

Avendus Capital Advises IIFL Home Finance on Investment of INR 2,200 cr From ADIA'S Wholly Owned Subsidiary

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DEAL VALUE USD 283 mn (INR 2,200 cr)

SERVICE Mergers & Acquisitions

SECTOR Financial Institutions Group

Leading Non-Banking Financial Company, IIFL Finance Limited, today said that its wholly owned subsidiary IIFL Home Finance Limited, one of India's largest affordable housing finance companies with assets under management of INR 23,617 crore as of March 31, 2022, has entered into definitive agreements for raising INR 2,200 crore of primary capital for a 20% stake from a wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA). The deal completion is subject to regulatory approvals.

This would be one of the largest equity investments in the affordable housing finance segment in India by a financial investor. Backed by a technology backbone enabling 100% digital onboarding for home loans, robust credit appraisal and collection systems, IIFL Home Finance Limited proposes to use the additional capital to continue its granular expansion strategy into new markets to address the significant and growing demand for housing loans.

Speaking on the occasion, **Nirmal Jain, Founder, IIFL Group** said, "We are delighted to partner with ADIA who bring to the table long term commitment and rich experience of supporting growing businesses. The investment recognizes IIFL Home Finance's position as one of India's largest providers of affordable housing loans and how well it is placed to continue to target the large, resilient housing finance market."

Established in 2006 as a wholly owned subsidiary of IIFL Finance, IIFL Home Finance has created assets under management of INR 23,617 crore as of March 31, 2022, with an active customer base of 168,000 across 16 states and 2 union territories with over 200 branches backed by over 3,200 employees. The company offers small-ticket housing loans, loans against property and construction finance. It also actively supports the construction of green affordable buildings in the country in collaboration with housing developers and other experts through its proprietary 'Kutumb' platform in an effort to limit the carbon footprint and provide cost-efficient structures.

"IIFL Home Finance has already established itself as one of India's leading technology-enabled mortgage lenders. This investment aims to support the company for its next phase of growth, as it meets the significant demand in India's large, under-served and fast-growing affordable housing finance market," said **Hamad Shahwan Aldhaheeri, Executive Director of the Private Equities Department at ADIA**.

Speaking on the occasion, **Monu Ratra, CEO, IIFL Home Finance** said, “IIFL Home Finance has built a strong foundation and is at an inflection point as it leverages new strategies such as co-lending, foraying into more granular products and expanding reach across Tier II and Tier III regions. We welcome our new partners and look forward to working with them in the next phase.”

Anshul Agarwal, Executive Director and Co-head, Consumer, Financial Institutions Group & Business Services Investment Banking, Avendus Capital said, “We are privileged to be associated with one of the largest affordable housing finance players in what constitutes a landmark transaction in the space. The investment reinforces the resilience of the sector and the strong confidence investors have in a high-quality franchise like IIFL Home Finance. This partnership will further strengthen the company’s position in the space as it continues to scale new heights.”

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Avendus Group is a leading financial services firm with a presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus’ wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

For more information, please visit www.avendus.com

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