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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

Sahara Group Bids Rs5808 cr for Marriott Hotels

Subrata Roy, the owner of Sahara group has bid Rs1808 cr for Marriot Hotels in London sold by the Royal Bank of Scotland. Sahara Group is competing with the Abu Dhabi Investment Authority and another Indian investor, Blue Post Group. Last year, Sahara India's subsidiary Aamby Valley has bought London's Grosvenor House Hotel from the Royal Bank of Scotland for 470 mn pounds (approx Rs.3,300 cr). Last June, RBS took control of 42 Marriott-branded hotels across the U.K after failing to secure a debt-for-equity restructuring of one of its largest individual real estate loans made during the property boom. The 494-room luxury property on London's Park Lane, was once home to the Duke of Westminster. Sahara Group has businesses in hospitality, real estate financial services, mutual funds, life insurance, media, film production, sports, information technology, healthcare, commodity sales and services and consumer products.

Milestone Founders Seeking Rs300 cr From Prospective Suitors

The family of late Ved Prakash Arya, founder of Milestone Capital is seeking Rs300 cr from prospective buyers of the PE firm. Edelweiss Financial Services, Elephant Capital, Ashmore Investment Management, Arth Veda Capital, a unit of Dewan Housing Finance and L&T Finance are interested in the assets. The family put Milestone on the block after its founder and chief executive Ved Prakash Arya died last year. The fund currently manages about Rs3,600 cr. Last year in July, Milestone Capital Advisors Ltd filed DRHP with SEBI to raise funds through IPO by diluting 30% stake. The fund had planned to raise Rs40 cr through Pre-IPO placement by placing 7.14 lakh shares. It had plans to use the proceeds from IPO to seed an infrastructure fund (Rs100 cr) and a small & medium enterprise (SME) focused fund (Rs50 cr). Milestone withdrew its IPO plans after Sebi raised queries on public money being used in the risky private equity and venture capital investments.

Kotak Mahindra Bank To Expand In India Through Acquisitions

Kotak Mahindra Bank is looking for acquisitions in India for expansion. Founded in 1985, Mumbai based Kotak Mahindra Bank offers banking and financial services to individuals and corporate clients in India. In 2004, Warburg Pincus picked up 2.75% stake for Rs75 cr through its two entities - Madison and Melany Holdings. In 2005, it bought additional 2% stake at Rs.385 a share. It then raised its stake more than 9% by buying additional stake in various tranches. As on March 2011, the fund held 9.28% stake and started to exit through share-sale in the open market. According to RBI rules, no single entity is allowed to hold above 5% stake in a bank in

normal circumstances. But Warburg was given an exception by the regulator five years ago. Currently it has over 329 branches and 782 ATMs across India and has over 20,000 employees.

Fidelity Seeking Rs1000 cr for India AMC

Fidelity Investments may sell off its Indian mutual fund business and is seeking a valuation of Rs1000 cr for its AMC. Fidelity's Indian investment arm - FIL Fund Management Private Limited was started in 2004 and managed assets worth close to Rs9000 cr as of December 2011. It is headed by former Citi executive Ashu Suyash. The AMC may attract interest from a number of global fund houses including Goldman Sachs Asset Management Company. The valuation, which Fidelity is seeking is on the higher side when compared to the other mutual fund M&A's completed in the past few years.

Inox India Looks For \$20 mn Acquisition in Europe

Gujarat-based INOX India Limited is planning to acquire a European company this year for \$20 mn (Rs100 cr) for expansion. In 2009, Inox India acquired 51% stake in US-based Cryogenic Vessel Alternatives (CVA) for about \$25 mn (Rs120 cr). Currently INOXCVA has manufacturing facilities in five countries (Canada, the USA, Brazil, India and China), with a client-base spread over 100 countries. The possible European acquisition would mark its presence in all the major continents where it has business interests. Established in 1992, INOX India Ltd. is part of the INOX Group which has interest in diverse businesses including Industrial Gases, Refrigerant Gases, Fluoro Chemicals, PTFE, Renewable Energy, Cryogenic Equipment and Entertainment. Gujarat Fluorochemicals and Inox Leisure are also a part of Inox Group. Inox India manufactures cryogenic liquid storage and transport tanks. It has three ultra modern facilities at Kalol, near Vadodara, Kandla, Gandhidham which is a port side SEZ and Silvassa. Inox is also investing Rs50 cr in the India facilities. It is also focusing on providing a link between the two existing LNG terminals in Gujarat (Dahej and Hazira) and industries requiring this gas as fuel even in the absence of gas pipelines for gas transportation. With the emergence of new LNG terminals at Mundra (Gujarat), Kochi (Kerala), Ennore (TN) and Kakinada (Andhra Pradesh) in the near future, the company is planning a wider domestic presence to provide a virtual pipeline to the industries in the States having no gas pipelines so far. It will do so by providing cryogenic storage tanks and transportation facilities.

