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cutting through complexity

mergermarket

Doing deals successfully in India

Lessons from the Dealmakers

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Foreword

For the past two decades, India has been one of the world's fastest growing economies. The economic liberalization that started in 1991, charted a transformative course for the country converting it from a low-consumption agriculture-dependent economy to one of the world's largest marketplaces. Along this journey, the country has seen two major global economic crises, a succession of coalition governments, an IT and outsourcing revolution and further fragmentation of its political landscape. But throughout this period, India has remained open for business and has offered opportunities to global companies who have bet on its growth story.

India has several strengths: favorable demographics, high levels of tertiary education, rising per capita incomes, English proficiency and a flourishing democracy. At the same time there are also challenges: integration with the global economy has made India more susceptible to systemic financial shocks, its government needs to deliver equitable growth for its vast population while keeping inflation under control, it needs effective measures to manage corruption and put in place policies to protect local business while attracting overseas capital.

All these factors make India an exciting and challenging place to do business. For global companies coming into India, the learning curve can be very steep and mistakes made along the way can be costly.

This report brings together unique insights and experiences of global acquirers who have successfully conducted M&A[1] in India over the last six years. In doing so, we present the perspectives of a multinational acquirer on doing deals in India, including what they have learned from the process and their effective practices that resulted in a successful deal.

We would like to thank mergermarket for their support in preparing this report and all the survey participants for their time and valuable contribution to this study.

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1. Mergers and Aquisitions

Executive Summary

In order to present a composite view of effective practices that have emerged from inbound investors' experience conducting M&A in India, KPMG in India and mergermarket shortlisted a number of successful deals based on their size and prominence in the Indian marketplace. We then conducted interviews with key M&A Heads or equivalent from International companies involved in these transactions over the course of 2012. The report represents a summary of these conversations and the learnings that have emerged from these transactions.

Almost all participants acknowledged that India was an important part of their overall global expansion strategy, and by and large, participants have been pleased with the success of their respective deals despite the fact that some are still in the process of completing integration.

The key insights that emerged are as follows:

Acquirers come to India for its domestic market and the innovation capabilities of its companies

The primary attraction for acquirers when investing in India is the potential of its domestic market and the opportunity to use India as a springboard to access some of the regional South Asian, Middle East and even African markets. Participants also cited capabilities for innovation that Indian companies have built over the last two decades, especially to serve low cost value conscious consumers in the emerging markets as a key reason behind doing deals in India.

Investable targets are hard (but not impossible) to find

Given India's size, its federal regulatory structure and socio-political diversity, most businesses take a regional approach to market growth in the country, and as a result, few truly national players exist. Having said that, many of the regional markets these businesses serve have the potential of being as large as or even larger than national markets in other countries.

Coverage and availability of information on domestic companies in India is still patchy, making secondary market scans difficult. And while auction processes are prevalent, many deals are done based on local relationships and a deep understanding of the regional operations of potential targets. In fact, for many of the successful acquisitions and partnerships highlighted in this report, acquirers were in India building relationships well before their transactions materialized either by forming an Indian subsidiary or by maintaining trading relationships.

Even once a potential deal is on the table it can take time for a seller to furnish historical financials and realistic forecasts that link back to past performance. Most acquirers tended to take an independent view of a target's growth prospects while factoring in the right level of investment support post deal.

It takes time and effort to get to know the family

Managing the relationship with the promoter[1] (seller) can be of paramount importance for a successful deal. Promoters are also typically involved in direct management of the business, and selling would mean losing regular income, personal status and an important family asset. Furthermore, promoter-led businesses often have more than one decision maker and depending on family history, internal politics often become part of the M&A process. For International Companies looking to acquire in India, it means spending considerable months to get to know and understand the promoters and the family well, before starting a transaction conversation .

The process can seem long and complicated (because it often is)

The deal process in India can initially seem long even when there is no competitive bidding process. Finding issues with compliance, tax or historical financial performance is common during diligence and these may seem like deal breakers at first.

To manage these challenges, acquirers preferred to implement transaction structures that allow buyers to leave liabilities behind with the sellers where possible, while ensuring sufficient engagement from promoters to ensure a smooth transition post deal. Participants also highlighted the need to build a business forecast bottom up, seeking independent verification of future contract commitments and an assessment of the dependence on promoter relationships for continuity of business.

Respondents to this study also highlighted the fact that sellers in India are often inexperienced in the M&A process and can start the process without adequate preparation. Where possible, buyers should request involvement of professional advisors on the sell side and ask for a well managed process including electronic data rooms, verified financial information, explanation of discrepancies with published results, etc., at the start of the process.

The hard work begins once the deal is done

Most participants had a small base in India prior to the acquisition and hence integration of local domestic operations with the target was not really a big challenge. Key focus during the integration revolved around navigating cultural differences, managing employee expectations from an international acquirer and alignment of management styles. Their approach was cautious, with over half the respondents spending between 1-3 years to complete the integration activities. In almost all the cases, integration was a distinct project led by teams based locally and with significant senior management involvement.

Reflecting on the overall success of the transaction, most respondents felt that they were by and large happy with the overall outcome of the deal and with the quality of management that they had acquired as a result of the transaction.

1. Owners and managers of a business

Corporate Survey Overview

KPMG in India and mergermarket carefully selected inbound M&A transactions in India incorporating deals across multiple sectors and bidder countries as well as deal types and deal sizes in order to secure a wide array of external opinions on the Indian marketplace. Over the first half of 2012, mergermarket conducted one-on-one interviews with M&A Heads or equivalent from corporate acquirers that have conducted at least one deal in India since 2006. All interviews followed a similar format in which participants discussed the execution of one particular deal (listed below) from strategy formation to post-merger integration. Responses are presented in aggregate except where individuals are quoted with permission.

We would like to extend our thanks to all participants for sharing their insights and experiences.

Bidder Company	Bidder Country	Target Company*	Target Dominant Sector
Accelya	Spain	Kale Consultants Ltd.	Computer software
BNP Paribas SA	France	Geojit Financial Services Ltd	Financial Services
Emerson Process Management	USA	Fisher Sanmar Limited	Industrial automation
International Paper Company	USA	Andhra Pradesh Paper Mills Limited	Manufacturing (other)
Kokuyo S&T Co., Ltd	Japan	Camlin Limited	Manufacturing (other)
Krosaki Harima Corporation	Japan	Tata Refractories Ltd	Industrial products and services
Legrand SA	France	Indo Asian Fusegear (Switchgear Business)	Industrial: Electronics
Mitsui & Co., Ltd.	Japan	Indian Steel Corporation Limited	Industrial products and services

*Target companies acquired in whole or in part

Bidder Company	Bidder Country	Target Company*	Target Dominant Sector
Novozymes South Asia Pvt Ltd	Denmark	Biocon Limited (enzymes operations)	Chemicals and materials
NTT DoCoMo, Inc.	Japan	Tata Teleservices Limited / Tata Teleservices (Maharashtra) Limited	Telecommunications: Carriers
Orkla Foods AS	Norway	MTR Foods Limited	Consumer: Foods
Reckitt Benckiser Group Plc	United Kingdom	Paras Pharmaceuticals Ltd	Consumer: Other
Serco Group Plc	United Kingdom	Intelenet Global Services Pvt. Ltd.	Services (other)
SM Materials Handling Solutions Private Limited	Germany	Voltas Limited (Materials Handling (MH) business)	Automotive
SPI Technologies Inc.	Philippines	Laserwords Private Limited	Computer services
Tecnotree Oyj (formerly Tecnomen Oyj)	Finland	Lifetree Convergence Ltd.	Computer software
Vetoquinol SA	France	Wockhardt (animal care subsidiary)	Medical: Pharmaceuticals

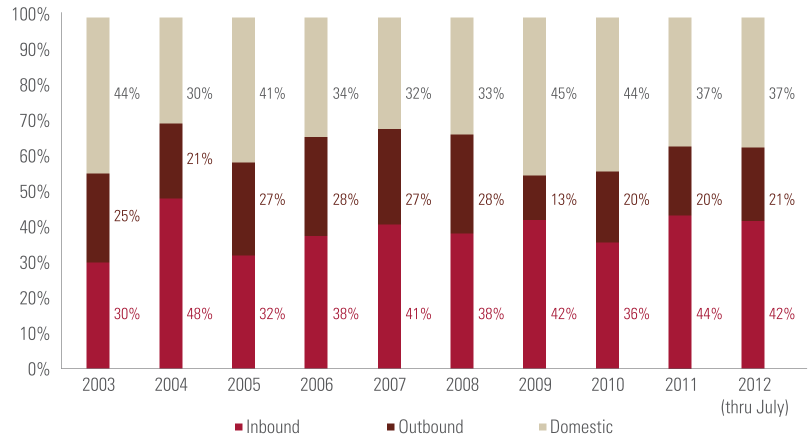
*Target companies acquired in whole or in part

India on the agenda

International companies' attraction to India is easy to understand. As one of the global economy's foremost emerging markets alongside China and Brazil, investment appetite for Indian assets is similar to other emerging markets, but in terms of market environment and deal execution, India is distinct from its emerging market peers. Over the past two decades, India has developed and reformed, and consequently, nearly every major international company has considered an Indian expansion strategy. Despite the turbulence from the 2008 global financial crisis and recent policy uncertainty, India's long term drivers remain attractive for international companies. Its growing middle class of consumers will continue to attract both first-time, as well as serial acquirers looking to capture a piece of the market. As a result, inbound M&A has seen more deal activity than both domestic and outbound M&A for a majority of the past decade.

