



SAPNE AAPKE, SAATH HAMAARA

# AAVAS FINANCIERS LIMITED

Our Company was incorporated as 'Au Housing Finance Private Limited' on February 23, 2011, as a private limited company under the Companies Act 1956, with a certificate of incorporation granted by the Registrar of Companies, Rajasthan at Jaipur ("RoC"). Pursuant to a special resolution passed by our shareholders on January 10, 2013, our Company was converted into a public limited company and our name was changed to 'AU Housing Finance Limited'. Consequently, the RoC certified the change of name upon conversion to a public limited company on January 11, 2013. Thereafter, pursuant to a special resolution passed by our shareholders on February 23, 2017, the name of our Company was changed to 'Aavas Financiers Limited' and consequently, a fresh certificate of incorporation dated March 29, 2017 was issued by the RoC. For details of change in name and registered office of our Company, see "**History and Certain Corporate Matters**" on page 173 of the red herring prospectus dated September 12, 2018 ("RHP").

**Registered and Corporate Office:** 201-202, 2nd Floor, South End Square, Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India. Tel: +91 14 1661 8800 Fax: +91 14 1661 8861; **Contact Person:** Sharad Pathak, Company Secretary and Compliance Officer. Tel: +91 14 1661 8800 Fax: +91 14 1661 8861; **E-mail:** ipo@aavas.in Website: www.aavas.in; **Corporate Identity Number:** U65922RJ2011PLC034297

## OUR PROMOTERS: LAKE DISTRICT HOLDINGS LIMITED AND PARTNERS GROUP ESCL LIMITED

INITIAL PUBLIC OFFERING OF UP TO [-] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF AAVAS FINANCIERS LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [-] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [-] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [-] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [-] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 4,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 16,249,359 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION INCLUDING AN OFFER FOR SALE OF UP TO 8,815,439 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION BY LAKE DISTRICT HOLDINGS LIMITED ("LAKE DISTRICT"), UP TO 4,281,907 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION BY PARTNERS GROUP ESCL LIMITED ("ESCL") AND TOGETHER WITH LAKE DISTRICT, "PROMOTER SELLING SHAREHOLDERS"), UP TO 236,339 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION BY KEDAARA CAPITAL ALTERNATIVE INVESTMENT FUND - KEDAARA CAPITAL AIF 1 ("KEDAARA AIF-1" OR "INVESTOR SELLING SHAREHOLDER"), AND UP TO 1,879,110 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION BY PARTNERS GROUP PRIVATE EQUITY MASTER FUND LLC ("MASTER FUND" OR "PROMOTER GROUP SELLING SHAREHOLDER") AND UP TO 911,564 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION BY SUSHIL KUMAR AGARWAL AND UP TO 125,000 EQUITY SHARES AGGREGATING UP TO ₹ [-] MILLION BY VIVEK VIG (TOGETHER, THE "OTHER SELLING SHAREHOLDERS") AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, INVESTOR SELLING SHAREHOLDER AND PROMOTER GROUP SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [-]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Price Band: ₹ 818 to ₹ 821 per Equity Share of face value of ₹ 10 each.

The Floor Price is 81.80 times the face value and the Cap Price is 82.10 times the Face Value of the Equity Shares.

Bids can be made for a minimum of 18 Equity Shares and in multiples of 18 Equity Shares thereafter.

### Risks to Investors

- I. The five Merchant Bankers associated with the issue have handled 45 public issues in the past three years out of which 14 issues closed below the issue price on listing date.
- II. The Price/Book ratio based on Net Assets Value for 2018 (the latest full financial year) for the issuer at the upper end of the Price band is as high as 5.23 as compared to the average industry peer group ratio of 5.92.
- III. Average cost of acquisition of equity shares for the selling shareholders viz. Lake District, ESCL, Master Fund, Kedaara AIF-1, Sushil Kumar Agarwal and Vivek Vig, are ₹ 245.07, ₹ 245.07, ₹ 245.07, ₹ 245.07, ₹ 201.76 and ₹ 251.24, respectively and offer price at upper end of the price band is significantly high at ₹ 821

### BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the GCBRLMs and BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is 81.80 times the face value at the lower end of the Price Band and 82.10 times the face value at the higher end of the Price Band.

Investors should also refer to "Our Business", "Risk Factors" and "Financial Statements" on pages 147, 17 and 218, of the RHP respectively, to have an informed view before making an investment decision.

#### Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are: • 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; • Experienced management team. For further details, see "Our Business - Our Competitive Strengths" on page 149 of the RHP.

