



MERGERS AND ACQUISITIONS DEALS SNAPSHOT

INDIA FOCUS EDITION - SEPTEMBER 2011



DEALS INSIGHT

Economic uncertainty coupled with fears of an impending slowdown, have significantly slowed down mergers and acquisitions activity in the third quarter of 2011. The month of September has affirmed to the downward trend and uncertainty about the global economy could continue to impact for a while. Declining economic conditions and lower valuations are prompting prospective vendors to defer their transaction plans. To compound to the misery of potential acquirers financing has been an issue especially with lenders wary of rising interest rates. Several companies have toned down on the acquisition spree and the emphasis seems more on utilizing the available funds to bring down operational costs. Despite all the uncertainties Indian companies continue to look out for strategic acquisitions.

DEALS SPOTLIGHT

Mergers and Acquisitions

Information Technology - Computer Science Corporation (“CSC”) headquartered in Falls Church Virginia announced its acquisition of India’s AppLabs Technologies Pvt. Ltd. Though the details of the valuation were not disclosed, market sources hinted the acquisition price to be around ₹ 1200 Crore (approx. \$ 267 million). Founded in 2001 Hyderabad based AppLabs, has presence in the United States and United Kingdom with a client list including companies like American Airlines, Experian and JP Morgan. The deal also marked the exit of Private Equity investors WestBridge Ventures and Sequoia Capital. CSC provides technology-enabled business solutions and services.

Financial Services - Though there was no major M&A activity in the current month, there was a big announcement with South African-based insurer Sanlam Ltd, signing a strategic deal to buy 26% stake in Shriram Capital Ltd, part of the Shriram Group. Shriram Capital Limited is the holding company for the financial services and insurance entities of the Chennai based Shriram Group.

Consumer - Singapore-listed Olam International Ltd, a supplier of agri and food commodities, has acquired Hemarus Industries Ltd for approximately \$ 74 million. Olam’s first acquisition in India provides it with a sugar milling facility having operating capacity of 3,500 TCD in Kolhapur, India and a 20MW co-generation power plant.

Other News - During the month, Board of directors of Axis Bank Ltd unanimously approved the transfer of the financial services business of Enam Securities Pvt. Ltd. Reliance Capital has received approval from the Reserve Bank of India (RBI) for its proposed 26 per cent stake sale in Reliance Life Insurance to Japan's Nippon Life. The company had signed a definitive agreement to sell a 26 per cent stake in Reliance Life Insurance to Nippon Life Insurance for ₹ 3,062 Crore earlier this year. JB Chemicals & Pharmaceuticals has called off a proposed deal to sell its Russia-CIS prescription products business to Dr. Reddy's Laboratories which was announced in July for ₹ 137.5 Crore (\$30.5 million).

Private Equity / Venture Capital / Fund Raising

Flavor of the month – Real Estate and Infrastructure

J.P. Morgan Asset Management invested \$110 million in Hyderabad-based Soma Group which is involved in construction and development of infrastructure projects in the transportation, hydel power and water resource sectors. Soma is currently executing nine national highway projects under different Special Purpose Vehicles (SPVs). Morgan Stanley Infrastructure Partners and Isolux Corsan Concesiones have announced an investment of \$200 million each year for developing highways in India under long-term concession agreements. The month was witness to several deals in the infrastructure and residential development space with many other deals being announced and planned within the next few months.

Mobile advertising company InMobi secures \$200 million in funding from Japan's Softbank

Founded in 2007 by entrepreneur Naveen Tewari, Bangalore based InMobi helps advertisers and developers serve up mobile ads, a fast-growing industry that has been fueled by the rise of consumer cellphones and multimedia-rich smartphones like Apple's iPhone. It had previously raised \$15 million in venture funding from Sherpalo Ventures and Kleiner Perkins Caufield & Byers. InMobi plans to use the funds to expand its global presence, particularly in countries such as China and in regions like Latin America, and to beef up its hiring, growing its workforce from currently 350 to 700 employees within the next 12 months. Softbank's CEO Masayoshi San said the investment in InMobi "will further accelerate the pace of development in the mobile Internet space globally." Softbank's investment will take place in two tranches, with \$100 million this month and the rest in April next year.

