



Quarterly Newsletter

The Indian Investment Banking Industry (Oct- Dec 2014)

January 9th 2015

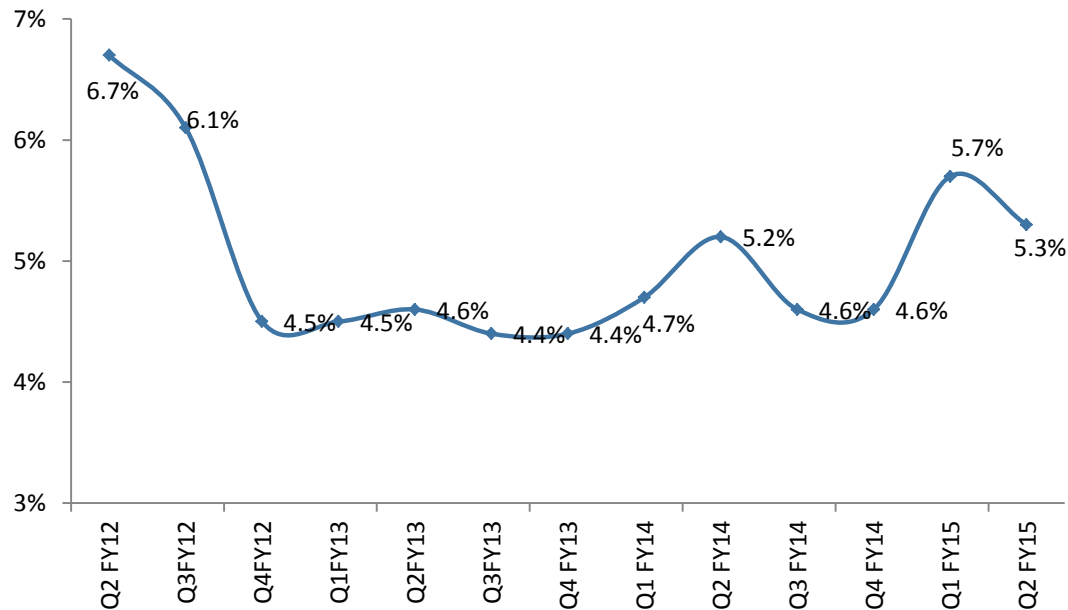
Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights(Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

India Macroeconomics – Growth & Inflation

Chart 1: GDP Growth (% YoY)

Upswing in growth: GDP growth above 5% over the past two quarters strengthens hopes for recovery; the economy is slowly heading towards high growth



Source: CSO India

Chart 2: WPI Inflation Trend (%)

Inflation fell sharply to almost zero in November, a positive indicator for recovering economy

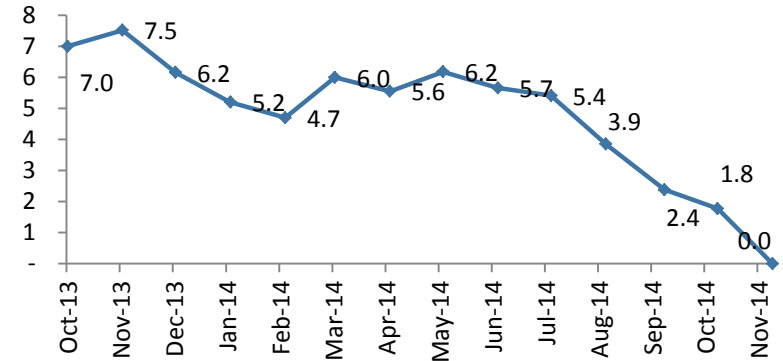
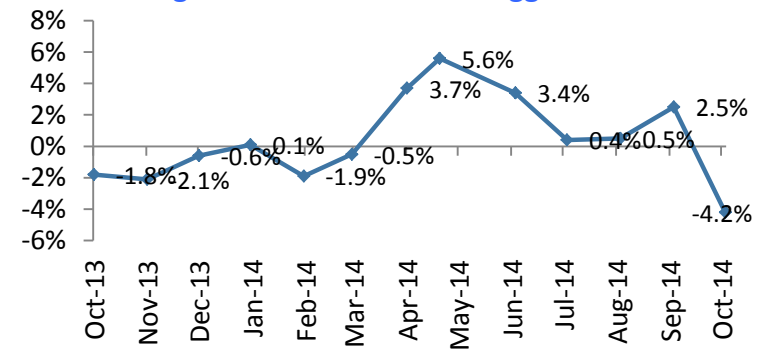


Chart 3: IIP Growth (% YoY)

However, IIP growth has nosedived in October, reflecting manufacturing sector continues to struggle



While the economic growth is set to rebound as growth is slowly picking up and inflation is trending downwards, contraction in factory output continues to remain a thorny issue and needs strong government boost and private sector investment over next 12 months.

Capital Flows and USD / INR movement

Chart 4: FDI (in USD bn)

FDI flows are gradually picking up. The flows are expected to continue going forward with pro-investors' measures taken by the government

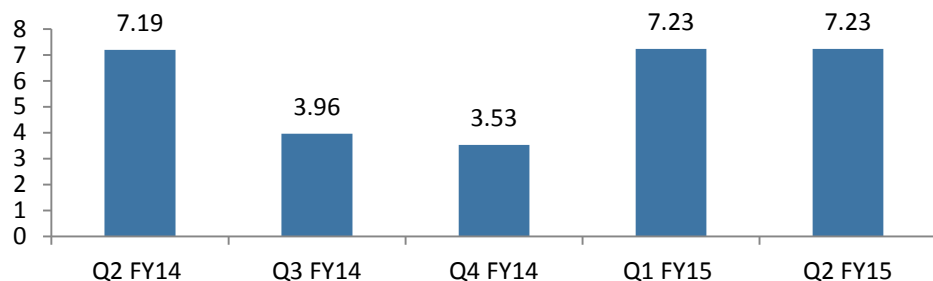


Chart 5: FII (in USD bn)

In CY2014, FIIs pumped a net of USD 16.10 bn into equities, reinforcing overseas investors' strong belief on India story

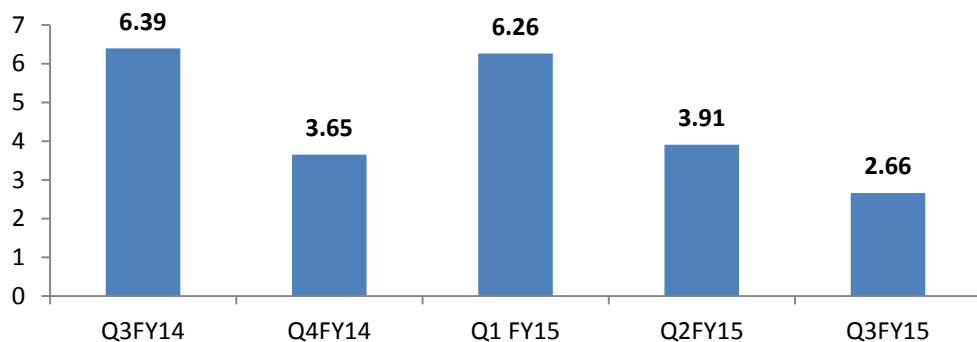


Chart 6: Performance of INR against USD

The rupee has remained volatile throughout last quarter. Lower CAD, falling inflation and expected fall in interest rate should help the rupee appreciate or remain stable against the dollar going forward



Steady recovery in economy, falling inflation, pro-reform measures taken by the Modi government and strengthening of US economy have been key factors driving a strong inflow of capital into the economy, despite a slowdown in some of the key global markets.

