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Kotak, Renaissance tie up for M&A advisory services in CIS, Africa

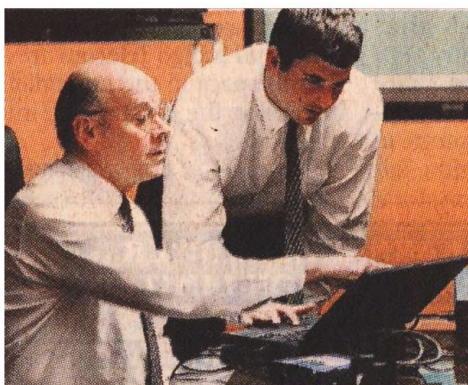
Move To Help Co Tap Indian Corporates Looking To Expand Overseas

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KOTAK Investment Banking on Tuesday announced an alliance with Renaissance Capital for cross-border M&A advisory in CIS countries and Africa, the second such tie-up that the Indian investment bank has forged as it looks to engage with a growing number of Indian corporates who are exploring options to expand overseas.

Last year, Kotak had tied up with GCA Savvian Corporation, an independent Japanese investment bank.

Renaissance Capital, a part of the Renaissance Group, is a leading investment bank in Russia, central Asia, Eastern Europe and Africa. With Indian corporates looking at the inorganic route to grow, local firms have a limited role as a bulk of the advisory gets done by global firms. According to Thomson Reuters, cross-border deals in 2007 contributed to 71.9% of overall deals, in 2008 it was 60.2% and in 2009, it has been 37.2%. However, 2009 has been a bad year globally



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because of the financial crisis.

Both players are trying to take advantage of the appetite shown by Indian companies who are scouting for buy-outs in oil & gas and natural resources across the African region and CIS countries. Russian firms and other companies from CIS are also looking at the Indian market for expansion in the metals segment.

"India is going to continue to have high domestic demand and be a resource-hungry

country. We are seeing a mega trend of dis-intermediation of the West. The concept of international is changing from the traditional western perception. We are seeing the early stages of diminishing of the western power bases. China, Russia, CIS, Brazil, Africa are the new players," says Kotak Mahindra Bank vice-chairman & MD Uday S Kotak.

Besides having a presence in CIS countries such as Russia, Kazakhstan and Ukraine, Renaissance has six offices in Africa and is opening another nine in the region. Says Hasnen Varawalla, MD and head of corporate finance, Renaissance Capital: "We have over 100 bankers on the ground in sub-Sahara Africa and also trade in 14 African stock exchanges. We are not suitcase bankers. We have the depth in relationships and an understanding of the political and the social landscape."

The bank may be looking at similar tie-ups in Australia too. According to Falguni Nayar, MD of Kotak Mahindra Capital, "We are working with experts in the market. Other corridors which we are considering other than CIS and Africa is Australia."