DEALS SUMMARY – M&A DEALS - DOMESTIC

Date Announced	Target Name	Target Business	Sub Sector	(% Acquired)	Acquirer Name	Deal Value (\$ million)	Deal Status
6-Sep-11	Lifelong Finishing	Education	Finishing School	51%	DMC Education	0.22	Completed
6-Sep-11	Safari Industries	Consumer	Branded Luggage	56.55%	Sudhir Jatia	6.44	Announced
9-Sep-11	SIS Securities	Services	Security	14%	DE Shaw (Exit)	Undisclosed	Announced
9-Sep-11	Gowtham Model Schools	Education	Educational Institutions	25%	Navneet Publications	13.33	Announced
12-Sep-11	Vrundavan Hospital	Healthcare	Hospitals	55%	Shalby Hospitals	Undisclosed	Completed
12-Sep-11	Galla Foods	Consumer	Food and Beverage	Undisclosed	Mangal Precision Products	Undisclosed	Announced
12-Sep-11	Octantis Nobel Labs	Healthcare	Pharmaceuticals	60%	Vivimed Labs	Undisclosed	Completed
13-Sep-11	Cloud Nucleus	Information Technology	Data Solutions	100%	Vembu Technologies	10	Completed
13-Sep-11	Spicejet	Transportation	Airlines	5%	Kalanithi Maran	28.89	Announced
14-Sep-11	Dirk India	Materials	Metals & Mining	60%	Ambuja Cement	3.67	Completed
15-Sep-11	Lauren Engineers and Constructors	Energy & Power	Transmission	50%	Jyoti Structures	Undisclosed	Completed
19-Sep-11	Insta Health Solutions	Information Technology	Healthcare I.T	Minority stake	Focus Softnet	Undisclosed	Completed
20-Sep-11	ARSS Bus Terminal	Basic Industries	Infrastructure	50%	Welspun Infratech	Undisclosed	Completed
23-Sep-11	Scrabble Entertainment	Media & Entertainment	Entertainment	26%	UFO Moviez	Undisclosed	Completed
28-Sep-11	SasMos HET Technologies	Basic Industries	Manufacturing - Cable Harnesses	26%	Rane Group	Undisclosed	Completed
29-Sep-11	Mayajaal Entertainment	Media & Entertainment	Entertainment	48%	Pentamedia (Exit)	Approx. 16 -17	Announced
29-Sep-11	Logix Group (Riviera 105 hotel project)	Leisure/Hospitality	Hotels/ Restaurants	26%	ITC	Undisclosed	Completed
29-Sep-11	Tata Metaliks - Redi Unit	Materials	Metals & Mining	100%	Fomento Resources	40.00	Announced
29-Sep-11	ICICI Venture - I-Ven Realty	Real Estate & Infrastructure	Residential	50%	Oberoi Realty	Undisclosed	Completed
30-Sep-11	Prosel Venture - Prosel Venture Content	Education	Educational Institutions	100%	EdServe	7.78	Announced

