



Feb 2010 Volume IV

India Deals Snapshot



Mergers & Acquisitions Update

Acquirer	Target	Sector	Stake	Size
Bharti Airtel Ltd	Zain	Telecom	NA	\$ 10.7 billion
Air Works India Engineering Pvt Ltd	Air Livery	Aviation	85.00%	\$ 20 million
Edserv Softsystems Ltd	SchoolMate	Education	NA	Undisclosed
Religare Enterprises Ltd	Northgate Capital	BFSI	NA	Undisclosed
ARCIL	Himachal Futuristic Communications Ltd	Telecom	4.30%	Rs 33 crore
Qinvest	Ambit Corporate Finance	BFSI	25.00%	Rs 250 crore
Aditya Birla Financial Services Pvt Ltd	Aditya Birla Money Ltd	BFSI	75.00%	Undisclosed
Abbott Labs	Solvay Pharma India	Pharmaceutical	20.00%	Rs 305 crore
Career Launcher India Ltd	361 Degree Minds Consulting Pvt Ltd	Education	NA	\$ 1 million
Transcend Infrastructure Ltd	Essar Telecom Infrastructure Private Ltd	Telecom	NA	Rs 2,000 crore
Banco Products India Ltd	Nederlandse Radiateuren Fabriek BV	Auto	NA	Rs 107 crore
Parenteral Drugs India Ltd	Mascareignes Pharmaceutical Manufacturing Co Ltd	Pharmaceutical	NA	Undisclosed
Shree Renuka Sugars	Equipav S.A. Acucar e Alcool	Sugar	51.00%	Rs 1,530 crore
Meltwater Group	BuzzGain Inc	Media	NA	\$ 4 million
Pantaloon Retail (India) Ltd	Home Solutions Retail (India) Ltd	Retail	NA	Undisclosed
Spice Retail Ltd	Global Access	Telecom	NA	Undisclosed

Deal of the fortnight

Zain accepts Bharti Airtel's \$ 10.7 billion offer

Kuwait-based Mobile Telecommunications Company, branded Zain, the third-largest operator in the Arab world, has accepted \$ 10.7 billion offer (around Rs 49,700 crore) from Bharti Airtel for Zain's African assets, thereby making this deal one of India's largest cross-border deals. The deal excludes Zain's Morocco and Sudan assets.

Zain and Bharti are in exclusive talks over the deal until March 25 and may close the deal towards the end of April or May. If the deal concludes, Bharti, which offers mobile services in India, Sri Lanka and Bangladesh, will gain access to 15 countries in Africa.

As per the agreement Bharti will require about \$ 9 billion in cash to buy the assets, which it plans to fund entirely through debt for about two years. It also would need to invest additional funds to grow operations in Africa. Bharti expects the higher debt and other integration costs will result in lower earnings per share in the short to medium term, however, the valuation of the deal is "fair and reasonable" given the growth potential and lower tax costs in Africa.

Zain Africa currently has an EBITDA margin of about 32%, compared with about 40% for Bharti. Bharti anticipates that it would be able to improve Zain Africa's operating margin and revenue market share within a year of the acquisition.

Bharti also expects to increase mobile usage and penetration in Africa--where 35 of every 100 people own mobile phones--and expand operations, tapping the continent's gross domestic product growth of about 7% per annum. Bharti expects to significantly increase usage in Africa by reducing call rates. It has forecasted combined earnings before interest, taxes, depreciation and amortization at \$ 5 billion on revenue of \$ 13 billion in the next 12 months after it buys the African assets of Zain.

Mergers & Acquisitions Update

Air Works buys 85% in UK firm for \$ 20 million

Air Works India Engineering Pvt Ltd, provider of aircraft maintenance, repairs and overhaul services has acquired an 85% stake in UK-based aircraft refinishing company Air Livery for \$ 20 million in an all-cash deal. This acquisition will enable Air Works to become a complete solutions provider with aircraft maintenance, component & paint capabilities and also gain access to international customers and technology.

