

2017

M&A

LANDSCAPE IN INDIA



**HAMMURABI
& SOLOMON**
Advocates & Corporate Law Advisors



ASSOCHAM
INDIA



Foreword

The interaction of two or more substances produces a combined effect which is greater than the sum of their separate effects. The results of such combinations in case of two or more entities in the corporate world do enhance the productivity, mitigate geographical risks, increase operational efficiency, drive synergies, and ensure the increased levels of stakeholder's delight. Such outcomes of synergies have inherent power of motivation to the corporates around the world which lead them to step in to mergers and acquisitions and so the Indian Corporates do exercise different forms of strategic ties from time to time.

At a time when Indian business houses are constantly looking at inorganic growth through acquisitions of other businesses, the M&A arena appears stronger than ever before now. Also, the Indian economy on very first day of FY 2017 has witnessed the mega merger of country's largest lender i.e. SBI and six of its associates. The ongoing initiatives such as ease of doing business, financial and economic policy reforms, regulatory changes under Companies Act, 2013 by Government of India, and several business specific factors are also being seen as important factors for growth of M&A transactions.

An expedite execution of M&A transactions are expected to up-scale the economy of the country faster provided if the corporate decision makers have update knowledge about recent Changes in Companies Act, 2013, changes in the Competition Law, NCLT, IBBI, SEBI and Stock Exchanges which impact M&A.

In this regard, I am pleased to understand that in order to cater such requirements of stakeholders, the **ASSOCHAM** is organizing **6th National Summit on Mergers & Acquisitions "Issues and Challenges under present Regulatory Framework"** in July, 2017 in New Delhi and **Hammurabi and Solomon** is Knowledge Partner.

I wish to acknowledge the efforts made by the expert team of **ASSOCHAM** and **Hammurabi and Solomon** for their untiring efforts in preparing a comprehensive knowledge report. I am confident that this knowledge report will be a useful reference to all the stake holders.

I express my best wishes for a great success of the summit.



Sandeep Jajodia
President
ASSOCHAM

Foreword

In today's global business era, the Merger and Acquisition strategy is the most favoured agile for shaping up of declining or debt-ridden businesses under pressure of lenders. Yet, the growth trajectory of transactions under contemplation, such as- acquisition, disposition, merger, joint venture, restructuring etc. hinges on deal expertise for optimization of cash flows and tax obligations. Also, M&A deals are impacted by various internal and external factors governing transactions including the national and international state of laws and regulations etc.

The Companies Act, 2013, Introduction of NCLT and recent most The Insolvency and Bankruptcy Code, 2016 have brought paradigm changes to overhaul the existing framework for M&A transactions in India. However, there are key issues and challenges encountered on the way to accelerate M&A deals of the corporates in India which are of utmost need to be addressed on priority basis.

With a view to make the Indian M&A ecosystem more conducive and robust, the **ASSOCHAM** is organizing the **6th National Summit on Mergers and Acquisitions "Issues and Challenges under present Regulatory Framework"** on **15th July, 2017** in **New Delhi**.

To provide a holistic outlook about the subject **ASSOCHAM** along with **Hammurabi Solomon** as Knowledge Partner, have come up with this Knowledge report that attempts to give rich insights and enhance the understanding of stakeholders for their informed decisions.

I also acknowledge the dedicated efforts made by the ASSOCHAM team Corporate Affairs for organizing the 6th National Summit on the subject.

I wish all the participants a successful summit.

With best wishes,



D. S. Rawat
Secretary General
ASSOCHAM

Foreword

M&A activity is set to accelerate in 2017. Domestic activity should strengthen, especially around debt consolidation and restructuring. Expecting a strong activity in sectors such as manufacturing and infrastructure and oil and gas sectors. Other sectors including pharmaceuticals, technology and financial services will also likely remain on the go. India is one of the very few bright spots in the global economy. Recovery in auto sales, infra spend, etc., will also bode well. Legislative support around ease of doing business and improving the underlying economic growth will lead to greater PE activity.

The increased M&A activity is well driven by structural reforms that the government has announced in the last year and this is a firm believe that the series of structural reforms undertaken by the government over the past 24 months has helped create an environment of greater confidence on long-term sustainable growth. This has paved the way for investors to take long-term investment decisions leading to a sharp pick-up in M&A activity.

The sharp uptick in domestic M&A deals is a sign of increased consolidation in certain sector and the domestic activity is a reflection of much-awaited consolidation activity in certain capital-intensive and cyclical sectors such as cement, power, and metals and mining.

The endeavors of the Government have yielded a positive outcome which can be seen from its current ranking in the Ease of Doing Business index; for the year 2017, India holds the ranking of 130. Initiatives like 'Make in India', 'Start up India' and 'Digital India', all contribute towards the Government's effort to make doing business in India easy. In order to facilitate this drive, the Government has raised the financial thresholds for any merger and acquisition for which an approval was required from the Competition Commission of India and it has also dispensed with the requirement of giving notice under the Competition Act, 2002. Considering the proactive approach of the Indian Government in making India an attractive proponent for investors, it seems that India will have a propitious future with regards to M&A activity. Further the relaxation of FDI norms and the abolishment of FIPB is a bold move, expected to reduce M&A (mergers & acquisition) timelines, and create new investment opportunities for foreign investor.

Globalization, deregulation and technological improvements have resulted in increase in M&A across the globe. Particularly, certain sectors such as Oil and gas industry, financial services and pharmaceuticals demonstrate higher M&A activity. M&A are an important aspect of any corporate strategy and may occur in response to a variety of strategic, technological, economic or organizational factors.

This report outlines the various observations, analysis and trends that we have observed since past few years. Evaluating the past movement in the M&A market and current ecosystem comprising of various economic, political and regulatory factors, we have highlighted the future predictions about M&A market.



Dr. Manoj Kumar
Founder & Managing Partner
Hammurabi & Solomon

- 100 Legal Luminaries of India
- Most Acclaimed legal expert in Corporate M&A in India
- Highly Recommended Attorney for International Business

Foreword

It is heartening to witness that ASSOCHAM is organizing 6th National Summit on Mergers & Acquisitions on July 15, 2017 at New Delhi.

Mergers & Acquisitions are reshaping the corporate and competitive landscape, creating new opportunities for corporates to expand, acquire new capabilities, achieve higher economic scales and globalize. M&As are here to stay as a strategic instrument of growth.