DEALS SUMMARY – M & A DEALS - INBOUND
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Date Announced	Target Name	Target Business	Sub Sector	(%Acquired)	Acquirer Name	Acquirer Country	Deal Value (\$ million)	Deal Status
3-Sep-11	Hemarus Industries	Consumer	Agriculture	100%	Olam International	Singapore	73.8	Completed
5-Sep-11	nSys Design Systems	Information Technology	Verification Services	100%	Synopsys Inc	U.S.	Undisclosed	Announced
7-Sep-11	Geepee Agri (two oilseeds processing facilities)	Basic Industry	Edible Oils	100%	Archers Daniels Midland	U.S.	Undisclosed	Completed
8-Sep-11	Arvind Murjani Brands	Consumer	Branded Apparels	50%	PVH Group	U.S.	Undisclosed	Completed
9-Sep-11	Taurus Flexibles	Basic Industry	Auto Components	50%	Cikautxo	Spain	Undisclosed	Announced
9-Sep-11	AppLabs Technologies Pvt. Ltd (Exit of WestBridge)	Information Technology	Software Testing	100%	Computer Science Corporation	U.S.	266.67	Completed
12-Sep-11	Shriram Capital	Finance	Financial Services	26%	Sanlam Group	South Africa	266	Announced
20-Sep-11	Subex Activation Business	Information Technology	Software Solutions	100%	Netcracker Technology	U.S.	Undisclosed	Completed
20-Sep-11	Everonn Education	Education	Educational Institutions	12%	Varkey Group	Dubai	30.67	Announced
21-Sep-11	Orix Auto Infra Services IL&FS (Exit)	Services	Car Rentals	50%	Orix Corp.	Japan	Undisclosed	Completed
21-Sep-11	RAS Adyar Hotel Chennai Property	Leisure/Hospitality	Hotels/ Restaurants	Undisclosed	Lebara Group	UK	Undisclosed	Completed
23-Sep-11	E Billing Solutions	Information Technology	Payment Solutions	100%	Ogone Payment Services	Belgium	Undisclosed	Completed
28-Sep-11	Gravita Georgia LLC	Materials	Metals & Mining	100%	Gravita India (Exit)	U.S.	Undisclosed	Completed
29-Sep-11	DIL Limited - Evotec India	Healthcare	Pharmaceutical R&D	30%	Evotec AG	Germany	2.53	Announced

DEALS SUMMARY – M & A DEALS - OUTBOUND

Date Announced	Target Name	Target Business	Sub Sector	Target Country	(%Acquired)	Acquirer Name	Deal value (\$ million)	Deal Status
15-Sep-11	Oberoi Group - Palm Beach Hotel	Leisure/Hospitality	Hotels/ Restaurants	U.S.	100%	Mayfair Group	2.22	Completed
20-Sep-11	Uquifa SA	Healthcare	Pharmaceuticals	Spain	100%	Vivimed Labs	55	Completed
20-Sep-11	US Nutraceuticals LLC	Healthcare	Nutraceuticals	U.S.	48%	EID Parry	9	Completed
27-Sep-11	Skinkers	Information Technology	Mobile Applications	UK	100%	IMI Mobile	Undisclosed	Completed

DEALS SUMMARY – PRIVATE EQUITY / VENTURE CAPITAL / FUND RAISING

Date Announced	Investee Name	Investee Business	Sub Sector	(% Sought / Acquired)	Private Equity / Venture Capital / Investor	Investment (\$ million)	Investment Status
5-Sep-11	Omkar Realty (Worli Project)	Real Estate & Infrastructure	Residential and Commercial	30%	IndiaReit Fund	44.44	Completed
5-Sep-11	Motor Exchange	Information Technology	Online B2B platform	Undisclosed	Tiger Global, Canaan Partners	13.00	Completed
5-Sep-11	Amagi Media	Media & Entertainment	Marketing/ Advertising	Undisclosed	Nadathur	5.56	Completed
5-Sep-11	Polama.com	Information Technology	Online Comparison platform	Undisclosed	Blume, Rehan Yar Khan	Undisclosed	Completed
6-Sep-11	Bandhan Financial	Finance	NBFC	11%	IFC	30.00	Completed
6-Sep-11	Pipavav Defence	Basic Industries	Shipbuilding	5%	Rakesh Jhunjunwala	18.20	Completed
6-Sep-11	Eris Lifesciences	Healthcare	Pharmaceuticals	Undisclosed	Chrys Capital	Undisclosed	Completed
7-Sep-11	Shree Maheshwar Hydel Corporation	Energy & Power	Power Generation	Undisclosed	Infrastructure India	27.11	Completed
8-Sep-11	SMS Paryavaran	Basic Industries	Water Treatment	Undisclosed	Aditya Birla Capital	8.89	Completed
8-Sep-11	Soma Group	Real Estate & Infrastructure	Infrastructure	Undisclosed	JP Morgan	110.00	Completed
8-Sep-11	Shriram Credit	Finance	NBFC	10%	Leapfrog	14.89	Completed
8-Sep-11	Zomato	Information Technology	Restaurant Portal	Undisclosed	Infoedge	3.00	Completed
8-Sep-11	Applect Learning Systems	Education	Educational Institutions	Undisclosed	InfoEdge	4.44	Announced

