



# The Mergers & Acquisitions Playbook



Private & Confidential

# FINANCE

*(MONEY MANAGEMENT)*



## PERSONAL FINANCE

- ✓ Individual/household
- ✓ Subjective Financial Strategy
- ✓ Long/Short Term Focused



## CORPORATE FINANCE

- ✓ Financial activities of Businesses
- ✓ Stability, profitability & Sustainability
- ✓ Investment, Financing & WCM

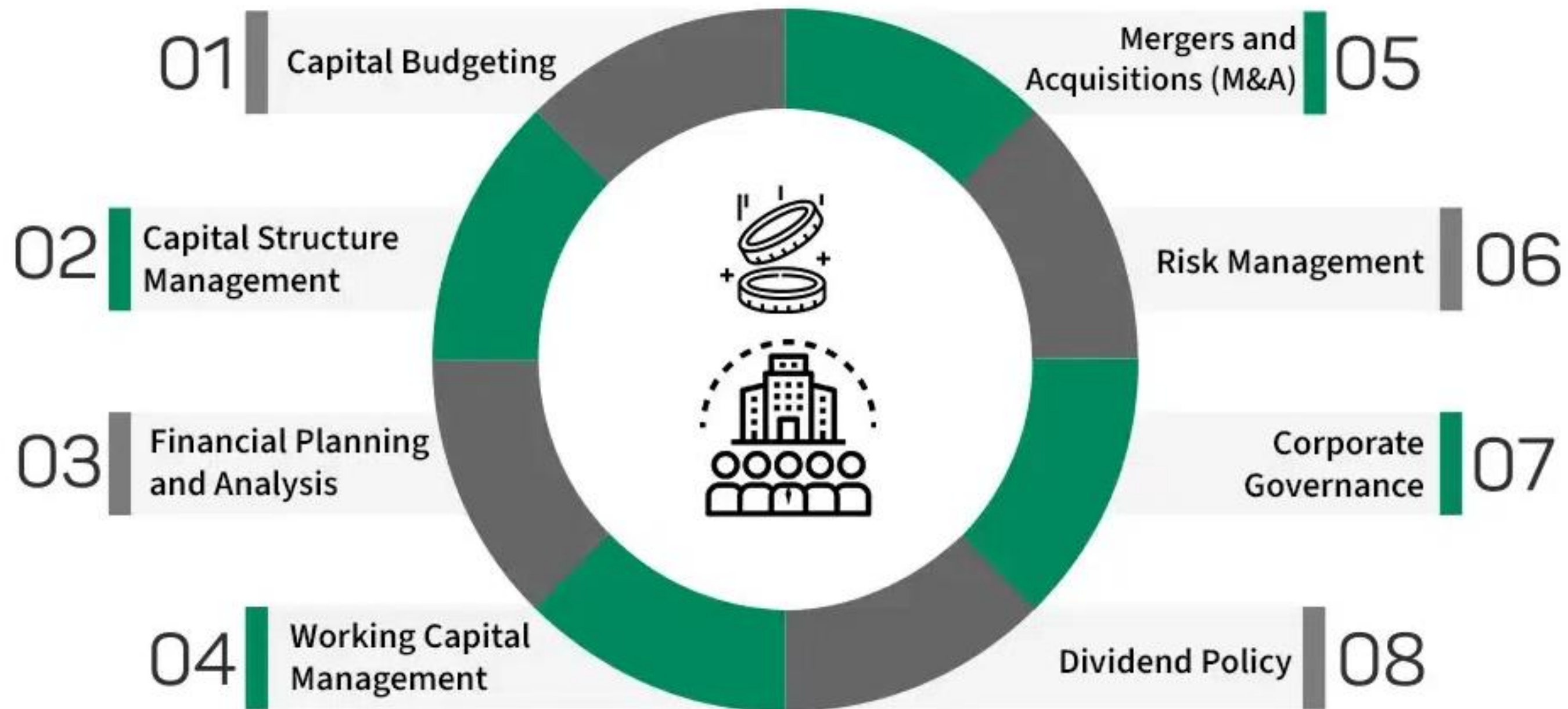


## PUBLIC FINANCE

- ✓ Government Finance
- ✓ Resource allocation & Economic Stability
- ✓ Financial Strategy focused-Public at large



# Types of Corporate Finance





### DEBT / LOANS

- ✓ Short Term- Working Capital or Bridge Finance
- ✓ Long Term- Term Loans (Business, Machinery)
- ✓ Ultra Long Term- Project Finance
- ✓ Leveraged Finance- Acquisitions



