

## Deal Corner

March 17, 2023

### KOTAK MAHINDRA BANK ACQUIRES SONATA FINANCE FROM EXISTING SHAREHOLDERS

#### DEAL BRIEF

Kotak Mahindra Bank ("Kotak") announced that it has executed binding share purchase agreement(s) to acquire 100% of equity shares of Sonata Finance Private Limited ("Sonata"), a Non-Banking Finance Company, classified as an NBFC-MFI, from existing shareholders, subject to regulatory and other approvals, including from Reserve Bank of India. The acquisition is for an aggregate all-cash consideration of approximately ₹ 537 crores. With this acquisition, Sonata will be a wholly owned subsidiary of Kotak after receiving regulatory and other approvals.

#### OUR ROLE

We, at Nishith Desai Associates, acted as the legal counsel to the existing shareholders (i.e., Creation Investments, Caspian, Triodos Investment Management, Proparco, and Michael and Susan Dell Foundation. We advised them on the legal, tax and regulatory aspects of the transaction.

#### OUR CLIENTS

Creation Investments is a leading impact investment management company dedicated to private equity and private credit investments in the financial services industry. Currently, they directly serve over 28 million entrepreneurs with over \$15.7 billion in micro and small business loans outstanding, \$4.1 billion in micro-savings, 5.8 million micro-insurance policies and \$3.7 billion payments processed through mobile payment tools.

Caspian invests in enterprises that address the problems of access and efficiency in business ecosystems that have a positive social or environmental impact. Currently, Caspian has funded 140+ companies and has invested an approximate amount of INR 2000 crores.

Triodos Investment Management is a globally active impact investor. They see impact investing as a driving force in the transition to a more inclusive and sustainable world. They have 750+ direct investments across the globe and EUR 5.7 billion assets under management.

Proparco is the private sector financing arm of Agence Française de Développement Group (AFD Group). It has been promoting sustainable economic, social and environmental development for over 45 years. Proparco provides funding and support to both businesses and financial institutions in Africa, Asia, Latin America and the Middle-East.

The Michael & Susan Dell Foundation (MSDF) is a charitable, non-profit private foundation established by the Dell family. MSDF is dedicated to transforming the lives of children living in urban poverty through improved education, health, and family economic stability.

#### TEAM

Ipsita Agarwalla – Leader, International Tax Practice

Ashish Sodhani – Leader, International Tax Practice

Harman Khorana – Member, M&A and PE

Vasavi Kaparathi – Leader, M&A and PE

Basava Rao - Leader, M&A and PE

#### PRESS COVERAGE

<https://economictimes.indiatimes.com/industry/banking/finance/kotak-acquires-sonata-finance-in-537-crore-all-cash-deal/articleshow/97808731.cms>

<https://www.livemint.com/news/india/kotak-to-acquire-sonata-finance-for-537-crore-11676049840737.html>

<https://www.kotak.com/content/dam/Kotak/about-us/media-press-releases/2023/media-release-sonata-10th-feb.pdf>

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