Core Education May Buy Rakesh Jhunjunwala's Stake In Aptech

Core Education & Technologies is planning to buy Rakesh Jhunjunwala's stake in Aptech Limited. Last Dec, Rakesh Junjunwala announced plans to sell his six year old investment in Aptech Ltd. As on September 2011, Jhunjunwala with his investment vehicle Rare Equity Pvt Ltd and his family owns 31.19% stake in Aptech. Jhunjunwala is seeking a valuation of about Rs700 cr for his stake. Rakesh Jhunjunwala had bought his stake for Rs81 cr from Chennai based Kalpathi Suresh - founder of IT training firm - SSI. If the transaction goes through, it will

the third change in Aptech's ownership. Aptech was founded in 1984 by Atul Nishar. Atul sold off Aptech to Kalpathi, who later merged SSI's education business with Aptech. Kalpathi then sold it to Jhunjhunwala two years later. It provides retail and corporate training solutions. Aptech has a network of over 1000 centres spread over 35 countries. Aptech already owns well-recognized education brands, namely, Aptech Computer Education, Arena Animation, N-Power, Avalon Academy, English Express and Aptech Worldwide. Founded in 2003, Mumbai based CORE Education and Technologies was formerly known as Core Projects and Technologies. It offers technology-based education solutions to government organizations and schools in the US and the UK. The company has acquired nine companies in the UK and the US in the past five years in an effort to expand its global reach. It acquired Georgia based - Technical Systems Integratoss LLC and New York based Keenan and Keenan Group in September 2010, for a total of \$25 mn. In 2009, CORE acquired K-12 division of Princeton Review, a US-based education company for \$20 mn. The company is planning to tap Asia-Pacific, Africa and West Asia and may look at acquisitions in these regions. It is also planning to start operations in Singapore and China.

Comp-U-Learn To Acquire Divya Knowledge Process Mgt Ltd

Comp U Learn Tech India is acquiring Divya Knowledge Process Management Ltd, an educational services company having tie-up with Bharathidasan University, Tiruchirapalli, Tamilnadu, for approved IT & BPO courses. Founded in 1997, Compulearn provides internet based solutions, education & training, e-commerce solutions, Software Design and Development, end to end IT and business solutions.

Walt Disney to Acquire Controlling Stake In UTV

The Walt Disney Co. is acquiring a majority stake in UTV through its subsidiary. UTV CEO Ronnie Screwvala will head the Indian operations for Walt Disney. Disney already owned 50.44% of UTV and last July, it made an offer of \$454 mn to acquire the balance stake to gain a controlling interest in the group. Disney first acquired a 14.9% in UTV for about \$15 mn in 2006. Subsequently in 2008, Disney upped its stake to 32.1% for about \$230 mn, which also gave Disney a 15% stake in UTV's broadcasting unit UTV Global Broadcasting Limited. Last year, Disney upped its stake to 50.44% in UTV, leaving co-founder Ronnie Screwvala, Unilazer Exports and Management Consultants Ltd, Unilazer (Hong Kong) Ltd and Zarina Mehta holding a 19.82% stake. The gradual acquisition of UTV enhances Disney's position here since the company first established its India subsidiary in 2004. Via that subsidiary, it runs a broadcasting venture, including the Disney Channel, character licensing and film production. In 2008, Disney co-produced its first Indian film with veteran Bollywood banner Yash Raj Films, animated feature Roadside Romeo. Founded in 1990, UTV Software is a media company operating in five segments - broadcasting, games, motion pictures, digital content and television content. It

entered the PC and online gaming space through the acquisition of UK-based Ignition Entertainment and US-based True Games. It has offices across India, UK, USA and Japan.

Mergers & Acquisitions Deals

Kajaria Ceramics Acquires 51% Stake In Gujarat Based Jaxx Vitrified

Tile manufacturer Kajaria Ceramics Limited has acquired 51% stake in Gujarat based Jaxx Vitrified Private Limited for Rs6.26 cr. Kajaria Ceramics acquired 2.32 mn equity shares of Rs10/- each for Rs27/- per share. Jaxx has annual capacity to produce polished vitrified tiles of 3.10 mn sq mt p.a. Post deal the total annual capacity of Kajaria to 33.70 mn sq mt. This is second acquisition by Kajaria in Gujarat. Last Feb, it acquired 51% stake in Gujarat-based Soriso Ceramic Private Limited for Rs.5.6 cr in an all-cash deal. Kajaria Ceramics acquired 1.53 mn shares of Sorisco at Rs36.63 per share. New-Delhi based Kajaria Ceramics is a ceramic tile manufacturer and has a distribution network of about 600 dealers and over 6000 sub-dealers spread all over India. It has annual capacity of 30.60 mn sq mt distributed across three plants – Sikanderabad in UP, Gailpur in Rajasthan and Morbi in Gujarat. Apart from this Jaxx has a new plant which will start commercial production next month. The company had tied up with Turkey-based Eczacibasi for marketing and sales of 'VitrA' bathware products as an exclusive and sole marketer and distributor for India.

Austria Based Gussing Renewable Acquires Stake In GP Energy

Austria based Gussing Renewable Energy has acquired 25% stake in Kolkata based clean energy firm GP Green Energy Systems Pvt Ltd. This stake sale will help GP Energy increase the size and scope of its business as Gussing will bring in technologically advanced equipment for biomass gasification, enriched bio-fertilizers (for growing rice), hydrogen cells (for transport industry) and batteries with advanced storage capacities. GP Energy Services was incorporated as Grain Processing Industries (India) Pvt. Ltd in 1967. It entered into the field of green energy in 1988. The company now has its plants in Nepal, Thailand and Guyana apart from India. GP Energy is also looking to introduce their atmospheric water generator (a device that collects water molecule from the atmosphere and purifies them into drinking water) in India. It is planning to go public in next three years. Gussing Renewable Energy GmbH was founded in 2009 and is based in Güssing, Austria. It develops and offers biomass gasification plants. The company also develops and offers products and services for the construction and operation of carbon-neutral energy systems.

