

# THE TIMES OF INDIA

## Payments co Ebix buys Mumbai co WSF's unit

TIMES NEWS NETWORK

**Bengaluru:** Payments firm Itzcash's parent Ebix has acquired the inward international remittance business of Mumbai-based Wall Street Finance (WSF) for \$7.4 million, the company announced on Thursday. The US-based software solutions provider Ebix, which recently bought an 80% stake in the digital payments firm Itzcash, will acquire the wholly owned subsidiary of WSF — Goldman Securities — as part of the deal, subject to sharehol-

### **\$7.4M DEAL**

der approval. WSF is majority owned by industrialist B K Modi's family and it expects the deal to close in the next 75 days.

The inward money transfer service scheme (MTSS) of WSF already holds about 10% market share and will boost the revenues of ItzCash here, said Ebix. Itzcash already has a presence in the domestic remittance business. The company claims to be clocking domestic remittance volume of approximately \$100 million per month. This addition will allow Ebix's financial exchange to remit money sent from abroad through Western Union, Ria or InstaCash.

After its investment in ItzCash, Ebix had said that it had allocated \$100 million for investments and acquisitions in India signalling its intent to rely heavily on inorganic expansion here.

## US co Ebix buys 80% in e-payments firm Itzcash

TIMES NEWS NETWORK

**Bengaluru:** US-based software solutions provider Ebix has bought an 80% stake in digital payments firm Itzcash for Rs 800 crore at a time when online payments has piqued the interest of financial and strategic investors. The deal, which is a 100% secondary sale of shares, valued the Mumbai-based company at Rs 1,000 crore.

The transaction will give exits to venture capital investors Matrix Partners, Intel Capital and Lightspeed Venture Partners, which collectively owned around one-third of the company. They are likely to have clocked 3-5X return on their initial investments, mopping up about \$45 million among the three of them.

The rest of the stake was sold by the promoters, the Essel group, and the management. The promoters will now hold the remaining 20% stake after the new funding. There

### **₹800CR DEAL**

is no primary capital that has come into the payments firm.

Itzcash, which started off in 2006 as a multi-service prepaid card company, had reported Rs 240 crore in revenues last fiscal and has said it was profitable. Ebix is an insurance software solutions provider with a market capitalisation of \$1.7 billion. It has invested in other Indian companies like Healthcare Magic and fintech startup Finly.

"Having established our leadership position across payments, remittances and corporate solutions, we will deepen our foray into areas of credit, insurance, healthcare and investments. This partnership and their experience in financial services will help us become a platform for a lot of financial services products," Itzcash's managing director Naveen Surya told TOI.

TIMES GROUP INITIATIVE

# Ebix gets Paul Merchants' int'l remittance biz

TIMES NEWS NETWORK

**Bengaluru:** Payments firm ItzCash's parent Ebix has acquired Paul Merchants' international remittance biz for \$40.7 million, the company announced on Thursday. This is the third acquisition by the company in this space in last two months which gives its 60% market share in international remittances in India. Prior to this, the company had acquired international remittance business of YouFirst Money Express and Mumbai-based Wall Street Finance's inward international remittance.

As part of the deal, Paul Merchants will get 10% stake in Ebix's combined international inward remittance business. The acquisitions gives access for Ebix to over 20,000 distribution outlets and 165 branches processing over 6 million transactions.

"Paul Merchants has led the Indian markets in the international remittance exchange business. Under

the leadership of Paul, they have backed their steadfast vision with strong fundamentals, rock solid financials, vast & loyal distribution base and high levels of commitment to their customers. I am pleased to say that Sat Paul Bansal, the founding CMD of Paul Merchants, has graciously agreed to serve as the chairman of the board of our combined remittance company, to

## \$41M DEAL

ensure that the combined money transfer service scheme (MTSS) company continues to deliver high standards of customer service and growth," said Robin Raina, chairman, president & CEO, Ebix.

Earlier this year, Ebix infused over \$120 million in ItzCash to buy 80% stake in the firm. After the acquisition, Rain had said the company has allocated about \$100 million for its India growth plans including acquisitions.

# Payments co Ebix buys int'l remittance biz

TIMES NEWS NETWORK

**P**ayments firm ItzCash's parent Ebix has acquired the inward international remittance business of YouFirst Money Express. This is the second acquisition by Ebix in the remittance space in less than a week. On August 17, it acquired the Mumbai-based Wall Street Finance's inward international remittance business for \$7.4 million.

