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This document covers news related to India with a special focus on areas like mergers & acquisitions, private equity & venture capital.

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## Mergers & Acquisitions News

### **DLF To Sell Hotel Unit For Rs550 cr To Square Four Housing**

Real Estate developer, DLF Limited is selling its hotel subsidiary - DLF Hotels & Hospitality to Square Four Housing And Infrastructure Private Limited for Rs550 cr in order to cut debt. DLF completed the sale of its IT Park in Noida to IDFC and is planning for stake sale in Aman resorts and looking to sell off its Pune IT park which was developed with Akruiti. Earlier this month, DLF Hotel Holdings Ltd - subsidiary of the company, which holds 74% stake in the JV - DLF Hotels & Hospitality Ltd, acquired remaining 26% stake for Rs120 cr from Aro Participation and Splendid Property Company that is affiliated of Hilton International Co. DLF Hotels & Hospitality had planned to build and develop 75 hotels in India. In 2008, DLF and Hilton had signed management agreements for 7 new hotels, taking the total number of new hotels under the alliance to 16 comprising 3,500 rooms across the country. Currently the JV has only 4 undeveloped land sites in Kolkata, Chennai, Mysore and Thiruvananthapuram. Square Four will develop the Kolkata and Chennai land parcels for hotel cum commercial cum residential projects while the land in the other two centres - Mysore and Thiruvananthapuram - will be developed as pure luxury hotels. It is also in talks with Four Seasons and others to form strategic alliances for developing all four hotel properties.

### **Omega Ag-Seeds To Acquire Gayatri Sea Foods**

Omega Ag-Seeds Punjab Ltd may acquire stake in AP based - Gayatri Sea Foods Private Limited as a part of its diversification plans. Punjab based agri seeds player was founded in 1992. It is considering diversification into aquaculture and agriculture trading and this proposed acquisition is a part of its plans.

### **Promoters To Sell Stake In Viom Network**

Tata Teleservices and SREI group are planning to sell their stake in JV – Viom Networks and are in talks with Sumitomo Corporation of Japan and private equity company TPG Partners. In Sept, the company ran into controversy over charges of financial irregularities after a former company secretary alleged that the Kanorias of the Srei Group diverted funds to the tune of Rs300 cr to some private institutions. Viom has more than 38,500 towers and around 95,000 tenancies. The company plans to roll out nearly 20,000-25,000 additional towers in the next two years. Last year, Viom acquired the tower business of Tata Teleservices (Maharashtra) Ltd for Rs.1,318 cr and also raised \$304 mn from SBI-Macquarie Infra Fund for 11% stake. It has also raised \$40.8 mn from Axiom Investments in April 2009 and \$185 mn from Indivest Pte Ltd in April 2008.

### **Rico Auto Sells Stake In JV To Kailash Royal**

Delhi based Rico Auto Industries Limited sold its entire stake in JV - KRP Auto Industries Limited to JV partner Kailash Royal Premium Projects Private Limited for Rs20.3 cr. KRP Auto Industries was incorporated in 2010 as a manufacturer of automobile components at Bangalore. Rico Industries is an engineering company together with its subsidiaries, supplies high precision fully machined aluminum and ferrous components and assemblies to automotive original equipment manufacturers in India. It engages in designing, developing, tooling, casting, machining, and assembling aluminum and ferrous products.

### **International Breweries To Acquire Brewery In South India**

Canada based brewer - International Breweries is scouting for acquisitions in India. It is holding preliminary talks and expects to close an acquisition in South India in next six months. International Breweries, which sells beer under brands such as Australian Max and Canadian Blonde entered Indian markets by tying up with Mohan Meakin in 2001. However, restrictions in the UP market prompted it to partner Bangalore-based Khodays Breweries to manufacture its brands since 2009. The company which has already invested around Rs30 cr in India, will invest another Rs100 cr for the acquisition of a 200,000 hecto litre beer plant in South India. The company is expanding its portfolio by adding a new brand - Australian Draught. International Breweries Plc is raising N7.51 bn through a rights issue of 1.479 bn ordinary shares of 50 kobo each at N5.08 per share, which will be used to invest in the acquisition of additional brewing firms as parts of its strategies for expansion and growth programmes.

### **Electrotherm To Sell Iron Pipes Unit To Saint-Gobain For Over \$180 mn**

Ahmedabad-based Electrotherm India is selling its ductile iron pipes (DIP) division – comprising manufacturing, marketing, sales and distribution of ductile iron pipes, along with the production unit located at Kutch (Gujarat) to French glass and industrial materials company Saint-Gobain for Rs 950 crore (\$180 million) in addition to value of working capital at closing of the transaction. ICICI Venture holds 11.9% in the firm as of September 30, 2011. The PE firm had invested Rs 82 crore in Electrotherm in March 2007, but the value of its holding has shrunk to just Rs 19.6 crore. The investors' negative reaction to the sale announcement is arguably due to the impact upon revenues and profitability due to the restructuring. The company drew almost a fifth of its consolidated revenues from the ductile iron pipes business for the year ended March 2011. Electrotherm India also manufactures electric scooters under the brand name of YO Bykes and further focuses on engineering projects and renewable energy equipment business.

