

Gateway acquires Dutch co

To Get A Foothold In Belgium, Netherlands And L'bourg

TIMES NEWS NETWORK

Ahmedabad: The Ahmedabad-based IT & ITeS player Gateway TechnoLabs has acquired Dutch IT company NINtec BV in a Rs 160 crore deal that largely comprises an equity swap.

As per the deal hammered out, 90% of the Rs 160-crore deal is by way of an equity swap that will give NINtec's promoters a 15% stake in Gateway TechnoLabs and make NINtec a wholly owned subsidiary of the Ahmedabad-based software outsourcing and offshore software services player. Gateway TechnoLabs managing director Niraj Gemawat said.

The merger of the Netherlands-based NINtec, whose promoters are of Indian origin, is expected to give Gateway TechnoLabs a major foothold in the Benelux (Belgium, Netherlands & Luxembourg) market and catapult its revenues from \$12 million to \$18 million.

The Dutch software development player has been providing services in field of Application Development Services, Application Maintenance Services, Strategic Offshore Software

ON THE PROWL

Gateway, which already has joint ventures in Sweden and Denmark, is already working up an appetite for acquisitions in European markets like Germany

Product Development Services, Legacy Software Migration Services, Multimedia Creations and Wireless / Mobile solutions for over 8 years now.

"With nearly 50% of our business coming from the European Union and the rest from US and other part of the world, the acquisition will help us increase our geographical reach and provide better services to customers in EU, where we already have joint ventures in Sweden and Denmark," said Gemawat.

According to Gemawat, Gateway, which already has joint ventures in Sweden and Denmark, is already working up an appetite for acquisitions in European markets like Germany.

"We are in the process of raising \$35 million through overseas private placement to fund acquisition of small and mid-sized players as well as expansion plans. We are targeting acquiring another company over the next three months," he added.

NINtec director Vipin Moharir said NINtec's strategic position in the European markets with major corporates and mid-corporates as long-term clients would help Gateway leverage its position in EU.

"Our activities in business process outsourcing (media) and our products division will bring in added advantage in this merger," Moharir added.

According to Gateway TechnoLabs joint managing director Indrajit Gupta, the buyout will help the company grow from around 800 professionals to over 1200 professionals by the end of this fiscal year."

The 10 year old city-based Gateway TechnoLabs is a 100% offshore software development company operating in verticals like banking, finance, insurance, retail, stock exchanges, mobile gaming and entertainment.