Edserv Softsystems acquires Hyderabad firm SchoolMate

Edserv Softsystems Ltd, a Chennai-based education company, is acquiring SchoolMate, a Hyderabad-based firm offering customer relationship management (CRM) and enterprise resource planning for educational institutes, for an undisclosed sum. Chairman and CEO of Edserv, S Giridharan said, "the acquisition of SchoolMate is a strategic move considering its endeavor to adopt, run, and manage around 250 schools in the next 12 months."

Religare to pick majority stake in Northgate Capital

Religare Enterprises Ltd, a Delhi-based financial services conglomerate, is acquiring majority stake in California-based private equity firm Northgate Capital for an undisclosed sum. The deal marks Religare's entry into the fund-of-funds business. The transaction is expected to be completed by the first half of 2010.

Arcil to pick 4.3% in Himachal Futuristic

Asset reconstruction firm, ARCIL will acquire 4.3% stake (post dilution) in Himachal Futuristic Communications Ltd (HFCL) as a part of the settlement of outstanding debt of the firm. As per the current stock price, the allotment of shares to ARCIL will be valued at around Rs 33 crore.

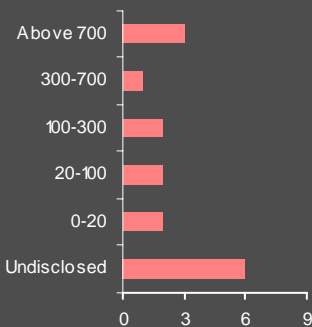
Qatar's Qinvest to buy 25% in Ambit for Rs 250 crore

Qatar's leading investment bank, Qinvest will obtain 25% stake in Ashok Wadhwa-promoted Ambit Corporate Finance by investing about Rs 250 crore. This deal values Ambit Corporate Finance at about Rs 1,000 crore. Qinvest will also invest \$25 million in Ambit's equity fund, besides helping it mobilise funds under a \$ 150 million Shariah-compliant fund.

Spice Retail acquires Global Access

Spice Retail Ltd, a multi-brand mobile and technology retail chain led by Dilip Modi, has acquired Global Access, a Karnataka-based retail chain. This acquisition is expected to enable Spice Retail expand its presence in Karnataka, and also gain expertise and experience of the retail business in the region.

No. of M & A deals by size (Rs crore)



Mergers & Acquisitions Update

ATC arm acquires Essar Group tower assets

Transcend Infrastructure Ltd (TIL), a subsidiary of American Tower Corporation, is acquiring Essar Telecom Infrastructure Private Ltd (ETIPL) in an all cash deal. The transaction values ETIPL at an enterprise value of approximately Rs 2,000 crore.

Aditya Birla FinServ to buy 75% in group firm

Aditya Birla Financial Services Pvt Ltd, the non-banking financial services arm of Aditya Birla Group, is acquiring 75% stake in Aditya Birla Money Ltd, another group company. It plans to acquire around 4.15 crore equity shares of Aditya Birla Money from Aditya Birla Nuvo Ltd through an off market transaction. The move is part of company's plan to consolidate all the group financial services companies under one umbrella brand to get easier access to funds.

Abbott makes open offer to buy 20% in Solvay Pharma

US-based health care firm, Abbott Labs has made an open offer to acquire 20% stake from the shareholders of Solvay Pharma India for Rs 305 crore. The offer is pursuant to the global deal where Abbott is acquiring Solvay Group for an enterprise value of around Euro 5.2 billion. The open offer is of Rs 3,054.73 per share to acquire 10.09 lakh shares of Solvay Pharma India.

CL invests \$ 1 million in 361DM

Career Launcher India Ltd (CL), a Delhi-based education services company offering test preparation courses, has acquired minority stake by investing \$ 1 million in 361 Degree Minds Consulting Pvt Ltd (361DM), a Chennai-based research and technology-based learning & education firm. The acquisition is expected to enable CL to scale up its delivery of high quality education services and also make them affordable.

Banco Products acquires Dutch firm

Baroda-based Banco Products India Ltd, an auto ancillary firm, will acquire privately held Dutch firm Nederlandse Radiateurs Fabriek BV, engaged in the business of manufacturing and distribution of heat transfer products. The deal was valued at about € 17.70 million (Rs 107 crore).

