

Warburg Pincus offloads 25% stake in Capital First

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US private equity major Warburg Pincus has sold 25 per cent stake in non-banking finance company Capital First to a clutch of marquee foreign and local investors.

The company's shares closed down 5.12 per cent at ₹723.95 on the BSE.

Warburg Pincus has sold 25 per cent stake in Capital First for about ₹1,767.46 crore in a bulk deal on the BSE on Wednesday. A block deal of 2.43 crore shares was struck on the BSE at an average price of ₹727.35 a share

GIC, Singapore government's sovereign wealth fund, acquired an incremental 8.93 per cent stake in Capital First taking its total shareholding in the NBFC to 13.91 per cent. GIC is a global investment firm with more than \$100 billion of assets under man-

agement across 40 countries.

Other buyers include Morgan Stanley, HDFC Standard Life and NatWest Bank.

On March 31, 2012, the company's share price stood at ₹122. Warburg Pincus had bought the stake at ₹162 at a premium of about 32 per cent over the March price.

The deal was done through an affiliate of Warburg Pincus, Cloverdell Investment. Following the deal, Cloverdell Investment continues to be the promoter with a 36 per cent stake in Capital First, the Indian company said in a statement.

Prior to the transaction, Cloverdell Investment's holding in the Indian firm stood at 61 per cent.

"Affiliates of Warburg Pincus continue to remain significant shareholders in Capital First,"

said Vishal Mahadevia, Co-Head and Managing Director, Warburg Pincus India.

Other shareholders of the company include V Vaidyanathan, its Founder & Executive Chairman, and FIIs and FPIs including GIC of Singapore, Government Pension Fund Norway, Goldman Sachs Asset Management and HDFC Standard Life Insurance.

Speaking to BusinessLine, V Vaidyanathan, Executive Chairman, Capital First, said the lender expects its loan book to grow to ₹25,000 crore by the end of FY18 and expects a CAGR of 23-25 per cent over the next five years.

He added that the company has no plans of raising fresh equity.

For financial year 2016-17, CFL posted a net profit of ₹238 crore, a 44 per cent increase over the ₹166 crore of the previous year.