### **Reuters May Acquire 20-25% Stake In Newswire18**

Thomson Reuters may acquire 20-25% stake in Newswire18 Pvt Ltd. Raghav Bahl is seeking a valuation of Rs250 cr for the news agency. Newswire18, a part of Network18 Group was formed

when Newswire18 acquired Crisil MarketWire from Crisil in 2006. According to its website, NewsWire18 has more than 100 editorial staff across nine bureaus. NewsWire18 publishes Money-Wire, EquityWire, Commodity-Wire, and FundWire. Presently, Thomson Reuters has content sharing agreement with ET Now which competes with Network18 owned CNBC-TV18. If the deal goes through it, will be Thomson Reuter's third major investment in India. Last year in November, it acquired legal process outsourcing firm Pangea3. Before that in 2009, it acquired a Delhi-based legal database firm IndLaw Communications, in which PE firm 2i Capital had invested. Thomson Reuters has about 8,400 employees in India. At present, in India almost 90% of the firm's business comes from its financial and business information segment. Other than the financial news and business information services, Thomson Reuters also has a presence in the healthcare and science, legal and tax and accounting segments. Its legal business unit has 14,300 legal experts globally.

## Mergers & Acquisitions Deals

### **Future Supply Chain Acquires Transmart India's Warehousing Biz**

Future Group's logistics and supply chain arm - Future Supply Chain Solutions has acquired the warehousing business of Transmart India for an undisclosed sum. The deal includes a 2 lacs sq ft distribution centre and some of its clients. Transmart India is a part of Tushar Jani's SCA Group. It was founded in 2008 and provides 3PL services. Future Supply Chain was established in 2007. The company operates from 60 strategically located hubs, servicing more than 2600 retail outlets spread across the length and breadth of the country. It currently has a warehousing storage space of 5 mn sq ft. In 2009, Hong Kong-based supply chain firm Li & Fung Group had bought a 26% stake in the company for \$30mn. At present, Future Supply Chain earns more than 70% of its Rs600 cr business from servicing retail operations of its parent company Future Group. In June, Future Supply Chain announced its plans to raise Rs1000 cr through an IPO or PE placements in the next one year to expand its business. The company is planning to add 7mn sq ft of warehousing space in 12 logistics parks in the next four years. It will also invest in technology and automation of the warehouses. These warehouses will be linked with express transportation networks and ports.

### **Mobile Marketing Firm-MobileWave Acquires ArioseSoftware**

South Africa based mobile marketing firm - MobileWave is acquiring mobile app developer - Ariose Software for a maximum of \$1.2 mn. The purchase price is payable in four tranches, the first, due 5 days after closing, will be \$450,000 in cash and MobileWave Convertible Preference Shares equal in value to \$450,000. The balance of the purchase price is payable over a three year earn out period. The two Ariose co-founders Amit Goenka and Sudhi Agarwal, who were majority shareholders, will remain with the Company as, respectively, MD and CTO of Ariose.

Currently, Ariose is working with MobileWave to develop and refine MobileWave's platform to deliver business-to-customer mobile relationship management platform that will facilitate companies' customer-engagement and retention strategies. Mumbai based Ariose was founded by Amit and Sudhi in 2006. So far, it has developed 120 mobile solutions and achieved just over one million app downloads. It has served more than 100 clients including One97, Hungama, Nazara, Snapdeal and Manupatra among others. MobileWave Group PLC operates a social networking website for mobile devices. The website helps consumer brands, loyalty club operators, subscription-based businesses and other organizations relate to customers and member audiences. Last year in August, UK based Fieldbury acquired Mobilewave in a reverse takeover for 1mn pounds.

### **Raymond's Sells Rayves Automotive Textile To Japanese Firm**

Raymond Limited sells its stake in Rayves Automotive Textile Company Private Limited to Japan based T B Kawashima Company Limited. Rayves Automotive Textile was a JV between Silver Spark Apparel Ltd, a subsidiary of Raymond and Treves S.A of France offering printed seating fabric for TATA Motors' - Magic IRIS. Silver Spark Apparel Ltd, a wholly-owned subsidiary of Raymond, manufactures suits and formal trousers catering largely to export markets. Its manufacturing facility is located at Doddaballapur near Bengaluru which produces 0.4 million suits, jackets and 2.0 million trousers annually. Founded in 2009, TB Kawashima was established as a company that specializes in fabrics for the transportation segment. It was formed by merging the automotive fabric divisions of Toyota Boshoku and Kawashima Selkon Textiles, and Tatsumura Textile AI. In October 2011, TB Kawashima merged with its former subsidiary Kawashima Echigawa Factory Ltd. to establish an integrated system that can respond more rapidly at every step, from development to production. Raymond, the flagship company of the Vijaypat Singhania Group was incorporated in 1925. It commands over 60% market share in worsted suiting in India. It exports products to over 55 countries including USA, Canada, Europe, Japan and the Middle East. The company operates in three divisions: Textiles, Engineering, and Aviation.

### **SAR Group Acquires 55% Stake In Fly Mobiles' India Business**

SAR Group has acquired 55% stake in UK based Fly Mobiles' business in India and SAARC regions. According to SAR Group promoter Rakesh Malhotra, the deal along with additional investments over the next three years will be in the range of Rs200-250 cr. SAR Group will set up a separate entity to handle the handset business. SAR Group entered the mobile handset business co-founding Wynn Telecom a couple of years ago. SAR Group owns 72% stake in Wynncom mobiles, 80% stake in WorldAce, a third-party arm which services multiple branded handsets across 640 locations in India. It also bought Mumbai-based low-cost phone maker G-Fone in May 2011 and incorporated some senior executives into Wynncom's management while

merging its product development capabilities. Fly Mobiles is owned by UK's Meridian Group and has operations in the UK, Europe and CIS countries with revenues of around \$130-140 mn.

