



**Feb 2010 Volume I**

# **India Deals Snapshot**



# Deal of the fortnight

## Inox picks up stake in Fame India

Theatre chain, INOX Leisure has acquired promoters' stake of 43.28% in Fame India through bulk deals, for about Rs 66.48 crore in cash. Two days later INOX picked up an additional 7.2% stake to thwart the possibility of a rival bid. In line with requirements of SEBI regulations, Inox will now make an open offer to acquire another 20% from Fame's shareholders.

This acquisition will enable INOX to be one of the largest theatre chains in the country with combined strength of 55 multiplexes and 204 screens. Big Cinemas, a Reliance ADAG company, is the largest with 246 screens. PVR which has 108 screens is the third largest.

The transaction values Fame India at Rs 153.6 crore and will mark the exit of the Shroff family from the multiplex business. Director of Inox Group of Companies, Deepak Asher said, "The buyout of Fame will give the company a significant advantage in cities like Kolkata, Bangalore and Baroda. We will have a market share of 60-80% here. We are in a strong position in the West, East and South leaving us only the North to strengthen."

Inox will fund the Fame transaction through a shareholder loan by its promoter company, Gujarat Fluorochemicals Ltd (GFL). This would be the second acquisition by INOX. In 2006, it acquired Calcutta Cinema Private Ltd which ran business under the "89 Cinemas" brand.

# Mergers & Acquisitions Update

## Zylog acquires Canada's Brainhunter

Zylog Systems Ltd (ZSL), a Chennai-based technology integrator and business solution provider, has acquired firm Brainhunter Inc, a Canada based firm for about C\$ 35 million (\$ 32.76 million). Brainhunter is a provider of IT consulting and engineering services in Canada with major presence in government, telecom, banking, financial services and insurance (BFSI), and oil and pipeline verticals.

This deal will enable Zylog Systems to expand its footprint in Canada. The acquisition will bring in Zylog's fold Brainhunter's ready access to a large talent pool, over 1,400 contractors and more than 400 customers. The deal will also help Zylog save costs on account of offshoring contracts, sourcing of contractors from India for non-government businesses and further reduction in non-billable staff.

## Colgate buys remaining 25% stake in subsidiary for Rs 2.4 crore

Personal care products manufacturer, Colgate Palmolive (India) Ltd has increased its stake to 100% by acquiring the remaining 25% stake in its subsidiary, Professional Oral Care Products Pvt Ltd for Rs 2.4 crore. Following this transaction Professional Oral Care would now become a wholly owned subsidiary.

## VLCC to buy UAE-based TGC

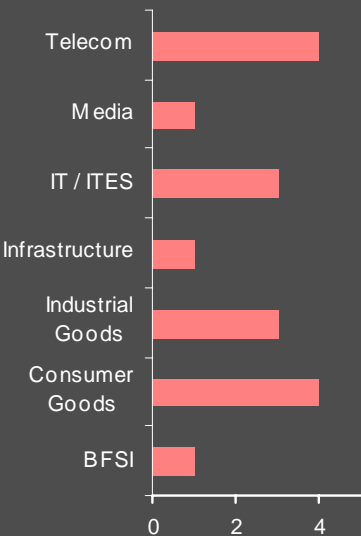
VLCC, a New Delhi-based wellness chain, will acquire UAE-based, The Grooming Company (TGC) for about Rs 150 crore. This transaction will help VLCC gain access to UAE's lucrative grooming space with an array of products and services. VLCC currently operates 14 fitness centres in the UAE. The acquisition will enable VLCC to foray into the hair and nail treatment category in a key market, the Middle East which contributes 40% of overall revenues and where the grooming space is seeing an unprecedented boom, growing at over 12% annually. This acquisition will be funded through internal accruals and debt and will be done in phases.

## KDCL acquires German company Dystar

Ahmedabad-based dyes and derivative products manufacturer, Kiri Dyes and Chemicals Ltd (KDCL) has concluded the acquisition of German-based Dystarfor, engaged in providing of dyes and related solutions for about Rs 1,300 crore. The buyout was routed through its group firm Kiri Holdings Singapore.

The process of acquisition began about two months ago when Kiri Holding Singapore Pvt. Ltd. entered into asset purchase agreement with the Insolvency Administrator in Germany on 4 December 2009. KDCL has now fulfilled all conditions of the agreement in terms of financing, anti-trust

No. of M & A deals by sector



# Mergers & Acquisitions Update

clearance, approval from creditors' committee of Dystar etc. It has also secured debt financing from a consortium of banks led by SBI, Exim bank, Oriental Bank of India and Central Bank of India.