### EQUITY

- ✓ Initial- Angel, Seed, Incubation funding
- ✓ Medium/Long Term- Series A, B, C\*
- ✓ Ultra Long Term- Series D/E, IPO, M & A
- ✓ Investors- HNIs, VCs, PE, Family Office, e



*\*Series A, B, C- \$1Mn to \$100Mn*



### CAPITAL RAISING

*FUND RAISING- DEBT & EQUITY*



### M & A

*STRATEGY- MERGERS/ ACQUISITIONS/ TAKEOVERS/ DIVESTMENT*



### ADVISORY

*FINANCIAL STRATEGY, CORPORATE RESTRUCTURING*



### RISK MITIGATION

*IDENTIFYING & MITIGATING POTENTIAL FINANCIAL RISKS  
ASSOCIATED WITH INVESTMENT DECISIONS*



### RESEARCH

*MARKET RESEARCH, SECURITIES & INDUSTRIES FOR CLIENTS*



### ASSET MGMT

*PORTFOLIO MANAGEMENT SERVICES FOR CLIENTS  
(Institutions, Individuals, etc.)*



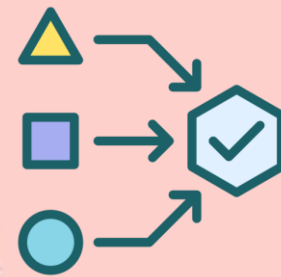
### OTHER SUPPORT

*FACILITATING TRADING OF FINANCIAL SECURITIES &  
UNDERWRITING OF SECURITIES*



## Mergers

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- Merging two Organization into One
- Mutual Decision
- Time Consuming
- Expensive

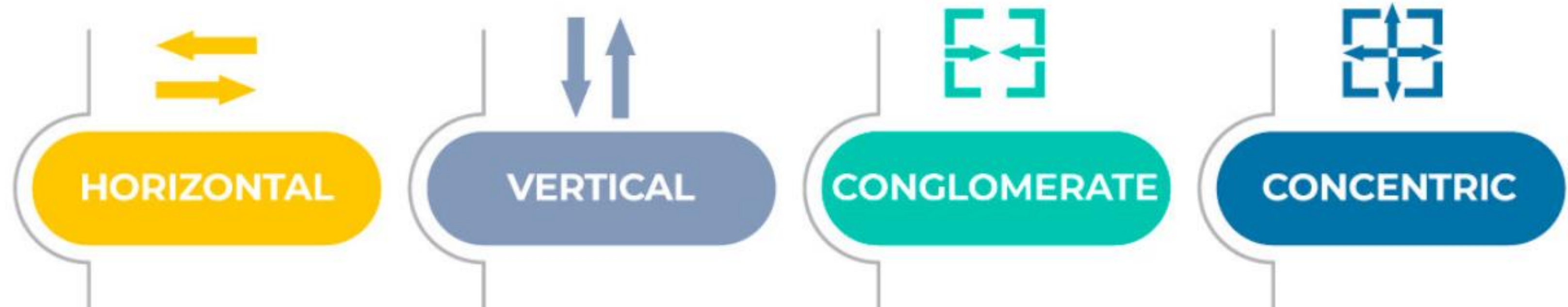
## Acquisitions

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- Buying One Organization by Another
- Friendly Takeover or Hostile Takeover
- Faster and Easier Transaction
- Less Expensive