Markets Movement and Global Peers

Chart 7: Performance of Sensex and Global Peers in Q3 FY15

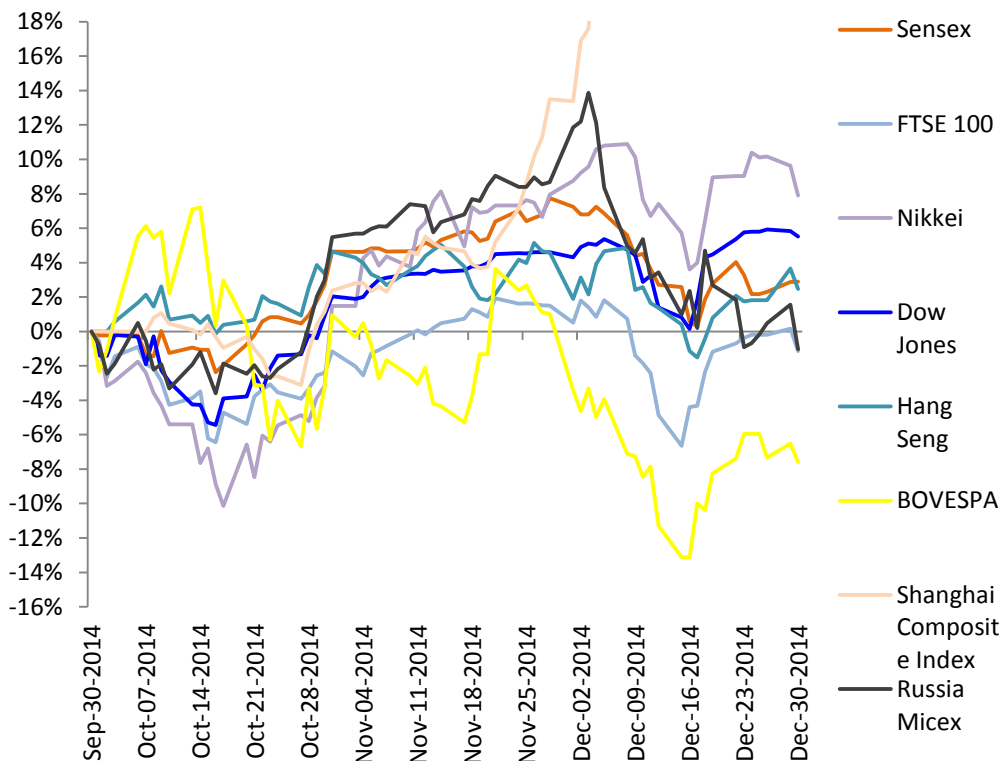
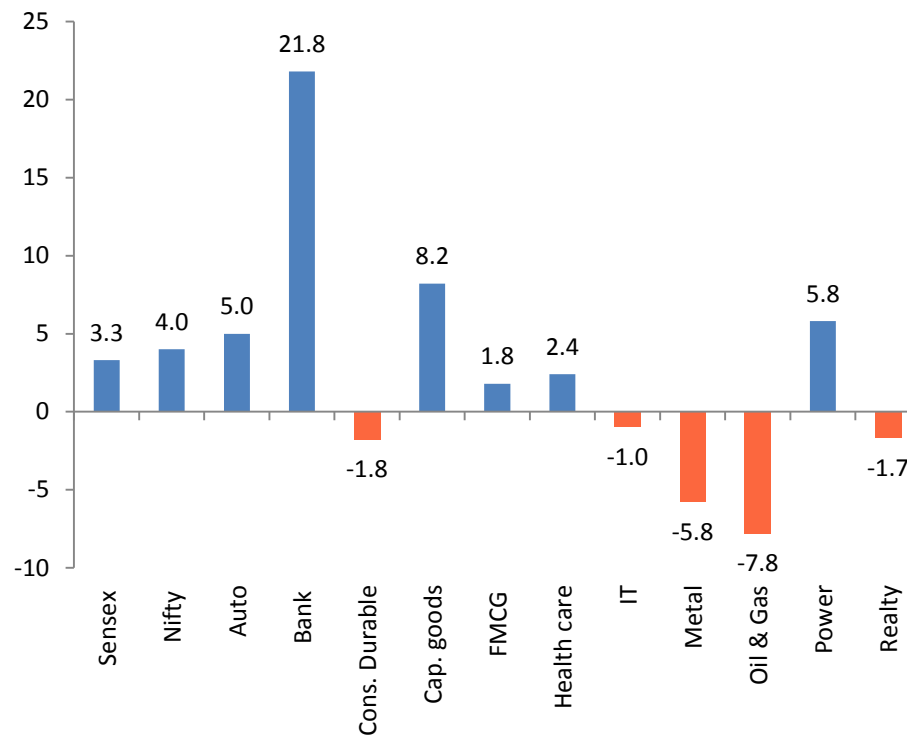


Chart 8: Sensex sectoral indices returns chart (%) in Q3 FY15



China was star performer while US was impressive: Shanghai composite index tops the global indices returns chart with 36.8% returns. On the back up of economic turnaround in the USA, Dow Jones posted 4.6%. Sensex delivered modest returns of 3.3% and Brazil's Bovespa was the worst performer with negative returns of 7.6%. Hang Seng expanded 3% in the previous quarter.

Rate sensitives score high: Rate sensitive stocks except Realty stocks outperformed other stocks as the RBI is expected to cut key rates in the near term with falling inflation. Banking index posted 22% returns while Capital Goods delivered 8.2% gains. Power also gave positive returns of 5.8%. Oil & Gas index lost 7.8% while metal gave negative returns of 5.8% in the previous quarter.

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

M&A and Private Equity Activity (Oct–Dec 2014)

Chart 9: India - M&A Trend (No. of deals)

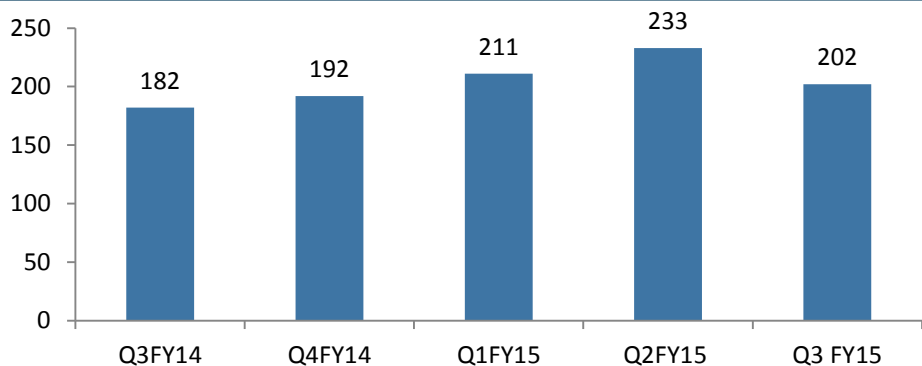


Chart 10: India - PE Trend (No. of deals)

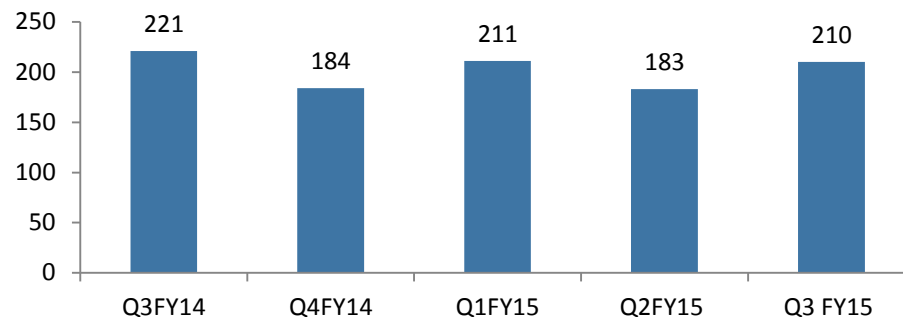


Chart 11: M&A Deals Break up (Q3 FY15) (No. of deals)

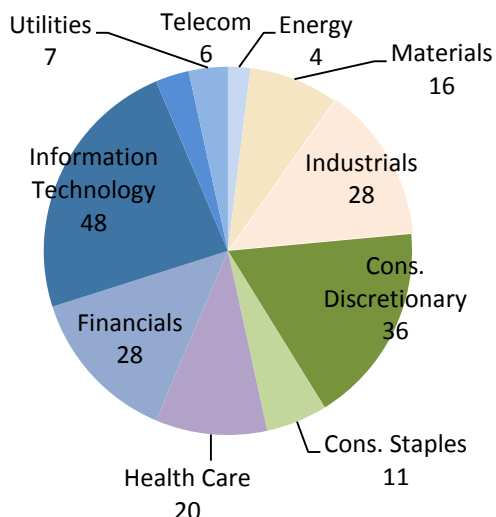
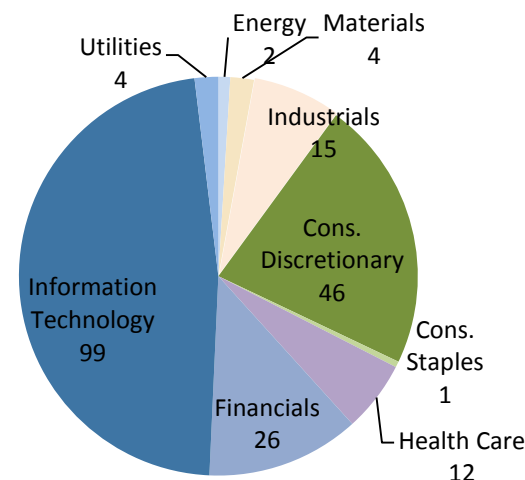


Chart 12: PE Deals Break up (Q3 FY15) (No. of deals)



M&A activity picked up in Q3 FY15 Vs Q3 2014. IT saw the highest number of deals while Consumer Discretionary and Industrials saw maximum number of deals.