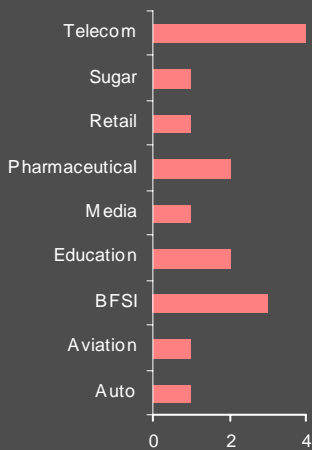
Mumbai's Parenteral Drugs acquires Mauritius firm

Parenteral Drugs India Ltd (PDIL), a Mumbai-based drug manufacturing company, has acquired majority stake in Mascareignes Pharmaceutical Manufacturing Co Ltd in Mauritius. Following this deal Mascareignes would become a wholly owned subsidiary of PDIL.



Mergers & Acquisitions Update

No. of M & A deals by sector



Renuka Sugars buys Brazil's Equipav SA

Shree Renuka Sugars is acquiring 51% stake in the Brazil's seventh largest sugar producer Equipav S.A. Acucar e Alcool (Equipav) in Brazil for about Rs 1,530 crore. This deal will enable the Murukumbis-led Shree Renuka to become the third largest sugar company in the world. Shree Renuka Sugars will fund the deal by utilising Rs 500 crore raised recently through a qualified institutional placement, besides promoters' contribution of Rs 185 crore (through conversion of warrants) and the remaining from internal accruals.

Meltwater buys BuzzGain

San Francisco-based Meltwater Group, which provides media monitoring services, has acquired BuzzGain Inc., a social media monitoring company for about \$ 4 million. The acquisition will enable Meltwater to utilise BuzzGain's technology as the platform to enhance its existing social media monitoring service.

Home Solutions to merge with Pantaloon Retail

Kishore Biyani's Pantaloon Retail (India) Ltd is merging its subsidiary Home Solutions Retail (India) Ltd with itself to have better synergy and efficiency in the retail business. Home Solutions is a retailer of products like electronics, consumer durables, furniture and home improvement products, which are retailed under different brand names.

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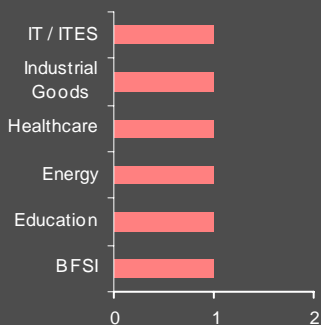


PE / VC Update

PE / VC	Target	Sector	Size
International Finance Corporation	Auro Mira Energy Company Pvt Ltd	Energy	\$ 10 million
Actis	Integreon	IT / ITES	\$ 50 million
PremjiInvest	Manipal Universal Learning	Education	Rs 200 crore
Milestone Religare Investment Advisors	HealthCare Global Enterprises Ltd	Healthcare	Rs 31.2 crore
Standard Chartered Bank Bank of America Merrill Lynch	United Stock Exchange	BFSI	Undisclosed
Aditya Birla Private Equity Fund	Anupam Industries Ltd	Industrial Goods	Rs 50 crore

PE / VC Update

No. of PE/VC deals by sector



IFC to invest \$ 10 million in Auro Mira Energy

International Finance Corporation (IFC), the private investment arm of the World Bank, will invest about \$ 10 million in Auro Mira Energy Company Pvt Ltd (AME), a Chennai-based company in renewable energy space. With this investment, IFC will pick a substantial minority stake in an 18-MW biomass project being developed by Auro Mira Bio Systems Kanyakumari Pvt Ltd, a wholly owned subsidiary of AME.

Actis invests \$ 50 million in Integreon

Actis, a private equity firm is investing \$ 50 million in Integreon, a Mumbai-based back office outsourcing firm for a substantial minority stake. Integreon a specialised BPO player providing legal process outsourcing (LPO) and knowledge process outsourcing (KPO) services, will use the funds to invest in new services, technologies and acquisitions.

PremjiInvest to invest Rs 200 crore in Manipal Universal

Manipal Universal Learning, the corporate education arm of the education-cum-healthcare Manipal Group, has raised about Rs 200 crore (\$43.3 million) private equity investment from PremjiInvest, a private equity fund promoted by Wipro Group chairman Azim Premji. Manipal Universal Learning will use the funds in project works such as building a new campus in Dubai, second phase of campus in Antigua, investments related to addition of a dental stream in Malaysia and expansion in Nepal. The capital expenditure on these projects amounts to about \$ 82 million.