# TYPES OF MERGERS & ACQUISITIONS



**Horizontal Mergers**

zomato + blinkit  
USD 0.6 Bn-INR 4.4K Cr

Disney+ hotstar + Jio  
USD 8.5 Bn-INR 72K Cr

**Vertical Mergers**

hyperpure  
BY ZOMATO  
USD 8.0 Mn-INR 62 Cr

**Conglomerate Mergers**

Infosys + insemi  
TECHNOLOGY  
USD 34 Mn-INR 280 Cr

Microsoft + LinkedIn  
USD 26.2 Bn-INR 2.3L Cr

**Concentric Mergers**

Thomas Cook + Sterling  
Holiday Differently!  
USD 142 Mn-INR 870 Cr

**Horizontal Mergers**

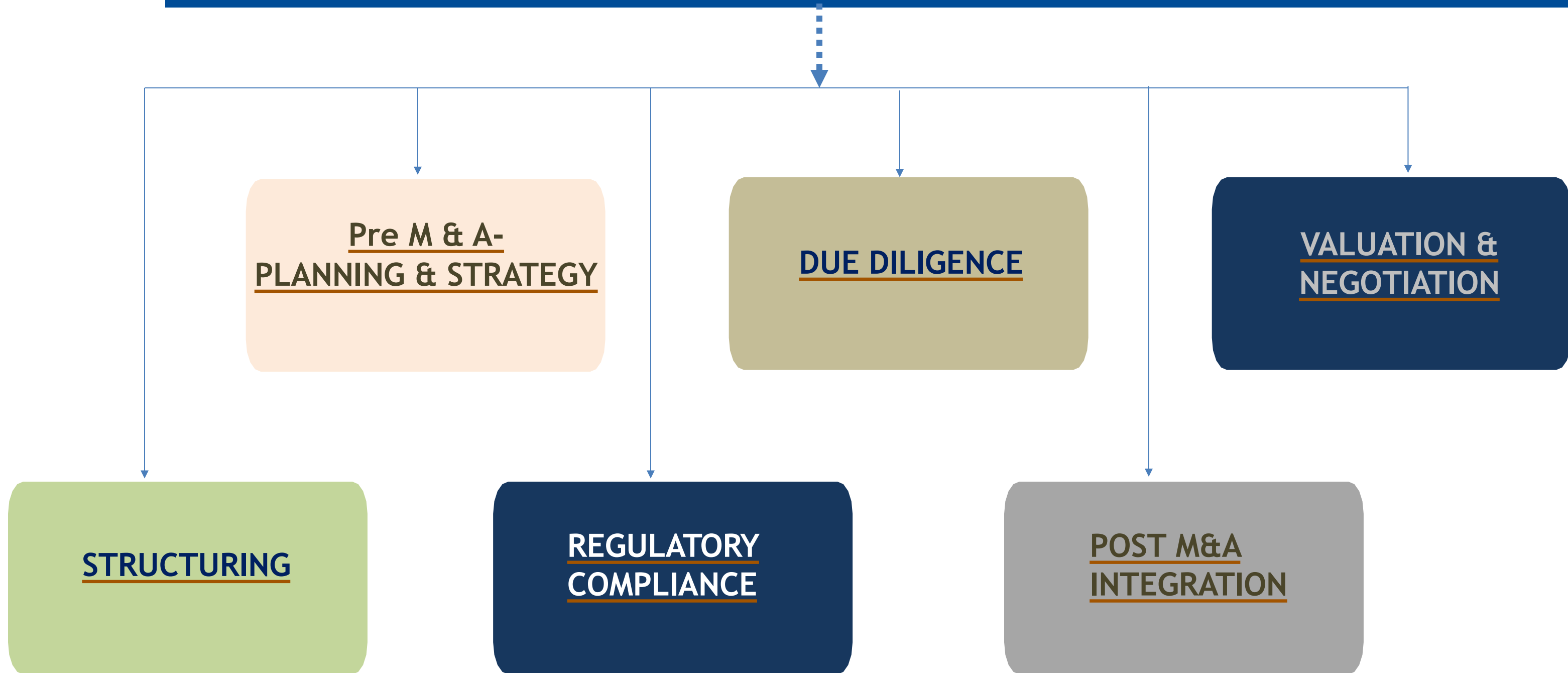
Facebook + Instagram  
USD 1.0 Bn-INR 8.7K Cr

**Concentric Mergers**

Unilever + gsk  
USD 4.2 Bn-INR 32K Cr



# Merger and Acquisition Process



### • Role of Chartered Accountants in Mergers & Acquisitions (M&A) - SELL SIDE



#### Preparing Client

- Explaining the client about available opportunities
- Sharing Pros & Cons of M&A Transactions
- Giving them perspective of value creations



#### Information Memorandum

- Understanding the Client Business
- Collecting Information from the Client
- Preparing the Information Memorandum



#### Valuation

- Valuation exercise for the Client to give indicative valuation
- Setting the right expectation

- Role of Chartered Accountants in Mergers & Acquisitions (M&A) - SELL SIDE



### Vendor Due Diligence

- Review of corporate records
- Determining the suitable adjustments to Financial Statements
- Conducting legal and commercial due diligence



### Data Room

- Preparation of documents for potential buyer due diligence
- Guiding the Client to ensure proper compliance to minimize issues during the transaction



### Potential buyers/ Investor Search

- Using network to locate potential buyers
- Reaching out through multiple channels of communication
- Using Social Networks