### **Delhi Based C&S Electric Acquires Etacom**

Delhi Based power equipment manufacturer C&S Electric Ltd has acquired Netherlands based Etacom ISD BV. C&S Electric is an electric equipment supplier and exporter of industrial switchgear. Its electrical and electronic products find application in power generation, distribution, control, protection and final consumption. The business operations of C&S Electric are divided into 3 strategic business units: Switchgear & Protection SBU; Power Busbars SBU; Lighting & Wiring Accessories SBU. C&S employs over 4000 people including 400 engineers, and has 19 state-of-the-art manufacturing plants. It has 20 sales offices across India and its products are exported to 78 countries. C&S Electric also has several joint ventures and a 100% owned subsidiary, EON telesystems, which is dedicated to power supply solutions for the telecom sector. C&S Electric Limited has successfully synchronized its 1 MWp Solar PV Power Plant with the grid at Village NANDHA, District Bhiwani and commenced export of power w.e.f. 28th June 2011. C&S Electric is planning to undertake Solar PV Power Plant EPC contracts in the range of 1 MWp to 20 MWp based on crystalline and thin film technologies.

### **Career Launcher Acquires GK Publications**

CL Educate - formerly known as Career Launcher has acquired test preparation materials publisher - GK Publications. GK Publications was founded in 1994 by Rakesh and Poonam Mittal. It publishes books, guides, test papers and question banks for professional examinations like GATE, IES, IAS, various, Public Sector Undertaking examinations, CAT, etc. GK Publication currently sells around 600,000 titles every year to about 200,000 students. Career Launcher India is a Delhi based education service provider with presence in over 130 locations across India, Middle East and the United States. CL provides test-prep education to enable school and college students gain admission to professional courses. It is also involved in the field of mainstream education through Indus World School, which operates in eight cities including Gurgaon and Hyderabad. It also operates play schools in Hyderabad, Indore and Noida. CL operates these schools in partnership with Nalanda Foundation. PE firm - Gaja Capital Partners invested \$8.20 mn in Career Launcher in 2007. In February 2010, it acquired a minority stake in Chennai based 361 Degree Minds Pvt Ltd for \$1 mn.

### **HighGround Enterprise Acquires Additional 10% In Rain Ltd**

High Ground Enterprise Limited (earlier known as Woo Yang Electronics) has acquired an additional 10% stake in Rain Ltd, UK for GBP 3,50,000. With this deal, the company now holds 15% equity in the company. Rain Post is an independent full service post production facility located in the Soho district of central London. Rain provides a full range of post production services for the feature films, TV broadcast, short form broadcast, corporate and independent

market segments. High Ground Enterprise Limited is into film production and coproduction, film finance, and events and talent management operations. The company was formerly known as Woo Yang Electronics (India) Limited and changed its name to High Ground Enterprise Limited in January 2011 after Karan Arora owned Picture Thoughts Pvt Ltd acquired the controlling stake in the company. High Ground recently released its first film - Bhendi Bazaar Inc. It has co-produced 'Tera Kya Hoga Johnny' starring Niel Nitin Mukesh. Other High Ground Enterprise Group companies include three movie production companies - Picture Partners International, Picture Thoughts Productions, Walter Anderson Films and a Delhi based engineering and project management consultancy firm - Stance Synergies.

### **Sudarshan Chemical Acquires Germany Based Eckart's Pigment Assets**

Pune based Sudarshan Chemicals Industries Limited is acquiring assets of German based Eckart, a chemical producer. According to the filing on BSE, Sudarshan will acquire assets relating to the natural mica based pearlescent pigment products for cosmetics and personal care. The products are sold under the brand Prestige and Fionac C owned by Eckart, Germany and its affiliates. Pearlescent pigment products are used for creation of luster effects. It is used in cosmetics, printed products, industrial coatings and car paints. Founded in 1876, Eckart GmbH along with its subsidiaries, develops, produces, and supplies metallic effect pigments for customers in Germany and internationally. Sudarshan Chemicals is the flagship company of Rathi Group. It manufactures, sells, and exports pigments and agro chemicals in India and internationally. Its products include organic and inorganic pigments, mica-based effect pigments, chemical intermediates and pesticides. The company's manufacturing plant is located in Roha and Mahad, in the Maharashtra. Sudarshan Chemicals has a JV with Dainippon Inks and Chemicals, selling organic and effect pigments and preparations through DIC in the Far East and Sun Chemical in the NAFTA and EU regions.

### **Bhavook Tripathi Acquires Additional 26% Stake In R Systems**

Bhavook Tripathi is acquiring additional 26% stake in R Systems International Limited for Rs40.81 cr. He has made open offer to acquire 3.34 mn shares at a price of Rs122 per share constituting 26% stake. Currently, Bhavook holds 23.82% stake in the company, while GE Capital Mauritius Equity holds 4.84%. Promoted in 1993 by Satinder Singh Rekhi, R Systems is a software product development and BPO services company. It provides iPLM services, enterprise applications services, and BPO services. In January 2011, R Systems completed the acquisition of Computaris International Ltd, a UK-based software company engaged in providing system integration, technical consulting, and software development solutions and services, primarily to the telecom industry for GBP 9 mn. In 2002, R Systems acquired Indus Software Private Limited, in which GE Capital and Intel Capital had made investments. The PE investors got a stake in R Systems as a part of share swap in this transaction. GE received 2.98 mn shares in R Systems in return and Intel Capital received 613,394 shares for its shares in Indus.