Figure 1.1

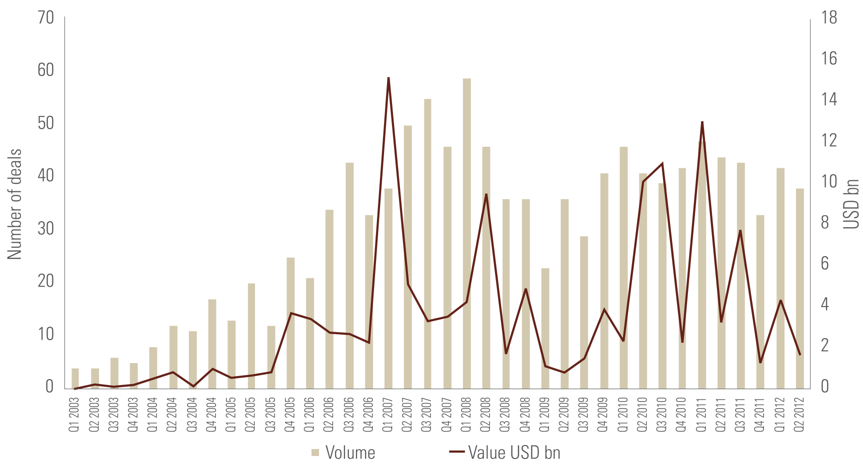
Indian M&A volume



Source: mergermarket

Figure 1.2

Indian inbound M&A



Source: mergermarket

Conducting successful M&A in a country with such large variations across the political, economic and development spectrum can be a challenge. With this in mind, KPMG in India commissioned Remark, the events, market research and publications division of The Mergermarket Group, to interview M&A Heads or equivalent at International companies that have conducted successful deals in India, and to present a summary of the key findings from the survey in this report.

Why India?

Formerly, India was viewed simply as a low-cost center for operations, but in recent decades has developed as an active marketplace and innovation center in its own right. Furthermore, given its position in South Asia, India can serve as a launch pad for a number of other markets, with Indian companies offering significant expertise for products aimed at other emerging market users.

Participants in this study who acquired targets from sectors ranging from Consumer Foods, Industrial Products and Services to Pharmaceuticals all cited potential growth for their products in the Indian market as a primary reason for making an investment in the country. Furthermore, 82 percent of participants made an acquisition in India to gain access to new markets (see Figure 1.3).

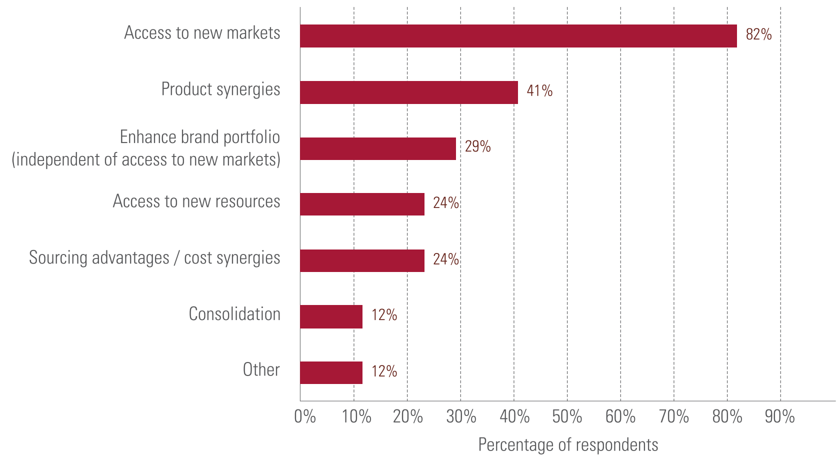
While still a driver of deal flow, cost advantage was rarely the primary strategy behind a deal, with only 24 percent citing it as the main objective. The view of India in the eyes of international companies has clearly shifted. According to one corporate acquirer, India is in the process of transitioning from “factory India” to “market India”.

India on the agenda

> **We see India not as a cost-effective factory but as a growing market. India's attractiveness is based around the fact that all industries are growing.**
>
> **- Anonymous participant**

Figure 1.3

What was the main objective of this transaction?



Source: Findings as per interviews conducted by mergermarket

Market access in India and beyond

Thinking of opportunities well beyond India's borders, participants in the study also highlighted India's importance in the development of the world economy, particularly with regard to other emerging markets. Indeed, a few survey participants see India as a springboard to access some of the regional South Asian markets, Middle East and even Africa.

Looking at India's trade data, merchandise exports grew an average of 17 percent per annum over the period 2005-2010 with a 33 percent year-over-year jump in 2010. Furthermore, the top destinations for exports over this period were the European Union, the United Arab Emirates, the United States and Greater China[1], showing to good effect India's capacity as a base of global operations.

1. World Trade Organization; http://stat.wto.org/CountryProfiles/IN_e.htm

In addition to market access, 41 percent of participants cited product synergies as a primary driver behind their Indian acquisitions and highlighted capabilities, with one saying "We plan to use our combined efforts with the acquired Indian business to develop better products, capitalizing on competitiveness in cost and quality."

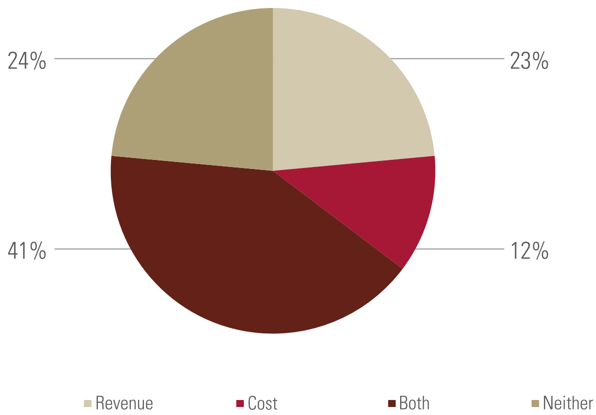
Inbound acquirers continue to acknowledge that cost synergies in certain industries are a factor in the deal process, given that the cost of labor in India is relatively low. At the same time, participants also cited costs associated with land acquisition, legislative overheads and infrastructure bottlenecks which have the potential to offset labor cost advantages. By and large, participants were more excited about potential revenue upside from either bringing new products to the Indian market or from building a portfolio of complimentary Indian products both for domestic and international markets.

> **This was not a defensive acquisition but an offensive acquisition. We were not looking to reduce our cost, but to expand into new markets. Our acquisition was an opportunity to raise our position in a very strategic country for the development of Asia.**
>
> **- Mr. Laurent Thoré, Vetoquinol**

> **Our interest in India is explained not only by the economic growth potential, but also by how the country will change over the next decade. We believe that, as early as 2020, India will become a global leader in education, R&D, innovation and as a producer of high value-added goods and services.**
>
> **- Anonymous participant**

Figure 1.4

Were any revenue or cost synergies identified as part of the transaction?



Source: Findings as per interviews conducted by mergermarket

India on the agenda

The nature of an Indian transaction

While many of these are common themes for M&A in large emerging markets (especially Brazil and China), perhaps the key difference between the Indian market and the other BRICs seems to be the need for a local partner. Several participants felt that greenfield development takes a significant amount of time due to navigating local regulatory bodies and simply understanding a diverse Indian marketplace.

From the late 1990s until a few years ago, international companies opted for joint venture (JV) partnerships and strategic alliances to secure local knowledge and accelerate the process of entering the Indian market. While there are still situations where JVs are unavoidable, and sometimes even desirable, by and large participants preferred to do deals that involved an outright purchase or the acquisition of a significant majority.

> **In China and Brazil we executed greenfield projects, but greenfield development in India is very time consuming and demanding and could take years, so in India, we opted for an acquisition.**
>
> **- Mr. Kristian Bjørneboe, Novozymes**

Independent of their method of entry and the structure of the deal, participants placed significant value on an Indian partner or management team to fill the gaps in their own knowledge or market experience, which after valuation was probably the most important factor in overall M&A decision making.

> **We chose to acquire rather than use a joint venture structure as we have in some other emerging markets. A joint venture structure was difficult in India because of the rules around control.**
>
> **- Anonymous participant**

Finding a suitable target

India has more than 700,000 registered companies of which only a handful (<1 percent) are publicly traded[1] and should, in theory, offer a range of options for international companies looking to enter the market through an acquisition. While there are many options, most participants in the survey expressed challenges with finding investable targets in India, for the following reasons:

- Given India's size, its federal regulatory structure and socio-political diversity, most businesses take a regional approach to market growth, and as a result, few truly pan-India players exist.
- Many good businesses have struggled to acquire scale, due to lack of capital or management bandwidth, often not meeting international acquirers' screening criteria.
- Most Indian companies, whether privately held or publicly listed, tend to remain tightly controlled by promoters or promoter families. Their motivations for selling a business can be more complex than a business run and managed by an independent management team.
- Investment holding structures can seem unnecessarily complex based on a need to cater to cross-family holdings or regulatory requirements.
- There is often a wide gap between an Indian target's attitude towards compliance and governance and the international acquirer's expectations. An inbound acquirer requires time to get comfortable with the business practices of a target.

Key measures and challenges

Participants in this study pointed out that market access, financial performance, quality of management and the target's portfolio of services were among the most important factors when evaluating a target in India (see Figure 2.1). Given that domestic market access is an overwhelming driver behind inbound M&A in India, most participants indicated that understanding the breadth and depth of market penetration of a potential target were critical. Consequently, access to distribution channels as well as the relationships and network in India were cited by 48 percent and 36 percent of participants, respectively.

