

# India Deals Snapshot



# Mergers & Acquisitions Update

| Acquirer                                   | Target                            | Sector           | Stake    | Size             |
|--|-----------------------------------|------------------|----------|------------------|
| Gemini Communication Ltd                   | Rosy Blue Wireless Africa         | Telecom          | 100.00 % | Undisclosed      |
| JSW Steel Ltd                              | US Mining Assets                  | Steel            | NA       | Undisclosed      |
| Sutherland Global Services                 | Adventity Global Services         | IT / ITES        | NA       | \$ 55 million    |
| Cognizant Technology Solutions Corporation | The PIPC Group                    | Service          | NA       | \$ 34.33 million |
| Tamura-Europe Ltd                          | Romarsh Ltd                       | Industrial Goods | NA       | Undisclosed      |
| NetCore Solutions                          | Greynium Information Technologies | IT / ITES        | NA       | Undisclosed      |
| Kirloskar Brothers Ltd                     | Braybar Pumps Ltd                 | Industrial Goods | 90.00%   | Rs 11 crore      |



# Mergers & Acquisitions Update

## Gemini Communication Buys Africa's Rosy Blue Wireless

Gemini Communication Ltd, a Chennai-based communication and network solution provider, has acquired Rosy Blue Wireless Africa (RBW), a telecom and internet service provider in Africa, for an undisclosed sum.

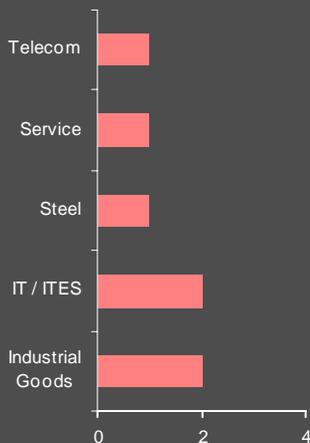
RBW is a majority shareholder (with 60% stakes each) in three joint ventures operational in Zambia, Malawi and Mozambique, the company said, in a statement. The JV companies are called Morse Communications. RBW, which uses WiMax technology, has already been allotted WiMAX spectrum licenses with channel space of 30 MHz in all these three countries.

Gemini, which offers products for WiMax spectrum through its wholly owned subsidiary Pointred Telecom, believes the acquisition will help it in tapping the new markets in Africa by leveraging RBW's reach in that region. The company targets the entire WiMAX network rollout of RBW using Pointred's WiMAX products.

"The acquisition is an exciting step in our growth strategy and offers tremendous growth potential," said the Managing Director, Gemini Communication.

In India, Wimax spectrum will soon be auctioned and major telecom players are in fray for the same. Gemini has four subsidiaries that include Pointred Telecom Pvt Ltd, Sanat Technologies Pvt Ltd, Gemini Traze RFID PVT Ltd and Veeras Infotk Pvt Ltd.

No. of M & A deals by sector



## JSW Steel Completes US Mining Assets Buy

JSW Steel Ltd has completed the acquisition of coking coal mining assets in the US. The mines are located in West Virginia and have total resources of 123 million tonnes. The financial details were not disclosed. The US mines will meet around 20-35% of JSW Steel's coking coal requirements.

The company is targeting to produce 1 million tonnes of coal in the first year of operation starting from September 2010 that will go up to 3 million tonnes in the next three years.

JSW Steel said, the company has estimated the requirement of around 5 million tonnes coking coal annually, and the US mines will meet around 20-35% of its requirements. The company is also looking at further acquisitions to enhance the integration of coking coal, the statement added.

## Sutherland Global Acquires BPO Firm Adventivity

Sutherland Global Services, a transnational business process outsourcing (BPO) company, has acquired Mumbai-based Adventivity Global Services in an all-cash deal. The acquisition is part of company's plan to target emerging BPO markets in Asia, Africa and the Middle East.

Though the company did not disclose the deal size, a Reuters report suggests that the deal value is around \$55 million.



# Mergers & Acquisitions Update

Amarchand Mangaldas acted as legal adviser on the deal. Delhi law firm S&R Associates advised Sutherland on the transaction, while Spark Capital has acted as investment banker to the deal.

Sutherland is a private equity backed company which raised funding from Oak Investment Partners and Standard Chartered. It currently has over 26,000 employees with 25 global delivery centres spread across India, Bulgaria, Mexico, Nicaragua, Philipines and Canada.