- Role of Chartered Accountants in Mergers & Acquisitions (M&A) - SELL SIDE



### Negotiation

- Initial discussion with potential buyers/investors/their advisors
- Setting valuation expectation
- Assisting on various negotiations



### Documentation

- Documents (Term Sheet/SPA/SHA) Discussion
- Communicating the implications of each clause in the agreement



### Regulatory Compliance

- Areas of legal compliance which needs to be professionally managed
- Restrictions on merger control in any applicable law

- Role of Chartered Accountants in Mergers & Acquisitions (M&A) - BUY SIDE



### Preparing Client

- Explaining the client about available opportunities
- Identification of Strategy for growth



### Potential target search

- Using network to locate potential buyers
- Reaching out through multiple channels of communication
- Using Social Networks



### Evaluation

- Initial discussion with potential target/their advisors
- Client buy-in to evaluate the opportunity
- Valuation expectation

- Role of Chartered Accountants in Mergers & Acquisitions (M&A) - BUY SIDE



### Negotiations

- Assisting on key terms of transaction
- Arriving at consensus valuation
- Issuing term sheet/LOI



### Due Diligence

- Financial Due Diligence
- Tax & Legal Due Diligence
- ESG Due Diligence (if applicable)



### Documentation

- Documents (Term Sheet/SPA/SHA) Discussion
- Communicating the implications of each clause in the agreement
- Negotiation with seller & finalization of documentation



- Role of Chartered Accountants in Mergers & Acquisitions (M&A) - BUY SIDE



### Regulatory Compliance

- Areas of legal compliance which needs to be professionally managed
- Restrictions on merger control in any applicable law



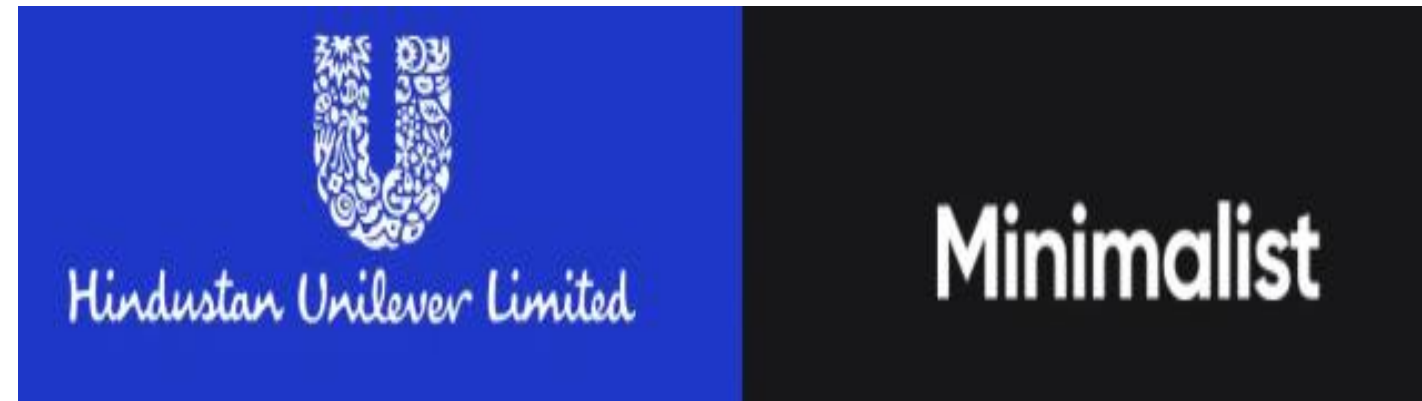
### Post Merger Integration

- Financial statements preparation & audit support
- Risk Advisory Services
- Business transformation services (Automation)

- **Other Roles of Chartered Accountants in Mergers & Acquisitions (M&A)**
  - ✓ **Financial Advisory**- Assess the capital structure & funding sources (Debt/Equity)
  - ✓ **Transaction Structuring**- Financial, legal & operational framework, ensures compliances
  - ✓ **Cross Border Advisory**- RBI & FEMA Compliance
  - ✓ **Drafting** – Document drafting SPA, SHA, Mergers Scheme, etc.
  - ✓ **Financial Reporting Services**– Accounting integration post merger, audit support, IND-AS