Ebix did not disclose financial details of the YouFirst transaction. An agent for Western Union, YouFirst provides international money transfer services in India. Started in 2013, the company was founded by former Reliance Capital executives Vikrant Gugnani and Ganesh Pai.

Ebix has been upping the ante in India's payments sector, with acquisitions. Its biggest move came when it bought an 80% stake in ItzCash earlier this year. The acquisition will increase ItzCash's dominance with an overall 25% market share.

## Ebix Puts Aside \$100m for India Play

Mugdha.Variyar@timesgroup.com

**Bengaluru:** US-based Ebix, which recently acquired 80% stake in Mumbai-based fintech firm ItzCash for ₹800 crore, has committed \$100 million, or about ₹644 crore, for investments and acquisitions in India. "Ebix has set up an aggressive growth path ahead of itself, both in terms of revenues and operating income," said Robin Raina, chief executive at

the Nasdaq-listed global supplier of on-demand software solutions and e-commerce services mainly to the insurance industry. "We are accordingly committing \$100 million fund to this growth path and will not shy away from scaling this investment upwards sizably for the right opportunities," he said. The investments would be made through ItzCash.

The digital payments company is already in advanced talks with companies in the lending, international remittance

and travel sectors, and hopes to close some deals in the next quarter, its chief growth officer Bhavik Vasa said.

"We are already in mature stages of discussions with companies in these sectors, especially in international remittance and lending," Vasa said. "We expect to close some of these investments in the next 90-120 days."

According to him, ItzCash is in final stages of getting approval for carrying out international remittance.

## Ebix Puts Aside \$100m for India Play

ItzCash owner sets up aggressive growth path, to use money for investments and acquisitions here

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### MARCHING ON



INDIAN MINIATURE. Rajput Prince on Horseback

ITZCASH  
TURNED  
PROFITABLE  
IN 2016-17

Co started with  
prepaid card  
and wallet  
products

Firm has since expanded  
into businesses  
such as remittances,  
financial services and  
corporate products

Ebix's India  
investments  
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through ItzCash

"We will look at investment or acquisition in international remittance to add a layer to our already large domestic remittance business," he said.

On the lending side, the company would look to give working capital loans to the 75,000 merchants it has partnered with across the country to enable bill payments and money transfer, Vasa said.

The announcement of fresh investments comes a day after ItzCash managing director Naveen Surya quit the firm. Raina will take over as chairman of the company's board, while Vasa and chief business officer Ravi Singh will take full execution charge.

Ebix had in May this year bought 80% stake in ItzCash, valuing the firm at about \$150 million and giving exits to early investors Matrix, Intel Capital and Lightspeed Venture Partners.

Essel Group owns the remaining 20% stake in the company. ItzCash had told ET earlier this year that it was set to make several investments and partnerships in the fintech space this year.

The company recently invested in Bengaluru-based fintech startup Finly, which works on expense management for corporates.

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## Ebix Acquisition Wagon Picks up YouFirst Money

Acquisition to give Ebix 25% share of inward international remittance mkt here

Mugdha.Variyar@timesgroup.com

**Bengaluru:** Ebix, which recently acquired a majority stake in Indian payment company ItzCash, has acquired YouFirst Money Express, a subsidiary of YouFirst Ventures, promoted by former Citibanker and Reliance Capital executive Vikrant Gujnani. YouFirst operates in the international inward remittance space and in foreign exchange un-

### Big Deal

80% Stake that Ebix had recently acquired in ItzCash for ₹800 cr

Firm to put \$100m in investments and acquisitions

75,000 No. of retail outlets ItzCash manages in India



der relevant licence from the Reserve Bank of India. It is the third largest international remittance player in India with a market share of almost 15% of Western Union's inward remittance flows in India.

This is Ebix India's second acquisition this month, after it acquired Wall Street Finance's wholly-owned subsidiary Goldman Securities (GSPL) for ₹47 crore. Wall Street Finance is also a money transfer agent

of Western Union. Ebix, a US-based global insurance SaaS company, had recently acquired 80% stake in ItzCash for ₹800 crore. The company has committed \$100 million for investments and acquisitions in the Indian market.

The acquisition will give Ebix approximately a 25% share of the inward international remittance market in India, Bhavik Vasa, chief growth officer at ItzCash, said.

Ebix will make more investments in the international remittance, lending and insurance sectors, Vasa said. "Following up on the Wall Street Finance's Money Transfer Service Scheme business acquisition announcement a few days back, the acquisition of YouFirst is a significant announcement in our efforts to expand our presence in the Financial Exchange markets in India," Ebix chairman Robin Raina said in a statement.