1. Indiastat, Newspaper articles, mergermarket analysis

Participants cited financial performance as the second most critical item when evaluating targets. At the same time, participants also encountered major challenges in evaluating the financial performance of a potential target, including the following:

- Obtaining access to credible historical financial statements can be difficult. The disclosure requirements for private and public companies are much lower in India compared to developed markets, making it difficult to find targets through secondary research.
- Even when historical information is available, access to a realistic forecast business plan and the ability to determine the sustainability of contractual relationships remains a problem.
- Finally, unavailability of benchmark data to compare performance against a comparable set in many sectors can be an issue.

When buying a family company, information systems are not always good. You never know if what you are presented with is a complete picture. It is usually accurate, but whether it is complete is another matter.

- Mr. Olivier Le Floc'h, Legrand

In addition to evaluating market access and financial performance, participants placed heavy emphasis on evaluating management during this preliminary phase, paying attention to the level of promoter involvement in the day-to-day operations and the caliber of the management's decision-making ability.

For corporations, we generally had a clear understanding of control, which made the process easier. For family-owned companies, corporate cultures made it difficult, as did a general unwillingness to give up management control.

- Anonymous participant

Finding a suitable target

Having scanned the market and evaluated potential targets, half of participants felt that the valuation expectations of sellers in India were unrealistic, reflecting the difficulty of finding investable targets as well as the market entry premium and the emotional premium that Indian promoter's attach to their business. With regard to this emotional premium, participants also cited vendor's unwillingness to sell as another major challenge in finding a suitable target.

> **Seller valuation expectations in general are quite high. Sellers know India's potential, and bidders must pay a premium for market access. It is difficult to avoid this, but the premium is acceptable due to expected growth of the market.**
>
> **- Mr. Laurent Thoré, Vetoquinol**

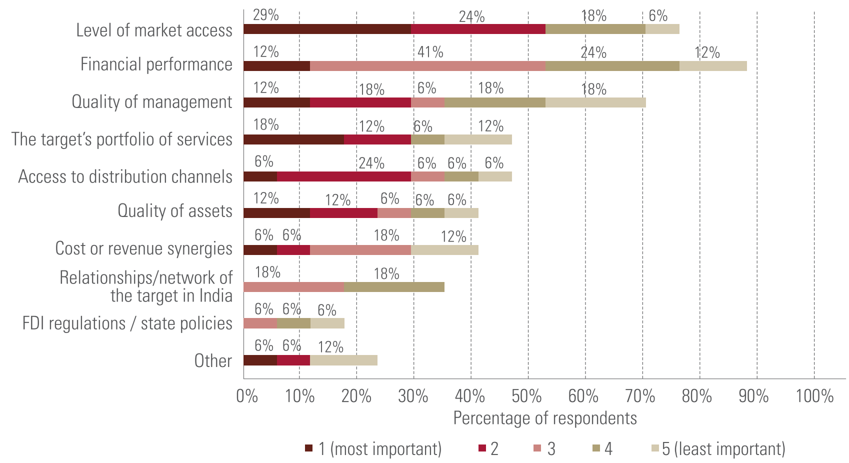
> **We found suitable targets, but in some cases, it was difficult to convince family business owners to be interested in selling. Even if we were able to get them into discussion, it was often difficult to reach a value.**
>
> **- Mr. Are Nakkim, Orkla Foods**

The other key challenge that acquirers faced in finding a suitable target was related to corporate governance or compliance issues that could impact them in their home countries, especially in light of the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA) (see Figure 2.2). Given heightened awareness of corruption and compliance, one of the participants even indicated a willingness to pay a premium for working with a trustworthy management team.

> **Corporate governance was a challenge in identifying viable targets. There were a number of available targets, but relatively few viable targets.**
>
> **- Mr. Arsh Maini, Serco Group**

Figure 2.1

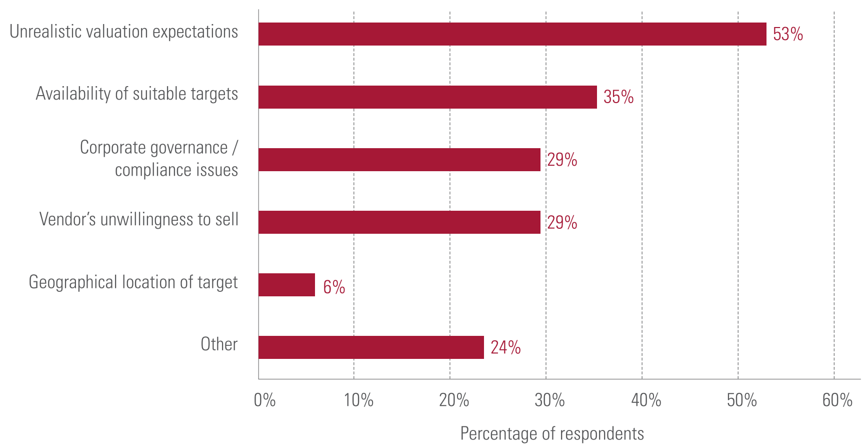
Please rank the top five criteria that were critical in your evaluation of potential acquisition opportunities



(NB: criteria ordered on a weighted average basis based on ranking by participants)
Source: Findings as per interviews conducted by mergermarket

Figure 2.2

What were the major challenges you faced in identifying potential targets and/or partners in India for your business?



Source: Findings as per interviews conducted by mergermarket

Finding a suitable target

Sourcing a deal

A majority of participants, almost two thirds, had a presence in India prior to undertaking an acquisition. While some had an Indian subsidiary prior to their deal, others maintained sales and trading relationships in India prior to their acquisitions. In both cases, having a presence in the market and building relationships with partners ultimately helped to source acquisition targets, with 59 percent citing personal relationships as a method of sourcing the acquisition target (see Figure 2.3).

> **We had maintained permanent contact with potential sellers for a number of years, waiting for the right company to become a seller. Our goal was to already know the key players well when they decided to sell.**
>
> **- Mr. Olivier Le Floc'h, Legrand**

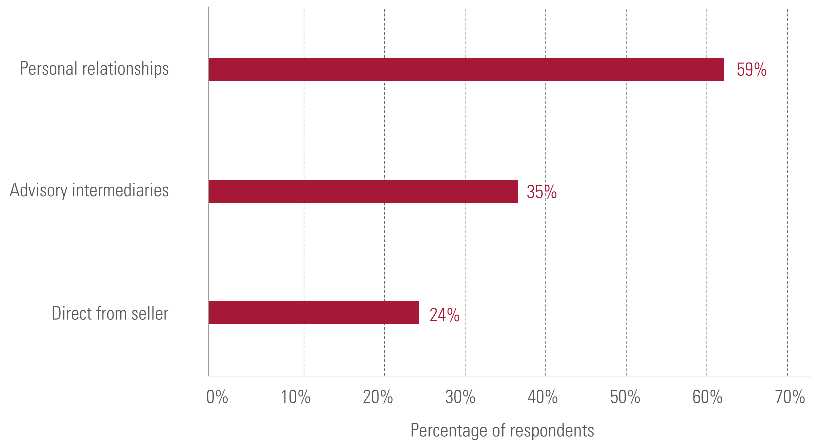
In the cases where participants indicated that their opportunity came directly from the seller (24 percent), more often it was their on-the-ground relationships and branding in India that helped build a bridge in the seller's mind for a transaction. Other participants (35 percent) with limited local experience indicated that they used advisory intermediaries as a primary catalyst in identifying and sourcing relevant targets.

Because most of the participants had spent time getting to know the potential targets personally prior to a deal, 82 percent evaluated less than five potential targets for their acquisitions or venture in India (see Figure 2.4).

> **Though the seller approached us, personal relationships were the key. There had been contact between us and seller two years prior to the deal, which served to remind them that we could have an interest.**
>
> **- Mr. Laurent Thoré, Vetoquinol**

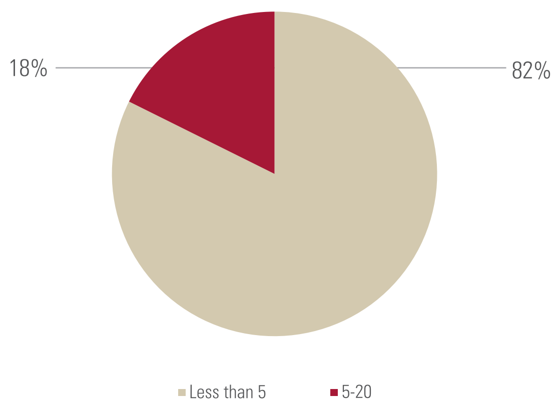
We had a long standing relationship with the target through a joint venture. We knew all of the key players, and this helped in the whole process.
- Mr. Amit Paithankar, Emerson Process Management

Figure 2.3
How did you source the target?



Source: Findings as per interviews conducted by mergermarket

Figure 2.4
How many partners/ targets did you interact with before concluding this deal?



Source: Findings as per interviews conducted by mergermarket

Finding a suitable target

Leading Practices

Spend time on the ground

All our participants stressed the need for a local presence on the ground well in advance of doing M&A in the country. India is not one homogenous market, but a collection of several large markets with very distinct characteristics. Gaining an understanding of regulatory policies in different states, regional market practices and social norms takes time and should be planned accordingly.

Although auction processes are prevalent, many deals are done based on relationships. For many of the successful acquisitions and partnerships highlighted in this report, acquirers were in India building relationships well before their transactions materialized either by forming an Indian subsidiary or by maintaining trading relations in India.

