

## Spark Capital advises Suryoday on INR 2,174 Mn Round of Primary Capital Raise and Secondary Stake Sale



Spark Capital is pleased to announce successful closure of INR 2,174 Mn round in Suryoday Micro Finance Ltd (“Suryoday” or the “Company”), through a combination of primary capital raise and secondary sale of shares by existing investors (“Selling Shareholders”). Spark Capital acted as exclusive financial advisor to the Company and the Selling Shareholders for the transaction. This deal reaffirms Spark’s leadership position in the BFSI space having consummated 26 transactions aggregating ~USD 1 Bn value across various sub-segments of the BFSI space. This transaction also marks Spark’s 7<sup>th</sup> successful closure in microfinance and allied sectors, aggregating ~USD 200 Mn.

### **About the Transaction:**

Suryoday has obtained an in-principle approval from the Reserve Bank of India to convert itself into a Small Finance Bank (“SFB”). Taking into consideration the regulatory requirements pertaining to shareholding for conversion into an SFB, the Company has raised fresh equity capital from domestic investors and facilitated an exit for some of its existing investors.

The transaction saw participation from domestic investors such as the IDFC Bank, ASK Pravi, HDFC Standard Life Insurance, Arpwood Investment Advisors LLP, Kiran Vyapar Ltd. (LN Bangur Group), Polaris Banyan Holding Pvt. Ltd., and Dr. Aravind Srinivasan, and overseas investors such as responsAbility, Gaja Capital, Evolve India Fund, and Americorp Group. As part of the secondary stake sale, Aavishkaar Goodwell completely exited the Company while Lok Capital Group partially offloaded their stake. Post the current transaction, Suryoday’s shareholding consists of 51% domestic shareholders and 49% foreign investors.

As exclusive financial advisor to the transaction, Spark Capital was involved in:

- Identifying potential investors and positioning/ marketing the opportunity to a cross-section of investors
- Transaction negotiations on behalf of Suryoday, the Selling Shareholders and the incoming investors
- Finalization of the definitive agreements and the closure of the transaction

### **About Suryoday:**

Suryoday, headquartered in Navi Mumbai, is a microfinance company registered with RBI as an NBFC-MFI. One of the largest MFIs in Western India, Suryoday had a Gross Loan Portfolio of INR 10,520 Mn as of 30<sup>th</sup> June 2016 across 180 branches and 8 states. The Company received an in-principle SFB license from RBI in October 2015 and plans to start banking operations during this fiscal year, post obtaining the banking license and completing the necessary registrations and certifications.

As an SFB, Suryoday will gradually expand its product offering in both lending and deposit segments – allowing it to better meet the needs of the financially underserved and further the cause of financial inclusion.

### **About Spark Capital:**

Spark Capital (“Spark”) is among India’s leading investment banks, providing a full suite of services encompassing Corporate Finance Advisory, Institutional Equities, Wealth Management and Structured Finance and Debt Syndication. Spark’s Corporate Finance Advisory division has successfully consummated a total transaction value of close to USD 1.8 Bn across 30 transactions in the last 36 months; Spark Capital’s Institutional Equities division covers over ~200 stocks under research and enjoys empanelment with 200 institutional clients across FIs, DIs and Family offices. Spark is headquartered in Chennai and has offices in Bangalore and Mumbai.

Further information is available at [www.sparkcapital.in](http://www.sparkcapital.in)

**Best Regards**

***Team Spark***



Spark Capital Advisors (India) Private Limited |

"Reflections", New No. 2, Old No. 12, Leith Castle Center Street | Santhome High Road | Santhome | Chennai 600028

Tel :+91 44 43440000 | Fax: +91 44 43440080 | [spark.ib@sparkcapital.in](mailto:spark.ib@sparkcapital.in)