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12-Sep-11	Aero Turbines India	Services	Aircraft Maintenance	Undisclosed	Fund Raising	13.33	Announced
12-Sep-11	CarSingh.com	Information Technology	Online car platform	Undisclosed	Seeders Venture	Undisclosed	Completed
13-Sep-11	SKIL Infra	Real Estate & Infrastructure	Infrastructure	20%	JP Morgan Chase	422.22	Announced
13-Sep-11	Coral Telecom	Telecommunications	Telecom Products	Undisclosed	Fundraising	10.00	Announced
15-Sep-11	Monte Carlo Fashions	Consumer	Branded Apparels	25%	Fund Raising	66.67	Announced
15-Sep-11	InMobi	Media & Entertainment	Marketing/ Advertising	Undisclosed	Softbank	100.00	Completed
16-Sep-11	Karaikal Port	Real Estate & Infrastructure	Infrastructure	Undisclosed	Ascent Capital	44.44	Completed
16-Sep-11	Axis PE (Exit) - Vishwa Infrastructure	Real Estate & Infrastructure	Infrastructure	Minority Stake	Olympus Capital, NEA	50.00	Completed
21-Sep-11	Symbiotec Pharamalab	Healthcare	Pharmaceuticals	Undisclosed	Franklin Templeton Private Equity	10.00	Completed
21-Sep-11	Sparsha Learning Technologies	Education	Educational Institutions	Undisclosed	Blume Ventures, Tempus Capital	Undisclosed	Completed
23-Sep-11	Shriram Hitech	Real Estate & Infrastructure	Residential and commercial	Undisclosed	Walton Street Capital, Starwood Capital (Exit)	Undisclosed	Completed
23-Sep-11	Shriram Properties	Real Estate & Infrastructure	Residential and commercial	Undisclosed	Walton Street Capital, Starwood Capital	Undisclosed	Completed
23-Sep-11	IL&FC, IDFC (Exit) - DMIC Development	Real Estate & Infrastructure	Infrastructure	51%	Government Of India	Undisclosed	Announced
26-Sep-11	ReNew Wind Power	Energy & Power	Power Generation	Undisclosed	Goldman Sach	201.60	Announced
27-Sep-11	Utkarsh Microfinance	Finance	Microfinance	Undisclosed	Norwegian Microfinance Initiative, Aavishkaar Goodwell and IFC	5.56	Completed
28-Sep-11	Vivimed Labs	Healthcare	Chemicals and Pharmaceuticals	13.20%	NYLIM Jacob Ballas	14.89	Completed
28-Sep-11	Vivimed Labs	Healthcare	Chemicals and Pharmaceuticals	11.40%	Kitara Capital	13.33	Completed
29-Sep-11	Vienova Education	Education	Educational Institutions	Undisclosed	Helion	3.50	Completed
29-Sep-11	Sterling Holiday Resorts	Leisure/Hospitality	Hotels/ Restaurants	Approx. 14%	Rakesh Jhunjunwala, Radhakrishna Damani	17.78	Announced

* For purposes of convenience at most places in the deal snapshot, exchange rate has been assumed to be \$1 = ₹ 45

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