"We expect that the consolidation of YouFirst and Wall Street assets into our existing Financial Exchange infrastructure will enhance our operating margins substantially, in the financial exchange segment in India," he added. ItzCash manages over 75,000 retail outlets across India and serves 35 million customers annually.

# Ebix Puts Aside \$100m for Acquisitions in India

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The company recently invested in Bengaluru-based fintech startup Ebix, which makes on-

## GROWTH AGENDA

# Ebix to Buy Business of Wall Street Finance

Acquisition to expand Ebix's reach in India and its play in global remittance exchange markets

Pratik Bhakta and Mugdha Variyar

**Mumbai/ Bengaluru:** Nasdaq-listed Ebix Inc. is set to buy the business of Wall Street Finance Ltd in a two-leg transaction for ₹47 crore, the company said in a filing with the Bombay Stock Exchange.

In the first leg, the company will acquire Wall Street Finance's wholly-owned subsidiary Goldman Securities (GSPL) for ₹5.1 crore. Subsequently, the GSPL will buy out the international money transfer business of Wall Street Finance for ₹42.2 crore.

"We are focused on establishing Ebix as a leader in the financial exchange markets in India. This acquisition will not only expand our reach in the country, but will establish Ebix as a key player in the international remittance exchange markets," said Robin Raina, chief execu-

tive officer of Ebix.

Wall Street's shares rose to 20% limit at ₹32.75 apiece, valuing the firm at ₹37.9 crore.

"The fintech space and the payments industry is all set to see a wave of consolidations and the profitable entities like Itz Cash with their war chest are all set to take advantage of the situation and expand operations," said a person close-



ly associated with the deal on condition of anonymity.

Itz Cash which has been in the business of remittance and digital payments since 2006, recently got acquired by the US-based software solution company Ebix. Ebix bought 80% stake in the company for ₹800 crore, valuing the company at ₹1,000 crore.

Continued on ►► SMART INVESTING

# ADDITIONAL SOURCES

### The Economic Times

## Insurance Software Firm Ebix Buys 80% in ItzCash for ₹800 cr

Early investors Matrix, Intel Capital and Lightspeed Venture Partners exit the fintech company

**ON THE TABLE**

**ItzCash** has raised about ₹60 crore from US-based Ebix Inc, a Nasdaq-listed international supplier of on-demand software and e-commerce services. But this deal, 80 per cent of which will be used to...

**US Co Buys 80% Stake in ItzCash**

United States-based global insurance SaaS company Ebix Inc has acquired 80% stake in ItzCash for ₹800 crore, valuing the Mumbai-based fintech company at about \$150 million and giving exits to early investors Matrix, Intel Capital and Lightspeed Venture Partners. Essel Group will own the remaining 20% stake in the company. ItzCash's managing director Naveen Surya said the investors received three to four times returns on their initial investments.

### Hindustan Times

## US-based Ebix acquires 80% stake in ItzCash

MUMBAI: US-headquartered Ebix Inc., an international supplier of on-demand software and e-commerce services to the insurance and financial services industry, has acquired a majority stake in payments services firm ItzCash for ₹800 crore from Essel Group and other shareholders (approx. \$124 million). Ebix has acquired an 80% stake in the company through a combination of primary and secondary share purchase. The transaction provided an exit to ItzCash's existing venture capital shareholders Matrix Partners, Intel Capital and Lightspeed Venture Partners. ItzCash provides various services such as prepaid cards, bill payments and remittance.

### The Economic Times

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### The Hindu Business Line

## ItzCash sells 80% stake for ₹800 crore to Nasdaq-listed Ebix

Early investors Matrix Partners, Intel Capital exit

MUMBAI: With this, ItzCash's total funding since inception is pegged at about ₹1,200 crore and the company is valued at ₹1,000 crore. The latest round also saw entry by ItzCash's early investors Matrix Partners and Intel Capital at about 10 to 20 percent, company's founder Naveen Surya told BusinessLine.

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### Financial Express

## US firm Ebix invests ₹800 crore in ItzCash

US HEADQUARTERED EBIX, a supplier of on-demand software and e-commerce services has invested about ₹800 crore in payment solutions firm ItzCash. In lieu of the investment, the company has acquired a 80% stake in ItzCash. The payment solutions firm which claims to have a customer base of 75 million consumers, processes approximately 600,000 transactions per day. With the company following an Open-Channel strategy it has more than 75,000 physical retail outlets across the country.

