

Kedaara Capital announces an investment in Au Financiers

Mumbai, December 24, 2014: Kedaara Capital today announced an investment in Au Financiers India Limited (“Au” or the “Company”), a rapidly growing financial services firm offering secured lending to under-served rural and semi-urban customers in India to improve their livelihoods. This is Kedaara’s maiden investment in the financial services sector in India, which has significant potential for robust, secular growth.

Founded in 1996 by a first-generation entrepreneur, Sanjay Agarwal, in Jaipur, Au is a rapidly growing non-banking finance company (“NBFC”), which operates across contiguous semi-urban and rural regions in North, West and Central India. The Company focuses on financing productive income-generating assets and activities for self-employed individuals, first time buyers of commercial vehicles, and small/micro enterprises in semi-urban and rural areas, who lack access to formal credit through banks and other financial institutions. With 95% of its over 247 branches in states that score below average on financial inclusion, Au’s branch proximity and fast processing times helps its 270,000 customers get access to credit, and hence the means of earning a better livelihood. With over INR 50 billion in assets under management, Au has developed into a leading player in its core focus areas, with a best-in-class management team that has succeeded in increasing the level of financial inclusion in its markets, and has grown across three attractive segments – commercial vehicles, affordable housing and micro/small enterprises, all of which are key enablers of India’s economic growth.

Commenting on the deal, **Mr. Sanjay Agarwal, Managing Director of Au Financiers**, said, “Over the years, Au Financiers has made access to affordable credit a reality for underserved individuals and MSMEs, who were otherwise exploited by informal lending channels. We are delighted to have Kedaara on board with us, who share the same vision of broader financial inclusion in the country. Their unique operating partner model will add significant value to us as we seek to develop into one of India’s most preferred financial institution”

Mr. Pramod Bhasin, Advisory Operating Partner, Kedaara Capital, commented, “We believe that financial services should grow at a faster rate than India’s overall economy, and represent a major opportunity. Au has demonstrated strong growth combined with high development impact in various under-served markets, and is on track to achieve its vision of becoming a highly respected industry leader.”

Mr. Nishant Sharma, Managing Director, Kedaara Capital, added, “We are pleased to be partnering with Au Financiers, a company led by enterprising promoters who have built a robust platform of sound risk management and credit underwriting capabilities. We believe that our partnership will help propel growth in the under-served rural and semi-urban segments by promoting consumer credit, agriculture lending and corporate lending to small and micro enterprises.”

About Au Financiers

Founded and led by first-generation entrepreneur Sanjay Agarwal in 1996, Au is a Jaipur-based diversified non-banking finance company ("NBFC"), with a leading position in the state of Rajasthan, and a growing footprint across several other states in Northern, Western and Central India.

Au focuses on secured lending to lower-income, self-employed individuals and first time users / buyers of commercial vehicles in semi-urban and rural areas, for whom it has developed specific and unique underwriting capabilities. Starting from Rajasthan, the Company has followed a carefully calibrated geographic expansion strategy to spread across 10 contiguous states, and built a rapidly growing, and dense network of 247 branches.

Over its last 10 years of operations, Au has become a premier commercial vehicle (CV) financing player in North-Western and Central India. More recently, the company has successfully diversified into other retail lending categories such as housing loans, small and medium enterprises (SME) loans and micro SME loans.

About Kedaara Capital

Kedaara Capital is an operationally oriented private equity firm pursuing control and minority investment opportunities in India.

Kedaara combines the strengths of a well-networked, highly experienced local investment advisory and operating team, with the experience of their international partner, Clayton, Dubilier & Rice, a pioneering global private equity firm whose investment model blends financial skills with operating expertise.

Kedaara partners with entrepreneurs, management teams, and family-owned businesses and provides deep strategic and operational expertise, a consultative approach, and global connectivity to build enduring value and competitiveness in such businesses.

For more information please visit www.kedaara.com

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