



Spark Capital advises FUSION MICROFINANCE on its ~ ₹5,200 Mn equity fund raise led by Warburg Pincus and existing investor Creation Investments

Spark Capital is pleased to announce the successful closure of a ~ ₹5,200 Mn equity round (through a combination of primary issuance and secondary sale of shares) in Fusion Microfinance Private Limited (“Fusion” or the “Company”), led by Warburg Pincus with participation from existing investor Creation Investments. Through this round, existing investors NMI Frontier Fund (“NMI”), Belgian Investment Company for Developing Countries (“BIO”), RIF North 2 (“Incofin”) and Small Industries Development Bank of India (“SIDBI”) completely exited the Company.

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

With this deal, Spark continues to maintain its leadership position in the BFSI space having consummated 35 transactions aggregating to ₹148 Bn in value across various sub-segments of the BFSI space.

Mr. Devesh Sachdev, Managing Director of Fusion, on the successful closure of the transaction, commented, “We are pleased to partner with Warburg Pincus. They have a strong track record of helping build world class institutions. We have built a very robust rural focused organization with a large network of branches in 18 states of India serving more than million clients. This investment would support our endeavour to develop into one of India’s most preferred companies in the financial inclusion space. We are thankful to Incofin, NMI, BIO and SIDBI for having faith in us early on and being supportive of our journey thus far. Would also like to appreciate Spark Capital for their objective advice across the deal life cycle and facilitating timely closure.”

Mr. Narendra Ostawal, Managing Director, Warburg Pincus said, “Fusion has had a remarkable journey to become a leading microfinance company in a relatively short period of time. It has demonstrated the ability to profitably scale up in a diversified manner. The Company is led by a very talented team, has a robust operating platform and is very well capitalised to become a leader in the financial inclusion space. Warburg Pincus looks forward to backing Devesh and the management team in its next phase of growth.”

Mr. Abhijit Chiripal, Director, Financial Services at Spark Capital, on the successful closure of the transaction, commented, “We are privileged to have had the opportunity to work with Fusion Microfinance and its shareholders on one of the largest private equity transactions in the microfinance sector. Fusion has continued to deliver superior operating metrics driven by its focus on rural India, diversification across 18 states and maintaining one of the best liability profiles in the industry. Partnering with Warburg Pincus should not only strengthen the balance sheet significantly but also allow the Company to selectively evaluate potential acquisition opportunities and lead the potential consolidation in the Industry.

It has been a joy to work with Devesh and everyone at Fusion and wish them the very best in the years to come.”

About Fusion Microfinance:

Established in 2010, Fusion Microfinance is a registered NBFC-MFI, which operates in a Joint Liability Group lending model. With a portfolio of ~INR 20.5 Bn and a customer base of ~1,300,000 (Sep 2018), it features among the top 10 pure play microfinance companies in India. As at Sep 2018, Fusion operated through a network of ~500 branches across in ~ 200 districts and 18 states predominantly across North, East and Central India. Through this fund raise, the Company expects to invest into building scale and expanding its operations. More information on Fusion can be found at www.fusionmicrofinance.com

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, Structured Finance & Debt Syndication. Spark’s Investment Banking business has successfully consummated a total transaction value of USD 6 Bn+ since inception; Spark Capital’s Institutional Equities division covers 230+ stocks under research and enjoys empanelment with over 200 institutional clients across FIIs, DIIs and Family offices. Spark has offices in Chennai, Bengaluru and Mumbai. Further information is available at www.sparkcapital.in

Best Regards,
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