Adventity, which was started seven years ago, raised \$20 million in the first round of institutional funding led by Norwest Venture Partners in 2007. The deal will provide an exit route for the investors which also include DA Capital and CIBC.

## Cognizant Acquires Management Consulting Firm In UK

Cognizant Technology Solutions Corporation, a Nasdaq-listed IT and BPO services provider, has acquired UK-based The PIPC Group, a global programme management consulting firm.

Though the company did not disclose the financial details of the transaction, a report in Economic Times suggests the PIPC shareholders will get an initial payment of £23 million (about \$34.33 million) in the sale, plus an earn-out payment tied to future performance targets.

Cognizant believes the acquisition will complement its existing project management and consulting capabilities, and further boost its ability to provide integrated services across consulting, technology, and business process outsourcing space, it said in a statement. The acquisition also helps Cognizant to expand its footprints in UK, Australia & New Zealand.

PIPC provides programme management services, methods and tools to companies for business transformation.

## Japanese Firm Tamura Enters India With Romarsh Buy

Tamura-Europe Ltd, a Japanese transformer manufacturer and part of listed Tamura Corporation, has acquired UK-based Romarsh Ltd, a manufacturer of bespoke power transformers and wound components, for an undisclosed sum.

The acquisition marks the entry of Tamura in the Indian market with direct access to a manufacturing facility. Romarsh Ltd is a joint venture partner in Romarsh Elcomponics Technologies Pvt Ltd (RETPL) with Noida-based Elcomponics Sales Pvt Ltd. The company was formed in 2006.

Following this acquisition, Romarsh stake will be transferred to Tamura and two members from Tamura will join Romarsh Elcomponics Technologies board. The acquisition of Romarsh will also help Tamura to foray into manufacturing larger wound components for traction application.

Tamura is a \$790-million company and a leading player in the electronics components manufacturing space for industrial, telecom and consumer markets. It manufactures electronic components, electronic chemicals & soldering systems and information equipments.



# Mergers & Acquisitions Update

## NetCore Solutions Acquires Online Firm Greynium Information

Mumbai-based software solutions firm NetCore Solutions Pvt Ltd. has acquired Greynium Information Technologies Pvt Ltd, which owns the OneIndia.in internet portal, for an undisclosed sum. NetCore feels Greynium's online businesses will complement its mobile business.

Greynium is a market leader in the Indian languages Internet portals space and has a growing position in the online Indian classifieds space with its Click.in portal. NetCore is one of India's largest digital communications companies with its email and SMS solutions being used by over 2,000 companies, a company statement said.

Following this buy, NetCore plans to create solutions that can be accessed simultaneously from mobile and internet.

Apart from the existing advertisement revenue stream from OneIndia and its classified space Click.in, NetCore plans to create a combine application for advertisers and integrate e-commerce and m-commerce into a single platform.

Netcore, through its mobile email services MyToday, is engaged in SMS business, and believes the acquisition of Greynium will help it grow further by leveraging latter's user base. It currently has over 4 million users, while Greynium claims a run rate of over 6 million unique visitors across all its language portals monthly. OneIndia provides news in English, Hindi, Tamil, Telugu, Kannada and Malayalam.

## Kirloskar Brothers Buys S African Braybar Pumps For Rs 11Cr

Pune-based Kirloskar Brothers Ltd (KBL), engaged in the manufacturing of pumps, has acquired 90% stake in South African firm Braybar Pumps Ltd for a sum of Rs 11 crore. Kirloskar has acquired the firm through its wholly owned subsidiary Kirloskar Brother International B V in The Netherlands.

The acquisition will provide KBL a foothold in the South African market with an immediate supply and service base, it said in a statement. It believes the Braybar facilities can be further utilised for assembling white metal lined bearings, its other line of businesses.

Braybar is engaged in manufacturing and supply of high head multistage pumps for mining industry. The company is also engaged in repair and servicing of pumps, and claims a substantial market share in this segment as well.

