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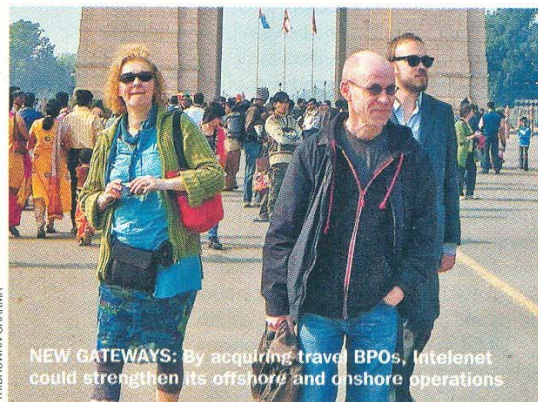
Intelnet's travel foray

MUMBAI-headquartered BPO services major Intelnet is on an acquisition spree. After witnessing several changes in ownership over its seven years of existence, the company seems to have finally found a stakeholder in private equity firm Blackstone.

Susir Kumar, CEO of Intelnet, has made a beginning by acquiring two Blackstone-controlled BPO firms — Upstream and the India-based BPO captive operations of US travel firm Travelport. The combined acquisition value of the two is \$75 million and has strengthened Intelnet by Rs 300 crore in revenue and about 2,400 employees. Post-acquisition, Intelnet has 23,500 employees, which, it claims, makes the company the second largest BPO company in India by staff strength.

Intelnet is looking at acquiring the back office operations of another Blackstone company, Park Hilton Hotels group. Intelnet is planning to expand its operations to offer BPO services for real estate companies, given that Blackstone is a major investor in this sector.

These acquisitions will enable Intelnet to expand its delivery footprint from solely offshore centres to an on-shore



NEW GATEWAYS: By acquiring travel BPOs, Intelnet could strengthen its offshore and onshore operations

and near-shore capability based out of the US and Latin America. This global delivery model will add new geographies such as Mauritius, and multiple language capability portfolio of Spanish and French to Intelnet's portfolio.

Intelnet is an important investment for Blackstone as the fund can cut costs of its portfolio companies by offshoring backoffice operations. This helps Blackstone make its investee companies profitable. Intelnet now needs to learn to manage this profitably.

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