

## Deal Street

### MMB and Nishith Desai advise a venture firm to invest in Quick service Restaurant Goli Vada Pav

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VenturEast, a southern venture capital firm, has invested Rs. 21 crore (\$4.7 million) in Goli Vada Pav, a Mumbai-based ethnic food chain that sells the snack.

MMB Legal advised Goli Vada Pav with a team led by Founding Partner Mahesh Madan Bhat along with Partner Amrut Joshi.

Nishith Desai Associates advised VenturEast with a team led by Partner Vaibhav Parikh along with Simone Reis and Akshay Bhargava.

Speaking to *Bar & Bench* on the transaction Mahesh Madan Bhat, Founding Partner said, "The Indian Food and Beverages Market has been attracting a lot of attention from venture capital/private equity investors in the recent past. The main legal issues to be considered while evaluating investment opportunities in this sector are an assessment of the franchise/other relevant distribution models, and an assessment of the real estate rental arrangements, both of which could impact the scalability of such businesses".

Partner Amrut Joshi added, "Most investments in the Quick Service Restaurants/takeaways space in India have been early stage venture capital investments. The expectation is that these businesses will grow over the next 3-4 years and start attracting late stage private equity investments or offer attractive exits to investors in the form of IPOs".

[ET](#) reports, the firm hopes to set up outlets across the country in an attempt to replicate the success enjoyed by Jubilant Foodworks, which acts as a franchisee for Domino's Pizza. Venkatesh Iyer and Shivadas Menon, founders of Goli Vada Pav, set up this firm in 2004 with an investment of Rs. 1 crore and now seek funds to expand the chain into smaller towns and cities. The investment values Goli Vada Pav at Rs. 100 crore.

Recently, Private equity arm of ICICI Bank, [\*ICICI Venture had invested in RJ Corp's Devyani International\*](#), which runs KFC, Pizza Hut and Costa Coffee chains in India, for approximately Rs. 150 crore (\$ 33 million).

SAIF Partners-backed [\*Speciality Restaurants had filed for an Initial Public Offer\*](#) to raise over Rs. 170 crore (\$36 million). This is the second restaurant company to go public after Jubilant Food Works, the exclusive franchisee for [\*Domino's Pizza\*](#) chain in India.

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