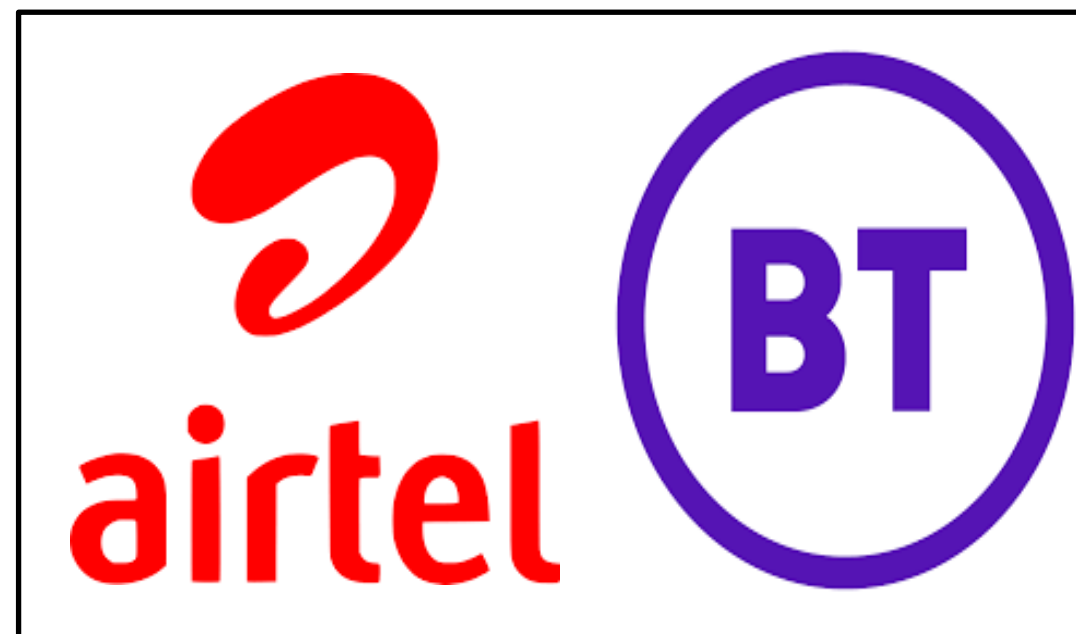






~USD 350 Mn-INR 3.0K Cr

R Multiple- 8.45x v/s 7x



~USD 4 Bn-INR 35K Cr

EV/EBITDA Multiple- 1.6x v/s 9.3x



~USD 490 Mn-INR 3.3K Cr



~USD 2.1 Bn-INR 18K Cr

EV/EBITDA Multiple- 7x v/s 7x

# Blackstone



**~USD 240 Mn-INR 1.8K Cr**

**R Multiple- 1.2x v/s 2x**



**INR 8.1K Cr**

**R Multiple- 1.1x v/s 4x**



**USD 8.5 Bn-INR 72K Cr**

**R Multiple- 11.3x v/s 10x**



**~USD 5.5 Mn-INR 48 Cr**

**R Multiple- 1.4x v/s 2x**

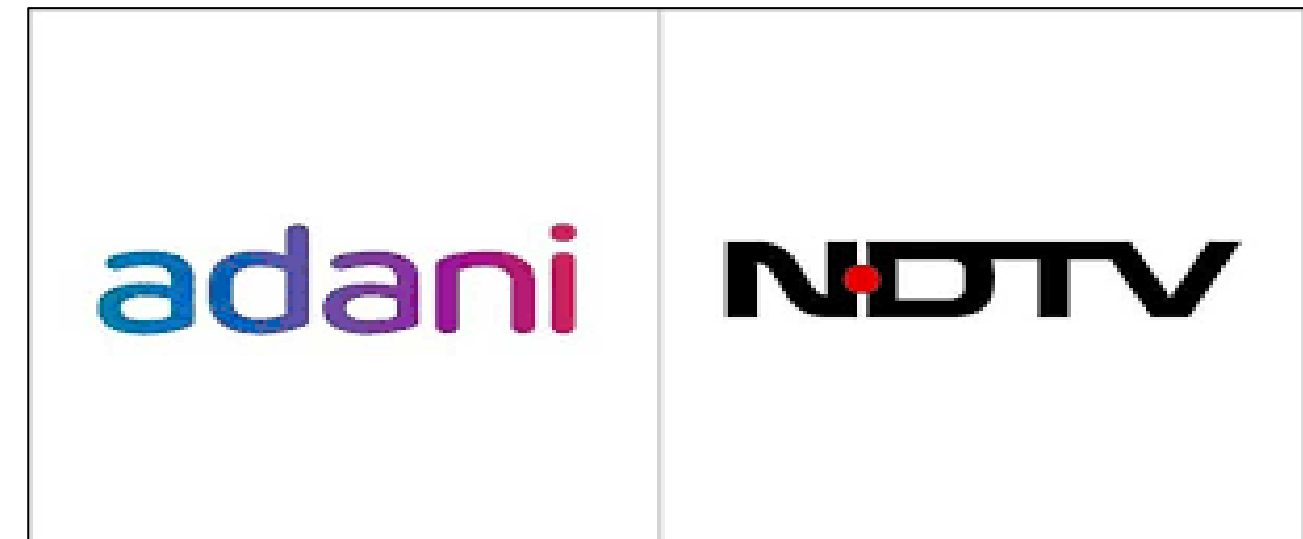
