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Apax-backed Dynasty in \$83.2m deal for shares of India finance company

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Apax Partners-backed Dynasty Acquisition is set to buy INR 5bn (\$83.2m) worth of compulsorily convertible preference shares of India's Cholamandalam Investment and Finance Company.

Chola, which is the financial services arm of the Murugappa Group, said it will use the cash raised from the sale of shares to expand its business in India and to augment its Tier 1 capital adequacy ratio, its capital to risk measure.

Marketing company Dynasty's stock will carry a dividend coupon of one per cent a year payable from the date of allotment of the convertible shares until the date of conversion into equity shares, said Chola.

Apax MD and India head Shashank Singh said, "We believe in the long term secular growth runway of Indian retail financial services and Chola is well positioned in this space, with an outstanding management team and exposure to attractive lending segments."

Chola offers vehicle finance, home loans, home equity loans, SME loans and a variety of other financial services to customers with more than INR 250bn (\$4.16bn) assets under management.

Earlier this month, AltAssets reported that Apax was among private equity are reportedly in talks to buy Dutch business software company Exact Holding, which could be valued at around €1bn.