

SSG Capital Buys 40% in Future Supply Chain

Expanding Reach

Future Supply Chain Solutions began as Future Logistics to cater to group companies



It also serves ecommerce companies such as Snapdeal and PepperFry

It later expanded and now gets about 55% of its revenue from clients including ITC, Tata Motors and Mondelez

Financials (FY15)

₹408 cr Revenue

₹25 cr Profit



Future Retail now owns 57% stake in the company, which has been valued at ₹1,450 crore



Future Retail offloads 14% in co, Hong Kong's Fung Capital sells entire 26% stake

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New Delhi: Private equity firm SSG Capital Management has picked up a 40% stake in Kishore Biyani-promoted Future Supply Chain Solutions from existing investors for ₹580 crore. Future Retail, the largest shareholder, offloaded 14% and Hong Kong-based Li & Fung exited by selling its 26% stake in the logistics company.

Fung Capital, the PE investment arm of the families of Victor Fung and William Fung that controls Li & Fung in Hong Kong, received about ₹380 crore (\$57 million) for its stake, according to people familiar with the deal. It had invested \$30 million to acquire the stake in 2009.

Future Retail still owns a 57% stake in the company, which has been valued at ₹1,450 crore. Singapore-based Bantry Capital was the sole advisor for the transaction, according to a joint statement by SSG and Future Retail. Hong Kong-based SSG Capital, founded by Shyam Maheshwari, has about \$2 billion of assets under management in the Asia-Pacific region.

Started as Future Logistics to ca-

ter to group companies, Future Supply Chain Solutions later expanded and now gets about 55% of its revenue from clients including ITC, Tata Motors and Mondelez, according to Anshuman Singh, the managing director.

Over the years, it extended its services to ecommerce and counts Snapdeal and PepperFry among its customers. For the year ended March 2015, Future Supply Chain made a profit of ₹25 crore on revenues of ₹408 crore.

This is the second India investment for SSG Capital. In 2014, the PE firm acquired a 49% stake in Asset Care & Reconstruction Enterprise for ₹41 crore, marking the first entry of an overseas investor in asset reconstruction through the foreign direct in-

vestment route. Amid rapid growth of ecommerce as well as the potential of the overall supply chain sector in India, foreign investors and PE firms have been showing increasing appetite for warehousing and logistics companies in the country.

According to real estate consultancy firm JLL India, the sector received ₹1,438 crore in investment in 2015 through two major deals, topping the ₹1,350 crore inflow in 2012 through five deals.

US-based PE firm Warburg Pincus had formed a joint venture with Embassy Group to invest ₹650 crore in October for setting up warehouses across major cities in the country. It also committed ₹850 crore in June to Ecom Express, a logistics solutions provider.