Yotta Infrastructure Solutions considers acquisition in Bangladesh; receptive to JVs for individual data center projects in India, CEO

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Yotta Infrastructure Solutions, a Mumbai-based managed data centre service provider and a wholly-owned subsidiary of Hiranandani Group will be considering acquisitions for market entry in Bangladesh as it looks to expand outside India, said Managing Partner & CEO Sunil Gupta.

It has not decided on deal size, he said adding that it will prefer data center players with at least 1,000 rack capacity. It will be receptive to financial advisors with ideal target referrals in the region, he said.

The firm has group operations in Bangladesh which makes it easier to enter the market, he mentioned. He also noted that Bangladesh is a highly under-served market and is growing exponentially from the "digital adoption" perspective which makes data center demand very imperative. The acquisition will be funded through Hiranandani Group if it finds the right target, he said.

Further down the line, it can consider acquisitions in Middle East, South Africa and Europe, he said without specifying any details.

According to a *Mergermarket* report in August 2019, Yotta was considering raising private equity capital of INR 2.5bn to INR 5bn for a minority stake of 10% to 15%.

He mentioned that, as of now, it will mobilize equity at company level only once it launches all of its data center facilities in India. Presently, it is funded through a combination of Hiranandani Trust and debt.

However, it will be receptive to investments for individual data projects in the form of JVs, he said. It will be receptive to strategics such as global data center players seeking India market entry. It is already in early stage talks with undisclosed operators from Singapore, Australia and the US, he said adding that these players apart from equity also bring onboard their existing customers.

The firm recently appointed Jarrett Appleby as Strategic Advisor for International Markets in May 2020 which has also increased the flow of these discussions, he noted. Currently, Appleby is on board of the US-based managed data center service company SunGard Availability Services and is a strategic advisor to Blackstone Group as well.

Presently, it operates a data center park in Navi Mumbai which has around 30,000 rack capacity. It is also planning a data center park in Delhi, he added.

Its data center in Chennai was slated to be launched in July 2020, however, due to the ongoing pandemic it has been delayed to October 2020. Chennai and Mumbai are preferred by various hyper-scale cloud service providers, he said.

The company received around 200 customer leads during the lockdown period, he said. There has been a substantial increase in demand for hosting during the lockdown as businesses will shift their workloads increasingly on to cloud infrastructure henceforth, he explained. Data centers come under "essential services" and have been operating during lockdown.

He mentioned that the COVID-19 pandemic will give rise to more hyperscalers such as e-commerce or OTT (over the top) platforms shifting to managed data center service providers rather than building their own.

There are many international data center players that are at various stages of building their presence in India. According to local media reports in October 2019, Adani Group announced its partnership with San Francisco-based data center provider Digital Realty (NYSE: DLR) to develop data center parks across India.

Gupta said that it largely leverages **Cyril Amarchand Mangaldas** for legal services along with Hiranandani Group's legal team and its own in-house legal team, he said.

by Jasmine Desai in Mumbai