Get to know the family

As mentioned earlier in this section, most Indian companies, whether operating globally or locally, tend to remain tightly controlled by promoters or promoter families, even when day to day operations are run by professional managers. Promoters are invested in their businesses not only financially but emotionally and see their companies as a family legacy, attaching a significant emotional premium to the thought of selling.

For international companies looking to acquire in India, getting to know and understand the promoters and the family well is of paramount importance. If needed, buyers need to play the role of a wealth advisor and befriend the family members to try and get all the decision makers on the same page. Investing in these relationships early pays off when the deal is being negotiated later. However, all this takes a considerable amount of time. Therefore, buyers should prepare to be patient.

Hire the right experience

Whether managing the process in house or with external help, look for people with experience and depth in the industry and people who understand international companies. Advisory intermediaries can play an important role in helping the buyers understand the market, introduce relationships and source potential targets. This can compensate for the limited knowledge of the Indian market and also in sourcing pertinent targets.


14:22
Danger

Valuation and due diligence

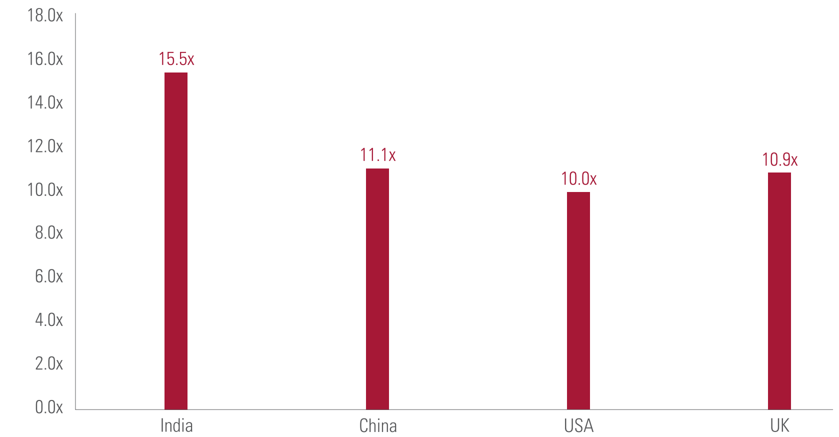
Managing expectations around valuation was a key challenge faced by participants when trying to identify a suitable target. Given India's attractiveness as an investment destination, capital chasing transactions has historically outstripped the number of viable companies for sale, creating competition and driving up valuation expectations. This theme resonated with a number of participants who found competition for quality assets to be a significant driver behind high valuations.

According to one of our survey participants, there is more competition for scarce opportunities in India than in other emerging markets, and doing a deal requires putting the best foot forward, even in the relationship building stages: "Our strategy in India was largely the same except that we had to be more aggressive than in other markets due to the fact that there are limited assets available. We had to be more aggressive to win the deal." Furthermore, valuation expectations are fueled by Indian equity markets, which command a higher premium compared to global peers. This also translates to M&A markets where inbound acquirers have paid higher EBITDA[1] multiples over the past five years compared to other top target markets (see Figure 3.1).

Figure 3.1

Median EBITDA multiple 2006 - present

For cross-border deals based on the dominant location of the target



Source: mergermarket

1. Earnings before interest, taxes, depreciation and amortization

Nailing down a business plan

One of the biggest challenges faced by participants in arriving at a valuation was the ability to establish a credible business plan for the target business. While optimistic projections were one part of the problem, participants said that getting a handle on a sensible historical baseline in many cases was a bigger issue.

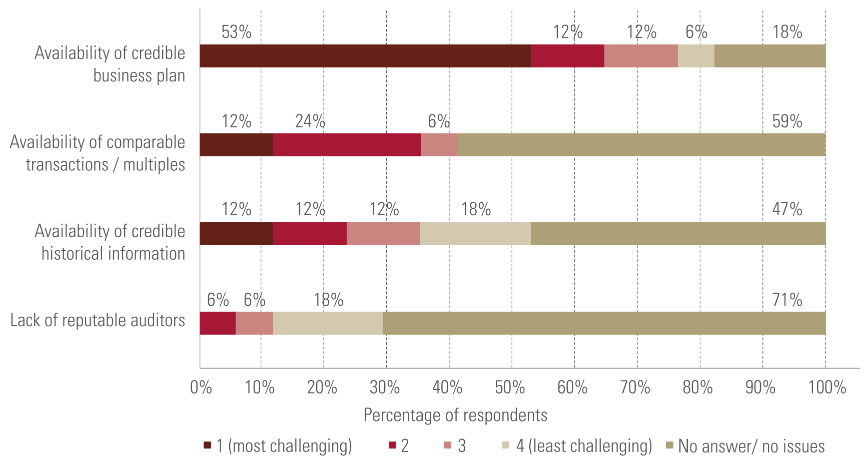
Business contract terms sometimes tend to be relationship based and agreed verbally, making the guarantee of a future commitment unclear to a buyer. Subsequently, almost all participants had to create their own business plans to reflect realistic assumptions and the true potential of the business.

It is important to think about what to do when pieces of information are not available. For example, there was no contract for some major customers. In other markets there is the risk that the contract might be cancelled. With no contract, it is not necessarily a bigger risk, but it requires a different level of comfort.

- Mr. Kristian Bjørneboe, Novozymes

Figure 3.2

Please rank the following challenges in valuation by degree of difficulty



(NB: criteria ordered on a weighted average basis based on ranking by participants)

Source: Findings as per interviews conducted by mergermarket

Valuation and due diligence

In addition to creating their own business plans, participants tended to take a longer term view of synergies and market growth to support the need to pay a higher deal multiple. At the same time, given the relatively short M&A history in India and lack of availability of reliable deal information, comparable multiples can be difficult to determine. This is specifically in cases where deals are being done only for the first or second time in a sector in India. Participants in our study used a combination of global and Indian comparables to arrive at a range and as is the case in most transactions, the final price remained a negotiated figure.

In fact, while comparable multiples were the foremost justifier of the price paid according to 71 percent of participants, market access premium and assumptions around synergies played a significant role in determining the final price (see Figure 3.3).

Our price was justified by synergies and multiples. Multiples keep you honest, and synergies are important for building a business case. We viewed the valuation from an internal and an external point of view. The price had to work internally for the business and it had to line up externally with market multiples.

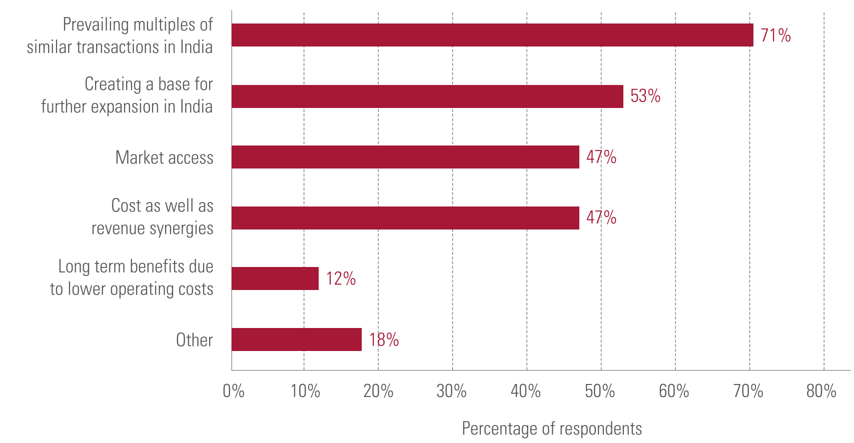
- Mr. Arsh Maini, Serco Group

The bottom line is that we didn't buy the business for what it is, we bought it for what it can become.

- Anonymous participant

Figure 3.3

What was the rationale for the acquisition price paid?



Source: Findings as per interviews conducted by mergermarket

Due Diligence

In line with M&A practices worldwide, financial, legal and tax due diligence were the primary focus areas for acquirers that contributed to this study, followed by commercial and market due diligence. In addition to assessing quality of earnings and liabilities during the financial and tax due diligence, inbound acquirers also spent a significant amount of time understanding the impact of related-party transactions and off balance sheet liabilities. The impact of conversion from Indian GAAP[3] to the buyer's accounting standards was the other area that needed investigation during the financial diligence.

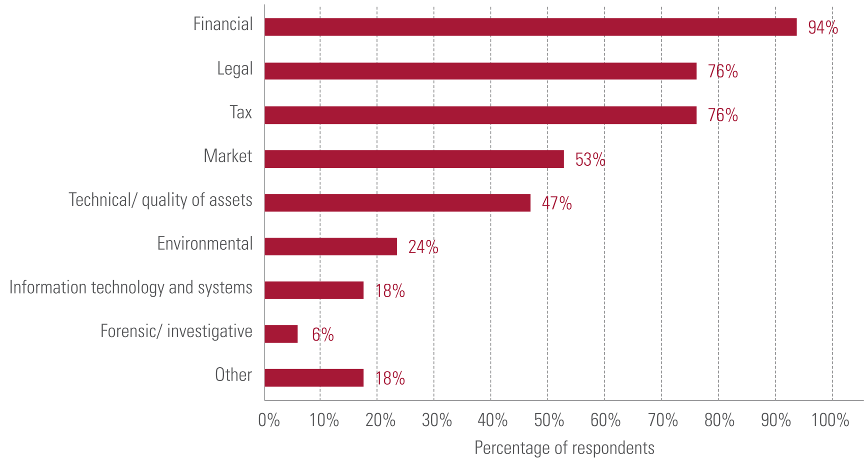
In terms of assessing tax exposure, tax laws in India are complex, and obtaining consent from the tax authorities on prior years' positions takes time. Recent government initiatives such as the General Anti-Avoidance Rules (GAAR) and retroactive taxation of transactions have added to the regulatory complexity of conducting M&A in the country. While acquirers looked at understanding both direct and indirect tax liabilities in target operations during due diligence, considerable time was also spent on evaluating transaction structures to ring fence these liabilities and leave them behind with the seller. It is not uncommon in India to have companies that follow aggressive accounting and tax policies which are focused on paying minimal tax.