Milestone Religare to invest Rs 31.2 crore in Healthcare Global

Milestone Religare Investment Advisors will invest about Rs 31.2 crore in Bengaluru-based specialty hospital chain, HealthCare Global Enterprises Ltd (HCG). HCG has a pan-India footprint with 20 super-specialty cancer care hospitals. It also operates CyberKnife, a state-of-the-art radiation treatment for cancer in Bengaluru.

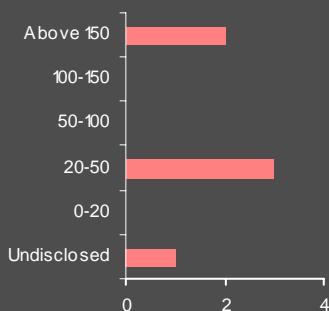
StanChart, BofA buy 3% each in United Exchange

Standard Chartered Bank and Bank of America Merrill Lynch will acquire 3% stake each in United Stock Exchange (USE) subject to approval from the Foreign Investment Promotion Board (FIPB).

Aditya Birla PE invests Rs 50 crore in Anupam Industries

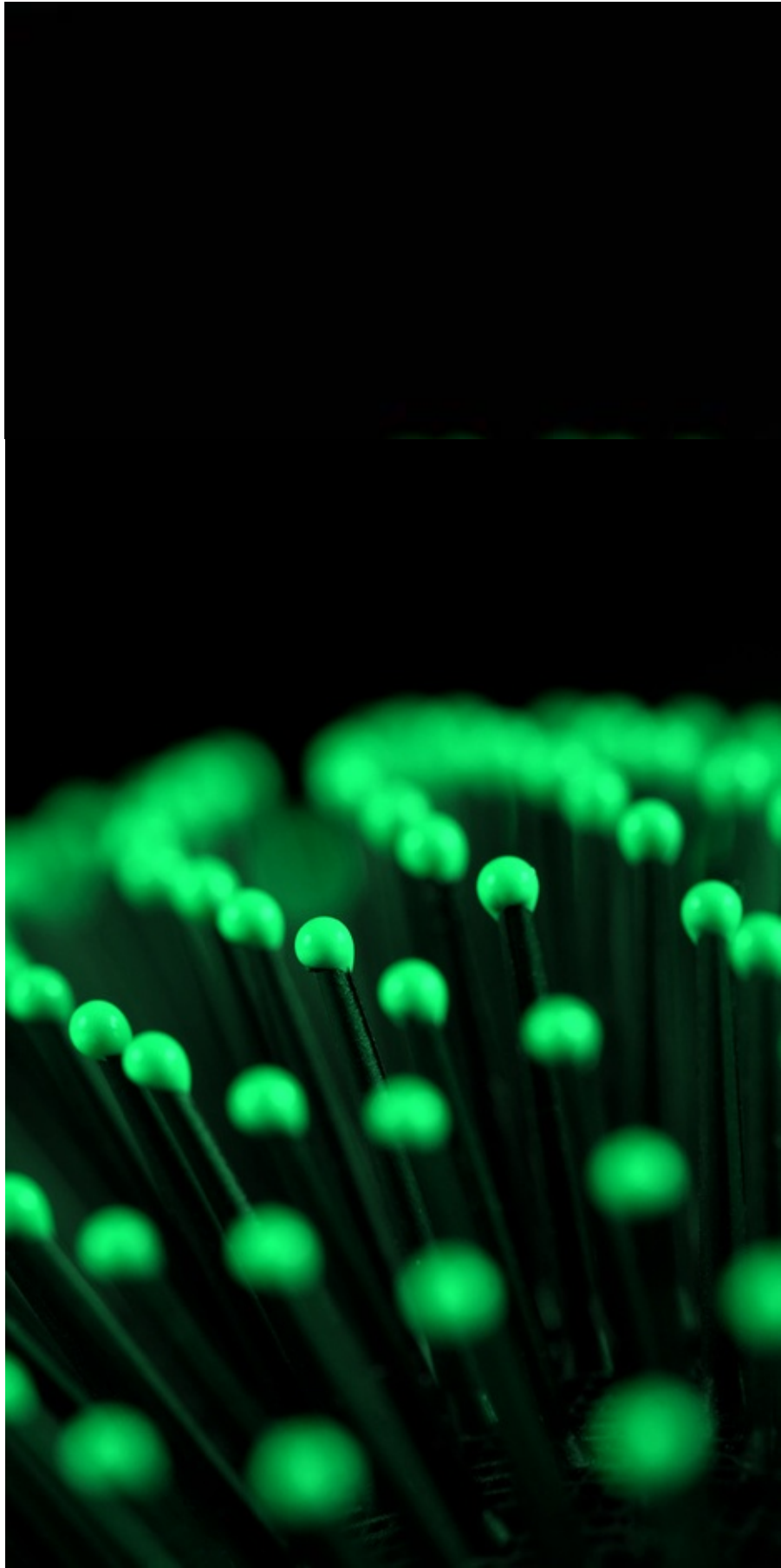
Aditya Birla Private Equity Fund has invested about Rs 50 crore in Anupam Industries Ltd, a Gujarat-based manufacturer of material handling equipments. Anupam Industries plans to utilise the proceeds for its expansion plans.

