

मुंबई सभाचार

R.N.I. No. 1563/157 ★

मुंबईची प्रसिद्ध वृत्तपत्र : स्थापना: १ जुलै १८२२ • पुस्तक: २०३ • Volume 67 • Issue 109 • विक्रम संवत् २०८०
• येन ४६ - ३० • मुंबई • MUMBAI SAMACHAR • www.bombaysamachar.com • 8 May 2024, Wednesday • REGD.No. MCS058/2024-26
बुधवार, ८ मे २०२४, किंमत ₹ १०.००

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GHAR BANEGA, TOH DESH BANEGA.

Aadhar Housing Finance Limited

Our Company was originally incorporated as "Vyasa Bank Housing Finance Limited" at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 26, 1990, issued by the Registrar of Companies, Karnataka at Bengaluru ("RoC") and commenced operations pursuant to a certificate for commencement of business dated November 27, 1990, issued by the RoC. Subsequently, the name of our Company was changed to DHFL Vyasa Housing Finance Limited and a fresh certificate of incorporation dated October 15, 2003, was issued by the RoC. Separately, an entity named "Aadhar Housing Finance Private Limited" ("Pre-merger AHFPL") was incorporated as a private limited company under the Companies Act, 1956, at Mumbai, Maharashtra pursuant to a certificate of incorporation dated May 3, 2010, issued by the Registrar of Companies, Maharashtra at Mumbai, which commenced its operations in February 2011. Pre-merger AHFPL was later converted into a public company and consequently, its name was changed to Aadhar Housing Finance Limited, and a fresh certificate of incorporation dated September 3, 2013 was issued by the Registrar of Companies, Maharashtra at Mumbai. Pre-merger AHFPL was later merged into our Company pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017 ("Scheme of Amalgamation"). Pursuant to the Scheme of Amalgamation, the name of our Company was changed to Aadhar Housing Finance Limited and a fresh certificate of incorporation dated December 4, 2017, was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 150 of the red herring prospectus dated April 30, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.
Registered Office: 2nd floor, No. 3, JVT Towers, 8th A, Main Road, Sampangi Rama Nagar, Bengaluru - 560 027, Karnataka, India. Corporate Office: LHK No. 602, 8th Floor, Natraj by Rustumjee, Junction of Western Express Highway and M.V. Road, Andheri (East), Mumbai - 400 068, Maharashtra, India.
Telephone: +91 22 4168 9900. Contact Person: Harshada Pathak, Company Secretary and Compliance Officer. E-mail: compliance@aadharhousing.com
Website: <https://aadharhousing.com>; Corporate Identity Number: U69010KA1990PLC011409



(Please scan this QR code to view the Red Herring Prospectus)

PROMOTER OF OUR COMPANY: BCP TOPCO VII PTE. LTD.

INITIAL PUBLIC OFFER OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF AADHAR HOUSING FINANCE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹30,000 MILLION COMPRISING A FRESH ISSUANCE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹10,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹20,000 MILLION BY BCP TOPCO VII PTE. LTD. ("PROMOTER SELLING SHAREHOLDER"), AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFERED SHARES") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").
THE OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AGGREGATING UP TO ₹70 MILLION (CONSTITUTING UP TO [•] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BRLMS MAY OFFER A DISCOUNT OF UP TO [•] % OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") IF ANY, SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [•] % AND [•] %, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.
"THE TERM 'AADHAR' USED IN THE NAME OF THE ISSUER, 'AADHAR HOUSING FINANCE LIMITED' HAS NO RELATION OR CONNECTION WITH THE GOVERNMENT OF INDIA OR UNIQUE IDENTIFICATION AUTHORITY OF INDIA'S 'AADHAAR' AND SHOULD NOT BE CONFUSED WITH THE SAME."

DETAILS OF OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
BCP Topco VII Pte. Ltd.	Promoter Selling Shareholder	Up to [•] Equity Shares aggregating up to ₹20,000 million	80.54

Our Company : We are a housing finance company focused on the low-income housing segment (ticket size less than ₹1.5 million) in India and offer a range of mortgage-related loan products.

The Offer is being made through the Book Building Process in accordance with Regulation 8(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer
Employee Reservation Portion: Up to [•] Equity Shares aggregating up to ₹70 Million

PRICE BAND: ₹300 TO ₹315 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH
BIDS CAN BE MADE FOR A MINIMUM OF 47 EQUITY SHARES AND IN MULTIPLES OF 47 EQUITY SHARES THEREAFTER
A DISCOUNT OF ₹ 23 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION
THE FLOOR PRICE IS 30.0 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 31.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES,
THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 23.5 AND AT THE LOWER END OF THE PRICE BAND IS 22.4 TIMES
AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 31.9
WEIGHTED AVERAGE RETURN ON NET WORTH FOR FISCAL 2023, 2022 AND 2021 IS 14.2%

In accordance with the recommendation of the committee of Independent Directors of our Company, pursuant to their resolution dated May 1, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in "Basis for Offer Price" section on page 97 of the RHP, "Risk Factors" section beginning on page 24 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

- Our Erstwhile Promoters are subject to ongoing regulatory investigations by enforcement agencies including the Enforcement Directorate and the outcome of such investigations may adversely impact us and the Equity Shares held by our Promoter, BCP Topco and the market price of the Equity Shares of our Company. For more details, see "Risk Factors" on page 24 of the Red Herring Prospectus.
- Any increase in the levels of non-performing assets in our AUM would adversely affect our business, results of operations, cash flows and financial condition. The following table sets forth our NPAs as of the period ends indicated:

(₹ in million, except percentages)

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Gross NPA	1,430.3	2,143.5*	1,997.7	2,920.8	2,778.5
– Loan assets of not more than 90 days past due ⁽¹⁾	NA**	395.4	70.5	198.5	59.1
Gross NPA as a percentage of Retail AUM	1.1%	1.5%*	1.2%	1.8%	1.4%
– Loan assets as a percentage of Retail AUM	NA**	0.3%	0.0% ⁽²⁾	0.1%	0.0% ⁽³⁾
Own Book NPA	1,307.1	1,814.7	1,625.9	2,402.4	2,308.1
– Loan assets of not more than 90 days past due ⁽¹⁾	NA**	328.1	58.9	168.6	52.2
Own Book NPA as a percentage of Own Book ⁽³⁾	1.2%	1.5%	1.2%	1.8%	1.4%
– Loan assets as a percentage of Own Book	NA**	0.3%	0.0% ⁽²⁾	0.1%	0.0% ⁽³⁾

*As of March 31, 2022, Gross NPA represents our Gross Retail NPA (closing balance of the Gross NPA of our Retail AUM as of the last day of the relevant year or period). See ** under "Selected Statistical Information – Financial Ratios" on page 216 of the RHP for impact of the November 12 Circular.

**Not Applicable on March 31, 2021 as the November 12 Circular came into effect from November 12, 2021.

⁽¹⁾ Loan assets of not more than 90 days past due which have been classified as NPA according to the November 12 Circular.

⁽²⁾ Less than 0.1%.

⁽³⁾ Own Book NPA refers to the NPA of our own loan assets.

- The Offer consists of an offer for sale, the proceeds of which will not be available to Company.

- We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues. The following table shows the split of our assets and borrowings in terms of interest basis as of the dates indicated.

	Gross AUM			
	March 31,		December 31,	
	2021	2022	2023	2023
Fixed	8.8%	13.4%	14.8%	16.2%
Floating	91.2%	86.4%	85.2%	83.8%
				83.0%
Borrowing				
Fixed	27.3%	25.9%	24.7%	25.4%
Floating	72.7%	74.1%	75.3%	74.6%
				78.6%

- The average cost of acquisition of the Promoter Selling Shareholder is ₹80.54 which may be below the Offer Price. The Floor Price and Cap Price are "X" times the average cost of acquisition of Selling Shareholder.

Average Cost of Acquisition (₹ Per Equity Share)	Floor Price i.e. ₹ 300 Per Equity Share	Cap Price i.e. ₹ 315 Per Equity Share
80.54	3.72 times	3.91 times

- We have had negative net cash flows in the past and may continue to have negative cash flows in the future, which could adversely affect our ability to, among others, fund our operations or pay our debts in a timely manner, which could in turn adversely affect our business, cash flows, financial condition and results of operations. The following table sets forth our cash flows for the periods indicated:

	(₹ in million)				
	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net cash used in operating activities	(12,022.9)	(9,067.5)	(11,556.9)	(10,065.7)	(16,582.2)
Net cash generated from / (used in) investing activities	(4,804.8)	8,225.7	(4,765.3)	(228.0)	4,805.7
Net cash generated from financing activities	7,013.9	2,748.5	14,631.9	10,298.7	9,609.8

Continued on next page...

- There have been no Equity Shares transacted in the three years, eighteen months and one year immediately preceding the Red Herring Prospectus.
- The 5 BRLMs associated with the Offer have handled 60 public issues in the past three financial years, out of which 18 issues have closed below the offer price on the listing date

Name of the BRLMs	Total issues	Issues closed below IPO Price on listing date
ICICI Securities Limited*	21	6
Citigroup Global Markets India Private Limited*	2	0

BID/OFFER PROGRAMME

*The UPI mandate and time and date shall be as per the UPI mandate on the Bid/Offer Closing Day

Submission of Bids (other than Bids from Anchor Investors):

Submission and Revision in Bids	Bid/Offer Period (except the Bid/Offer Closing Date)	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date*		
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) - For RBIs, other than QIBs and Non-Institutional Investors, and Eligible Employees Bidding in the Employee Reservation Portion		Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)		Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)		Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)		Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications)		Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids		
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*		Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RBIs and Eligible Employees Bidding in the Employee Reservation Portion		Only between 10.00 a.m. and up to 5.00 p.m. IST

*UPI mandate and time and date shall be as per the UPI mandate on the Bid/Offer Closing Day
*QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

An indicative timeline in respect of the Offer is set out below:

Bid/Offer Programme	Event	Indicative Date
Bid/Offer Opens on		Wednesday May 8, 2024
Bid/Offer Closes on		Friday, May 10, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange		On or about Monday, May 13, 2024
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account		On or about Tuesday, May 14, 2024
Credit of Equity Shares to demat accounts of Allottees		On or about Tuesday, May 14, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges		On or about Wednesday, May 15, 2024

ASBA
Simple, Safe Way of Application!!!
(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

* Applications supported by blocked amount (ASBA) is a better way of applying in future by the issuer to the level in the bank account.
For further details, click on the ASBA icon

Mandatory in public issues. No cheque will be accepted.

UPI
UPI now available in ASBA for Retail Individual Bidders and Non-Institutional Bidders applying for amount upto ₹5,00,000, applying through Registered Brokers, OPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SBI) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and in compliance with CBOT notification dated February 13, 2020, CBOT circular no. 7 of 2022 and press release dated June 26, 2023, read with press release dated September 17, 2021, March 30, 2022 and March 28, 202