## CASE STUDIES-M & A



~USD 476 Mn-INR 3.9K Cr



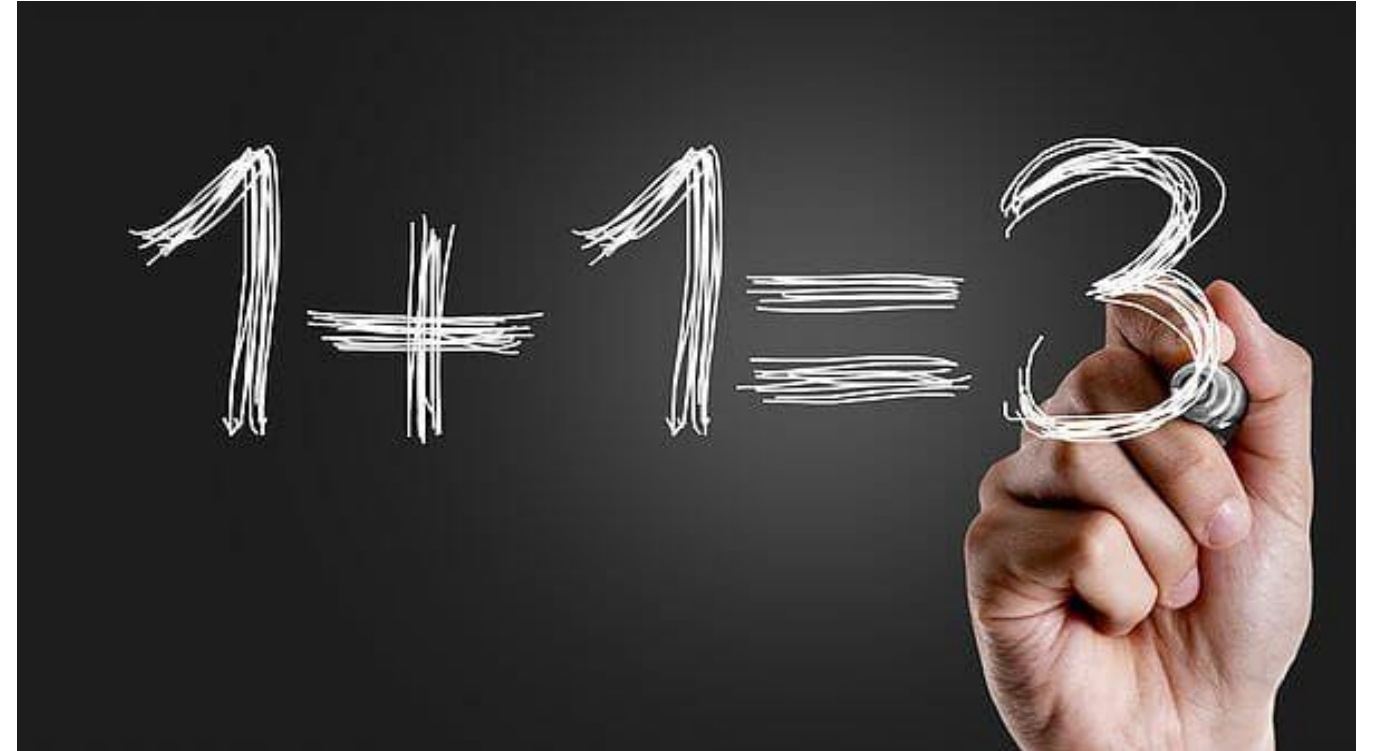
~USD 43 Bn, INR 3.27L Cr



~INR 602 Cr



## Merger & Acquisition







Q&A

You have

Questions

We have

Answers



# Thank You



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Top 5 Transaction Advisors League Table Private Equity and Venture Capital 2020, 2021, 2022 and 2023

Top 15 Transaction Advisors League Table Private Equity and Venture Capital 2022 and 2023