In 2006, it R systems came with an IPO of where GE Capital sold shares worth Rs15 cr in the issue, bringing its stake down from 11.14% to 4.41%. Intel Capital also sold shares in the IPO and completely exited the firm through market sales in 2007. Recently, R Systems has signed a partnership agreement with INCA Internet Company Limited, Korea (INCA), an information security company specializing in providing online financial security services for safe and trustworthy online banking transactions.

### **Blackstone Backed CMS Infosystems Acquires Securitrans India**

Blackstone backed CMS Info Systems has acquired New Delhi-based Securitrans India Pvt Ltd from APS Group in a deal valued between Rs200-250 cr. Securitrans provides security cover for large commercial banks during transportation of cash and other valuables. Its clients' includes banks such as Citi, Standard Chartered Bank, American Express, Deutsche, HDFC Bank, Canara Bank, ICICI Bank, among others. Founded in 1986 by MML Puri, APS Group is engaged in providing security services such as man guarding, cash-in-transit, fire services and management support services to banks, financial institutions and hotels among others. The other two companies within the group are AP Securitas Pvt Ltd and APS Systems. The group has operations in around 44 locations across the country. CMS Infosystems is an entity carved out from the CMS Group, is 60% owned by Blackstone and 40% by the promoters, the Grover family. Blackstone had acquired the stake for \$40 mn in December 2008. CMS Info Systems' six vertical offerings are managed IT services, systems integration, IT Training, print services, cash management services and card services. Considering the growing demand for security services, domestic firms are raising funding to expand, while international firms are looking to enter into the Indian security market through acquisitions.

### **JSW Energy Acquires Additional 31.56% Stake In South African Coal Mining**

JSW Energy Limited has acquired additional 31.53% stake in South African Coal Mining Holding Ltd increasing its stake to 93.27%. Last year, JSW Energy acquired a 49.8% stake in Royal Bafokeng Capital (Proprietary) Ltd that owns shares in South African Coal Mining Holdings Ltd from Strider Holdings (Proprietary) Ltd. Royal Bafokeng Capital and Mainsail Trading collectively hold a majority stake in South African Coal. JSW Energy had the option of buying the remaining 50.2% from Royal Bafokeng Ventures Proprietary Ltd. and the entire shareholding in Mainsail Trading 55 (Proprietary) Ltd, from RBH Resources Holding (Proprietary) Ltd. JSW Energy, through its wholly-owned stepdown subsidiary, went on to acquire Royal Bafokeng Venture Proprietary Ltd's 50.20% stake in Royal Bafokeng Capital (RBC). SACMH has stakes in two coal mines including Ilanga in the Witbank Coal Field, about 200 km east of Johannesburg and Umlabu Colliery in Mpumalanga. The Witbank Coal Field, which has been in operation since 1996, is close to the end of its mine life while Umlabu Colliery, an opencast and close pit mine, has a mine life of another 19 years.

## Private Equity News

### **Atlanta Infra To Sell 26% In Roads Unit To Raise Rs200 cr**

Mumbai based infrastructure firm - Atlanta Infrastructure Development and Real Estate is planning to raise upto Rs200 cr by selling upto 26% stake in it's road unit - Atlanta Infra Assets Limited to a strategic investor on PE players. The company has begun consolidating all its roads SPVs under one holding company - Atlanta Infra Assets Limited to facilitate the process. Atlanta whose total debt stands at Rs330 cr says it is almost through with the financial closure for these roads projects and wants to use the proceeds from the stake sale as equity for its proposed Rs 9500 cr theme park in Gujarat. The company has four road projects, of which two are operational and two are under planning stage. The company has a total order book of Rs 1,950 crore across Design Finance Build Operate Transfer on PPP basis. Additionally, the company is looking to raise Rs675 cr through securitization of assets. Atlanta has two operating assets Nagpur - Kondhali NH 6 project and Mumbra Bypass on Mumbai-Pune Road NH 4 where it is already collecting toll.

### **KDDL Ltd To Sell Stake In Retail Chain - Ethos To Raise Funds**

KDDL Ltd may sell stake in its Swiss watch retail chain Ethos to PE investors or HNIs to raise funds for expansion. According to Yash Saboo - CEO of Ethos (Kamla Retail Limited), the retail chain needs \$5 mn for its expansion plans is interested in a long-term partnership of seven to eight years. Ethos has 30 stores spread across 10 cities and plans to open 45 stores in next three years. It is targeting a revenue growth of 35-40% this fiscal from Rs100 cr in year ended 31 March. It is an authorised retailer of over 50 luxury watch brands such as Omega, Tag Heuer, Rolex, Cartier, Breitling, Rado, Longines Etc. The company, formerly known as Kamla Dials and Devices Limited, is based in Chandigarh, India. It offers watch dials and watch hands, including intricate profiles with multiple windows, jewel mounted hands, formed hands, logo profiles on hands, super polished formed hands, luminous hands and non-faceted hands finished by buffing or polishing. The company also offers precision stamping parts and tools for the electrical, electronics, telecommunications, automobile, medical equipments, auto, and aeronautics industries.