Financial, legal and tax due diligence were followed by market and commercial due diligence. This was driven largely by a need for reliable, current, on-the-ground data regarding the market and industry practices. For an acquirer that is new to India, an independent view of the commercial landscape is often critical to obtain a proper sense of the target's forecast assumptions and to evaluate the target's present and future competitive position in the sector.

Technical, environmental and IT due diligence were covered on a case-by-case basis where needed. Furthermore, heightened awareness of anti-bribery legislation such as the FCPA and the UK Bribery Act is likely to make buyers pay more attention to forensic and HR related diligences going forward.

Figure 3.4

What types of due diligence did you place the greatest emphasis on in your Indian acquisition?



Source: Findings as per interviews conducted by mergermarket

In terms of challenges encountered during the due diligence process, most participants highlighted that coming to grips with compliance issues and credible historical financial data were the most challenging aspects of conducting due diligence on targets in India, followed closely by tax issues (see Figure 3.5).

3. Generally Accepted Accounting Principles

Valuation and due diligence

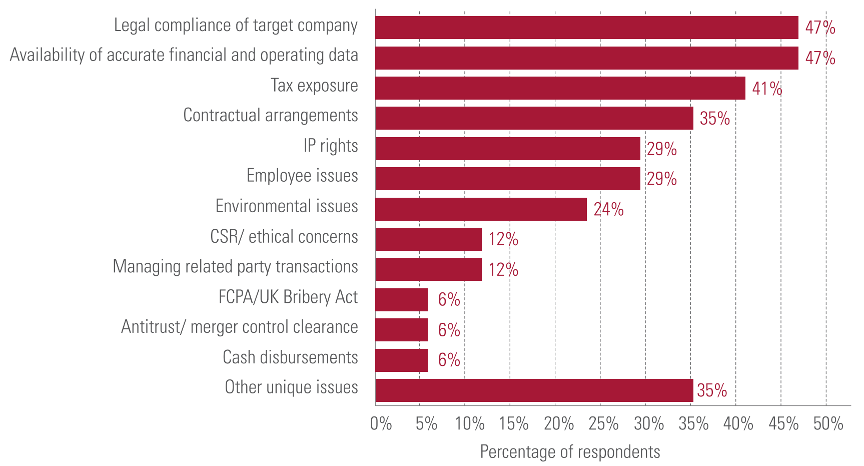
> **In the Indian market, things are not as clean as in some other markets. Every acquisition will have some type of compliance issue and you have to do your due diligence to get rid of it as soon as possible.**
>
> **- Anonymous participant**

> **Tax exposure was difficult to understand, and we needed a lot of outside help. This was probably the most difficult part of our due diligence. Because of the slow court system, tax litigation can linger for decades. Trying to understand the outstanding cases was a challenge.**
>
> **- Anonymous participant**

Participants were also concerned with issues such as labor law compliance, depth of talent, cultural alignment and promoter involvement, as well as level of empowerment at different levels of management, organizational structures and retention strategies. Environmental concerns centered on understanding historical issues and potential liabilities and were more pertinent in particular industries.

Figure 3.5

What were the key due diligence challenges you faced while conducting M&A in India?



Source: Findings as per interviews conducted by mergermarket

Leading practices

Help the seller sell

High valuation expectations in India are often formed on the basis of comparable transactions and an expected market entry premium. Less sophisticated sellers can sometimes misinterpret such data and can confuse market capitalization and enterprise value while assessing the valuation of their company. Helping the seller understand the principles behind valuation in these situations can be more effective than a direct price negotiation.

Know where to look and expect to find problems

Finding issues with compliance, tax or historical financial performance is common during due diligence and can seem like a deal breaker at first. Take the time to understand the associated liabilities and also the impact of significantly changing the target company's business practices. There may be an inverse relationship between establishing compliance measures post-acquisition and short-term growth. Build a business forecast bottom up whenever possible and seek independent verification of future contract commitments and promoter relationships for business continuity. Use transaction structures that leave the liabilities behind and ensure sufficient engagement from promoters to guarantee a smooth transition post deal.

Prepare the seller

Sellers with limited M&A experience will often start the process without adequate preparation. Insist on dealing with professional advisors and the need for a well managed process, including electronic data rooms, verified financial information and explanation of discrepancies with published results as well as clear business plans and the rationale behind them. Build in enough time for lengthy valuation discussions and due diligence due to lack of data and loss of momentum during negotiation.

Closing the deal

While the right valuation and thorough due diligence are clearly important for getting a deal done, there are other areas in which participants worked to bridge the valuation gaps and negotiate successful deals. These included:

- Working with promoters to create deal structures that leave the maximum cash in their hands
- Implementing an earn-out structure in effect linking valuation to the future performance of the business
- Allowing promoters to stay involved in the business for financial or personal reasons
- Evaluating tax structures to reduce the quantum of tax liabilities for the seller
- Reacting quickly in situations where the target has funding issues

While working through these deal structures, the main concern for acquirers was the ability to achieve a balance between ownership transition and control.

In most cases, participants were not keen on JVs, but in situations where Foreign Direct Investment (FDI) regulations[4] prevent an outright sale or where promoters are unwilling to divest below a certain threshold, negotiating a JV is sometimes the only option for a prospective acquirer. In these situations, acquirers spent a significant amount of time getting comfortable with the JV structure, paying particular attention to defining the process and the ability to increase shareholding in a JV in the case of a change in regulations, dispute between partners or at the end of the useful life of the arrangement.

> **In a joint venture structure, we needed to have a clear understanding of who would have majority ownership and management control. This was typically easier with corporates compared to family-owned businesses. It worked well to have a joint venture partner, and in our case this was better than a 100 percent acquisition in India.**
>
> **- Anonymous participant**

4. Reference made to prevailing FDI cap in certain sectors such as Retail, Aviation and Insurance. However, recent changes in FDI policy have liberalized the investment limit in these sectors.

Where a 100 percent takeover or near majority control is available under foreign ownership rules and the seller is willing to exit, the structuring process becomes relatively easier. In such case, the key objective is to bring past liabilities under control, which is usually done through a slump sale, in which the legal shell remains with the seller along with certain liabilities.

In cases, where an outright acquisition is undesirable, participants opted for an acquisition in stages or incorporated an earn-out agreement into the deal, holding back part of the payment until certain performance metrics were met.

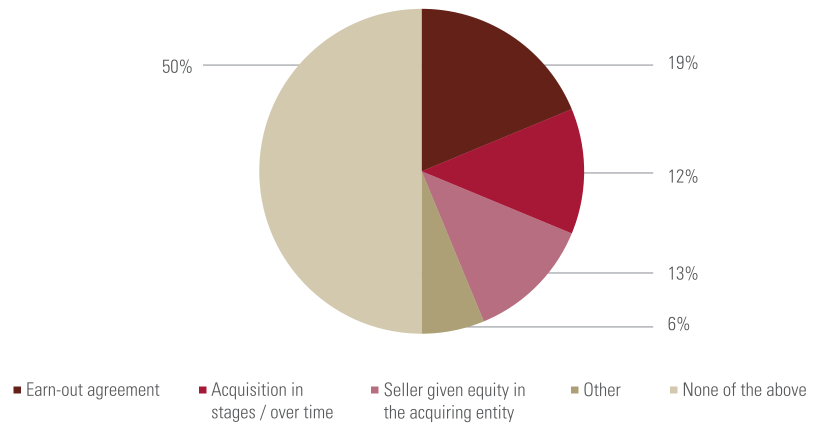
> **We wanted to understand and test the market. We knew very little about the Indian market, the Indian customer or Indian regulations, and thus chose to increase our investment in stages.**
>
> **- Anonymous participant**

> **An earn-out agreement was a small part of our deal because we wanted to keep the promoter on board, and make sure the management team and knowledge at the company was sustained for a period. We did not have the local knowledge or the ability to install a new management team on day one. The earn-out incentive ensured the historical performance was sustained.**
>
> **- Mr. Are Nakkim, Orkla Foods**

Closing the deal

Figure 4.1

Did you use any of the following in your transaction structure?



Source: Findings as per interviews conducted by mergermarket

Approach to timelines

Where sellers had motivation to close a deal quickly, buyers with prior experience and an on the ground understanding of operating in India enjoyed a clear advantage. They were able to get comfortable with the target quickly, obtain insight into the seller's motivation and negotiate a sensible valuation and structure that was acceptable to both parties. In these situations, most participants stressed the importance of time taken to build a relationship with the seller and establish a good reputation in the local market.

In most cases, however, the deal process in India tends to be relatively long and most participants stressed the need for patience and the need to educate their global headquarters around why discussions seem to move slowly.

Sometimes sellers will go through the process to discover a price, with no real intention to sell. In other instances, sellers are simply unfamiliar with the deal process, in effect learning as they go. In a few cases, participants were faced with a situation in which the seller chose not to hire professional advisors, slowing the process significantly. While international companies are accustomed to dealing with fixed schedules and a certain quality of information in deal processes, this is not always the case in Indian transactions.