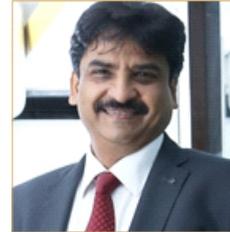
Substantial changes and far reaching reforms on Mergers and Acquisitions have been integrated in the Companies Act, 2013. Now the Companies Act allows— mergers of an Indian company with a foreign company; fast track mergers between two small companies and their wholly owned subsidiaries; person/group of persons holding 90% or more equity shares to purchase equity shares of the company from minority shareholders etc. Other significant developments being setting up of NCLT and NCLAT; enacting Bankruptcy Law; constituting IBBI; and rationalizing of regulatory framework by MCA, SEBI and Stock Exchanges.

Government of India through its continual economic reforms is creating a dynamic and transparent business environment. The effect of 'Make in India' slogan has propelled M&As, preferring inorganic growth to investing in new projects and opportunities in India. The Government enthused with the mergers of SBI intends to merge other State run banks to create larger entities to compete globally. Oil and gas companies too are on the radar and may witness merger into a single global player. The tone set by the Government has invigorated private sector companies to merger to stay competitive spurring the growth of M&A. There is already a quantum leap in M&A transactions in various sectors such as Health Care, Telecom, Energy & Power, Real Estate, Media & Entertainment, Banking, Insurance, Asset Management, Oil, Cement and Consumers Products & Services, to name a few. However, to keep this momentum going we further need to favorably modify our legislative framework governing M&A, such as The Income Tax Act, 1961, The Stamp Act, 1899, The Competition Act, 2002 and various Guidelines, Rules and Regulations. The NCLT is also expected to play a proactive role in speedy and efficient disposal of M&A cases.

I am sure that with robust domestic economy, encouraging foreign investments and healthy capital market, there would be surge in deal activity across domestic, inbound and outbound transactions.

I sincerely hope that with such a galaxy of speakers, the participants would greatly benefit and get deeper and rich insight of M&A during the deliberations.

I wish the summit all success.



Pavan Kumar Vijay

Chairman

ASSOCHAM National Council for M&A

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The background of the slide features a man in a dark suit standing with his back to the camera, looking out over a city skyline at sunset. The sky is a mix of orange, pink, and blue. In the upper left corner, there is a stylized world map with blue lines connecting various points. The content is organized into six diamond-shaped boxes, alternating between gold and light grey.

Chapter 1

Trends in M&A
Activity in the last
five years

Chapter 3

Private Equity
Trends in last
five years

Chapter 4

PESTEL Analysis of
M&A Eco-system in
India

Chapter 2

2016: M&A
activities hit
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Chapter 5

Way Forward

Chapter 6

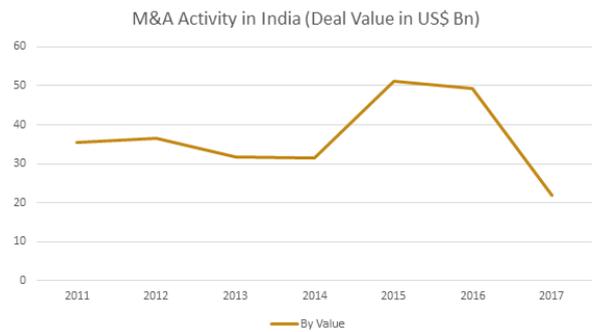
Research
Methodology

Trends in M&A Activity in the last 5 years

AN OVERVIEW OF LAST FIVE YEARS

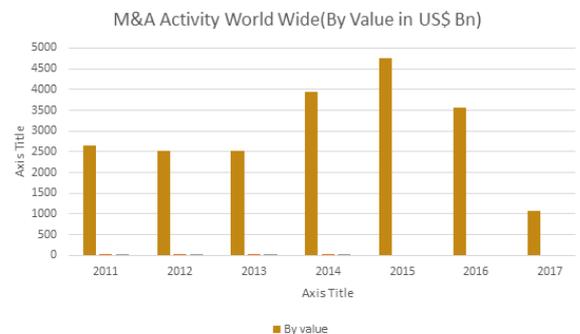
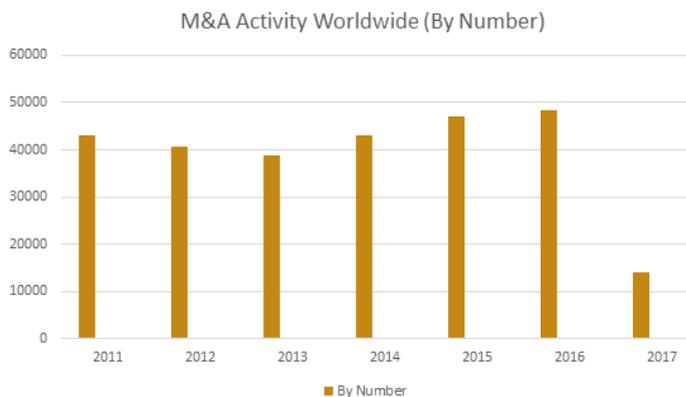
Deal Value and Deal Size during 2011-2016

The M&A activity started flourishing since 2010 but gained momentum only after 2011. Since the year 2011 was the markup in M&A activity, there were a large numbers of inbound deals as compared to the outbound deals. The economy saw its dip in 2012 and the merger market saw a decline in outbound deals. The year 2013 witnessed an entire transformation due to impending change in the Government and inbound & outbound deals were affected mostly due to change in governance. This year was challenging for many economies at large and India's story was no different. India's GDP growth rate dropped from earlier highs but still continued to stay ahead of other emerging markets given the resilience of domestic consumption demand.

