

Name of the Website: VC Circle

Date: 29.07.2014

Headline: Apax Partners picking 8% in Cholamandalam Investment & Finance for \$83.2M

ELink: <http://www.vccircle.com/news/finance/2014/07/28/apax-partners-picking-8-cholamandalam-investment-finance-832m>

TUESDAY, JULY 29, 2014 11:50:53



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Apax Partners picking 8% in Cholamandalam Investment & Finance for \$83.2M

BY ANURADHA VERMA

The NBFC is backed by IFC, WestBridge, Norwest, Multiples and Creador.

Global private equity firm Apax Partners is investing Rs 500 crore (around \$83.2 million) in non-banking finance company Cholamandalam Investment & Finance Company Limited in a transaction which will give it 8 per cent equity stake in the future, according to a stock market disclosure.



The PE firm will subscribe to 50 million compulsorily convertible preference shares (CCPS) at a face value of Rs 100 per share. The CCPS will convert into equity shares at Rs 407 each, translating into an issue of 12.2 million shares giving 8 per cent of the diluted equity base.

The CCPS will bear a dividend coupon of 1 per cent per annum payable from the date of allotment of CCPS till the date of conversion into equity shares. The CCPS shall be converted into equity shares at the expiry of 12 months from the date of allotment or earlier.

The NBFC will use the funds towards augmenting its capital base for future growth and strengthen the tier-1 capital adequacy ratio.