PE activity slowed a bit in Q3 FY15 as number of deals was 210 deals in Q3 FY15 vs 221 deals in Q3 FY14. IT saw the highest number of deals while Consumer Discretionary saw the second highest number of deals.

Top Ten M&A Deals by Value (Oct-Dec 2014)

Date	Target	Buyer	Seller	Deal value (USD mn)	Industry
20-Nov-2014	ING Vysya Bank Ltd.	Kotak Mahindra Bank Ltd.	ING Vysya Bank Ltd.	2,422.61	Regional Banks
11-Nov-2014	Himachal Baspa Power Company Ltd.	JSW Energy Ltd.	Jaiprakash Power Ventures Ltd.	1,570.00	Electric Utilities
24-Nov-2014	Bharti Airtel International (Netherlands) B.V., 4,800 Telecoms Towers	American Tower Corp.	Bharti Airtel International (Netherlands) B.V.	1,050.00	Integrated Telecommunication Services
23-Dec-2014	Jaiprakash Associates Ltd., Two Cement Units	Ultratech Cement Ltd.	Jaiprakash Associates Ltd.	851.1	Construction Materials
24-Nov-2014	Korba West Power Company Ltd.	Adani Power Ltd.	Avantha Power and Infrastructure Ltd.	680	Electric Utilities
16-Oct-2014	CMC Ltd.	Tata Consultancy Services Ltd.	CMC Ltd.	509.86	IT Consulting & Other Services
10-Dec-2014	Ideal Energy Projects Ltd.	The Tata Power Company Ltd.	Ideal Energy Projects Ltd.	500	Electric Utilities
7-Nov-2014	Hero MotoCorp Ltd.	-	Bain Capital Advisors India Pvt. Ltd.	400.24	Motorcycle Manufacturers
20-Nov-2014	Lightbridge Communications Corp.	Tech Mahindra Ltd.	Lightbridge Communications Corp.	240	Integrated Telecommunication Services
28-Oct-2014	Nimbuzz Internet India Pvt. Ltd.	New Call Telecom Ltd.	Nimbuzz Internet India Pvt. Ltd.	175	Application Software

Top Ten PE Deals by Value (Oct-Dec 2014)

Date	Target	Investor	Deal Value (USD mn)	Industry
24-Nov-2014	Flipkart Pvt. Ltd.	Steadview Capital Master Fund Ltd. ,Tiger Global Management LLC , MIH Holdings Ltd. , DST Global , The Qatar Investment Authority , GIC Special Investments Pte Ltd. , Iconiq Capital LLC	700.00	Internet Retail
24-Oct-2014	Jasper Infotech Pvt. Ltd.	BlackRock, Inc. , Tybourne Capital Management (HK) Ltd. , Temasek Holdings Advisors India Pvt. Ltd. ,SoftBank Corp. , PI Opportunities Fund I , Myriad Asset Management Ltd.	636.72	Internet Retail
23-Dec-2014	Nirlon Ltd.	GIC Special Investments Pte Ltd.	213	Real Estate Development
27-Oct-2014	ANI Technologies Pvt. Ltd.	SoftBank Corp. , Tiger Global LP ,Steadview Capital Master Fund Ltd. ,Matrix Partners India II LLC	210.0	Internet Software & Services
21-Oct-2014	Greenko Mauritius Ltd.	EIG Global Energy Partners	125.0	Electric Utilities
25-Nov-2014	Sentient Technologies LLC	Tata Communications (Hong Kong) Ltd. , Horizen Ventures Management Company Pvt. Ltd. , Access Industries	103.5	IT Consulting & Other Services
30-Dec-2014	Paranjape Schemes Construction Ltd., Blueridge Phase II	Ascendas India Trust	100.27	Real Estate Development
22-Oct-2014	PT Tokopedia	Sequoia Capital India IV Ltd.	100	Internet Retail
17-Dec-2014	Three C Universal Developers Pvt. Ltd., Oxygen Boulevard SEZ	Blackstone Real Estate Partners	97.84	Real Estate Development
5-Nov-2014	Indian Energy Exchange Ltd.	TVS Capital Funds Ltd.	94.02	Specialized Finance

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

Regulatory Update (M&A and PE)

SEBI

Tightens insider trading norms ([Circular 19th November 2014](#))

- The new rules make it tougher for people with price-sensitive information to trade in the market for quick gains. In addition to promoters, directors and some top officials, Sebi's new rules on insider trading now also include all people who are in possession of information which are generally not available to public and which may impact the price of a stock, called unpublished price sensitive information (UPSI).
- Sebi has defined a connected person as "someone who is or has during the past six months prior to the concerned act has been associated with a company, directly or indirectly".
- Insiders who are liable to possess UPSI all round the year i.e. CEO, CFO and senior management of the company, would now have the option to formulate pre-scheduled trading plans. Trading plans would, however, will be required to be disclosed on the stock exchanges and have to be strictly adhered to.

Eases Delisting rules ([Circular 19th November 2014](#))

- Sebi said that a firm wanting to delist has to ensure that its promoter shareholding reaches at least 90% after acquiring shares from the public, or if at least 25% of the number of public shareholders tender in the reverse book-building process.
- Sebi also stipulated that the promoter/ promoter group will be barred from making a delisting offer if any they sell shares of the company six months prior to the date of approval of the delisting proposal.
- It also cut the time required to close a delisting process to 76 working days from 117 working days earlier.

Converts the listing agreements into regulations ([Circular 19th November 2014](#))

- Sebi converted the listing agreements into regulations, naming them Sebi (Listing Obligations and Disclosure Requirements) Regulations, 2014. Such a move will enhance Sebi's scope for enforcing the norms on listed firms and also curb violations.
- Under the new listing regulations, company filings on stock exchanges through the electronic platform will be compulsory. It will be mandatory to appoint the company secretary as the compliance officer for adhering to listing norms.

Regulatory Update

FDI cap in Insurance hiked to 49% from 26%

- The cap of FDI in insurance sector is raised from 26% to 49% as the government approved promulgation of the Ordinance on Insurance Bill. Insurance Bill was not passed in the previous winter session of the Parliament.

100% FDI in Medical Devices

- 100% FDI for manufacturing of medical devices can be allowed under the automatic route
- The condition of 'non-compete clause' would also not be applicable to greenfield or brownfield projects of this industry.
- 100% FDI will be permitted under the automatic route, meaning a foreign investor will not have to seek the permission of Foreign Investment Promotion Board (FIPB) to acquire an existing company or set up a new manufacturing unit in the sector.

100% FDI in 17 areas under Railway Infrastructure

- Indian Railways has identified 17 special areas where 100% FDI will be allowed
- According to the guidelines approved by the government under its FDI policy, 100% FDI can be utilised in facilities like cleaning up trains and installation of bio-toilets in passenger coaches and setting up of mechanised laundry facilities.
- Other areas include: construction, maintenance and operation facilities to supply non-conventional sources of energy to the Railways, installation and maintenance of bio-toilets in passenger trains, setting up of technical training institutes, testing facilities and laboratories and providing technological solutions to improve safety.

