

Apax Buys TPG's 20.3% in Shriram City Union

Mega returns for TPG; deal value over ₹2,300 crore

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Mumbai: Private equity player Apax Partners has made a big-ticket investment in the Indian financial services sector by picking up 20% stake in Shriram City Union Finance (SCUF), the retail lending arm of Shriram Group. Apax will buy the significant minority stake from TPG Capital, the buyout specialist, which has been looking to monetise its six-year-old investment in SCUF for past few months. TPG will make a bumper exit with returns of close to 4.5 times, said sources aware of the transaction.

Dynasty Acquisition (FPI) Ltd — a company backed by funds advised by Apax Partners — informed the stock exchanges on Tuesday that on Monday (May 11), it had picked up 1.34 crore shares of SCUF — or 20.3% stake — from TPG India Investments. At Monday's closing price, the block deal would have been valued at ₹2,366 crore.

Deal at a Premium to Current Price ►► 12

Money Matters

2nd Investment by Apax in financial services in India



₹2,266 crore

Market price of TPG's 20.3% stake



₹2,200-2,450 cr

Likely deal value



₹500 crore

Apax paid in 2014 for 8% in Cholamandalam Investment & Finance Co

Apax was IGate's largest shareholder; sold co to Capgemini last month

Apax has advised funds totalling over \$40 billion around the world