**Quantitative Factors:** Certain information presented in this chapter is derived from the Restated Standalone Financial Statements and Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For more details on financial information, please see "Financial Statements" on page 218 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted earnings per Share

As per our Restated Standalone Financial Statements:

Fiscal	Basic EPS (In ₹)	Diluted EPS (In ₹)	Weight
March 31, 2018	15.87	15.21	3
March 31, 2017	11.10	11.10	2
March 31, 2016	8.24	8.24	1
Weighted Average	13.01	12.68	

For the period ended June 30, 2018, Basic EPS is ₹ 4.17 and Diluted EPS is ₹ 4.05

Note:

1. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by ICAI
2. The face value of each equity share is ₹ 10.
3. Basic Earnings per share = Net profit/(loss) after tax, as restated attributable to equity shareholders / Weighted average number of shares outstanding during the period or year
4. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares
5. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
6. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate weights i.e., [(EPS X Weight) for each fiscal]/[Total of weights]

#### 2. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ 818 to ₹ 821 per Equity Share:

Particulars	Standalone	Consolidated
P/E ratio based on Basic EPS for the Fiscal ended March 31, 2018 at the Floor Price	51.54	51.58
P/E ratio based on Diluted EPS for the Fiscal ended March 31, 2018 at the Floor Price	53.78	53.82
P/E ratio based on Basic EPS for the Fiscal ended March 31, 2018 at the Cap Price	51.73	51.77
P/E ratio based on Diluted EPS for the Fiscal ended March 31, 2018 at the Cap Price	53.98	54.01

#### Industry P/E Ratio\*

Particulars	P/E
Highest	64.5
Lowest	13.6
Average	27.8

\* Source: The highest, lowest and average Industry P/E shown above is based on consolidated diluted P/E ratio of the industry peer set provided below under "Comparison with listed Industry Peers" below.

As per our Restated Consolidated Financial Statements:

Fiscal	Basic EPS (In ₹)	Diluted EPS (In ₹)
March 31, 2018	15.86	15.20

For the period ended June 30, 2018, Basic EPS is ₹ 4.17 and Diluted EPS is ₹ 4.05

Note:

1. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by ICAI
2. The face value of each equity share is ₹ 10.
3. Basic Earnings per share = Net profit/(loss) after tax, as restated attributable to equity shareholders / Weighted average number of shares outstanding during the period or year
4. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of equity shares outstanding during the year adjusted for the effect of all dilutive potential equity shares
5. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
6. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate weights i.e., [(EPS X Weight) for each fiscal]/[Total of weights]

#### 4. Return on Net Worth ("RoNW")

Particulars	RoNW %	Weight
March 31, 2018	8.46%	3
March 31, 2017	10.09%	2
March 31, 2016	16.08%	1
Weighted Average	10.27%	

For the period ended June 30, 2018, RoNW is 2.46%

Return on Net Worth on a Consolidated basis:

Particulars	RoNW %
March 31, 2018	8.46

For the period ended June 30, 2018, RoNW is 2.46%

FOR FURTHER DETAILS, SEE "BASIS FOR OFFER PRICE" BEGINNING ON PAGE 109 OF THE RHP.

## BID/OFFER PROGRAMME

## OPENS ON TUESDAY, SEPTEMBER 25, 2018\*

## CLOSES ON THURSDAY, SEPTEMBER 27, 2018

\* Our Company and the Selling Shareholders, in consultation with the GCBRLMs and BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date i.e., Monday, September 24, 2018

## ASBA# | Simple, Safe, Smart way of Application!!!

\*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below. **Mandatory in public issues from January 1, 2016. No cheque will be accepted.**

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the GCBRLMs and BRLM and at the terminals of the members of the Syndicate. The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), through the Book Building Process and in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), wherein not more than 50% of the Offer shall be allocated to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that the Company and the Selling Shareholders may, in consultation with the GCBRLMs and BRLM, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third is to be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (the "Anchor Investor Allocation Price"). In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Investors (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process, and shall provide details of their respective bank account in which the Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 476 of the RHP.