Other reform measures through Ordinance Route

- GoI approves ordinance to amend Land Acquisition Act, making it easier for companies to purchase land for industrial projects
- The government approved re-promulgation of an ordinance to facilitate e-auction of coal blocks for private companies for captive use and allot mines directly to state and central PSUs.
- Ordinance promulgated for giving relief to drivers of E-rickshaws and E-carts
- GoI promulgated an ordinance to merge the Person of Indian Origin (PIO) and the Overseas Citizenship of India (OCI) schemes

Government
of India

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Jul–Sept 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

M&A Activity in the Consumer & Building Products Sector

Chart 13: M&A deals (No. of deals)

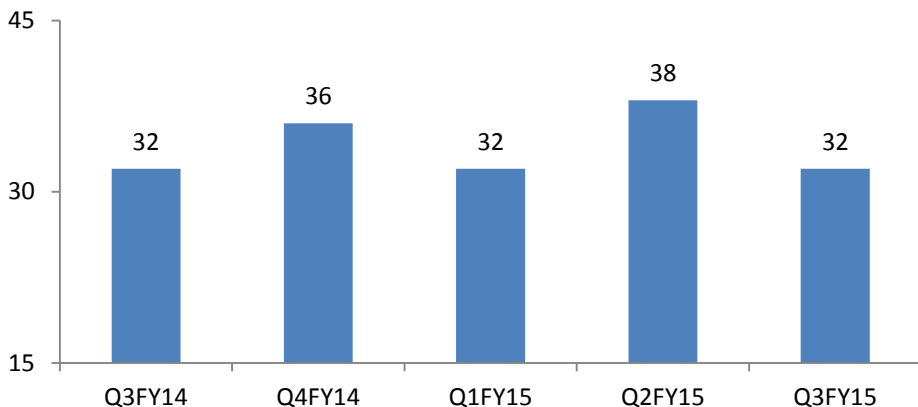
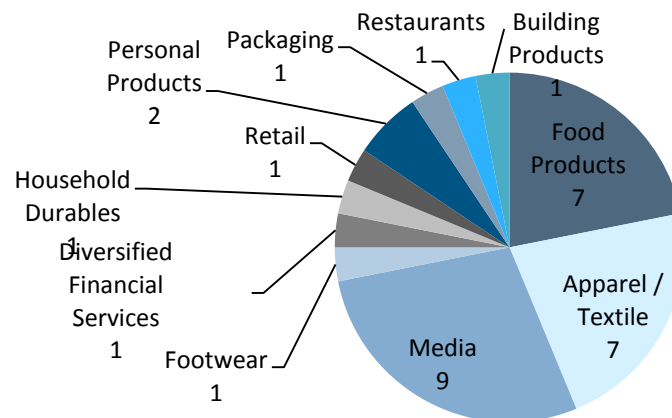


Chart 14: M&A (Q3 FY15) (No. of deals)



Top Five M&A Deals (Consumer & Building Products in Oct - Dec 2014)

Date	Target	Buyer	Seller	Deal Value in \$mn	Industry
7-Nov-14	Jagdale Industries Ltd., Energy Drink Business	Johnson and Johnson Ltd.	Jagdale Industries Ltd.	122	Food Products
1-Dec-14	Fun Multiplex Pvt. Ltd.	Cinopolis India Pvt. Ltd.		77	Media & Entertainment
20-Nov-14	The Nilgiri Dairy Farm Pvt. Ltd.	Future Consumer Enterprises Ltd.	Actis Advisers Pvt. Ltd.	48	Food Products
23-Dec-14	Asirvad Microfinance Pvt. Ltd.	Manappuram Finance Ltd.	Asirvad Microfinance	21	Microfinance
21-Oct-14	Pfunda Tea Company S.A.R.L.	Borelli Tea Holdings Ltd.	L.A.B. International Ltd.	20	Food Products

PE Activity in the Consumer & Building Products Sector

Chart 15: PE deals (No. of deals)

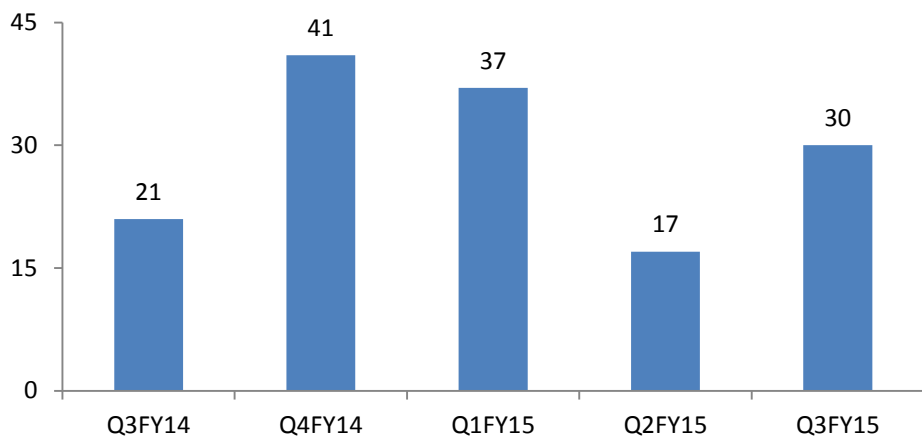
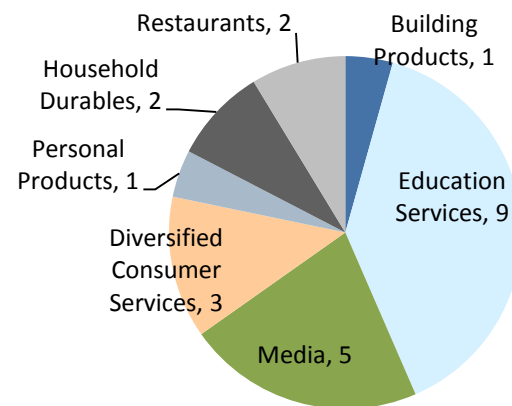


Chart 16: PE Investments (Q3 FY15) (No. of deals)



Top Five PE Deals (Consumer & Building Products in Oct - Dec 2014)

Date	Target	Investor	Deal Value in \$mn	Industry
9-Oct-14	Devyani International Ltd.	Temasek Holdings Advisors India Pvt. Ltd.	81	Restaurants
25-Nov-14	Bajaj Corp. Ltd.	Temasek Holdings Advisors India Pvt. Ltd.	52	Personal Products
9-Dec-14	DQ Entertainment (Mauritius) Ltd.	OCP Asia Ltd.	50	Media & Entertainment
25-Nov-14	Zee Entertainment Enterprises Ltd.	Abu Dhabi Investment Council	42	Media & Entertainment
9-Dec-14	Newgen Knowledge Works Pvt. Ltd.	Carlyle Asia Growth Partners IV LP	33	Education

Systematix's Coverage in the Consumer & Building Products

Within the Consumer & Building Products sector, we focus on Fast Moving Consumer Goods (FMCG), Food & Beverage, Restaurants & Leisure, Retail, Personal Care, BFSI, and Building Materials.

We expect F&B, Restaurants & Leisure, BFSI and Building Materials to witness increasing PE & M&A activity going forward.

Restaurants & Leisure

- Rising urbanization, disposable income and young population is driving the demand for Restaurants & Leisure services in India; companies are looking to build a strong foothold in this industry.
- Large Indian businesses are strengthening their Indian presence besides expanding in other developing economies, with investors backing restaurant chains, fine dining, etc.

Food & Beverage

- The Food & Beverage industry in India has attracted significant attention from the Indian Government, that has announced a slew of measures over the last few quarters for the development of this sector.
- In the vision-2015 document, the government envisages trebling the size of investment in the processed food sector.
- With profound government support, the sector is attracting significant interest from both domestic & global players – ex of latest deals: acquisition of Jagdale Industries Ltd - Energy Drink Business by Johnson and Johnson.

Building Products

- Since resuming its office in May 2014, the new government at the center has cleared over 16 infrastructure and coastal projects, besides relaxing norms for the FDI in real estate sector.
- This together with government's plan of developing Indian infrastructure (smart cities, bullet trains, bridges and highways) is likely to boost the building products sector in India.
- Expect to see more traction in the sector - large domestic players expanding in India through capacity additions (tile companies planning INR 100-150 cr. for capacity expansion) besides foraying into "premium" product categories, while international companies are looking at Indian entry.
- Latest deals in the sector: Captain Pipes Limited's private placement, acquisition of Resinova by Astral Poly Technik.