### **Green Tree Homes To Raise PE Funding For Real Estate Projects**

Chennai based real estate developer - Green Tree Homes and Ventures Limited is planning to raise funding from PE players, HNIs and banks to develop real estate properties. It has plans to invest upto Rs500 cr over the next three years in developing around 2mn sq ft in the next three years. It has a land bank of around 55 acre and has planned a 47-acre township project for it's second project. On December 3, it announced its first project, a 605- apartment township near

the IT corridor at Siruseri, with a project cost of Rs150 cr. This project built on 4 acres will have a built up area of around 700,000 sq ft. It is also engaged in a project by the State Housing Board in Korattur, near Chennai, to rebuild a plot with 66 owners into 164 apartments.

### **C&C Construction To Raise Rs400-500 cr From PE Investors**

Gurgaon based infrastructure company - C&C Constructions may raise Rs400-500 cr PE funding power transmission and highway projects. The company is planning to invest upto Rs1000 cr in power transmission and highway projects over the next two to three years. The company has tied up Rs180 cr with banks and will infuse another Rs100 cr through internal sources. It has already invested Rs200 cr in the projects. It is also planning to acquire 70-100 MW hydel power plant in Himachal Pradesh for about Rs500 cr.

### **Kotak Realty Fund Raises \$98 mn For Investments In Residential Projects**

Kotak Realty Fund has raised \$98.2 mn (Rs523 cr) from domestic investors for investments in residential projects. Kotak Realty Fund, which was launched in May this year expects to raise Rs600 cr, it also has a green shoe option of Rs100 cr. Kotak Realty has a total \$750 mn worth of assets under advisory through three funds - \$100 mn (Rs457 cr) Kotak India Real Estate Fund-I, \$380 mn (Rs1,494 cr) Kotak Alternate Opportunities India Fund and \$265 mn offshore fund.

### **Visa Power To Raise \$100 mn**

Blackstone backed Visa Power Limited is planning to raise \$100 mn to develop one of its power project. The company is planning to raise funds at project level. In July this year, the company raised \$111 mn from Blackstone for Chhattisgarh project. Visa Power is part of Kolkata-based Visa Group, which has interests in steel, power, mining, commodities trading, shipping and logistics. The group was founded by Vishambhar Saran, a former Tata Steel executive. Visa Power had signed an agreement with the Chhattisgarh government in 2007 to set up a 1,200MW coal-based plant in the state at a cost of Rs6,200 cr. The plant is to be commissioned in 2013 and has been allotted 99.12 MT of coal from Fatehpur East coal block. Besides the Chhattisgarh plant, Visa Power also has a pipeline of further 6,600 MW under development, including a 1,320-MW coal-based super critical power plant in Orissa. The company also proposes to set up projects in Gujarat, Madhya Pradesh and Jharkhand.

### **Tata Capital, Aavishkaar May Invest Rs50 cr In Vortex**

Tata Capital and Aavishkaar may invest upto Rs50 cr in low cost ATM maker - Vortex Engineering Limited for a minority stake. The funds will be used to scale up the business. The company has installed and operated 500 low-cost and low-maintenance ATMs across rural India since 2007, of which 300 are solar powered. Vortex was started in 2001 as an incubation project at the Indian Institute of Technology Madras by L. Kannan, a mechanical engineer. It is

an authentication measure, which helps the company serve its rural customers better. The company is also installing ATMs in other countries in South Asia, East Asia and Africa. Vortex's shareholders include Oasis Fund, Raymond Stata, VenturEast, Aavishkaar and Vishal Bharat Comnet. In July this year, Vortex raised \$3 mn from IFC. Vortex has also committed to provide 10,000 solar-powered ATMs designed to withstand difficult weather conditions and erratic power supply to 30 million low-income people living in rural areas by 2015, as part of it's support for a United Nations-backed initiative to fight poverty.

### **New Silk Route May Invest Rs150 cr In VRL Logistics**

VRL Logistics is talking to New Silk Route to raise Rs150 cr. The company had filed a DRHP last year but deferred it's plans citing unfavorable market conditions. The company will use the funds for acquisitions and retiring debt. Founded by Vijay and Anand Sankeshwar, VRL Logistics is in the business of providing goods and passenger transportation services. It also operate in three other business segments: courier services, wind power generation and the air charter business. Currently, promoters of the company hold the entire 100% stake in the company. VRL Logistics has a total fleet strength of 2,829 vehicles and has 12,000 employees and operations spread across 911 branches covering 2,629 locations in the country. It has in total 56 branches and 515 franchisees for passenger transportation business. Recently, VRL Logistics ordered for 100 buses from Volvo for approximately Rs.100 cr. It is to be delivered over the next 6-8 months.