**Bidders/Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Bidders/Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that beneficiary account provided in the Bid cum Application form is active.**

**Contents of the Memorandum of Association of the Company as regards its objects:** For information on the main objects of the Company, please see the section entitled "History and Certain Corporate Matters" on page 173 of the RHP and Clause II of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled "Material Contracts and Documents for Inspection" on page 574 of the RHP.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS			BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER	
						
<b>ICICI Securities Limited</b> ICICI Center, H.T. Parekh Marg Churchgate, Mumbai 400 020, Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: aavas.ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact person: Shekher Asnani/ Rishi Tiwari SEBI Registration No.: INM000011179	<b>Citigroup Global Markets India Private Limited</b> 1202, 12th Floor, First International Financial Centre, G-Block, C54 & 55, Bandra Kurla Complex, Bandra (East) Mumbai 400 098, Maharashtra, India Tel: +91 22 6175 9999; Fax: +91 22 6175 9898 E-mail: aavas.ipo@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Investor grievance e-mail: investors.cgmb@citi.com Contact person: Amulya Goyal SEBI Registration No.: INM000010718	<b>Edelweiss Financial Services Limited</b> 14th Floor, Edelweiss House Off C S T Road, Kalina Mumbai 400 098, Maharashtra, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: aavas.ipo@edelweissfin.com Website: www.edelweissfin.com Investor grievance e-mail: customerservice.mn@edelweissfin.com Contact person: Disha Doshi/ Pradeep Tewari SEBI Registration No.: INM000010650	<b>Spark Capital Advisors (India) Private Limited</b> No.2 'Reflections', Leith Castle Centre Street, Santhome High Road Chennai 600 028, Tamil Nadu, India Tel: +91 44 4344 0000 Fax: +91 44 4344 0090 E-mail: aavas.ipo@sparkcapital.in Website: www.sparkcapital.in Investor grievance e-mail: investor.grievance@sparkcapital.in Contact person: Ramprashanth Ganesan SEBI Registration No.: INM000011138	<b>HDFC Bank Limited</b> Investment Banking Group Unit No. 401 & 402, 4th Floor Tower B, Peninsula Business Park, Lower Parel Mumbai 400 013, Maharashtra, India Tel: +91 22 3395 8021; Fax: +91 22 3078 8584 E-mail: aavas.ipo@hdfcbank.com Website: www.hdfcbank.com Investor Grievance e-mail: investor.redressal@hdfcbank.com Contact Person: Rakesh Bhunatar / Ravi Sharma SEBI Registration No.: INM000011252	<b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: aavas.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance e-mail: aavas.ipo@linkintime.co.in Contact person: Shanti Gopalakrishnan SEBI Registration No.: INR000004058	<b>Sharad Pathak</b> 201-202, 2nd Floor, South End Square, Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India Tel: +91 141 6618839; Fax: +91 141 6618861 Email: ipo@aavas.in  Investors can contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-offer or post-offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc. For all Offer related queries and for redressal of complaints, investors may also write to the GCBRLMs and BRLM.

**AVAILABILITY OF THE RHP:** Investors are advised to refer to the RHP and the Risk Factors, contained therein before applying in the Offer. Full copy of the RHP is available on website of SEBI at www.sebi.gov.in, websites of the GCBRLMs, i.e. at www.icicisecurities.com, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.edelweissfin.com, www.sparkcapital.in and BRLM, i.e. at www.hdfcbank.com, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

**AVAILABILITY OF BID CUM APPLICATION FORMS:** Bid cum Application Forms can be obtained from the Registered Office of AAVAS FINANCIERS LIMITED, Tel: +91 14 1661 8800, Fax: +91 14 1661 8861; GCBRLMs: ICICI Securities Limited, Tel: +91 22 2288 2460, Fax: +91 22 2282 6580; Citigroup Global Markets India Private Limited, Tel: +91 22 6175 9999, Fax: +91 22 6175 9898; Edelweiss Financial Services Limited, Tel: +91 22 4009 4400, Fax: +91 22 4086 3610; Spark Capital Advisors (India) Private Limited, Tel: +91 44 4344 0000, Fax: +91 44 4344 0090; BRLM: HDFC Bank Limited, Tel: +91 22 3395 8021, Fax: +91 22 3078 8584; Syndicate Members: Edelweiss Securities Limited, Tel: +91 22 4063 5569, Fax: +91 22 4086 3610 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