Financial Services

- FY2015 has marked significant positive developments in the BFSI industry - RBI issuing new banking licenses, and relaxing norms pertaining to NBFCs; GOI approving hike in FDI in insurance sector to 49% etc.
- NBFCs like Micro Finance (MFIs) attracting significant regulatory support; priority sector lending (PSL) support retained for MFIs, besides an increase in margin cap for both small and large MFIs.
- These factors reaffirm NBFC's role in financial inclusion. This sector is likely to witness increase in private equity transactions supported by a gradual increase in M&A activities.

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

M&A Activity in the Logistics Sector

Chart 17: M&A Trend in the Sector (No. of deals)

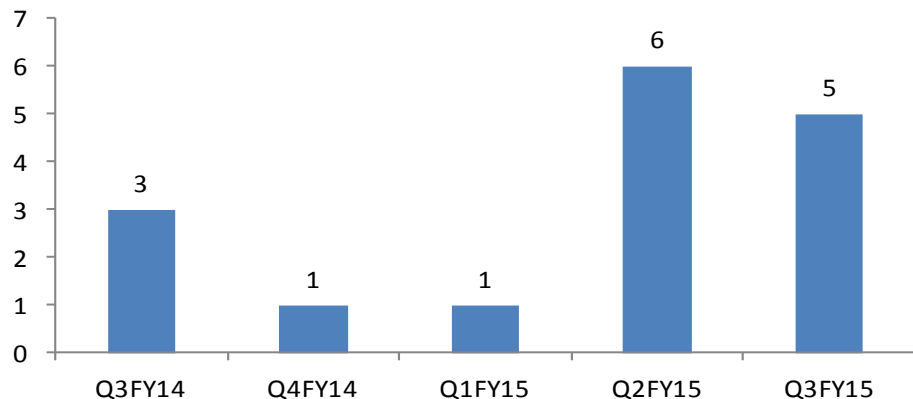
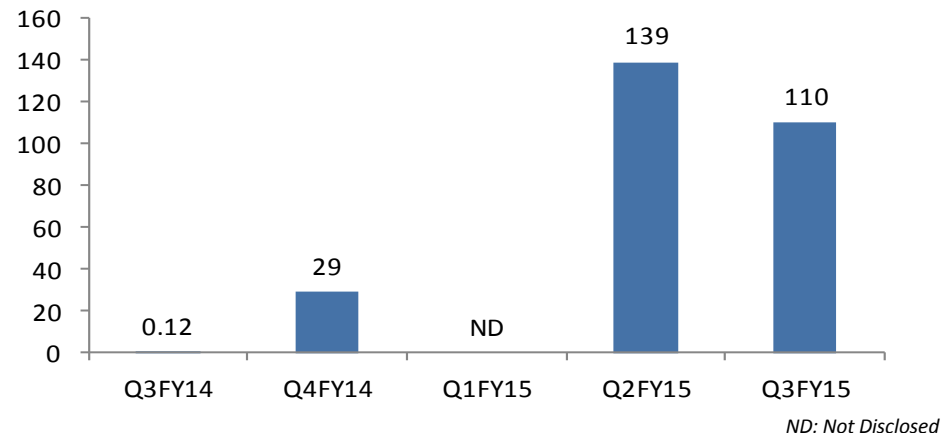


Chart 18: M&A Trend in the Sector (Value in USD mn)



Top M&A Deals by Value (in Oct- Dec 2014)

Date	Target	Buyer / Investor	Seller	Deal Value (USD mn)	% Stake
25-Nov-14	BIC Logistics Ltd.	Bic India Pvt. Ltd.	Toll Holdings Ltd.	82	40%
27-Oct-14	Brattle Foods Pvt. Ltd.	Future Supply Chain Solutions Ltd.	-	20	100%
7-Oct-14	Kashipur Infra & Freight Terminal Pvt. Ltd. (JV)	Apollo LogiSolutions	India Glycols Ltd.	8	51%
12-Nov-14	Jindal ITF Ltd.	Sula Shipping & Logistics Pvt. Ltd.	Jindal SAW Ltd.	Undisclosed	26%
12-Nov-14	Weiss-Rohlig India Pvt. Ltd.	Röhlig & Co. Holding GmbH & Co. KG	-	Undisclosed	35%

PE Activity in the Logistics Sector

Chart 19: PE Trend in the Sector (No. of deals)

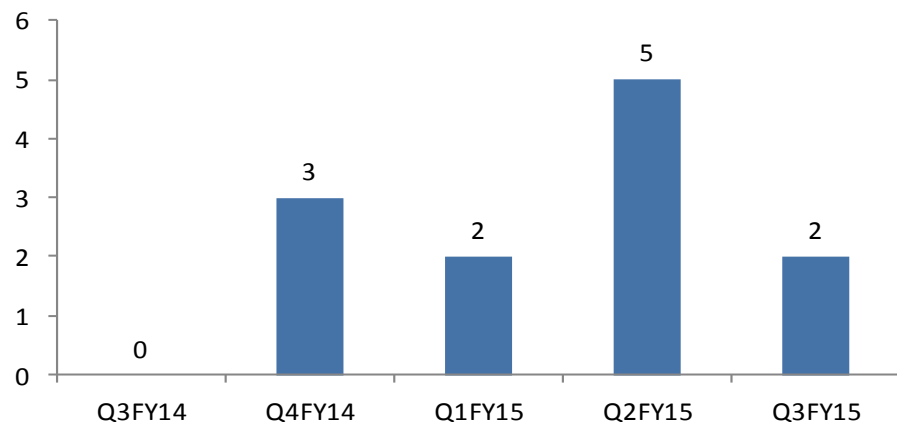
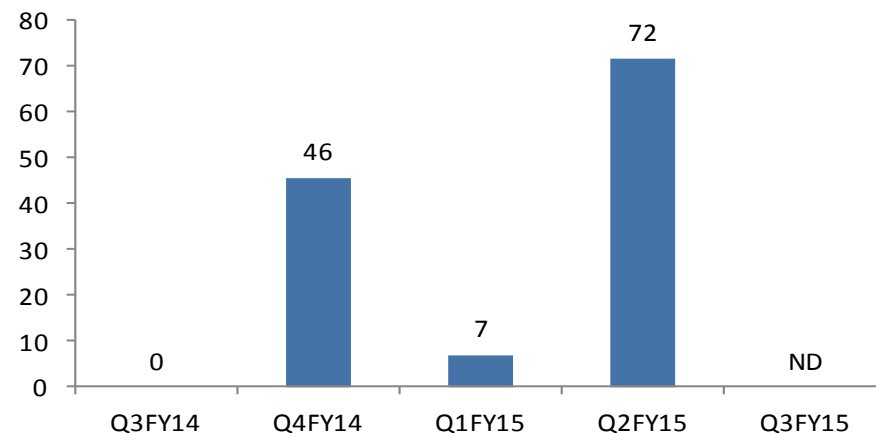


Chart 20: PE Trend in the Sector (Value in USD mn)



ND: Not Disclosed

Top PE Deals by Value (in Oct-Dec 2014)

Date	Target	Buyer / Investor	Deal Value (USD mn)	% Stake	Deal Type
28-Nov-14	LEAP India Pvt. Ltd.	Mayfield India II Ltd.	4	37%	Venture Capital
8-Dec-14	Locodel Solutions Pvt. Ltd.	Sequoia Capital & Deepinder Goyal	Undisclosed	Undisclosed	Seed Funding
13-Nov-14	Catbus Infolabs Pvt. Ltd. (Blowhorn)	Unitus Seed Fund & Tim Draper	Undisclosed	Undisclosed	Seed Funding

Systematix's Coverage in the Logistics Sector

Within the Logistics sector, we focus on Supply Chain Management, Freight & forwarding , Distribution, Reverse logistics , Temperature Controlled Logistics and certain niche businesses within logistics.

We expect Supply Chain Management with distribution capabilities and freight & forwarding verticals to witness increased M&A activity & niche logistics companies to witness increased venture / early growth funding activity.

Freight Forwarding

- 'One Stop shop' cross-border offering is the key to the success in Freight forwarding vertical. We expect consolidation in this sector by 'big boys' including by overseas corporates present in India.
- With the new government initiative of 'Made in India' and clear focus on infrastructure improvement and ease of policy implementation by single window clearances, thereby ensuring a hassle free manufacturing and smooth trade with and from India.