No. of PE/VC deals by size (Rs crore)



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Real Estate Update

Wadia sells Mumbai building to Axis for Rs 640 crore

Nusli Wadia-led Wadia Group has sold a four-storey commercial building at Worli for about Rs 640 crore to Axis Bank, which is planning to shift its headquarters to the building. The building, Wadia Tower A, located in the Bombay Dyeing Mill compound on Pandurang Budhakar Road, has a saleable area of over 4 lakh square feet. It works out to Rs 16,000 a square foot.

Valuation Advisory

- Business Valuation
- Valuation of Financial Securities, Instruments & Derivatives
- Valuation of Intangible Assets & Intellectual Property
- Valuation of Industrial Assets, Plant & Machinery
- Valuation of Real Estate
- Valuation of Infrastructure Assets & Specialized Assets
- Purchase Price Allocations for Mergers & Acquisitions
- Impairment Studies for Tangible Assets
- Impairment Studies for Intangible Assets & Goodwill
- Mines, Mineral Advisory and Valuation

Capital Advisors

(Investment Banking & Corporate Finance)

- Transaction Advisory & Due Diligence
- Fairness Opinions
- Corporate Finance & Advisory
 - Private Equity and Venture Capital
 - Debt Solutions, Syndications
- Restructuring

Brand & Intangible Advisory

- Financial Reporting & Valuation
 - Purchase Price Allocations
 - Impairment Reviews
- Tax planning
- Transactions and dispute resolution
- Transaction Support
 - Brand Due Diligence for acquisitions, disposals and bid defense
 - Pre-Disposal Brand Evaluation
 - Selling a Brand
 - Royalty rate determination
- Banking & Finance
 - Due Diligence
 - Securitization of Intangible Assets
 - Leveraging the brand for raising funds

Infrastructure Advisory

- Identification and analysis of potential opportunities
- Partner Identification – Joint Venture, Public Private Partnerships
- Financial Modeling
- Commercial and Financial Due Diligence
- Bid Advisory and Bid Process Management
- Preparation of Information Memorandums
- Preparation of Detailed Project Reports
- Financial Closure and Project Financing
- Project Appraisal and Monitoring
- Independent Review & Assurance – Lender's & Investor's Engineer

Technical Advisory & Assurance

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- Lender's and Investor's Engineer Services
- Impairment Services
- Project Cost Investigations & Forensic Advisory
- Feasibility Studies
- Technical Analysis, Opinions & Audits
- Chartered Engineers Opinions and Certifications
- Environment, Safety & Quality

Real Estate Advisory

- Valuation & Advisory Services
 - Opportunity Investigation
 - Financial Modeling
 - Highest & Best Use Studies
 - Business Plan Formulation
 - Feasibility Studies
 - Investment Related Due-Diligence
 - Location / Entry Strategies
- Institutional Broking – Sale, Purchase & Leasing
- Transaction Management



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