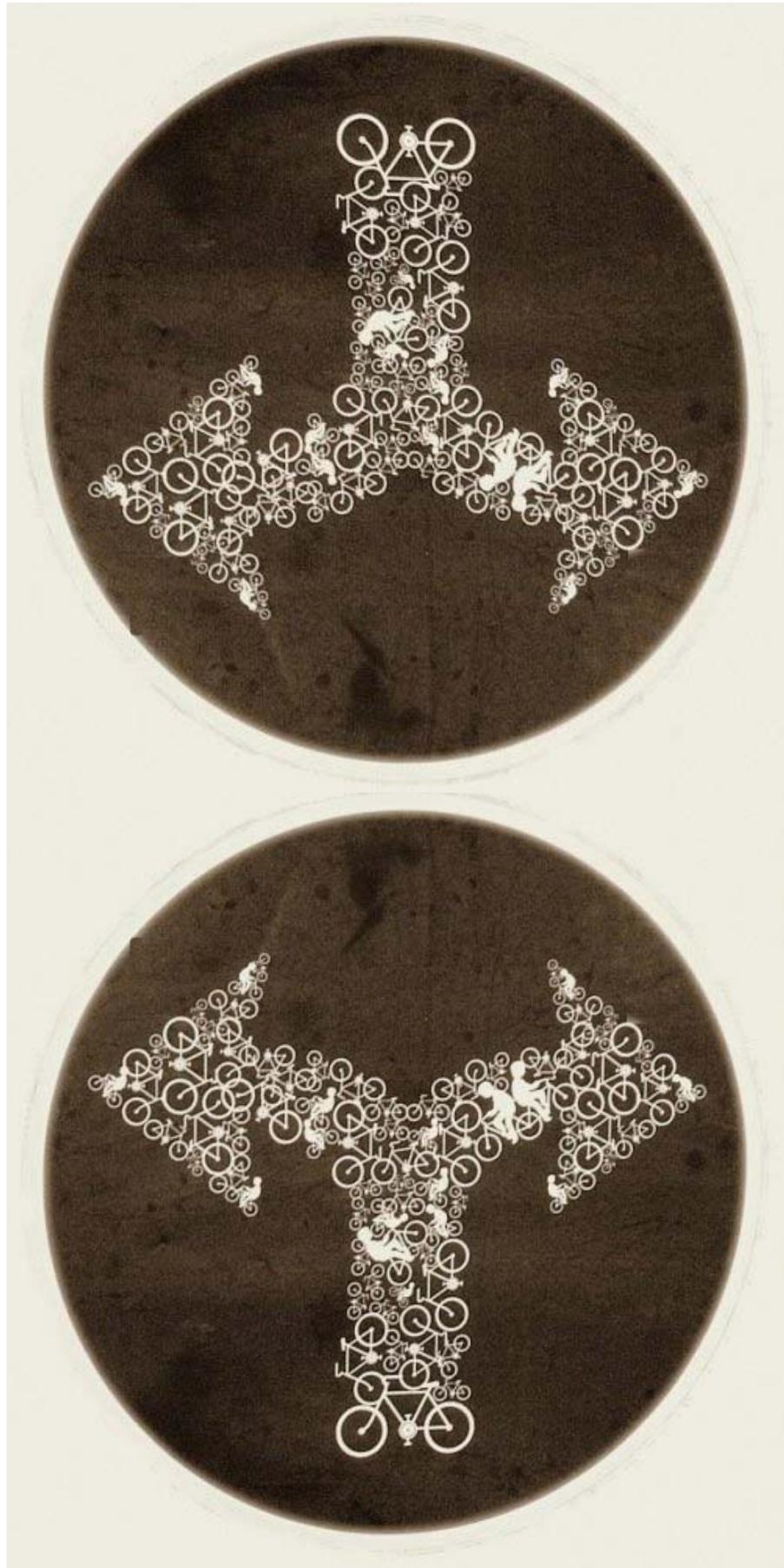
KBL is primarily engaged in producing pumps for large infrastructure projects (water supply, power plants, and irrigation), project and engineered pumps, industrial pumps, agriculture and domestic pumps, valves and hydro turbines. The acquisition will help it diversify its operation in to the mining space.