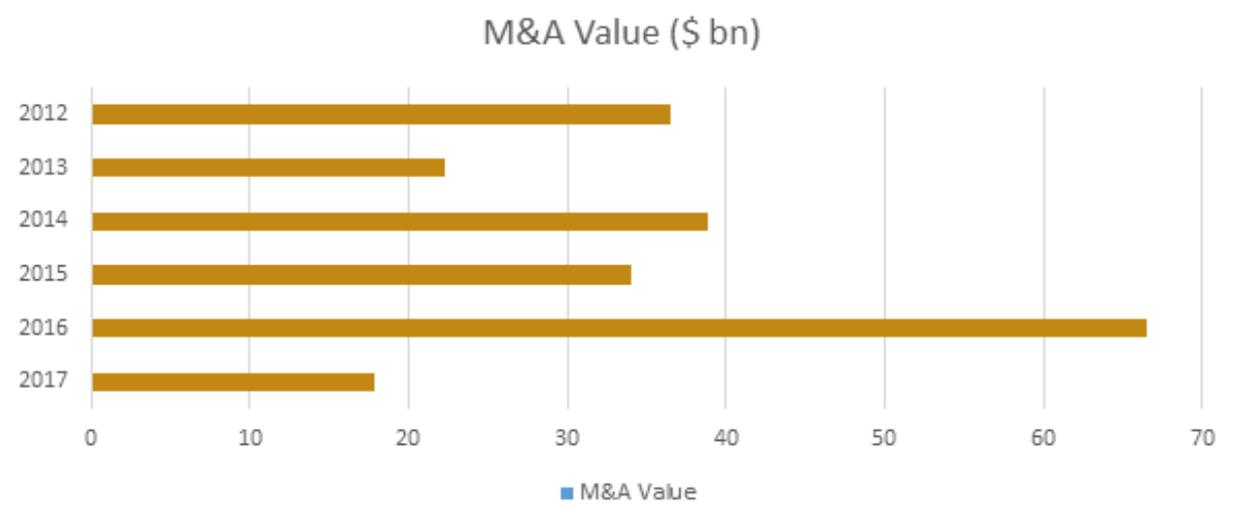


A high fiscal deficit, depreciating rupee and high inflation levels were some of the key economic factors that lead Kingdom's decision to exit the European concerns. Against this backdrop, M&A activity continued, though the momentum slowed down. Total deal activity stood at US\$32bn across 738 deals in Cy2013.

Business confidence of 2014-15 was tempered by uncertainty regarding continuing economic weakness in Europe, exacerbated by the United Union, the significant transactions that have been blocked on competition or other regulatory grounds.



In 2015, Telecommunication, Industrial & Chemical and Consumer Firms were hot on the tail of Technology targets. In the year 2016, average deal size increased to US\$166.2 million, more than double 2015's average of US\$80.4 million and the total inbound activity reached all time high on Merger market record, with significant increase from 2015. Sector wise, energy, mining & utilities replaced financial services as the most active sector with deals totaling US\$17.1 billion – almost three times that conducted a year earlier and accounting for 26.5 percent of market share value.

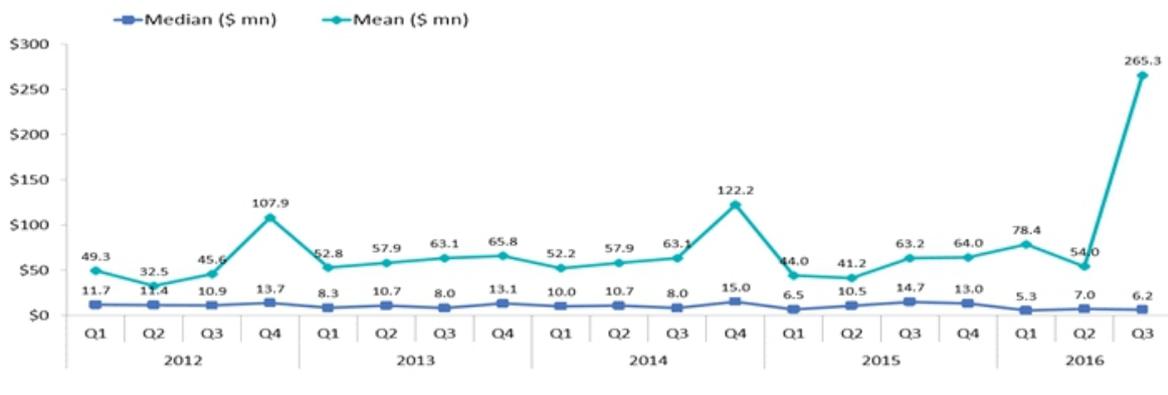


According to Merger market's India M&A Trend Report, the country is becoming an increasingly influential M&A market comprising 8.8 percent of Asia-Pacific deals – the highest since 2007 (9.4 percent) and significantly more than 3.6 percent market share logged in 2015.

Volume and Value of Deals over and above 1 billion



The persistent trends across 2011-2016 shows a dominance of deals valuing less than \$20 million showcasing around 60% of the total deals. On cross-border front, the deal value recorded an increase of 127% y-o-y, reaching US\$31.1 billion in 2016 from US\$13.7 billion in 2015, on account of four mega-deals (US\$1 billion and above). However, there was a downfall in the total number of deals, decreasing to 362 from 404 in 2015.

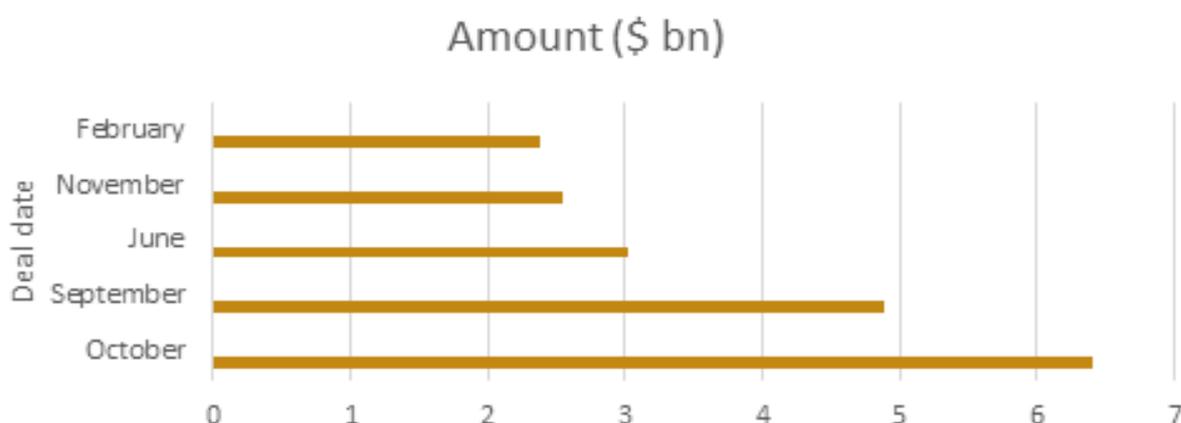


The exhibit marks the average size of deals cracked during 2012-2016 with focus on median and mean size of acquisitions. A huge spike in the average deal value clearly indicates the impact of standout deals in Q3 2016

Top 5 deals during 2011-2016 and Top 5 industries during 2011-2016

The Indian M&A activity soared up in 2016 and deal values went up to the tune of US\$56.2 billion which is comparatively the highest since the year 2010. The robust increase in the transactions were evident from the deal value and volumes across all the three types of transactions namely, inbound, outbound and domestic. In the said year, we saw inbound investment of US\$12.9 billion. The announcement made in 2016 disclosed deal value of US\$56.2 billion and a total of 867 deals however the deal value went up since 2010 and there was a marginal decline in the deal value.

