

Daily Economic News Summary: 9 January 2017

1. OmniActive Health buys 85% stake in fragrance firm Indfrag for \$80 million

Source: Live Mint ([Link](#))

OmniActive Health Technologies, a supplier of ingredients to the healthcare and food industries, has acquired a controlling stake in fragrance and specialty chemicals maker Indfrag Ltd for about \$80 million, at least two people familiar with the matter said. “The company was looking for a strategic acquisition for quite a long time. At the same time, it was also in talks with private equity (PE) firms and structured financing agencies for acquisition financing,” said one of the two people cited above on condition of anonymity as he is not authorised to speak to reporters. “OmniActive will use the capital it raised from Everstone Capital to fund the acquisition,” said the second person, also speaking on condition of anonymity. Sanjaya Mariwala, managing director of Mumbai-based OmniActive, confirmed the acquisition, saying his company has bought 85% stake in Indfrag, and will buy the rest in a few weeks. “We want to build up acquisitions as a growth strategy. So we will look on many more companies. We will learn and get better each time and then go for one more each year. We will raise some more funds and debt if required. I will dilute (my stake in OmniActive) but slowly. And finally, list in 3-5 years with an IPO,” Mariwala added.

2. InnoVen Capital invests in Swiggy, 12 other start-ups in December quarter

Source: Live Mint ([Link](#))

InnoVen Capital India invested Rs110 crore (about \$16 million) in the December quarter across 13 companies, including food ordering and delivery start-up Swiggy, furniture rental start-up Furlenco and online insurance provider Coverfox, a top executive at the venture debt company said. Backed by Singapore’s state-run investment arm Temasek Holdings Pte Ltd, InnoVen Capital also invested in Universal Sportsbiz, XpressBees, Surewaves, K12 Techno Services, Koye Pharma, Capillary Technologies, Unbxd, Zelo, Flyrobe and Chai Point during the period. InnoVen did not disclose the quantum of investments in individual companies, but it has invested about \$5 million in Swiggy, said two people aware of the matter on the condition of anonymity. “In 2017, there will be more of a focus on business to business start-ups. There are areas which are evolving, say around the artificial intelligence and virtual reality, but we are still

watching which all companies are breaking out and getting traction. We also focus on the rental piece,” he added.

3. Essar Ports plans Rs10, 600 crore greenfield port in Gujarat

Source: Live Mint ([Link](#))

Essar Ports Ltd, one of the leading port companies in the country, is exploring the option of setting up a greenfield commercial port in Gujarat, according to three officials close to the development. The company has recently given a project proposal to the state’s maritime regulator Gujarat Maritime Board (GMB) for the same. If it materializes, this would be the company’s first all commercial port in the country. Currently, the company operates five ports, all of which are largely for captive purpose although they handle some amount of third party commercial cargo as well. According to the investment proposal made to GMB, the company has proposed an investment of Rs10,600 crore for the port project and it plans to employ about 1,000 people, according to two of the three officials quoted. The company aims to develop a commercial multi-purpose port preferably in Devbhoomi Dwarka district with facilities capable of handling bulk, general cargo, liquid including petroleum and oil lubricants, chemicals and LPG. A senior GMB official in the know of the development said that the Essar Ports wants to develop a commercial port with a draft of about 18 metres with a cargo handling capacity of 100 million tonnes per annum (MTPA). Presently, there are only two commercial ports in India that handle a cargo of 100 MTPA or more including the Adani group run Mundra port in Kutch and Kandla Port Trust run government port in Kandla, Kutch. Reliance Industries’ captive port at Sikka near Jamnagar handles close to 125 MMTPA, which is mainly used for its refinery and petrochemical projects at nearby Moti Khavdi.

4. Aurobindo Pharma buys Generis in a bid to boost margins in Europe

Source: Live Mint ([Link](#))

Aurobindo Pharma Ltd wanted an acquisition that could lift the profitability of its European operations. Its acquisition of Portugal’s Generis Farmaceutica SA is a step in that direction, with the target firm’s estimated margin at 19.6% in 2016, pegged to increase to 21.9% in 2017. Aurobindo is paying €135million, or Rs970 crore, to acquire Generis, a generic drug company. At present, Generis has a capacity utilization of 50%, which is expected to improve but also because Aurobindo will use Generis’s Portugal facility to make some of its products for the European market. Utilization is expected to improve to 80% by 2020.

5. Alibaba Pictures in talks to buy Chennai-based Ticket New

Source: Live Mint ([Link](#)):

Alibaba Pictures, the movie and TV content business controlled by the Chinese e-commerce giant, is in talks to buy a majority stake in Chennai-based Orbgen Technologies Pvt. Ltd, which operates ticket-booking platform Ticket New, according to two people familiar with the matter. “The discussions are at an advanced stage and a deal will close soon,” one of two people said, speaking on condition of anonymity as he is not authorized to speak to reporters. The value of the transaction is likely to be around \$35 million for a 70-75% equity stake, said the second person. TicketNew, founded in 2008 by Ramkumar, who goes by only one name, charges a convenience fee from users for booking tickets. It also gets a small fee from theatre owners for software installation and app development.

By Shreya Chopra