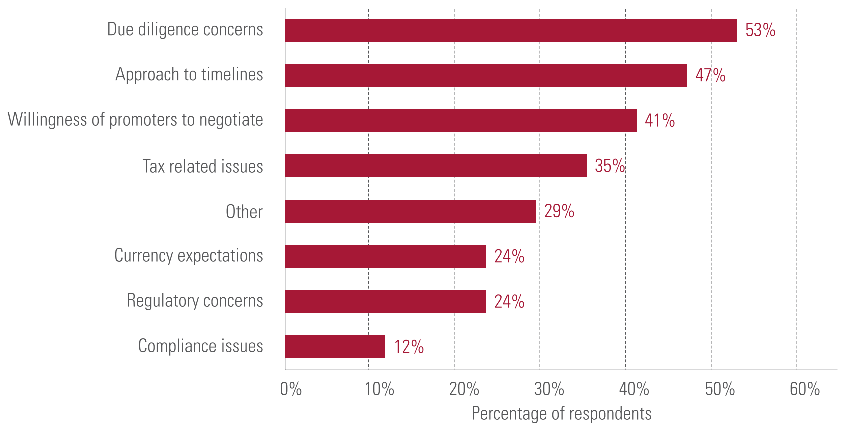
> **Once the decision was made, it was a very quick process. We both had the same approach to the timeline (and it was a quick one). Everybody wanted to get it done.**
>
> **- Mr. Amit Paithankar, Emerson Process Management**

Keeping time is important for us, but negotiations in India are complex and one should expect delays.

- Mr. Philippe Lesueur, Accelya

Figure 4.2

Which factors most impacted the negotiation process?



Source: Findings as per interviews conducted by mergermarket

Highlighting the importance of experience, many participants looking back on their deals in India stated that after doing one deal, they now know what to expect for the next one.

We came to India through a previous acquisition, which was a smaller deal and allowed us to learn how to do business in the domestic market in India on a limited scale. We made mistakes along the way, but we also learned from our mistakes how to do business in India. In a new market such as India we couldn't have proposed such a large acquisition to our stakeholders without having first done another acquisition. A prior deal gave us the confidence to do a larger deal.

- Mr. Arsh Maini, Serco Group

Closing the deal

Regulatory environment

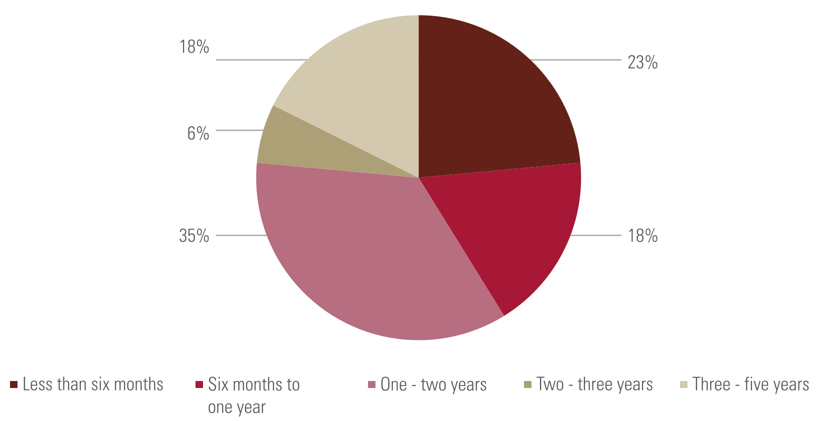
Even once a deal is agreed, regulatory approvals can take a long time to obtain. Several rounds of clarifications may be needed before the final clearances are in place from all state and central regulatory bodies. The government has made some significant advances in certain areas like obtaining FIPB[5] approval and the competition commission approval, but red tape in other government departments continues to be a challenge when closing deals.

Indeed, a key theme among nearly all participants was the difficult regulatory environment in India. India's bureaucracy is difficult to navigate and where multiple government departments are involved, little coordination exists. The primary concern amongst participants was simply the time it takes to accomplish tasks and lingering uncertainty during this period.

> **Our approach in India had to be different because deals there are very complex. Government bureaucracy is a major challenge. One committee sends you to another committee and it is difficult to manage without a consultant to help you. Also, it is difficult to manage time because you cannot drive the various government authorities, but rather you are forced to wait.**
> **- Mr. Philippe Lesueur, Accelya**

Figure 4.3

How long was it before an idea in the boardroom translated into a deal?



Source: Findings as per interviews conducted by mergermarket

5. Foreign Investment Promotion Board

Leading practices

Get the structure right

Getting a deal done in India may require greater flexibility on the structure, and when the target business is attractive over the long-term but short-term execution challenges remain, an acquisition in stages is the best method. Use call options to increase ownership gradually and earn-outs when promoter involvement is needed for a transition period.

The overall preference should be to do an outright acquisition and have control from day one. Keeping former owners on board post-close can be challenging and even counterproductive. But if there is no choice, effective controls and safeguards are needed to allow the business to grow according the buyers' plans. Agree to earn-out and performance linked payouts early in the deal process and document these as part of the sale-purchase agreement to avoid problems later. JV structures tend to have a limited shelf life and should be used as interim solutions or where regulations prohibit ownership control.

Insure for problems post deal

In spite of time spent on due diligence and deal structures to ring fence liabilities, inbound acquirers can face situations where unforeseen liabilities emerge after closing. Common post-deal issues include tax demands, non-compliance penalties, customer or employee claims, inventory issues and non-budgeted capital expenditures. The best way to insure against this could be to hold part of the consideration in an escrow account typically for a 12 month period after closing.

Be patient

The deal process in India can seem long and painful, even when there is no competitive bidding process. Expect and plan for delays. Hiring advisors can help, but accept that dealing with regulatory authorities will take time and will add uncertainty to the process. Time invested in knowing the seller and building a relationship plays an important role during this period, as negotiations can be complex and inexperienced sellers can be frustrated by the process. You can assume 12 to 18 months to get a deal done.

Post deal success

In terms of the integration process, the view from participants was varied across the board. Not all participants had large Indian operations prior to their acquisition. In these cases, integration was largely focused on gaining control of the Indian business. In other cases, acquiring companies chose to let the acquired business carry on, largely unchanged.

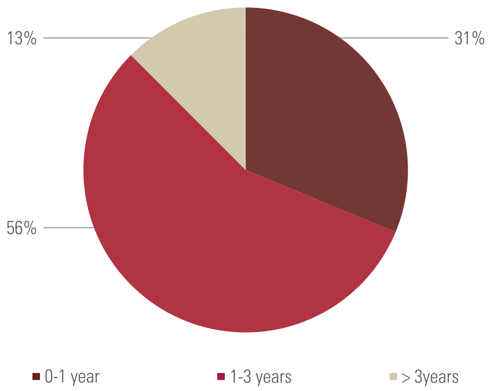
The actual or expected length of time for integration is between one and three years according to 56 percent of participants (see Figure 5.1). At the same time, some participants, depending on factors such as the parent company culture, existing infrastructure in India and the industry sector in which they acquired, tend to move quickly in integration. All participants stressed the need for a local approach – whether that meant sending executives from the foreign organization to India or giving local management autonomy to run the Indian operations.

> **The form of integration must ensure that strong local management is in place for largely autonomous decision making while giving the acquired company the ability to realize synergies.**
>
> **- Anonymous participant**

> **In the post-merger stage, the deal needs commitment from top executives on both sides. In Indian deals, one must have a stomach for Indian food because executives from the parent company must visit often in order to maintain relationships and communication with the acquired company.**
>
> **- Anonymous participant**

Figure 5.1

How long did it take to achieve stated integration with your business in India post acquisition?



Source: Findings as per interviews conducted by mergermarket

Nearly all participants carried out some level of integration planning, with 41 percent using a distinct integration program with a 100-day plan. However, many also cited that completing the integration would take longer from a strategic business standpoint (see Figure 5.2). This typically involved a well organized team across multiple business lines to quickly assimilate the new business into the acquiring organization.

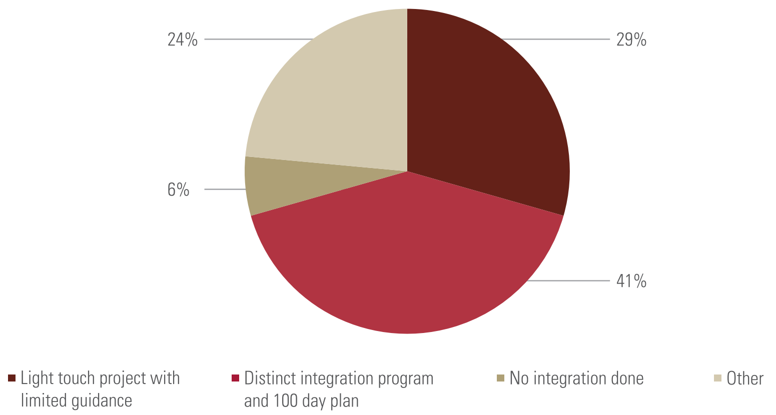
> **It is important to integrate quickly and ensure little uncertainty. It is critical to have a team in place to drive the integration.**
>
> **- Anonymous participant**

Post deal success

> **We appointed a task force on each point of the business, which included people from the parent company and Indian subsidiary. This helped us to understand the Indian business and helped the Indian organization understand our business, which created a network between India and other parts of the world.**
>
> **- Mr. Laurent Thoré, Vetoquinol**

Figure 5.2

How did you manage the integration and transition of your business?