Target	Acquirer
Essar Oil	Rosneft, Others
Aircel	Reliance Communications
Max Life Insurance	HDFC Standard Life Insurance
Odisha Cement	Dalmia Bharat
Jaypee Cements	Ultratech Cement



Essar Oil Ltd and Vadinal Port was acquired by petro giant named Rosneft Oil Company-led consortium from Russia and this transaction was the largest one accounting for US\$412.9 billion.

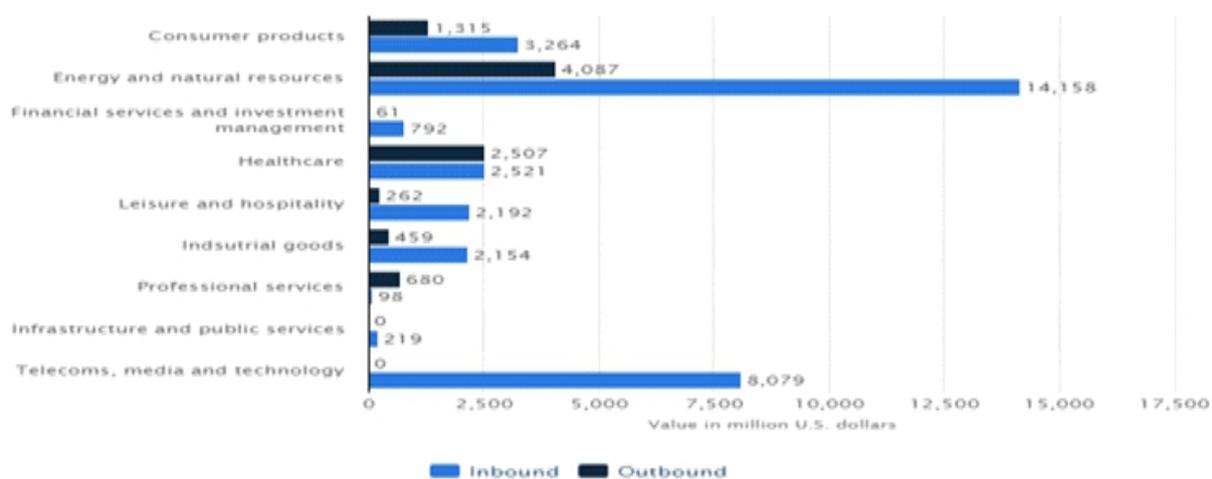
Date	Target	Buyer	M&A Type	Deal Value (\$ mn)
Aug-2016	Max Life Insurance Co. Ltd	HDFC Standard Life Insurance Co. Ltd	Domestic	9,730
Sep-2016	Reliance Communications Ltd, Wireless Telecom Business	Aircel Ltd, Dishnet Wireless Ltd	Domestic	7,300
Jul-2016	Lafarge India Pvt. Ltd	Nirma Ltd	Domestic	1,400
Jul-2016	Gland Pharma Ltd	Shanghai Fosun Pharmaceutical Group Co. Ltd	Inbound	1,261
Sep-2016	JSC Vankorneft	ONGC Videsh Ltd, ONGC Videsh Vankorneft Pte. Ltd	Outbound	930
Aug-2016	Bharti Telecom Ltd	Singapore Telecommunications Ltd	Inbound	657
Jul-2016	Minacs Pvt. Ltd	Synnex Corporation	Inbound	420
Jul-2016	Bina Power Supply Ltd	JSW Energy Ltd	Domestic	402
Aug-2016	Tata Chemicals Ltd, Urea Business	Yara Fertilisers India Pvt. Ltd	Domestic	399
Aug-2016	Taj Television India Pvt. Ltd	Sony Pictures Networks India Pvt. Ltd	Domestic	385

2016 - FROM CRASH TO CASH

In the initial quarters of 2016, the results were thud, but the year saw increase in the momentum and a robust push during the closing months of 2016. The stir of disappointment during the earlier part of the year was done away with as the activity showed positive acceleration significantly showing a high rise during the later part of the year. Despite challenges, a number of positive fundamentals shaped 2016 as companies sought to complement organic growth with acquisitions to access new regions, products and know-how, while benefiting from continued low cost of funding. Cross-border M&A remained an important feature of the market, accounting for 36% of total volume versus 31% in 2015. A surge in China outbound deal volumes contributed to overall cross-border M&A growth, as Chinese companies sought attractive opportunities abroad. China outbound activity into the U.S. and MENA increased by 471% and 252% year-over-year, respectively.

M&A DURING Q1 2017

In 2017, 252 deals were cracked valuing US\$15.8 billion taking its rise from the last US\$12.8 billion during 2016. However this time, there was an increase in deal value by 23% but the volume of deals have dipped down. Reason behind this increase from last year can be attributed to the mega merger announced between Vodafone India Limited and Idea Cellular for over US\$11 billion. There have also been great deals in inbound and domestic acquisitions and the focus was on power, electronics and packaging sector.



Domestic activity became the core component in the quarter of 2017 showcasing 87% of deal value and 67% of deal volume. However, in the first quarter of year 2017, the domestic deal value shot up to \$ 13.8 billion because of the announced Vodafone- Idea merger.

Out of the 14 deals worth US\$597 million announced during the first quarter of this year, 10 were made by foreign investors. These 10 deals contributed US\$332 million in total to inbound M&A in India, up 3.2 times by value from US\$105 million from only two deals in the same period last year.

The Indian scenario seems favorable in the coming quarters of 2017 due to Government's focus on infrastructure, the flourishing digital market throughout the country and healthy capital market. With regard to the outbound investment, the capitalist market of Indian economy will focus on seeking access to new technologies in the market and the consolidation deals are likely to flourish across all these sectors. Cross-border M&A activity slowed in 1Q17, both in deal value and volume terms. While, the deal value declined to US\$2 billion in first quarter of 2017 from US\$7.7 billion in first quarter of 2016, deal volume weakened to 83 deals from 104 deals.

