

## DEAL STREET

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August 22, 2018

# GSO CAPITAL (PART OF THE BLACKSTONE GROUP) SELLS KARIX MOBILE TO TANLA SOLUTIONS



GSO Capital Partners LP, one of the world's largest credit-oriented alternative asset managers with approximately USD 92 Billion assets under management and part of the Blackstone Group, has entered into definitive documents to sell 100% of Karix Mobile Private Limited (a mobile engagement platform company) for approximately INR 340 Crore in a cash and stock

deal to Tanla Solutions Limited, an Indian publicly-traded cloud communications company.

As a part of the transaction, GSO will completely exit Karix Mobile and will receive approximately Rs 125 Crores of stock in Tanla and thereby hold approximately 14.6% of Tanla stock (on a fully diluted basis), and Tanla will take over Karix's net debt of Rs 103 Crores.

Uday Reddy, Tanla Solution's Chairman and Managing Director, said, "Our combined entity will unarguably be a cloud communications behemoth with innovation-led offerings in the digital space for our partners and clients alike."

Jason New, Senior Managing Director of Blackstone, said, "We are delighted to realise part of our investment and look forward to supporting the company in its next phase of growth with Tanla."

Jay Sheth, CEO of Karix, said, "The combined strength of Karix and Tanla will afford our enterprise customers a single source for a comprehensive suite of communications services, and an assurance that their future emerging requirements will be met timely."

Nishith Desai Associates, acted as Indian legal counsel to GSO Capital Partners LP and advised them on legal, tax and regulatory aspects of the transaction. The NDA team was led by Ruchir Sinha, Leader; Rohan Singh, Leader; and Devanshi Jaiswal, Associate.

The acquisition is expected to close by October 2018.

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