Source: Findings as per interviews conducted by mergermarket

Integration challenges

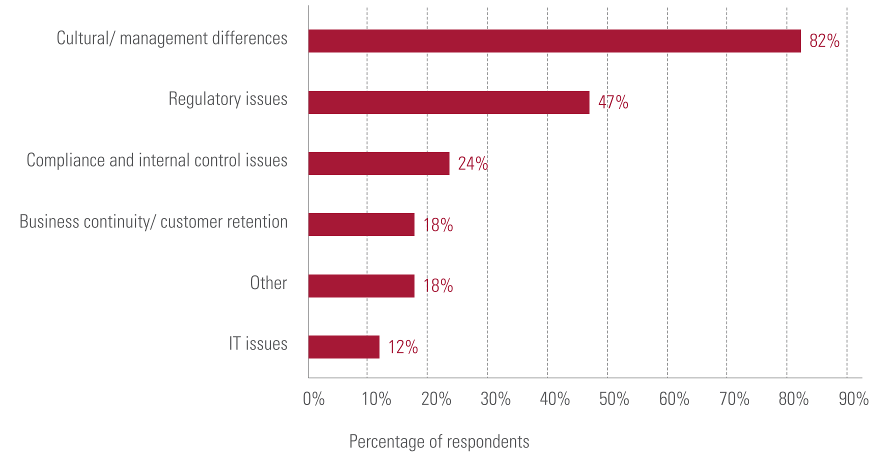
If there was one major thread for integration among participants, cultural and management differences was perhaps the foremost. Nearly every participant experienced this and most identified it as a challenge to integration (see Figure 5.3). Furthermore, the nature of the target hugely influenced the challenges faced during the integration process. For promoter-run companies, issues cited included transparency, accountability and attitudes towards compliance. Perhaps foremost among participants who acquired promoter-led businesses was the issue of management style, and more specifically, the empowerment of employees.

> Transitioning a company's management from a top-down promoter structure to that of an international company in which senior managers have autonomy and day-to-day decision making ability is not easy, but mitigating cultural and management differences is a key to the success of a deal.
>
> - Mr. Olivier Le Floc'h, Legrand

> Integration has taken us longer than expected because of cultural differences and because the target company management had a difficult time with the changes we made. As an example, we continue to realize differences in following timelines. For our Indian management, unless an item is followed up constantly, it may not be completed because it is not viewed as important. In our culture, no follow up is needed, and things are expected to be done. These are clearly different systems. Neither is right or wrong, but it has been a learning process for us.
>
> - Anonymous participant

Figure 5.3

What were the key challenges in successfully transitioning and/or integrating your business in India?



Source: Findings as per interviews conducted by mergermarket

Post deal success

The people element

Most acquirers spent significant amounts of time understanding Indian culture and carefully integrating certain elements. Almost every participant took a dual approach to transitioning the people aspects of integration. In areas such as compliance and on-boarding training, controllership and interim organization structure changes were made immediately post deal. Things like alignment of benefits, working hours, stock options and change to accounting policies were done more gradually.

Another highlight from participants was the positive outlook on talent and management capabilities in India. After navigating necessary challenges in a cross-border transaction like cultural differences, motivating factors and management styles, foreign acquirers in India often find world-class talent within their Indian organizations.

We realized that there were cultural and management differences early, so we arranged cultural training in all major offices and studied the results of what the Indian employees thought of the parent organization. The key challenge was helping people in the acquired company overcome a feeling that they would lose independence.

- Anonymous participant

It is important to know the players well before getting into transactions.

- Mr. Amit Paithankar, Emerson Process Management

When buyers realize that M&A is ultimately a people business requiring the investment of time, effort, energy and money in the people, it really pays off.

- Anonymous participant

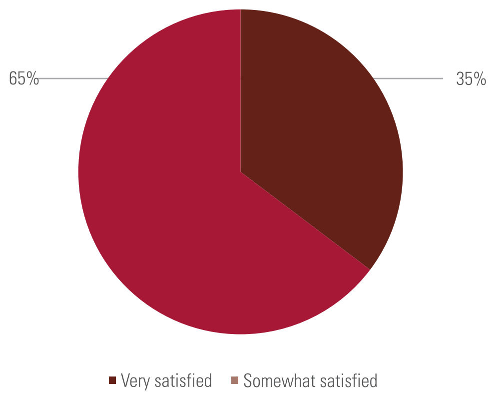
The Indian management at the target company are people who could work anywhere in the world, which cannot be said for professionals in many other emerging market countries.

- Anonymous participant

There is a lot of really strong talent and really smart people in India. Our business will be entirely or almost entirely managed by locals much faster than we expected."

- Anonymous participant

Overall, how satisfied have you been with the M&A deal in question?



Source: Findings as per interviews conducted by mergermarket

The verdict

All our participants managed to successfully navigate the challenges of finding viable targets, developing partnerships and in most cases, integrating the two businesses, realizing planned synergies. Several participants acknowledged that as they acquire and integrate businesses to build scale in India, the integration process must be monitored closely to get it right.

All participants said that they are either 'very satisfied' (35 percent) or 'somewhat satisfied' (65 percent) with their Indian deal in question. At the time of publication, all participants felt that the market access premium they paid was justified by the acquisition. Furthermore, dealing with regulatory challenges, while cumbersome, was worthwhile and a good learning experience. Many felt that their integration process has been successful despite a relatively small footprint in India prior to the acquisition.

Post deal success

Leading practices

There will be expectations on alignment of policies – plan to deal with them

Along with apprehension of working for new management, people in the acquired company tend to have high expectations that working practices and benefits available to employees of international companies globally will be extended in India. These could range from five day work weeks, to changes in travel allowances to bonus structures. It is also common to have special discretionary benefits and terms extended to key people in an Indian business as a retention tool.

In most cases, aligning these policies to global standards adds additional cost burden and needs to be done carefully. However, this can cause significant dissatisfaction if not addressed. Have a roadmap for this alignment ready on day one and communicate plans early.

Cultural transition starts on day one

Place one or two key individuals in the controllership role from day one onwards in the acquired business. These individuals should come from other group operations or be locally hired finance professionals who ensure that group controllership policies are deployed immediately post close.

Perform a cultural gap assessment and have clear training plans in place for employees to bring them up to speed on what it means to operate and be successful in an international company environment. Be sensitive to cultural differences, but be clear on the behaviors that will be rewarded in the combined organization, otherwise decision making will suffer and cause frustration.

Run the integration as a distinct project with a dedicated team

Clearly document the purpose of the transaction, the vision for the integrated business and the degree of integration expected. Before the deal closes, ensure alignment regarding this vision with the target management to prevent confusion later. Establish key factors you will use to measure the success of the integration and build this into management goals. Manage the integration with a small team comprising people from both the acquiring organization and the target company, and let the rest of the business manage day-to-day operations.

In the words of an aquirer

Novozymes purchased the enzyme operations of Bangalore-based Biocon Limited

mergermarket spoke with Mr. Kristian Bjørneboe, Senior Director at Novozymes A/S in Copenhagen, Denmark regarding the acquisition of the enzyme operations of Biocon Limited in 2007.

Novozymes, the Denmark-based producer of enzymes and micro-organisms on 1 October 2007, closed a transaction by which it acquired its Indian counterpart, the enzyme operations of Biocon Limited, the listed India-based integrated biotech company focused on the development of biopharmaceuticals.

Company overviews

Novozymes is one of the world's leading biotech companies, marketing over 700 biotechnology products in 130 countries.

Biocon was also founded as an enzyme manufacturing company "at the start of a bio-revolution in India" in 1978. Biocon has evolved from an enzyme-manufacturing company into a fully integrated biopharmaceutical enterprise.

Deal background

Novozymes originally set up shop in India in 1983 with only two employees, growing organically for nearly 25 years before making an acquisition in 2007, significantly boosting its position in the market. Since its 2007 acquisition, Novozymes has grown to approximately 300 employees in India from around 20 immediately prior.

As a major global player, Novozymes was one of a handful of key producers in the Indian enzymes market alongside Biocon and one other primary competitor. Notably, Novozymes maintained a partnership with Biocon prior to the acquisition and therefore already knew the management well. In buying a primary competitor in the exact same industry and product line, Novozymes was able to scale up its Indian operations significantly with a research and development (R&D) function as well as increased production in the Indian market, to complement the same operating capacities in China, Brazil and the United States.

Strategic initiative

According to Novozymes Senior Director, Kristian Bjørneboe, who was actively involved in the transaction, the strategic move in India was driven by the market's high growth potential, a well-qualified and educated workforce and the company's desire to boost its slow organic growth in India.

"We already had a strong presence in China and Brazil, both of which were Greenfield projects. However, we did not have a very strong presence in India, but not for a lack of desire. Growing significantly in India was a matter of 'when' not 'if' for us," Bjørneboe said. "Greenfield in India is very time consuming and demanding, and it can take years."

By acquiring Biocon , Novozymes consolidated two major players in the enzyme manufacturing space, producing key revenue synergies and giving Novozymes greater access to the Indian market through new distribution channels as well as R&D and production resources.

in Bangalore, and "Being located in the same city made the process significantly easier," according to Bjørneboe.

Furthermore, Chairman and CEO of Biocon, Kiran Mazumdar-Shaw, did not want to sell to just anyone. Biocon was divesting a business that it had built for more than 30 years, and wanted to ensure the enzyme operation would be in good hands after the sale. The existing relationship of trust between the two companies played a pivotal role in the deal, according to Bjørneboe.

Trust is a key point in any deal, playing a role for the buyer and the seller. On the side of Novozymes, "It was very important to acquire a company that had very high standards of governance," said Bjørneboe. Because of their previous relationship, Novozymes trusted Biocon's well-known reputation of high governance standards in a country where it is not always the case.