Within the cross-border market, inbound activity was moderate. Deal value decreased by 51 per cent to \$539.8 million in first quarter and deal volume reduced to 42 inbound deals from 51 deals. The diversified industrial products sector dominated on the inbound front with 10 deals having a cumulative value of \$224.3 million. The outbound activity also recorded a decline. While the first quarter of calendar year 2017 registered 41

outbound deals with a disclosed deal value of \$1.4 billion, the corresponding quarter a year ago had clocked 53 deals totaling \$6.6 billion.

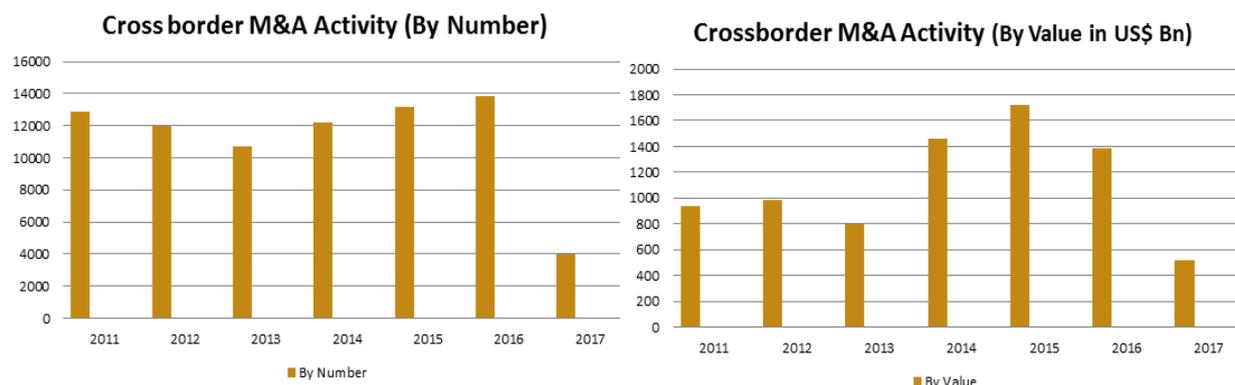
CROSSBORDER MERGERS

The Ministry of Corporate Affairs, Government of India (MCA) has notified Section 234 of the Companies Act 2013 (2013 Act) which permits cross border mergers with effect from 13 April 2017. The newly notified Section 234 of 2013 Act, now permits cross border mergers in both ways i.e., - $\frac{3}{4}$ a foreign company can merge into an Indian company (Inbound Merger); and $\frac{3}{4}$ an Indian company can merge into a foreign company of permitted jurisdiction (Outbound Merger). Prior approval of RBI is mandatory and only after receiving RBI's approval, an application can be made by the Indian company with the jurisdictional National Company Law Tribunal. Jurisdictions of foreign company into which an Indian company can merge - notified.

TRENDS IN THE CROSS BORDER ACTIVITY AND THE SIGNIFICANT CHANGE

Domestic deals have impacted the merger market in terms of volumes in the Indian market over the last five years. Similar to the global trend, number of cross border deals fell down to the 2012-2014 levels however the overall value of cross border deals reached target high since 2007 at US \$1.3 trillion.

Ranging between 22 percent and 24 percent, the cross border deals have remained static and have not seen any steep rise or fall in the last few 7-8 years. However, there is a substantial rise in the average size of cross-border deals, over the last 3 years to US\$149 million.



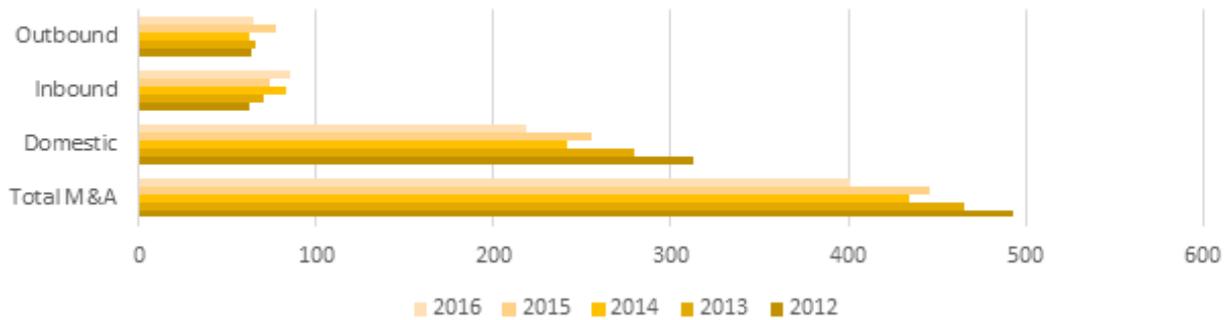
A total of 362 cross-border deals having disclosed value US\$31.1 billion with the deal value witnessing an increase of 127 per cent YoY; the deal volume registered a decline of 10 per cent YoY in the year 2016. The average cross-sector deal value rests between US\$40 to US\$60 million over the last 5 years.

Chinese outbound activity is facing increased oversight by Beijing, targeting deals considered “non-core” or “speculative” and hence leading in 2017. The US sustained its position of being the most active cross-border partner with a total of 93 cross-border deals (50 inbound, 43 outbound), followed by UK (21 inbound, 23 outbound) and Singapore (16 inbound, 8 outbound)

Inbound

In the year 2012 the M&A activity saw 235 deals being closed which accounted for US\$ 27.2 billion in deal value. However, the number of deals declined to 762 deals in the year 2013, however the deal value still rose by US\$ 1.2 billion at adding up to approximately US\$ 28.4 billion. The year 2014 witnessed a fall of around US\$ 1 billion in the deal value coming close to US\$ 27.4 billion, however, there was a rise in the total number of deals being made which amounted to 794 deals in total. Year 2015, saw a rise in the M&A activity compared to the previous years both in terms of deal value and the number of deals closed, which accounted to 887 deals and US\$ 30 billion.