Tata Global Beverages Forms JV With Starbucks Group

Tata Global Beverages Limited through its subsidiary, Tata Coffee Limited has formed 50:50 JV - Tata Starbucks Limited with Starbucks group. The first cafe will open by August-September

and will be named - Starbucks Coffee - A Tata Alliance. The JV plans to open 50 outlets in the initial phase, beginning with Mumbai and Delhi and expand into other cities and Tier-II towns. The initial investment will be Rs400 cr (\$80 mn). According to the MOU, Starbucks will set up stores in the Tata group's retail outlets and hotels, besides sourcing and roasting coffee beans from Tata Coffee's Kodagu facility. Starbucks, which runs over 16,000 stores worldwide, has been in talks with the Future Group, Reliance and Jubilant for an entry into India, but none of those discussions fructified. Headquartered in Seattle, Starbucks operates in more than 50 countries. It has been sourcing coffee beans from India for the last seven years. Starbucks sells a wide variety of coffee and tea products with a range of complementary food items, primarily through retail stores. Tata Global Beverages Limited engages in the development, marketing, and distribution of tea products. Tata Coffee Limited engages in growing, curing, manufacturing, marketing, retailing, and exporting coffee and tea in India and internationally.

Venture-backed eYantra Acquires Corporate Rewards Co Privilege Corner

Hyderabad-based brand merchandising and corporate gifting firm eYantra Industries Ltd has acquired Privilege Corner, a Delhi-based corporate rewards and recognition company. The deal for the Delhi-based company is a 100% buyout cash deal. With this acquisition, Phani N Raj, founder and CEO of eYantra, and Mayank Gupta, director of the company, are joining the board of Privilege Corner. However, the entity and the brand name of Privilege will be retained. Raj has also said that eYantra is in talks with a US-based corporate rewards company for a possible acquisition, which may materialize in the next 5-6 months. It is also looking at global markets like Australia. Gurgaon-based Privilege Corner is an 18-month-old firm started by Anshul Gupta, Nitin Mathur (co-founder of HealthPA), Harsh Azad (co-founder of Via.com) and Umang Maheshwari. The start-up has already acquired clients in IT & telecom space, providing rewards and loyalty programme solutions. Its flagship product is called the Privilege Club. Privilege Corner had also raised seed funding of \$200,000 from private investors in December 2010. According to Raj, the acquisition of Privilege Corner was done to leverage its technology, merchandising partners and clients. eYantra has over 14 physical stores and 32-plus online stores besides dedicated and on-demand custom-made solutions.

Fortis Healthcare Acquires 85% Stake In RadLink-Asia

Fortis Healthcare has acquired 85% stake in RadLink-Asia Pte Ltd through its offshore subsidiary - Fortis Healthcare Singapore Pte Ltd for S\$62.9 mn. The shares were bought from Pacific Healthcare, Kuwait Finance House and other shareholders. Pacific Healthcare Holding's associate company - Synergy Healthcare Investments Private Limited sold its 20% stake in RadLink to Fortis for \$5.88 mn. RadLink-Asia Pte. Ltd. provides diagnostic imaging and radiography services. Its services include MRI, CT, X-ray, Ultrasound, Mammography, Fluoroscopy, Bone Mineral Densitometry scans, and PET/CT and general nuclear medicine SPECT scans. The company was founded in 2000 and is based in Singapore. Pacific

Healthcare and Kuwait Finance House jointly bought 30% stake in Radlink Asia for S\$7.26 mn in 2007. Fortis Healthcare has been on an acquisition for past couple of years and now owns clinics and hospitals in several Asian countries including Australia, Hong Kong and Singapore.

Kotak Mahindra Acquires Barclay Bank's Credit Card Portfolio

Kotak Mahindra has acquired Barclays Bank's non performing credit card portfolio in India for around Rs250-300 cr. The portfolio comprises of nearly 200,000 cards. Kotak Mahindra's in-house asset reconstruction team will be responsible for recovering the dues from these accounts. Last month, Standard Chartered Bank bought the performing portfolio of Barclays' credit cards business in India. Barclays has decided to exit retail assets business in India and is also looking for buyers for its Rs3,000 cr retail loan portfolio.

Jindal Steel Acquires 60% stake in Gopalpur Port Project

OP Jindal's Jindal Steel & Power Ltd is acquiring 60% stake in Gopalpur Ports Ltd from Sara International Ltd and Orissa Stevedores Ltd. JSPL will buy Sara International's 50% stake and Orissa Stevedores 10% stake in Gopalpur Ports. Gopalpur Ports Ltd was formed in 2006 as a 50:50JV between Sara International and Orissa Stevedores to build a new port at Gopalpur. The port project was awarded by the Orissa government in September 2006 for development and operations for an initial period of 30 years and extendable by another 20 years to Gopalpur Port, then a consortium of three companies- Orissa Stevedores, Sara International and Noble group. Hongkong based Noble Group withdrew from the port project in May 2010. The first phase of the port, build at a cost of Rs1,250 cr with a capacity to load 10 mt of cargo, will start operations in March 2013. Gopalpur Ports has tied up a Rs848.78 cr loan from a consortium of 11 banks, led by Punjab National Bank, to build the port. JSPL, which is setting up a six million tonne steel plant near Angul, had earlier proposed to set up a captive port at Bahuda Muhan, also in Ganjam district, on its own at a capital cost of Rs1424.4 cr.

