

Business Standard - Money & Markets

Kotak ties up with Russia's top i-bank

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Kotak Investment Banking, a subsidiary of Kotak Mahindra Bank, has entered into an exclusive alliance with Renaissance Capital, Russia's biggest home-grown investment bank.

The alliance aimed to use Renaissance's franchise in Russia, Africa and the former Soviet Union and Kotak's Indian ex-

perience to help big companies from those countries buy into each other's markets, the two companies said.

This is Kotak's second such tie-up since it parted ways with Goldman Sachs three years ago.

Moscow-based Renaissance Capital, backed by Russian billionaire Mikhail Prokhorov, specialises in resources industries, particularly mining and oil & gas.

Uday Kotak, executive vice-

chairman and managing director of Kotak Mahindra Bank, said, "To meet consumption demand, India will have to find ways to have greater access to resources and the place for these resources is CIS (Commonwealth of Independent States) and Africa. So, we have tied up with Renaissance Capital, which has a deep presence in these markets."

The alliance is a co-operation agreement and does not in-

volve equity.

Kotak Mahindra had ended its 10-year-old alliance with Goldman Sachs in 2006 by buying out the latter's 25 per cent stakes in their investment banking and investment joint ventures.

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IN February this year, it announced a tie-up with Japanese investment bank GCA Savvian Corporation to advise on cross-border M&As between the two countries.

The Mumbai-based bank is on the lookout for similar international partnerships and is in talks with an Australian firm focused on mining and minerals, according to Falguni Nayar, managing director of Kotak Mahindra Capital. It is also working with KBC Financial Products in the area of convertible bonds. Kotak said the agreement on cross-border M&A advisory on India-Russia and India-Africa corridors was important as Indian companies evaluate their growth and expansion strategies. Kotak anticipates strong interest in strategic M&A opportunities in these two markets. Stephen Jennings, chief executive of Renaissance Group, said the company anticipated unprecedented cross-border deal flow among emerging markets. In the resources sector, Indian companies are actively seeking to acquire energy and mining assets in the CIS and Africa.