### **Ind-Barath Power In Talks For \$150 mn PE Funding**

India's Ind-Barath Power Infra Ltd, a power infrastructure developer, is in talks to raise about \$150 million from TPG Capital and Apollo Global Management. Ind-Barath, which currently operates eight power projects across the country, will use the private-equity funding to launch new projects and increase its power generation capacity. Ind-Barath had filed a draft prospectus last year with the Indian market regulator to raise more than \$200 million in the IPO. The main stock index has fallen more than a fifth this year, forcing many firms to put off share sale plans. UK-based private-equity firm 3i Group had said its India infrastructure fund was investing about \$45 million for a minority stake in Ind-Barath Energy (Utkal) Ltd, a subsidiary of Ind-Barath Power Infra. Ind-Barath has total power generation capacity of 376 mega watts and is currently setting up four new power projects that will increase its generation capacity by 1,829 MW. It is also planning to develop two more coal-based thermal power projects and one gas based power project, with a combined generation capacity of 1,339 MW.

### **Blackstone May Buy DLF's Stake In Pune SEZ**

Blackstone may buy DLF Ltd stake in Pune SEZ - DLF Ackruti Info Parks (Pune) Ltd for Rs900 cr which is a JV with Ackruti City Ltd. The board of approval (BoA) in the commerce ministry had given its nod to the proposal of DLF Ackruti Info Parks (Pune) Ltd for sale of shares to the

foreign investor. DA IPL was incorporated in October 2004 as Akruti Info Parks (Pune) Limited by ACL to develop an IT park in Pune on a land leased from Maharashtra Industrial Development Corporation (MIDC) for a period of 95 years. Later DLF was introduced as JV partner in February 2005 with DLF holding 67% and ACL holding 33% in the JV. DLF has been selling its non-core assets such as hotels and plots to cut its huge debt that stood at Rs22,519 cr as on September 30. So far, the company has raised Rs 3,480 cr from sale of non-core assets. Earlier this year, DLF had announced plans to raise Rs 7,000cr in the next 2-3 years. The company is now expecting to cut its debt burden to about Rs 10,000 cr by 2013.

### **Credit Agricole To Sell Private Equity Arm To Collier Capital**

Credit Agricole is selling its private equity unit for more than 300 million euros (\$390 million) as the French bank looks to cut its exposure to risky assets. In spite of large disposals in 2011, banks still have tens of billions of dollars in private equity assets. That raises the prospect of more sales as they try to shrink balance sheets. The sale to Collier Capital, a British-based firm which specializes in buying secondary private equity assets, will reduce the risk-weighted assets of Credit Agricole by 900 million euros, the French bank said. That is a fraction of the 30 billion euros in risk-weighted assets the bank – which this week announced its second profit warning of the year – has said it aims to ditch by January 2013. Private equity assets are seen as among the most risky under Basel III regulations, making them more attractive to sell, whether banks are well capitalized or not.

## **Private Equity Deals**

### **India Equity Partners Acquires TNT Express' India Road Operations**

India Equity Partners has acquired the domestic road operations of TNT Express. As a part of the deal, an India Equity Partners' logistics subsidiary will become preferred partner for TNT Express in providing domestic road deliveries within India. The domestic road senior management and most employees (approximately 1,000) will move to the new employer. TNT Express will continue offer shipments into and out of India via its global network, and said it will also continue to provide some customer-specific special services, such as for healthcare customers. Netherlands-based TNT is in the midst of a broader change that included the separation this year from its former postal business, which is now called PostNL and owns about a quarter of the express operator. TNT Express had entered Indian markets by acquiring Associated Road Carriers (ARC) India in 2006, a company that operated under the brand name Speedage Express.

### **Goldman Sachs Acquires 6.47% Stake In Max India**

Goldman Sachs has bought a 6.47% stake in Max India for Rs308 cr through bulk deals. Before this transaction, Goldman Sachs held around 9% stake in the company after it converted its debentures into shares earlier this year. Goldman Sachs is now the largest shareholder in Max India after Analjit Singh who owns a 37% stake.

### **UTI Capital Invests Rs100 cr In Indian Oiltanking**

UTI Capital has acquired 4% stake in Indian Oiltanking Infrastructure and Energy Services for Rs100 cr. It will use the funds to build new facilities in Paradip and Ranchi. Indian Oiltanking was planning for an IPO, but deferred the plans citing unfavorable market conditions. Indian Oiltanking had filed DRHP in September last year and received Sebi clearance for the public issue, which was initially scheduled for January 2011. The promoters proposed to sell 14.6 million shares and issue 58.19 million fresh shares in the public offer. Incorporated in 1996, Indian Oiltanking is a 50:50 JV between Indian Oil Corporation and Germany's Oiltanking GmbH. It entered into the upstream services business in 2008 with the acquisition of Newsco Directional & Horizontal Drilling Services (Asia) Inc., provider of directional drilling services in India. IOT currently holds 75% stake in Newsco Asia. It operates its EPC Business primarily in India and Oman. It also has offices in Indonesia and Dubai. Clients of its EPC Business include Indian Oil, Oiltanking Odfjell Terminals & Co. LLC, OIL, ONGC, Doosan, Anrak Aluminium Limited and HPCL.

### **Redington Buys Back 25.97% Stake In Subsidiary From Investcorp**

Redington India Limited is purchasing 25.97% stake of its subsidiary Redington International Holdings Ltd from Investcorp, a PE investor. With this deal, Redington International Mauritius Ltd's shareholding in RIHL will move to 95.56%, while the balance is held by employees of Redington group. In July this year, Standard Chartered Private Equity has bought 10% stake in Chennai-based Redington India Limited for Rs.365.13 cr, while ECL Finance Ltd, the NBFC arm of Edelweiss has bought 2% stake in Redington for Rs.73 cr. Set up in 1961, Redington India, a part of Singapore-based Kewalram Chanrai Group, is an integrated supply chain solutions provider of IT and non-IT products. As on Marhc 2010, redington along with its subsidiaries has more than 75 brands, 23,600 channel partners, 78 warehouses and 68 sales offices. In 2010, it bought 49% stake in Turkish computer equipment distributor - Arena Bilgisayar Sanayi & Ticaret AS for about \$43 mn.