Binani Industries Acquires 3B - The Fibreglass Co. from Platinum Equity

Binani Industries Ltd has acquired 3B - The Fibreglass Company from Platinum Equity. The deal size is estimated to be around \$362 mn. Platinum acquired the manufacturing plants, intellectual property and other assets that became 3B - The Fibreglass Company from Owens Corning in April 2009. 3B the fibreglass company develops and supplies fibreglass products and technologies for the reinforcement of thermoplastics and thermosets. It offers chopped strands, continuous filament mats, direct rovings, milled fibers, and wet chopped strands. The company has manufacturing facilities in Birkeland, Norway. 3B posted net sales of Euro159 mn in 2010. It also plans to set up a new expansion facility in Tunisia in 2013. That will raise its capacity to 0.2MTPA. Binani Industries has a subsidiary in Goa - Goa Glass Fibre Limited, with a manufacturing capacity of 20,000 tpa, has state-of-the-art operations in similar product categories and exports its products to 15 countries.

Pennar Industries Acquires 51% In Pennar Enviro For Rs 4.27 cr

SAIF Partners-backed steel product manufacturer Pennar Industries Ltd is acquiring 51% stake in Pennar Enviro Ltd, which specializes in water and waste water treatment, for a consideration of Rs 4.27 crore. Pennar Enviro, part of the Hyderabad-based Pennar Group, is the authorized manufacturer and marketer of ELF fuel oil additives. The company has technical collaboration with the global petroleum major Total S.A of France. Pennar Industries manufactures steel products such as cold-rolled steel strips, precision tubes, cold-rolled formed sections, electrostatic precipitators, profiles, railway wagons & coach components, press steel components and road safety systems. SAIF Partners holds 7.74% in the company while other investors include Eight Capital India and Spinnaker Global. Pennar Industries has also inducted Vishal Sood of SAIF Partners as an additional director.

Persistent Systems Acquires Location Biz From Openwave Systems

Persistent Systems Limited has acquired Location business of California Based Openwave Systems Inc through its US subsidiary. According to the press release, this acquisition will build on Persistent's momentum in growing product maintenance and support services. Headquartered in Silicon Valley, Openwave Systems Inc is a global software innovator and the inventor of the mobile internet. The company has built a patent portfolio of approximately 200 patents covering many innovations spanning smart devices, cloud technologies and unified messaging. Today Openwave provides all-Internet Protocol (all-IP) mediation and messaging solutions that enable communication service providers to create and deliver smarter services. Openwave has a blue chip customer base spanning North America, Latin America, Australia and New Zealand, Asia, Africa, Europe, and the Middle East. Founded by Anand Deshpande in 1990, Persistent Systems provides outsourced software product development services to its clients. Its offshore development centres are located in Pune, Nagpur, Goa and Hyderabad. Last year, it acquired Agilent Technologies' software marketing and development business based in Grenoble, France. Persistent Systems also acquired outsourced product development (OPD) business of Infospectrum Inc and its Indian unit - Infospectrum India Private Limited.

Oil Field Warehouse Acquires Raamns Shipping & Logistic

Oil Field Warehouse & Services has acquired Kakinada based logistics service provider - Raamns Shipping & Logistics Pvt Ltd to setup its base on the east coast, particularly in Kakinada, Vizag and Chennai. Post deal, Vinay Sharma, MD of Oil Field will join the board of Raamns. Raamns was set up in 2009 by Murthy Adiraju and a group of professionals. It provides support services to oil companies operating in the Krishna-Godavari basin in AP, with Kakinada as the centre. Its clients include Reliance, ONGC, Cairn, GSPC among others. Oil Field Warehouse & Services - founded in 2006, provides specialized services of material management from Vizag SEZ. It has offices in Mumbai, Chennai, Delhi, Vizag and Mundra and overseas offices in Dubai, Sohar (Oman), Houston (USA) and recently Genoa in Italy. Its clients

include Aker Solutions, Baker Hughes, Dredging International, Schlumberger, Scmi amongst others. The company recently formed a 50:50JV with European oil and gas logistics specialist ASCO to provide logistic solutions for oil and gas industry. In 2010, the company was talking to a number of PE funds including Reliance Venture Asset Management, Axis Private Equity, JM Financial's PE arm, Samara Capital, Peepul Capital LLC and Gaja Capital Advisors to raise upto Rs300 cr to fund the cost of a port-based special economic zone (SEZ) between Kakinada and Vizag on the eastern coast but the deal didn't go through.

Fairnair AG Acquires Stake In Quikjet Cargo

Switzerland based Fairnair AG has acquired a substantial stake in IL&FS PE backed Quikjet Cargo Airlines Pvt. Ltd. Quikjet will start commercial operations on 10 February with a small ATR plane. Tata Capital and IDFC are the other institutional investors in Quikjet. Quikjet Cargo will start services almost four years after it initially planned, seeking as many as five extensions of six months each from the aviation regulator to operate scheduled air transport services, because of a slowing economy and regulatory hurdles. Quikjet was launched in 2007 by Aviation Consultancy Services Pvt. Ltd - promoted by Cardinal Aviation Pte Ltd, a PE firm in Singapore, and Mumbai-based logistics firm AFL Pvt. Ltd. Quikjet will initially focus on domestic markets. It will use its warehouse in Nagpur as a hub that would aggregate, distribute and redistribute cargo to and from international and domestic locations.

Aanjaneya Lifecare acquires Apex Drugs & Intermediates for Rs250 cr

Aanjaneya Lifecare has acquired Hyderabad based API manufacturer - Apex Drugs & Intermediates. The acquisition was valued at Rs250 cr, with debt of Rs185 cr and equity dilution of Rs65 cr. Aanjaneya Lifecare has acquired Apex Drugs' assets, businesses, clients, licensees, employees and has merged both the companies' operations, becoming a fully integrated formulation company. This acquisition also gives Aanjaneya an entry into Hyderabad market. Apex Drugs was originally incorporated as Agni Synthetics Pvt Ltd in the year 1989, the name was changed Apex Drugs & Intermediates Ltd in 1995 and subsequently controlling stake was acquired by Ghanshyam Kurmi - current MD of Apex along with his associates. Apex Drugs has production facilities in AP and manufactures APIs for use in therapeutic segments including cardiovascular, gastrointestinal, Antihistamine and non steroidal anti inflammatory drugs. Apex supplies its APIs to a number of domestic formulators and also sells its products to Spain, UAE, Bangladesh, Argentina and Egypt. Aanjaneya Lifecare was incorporated in 2006 by Kannan Vishwanath. In Aug 2009, Aanjaneya was acquired by Finaventure Capital through a share swap. The promoters of Aanjaneya sold 33.75% stake to FCL shareholders.

