adequacy

**Capital Adequacy as on 31 March 2023 - 80.79%**



# Yearly Results

YEARLY RESULTS OF APTUS VALUE HOUSING FINANCE INDIA (in Rs. Cr.)	MAR '23	MAR '22
Net Sales/Income from operations	1,093.36	814.68
Total Income From Operations	1,093.36	814.68
<b>EXPENDITURE</b>		
Employees Cost	121.31	84.36
Depreciation	7.21	6.61
Provisions And Contingencies	34.12	34.47
Other Expenses	36.72	26.17
P/L Before Other Inc., Int., Excpt. Items & Tax	893.99	663.07
Other Income	35.64	25.53
P/L Before Int., Excpt. Items & Tax	929.63	688.60
Interest	275.91	208.59
P/L Before Exceptional Items & Tax	653.72	480.02
P/L Before Tax	653.72	480.02
Tax	150.71	109.88
P/L After Tax from Ordinary Activities	503.01	370.14
Net Profit/(Loss) For the Period	503.01	370.14
Net P/L After M.I & Associates	503.01	370.14
Equity Share Capital	99.61	99.38
Reserves Excluding Revaluation Reserves	3,239.73	2,812.40
<b>EPS BEFORE EXTRA ORDINARY</b>		
Basic EPS	10.10	7.58
Diluted EPS	--	7.53
<b>EPS AFTER EXTRA ORDINARY</b>		
Basic EPS.	10.10	7.58
Diluted EPS.	--	7.53