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



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# PE / VC Update

| PE / VC                     | Target                                  | Sector         | Size           |
|-----------------------------|---|----------------|----------------|
| GIC Special Investments     | Fortis Healthcare                       | Healthcare     | Rs 380 crore   |
| Clearwater Capital Partners | Sayaji Hotels                           | Hospitality    | \$ 7.5 million |
| Fidelity Growth Partners    | PL Engineering                          | Infrastructure | Undisclosed    |
| Foundation Capital          | Aspire Human Capital Management Pvt Ltd | Education      | Rs. 20.2 core  |

## Fortis Health sells 6.58% to Singapore's GIC for Rs 380 crore

Fortis Healthcare, Asia's biggest hospital chain, raised Rs 380 crore by selling shares to Singapore state-run investment company GIC Special Investments as part of its plans to raise Rs 3,000 crore for expansion. The company has agreed to sell 6.58% of the company, or 22.35 million equity shares, at Rs 170 apiece, 1.5% higher than its closing price on Monday. Its shares rose 1.27% to Rs 167.25.

The funds will be used to part finance recent acquisitions like the purchase of TPG Capital's 25% stake in Singapore's Parkway Holdings for around \$715 million and also for more in the future, said a statement. The deal may close by June.

The New Delhi-based Fortis plans to sell foreign currency convertible bonds (FCCBs) and other securities in the months ahead as it funds the Singapore acquisition and last year's purchase of 10 hospitals from Wockhardt. The company has been growing its revenues through acquisitions, but the profits are yet to come by.

Malvinder and Shivinder Singh, the brothers who promoted the company, aim to transform it into an international firm. The acquisition of Parkway Health is a part of the plan. Late last month, Trikona Trinity Capital sold off its 2.5% three-year investment in Fortis at Rs 160 a share.

## Clearwater Capital Hikes Stake In Sayaji Hotels To 32.87%

Private equity firm Clearwater Capital Partners has increased its stake in Sayaji Hotels to 32.87% after the conversion of foreign currency convertible bonds (FCCBs). The New York-based special situations fund held FCCBs worth \$7.5 million in the Vadodara-based Sayaji, where it already held a little more than 8% stake. The board of the company also approved this transaction, Sayaji said in a filing today.

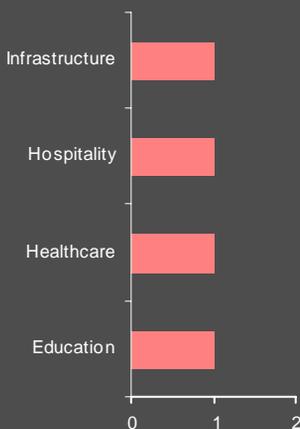
This development comes just before Clearwater's open offer for another 20% stake in the firm starts next week. Clearwater's open offer period is between May 20 to June 8, and the offer is made at Rs 110 per share, Sayaji Hotels said in a stock exchange filing. The shares of the firm closed on Tuesday at Rs 120 per share, up by 1.69%.

Clearwater could end up with more than 52% stake if the open offer is completely successful, which could make it the largest shareholder. US-based foreign institutional investor (FII) Acacia Partners has a 10% stake through its various funds as of March 2010 in Sayaji. The promoter group currently holds 52% stake, of which 90% has been pledged, according to the BSE.

Sayaji Hotels also announced its results today, with a total income Rs 158 crore and net loss after tax of Rs 35 lakh for FY10. This as compared to revenues of Rs 112 crore and a loss of Rs 2.84 crore.

Sayaji operates three properties in Vadodara, Indore and Pune. It has two subsidiaries, Barbeque Nation Hospitality and Malwa Hospitality.

No. of PE / VC deals by sector

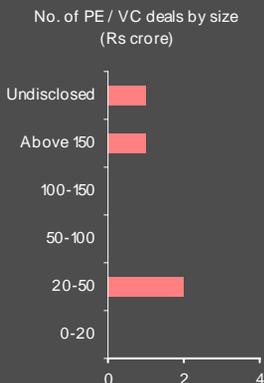


## Fidelity Growth Partners Invests In Punj Lloyd Arm

Fidelity Growth Partners India (FGPI) has taken a significant minority stake in PL Engineering, a subsidiary of Punj Lloyd Limited, a leading global engineering, procurement and construction conglomerate.

One of the Senior Managing Directors of FIL Capital Advisors (India), the private equity advisory company for FGPI, has joined PL Engineering's Board of Directors. The monies will be used by the company in expansion of the businesses in North America and the Middle East. The amount of investment is not disclosed. Fidelity typically makes investment in the range of \$10 million to \$50 million across companies in a sector-agnostic approach.