Miglani Group acquires 24.5% stake in Lloyds Steel for Rs190 cr

Miglani family, co-owners of Uttam Galva Steel is acquiring 24.5% stake in Lloyds Steel for Rs190 cr. The shares were bought through its two group entities - Ultimate Logistics Solutions Pvt Ltd and Siddharth Holdings Pvt. Ltd. Both the entities are owned by Ankit Miglani. Lloyds Steel is also issuing 4,92,61,802 equity shares to SBI against part conversion of its existing loan. Lloyds currently requires close to Rs600 cr of working capital to run its steel plant and its cash flows cannot complement its need. The whole exercise of issuing equity shares will help the company raise close to Rs227 cr. The company had undertaken a similar exercise in November 2011, when it offered more than two crore shares to the Arcil. This had helped the company walk out of Arcil and restructure almost Rs1,500 cr of its debt. Lloyds Steel opted for restructuring way back in 2001 when the debt on its books had swelled up to approximately Rs2,000 crore. After it walked out of Arcil, it was left with a debt of Rs500 cr for which negotiations have been still under way. Arcil currently holds 11.64% shares in the company, which is expected to come down marginally after Lloyds infuses more shares under the current exercise to raise capital.

ThyssenKrupp Elevator Acquires 25% Stake in Eros Elevators

ThyssenKrupp Elevator AG has formed a JV with Mumbai based Eros Elevators & Escalators Private Limited by acquiring 25.1% of its shares through its subsidiary - ThyssenKrupp Elevator India Private Limited. With this deal, ThyssenKrupp Elevator strengthens its position in India. According to the press release, ThyssenKrupp Elevator's mid to high-end products and national network, combined with Eros' economical, high quality elevators for the fast growing industrial and affordable housing segments, will provide customers across India a dependable source of complete elevator and escalator solutions. Established in 1946, Eros is engaged in manufacture, install, maintain and modernize a wide range of elevators. It manufactures elevators including, Gearless Machine Room-less Elevators for Automobile Elevators & Passenger Elevators, along with standard passenger, freight, hospital, and hydraulic home lifts. The company has entered into the business of Automated Car Parking Systems and has acquired technology from a reputed South Korean design house. Eros has installed over 7000 elevators in Mumbai, Pune, Gujarat and as well as abroad. ThyssenKrupp Elevator India Pvt. Ltd. manufactures and markets elevators and escalators.

Piramal Buys Additional 5.5% In Vodafone; Essar Exits Completely

Piramal Healthcare Ltd said it would buy a 5.5% stake in Vodafone's India unit from Essar for Rs30 billion, taking its total stake in the mobile company to about 11%. The sale will mark the exit of Essar as Vodafone's joint venture partner in India after the London-listed company last year sealed a long awaited deal to buy out Essar in July. Vodafone last year bought 22% of Essar and Piramal bought 5.5%. The world's biggest cellular carrier by revenue, Vodafone is the largest overseas corporate investor in India. Vodafone, which entered India in 2007 when it

bought control of Hong Kong-based Hutchison Whampoa Ltd's India phone business, is the second-largest player by revenue market share behind Bharti Airtel. The transaction contemplates various exit options for Piramal, including both participation in a potential IPO of the unit and a sale of its stake back to Vodafone, the Indian firm said in a statement. Vodafone has said it plans to take its India unit public but has not set a timeframe.

Private Equity News

Fidelity Backed Mind Shaper to raise \$45 mn PE funding

Chennai based Mind Shaper Technologies Pvt Ltd is talking to private equity investors to raise upto \$40 mn in it's second round of PE funding. The funds will be used for product development, marketing and sales promotion of teacher learning products. Mind Shaper Technologies, which provides educational content under the brand Classteacher Learning Systems raised \$15 mn from Fidelity Growth Partners India in July last year. The funds were raised to expand it's product portfolio. Mindshaper was founded in 2000 by IIT - IIM alumni Rohit Pande and Sameer Buti. It offers an integrated solution to assist teaching in classrooms using software, hardware and school support services. Mindshaper has repositories of digital education content in the industry with about 85,000 teaching modules mapped to multiple education boards. It has a strategic partnership with NIIT.

CGH Earth to raise \$50 mn PE Funding

Cochin based - CGH Earth, a premium resort chain is planning to raise \$50 mn PE funding for growth plans including project in the Andaman & Nicobar Islands. Last year, the group was exploring an option to exit from its air catering business – Casino Air Caterers & Flight Services to focus more on its primary business of developing eco-tourism resorts. The catering business has presence in Cochin, Calicut and Chennai and has around 14 Indian and international carriers as its clients. Founded in 1954 by Dominic Joseph Kuruvinakunnel on the harbour island of Willingdon in Cochin. It started out with the Casino Restaurant, catering to the dock workers and commuters of Willingdon Island, evolved into the familiar Casino Hotel, then into The Casino Group, and now - CGH Earth. The Group operates 11 resorts and heritage properties under CGH Earth brand across the southern market, but now plans to expand to the north.