### Mint

## Ebix to acquire 80% stake in ItzCash

MUMBAI: Ebix Inc., an international supplier of on-demand software and e-commerce services to the insurance and financial services industry, has acquired a majority stake in payments services firm ItzCash for ₹800 crore, approximately \$124 million from Essel Group and other shareholders. Ebix acquired an 80% stake in the firm through a combination of primary and secondary share purchase. The transaction provided an exit to ItzCash's existing venture capital shareholders Matrix Partners, Intel Capital and Lightspeed Venture Partners. ItzCash, which provides services such as prepaid cards, bill payments, bill remittance, direct debit, and other consumer services, has about 75 million consumers and 150,000 physical retail outlets across the country. The company processes 600,000 transactions per day in financial year 2016-17 and has 75,000 physical retail outlets across the country.

### DNA

## Ebix buys 80% stake in ItzCash for ₹800 cr

New Delhi: US headquartered Ebix on Wednesday said it has invested about Rs800 crore to acquire 80 per cent stake in payment solutions exchange ItzCash. Ebix is an international supplier of on-demand software and e-commerce services to the insurance, financial, e-governance and healthcare industries. Founded in 2006, ItzCash is India's leading digital payments firm, the company has since expanded verticals such as remittances, financial services, corporate solutions, PoS and payment gateway.

### Indian Express

## Ebix of US buys 80% in ItzCash for \$150 mn

NEW DELHI: US-based Ebix Inc has acquired an 80 per cent stake in digital payments company ItzCash for an estimated total cost of \$150 million (estimated ₹1,200 crore).

Under the terms of the agreement, ItzCash will be valued at a total enterprise value of approximately \$150 million. Accordingly, Atlanta-based Ebix acquired an 80 per cent stake in ItzCash for \$120 million (₹775 crore) including upfront cash of \$15 million and a contingent earn out of up to \$44 million payable over a period of 3 years. Overlooking, The closing date of the transaction was May 11, 2017. The company funded the transaction using direct cash resources from its Indian and Singapore subsidiaries.

The deal gives the original promoter of the company, which had 20 per cent in the company, an exit.

### DNA

## Ebix invests in ItzCash

US-based Ebix Inc will pay Rs 800 crore for an 80% stake in payments firm ItzCash. The deal values ItzCash at \$150 million. ItzCash's existing investors - Matrix Partners, Lightspeed Venture and Intel Capital - will exit the company.

### Business Standard

## ItzCash investors sell 80% to US-based firm for ₹800 cr

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### The Assam Tribune

## ItzCash stake

NEW DELHI, May 24: US-headquartered Ebix today said it has invested about Rs. 800 crore to acquire 80 per cent stake in payment solutions exchange ItzCash. - PTI

### INC42 MEDIA

## US Based Ebix Invests \$123 Mn In ItzCash, Acquires 80% Stake; Matrix, Lightspeed, Intel Exit

# Nasdaq-listed Ebix buys money transfer business of YouFirst

## OUR BUREAU

New Delhi, Aug 21

Nasdaq-listed Ebix Inc on Monday announced that it has acquired the money transfer service scheme (MTSS) business of YouFirst Money Express Private Ltd.

This is Ebix's second acquisition over the last few days and comes on the heels of the acquisition announcement of MTSS assets of Wall Street Finance Ltd on August 17.

The acquisition of YouFirst and Wall Street MTSS inward remittance assets gives Ebix about 25 per cent of the inward international remittance market in India, Bhavik Vasa, Chief Growth Officer, ItzCash told *BusinessLine* here.

Ebix now controls 80 per cent of ItzCash.

With a market share of almost 15 per cent of Western Union's inward remittance flows in India, YouFirst is the third largest international remittance player in India.

Vasa also said that Ebix is open to more inorganic acquisitions as part of its efforts towards leadership status in the international remittance sector.

He however declined to specify the deal value in the YouFirst acquisition transaction.

Recently, Ebix announced \$100 million fund for organic and inorganic growth of its ItzCash Financial Exchange. The latest two acquisitions — MTSS of Wall Street Finance and YouFirst — have been funded from this \$100 million fund, according to Vasa.

Ebix Chairman, President and CEO Robin Raina said: "Following up on the Wall Street Finance's MTSS assets acquisition announcement a few days back, the acquisition of YouFirst is a significant announcement in our efforts to expand our presence in the financial exchange markets in India.

It will not only help expand our reach, but also nurture cross selling and increased revenue opportunities for our distribution outlets. We expect that the consolidation of YouFirst and Wall Street assets into our existing financial exchange infrastructure will enhance our operating margins substantially, in the financial exchange segment in India."