

'We want to stay in the services industry'

By - Khyati Lodaya

Cracking private-equity (PE) deals may look real tough if one goes by the working hours of the person overseeing operations of a leading global PE firm that set its foot in India 10 years ago.

But Rahul Bhasin, managing partner of Baring Private Equity Partners (India) Pvt Ltd, rubbishes reports that he works 18 hours a day. "I don't work that hard," says Bhasin, who has been a fund manager with Citibank Global Asset Management, London. Barings has three deals on the cards and is gearing up to raise its third fund for India after having almost exhausted with the second fund.

Why have we seen a lull in your investments after the Mphasis BFL deal?

We have been quite active. It is just that we have not made any big announcements about the deals. We have invested across sectors in companies like Auro Mira, Integra, PharmARC, GI Terminal i-Tech (GITT), Parsec Interact, Secova eServices and Maples ESM Technologies.

We invest in phases in the same company, as companies require capital infusion at various stages. We may not be in the news because when we invest in a company for the fifth or seventh time, then it is not news.

We saw the latest infusion of Rs 100 crore in Infracore Tech. The investments weigh heavy on the technology side .. Not really. We have been in BPOs, KPOs, alternative energy, life sciences, financial services, IT. We primarily want to stay in the services industry.

Why only services?

We want to avoid exposure to the government as much as possible. Take for example capital goods, heavy engineering, consumer durables. We have no problem there. But we would not look at retail for example. Retail is not for us.

PE biggies such as Blackstone, Carlyle and TPG have announced big plans for India. What has Barings got in store for India?

These firms may be big outside India which is a different place altogether. We too are big. But it does not matter whether Barings is the largest fund in Russia. It doesn't matter that the second largest fund in Russia may be 1/10th that of Barings there.

How different is negotiating in India?

Regulations differ from one state to another. If you go to the south the rules are different. I find South India interesting. There is a lot of potential for growth there.

You had exited clinical research firm SIRO within 12 months of investing against your philosophy of long-term investment. Are companies giving you enough room and paying heed to your ideas on growth?

That was an exceptional case. It was just that the management of the company was contented with the growth that they had seen. Later, it became a very small amount for us to bother and we exited.

But otherwise have stayed for 7-8 years in each of our investments. We have been a majority stake holder in most companies. We are a majority stake holder in Infracore Tech, Parsec Interact, GITT.

But aren't returns coming in faster? Not for us. No. It takes 7-8 years.