**Sub-Syndicate Members:** Almondz Global Securities Limited, Anand Rathi Share & Stock Brokers Ltd., Aryaman Financial Services Limited, Axis Capital Ltd., Centrum Broking Ltd., CHOICE CAPITAL ADVISORS PRIVATE LIMITED, Choice Equity Broking Private Limited, Citigroup Global Markets India Pvt. Ltd., Corporate Capital Ventures Private Limited, D&A Financial Services Private Limited, DB(International) Stock Brokers Ltd, Edelweiss Securities Limited, Eureka Stock & Share Broking Services Ltd, FEDEX SECURITIES LIMITED, First Overseas Capital Limited, Grelex Corporate Services Pvt Ltd, Guinness Corporate Advisors Pvt. Ltd., Hem Securities Ltd, ICICI Securities Limited, IDBI Capital Market & Securities Limited, IIFL Securities Ltd, Inventure Merchant Banker Services Private Limited, J M Financial Services Ltd, Kavya Stock Broking Ltd, Keynote Capitals Limited, KJMC Capital Market Services Limited, Kotak Securities Ltd, LKP Securities Limited, Inventure Growth & Securities Ltd, Mark Corporate Advisors Private Limited, Microsec Capital Limited, Monarch Network Capital Ltd., Motilal Oswal Securities Ltd., MPSE Securities Ltd, Navigant Corporate Advisors Limited, Nirmal Bang Securities Pvt. Ltd., Panthomath Securities Pvt. Ltd., Prabhudas Lilladhar Pvt Ltd, Pravin Ratilal Share and Stock Brokers Ltd., R R Equity Brokers Pvt LTD, Reliance Securities Ltd., Rikhav Securities Ltd, RR Equity Brokers Pvt Ltd, Saffron Capital Advisors Pvt. Ltd., Sarthi Capital Advisors Private Limited, SBI Cap Securities Ltd, Sharekhan Limited, SMC Global Securities Ltd, SPA Capital Advisors Limited, SPA Securities Limited, Standard Chartered Securities (India) Limited, Swastika Investmart Limited, Systematix Corporate Services Limited, Systematix Shares & Stocks (I) Ltd, and Trade Bulls Securities (P) Ltd

**APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA):** Investors have to apply through the ASBA process. ASBA Forms can be availed by all the Investors except Anchor Investors. For details on the ASBA process, please refer to the details given in ASBA Form and Abridged Prospectus and also please refer to the section entitled "Offer Procedure" on page 476 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA Forms can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Forms can be obtained from the SCSBs (the list of which is available on the website of SEBI) at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. Members of the Syndicate, Registered Brokers, RTAs and CDPs.

**Escrow Collection Bank, Refund Bank and Public Offer Account Bank:** Axis Bank Limited

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

### CORRIGENDUM TO THE RED HERRING PROSPECTUS

This Corrigendum is with reference to the Red Herring Prospectus dated September 12, 2018 in relation to the Offer. In this regard, please note the following:

1. The reference on page 70 of the Red Herring Prospectus to the Equity Shares outstanding prior to the Offer should be read as 73,723,004 Equity Shares instead of 70,750,891 Equity Shares; and
  2. "On page 110 of the Red Herring Prospectus, under point no. 7 the table titled Comparison with Listed Industry Peers the certain details for one of the peers "Gruh Finance Limited" stands corrected due to the 1:1 bonus issue of Gruh Finance Limited, as follows: FY18 Basic and Diluted EPS: 5.0, P/E based on FY18 EPS (Basic) : 64.5, P/E based on FY18 EPS (Diluted) : 64.5, Net Assets Value for FY 18: 18.9, and a footnote for the same is added as "Basic EPS, Diluted EPS and corresponding P/E ratio are adjusted for 1:1 Bonus". Accordingly, under point no. 3 the table titled Industry P/E ratio, certain P/E ratios appearing in the said table stands corrected as follows: Highest: 64.5 and Average 27.8.
- The Red Herring Prospectus shall be read in conjunction with this Corrigendum. The information in this Corrigendum supersedes the information in the Red Herring Prospectus to the extent inconsistent with the information in the Red Herring Prospectus.
- Relevant changes shall be reflected in the Prospectus when registered with the RoC and filed with SEBI and the Stock Exchanges.
- Unless otherwise specified, all capitalised terms used herein shall have the same meaning ascribed to such terms in the Red Herring Prospectus.

For AAVAS FINANCIERS LIMITED

On behalf of the Board of Directors

Sd/-  
Company Secretary and Compliance Officer

Place: Jaipur  
Date: September 14, 2018

AAVAS FINANCIERS LIMITED is proposing, subject to, applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed the RHP with the RoC. The RHP shall be available on the websites of SEBI, BSE, NSE at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the GCBRLMs, i.e. ICICI Securities Limited, Citigroup Global Markets India Private Limited, Edelweiss Financial Services Limited and Spark Capital Advisors (India) Private Limited at www.icicisecurities.com, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.edelweissfin.com and www.sparkcapital.in, respectively and BRLM, i.e. HDFC Bank Limited at www.hdfcbank.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see "Risk Factors" beginning on page 17 of the RHP. Potential investors should not rely on the DRHP for any investment decision.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.