

Spark Capital advises Manappuram Finance Limited on acquisition of majority stake in Asirvad Microfinance Private Limited

Spark Capital advises on the first strategic transaction in the microfinance sector. Spark Capital, as an Exclusive Financial Advisor to the transaction advised Manappuram Finance Limited (“Manappuram”) on the acquisition of Asirvad Microfinance Private Limited (“Asirvad”), a strategic foray diversifying its loan portfolio into microfinance lending. Manappuram has acquired significant majority through a combination of primary investment and secondary purchase from existing shareholders aggregating to USD 17.9 Mn.

Spark Capital, which has done multiple deals in this sector, believes that this is a landmark transaction that should hopefully accelerate the much needed consolidation wave in the microfinance industry.

The Transaction and Spark's role:

As part of this transaction, Spark Capital played the following roles:

- Ideating the transaction, identifying the target, building an investment thesis and evaluating the acquisition opportunity for Manappuram
- Leading transaction negotiations on behalf of Manappuram with Asirvad, its promoters and its private equity investor as well as managing the detailed business, legal and financial due diligence processes on Asirvad
- Transaction structuring, negotiating the definitive documents and advising on evolving a suitable structure to facilitate the transition process after the consummation of the transaction

Spark continues on its long term relationship with Manappuram that began close to a decade ago in 2006. Ever since, Spark has advised Manappuram on multiple rounds of private equity fund raises, corporate restructuring and in evaluating inorganic growth opportunities.

With the consummation of this transaction, Spark has advised on 20 transactions aggregating ~USD 642 Mn in transaction value in the BFSI sector.

About Manappuram Finance Limited

Founded in 1992, and based out of Valapad, Manappuram is India's first listed and the highest credit rated gold loan company. Manappuram is primarily engaged in providing finance against gold ornaments. The Company has an AUM of Rs. 88.2 Bn, a pan - India network presence of 3,293 branches with a live customer base of 1.68 Mn and workforce base of ~14,900 as of 31 December 2014.

About Asirvad Microfinance Private Limited

Incorporated in 2007, Asirvad is an NBFC – MFI based out of Chennai with a total AUM (including managed portfolio) of Rs. 2,782 Mn (as of January 31, 2015). Over the last few years, Asirvad has emerged as one of the prominent players in the microfinance industry in Tamil Nadu in terms of depth and coverage of operations. Asirvad has a network of 115 branches across Tamil Nadu, Kerala, Odisha and Gujarat with an employee base of 475.

About Spark Capital

Spark Capital is among India's leading investment banks, providing a full suite of services encompassing Corporate Finance Advisory, Institutional Equities, Infrastructure Advisory and Wealth Management. Headquartered in Chennai, Spark Capital has offices in Bangalore, Mumbai and Hyderabad. With this, Spark has successfully consummated 29 transactions in the last 36 months aggregating to a total deal value of USD 1.6 Bn.

Further information is available at www.sparkcapital.in

Best Regards

Team Spark



Spark Capital Advisors (India) Private Limited |

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