Deal Volume (Jan - June)



The overall merger and acquisition activity in India in the year 2016 reached a record high deal value of US\$56.2 billion as compared to US\$ 30 billion in 2015. However, there was a 2% decline on the volume front, with only 867 deals as compared to 887 in 2015. All in all, the year 2016 saw the highest jump in the deal value compared to previous years since 2012. The major sectors in which the deals during 2016 centered were oil and gas, financial services, cement and building products, pharmaceuticals and infrastructure. Inbound activity contributed significantly to this surge in value

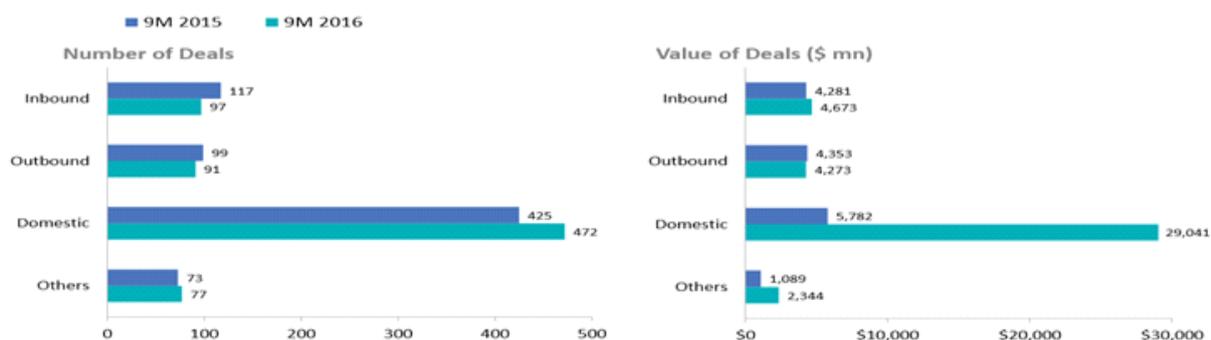
Outbound

In the year 2013 a total of 102 deals were closed in and a deal value of US\$7.6 billion was booked. The year 2014 saw a rise in deal count to 118 amounting to US\$2.6 billion which was lower as compared to the previous year. 2015 saw a rise in the outbound M&A activity which accounted for US\$5.2 billion with some big-ticket transactions in oil and gas and pharmaceutical sectors.

The year 2016 clocked 158 deals with a disclosed deal value of approximately US\$9.7 billion. The major sectors in which the deals centered were oil and gas in terms of value and in terms of volume technology and pharmaceuticals were the most active sectors. The targeted nations by Indian Companies consisted of US, UK, Japan, UAE, Singapore, France and Germany. The outbound activity for the sector is expected to remain strong due to the US\$12.9 billion Essar-Rosneft transaction.

Domestic

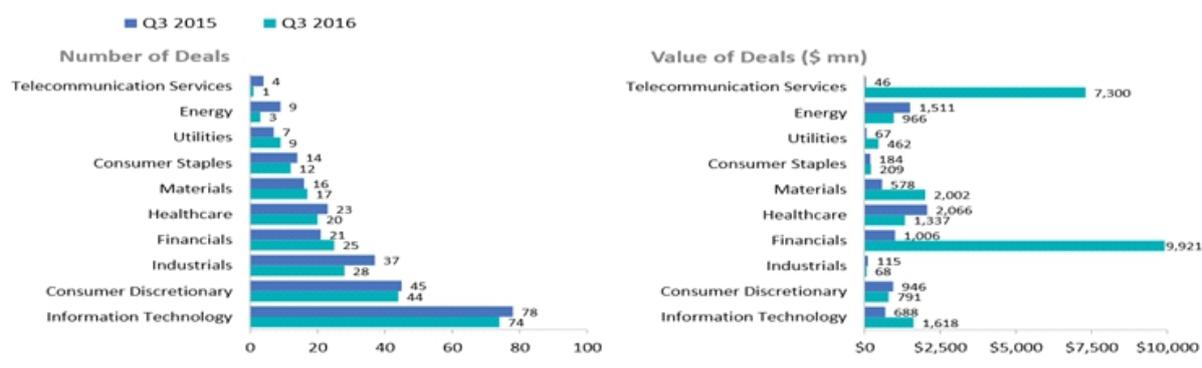
The year 2012 saw a good rise in M&A activity as compared to 2011 since 452 deals accounting to US\$ 13.9 billion were closed in by domestic companies. M&A activity recorded for the year 2013 saw 437 deals, however, the deal value saw a decline of almost 50% closing in to US\$ 6.2 billion. The year 2014 again saw a rise in the M&A activity by the domestic companies and saw 494 deals worth US\$ 16.2 billion being closed, which accounted for 57% of the total M&A activity in terms of both- deal value and deal volume. In the year 2015 the M&A activity saw 483 deals closed which accounted for US\$ 16.4 billion. M&A activity was quite dominated by the domestic deals in the year 2016, as compared to the previous years, with 505 deals, which recorded the highest deal value of US\$25.1 billion which accounted for 58% and 45% of total volume and value, respectively. Outbound acquisitions by Indian companies have seen a surge in the first month of 2017 after a lull for the past three years. There were only \$5.3-billion worth outbound deals, against \$30.8-billion inbound last year.



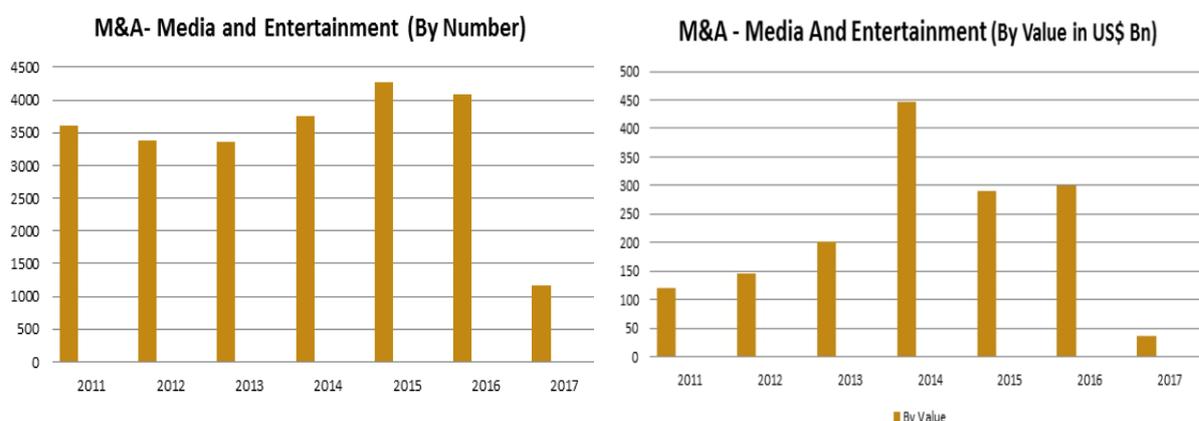
The data provided in the exhibit above shows consolidation in the domestic market. In 2016 domestic M&As have attracted close to US\$ 29 billion as against US\$ 6 billion in 2015. The two large domestic deals have contributed more than US\$ 17 billion, driving the overall share of domestic M&As.

