

Inorganic route

Godrej Consumer Products, one of the major players in the FMGC sector, seems to be in a hurry to take the inorganic route to dispel their 'staid' image. According to sources, the group is now hoping to acquire the balance of the joint venture (49:51) equity stake in the US-based Sara Lee, where the latter was holding a majority. The move is a fall-out of the fact that the US company wants to get out of personal and household care business and concentrate on food and beverages business globally. After acquiring the Nigeria-based personal care company Tura – which makes and distributes a range of toiletries – in March this year, the group followed it up with the acquisition of the Indonesian group PT, Megasari Makmur, a manufacturer of household products such as insecticides, wet tissues and air-fresheners. Though the cost of the acquisition could not be ascertained, the group has got the approval from shareholders to earmark Rs3,000 crore for acquisitions.

Health check

Patni Computers has announced a multi-million dollar, five-year deal to provide policy administration services for Universal American Corp (UAM) – a US-based health-insurance company. However, this deal is subject to Patni acquiring UAM's subsidiary (CHCS Services) based in Florida. The acquisition of CHCS, which provides outsourcing services to companies that primarily support the senior insurance market, would be subject to regulatory approvals. Interestingly, if this deal is sealed, Patni expects to establish itself as a third-party administrator (TPA) in the insurance and healthcare sector, which could provide Patni further deal opportunities in the same space.

Unlocking value

The N. Nageswara Rao-promoted Madhucon group, with interests in construction, granite, coal and power, is looking at unlocking value in some

of its businesses. The listed Madhucon Projects Limited (MPL) is the flagship company of this Hyderabad-based group, which is into major infrastructure projects. Currently, the company's order book stands at Rs4,000 crore. MPL has a 2 million sq ft real estate venture in Kukatpally in AP, where it plans to develop a mega mall and a commercial complex, besides a five-star hotel. According to a source, for better valuations, this project will be hived off into a separate listed entity. It is also planning to separately list its power, road BOT and mining assets, which are with its subsidiary Madhucon Infra.

In the pipeline

B.K. Goenka-owned Welspun Gujarat Stahl Rohren, a part of the \$3 billion Welspun group, is targeting new geographies for pipe orders. Currently, more than 80 per cent of Welspun's pipes are sold in North America. Like Europe, South America, the Middle



Goenka: Like Europe, South America, the Middle East and North Africa

East and North Africa. The key to breaking into these markets is to have a local manufacturing presence. Currently, Goenka is looking to acquire pipe mills in these new areas.

Hindujas' second

The Hindujas are getting ready to open their second hospital in the

Mumbai suburb of Khar in about three months. The 120-bed hospital will operate as a for-profit institution under a separate company – Hinduja Healthcare, unlike the P.D. Hinduja National Hospital in Mumbai, which is owned by a registered charitable trust. It has been under construction for almost three years and will have most of the facilities of a super-specialty hospital like P.D. Hinduja, but will concentrate on providing high quality care for more routine clinical conditions. It is also supposed to serve as a pilot project for the establishment of a nationwide chain of hospitals, which the Hindujas have been planning for a while.

BSE scores over NSE

Reports of MCX SX being given permission by SEBI to start trading in shares has seen BSE drastically cut membership fees; from Rs1 crore to Rs10 lakh. This, says an insider, is likely to trigger a price war with the NSE also getting set to reduce its fees soon. More than the exchanges, the price war may hurt the older stock exchange members on the NSE who had paid the higher fee. There are rumours that some members may seek legal redress to entail the BSE to make good the losses by refunding them the difference. BSE, which is planning the public issue by September 2010, will try to settle the matter amicably to ensure a smooth passage. The unlisted shares of the exchange are currently changing hands at around Rs350.

Strategic move

Spice Mobile intends to take a sizeable stake in IT People, a Mumbai-based company, which develops and promotes software products and solutions for capital and commodities markets and is run by Ketan Sheth. Its clients include, among others, the National Stock Exchange, Bombay Stock Exchange and several brokers. This is being viewed as a strategic move on the part of Spice Mobile, since IT People offers direct competition to Financial Technologies.