

IPO Product Note

of CreditAccess Grameen LTD

About The Company

CreditAccessGrameen Ltd. (CAGL) is a leading Indian micro-finance institution headquartered in Bangalore, focused on providing micro-loans to women customers predominantly in Rural Areas in India. According to CRISIL Research, CAGL is the third largest NBFC-MFI in India in terms of gross loan portfolio as of March 31, 2017. Company's wide range of lending products addresses the critical needs of its Customers throughout their life cycle and includes income generation, family welfare, home improvement and emergency loans.

It focuses predominantly on Customers in Rural Areas in India, who largely lack access to the formal banking sector and present a latent opportunity for offering micro-loans. Company's focus customer segment is women having an annual household income of Rs. 160,000 or less in Urban Areas and Rs. 100,000 or less in Rural Areas. It provides loans primarily under the joint liability group ("JLG") model.

CAGL introduced individual retail finance loans for customers who had been its Customers for at least three years and fulfill certain other eligibility criteria linked primarily to their credit history with the company, income, and business position.

Company has followed a strategy of contiguous district-based expansion across regions and, as of March 31, 2018, it covered 132 districts in the eight states (Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala, Goa) and one union territory (Puducherry) in India through 516 branches and 4,544 loan officers.

CAGL's operations are well –diversified at the district level, with no single district contributing more than 5% to its Gross AUM (apart from one which contributed less than 6% to Gross AUM) as of March 31, 2018. Company's customer base increased from 0.50 million Active Customers as of March 31, 2014 to 1.85 million Active Customers as of March 31, 2018. According to management, as Bharat Finance is getting merged with IndusInd Bank, CAGL will be the Numero Uno in micro finance segment very soon.

Financial Performance

Year	Revenue(Cr)	PAT(Cr)	AUM(cr)
FY14	147.83	16.626	809.52
FY15	281.43	48.732	1,447.07
FY16	466.72	83.241	2,538.78
FY17	709.26	80.298	3,075.44
FY18	875.21	124.64	4,974.66

Note:-

Despite growth in top line, it suffered a setback in bottom line for FY17 that is attributed to demonetization. For last three fiscals, it has posted an average EPS of Rs. 11.22 and an average 11.26%. Its Gross NPA stood at 1.97% and net NPA at 0% as on 31.03.18. Its debt ratio is at 2.52 as on said date.

IPO Details

Open Date:	Aug 08 2018
Close Date:	Aug 10 2018
Total Shares:	26,805,394
Face Value:	<input type="checkbox"/> 10 Per Equity Share
Issue Type:	Book Built Issue IPO
Issue Size:	1131.2 Cr.
Lot Size:	35 Shares
Issue Price:	<input type="checkbox"/> 418-422 Per Equity Share

MH Take :-

According to the all these parameters Market-Hub recommend to all clients among their valuable investor to participate in this issue for medium to long Term with a small amount holding.

Disclaimer: We do not represent that information provided by us is accurate or complete and it should not be relied upon as such. The advice provided here is just for knowledge purpose only. The user assumes the entire risk of any use made or not made of this information. INVESTMENT IN EQUITY, MUTUALFUND, EQUITY, CURRENCY & COMMODITY DERIVATIVES IS SUBJECT TO RISK. WE ARE DISTRIBUTOR OF MUTUAL FUND. Client should read the Risk Disclosure Document (RDD) & Do's and Don'ts issued by SEBI & relevant exchanges before investing.