Perfint Healthcare to raise Upto Rs100 cr PE Funding

Perfint Healthcare Private Limited is planning to raise Rs75-100 cr PE funding in the next 18 months in rounds. The company has received about \$12 mn from venture capital funds IDG Ventures India, Accel Partners India and Norwest Venture Partners earlier. According to

Nandakumar – CEO and Co- founder of Perfint Healthcare, a fresh round of investment would happen immediately and will be followed by another in 18 months. Existing investors might participate in the subsequent rounds too. Founded in 2005, Chennai-based Perfint Healthcare is a medical devices company. It offers PIGA, a tool for performing facilitating image guided minimally invasive procedures in CT environment. Perfint is expanding to technologies that assist doctors in cancer therapies and has announced the launch of ROBIO, a robotic targeting system for cancer care and pain care. The device helps doctors perform CT guided needle procedures to take biopsy samples with a high degree of accuracy in a single attempt. A software solution developed by the firm would help the doctor navigate the needle to the tumour. The company has sold devices in West Asia, APAC and Russia and is going to enter the US, European Union, Latin America and Africa.

Trishe Energy To Raise PE Funding For Wind Power Projects

Chennai based wind power developer - Trishe Energy is planning to raise funds from private equity investors for setting up of 1,000-MW of wind farms. Trishe Energy received an order for developing 1000MW wind farms for Indian Energy, with this Trishe has orders worth close to 2,000 MW in India. It is already implementing a wind energy project for Gamesa. The company has identified sites for wind energy projects in Gujarat, Maharashtra, Tamil Nadu and Karnataka. These projects are at various stages of implementation. Indian Energy PLC was acquired by Infrastructure India Plc for \$13 mn in an all cash deal. Indian Energy Plc owns two wind farms in South India. It has a 24.8MW wind farm in Karnataka and 16.5MW windfarm at Theni in Tamil Nadu. It got listed in Sept 2009, raising \$16 mn through it's IPO. Wind power project developers have attracted a lot of PE/VC investments in past couple of years.

ChrysCapital plans to raise \$500 mn for Sixth Fund

ChrysCapital is planning to raise \$500 mn (Rs2500 cr) from overseas investors for its sixth fund. The PE firm plans to raise \$300 mn from investors in the US, \$100 mn from Europe and the rest from Asia and the fund will be raised from long-term investors such as endowments, pension and sovereign funds. The proposed fund will focus investment across diverse sectors. Founded in 1999 by Ashish Dhawan and Raj Kondur, ChrysCapital manages \$2bn across five funds. The fund invests across sectors which includes business services; information technology; consumer goods and services; financial services; real estate; healthcare with a focus on pharmaceuticals, medical diagnostics and devices; infrastructure, power, and manufacturing sectors.

Baring PE To Invest \$100 mn In RMZ Corp

Baring Private Equity Partners is investing \$100 mn (Rs500 cr) in real estate developer RMZ Corp. The PE firm will back RMZ Corp's acquisition of an office space project of 6 mn sq ft in the technology hub of Bangalore. Baring will pick up 28% stake in the SPV floated for this buyout.

The remaining stake will be held by RMZ. RMZ Corp is buying out the 50-acre office development Adarsh Prime Projects in a deal valued at Rs1080 cr. The transaction involves purchase of 1.4 mn sq ft of pre-leased space and land with rights to build additional 4.6 mn sq ft. Founded in 2002 Bangalore based - RMZ Corp acquires and develops corporate real estate properties in India. The company also develops business parks and office spaces, such as homes, hospitality, retail properties, and mixed use projects. RMZ has acquired and developed over 13 million square feet and today manages a property portfolio in excess of US\$ 3 billion in real estate value across India. It has presence in Mysore, Mangalore, Coimbatore, Kochi and Nagpur. Currently, RMZ has 6.5 mn sq ft of built-up office space across Bangalore, Chennai and Hyderabad. The company is also in talks with other developers to buyout an additional 5 mn sq ft in the three southern cities, which is expected to fructify by 2012-end.

Au Financiers To Raise PE Funding

Jaipur based NBFC - Au Financiers India Private Limited is looking for PE investment for its third round of funding. The company is in talks with Warburg Pincus, Carlyle India Advisors among others. Incorporated in 1996 by Mr. Sanjay Agarwal, Au Financiers operates in the asset-financing business, primarily in CV financing. The company has a wide reach in Rajasthan, Maharashtra and Gujarat and expanding its presence in Punjab, Madhya Pradesh, Goa and Chhattisgarh. As on March 2011, the company has AUM of Rs12.66bn.

Private Equity Deals

3i Group invests \$61 mn in Supreme Infrastructure

3i India Infrastructure Fund is investing \$61 mn for minority stake in a portfolio of road BOT companies of Supreme Infrastructure India Limited. Founded in 1983 by Bhawani Shankar, Supreme Infra is a construction and infrastructure company focused on roads, bridges, power, water, railways and civil construction. It has built over 400 km of highways and currently has an order book of Rs5700 cr of which unexecuted order book is Rs3750 cr. Supreme Infra secured two new road BOT projects in December last year. It secured the project for developing the outer ring road in Jaipur city. The project was won by Supreme Infrastructure India Ltd. and its JV partner Constructora Spain S.A.. The cost of the project is estimated at Rs1,045 cr and will be a 60:40 JV between Sanjose and Supreme Infra. It also secured the Patiala Malerkotla Road project.