PL Engineering was initially set up to provide high-end engineering and design services for its parent company Punj Lloyd. It now provides design and engineering services that cover all stages of the project and product lifecycle to third party companies. Its services include feasibility studies, front end design, detail design, analysis and stimulation. The company currently has 800 employees across delivery centres in Gurgaon, Hyderabad and Abu Dhabi working in a global work share environment, enabled by state-of-the-art IT infrastructure. Over the last few years the company has aggressively built up its client base, which includes global companies across North America, Europe, Middle East and India, it said in a statement.



## Aspire Human Capital Raises \$4.5M In Series B Round

Aspire Human Capital Management Pvt Ltd, a Gurgaon-based education services firm, has raised \$4.5 million (around Rs 20.2 crore) in its series B round of funding. The round was led by Foundation Capital, a US-based early stage fund, along with a personal investment from Neeraj Bhargava, co-founder of private equity firm, Steer Capital.

With this, Warren Weiss, general partner, Foundation Capital, and Neeraj Bhargava have joined the board of Aspire as directors, the company said in a statement. The quantum of stake each of the investors will pick in the firm was not disclosed.

The company plans to utilise the fund in product development and expand its presence across 15 states, from eight states now. Aspire provides embedded employability and professional education to schools and colleges, and currently has operations across 14 cities in India. Aspire offers in-campus education that enhances employability through its Employability Education Management System. Its services are catered to both students and corporates in the process of hiring fresh talent from campuses.

The Founder & CEO, Aspire, said, in the statement, "We are embarking on a new growth orbit, with new leadership and new growth capital. This year, we plan to grow our student base three-folds from 15,000 currently and extend our offering from 14 cities in 8 states to 25 cities in 15 states. We will make a real difference to the lives of over 1 million students in 5 years."

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# Real Estate Update

## Brahma Management Wins Gurgaon Land Auction For Rs 620Cr

New York-headquartered investment firm Brahma Management has outbid Bharti Group and Unitech to clinch a 13-acre land parcel in Gurgaon for Rs 620 crore in possibly the largest land deal in the country post the economic slowdown.

The bids, which were unveiled on Friday, were for one of the largest remaining patches of commercial property put on auction by the Haryana State Industrial Development Corporation (HSIDC). The property is located on NH-8 next to the Japanese College and closer to Palm Court in Gurgaon.

Brahma's bid was higher than Bharti's Rs 615 crore and Unitech's Rs 550 crore, sources familiar with the development said, Anand Raj Industries was another bidder who was technically qualified for the HSIDC auction. When contacted, the managing partner, Brahma Management, confirmed the winning bid.

Brahma is an India-focused asset management company with over \$500 million under management. "We invest in real estate, private and public companies. Brahma invests through private equity and hedge funds," he added.

In recent weeks, Brahma, a low-profile entity, also clinched a 50% stake buy in Cobra Beer India for roughly \$7.5 million. Currently, Brahma has at least four large ongoing real estate developments, including a joint development with DLF in Panchkula.

Several earlier state-led auctions for prime property parcels have attracted robust valuations and intense competition among bidders particularly in the boom time. Since the global economic slowdown depressed consumer sentiment and sent many a developer reeling under a severe liquidity crunch, there has not been much of activity on bulge-bracket property deals in auctions in recent months, a sector watcher said.

Indeed, the bid by Bharti, one of India's largest business conglomerates, reflects the growing interest of several corporate houses in real estate assets. Private sector behemoths like Bharti, Tatas and Reliance Industries have been on the prowl for yielding or developing assets, especially as valuations remain subdued, industry sources said. Apart from auctions, corporates appear to be leading the trend of buying land and property assets from real estate developers, who may be looking at such divestments to generate more liquidity into the system, a property consultant said.

There could be heightened interest in property deals, in the short to medium term, from realty players as well. A few realty developers, who are in the fortunate situation of having escaped a debt trap, are now looking at raising funds for land banking for future projects. A realty consultant said, it is such opportunistic players who will make the most of subdued property prices. So, if there is liquidity, this could be the right time for corporates, who are looking at building offices or campuses, to strike property deals, he added.



## 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

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

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- 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
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- 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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