



For Immediate Release

## **IndoStar to acquire Commercial Vehicle finance business of IIFL** **Rs. 3,949 Crs. AUM, 161 Branches, 1,337 Strong Team and 53,457 Customers**

**Business complementarity and significant growth potential drives the deal for IndoStar**

- **Total AUM will increase to Rs. 11,697 Crs. from Rs. 7,748 Crs. as at 31<sup>st</sup> December 2018 with Retail AUM at Rs. 7217 Crs - 62% of the total**
- **No. of branches will increase to 320 with Pan India presence in 18 states servicing 75,000 customers**
- **CV finance team strength will increase to 2,337**
- **IIFL Finance to continue to focus on its core business of Affordable Home Loans, Small business loans, Gold Loans and Microfinance and look for growth in these segments through organic and inorganic means.**

**Mumbai, 4<sup>th</sup> February, 2019: IndoStar Capital Finance Limited (IndoStar)**, one of the leading NBFCs in the country, has signed a binding agreement to acquire the CV finance business of India Infoline Finance Limited (IIFL Finance), a material subsidiary of IIFL Holdings Limited. The acquisition includes the entire CV finance AUM of Rs. 3,949 Crs as on 31<sup>st</sup> December, 2018, comprising of Rs. 2,450 Crs of loan portfolio and Rs. 1,499 Crs of securitisation/assignment portfolio, together with 1,337 strong employee team located in 161 branches spread over 18 states. This team has achieved a gross disbursement in excess of Rs.3,000 Crs. for FY18 and Rs. 1,723 Crs for H1FY19. The boards of both companies have approved the above transaction.

IIFL Finance is a diversified NBFC providing small-ticket loan products to its customers including Mortgages, loans against property, construction finance, gold loans, SME loans, capital market and micro-finance loans. It had AUM of Rs. 36,400 Crs as on 31<sup>st</sup> December, 2018; CV loans constituted 11% of the AUM. IIFL intends to exit this business and focus on its core focus areas of home loans, SME, gold and micro-finance loans.

IndoStar Capital, promoted by Everstone Group in 2011, initially started corporate lending business. Since 2015, IndoStar has been building its retail lending business which

### **IndoStar Capital Finance Limited**

BSE: 541336 | NSE: INDOSTAR | Bloomberg: INDOSTAR:IN

### **IIFL Holdings Ltd**

BSE: 532636 | NSE: IIFL | Bloomberg: IIF:IN

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accelerated last year with the set-up of CV finance and Affordable Housing Finance businesses. This acquisition is truly transformational and would catapult IndoStar into becoming a leading player in the attractive high growth CV financing space and help it to build a diversified profitable lending book with a product mix comprising CV Finance, Corporate Lending, SME Business Loans and Affordable Housing Loans.

Commenting on the acquisition, **R. Sridhar, Executive Vice-Chairman & CEO, IndoStar Capital** said, "This strategic acquisition which is profit accretive from day one helps IndoStar to significantly accelerate timelines in achieving our goal of becoming the leading retail finance NBFC having a diversified and profitable asset book with strong growth prospects. I would like to take this opportunity to welcome IIFL customers and employees to IndoStar and assure them that they will experience a seamless transition and a high level of support from IndoStar".

**Nirmal Jain, Chairman, IIFL Group** commented that "this is a win-win transaction for both the organizations. Given Mr. R Sridhar's experience and credentials to lead CV financing business, IndoStar will become a significant player with scale. Our staff will enjoy seamless transition and customers will have uninterrupted service from the same people and locations. IIFL Finance will use capital to scale up its core products of affordable home loans, small business loans and gold loans. This will allow IIFL Finance to grow, without having to dilute equity in near future."

IIFL's investment banking team was the exclusive advisor to the transaction.

#### **About IndoStar Capital Finance Limited:**

IndoStar is a non-banking finance company "NBFC" registered with the Reserve Bank of India as a systemically important non-deposit taking company. Promoted by Everstone Group, IndoStar is a professionally managed and institutionally owned organization which is engaged in providing structured term financing solutions to corporates, used and new commercial vehicle financing for transporters, and loans to SME borrowers, affordable Home Finance through the wholly-owned subsidiary IndoStar Home Finance Private Limited. IndoStar has an AUM Rs. 7,748 Crs as on 31<sup>st</sup> December 2018. Strongly capitalized with a net-worth of Rs. 2,928 Crs as on 31<sup>st</sup> December 2018, IndoStar offers a wide range of loans to more than 21,000 customers.

For more information, visit [www.indostarcapital.com](http://www.indostarcapital.com)

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### **About IIFL:**

IIFL Holdings Ltd (NSE: IIFL, BSE: 532636) is a leading player in the Indian financial services space. IIFL is engaged in the business of loans and mortgages, asset and wealth management, retail and institutional broking, investment banking and realty services through its various subsidiaries.

IIFL Holdings Ltd is headquartered in Mumbai with overseas offices in London, New York, Toronto, Geneva, Hong Kong, Dubai, Singapore and Mauritius. Started as a research firm in 1995, IIFL is a first generation venture. Today, IIFL is a diversified financial services group with a consolidated net-worth of Rs. 5,768 Crs as on December 31, 2018, offering a gamut of services to more than 40 lakh customers across various business segments and is continuously building on its strengths to deliver excellent service to its expanding customer base.

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