## ArcelorMittal hikes stake in Uttam Galva to 34.42%

Global steel giant, ArcelorMittal has acquired 29% stake in Uttam Galva for Rs 422 crore through open offer, taking its holding in the domestic firm to 34.42%. ArcelorMittal acquired 3.52 crore shares at a price of Rs 120 per share.

## One97 picks up 25% in Singapore's tenCube

Mobile value-added services (VAS) developer, One97 Communications has picked up 25% stake in Singapore-based developer of smart-phone security technology, tenCube for about Rs 100 crore. The stake acquisition will enable One97 to tap the fast-growing smartphone-related services market in India and launch the security solution in the country. Delhi-based One97 Communications has already struck a deal with top smartphone makers, including BlackBerry and Nokia to embed the application in their upcoming high-end devices. It is now looking to tie up with telecom operators, to bundle it with their services for other handset makers.

## Advanta India arm acquires CSC

Advanta India Ltd, a Hyderabad-based listed seed marketing company, has acquired Texas-based Crosbyton Seed Company (CSC) for an undisclosed sum. The acquisition was routed through its US division, Advanta US Inc. This acquisition increases Advanta's global sorghum footprint with existing operations in India, Australia, Argentina and Thailand.

Advanta is the unit of United Phosphorus group of companies. It is primarily engaged in research, development, production, distribution and marketing of hybrid agricultural field crop seeds and plant seeds. Some of its earlier acquisitions include Longreach Plant Breeders Management Pty Ltd in Australia, and Unicorn Seeds Ltd in Hyderabad.

## Genpact acquires SMS

Genpact Ltd, a business process outsourcing leader, has acquired Symphony Marketing Solutions Inc. (SMS) for an undisclosed amount. SMS is a division of Symphony Technology Group and is engaged in providing analytics and data management services to firms in retail, pharmaceutical and consumer packaged goods industries. The acquisition will enable SMS to combine its domain expertise along with Genpact's



# Mergers & Acquisitions Update

scale, breadth of services and global delivery footprint for creating a compelling value proposition for its clients and employees to drive growth.

## AB Minacs buys tech solutions firm Radifinity

Aditya Birla Minacs, the BPO division of AV Birla Group, has acquired the Bangalore-based technology solutions provider Radifinity for an undisclosed amount. The two-year old company, incubated at the NS Raghavan Centre for Entrepreneurial Learning (NSRCEL), IIM-Bangalore, provides technology solutions in areas such as radio frequency identification, smart cards, GPS and GPRS.

## PNB buys control of Kazakhstan's Danabank

Punjab National Bank (PNB) has picked up controlling stake in Kazakhstan-based lender, Danabank for an undisclosed amount. The two banks plan to focus on financing small and medium-sized businesses in Kazakhstan, particularly in the agricultural sector.

## Telenor ups stake to 67.25% in Unitech Wireless

Telenor Asia Pte Ltd, a Norway-headquartered telecom major, has raised its stake in Uninor, a joint venture company with Unitech Wireless, with a fresh investment of about Rs 2,022 crore. Post this transaction, Telenor's stake in Uninor has increased from 60.1% to 67.25%. This was the fourth and final investment in Uninor. The total investment of Telenor now amounted to about Rs 6,135 crore. The funds are expected to provide Uninor with working capital for the continuous roll out of services in new circles, and to secure customer growth in the circles where Uninor is already available.

## Blue Coat Systems acquires S7 Software Solutions

Blue Coat Systems Inc, a California-based technology provider in application delivery networking, has acquired majority stake in S7 Software Solutions Pvt Ltd, an IT research and development firm in Bangalore. The company further intends to acquire the remaining stake in S7 after getting regulatory approval from the Indian government. Nasdaq-listed Blue Coat will pay about \$ 5.25 million in cash to acquire all the shares of S7 Software.