Supply Chain Management

- New government's focus on infrastructure development and implementation of GST in the near future are strong signs of changes in Supply Chain industry esp. in Retail and FMCG sector.
- With the GST implementation in the future, large Indian companies have initiated PAN India expansion to capture a larger share of the market. Further, overseas logistics companies are exploring India entry strategy via acquisitions, Greenfield projects or strategic joint ventures.
- Technology advancement, strategically located infrastructure, last mile connectivity and vertical expansion are the keys to the success with an ultimate goal to reduce logistics cost and build an efficient supply chain.

Temperature Controlled logistics

- Organized corporates who specialize into temperature controlled transportation are looking to complete their value chain by offering cold chain warehousing capacities across India.
- Addition of warehousing capacities and new fleets would lead to significant capex deployment by companies in the form of debt or private equity.
- Government's thrust on creation of cold chain infrastructure with tax incentive schemes, concession on indirect taxes and cheap borrowing would lead to creation of infrastructure on a faster pace.

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

M&A Activity in the Pharma & Healthcare Sector

Chart 21: M&A Trend in the Sector (No. of deals)

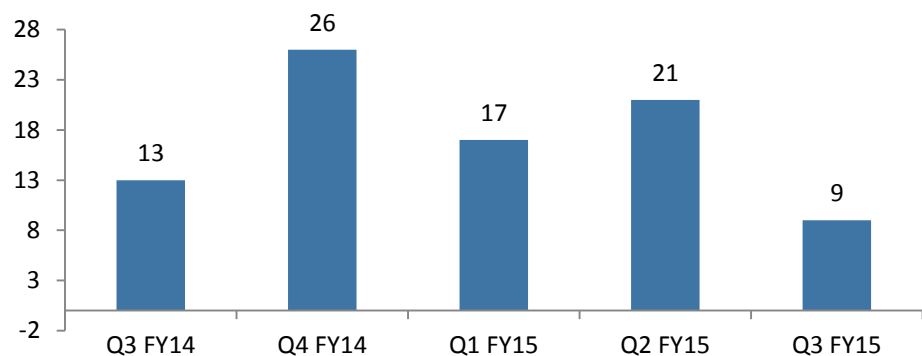
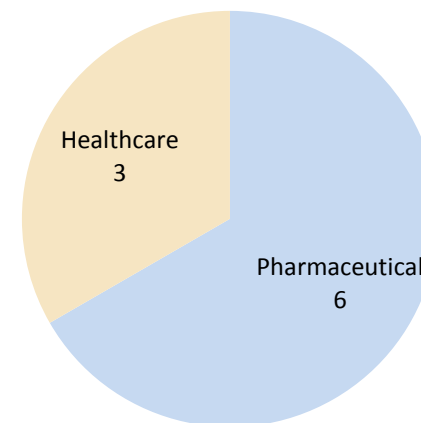


Chart 22: M&A Deals Break up (Q3 FY15) (No. of deals)



Top Five M&A Deals (Pharma & Healthcare in Oct-Dec 2014)

Date	Target	Buyer	Transaction	Deal Value (USD mn)	Industry
11-Dec -2014	Natrol Inc.	Aurobindo Pharma Ltd.	Outbound	132.5	Pharmaceuticals
14-Nov-2014	Cadista Holdings Inc	Jubilant Life Sciences Ltd.	Outbound	33.20	Pharmaceuticals
24-Nov-2014	Meridian Medical Research and Hospital Ltd.	Narayana Hrudayalaya Pvt. Ltd.	Domestic	24.33	Healthcare
27-Nov -2014	Serj Solutions Inc.	8K Miles Software Services Ltd.	Outbound	2.55	Healthcare
10-Oct-2014	SyMetric Life Sciences India Pvt. Ltd.	Indovation Technologies Ltd.	Domestic	2.45	Healthcare

PE Activity in the Pharma & Healthcare Sector

Chart 23: PE Trend in the Sector (No. of deals)

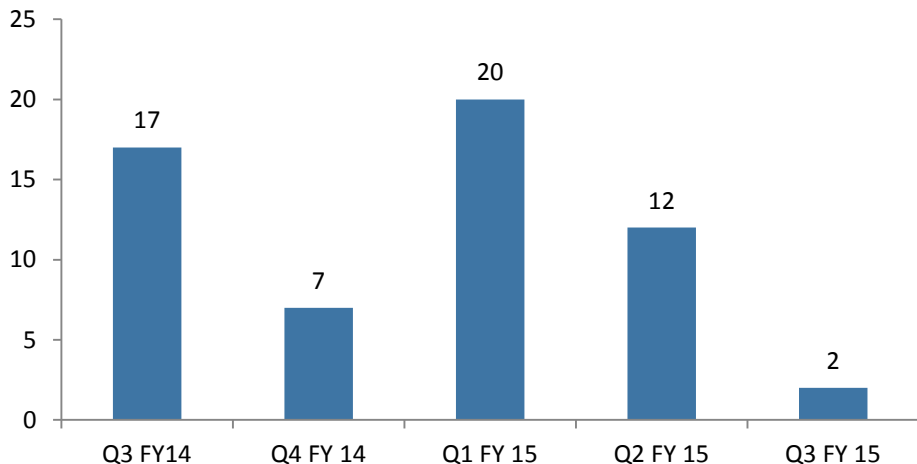
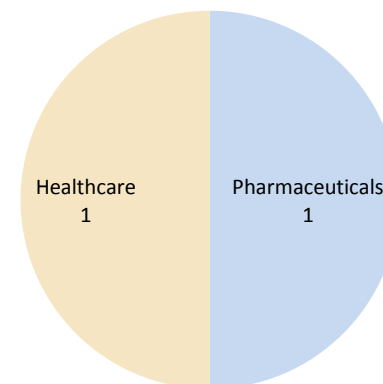


Chart 24: PE Deals Break up (Q3 FY15) (No. of deals)



Top Five PE Deals (Pharma & Healthcare in Oct-Dec 2014)

Date	Target	Buyer	Deal Value (USD mn)	Industry
11-Nov -2014	Sai Life Sciences Ltd.	Tata Capital Healthcare Fund , Tata Capital Growth Fund , Alpha TC Holdings Pte Ltd. , HBM Partners AG	31.0	Pharmaceuticals
01-Oct -2014	Cygnus Medicare Pvt. Ltd.	Somerset Indus Healthcare Fund I ,Fidelity Growth Partners India	9.7	Healthcare

Systematix's Coverage in the Pharma & Healthcare Sector

Within the Pharmaceutical and Healthcare sector, we are focused on advising Indian and global companies operating in the areas of Active Pharmaceutical Ingredients (API), Formulations (including Injectables) and Invasive Medical Devices & Medical Technology.

We expect the M&A activities to remain strong in the Pharmaceutical and Medical Devices/Technologies sector on the back of the fact that, global companies are looking for quality Indian companies and Indian companies are exploring synergies with global companies for further growth.

The Healthcare Services sector is also expected to remain attractive from a PE point of view. We expect private equity exits / secondary deals to pick up in this sector.

Pharmaceuticals

- Expect to see more domestic M&A in the pharmaceuticals sector, driven by a need to consolidate among small / mid-sized players.
- Increasing investments by MNCs reflect at their renewed interest in the Indian market. Also, the market share pressure on the Indian players with the MNC pharmaceutical companies being very aggressive in the domestic market place.
- Expect major Indian players continuing to make strategic acquisitions overseas to yield synergies, with recent being Aurobindo Pharma Ltd. manufacturing assets, personnel, commercial infrastructure including the well established nutraceuticals brands in USA of Natrol Inc.

Medical Devices Technology & Services

- Several domestic medical devices & med tech players are carving out a niche of being a “low cost” and “high quality” manufacturing company and competing in the global market.
- Easing of norms for medical devices industry (100% FDI allowed) by creating special carve out in the extent FDI policy on pharma sector will encourage FDI inflows in this area. This would help the foreign investor to acquire an existing company or set up a new manufacturing unit directly in the medical devices sector.
- Health care providers have been among the favored acquisition targets in recent years, a trend that is likely to continue and sustained interest in the healthcare delivery model is expected to continue.