TRENDS IN CROSS-SECTOR DEALS

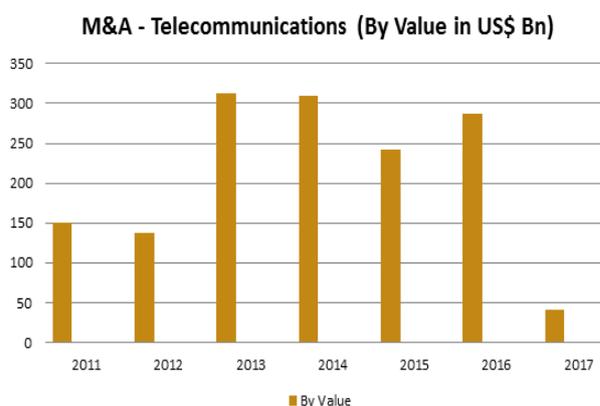
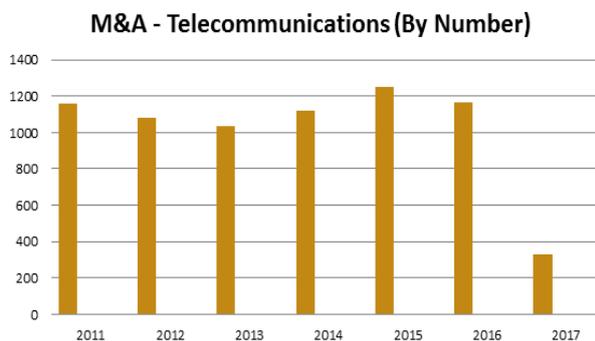
While a few large deals always skew the number across sectors, M&A activity has remained largely unchanged across sectors with significant increase in value within financials, telecommunication services, information technology and materials.



Cross sector deals have risen from low 30% to 43% in 2015-2016 and the value of the deals have wavered. The average deal size of cross-sector deals is generally smaller, at around 50% of the average size of all deals and about one-third the size of the average cross-border deal. China and the United States were the dominant players, with 16 of the top 25 cross-sector deals involving bidders from these countries. Cross-sector deals did not tend to be cross border. Among the top 25 deals, 16 deals were domestic.

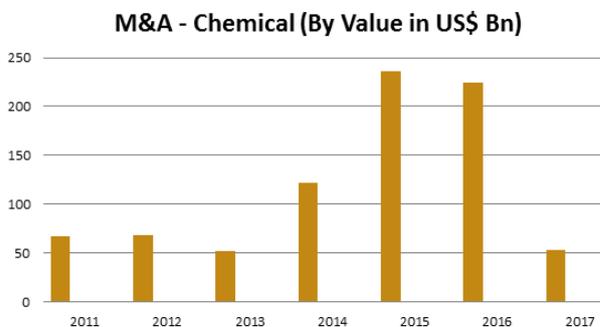
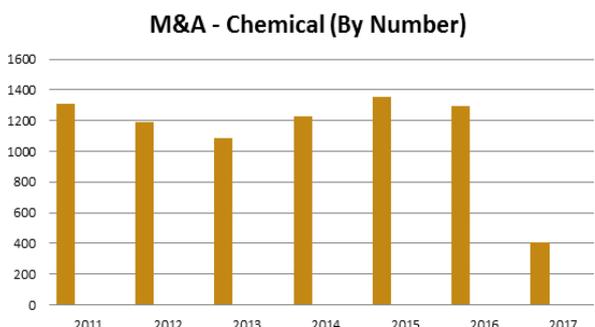


The top sectors during 2011-2016 have contributed 48% to the total deal volume. Retail and consumer product, technology, industrial products and media and entertainment has been consistent during the timeline. Pharmaceuticals and automobiles have gained place in top 5 sectors in 2012-2013.

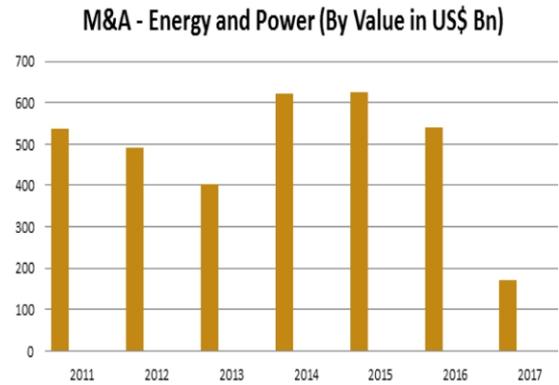
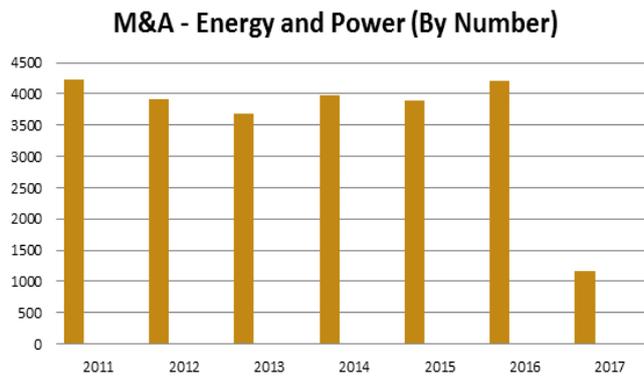


The analysis shows a mixed trend of all the main sectors contributing to the deal volumes during the year 2011-2016 and there are no specific sectors which have made its contribution in the deal volumes. Overall, the analysis shows that oil and gas, mining, telecom, pharmaceuticals and retail and consumer products have been the top 5 sectors in terms of value of deals.

Technology, retail and consumer products and infrastructure were the top sectors in terms of cracking deals (in numbers) in 2014 however, the deal value grossed by infrastructure sector was highest followed by pharmaceuticals and retail and consumer products



Also, in the year 2015 the three sectors held their positions intact in terms of deal value but the significant rise in oil and gas industry cracked the highest number of deal value followed by pharmaceuticals during 2015.



