



## Spark Capital advises Five Star Business Finance on its INR 333 Crore equity fund raise from Sequoia India, Norwest Venture Partners and existing investors

Spark Capital is pleased to announce the successful closure of an INR 333 Crore equity round in Five Star Business Finance Limited (“Five Star” or the “Company”), through a combination of primary issuance and secondary sale of shares to Sequoia India, Norwest Venture Partners, and existing investors Morgan Stanley Private Equity Asia and Matrix Partners.

**Spark Capital acted as exclusive financial advisor to the Company for the transaction.**

With this deal, Spark continues to maintain its leadership position in the BFSI space having consummated 29 transactions aggregating to ~USD 1.7 Bn in value across various BFSI sub-segments.

**D. Lakshmipathy, Chairman and Managing Director, Five Star** remarked, “Five Star plays a niche role in today’s markets by serving the large multitude of small enterprises which are typically not catered to by most formal financial services players. Over the years, we have developed an expertise in assessing their cash flows and in underwriting their credit, while keeping the asset quality intact. It’s a great pleasure to invite two marquee investors – Norwest and Sequoia as our partners for growth. They, along with our existing investors – Morgan Stanley and Matrix Partners coupled with our 15+ bank relationships, add tremendous strength to our balance sheet and growth plans, as we aim to emerge as a leading player in the small business and small housing loans segment.”

**Abhijit Chiripal, Director & Head of Financial Services at Spark Capital** added, “We are privileged to have had the opportunity to work with Five Star on this fund raise. By achieving multiple milestones of robust growth, significant profitability and stellar credit quality, Five Star has created for itself a formidable reputation in the small business finance segment. The fact that they have achieved this while maintaining the highest standards of governance and while also positively influencing small business growth in the country is all the more remarkable.”

### About Five Star:

Five Star, founded in 1984, provides small business and small housing loans to under-banked customers. The Company is one of the fastest growing NBFCs in the country today, having more than doubled its loan book in FY17 to ~ INR 5 Bn. Five Star operates across 4 states through a network of 100+ branches and services ~18,000 customers. Through this fund raise, the Company expects to invest into building scale and expanding its operations into new geographies. More information on Five Star can be found at [www.fivestargroup.in](http://www.fivestargroup.in)

### About Spark Capital:

Spark Capital is among India’s leading mid-market 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 6 Bn since inception; Spark Capital’s Institutional Equities division covers over 200 stocks under research and enjoys empanelment with over 200 institutional clients across FIIs, DIIs and Family offices. Spark has offices in Bengaluru, Mumbai and Chennai. Further information is available at [www.sparkcapital.in](http://www.sparkcapital.in)

**Best Regards,  
Team Spark**

**Spark Capital Advisors (India) Private Limited**

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