

08 September 2008

Metavante looks for buyer for Indian BPO Firstsource stake - FT

US technology group Metavante has appointed Goldman Sachs to find a buyer for its 20% stake in Indian BPO venture Firstsource, according to the Financial Times.

Mumbai-based Firstsource operates India's third-largest BPO by revenues. Originally set up by Icici Bank to support its back office operations, Firstsource has since diversified into the medical and telecomms sector. Firstsource listed last year at Rs64 a share, valuing the business at about \$650m.

Metavante has yet to comment on the mooted share sale. Citing 'executives close to the situation' the FT says two other leading investors in Firstsource - India's Icici Bank (which has 27 per cent) and Singapore's Temasek (21 per cent) - are watching developments and could join Metavante in selling if the offer price is high enough.

Shares in the vendor have been rising since early September on rumours that Icici Bank was looking to offload its stake.

Indian BPO operators remain an attractive investment bet for private equity firms as the multinationals who set them up look to cash in on their assets. Citigroup has been looking at bids for its own captive Indian back office business which was put back on the market in June.