



Deal Announcement



## Spark Capital is advising CreditAccess Grameen on its 100% acquisition of Madura Micro Finance

**Spark Capital (“Spark”) is acting as the exclusive financial advisor to CreditAccess Grameen Limited for the Transaction.**

Spark is pleased to announce that CreditAccess Grameen Ltd. (“CAGL”) has signed definitive agreements for acquisition of 100% stake in Madura Micro Finance Ltd. (“MMFL”) for a consideration of INR 8,750 Mn / ~ USD 125 Mn (“Transaction”). The Transaction will be undertaken through a two-step process of initially acquiring a controlling stake in MMFL and a subsequent merger of MMFL with CAGL. The Transaction is subject to receiving regulatory approvals and fulfilment of customary closing conditions.

This acquisition adds over one year of organic growth to CAGL and strengthens its leadership position in the microfinance market with a combined portfolio of ~ INR 99,580 Mn, ~37 lakh borrowers and 1,300+ branches (as of Sep 2019). MMFL has a consistent track record of demonstrating high growth and profitability driven by its strong execution capabilities and innovative use of data analytics for deeper business and customer insights in microfinance. Spark believes that MMFL is an excellent cultural fit for CAGL and offers CAGL significant benefits in terms of scale, deeper presence and profitability.

This Transaction is the first instance of consolidation between two large MFI players and demonstrates Spark’s thought leadership in ideating and advising industry leaders on being ahead of the curve against the backdrop of a volatile and tough macro-environment.

Spark continues to build on its deep and long-term association with CreditAccess Group and is privileged to have advised CreditAccess and its subsidiaries across multiple capital raising events aggregating to over USD 350 Mn over the last 5 years.

This Transaction marks Spark’s sixth transaction in the MFI space in the last 4 years with a cumulative deal value of ~USD 500 Mn. Spark continues to maintain its leadership position in the BFSI space having consummated 39 transactions aggregating to USD 2.6 Bn in value across various sub-segments of the BFSI space.

Spark is very proud to be a part of this landmark transaction in the Indian microfinance sector and wishes both CAGL and MMFL the very best in the years to come.

### **About CreditAccess Grameen:**

CreditAccess Grameen is a leading Indian microfinance institution headquartered in Bengaluru, focused on providing micro-loans to women customers predominantly in rural areas across India. The Company is operates in 213 districts in 13 states and 1 union territory in India through 887 branches. It had a Gross Loan Portfolio of ~ INR 79,050 Mn and a customer base of 26.4 Lakh as at September 2019. It is listed on NSE and BSE with a market capitalisation of above INR 110,000 Mn. The Company’s Promoter is CreditAccess Asia N.V., a multinational company, which is backed by institutional investors and has a micro-lending experience through its subsidiaries in four countries in Asia. More information on CAGL can be found at <https://www.grameenkoota.org/>

### **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 Capital’s Investment Banking business has successfully consummated deals with a total transaction value of close to USD 6.7 Bn since inception; Spark Capital’s Institutional Equities division covers over 250+ stocks under research and enjoys empanelment with over 200 institutional clients across FIIs, DIIs and Family offices. Spark Capital is headquartered in Chennai and has offices in Bengaluru and Mumbai. Further information is available at [www.sparkcapital.in](http://www.sparkcapital.in)

**Best Regards,  
Team Spark**

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

Bengaluru | Chennai | Mumbai  
[spark.ib@sparkcapital.in](mailto:spark.ib@sparkcapital.in)