Flipkart Raises \$150 mn From Accel Partners, Tiger Global

Flipkart Online Services has raised \$150 mn from existing investors – Accel Partners and Tiger Global Management LLC in its fourth round of funding. The deal values Flipkart at around \$850

mn. From Tiger Global raised \$20 mn last June and \$10 mn in 2010, while Accel Partners had invested in the company in late 2009. Collectively the company has raised a total of almost \$31 mn in three rounds of funding. In October last year, Flipkart was also talking with Carlyle Group and General Atlantic to raise upto \$200 mn by divesting a minority stake in the company, however the deal didn't fructify due to differences in valuation between Flipkart and the investors. Bangalore-based Flipkart was founded in 2007 by IIT Delhi classmates Sachin Bansal and Binny Bansal. Flipkart, which started as an online retailer of books in 2007, has slowly diversified into mobiles, cameras, movies and music CD/DVDs and electronic goods. It has offices in Bangalore, Mumbai, Delhi, Chennai and Kolkata. Flipkart is present in 12 categories and plans to add more products. It has more than 2 million registered users and sale of 30,000 items a day.

Sai Security Printers Secures \$7 mn Funding From Aureos Capital

Aureos South Asia Fund has invested \$7 million or Rs 35 crore in Sai Security Printers Pvt Ltd, a paper packaging company based in Faridabad and Bangalore. The fund is managed by Aureos South Asia Managers Ltd, a subsidiary of the emerging markets PE fund manager Aureos Capital, which has \$1.3 billion under management. The company started out as a security printing business and evolved into a multi-product packaging company. It manufactures labels and mono-cartons for pharmaceutical, food & beverage and FMCG industries, and currently employs around 600 people. In 2008, Tano India Private Equity Fund I, another mid-market-focused fund, invested \$7.4 million in Anil Printers Ltd. The company prints prepaid scratch cards, pin mailers, airline tickets, cargo bills and carbon-less stationery for telecommunications, banking, courier and logistics industries.

IFC To Provide \$5 mn To Mahindra Solar One For Rajasthan Project

International Finance Corporation (IFC), the private sector investment arm of the World Bank Group, will provide \$5 million or Rs 25 crore in debt-financing to Mahindra Solar One Pvt Ltd for a 5 MW solar power project in Rajasthan. The project will ensure further access to clean energy in rural areas and address climate change. Mahindra Solar One is a joint venture between the Mahindra Group and Kiran Energy, a Mumbai-based solar power company founded by Ardeshir Contractor (former head of KPMG's investment banking business in India) and Alan Rosling (a former executive director of Tata Sons). Other promoters include IIT Mumbai faculty members Dr Sunit Tyagi and Dr Hemanshu Bhatt who have expertise in the solar sector. Kiran Energy is backed by private equity players New Silk Route, Bessemer Venture Partners and Argonaut Private Equity. The Rajasthan project was planned as part of the Jawaharlal Nehru National Solar Mission, a government initiative to expand solar production in India by 1,100 MW over the next two years. The new solar photovoltaic power plant will generate enough electricity to serve nearly 60,000 rural homes and is expected to avoid some 8,000 tonnes of greenhouse gas emission, according to the company statement.

Multiples PE, Creador Capital Invests Rs212 cr in Cholamandalam NBFC

Cholamandalam Investment And Finance Company is raising Rs212 cr from Renuka Ramnath's Multiples Alternate Asset Management and Creador Capital. Multiples Alternate Asset Management and Creador Capital are investing Rs106.04 cr by subscribing to 6.6 mn shares each. The deal values Cholamandalam around Rs2120 cr or 15% higher than its current market cap of Rs1813 cr.

Ujjivan Financial Services Raises \$25.5 mn PE Funding

Ujjivan Financial Services has raised \$25.5 mn by diluting a minority stake in its latest round of PE funding. Netherlands Development Finance Company, Wolfensohn Capital Partners and existing investors participated in this round of fund raising, the company said in a statement. Earlier in January, Ujjivan raised Rs29 cr by placing NCDs with US based Developing World Markets. Ujjivan Financial Services was incorporated in 2004 as a NBFC. The company extends loans to the urban and semi-urban poor, and targets salaried and self-employed women. Promoted by Mr. Samit Ghosh, the entity follows a model wherein customers are organized into joint-liability groups.

Ascendas India Acquires Operational Buildings From Phoenix Infocity

Ascendas Property Fund Trustee Private Limited, the Trustee-Manager of Ascendas India Trust (a-iTrust) has acquired two operating Buildings in Hitec City 2 Special Economic Zone in Hyderabad, India, from Phoenix Infocity Pvt Ltd for Rs176.5 cr. Ascendas had entered into an agreement with Phoenix in February last year to acquire a portfolio of 5 buildings in Hitec City 2 SEZ, for around Rs855 cr. The other 3 buildings with a total SBA of 1.8 mn sq ft, will be acquired as and when each building is completed and leased. This is expected to be completed over the next 4-5 years. Further, Ascendas will have the first right of refusal to acquire up to four additional buildings totaling 1.16 million sq ft in the Subject SEZ as and when these are offered for sale. Ascendas, provider of business space solutions, develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-Ascendas IT Park.

Goldman Sachs Invests Rs22 cr In Aban Offshore

Goldman Sachs has bought stake in Aban Offshore through bulk deal on exchange. The fund purchased 447,541 shares at Rs504.25 per share aggregating to Rs22.57 cr. Founded in 1986 by M. A. Abraham, Chennai based Aban Offshore provides drilling and oil field services for the offshore exploration and production of hydrocarbons to the oil industry in India and internationally. The company also involves in the wind power generation activities.