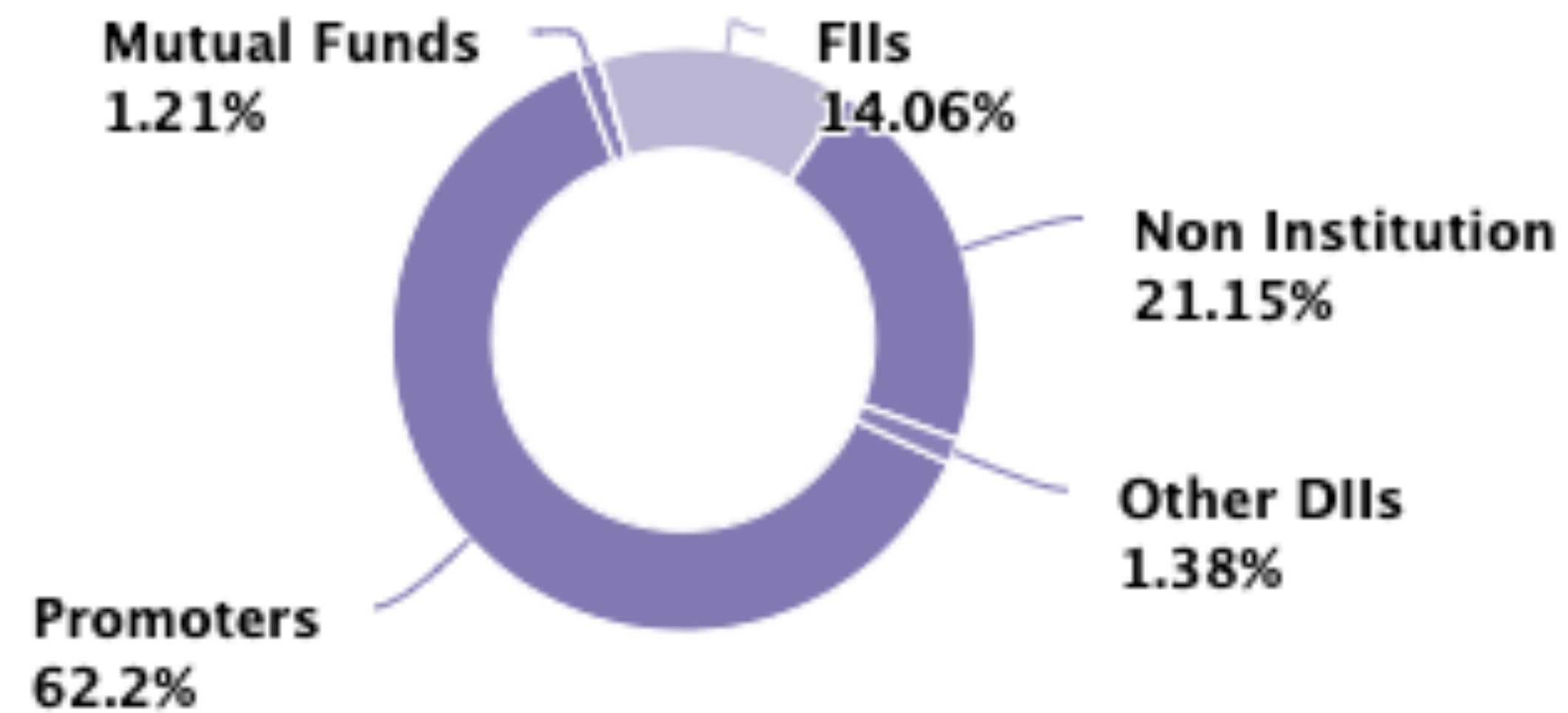


# Key Financial Ratios

KEY FINANCIAL RATIOS OF APTUS VALUE HOUSING FINANCE INDIA (in Rs. Cr.)	MAR 23	MAR 22	MAR 21
PER SHARE RATIOS			
Basic EPS (Rs.)	10.10	7.58	5.56
Diluted EPS (Rs.)	10.10	7.53	5.55
Cash EPS (Rs.)	10.24	7.58	5.74
Book Value [ExclRevalReserve]/Share (Rs.)	67.05	58.68	41.70
Book Value [InclRevalReserve]/Share (Rs.)	67.05	58.68	41.70
Revenue from Operations/Share (Rs.)	21.95	16.39	13.41
PBDIT/Share (Rs.)	18.81	13.99	11.74
PBIT/Share (Rs.)	18.67	13.86	11.62
PBT/Share (Rs.)	13.13	9.66	7.27
Net Profit/Share (Rs.)	10.10	7.45	5.62
NP After MI And SOA / Share (Rs.)	10.10	7.45	5.62
PROFITABILITY RATIOS			
PBDIT Margin (%)	85.68	85.33	87.54
PBIT Margin (%)	85.02	84.52	86.64
PBT Margin (%)	59.79	58.92	54.20
Net Profit Margin (%)	46.00	45.43	41.93
NP After MI And SOA Margin (%)	46.00	45.43	41.93
Return on Networth/Equity (%)	15.06	12.69	13.48
Return on Capital Employed (%)	27.75	20.63	22.79
Return on Assets (%)	7.00	6.51	5.90
Total Debt/Equity (X)	1.02	0.93	1.27
Asset Turnover Ratio (%)	0.18	0.14	0.14
LIQUIDITY RATIOS			
Current Ratio (X)	1.86	2.41	2.14
Quick Ratio (X)	1.86	2.41	2.14
Inventory Turnover Ratio (X)	0.00	0.00	0.00
Dividend Payout Ratio (NP) (%)	0.00	0.00	0.00
Dividend Payout Ratio (CP) (%)	0.00	0.00	0.00
Earnings Retention Ratio (%)	0.00	0.00	0.00
Cash Earnings Retention Ratio (%)	0.00	0.00	0.00
COVERAGE RATIOS			
Interest Coverage Ratios (%)	3.40	3.33	2.70
Interest Coverage Ratios (Post Tax) (%)	3.40	3.33	2.70
VALUATION RATIOS			
Enterprise Value (Cr.)	15,058.11	19,169.90	0.00
EV/Net Operating Revenue (X)	13.77	23.53	0.00
EV/EBITDA (X)	16.07	27.57	0.00
MarketCap/Net Operating Revenue (X)	11.09	20.74	0.00
Retention Ratios (%)	0.00	0.00	0.00
Price/BV (X)	3.63	5.79	0.00
Price/Net Operating Revenue	11.09	20.74	0.00
Earnings Yield	0.04	0.02	0.00



## Shareholding Pattern an on Mar'23





# Summary

- ❖ With deliverance of sound performance in Q4 of FY'23, the Company's Net Sales grew up by 32.53% i.e. Rs.298.51 crs in Mar'23 on contrary to Rs.225.23 crs in Mar'22. Whereas, the Net Profits increased by 23.14% i.e. Rs.135.30 crs in Mar'23 versus Rs.109.87 crs in Mar'22. Additionally, the Statement of Changes in Equity witnessed a slight increase in Equity Capital i.e. Rs.99.61 crs in Mar'23 juxtapose to Rs.99.38 crs in Mar'22.
- ❖ Considering fine financials and fair fundamentals, the Company is available at a good price of Rs.246.15 with its 52 week low at Rs.234.05 and its 52 week high at Rs.368.00.
- ❖ Since the Promoters are holding majority stake around 62.20% as well as its healthy valuations, anticipates that the Management is growth oriented.
- ❖ The Shareholding Pattern as on Mar'23, shows the FIIs and the Other DIIs altogether stood with 15.44% stake. Whilst, the Mutual Fund Houses own 1.21% holdings in the Company.
- ❖ It is reassuring to see that Aptus Value Housing Finance India Ltd. is held by DSP MF, AXIS MF, EDELWEISS MF and a few more.
- ❖ On consolidated basis, the Company registered Return on Equity (ROE) and Return on Capital Employed (ROCE) around 15.06% & 27.75% respectively as on Mar'23.



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