

Jhunjhunwala turns bullish on KPO, buys Mumbai firm

Balju Kalesh | TNN

Mumbai:
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vestor
Rakesh
Jhunjhun-
wala has
bought ma-
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venturus Knowledge Solution, a company that does back-office work for US- and UK-based legal and healthcare firms, for an undisclosed sum.

Jhunjhunwala, sometimes called India's Warren Buffet for his keen eye for value in businesses, had recently acquired Aptech, an IT training firm. He also owns large stakes in companies as diverse as Shipping Corporation of India and Kochi-based retail broking firm Geojit Securities.

Inventurus, which was floated by four industry veterans, has a 25-seater office in suburban Mumbai and plans to increase the number of seats to 1000.

Jhunjhunwala told TOI that the company was started by Nitin Gupta, formerly with AT&T, Joe Benasdello, Sachin Gupta, who were both with Lyon Technologies, and Jeffrey P Freimark, former CFO of Intelsat. Each of the partners had invested about \$5-6 million in the firm, Jhunjhunwala said.

Freimark is now the non-executive chairman and Sachin Gupta the president and CEO of the knowledge process outsourcing (KPO) company that hopes to tap into the estimated \$5 billion US outsourcing market. Last year, Indian KPOs managed to get only \$110 million of the approximately \$190 billion global market.

Law firms' incomes are getting squeezed as lawyer salaries rise and clients prefer result-oriented fees over retainerships. Legal services in the US cost about \$250-1000 per man hour compared to \$20-50 in India. KPO companies are exploiting the cost arbitrage by urging more American firms to outsource work to low-cost centres like India.