



Spark Capital advises Home First Finance Company India Private Limited and its shareholders on USD 100 Mn round of primary capital raise and secondary stake sale

Spark Capital is pleased to announce the successful closure of USD 100 Mn equity round in Home First Finance Company India Private Limited ("HFFC" or the "Company"), through a combination of primary issuance of shares and partial and full exit to some of its existing shareholders. The transaction witnessed participation from True North and its affiliates who now have a controlling stake in the Company.

Spark Capital acted as exclusive financial advisor to the Company and its shareholders for the transaction.

This deal reaffirms Spark's leadership position in the BFSI space having consummated 27 transactions aggregating to USD 1.4 Bn across various sub-segments of the BFSI space. This transaction also marks Spark's 3rd successful closure in the affordable housing finance space, aggregating to USD 160 Mn.

About the Transaction:

This is the first large equity fund raise in an affordable housing finance company post demonetization. This deal was consummated amidst an uncertain and bearish environment for financial services where concerns were raised on growth, asset quality and structural survival of certain customer segments and geographies. HFFC, with its diversified and strong developer relationships, direct customer connect and in-built risk management systems could demonstrate a much higher growth trajectory and superior asset quality compared to many of its peers during this period of uncertainty.

As an exclusive financial advisor to the transaction, Spark Capital's role was pivotal in:

- High conviction pitch in marketing and positioning the opportunity to a cross-section of investors generating substantial demand from marquee investors
- Providing critical support during the uncertain period of demonetization by effectively communicating the strength of the HFFC franchise to the investor community
- Driving the price discovery process and complex negotiation of eventual deal terms between HFFC, the selling shareholders, continuing investors and the new incoming investors to optimize outcomes for all existing shareholders

About HFFC:

HFFC is a leading affordable housing finance company serving the mortgage needs of low and middle income customers purchasing their first homes. The Company has disbursed home loans worth USD 165 Mn to over 10,000 families in 30 cities. The Company's business model straddles across the developer-led and retail segment and involves lending to salaried, informal salaried and self-employed customers. HFFC leverages technology effectively to manage a unique and differentiated credit approval platform that is integrated with CRM, loan management and accounting system with inbuilt risk assessment models.

About True North:

True North was established in 1999 with a focus on investing in and transforming mid-sized profitable businesses into world-class, industry-leading businesses, built on a strong foundation of values. Steered since its inception by Vishal Nevatia, True North has over the years built deep knowledge and skills in the Indian markets and has successfully launched five separate investment funds with a combined corpus of ~USD 2 Bn. For more information, please visit www.truenorthco.in.

Further information is available at www.sparkcapital.in

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About Spark Capital:

Spark Capital is among India's leading investment banks, providing a full suite of services encompassing Investment Banking, Institutional Equities, Wealth Management and Structured Finance & Debt Syndication. Spark's Investment Banking business has successfully consummated a total transaction value of close to USD 2.2 Bn across 33 transactions in the last 36 months; Spark Capital's Institutional Equities division covers over 200 stocks under research and enjoys empanelment with over 200 institutional clients across FII, DII and Family offices. Spark is headquartered in Chennai and has offices in Bengaluru and Mumbai.

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