Locating the target

While Biocon was perhaps an obvious choice for Novozymes, there were a number of factors that facilitated the process. For starters, Biocon was the industry's largest player in India, and the two operations were both based

Due diligence

Because the enzyme business of Biocon was carved out of the larger organization, the due diligence process was slightly different than it would have been for a takeover acquisition. According to Mr. Bjørneboe,

In the words of an aquirer

it was the operational due diligence that was most important, with a specific focus on the commercial aspects of the business they were acquiring, primarily confirming the market position and business plan of the target.

Novozymes did experience challenges in the due diligence process. "Contractual arrangements in India are often verbal, which clearly presented challenges for our due diligence process," Bjørneboe said. The nature of contractual arrangements in India can make relying on a seller-prescribed business plan challenging.

Valuation and deal structure

Along with most highly technological industries, biotechnology is expensive. According to mergermarket data since 2003, Asia-Pacific targets involved in the Biotechnology industry have commanded an average of over 20 times EBITDA, excluding a few outliers, and India is no different. The prevailing multiples of similar transactions in the industry as well as similar transactions in India drove the Novozymes valuation for the target. "Really, there is no discount in India in terms of multiple. Our deal was as expensive as doing a deal in Europe and the US at the time," Bjørneboe said.

Furthermore, Novozymes was commissioned with building a new business plan and revenue expectations for the enzyme business of Biocon, from which to base its valuation. Even factoring synergies with the existing operation, "Business planning was one of the most challenging items. When you don't have written agreements, how much comfort can you take in the business plan?" Bjørneboe said, referring again to the verbal nature of some contracts.

Even so, Novozymes and Biocon were able to execute a balanced deal that was good for both sides, according to Mr. Bjørneboe.

On the issue of the deal structure, "We used an earn-out in the transaction. This was related to sales for the first year and also to production targets being met," said Bjørneboe. "We wanted to make sure that the seller was motivated to keep customers and increase productivity after the acquisition." In addition to an earn-out agreement, Novozymes also included the payment of a 10-year lease from Biocon to continue production and formulation at the Biocon site.

Post-merger integration

Moving beyond closing, Novozymes was tasked with integrating the enzymes business of Biocon as it became a part of Novozymes South Asia Pvt. Ltd., a fully owned affiliate of Novozymes. According to Bjørneboe, all integration plans need time and resources, but this is especially true for an Indian business. "Integration was slower than expected, but once we gave it the right priority, integration was smooth."

According to Bjørneboe, few employees have left Novozymes and customer retention has been strong. At the end of the day, achieving synergies is perhaps the most important piece of the integration. The revenue synergies identified by Novozymes, namely the cross-selling of products have been successful.

Lessons learned

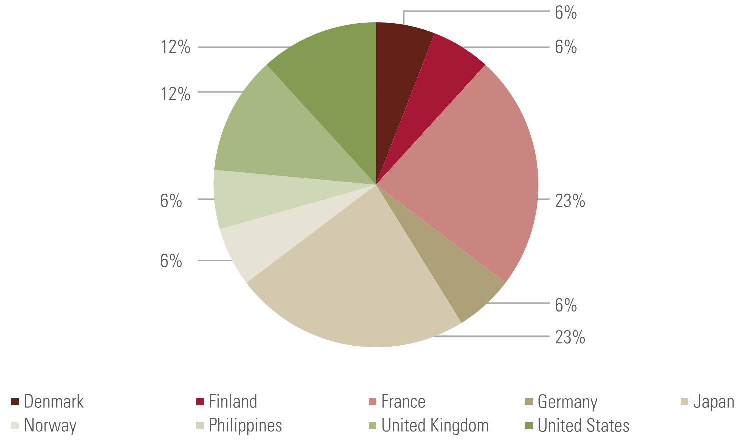
Certainly M&A in India is a learning process, and for Novozymes, their first M&A transaction in India was nothing short of this. Rehashing the main themes of the deal, Mr. Bjørneboe listed integration, due diligence and personal relationships as key areas of learning. More specifically, he said, "Don't underestimate integration. It is better to overestimate and then scale back resources," giving clarity to the notion that integration requires commitment.

Relating to due diligence, "It is important to think about what to do when pieces of information are not available. In developed markets all the information is usually on hand, but this is not always the case in India. For some major customers, there was simply no contract. In other markets there is the risk that a contract may be cancelled, but with no contract, there is a different type of risk. It may not necessarily be that the risk is greater, but it requires a different level of comfort."

Lastly, Mr. Bjørneboe echoed the important role of personal relationships in an Indian acquisition, highlighting the rapport between executives of the Danish and Indian businesses. "We maintained a positive atmosphere throughout the deal process. Whether we agreed or disagreed, we were always respectful of each other." In fact, respect and trust may very well be the most important human elements in an M&A transaction and when both sides approach a transaction with this in mind, success is a likely outcome. Indeed, in a cross-border deal where differing cultures often comes into play, respect and trust are paramount.

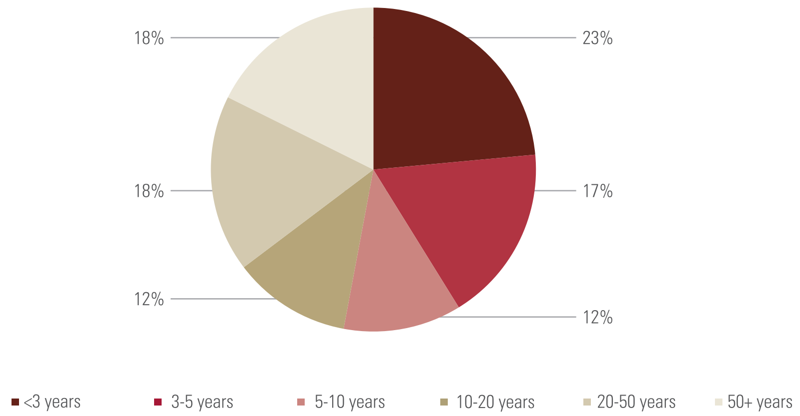
Appendix
Respondent Information

Bidder geography



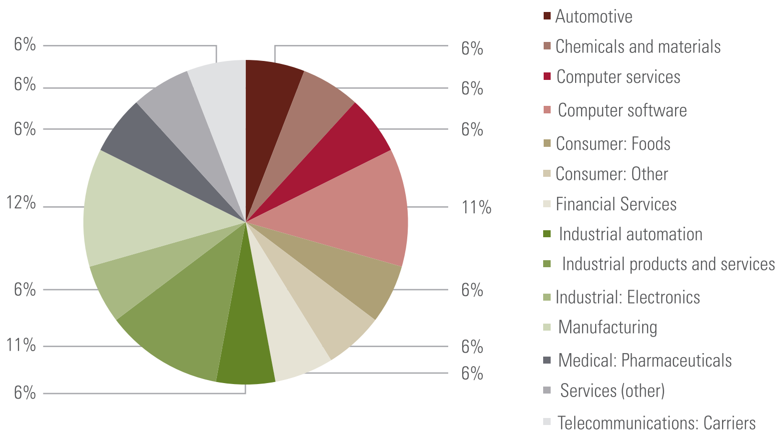
Source: Findings as per interviews conducted by mergermarket

How many years has your company had a presence in India?



Source: Findings as per interviews conducted by mergermarket

Indian target sector



Source: Findings as per interviews conducted by mergermarket

Methodology

Historical data includes all mergermarket-recorded transactions announced during the period 1 January 2003 to 31 July 2012 and excludes lapsed or withdrawn bids.

Transactions with a deal value greater than or equal to USD 5m are included, except for some minority stake acquisitions. In cases where the stake acquired is less than 30 percent (or 10 percent where the target is based in Asia-Pacific), the deal will only be included when deal value is at least USD 100m with evidence of an advisory mandate or US$500m without evidence of an advisory mandate.

If the consideration is undisclosed, deals are included on the basis of a reported or estimated deal value greater than or equal to US$5m. If the deal value is not disclosed and cannot be confirmed to be greater than or equal to USD 5m, the deal is included if the target's turnover/revenue is greater than or equal to USD 10m.

Activities excluded from the data include property transactions and restructurings where the ultimate shareholders' interests are not changed, joint ventures where the only asset contributed is cash, equity carve-outs and acquisitions of individual assets.

As it pertains to this report, 'inbound' refers to deals where the dominant geography of the target is India and the dominant geography of the bidder is outside of India; 'outbound' refers to deals where the dominant geography of the target is outside of India and the dominant geography of the bidder is India; 'domestic' refers to deals where the dominant geography of the target and bidder is India.

Where survey responses total more than 100 percent, respondents were able to select more than one answer.

All USD symbols refer to US dollars unless otherwise stated.

All data quoted in the publication is the proprietary of mergermarket and KPMG in India unless otherwise stated.

About KPMG in India and Contacts

KPMG in India operates from 10 cities with a work force of over 7,000 employees led by over 150 partners. The Transactions & Restructuring team comprising over 200 professionals is an advisor to a large client base which includes leading Indian companies, global corporations and private equity funds.

Our Transaction Services practice provides a suite of due diligence services such as financial, tax, commercial and market and is the largest practice in the Indian market.

Our Global Strategy Group offers market entry and growth strategy services to midsized Indian companies and global corporations.

Our Corporate Finance professionals advise clients on fund raising, joint ventures, acquisition and divestment transactions. We advise clients in many forms, from analyzing strategic options to assessing value, to structuring deals, conducting negotiations and helping secure the optimal terms for a successful closing.

Our Valuation Services team provides analyses of business interests, tangible and intangible assets. We also assist our clients in making strategic decisions by recommending swap ratios during mergers/de-mergers.

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