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

M&A Activity in the Real Estate Sector

Chart 25: M&A Trend in the Sector (No. of deals)

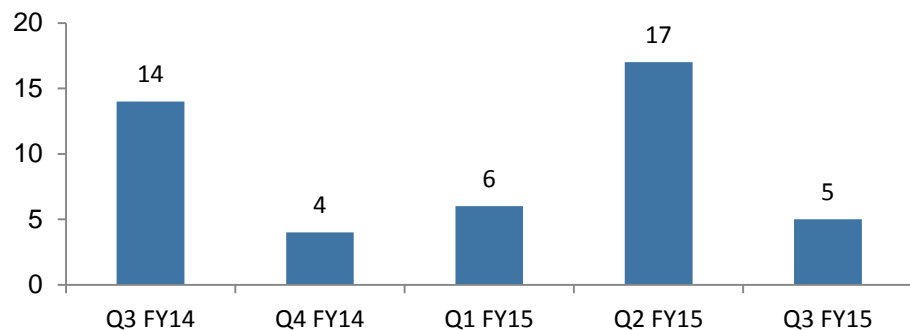
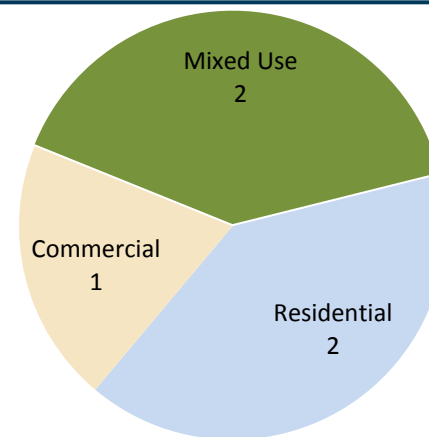


Chart 26: M&A Deals Break up (Q3 FY15) (No. of deals)



Top Five M&A Deals (Real Estate in Oct-Dec 2014)

Date	Target	Buyer	Transaction Type	Deal Value (USD mn)	Industry
29-Oct-14	Indrajit Properties Pvt. Ltd.	Shree Global Tradefin Ltd.	Acquisition	Undisclosed	Mixed Use
12-Nov-14	Godrej Buildwell Pvt. Ltd.	Godrej Properties Ltd.	Buyback	Undisclosed	Residential
19-Nov-14	India Land and Properties Pvt. Ltd.	Indiabulls Distribution Services Ltd.	Merger	97.13	Commercial
15-Dec-14	Sahara Prime City Ltd., Jodhpur	Aasan Realty Pvt. Ltd.	Acquisition	22.34	Residential
29-Dec-14	Godrej Premium Builders Pvt. Ltd.	Godrej Projects Development Pvt. Ltd.	Buyback	Undisclosed	Mixed Use

PE Activity in the Real Estate Sector

Chart 27: PE Trend in the Sector (No. of deals)

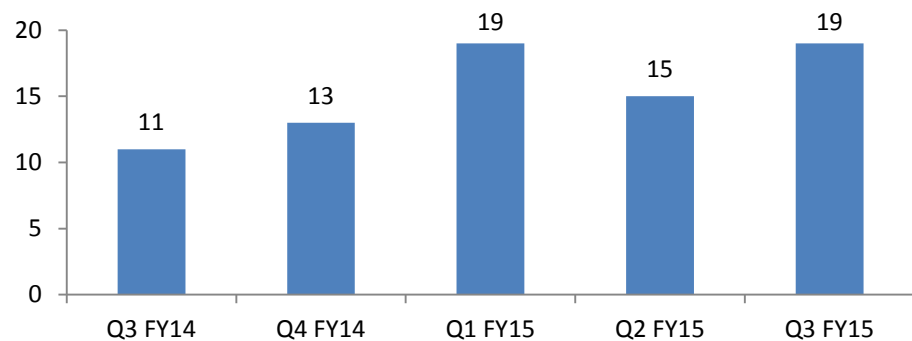
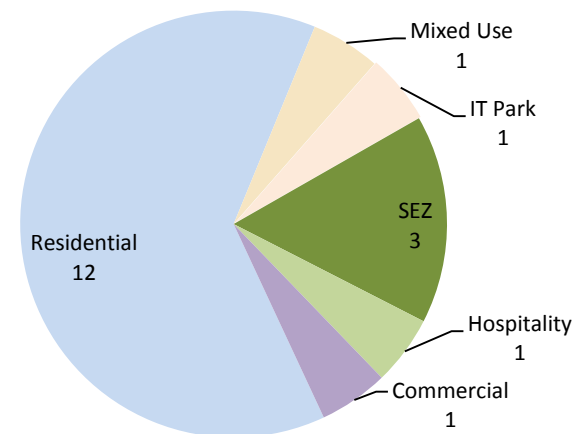


Chart 28: PE Deals Break up (Q3 FY15) (No. of deals)



Top Five PE Deals (Real Estate in Oct-Dec 2014)

Date	Target	Buyer	Deal Value (USD mn)	Industry
23-Dec-14	Nirlon Ltd.	GIC Special Investments Pte Ltd.	213.0	IT Park
30-Dec-14	Flagship Developers Pvt. Ltd.	Ascendas India Trust	100.3	SEZ
17-Dec-14	Three C Universal Developers Pvt. Ltd., Oxygen Boulevard SEZ	Blackstone Real Estate Partners	97.8	SEZ
3-Dec-14	Lotus Greens Constructions Pvt. Ltd.	Clearwater Capital Partners India Pvt. Ltd., SSG Capital Management HK Ltd.	72.7	Residential
23-Dec-14	Vatika Group	Goldman Sachs	40.0	Hospitality

Systematix's Coverage in the Real Estate Sector

The Indian Real Estate sector has attracted investments worth USD 716 million in Q3FY15 as compared to USD 200 million in Q3FY14.

With improving sentiment of Global Investors in the Indian real estate market, there is increased fundraising activity by Domestic funds such as ASK Group, Primal Fund, Red Fort Capital & Amplus Capital which will boost the liquidity situation of developers to assist them in the completion of their cash strapped projects.

Within the real estate sector, we focus on advisory services for companies in Residential, Commercial, Retail and Hospitality segment. Our service offering includes advising companies on raising capital for their expansion and acquisition or divestiture of assets.

Residential

- Despite strong supply growth in the past decade, urban housing shortfall is still estimated at 19 million units.
- The residential segment attracted 63% of the total number of PE transactions, and 40% of the total number of M&A transactions concluded in this quarter.
- This segment is expected to witness more PE transactions as PE funds prefer investing in self liquidating assets.

Commercial

- There has been limited PE and M&A activity in the Commercial space this quarter, with only a few transactions in the segment, but is expected to grow strongly with an appreciation of 10%-15% in rents on a pan India basis.
- The segment in future is expected to see acquisitions of developed assets as fund managers prefer yield generating assets over the long term.

Retail

- Currently, organized retail accounts for a small portion of the Indian real estate market, with mall vacancy in the range of 10% to 20%, a few of the malls also saw conversion into Grade B office spaces.
- This segment is expected to see increased PE & M&A activity once the uncertainty that exists with respect to the policy on FDI in multi-brand retail is cleared.

Hospitality

- India currently has ~1,04,000 organized hotel rooms, and is expected to add ~52,000 new hotel rooms by 2017, with NCR likely to contribute about a third of these with 17,000 rooms.
- With global funds such as Goldman Sachs showing interest in this segment with their \$40 mn investment in Hospitality arm of Vatika Group, there is likely to be increased interest by other PE firms in the near future.

