

News monitored for: Baring Private Equity Partners

Baring PE Exits Muthoot Finance, Its Third in 3 Weeks

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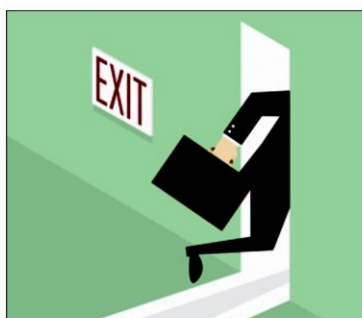
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New Delhi: Baring Private Equity Partners India has scored its third exit over the course of the last three weeks, after the private equity firm completely exited its seven-year investment in listed non-banking financial company Muthoot Finance Ltd.

Baring India that had invested ₹177 crore in the Kochi-headquartered financial institution, which is also the largest gold financing company in India, from its Baring India Fund III, has realised ₹426 crore through an open market sale.

This translates to returns of 2.4 times on its investment that was initially made in 2010. At the time of its exit, Baring India held about a 3% stake in the company.

“Over our long association, we greatly value their knowledge of our business and guidance especially during the regulatory issues faced by the gold loan industry,” George Muthoot, co-



founder and managing director of Muthoot Finance, said in a statement.

Spokespersons for Baring India, however, could not be reached for comments. Shares of Muthoot Finance closed largely flat at ₹477.45 on Thursday on the BSE.

“Muthoot Finance selected Baring India to join its shareholder family when it diluted promoter stake for the first time in 2010. Subsequently, Baring hel-

ped with the IPO process and acted as an anchor investor in an extremely successful IPO, which was oversubscribed 24 times,” Muthoot said.

The exit comes at a time when private equity participation has continued to touch new highs in Asia’s third-largest economy. According to data collated by Venture Intelligence, PE firms have invested \$17.6 billion over the first nine months of 2017, sailing past the previous high of \$17.3 billion recorded in 2015.

The exit from Muthoot Finance is the third such by the India-focused PE firm. Last month, Baring India had exited domestic consumer products giant Marico Ltd and Godrej Consumer Products.

In 2012, the PE firm had invested, along with GIC, the government of Singapore’s sovereign fund, \$25 million that allowed the FMCG company to finance its acquisition of Paras Pharmaceuticals’ personal care brands, such as Set Wet, Livon and Zatak from UK-based consumer goods company Reckitt Benckiser, later that year.