## TII acquires Sedis group, France

Tube Investments of India, part of Murugappa group and manufacturer of bicycles, precision steel tubes, cold rolled steel strips, cold roll formed



# Mergers & Acquisitions Update

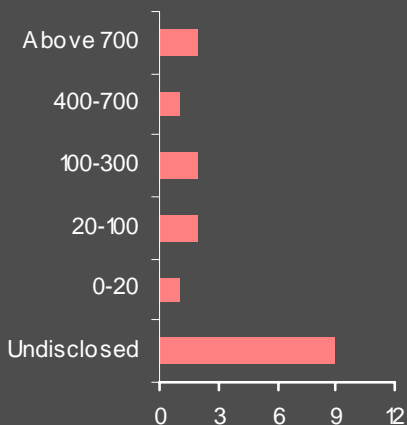
sections and industrial and automotive chains, has acquired a controlling stake in France-based Sedis Group, in order to strengthen the industrial chains business. Sedis is a leading manufacturer of industrial and engineering class chains in France and possesses a product range for a wide range of industries. TII has directly picked up 77% stake in the holding company, Financiere C10 from financial investors (75%) and other shareholders.

## Ruchi Soya acquires oil palm firm in Andhra

Ruchi Soya Industries Ltd, one of India's leading producers of edible oil companies, is acquiring Palm Tech India Ltd (PTIL), an Andhra-based firm, for an undisclosed amount. Ruchi Soya has obtained approval from its board of directors for the merger of Palm Tech with Mac Oil Palm Ltd, a holding company of Ruchi.

Mac Oil, based in Andhra Pradesh is engaged in the development and extraction of oil from palm plantation. However, the process of amalgamation is subject to the approval of the shareholders of both the companies. The acquisition of PTIL is part of Ruchi Soya's strategy to strengthen its domestic presence in the palm cultivation and processing market. This is the second acquisition by Ruchi Soya in less than two months. In January 2010, Ruchi Soya acquired Gemini Edibles and Fats India Pvt Ltd.

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



## Capital Foods acquires celebrity chef Sanjeev Kapoor's Khana Khazana

Capital Foods Ltd will acquire all brands of celebrity chef Sanjeev Kapoor. Capital Foods is a processed foods company which makes food brands like Smith & Jones and Ching's Secret. It manufactures and exports nutrition fast food and Indian food spices. It is also a leading private label supplier to several big retailers like Target and Tesco. This acquisition will enable Capital Foods add a new line of products in its ready-to-eat segment, frozen foods, jams, pickles and papads.

## US firm SinglePoint acquires M2Junction

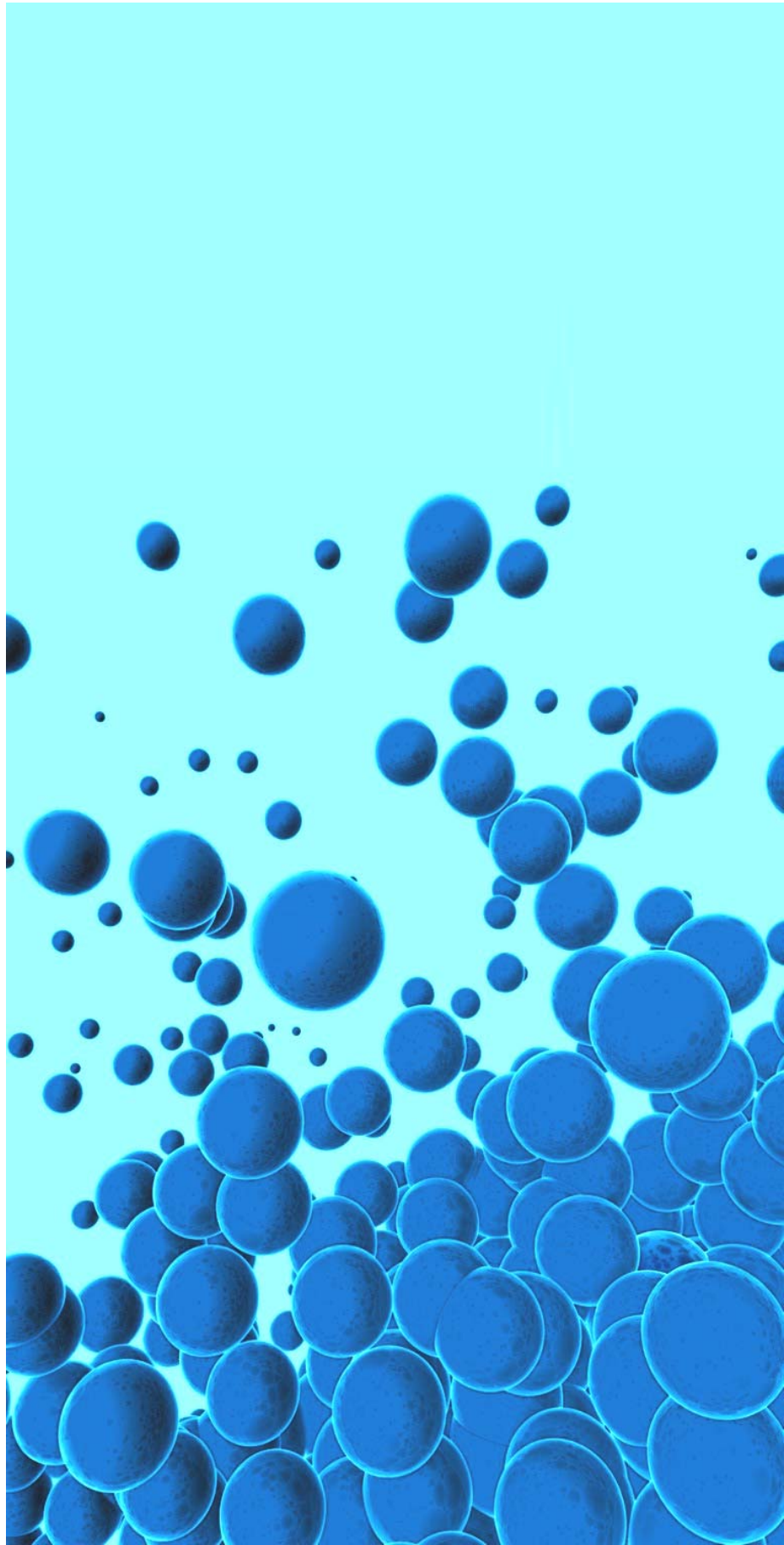
SinglePoint, a US-based mobile interactivity and SMS advertising services firm, is acquiring M2Junction, a leading mobile advertising startup in Hyderabad. M2Junction provides SMS marketing solutions in voice, data, and video category to advertisers via mobile platform. It had been a partner and collaborator of SinglePoint. The acquisition marks the entry of SinglePoint in the Indian market.

