



## **Au Financiers attracts investment of \$50 million by Warburg Pincus and existing investor IFC**

**Mumbai / New Delhi, March 12, 2012:** Au Financiers (India) Private Limited announced today that the company has attracted an investment of US\$50 million led by Warburg Pincus, a leading global private equity firm focused on growth investing. Existing investor International Finance Corporation (IFC), a member of the World Bank group, also participated in this round of fund raising to maintain its percentage ownership. The investment will be primarily used to fund future growth of the company and will also provide some liquidity to early investors.

Since its inception in 1996, Au Financiers has established itself as a premier non-banking financial company that caters to the financial needs of over 125,000 borrowers, many of whom are self-employed individuals and entrepreneurs in remote and rural locations. The company offers a range of secured loan and products including loans against new and pre owned vehicles deployed in productive use, and loans to small and medium enterprises. Au Financiers' assets under management have doubled over the past year and it has developed a network of about 150 branches across 7 states in western and central India.

Commenting on the development, **Sanjay Agarwal, Managing Director and founder, Au Financiers said**, *"Since its inception, Au Financiers has been working extensively to reach out to the millions of unbanked people in India and provide them access to organized finance. In this process it has helped many of its borrowers to shape their future. Raising private equity capital from IBEF and IBEF-I in 2008 was a significant milestone in our journey. Another significant step in our journey was raising private equity in 2010 which was led by IFC, Washington. The current round led by Warburg Pincus is the single largest equity infusion in the Company which would double our net worth. With the support from our well-reputed investors we are confident that we will continue to grow in an accelerated manner and take our business to a different level of size and scale. We*

*have also recently forayed into housing finance where we have significant growth plans to tap into the huge unmet demand.”*

**Vishal Mahadevia, Managing Director, Warburg Pincus India Private Limited said,** *“Warburg Pincus’ growth-oriented investment in Au Financiers reflects its recognition of the company’s high quality leadership team led by Sanjay Agarwal. Warburg Pincus will look forward to helping the company achieve its vision of becoming a highly respected industry leader.”*

**Thomas Davenport, Director, IFC, South Asia added,** *“This investment is a continuation of our long standing relationship with Au Financiers. The organization has demonstrated strong growth potential with high development impact in unserved and under-served markets.”*

**Vishal Tulsyan, CEO and Director, Motilal Oswal Private Equity Advisors said,** *“We have enjoyed a long and fruitful association with Au Financiers and it is heartening to see how the company has grown since our investment in 2008. We welcome Warburg Pincus as a partner and look forward to work together with Warburg Pincus and IFC in the next stage of the company’s growth.”*

Ernst & Young and Wadia Ghandy advised Au Financiers on the transaction. Amarchand Mangaldas and KPMG acted as the advisors to Warburg Pincus. AZB Partners were advisors to IFC. Ladderup Corporate Advisory and Rajani Associates acted as advisors to IBEF and IBEF-I.

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### **About Au Financiers**

AU Financiers, incorporated in 1996, is a Jaipur based asset finance company. Au has a base of about 125,000 customers, 1,500 employees and 150 branches spread across 7 states in western and central India.

The company offers loans for commercial vehicles, multi-utility vehicles, cars, three-wheelers, and small and medium enterprises, and has recently forayed into housing finance. Au has preferred financier relationships with India's leading vehicle manufacturers including Tata Motors and Maruti Suzuki. Au's target customers are from low income group, self-employed individuals, and first time buyers, especially in rural and semi-urban locations, thus, a large part of Au's loan portfolio gets classified as priority sector lending. Au offers branch proximity in remote locations and fast processing times to its customers, helping them get access to finance and to the means of earning a livelihood.

### **About Warburg Pincus**

Warburg Pincus is a leading global private equity firm. The firm has more than US\$30 billion in assets under management. Its active portfolio of more than 125 companies is highly diversified by stage, sector and geography. Warburg Pincus is a growth investor and an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than US\$40 billion in over 650 companies in more than 30 countries.

Over the past decade, affiliates of private equity funds raised by Warburg Pincus have invested about US\$3 billion in Indian companies. The firm's past and current investments in India include Ambuja Cements, Bharti Airtel, DB Corp, Gangavaram Port, Havells, HDFC, ICICI Bank, IMC, Kotak Mahindra Bank, Lemontree Hotels, NDR Group, Max India, Metropolis Healthcare, Piramal Healthcare, Quest Global, Punj Lloyd, Sintex and WNS Global Services. The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Port Louis, San Francisco, São Paulo and Shanghai. For more information, please visit [www.warburgpincus.com](http://www.warburgpincus.com).

### **About IFC**

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. IFC offers loans, equity investments, advisory

services and technical assistance to private companies with the intent of alleviating poverty and promoting open and competitive markets in developing countries. As of 2011, IFC has 182 member countries, total assets of US\$68.5 billion and total investment mobilization of US\$12.2 billion to 518 projects. For more information, visit [www.ifc.org](http://www.ifc.org)

**About Motilal Oswal Private Equity Advisors Limited**

Motilal Oswal Private Equity Advisors Pvt. Ltd. (MOPE) is a subsidiary of Motilal Oswal Financial Services Ltd. (MOFSL), a diversified financial services group. MOPE currently manages and/or advises India Business Excellence Fund-I, a US\$120 million fund and India Business Excellence Fund-II, a US\$150 million fund. Both the funds are India centric focused on providing growth capital to mid-market companies. MOPE also manages India Realty Excellence Fund-I, a US\$40 million real estate fund focused on residential project in tier 1 cities.

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