### **SAIF Partners Picks 7.74% In Pennar Industries**

SAIF Partners, an Asia-focused venture and growth capital investor, has quietly picked up 7.74% stake in steel product manufacturer Pennar Industries for around Rs 35 crore through a string of secondary market transactions over the last six months. With the latest tranche of stake

buy, the PE firm has raised its holding through SAIF India IV FII Holdings Ltd and some other entities. The investment comes as Pennar is diversifying itself from a steel manufacturer to value added steel and pre-engineered steel buildings manufacturer. Although SAIF Partners does not figure among the prominent institutional investors as of September 30, 2011, with the latest round of stake purchase comprising some 3% stake its holding has shot up to over 7%. Pennar, also backed by investors like Eight Capital India and Spinnaker Global, manufactures steel products such as cold-rolled steel strips, precision tubes, cold-rolled formed sections, electro-static precipitators, profiles, railway wagons and coach components, press steel components and road safety systems. Its subsidiary PEBS Pennar, engaged in manufacturing pre-engineered buildings, has an order book of Rs 215 crore to be executed over the next six months. SAIF Partners, which currently manages assets over \$3.5 billion, has been quite an active investor in India this year though mainly making early stage investments in the internet space.

### **Peninsula Land Forms JV With Brookfield AMC For Real Estate Fund**

Peninsula Land and Canada based Brookfield Asset Management have formed a 50:50 JV to launch a real estate fund for investments in India. According to the filing on BSE, both entities will jointly evaluate and manage investments targeting the development of residential and commercial assets primarily in Tier I cities in India. Peninsula Land currently has approximately 20 mn sq. ft. under various stages of planning & development. Its strategy is to consolidate its presence in key asset classes; residential projects, commercial projects, information technology parks, special economic zones and townships. Brookfield Asset Management Inc. is a Canada based AMC that manages a global portfolio of assets valued at over \$150 bn.

### **Greenko Unit Raises \$70 mn From StanChart In Structured Deal**

A subsidiary of London-listed clean energy producer Greenko Group PLC has raised \$70 million from Standard Chartered Plc in what appears to be a structured transaction. The investment has been routed through Greenko Mauritius. The transaction seems to be structured in a way that will ensure minimum returns to Standard Chartered, with upside on any listing. Standard Chartered will also have minority protection rights and the right to nominate directors on Greenko Mauritius. Backed by PE firms like TPG Growth and Aloe Environment Fund, Greenko has recently raised \$50 million from GE Energy Financial Services (at the subsidiary level of Greenko Wind Project) for expansion of its wind energy business. Because of these deals with StanChart and GE, Greenko has become fully funded to expand its capacity to 1 GW. The deal is also Standard Chartered's first investment in the Indian renewable energy industry. Greenko operates 182.6 MW in current capacity across wind, hydroelectric, natural gas and biomass assets, and aims to reach 1 GW of operational capacity by 2015. Greenko, which was initially focused on hydro and biomass-fired plants, expanded into wind energy last year. Its portfolio is

split across 104.3 MW of hydro, 41.5 MW of biomass and 36.8 MW of gas/liquid fuel. Greenko's portfolio, which includes projects in the development pipeline, currently stands at 1.63 GW.

## Venture Capital News

### eTechies Raising \$3 mn-\$5 mn

India's very own 'Geek Squad' eTechies.in is close to raising institutional funding to the tune of \$3 million-\$5 million and the deal is expected to close in January 2012. The Gurgaon-based managed services start-up, which offers technology support to consumers and small offices and home offices (SOHOs), will use the funding to drive pan-India expansion. The monies raised will be used to set up new centres in Bangalore, Pune, Mumbai, Chennai and Hyderabad besides expanding its call centre. Currently, the company employs around 35 people at its call centre. In November 2010, eTechies.in had raised an undisclosed angel round from Rajan Anandan and also has Jaspreet Bindra, head of Microsoft's Entertainment & Devices Division in India, on its board of directors. Anandan, currently MD of Google India, made the investment in his personal capacity as an angel investor. The start-up currently employs a total of 68 of whom there are 25 engineers on field who undertake 130-140 service tickets per day in New Delhi alone. Overall, eTechies receives 800-1,000 laptop repair requests per month and 40 per cent of its 5,500 customers are SOHOS.

## Venture Capital Deals

### Norwest Venture Partners Invests \$5 mn In Yet-To-Be-Launched PepperFry.com

Five month old ecommerce startup - Pepperfry.com has secured \$5 mn from Norwest Venture Partners. Mumbai based PepperFry - founded by Ambareen Murthy, who earlier was a country manager with EBay is yet to be launched. The launch is expected during the Christmas season. The portal will offer a range of 25,000+ pocket happy lifestyle products across multiple categories such as clothing, furniture & home decor, precious & fashion jewellery, lifestyle accessories and personal care. It features brands such as Lotto, Little India, Peter England, Beverly Hills Polo Club, Octave, Allen Solly, L'oreal among others, and allows users to browse various departments using filters for brands, product type, size, colour, design and other variables. The site also takes bulk orders for products like customized T-Shirts, corporate and wedding gifts and we assume that discounts vary since there's a personalized enquiry form for the purpose. Pepperfry claims to stock more than 8,000 products. The site claims to ship products to 220 countries across the world and over 17,000 pin codes and 300 cities in India, however there is an additional charge for product shipments outside India.