# Mergers & Acquisitions Update

Acquirer	Target	Sector	Stake	Size
INOX Leisure	Fame India	Media	43.28%	Rs 66.48 crore
Zylog Systems Ltd	Brainhunter Inc	IT / ITES	NA	\$ 32.76 million
Colgate Palmolive (India) Ltd	Professional Oral Care Products Pvt Ltd	Consumer Goods	25.00%	Rs 2.4 crore
VLCC	The Grooming Company	Consumer Goods	NA	Rs 150 crore
Kiri Dyes and Chemicals Ltd	Dystarfor	Industrial Goods	NA	Rs 1,300 crore
ArcelorMittal	Uttam Galva	Infrastructure	34.42%	Rs 422 crore
One97 Communications	tenCube	Telecom	25.00%	Rs 100 crore
Advanta India Ltd	Crosbyton Seed Company	Industrial Goods	NA	Undisclosed
Genpact Ltd	Symphony Marketing Solutions Inc	Telecom	NA	Undisclosed
Aditya Birla Minacs	Radifinity	IT / ITES	NA	Undisclosed
Punjab National Bank	Danabank	BFSI	NA	Undisclosed
Telenor Asia Pte Ltd	Uninor	Telecom	7.15%	Rs 2,022 crore
Blue Coat Systems Inc	S7 Software Solutions Pvt Ltd	IT / ITES	NA	Undisclosed
Tube Investments of India	Sedis Group	Industrial Goods	77.00%	Undisclosed
Ruchi Soya Industries Ltd	Palm Tech India Ltd	Consumer Goods	NA	Undisclosed
Capital Foods Ltd	Khana Khazana	Consumer Goods	NA	Undisclosed

# RBSA Advisory

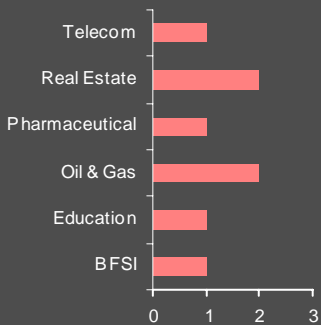
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# PE / VC Update

No. of PE / VC deals by sector



## Franklin Templeton to invest \$ 20 million in Shiv-Vani

Shiv-Vani Oil & Gas Exploration Services Ltd, a New Delhi-based company engaged in the exploration and production of oil and natural gas, is raising about \$ 20 million (Rs 92.3 crore) from US fund manager Franklin Templeton. As part of the deal, Shiv-Vani Oil will issue equity shares to Franklin Templeton by itself or through its affiliates or group companies against this transaction.