Index

Headings	Slide Nos.
Macros & Markets Overview	2
M&A and PE Activity (Oct–Dec 2014)	6
Regulatory Update (M&A and PE)	10
Sector Highlights (Consumer & Building Products)	13
Sector Highlights (Logistics)	17
Sector Highlights (Pharma & Healthcare)	21
Sector Highlights (Real Estate)	25
Systematix Capital - Investment Banking Business	29

Overview of Systematix Group

Systematix is a 27-year old financial advisory firm, founded by Mr. C.P. Khandelwal in 1987

Investment Banking/Advisory

- Established corporate advisory, capital markets advisory and fund raising capabilities
- Closed transactions aggregating to USD 1.5 bn over the last years
- SEBI Registered 'Category I' Merchant Banker

Institutional Broking

- Serving a majority of the top institutional money managers: FIIs, DIIs, Insurance, Mutual Funds, etc.
- Well experienced Research Team and Expertise in identifying hidden gems from small cap and mid cap space

Retail Broking

- Pan India presence, servicing over 62,652 clients
- 'Customer First' philosophy is the cornerstone of the firm's success

Wealth Management

- Structured finance solutions to Corporates and HNIs
- Managing investment portfolios of over USD 200 million for Corporate, UHNI / HNI clients

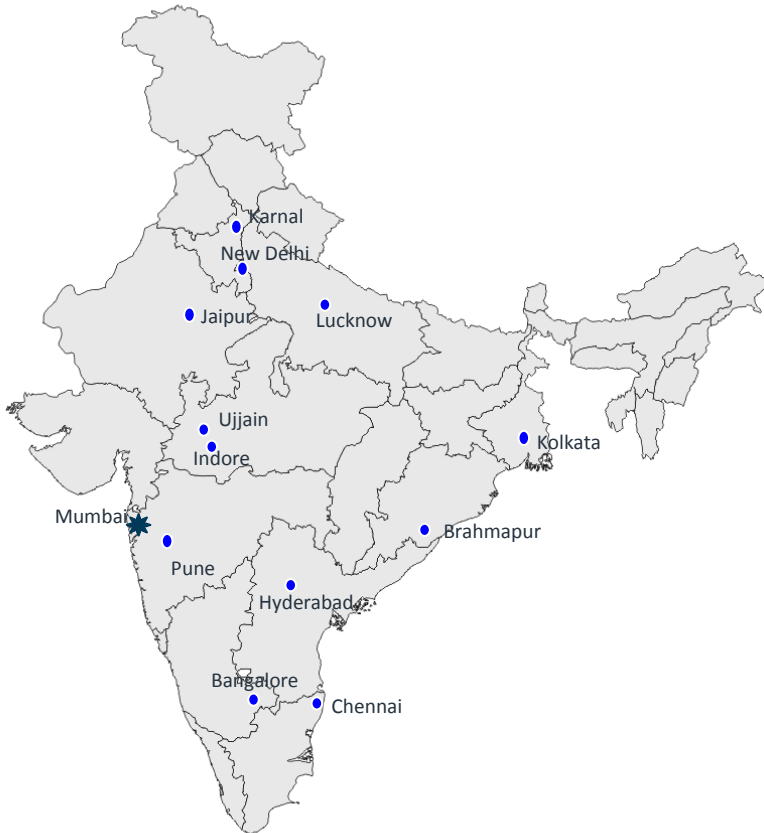
Venture Capital Funds/Private Equity

- SEBI registered Venture Capital funds:
 - USD 30 mn Real Estate fund

The Systematix Network

Systematix has offices in 20 locations across 13 cities in India

Systematix's India Presence



Note: Cities may have more than one office

Systematix's Global Presence



Systematix Capital and Bridge & Sun Partners have formed exclusive partnerships for Indo-Japan M&A transactions

Systematix Investment Banking

Select Transaction Experience

FY 2014-2015

Consumer
Jan 2015

PURPLE
Complete Personal Care & Grooming

Raised Venture Capital from



Sole Advisor to Manash Lifestyle Pvt Ltd

Logistics
Dec 2014

LEAP

Raised Venture Capital from



Sole Advisor to LEAP

Logistics
April 2014

KWE

Acquisition of 5% stake in



Sole Advisor to KWE

Finance
June 2014



Suryakrupa Finance Limited
Open Offer

FY 2013 -2014

Tours & Travels
Mar 2014



Thomas Cook (India) Ltd

ESOP Advisory

Hospitality
Feb 2014



Marriott International Inc.

Fair Market Valuation

FY 2012 -2013

Healthcare and Pharma
Mar 2013



Goa formulation unit has been acquired by



Sole Transaction Advisor

Insurance
Mar 2013

FUTURE RETAIL

has sold 22.5% stake in

FUTURE GENERALI

TOTAL INSURANCE SOLUTIONS

to



Sole Advisor

Consumer
May 2014



Tupperware Brands

Fair Market Valuation

Financial Services
July 2014



Spark Capital

ESOP Advisory

IT & ITES
June 2014



F5 Networks

ESOP Advisory

IT & ITES
Apr 2014



Kellton Tech Solutions Ltd.

ESOP Advisory

Consumer
Jan 2014



Future Life Style Fashions Ltd

ESOP Advisory

Private Equity
Jan 2014



Carlyle Group

Valuation

Consumer
Feb 2013



Secondary Placement of Shares to

CLEARWATER CAPITAL PARTNERS

Sole Transaction Advisor

Consumer
Dec 2012



Open Offer

CLEARWATER CAPITAL PARTNERS

Sole Advisor to Clearwater

We have closed transactions aggregating to USD 1.5 billion

Systematix Group

Senior Management



Mr. C.P. Khandelwal
Chairman

- Founded the company as an advisory business in 1987.
- With over 27 years of experience in financial services, he has been instrumental in aiding the company achieve several key milestones including obtaining a merchant banking license in 1994-95, initiating its broking desk in 2000, starting NBFC operations in 2007, portfolio management (SEBI Registered) in 2008 and the recent foray into Venture Capital / Private Equity business.



Mr. Sunil Sarda
Managing Director

- More than 18 years of experience at various levels in the financial services industry.
- Currently overseeing the Brokerage (Stocks, Commodities & Currency), Wealth & Portfolio management and NBFC business within Systematix.
- Previously, Executive Director with Anand Rathi Securities and Manager-Finance with Indian Rayon and Industries Ltd., part of the Aditya Birla Group.



Mr. Nikhil Khandelwal
Managing Director

- Responsible for overseeing the group's expansion into investment banking advisory business and in the last 9 years, has built relationships with many corporate and investment houses across India.
- Previously worked with IDFC Securities and Reliance Communication.
- Holds a degree in management studies (MBA) from the Indian School of Business, Hyderabad and Bachelor in Engineering (BE) from Manipal Institute of Technology (MIT).

Systematix Investment Banking

Senior Bankers



Mr. Abhishek Dhanesha

- Leads the Logistics, Consumer & Building Materials initiatives for the firm.
- Before joining Systematix group, he was part of Avista Advisory/Houlihan Lokey and Aarayaa Advisory Services in Mumbai where he worked on fund raising, cross border M&A and buyouts.
- Abhishek is a Chartered Accountant (CA) and a Law graduate (LLB).
- Major prior transactions include:
 - Advisory to Classic Stripes on their buyout by Navis Capital
 - Fund raising for Astarc Group Companies from various lenders to the tune of INR 2,250 million
 - Pre-IPO equity placement for Pipavav Shipyard Limited to the tune of INR 320 million
 - Advisory to Sheel Gems & FineFacet, India for their acquisition of Kaprisa International
 - Strategic consulting for Emerson Network Power, India, for setting up an additional manufacturing facilities.
 - Advised Shin-Etsu Polymer India , (subsidiary of Mitsubishi) for their India Entry Strategy



Mr. Souvik Chatterjee

- Leads the Pharmaceuticals & Healthcare initiatives for the firm.
- Previously worked with major Indian financial organizations like SMC Global, Proactive Universal Group (India) and CNBC TV 18.
- He is a Chartered Accountant (CA) and Holds an MBA - Finance from one of the premier institutes in India.
- Major prior transactions include:
 - Acquisition of Parenteral Drugs' Goa Formulation Unit by Fresenius Kabi
 - Currently, advising on a Medical Devices Transaction and a variety of Pharmaceutical Industry projects

Thank You

Our Offices

Corporate Office

The Capital, A-wing, No. 603 – 606,
6th Floor, Plot No. C-70, G Block, BKC
Bandra (East), Mumbai – 400 051
Board: +91 (22) 6704 8000
Fax: +91 (22) 6704 8022

Registered Office

Ega Trade Centre, 4th Floor, Blocks C & D
809, Poonamalee High Road
Chennai-600010
Board: +91 44 30582078 - 80
Fax: +91 44 26612190

For further details please contact us at ibdinfo@systematixgroup.in