Emerging Markets invests Rs14.6 cr in Sintex Industries

Emerging Markets Management Plc has invested Rs14.61 cr in Gujarat based Sintex Industries Limited. The fund purchased 1,607,302 shares at a price of Rs90.9 per share aggregating to Rs14.61 cr through bulk deal on NSE. Established in 1931, Sintex group is involved in manufacturing plastic, textile related products and construction products. It also provides electrical equipment and offers solutions for infrastructure, construction, interiors, packaging, electrical engineering, railways, defense, and industrial sectors. It has presence in the European, American, African, and Asian markets including countries like France, Germany and USA. In 2010, Sintex Industries Ltd acquired 30% stake in Durha Constructions Private Limited through its wholly owned subsidiary, Sintex Infra Projects Limited to strengthen its monolithic and prefab business and to build an active presence in the infrastructure sector, particularly EPC business. In 2007, the company acquired US-based Wausaukee Composites, manufacturer of highly-engineered composite components.

Venture Capital News

Nirvana Makes First Close At \$30 mn; SBI Holdings Commits \$15 mn

Nirvana Venture Advisors, anchored by the Patni family, has raised a commitment of \$15 million from Japan's SBI Holdings, Inc. With this commitment, the fund has also made a first close at \$30 million and is targeting a final close of \$75 million. Nirvana is looking at investments in Internet, mobile and electronic payments companies. The fund partners include former eBay India country manager Rajan Mehra and the Patni family. Last year, the Patni family sold their 45.6% stake in India's sixth largest IT firm Patni Computer Systems to iGate Corporation and Apax Partners. Amit Patni, son of the eldest Patni brother Gajendra, is the chairman and co-founder of Nirvana Venture Advisors Pvt Ltd. Mehra is co-founder and managing director of the fund. Nirvana is looking to raise funds from domestic and overseas Limited Partners.

SBI Holdings, Edelweiss Form \$100 mn PIPE Fund

Japan's SBI Holdings, Inc., is joining hands with Edelweiss Financial Services Ltd to set up a \$100 million fund to invest in listed small and mid-cap companies in India. The fund will be jointly sponsored, with SBI Holdings putting in \$75 million and the rest coming from Edelweiss. The launch of a public market fund by SBI Holdings and Edelweiss highlights the continued interest in PIPE deals and focused, differentiated strategies. Several experienced Indian General Partners like ChrysCapital, Westbridge Capital and Nalanda Capital have been focusing on PIPE deals over the past few years. PIPE investments have also become attractive since market regulator SEBI changed the takeover code last year and increased the mandatory open offer threshold from 15% to 25%. The initiative was aimed at increasing PE participation in

the listed space, especially small and mid-cap firms. Edelweiss currently has \$380 million under management in the alternative assets management businesses. It raised a \$230 million Edelweiss Special Opportunities Fund in 2011.

Venture Capital Deals

Radiowalla.in Raises Series A Funding From Ojas Venture Partners

Venturenent Partners, promoters of internet radio service - Radiowalla, has raised Series A funding from Ojas Venture Partners, according to ET. Pavan Krishnamurthy and Raghu Batta from Ojas Venture Partners will join Venturenent's board. The capital infusion will be used to expand services and features of its direct-to-consumer radio service - Radiowalla - and its in-store broadcasting network, Spot Radio. Radiowalla is the first ever broadband delivered radio network, offering a bouquet of 30 channels. It is available for a monthly subscription fee and can be accessed via multiple devices with broadband connectivity. Devices such as computers, smart mobile phones, iPods, tablets, and so on. Spot Radio helps brands build their own branded radio channel that plays exclusively on all locations with customized content like music, promos, announcements and ads, which help increase sales, generate ad revenue and keep the customer engaged with the brand.

eDreams Software Raises Rs5 cr From Mumbai Angels

Bangalore based education startup - eDreams Software Innovation Private Limited has raised Rs5 cr from Mumbai Angels. Founded in 2010 by Rajeev Pathak, eDreams provides educational software products. Its flagship offering Funtoot is a personalized tutor that teaches children in a fun and interactive manner. Currently, 1000 students across three schools use Funtoot. The products developed by eDreams are focused towards enhancing the life of every student through technology innovations. eDreams has partnered with many educational and research organizations and is involved in basic and applied research to develop products at par with global standards. The funding came through winning THE PITCH SEASON 2 – Bloomberg UTV's business reality show. Last November, Mumbai Angels along with Accel Partners invested in Bangalore based mobile website developer Mobile Motion, while in April it invested in mobile solutions company Zipdial Mobile Solutions Pvt Ltd.

VC-backed IndiaHomes Raises \$4 mn

Delhi-based IndiaHomes (formerly Agni Property Services Pvt Ltd), a property services company, has raised \$4 million from existing backers Helion Venture Capital and Foundation Capital. The firm is seeking to raise another \$6 million in the coming fiscal. IndiaHomes will utilize the capital to make foray into the e-commerce space and fund its Goldmine project – an

online pricing system which features real estate products on the basis of comfort, luxury, market demand and availability. The company also aims to achieve a growth rate of 300-400% and envisages a gross transaction value of Rs 1000 crore in 2012 and Rs 3500 crore in 2013. In 2010, it had raised \$12 million from Foundation Capital and Helion who had invested \$6 million each for minority stakes. Foundation Capital's Ashu Garg and Helion's Sanjeev Aggarwal joined the board of the firm as part of the deal. Founded by Samarjit Singh in 2009, IndiaHomes employs over 400 professionals across its 12 offices. The company provides end-to-end real estate solutions – from buying, selling and renting to financing & mortgaging, legal services and documentation. Prior to IndiaHomes,

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