## Samara Capital ups stake in Asian Oilfield

Private equity firm, Samara Capital Partners has increased its stake in Asian Oilfield Services Ltd. The PE firm has acquired up an additional 4.05 million shares through a preferential allotment that will take its holding from 13.3% to 35.9%. In line with SEBI regulations Samara has announced its open offer to acquire additional 20% stake at Rs 61.2 a share which is expected to cost Rs 18.8 crore.

## NetAmbit gets Rs 50 crore from Helion, Bessemer

NetAmbit InfoSource & e-Services Pvt. Ltd, a distributor of financial products, has raised Rs 50 crore in a second round of funding led by Helion Venture Partners. Bessemer Venture Partners, which invested in the company in 2007, has also participated in this round by investing Rs 10 crore. The funds will be utilised by NetAmbit to expand into newer markets through diversified distribution channels.

## Hinduja Ventures to acquire IDL Speciality Chemicals

Hinduja Ventures announced that it has obtained approval from its board to acquire firm IDL Speciality Chemicals, a pharmaceutical company and also to enter into a MoU to that effect. Following this acquisition IDL Speciality Chemicals shall become a subsidiary of Hinduja Ventures.

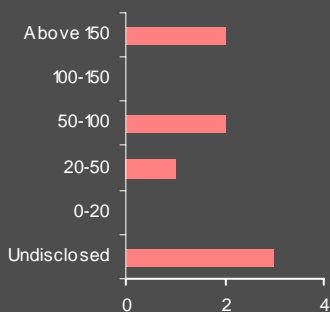
## Nadathur Group invests in Career Point

Nadathur Group has invested an undisclosed amount in test preparation firm Career Point Infosystems Ltd. The firm is based out of Kota in Rajasthan, and provides coaching for entrance examinations for engineering institutions like Indian Institute of Technology (IITs) and medical colleges.

## Tower Vision raises \$ 300 million from Quadrangle, others

Tower Vision India Pvt Ltd is raising \$ 300 million (Rs 1,387 crore) from a consortium of international investors led by Quadrangle Capital Partners LLC. Apart from Quadrangle, seven other global institutional investors are

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



# PE / VC Update

also a part of the consortium for the round. However, the company did not divulge specific details of the transaction.

Gurgaon-based, Tower Vision is a leading independent tower management company with 5,000 sites and operations across 14 telecom circles in India. The funds raised will be utilised by the firm to expand its tower portfolio.

PE / VC	Target	Sector	Size
Franklin Templeton	Shiv-Vani Oil & Gas Exploration Services Ltd	Oil & Gas	Rs 92.3 crore
Samara Capital Partners	Asian Oilfield Services Ltd	Oil & Gas	Undisclosed
Helion Venture Partners; Bessemer Venture Partners	NetAmbit InfoSource & e-Services Pvt. Ltd	BFSI	Rs 60 crore
Hinduja Ventures	IDL Speciality Chemicals	Pharmaceutical	Undisclosed
Red Fort Capital	3C Company	Real Estate	Rs 200 crore
Nadathur Group	Career Point Infosystems Ltd	Education	Undisclosed
Quadrangle Capital Partners LLC	Tower Vision India Pvt Ltd	Telecom	Rs 1,387 crore
ICICI Prudential Asset Management Company Ltd; India Opportunities Real Estate Fund (Mauritius)	Shriram Properties Ltd	Real Estate	Rs 40 crore

# RBSA Advisory

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# Real Estate Update

## Red Fort Cap invests Rs 200 crore in 3C project

Red Fort Capital, an India-focused private equity firm will invest about Rs 200 crore to obtain an undisclosed stake in a residential housing project to be developed by Noida-based real estate firm, 3C Company. The investments will go towards developing about 3,500 apartments in the project spread across 41 acres at Sector 110 of Noida. The total investment in the project, 'Lotus Panache', scheduled to be completed by 2014, is estimated at Rs 2,400 crore.

## ICICI Pru, Realty Fund invest Rs 40 crore in Shriram Project

Bangalore-based Shriram Properties Ltd, a division of Shriram Group, has raised Rs 40 crore from ICICI Prudential Asset Management Company Ltd and India Opportunities Real Estate Fund (Mauritius) for their 16-acre residential project in Yelhanka, Bangalore. ICICI Prudential and the realty fund in return would obtain a 49% stake in the Rs 280 crore project, targeted at the mid-income housing segment.

## 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

- Technical Due Diligence Reviews for Mergers & Acquisitions
- 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



# RBSA Advisory

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