

Sundaram Fin to acquire BNP stakes in two JVs for ₹1,000 cr

FE BUREAU

Chennai, June 20

SUNDARAM FINANCE (SFL) and BNP Paribas Personal Finance have reached an agreement whereby BNP Paribas Personal Finance has agreed to sell its entire 49.9% equity stake in Sundaram BNP Paribas Home Finance (SBPHFL) to SFL for a total consideration of ₹999.66 crore.

SFL, an NBFC, currently holds 50.1% in the above company and the said acquisition would increase its holding to 100%, thus making the company a wholly-owned subsidiary

of SFL. The proposed acquisition follows the decision of the BNP Paribas Group to exit housing finance business in retail sector.

SBPHFL is a leading player in the housing finance sector in India. The firm reported a net profit of ₹145.48 crore in FY19.

SFL managing director TT Srinivasaraghavan said, "Sundaram Finance and BNP Paribas Personal Finance have enjoyed an excellent relationship over the past 15 years and built up a successful and respected brand in the housing

finance sector in India. BNP Paribas Personal Finance has added a lot of value to the technical aspects of the business and been a valued business partner. India is in an interesting phase in its economic journey."

Sundaram BNP Paribas Home Finance was incorporated on July 2, 1999, as a subsidiary of SFL to offer specialised housing finance services to the retail sector in India. To leverage the market potential further, SFL and BNP Paribas Personal Finance, a wholly-owned

subsidiary of BNP Paribas France, entered into a joint venture in 2007 whereby BNP Paribas Personal Finance acquired 49.9% equity stake in the company.

In a related development Sundaram Finance and BNP Paribas Securities Services have reached an agreement whereby BNPSS has agreed to sell its entire 49% equity stake in Sundaram BNP Paribas Fund Services (SBFS) to SFL, for a consideration of ₹1.5 crore. SFL currently holds 51% in the company and the said acquisition would increase its holding to 100%.

