

M&A Lab

January 01, 2013

WARBURG - FUTURE CAPITAL - DEAL DISSECTED

With the global economic turmoil and the added uncertainty that has ushered in the Indian regulatory scenario since the beginning of the year 2012, it was only obvious for the total number of M&A transactions in the first half of 2012 slipping down as compared to 2010 and 2011. Having said that, it is rather surprising to note that the vast potential of the Indian market is still attracting a large number of foreign investors willing to offer attractive exit prices to the Indian promoters.

This M&A Lab deals with one of the most-talked about exits of 2012, which was initiated in June 2012 when Mr. Kishore Biyani (promoter of Future Capital Holdings Limited ("FCH")), after his long haul negotiations with several private equity firms finally squared down to US based private equity firm Warburg Pincus to sell Future Group's stake in FCH, a non-core financial business of the Future Group (the "Deal"). The Deal was launched on June 4, 2012 with the execution of definitive agreements between Cloverdell Investment Limited ("Cloverdell"), an entity belonging to Warburg Pincus, FCH and the promoters of FCH whereby Cloverdell agreed to acquire upto 55.36% of the issued and paid up equity share capital of FCH from the Sellers. With the closing of the Deal Cloverdell acquired 68.40% of the Diluted Voting Share Capital of FCH for a total consideration of approximately USD 136.5 million.

This M&A Lab attempts to probe deeper into the Deal, a multi-million dollar transaction which provides Warburg the opportunity to test its fortune in the financial services sector in India and Future Group the opportunity to de-leverage its balance sheet and take its retail plans ahead, thereby proving to be in the best interests of both the parties. As always, we seek to analyze the legal, regulatory, tax, financing and few other commercial dimensions of the Deal.

For a detailed analysis of the commercial, legal, regulatory and tax considerations and to access the M&A Lab, please [click here](#).

– Mukul Aggarwal, Harshita Srivastava & Nishchal Joshipura

You can direct your queries or comments to [Team M&A](#)

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Compendium of Research Papers

January 11, 2025

FAQs on Setting Up of Offices in India

December 13, 2024

FAQs on Downstream Investment

December 13, 2024

Research Articles

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

The Revolution Realized: Bitcoin's Triumph

December 05, 2024

Audio

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

"Investment return is not enough" Nishith Desai with Nikunj Dalmia (ET Now) at FI8 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper

on Simplification of registration for
FPIs

September 26, 2024

**Scope of judicial interference and
inquiry in an application for
appointment of arbitrator under the
(Indian) Arbitration and Conciliation
Act, 1996**

September 22, 2024