## **Matrix Partners Invests Rs22 cr In Waterlife India**

Matrix Partners India has invested Rs22 cr in water purification solutions provider Waterlife India Pvt Ltd. The funds will be used its scale in the underserved potable water space. Avnish Bajaj - co-founder and MD of Matrix India has joined the board of Waterlife. Waterlife India was founded in 2009 by Sudesh Menon, Mohan Ranbaore and Indranil Das. The Company installs contamination removal units, community water systems, mobile water units, apartment and institutional systems and implements water supply schemes for communities across India. IT started it's operations in West Bengal & Uttar Pradesh and presently work in six states to provide potable water solutions. In it's two years of operation, the company has raised funding from Aavishkaar Micro VC Fund and Micheal and Susan Dell Foundation. Matrix Partners is an investment firm with Rs3,000 cr under management.

## **Innovis Telecom Services Gets Funding From Nokia Growth Partners**

Telecom networking services firm Innovis Telecom Services Pvt Ltd has received an undisclosed sum from Nokia Growth Partners, the company has said in a statement. The proceeds will be used for expansion to various markets in the Asia-Pacific region. Although the investment amount is not known, Nokia Growth Partners typically invests between \$5 million and \$15 million in its portfolio companies. Co-founded by SK Acharya and Kapil Sharma, Innovis helps build wireless and broadband telecom networks in India, Bangladesh, Indonesia and quite a few African countries. SK Acharya has more than 25 years of experience in the telecom industry with organizations like BEL, Nokia Siemens Network and Qualcomm. In the past, Acharya, was a key member of the Asia Pacific leadership team of Nokia Networks and led its country services organizations in Japan, Taiwan and India. Kapil Sharma is an engineering graduate with an MBA from IIM Calcutta, with more than 16 years of experience with organizations like HCL-HP and Nokia Siemens Networks. Both of them are board members of technical training and consulting services company Cognitel. Innovis provides a plethora of services including network planning, network deployment, project management, network optimization for voice and data networks, managed services and consultation. Its key clients include Ericsson, Nokia Siemens Networks, Huawei, Alcatel Lucent, Airtel, Axis Indonesia, MGear, Andrew Wireless and Viom Networks.

## **Sportsgear E-tailer SportsNest Raises Seed Funding From Blume Ventures**

Sports Nest Retail (India) Pvt Ltd, which runs the six month old e-commerce website, SportsNest, focused on retailing sporting, fitness and adventure gear, has raised an undisclosed seed funding from early stage investor Blume Ventures. Blume Ventures, a micro-venture fund focused on investing in tech-enabled businesses, typically invests anywhere between \$50,000 and \$250,000 or Rs 26 lakh to Rs 1.3 crore, so the quantum of the new investment in SportsNest, which was closed a few weeks ago, would be in this range. Currently, SportsNest has over 25 product categories for men, women and children that include clothing, footwear,

fitness and adventure equipment. Over 5,000 products are available online and the firm expects this to go upto 25,000 SKUs soon. Customers can get their products shipped free across India with an option of Cash-on-Delivery (COD) and the site also provides 24X7 customer care. In addition to the online store that is up and running, SportsNest plans to give its customers the ability to experience its products and buy them offline as well.

### **Micheal And Susan Dell Foundation Invests Rs9 cr In Gras Academy**

Micheal and Susan Dell Foundation has invested Rs9 cr in Vocational skills training firm - Gras Academy. These funds will be used to train children whose family income is below R13,000 per month. Gras Academy was founded in 2006 by Ajay Swarup and Gautam Sen Gupta. It provides vocational training in retail, IT/ITES, BFSI and education sectors. GRAS has tie-ups with the Rajasthan State Government, Central Government Initiatives, NGOs and International Bodies for providing industry-oriented training courses for local youth. It also assists in providing job placements for its students. In 2008, GRAS Skill Development and Employment Centers which offers 50 short duration practical courses to semi-urban and rural youths. These courses are of eight to twelve weeks duration and focus on specific skills development in areas that have been identified as having income generating potential for the students. It has raised Rs62 cr soft loan from National Skill Development Corporation for the same. Gras has earmarked an investment of Rs220 cr for expanding its business. It has plans to open 275 small training centres (STC) and 75 mini-ITIs over period of four to five years.

### **Sequoia Capital Invests \$4 mn In Ecommerce Start Up Freecultr**

Sequoia Capital has invested \$4Mn in apparel and accessories ecommerce startup Freecultr. The funds will be used to develop a strong in house design team, a seamless e-commerce platform, to maintain inventory for products and acquiring new talent. Freecultr is cofounded by Sujal Shah (former VP & Head of Fashion, India at IMG) along with Harish Bahl (Founder & Group CEO of The Smile Group), Sandeep Singh and Rajesh Narkar. FreeCultr provides lifestyle apparel and accessories featuring casual T-shirts, polos, tunics, sweaters, cardigans, denims, pants and footwear.

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