

REF: Economic Times, 31/03/2006

ChrysCap makes a cool Rs 430cr on Gammon exit

NEW DELHI: Private equity major Chrys Capital has exited from construction major Gammon India by selling its 7% stake in the company at around Rs 525 per share in the secondary market.

The private equity fund had sold 4% in Gammon last October for Rs 380 per share and it has now completely exited the company. The two deals have cumulatively netted around Rs 430 crore for ChrysCapital.

While ChrysCapital earlier held 8% in Gammon, its shareholding had got diluted to around 7% subsequent to the construction major's GDR issue earlier this year.

The sale took place last month and with this ChrysCapital's original 12% holding has whittled down to zero. ChrysCapital's nominee on the Gammon board, Kunal Shroff, too is stepping down.

The private equity player has generated substantial returns on its Gammon India investment, with its \$20m investment translating into a \$95m sale, a return of 4.75 times over a 15-month period.

This is ChrysCapital's second high-profile exit in the last few months. Late last year, it sold its residual 6.5% stake in IT services major Mphasis for around Rs 130 crore, again through the secondary market route.

Mphasis was one of Chrys Capital's early investments and the private equity fund had achieved a five times return on its original investment.

Unlike in the case of Gammon, however, Ashish Dhawan, senior managing director, Chrys Capital, continues to remain on the Mphasis board as an independent director.

Chrys Capital has recently raised a \$550-m fund and it now manages \$1bn across four funds. With over 30 investments since 1999, it aspires to build the leading investment fund focused on India.

Its portfolio of investments includes Yes Bank, the Shriram group, IVRCL, Suzlon, Micro Inks, Balakrishna Tyres, and Intas Pharma.