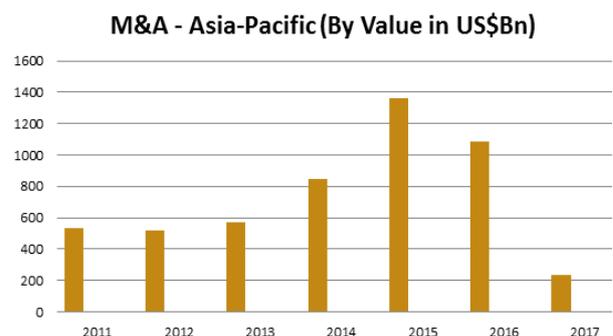
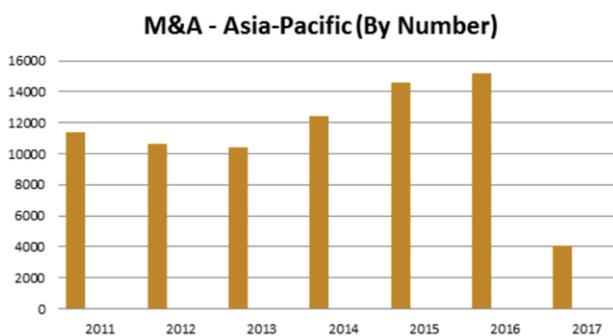
The Energy, Mining & Utilities sector secured its place as the month's top sector with the help of three deals worth more than US\$5bn each.

The telecom sector alone witnessed three transactions worth \$13.6 billion in the quarter, compared to just \$60 million from two deals a year ago. The second best performing sector in M&A was energy, mining and utilities (EMU), in terms of deal value, recording 11 deals worth \$1.5 billion in the quarter. Across the 11 deals, six were in the renewable energy space and were valued at \$419 million. Oil and Natural Gas Corp. Ltd's acquisition of an 80% equity stake in the KG-OSN-2001/03 field from Gujarat State Petroleum Corp. Ltd for about \$995 million topped EMU sector deals, and was the second-biggest after the Vodafone India-Idea Cellular merger.

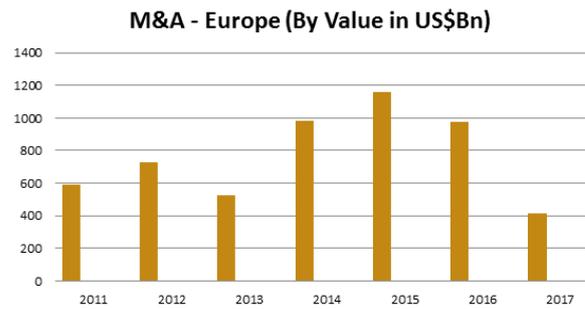
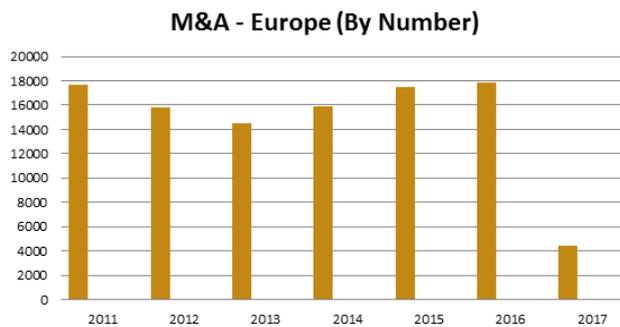
GEOGRAPHICAL BREAKUP FOR M&A DEALS

Inbound activity in terms of deal value

The leading countries in terms of inbound M&A activity in terms of deal value since 2010 to 2014 are US, UK and Japan which have shown continued interest in Indian companies. In the year 2010 the inbound M&A interest shown by various geographies are as follows: US companies accounted for 48% of the inbound activity, followed by 27% by UK and European Countries, followed by South & East Asia 22%, Rest of the world 2% and unknown 1%.

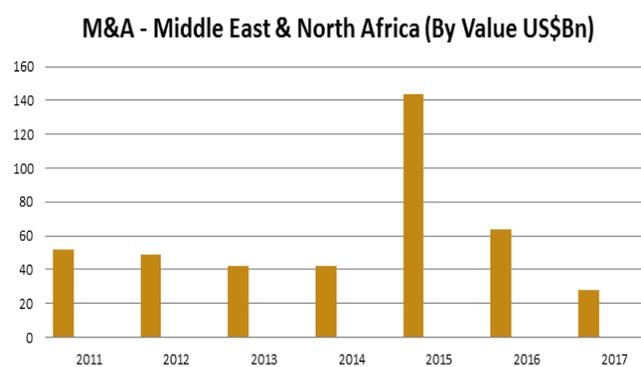
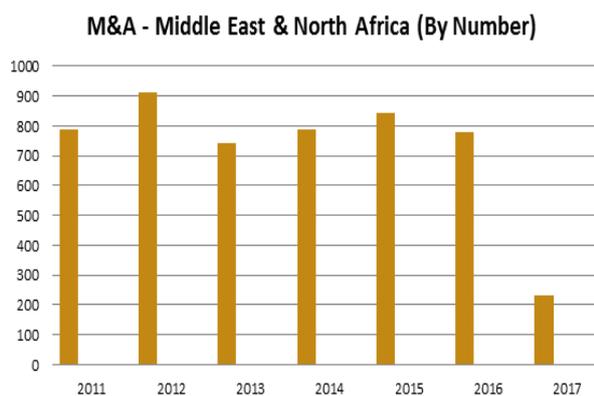


In the year 2011 UK & Europe accounted for 77% of the total Inbound activity and therefore they accounted for the major inbound M&A activity in that year, US at 11% and South east Asia at 9% and the rest of the world at 3%. In the year 2012, again companies of UK and Europe accounted for the major inbound M&A activity in the country followed by US which showed 15% interest, South & East Asia countries being in the second lead with 37% of the total inbound activity and rest of the world, Oceania and unknown behind at 2%, 1% and 0.3% respectively.



In the year 2013, UK and European countries again amounted for the major activity amounting to 62% of the total inbound M&A activity, followed by US at 20% and rest of the world and South and East Asia at 6% and 12% respectively.

The year 2014 saw a decrease in the inbound deal activity from the UK and European part amounting to only 42% of the total Inbound M&A activity, which is around 20% less as compared to previous years, followed by South & East Asia amounting to 32% of the total activity; US at 22% and Rest of the world at 3%.

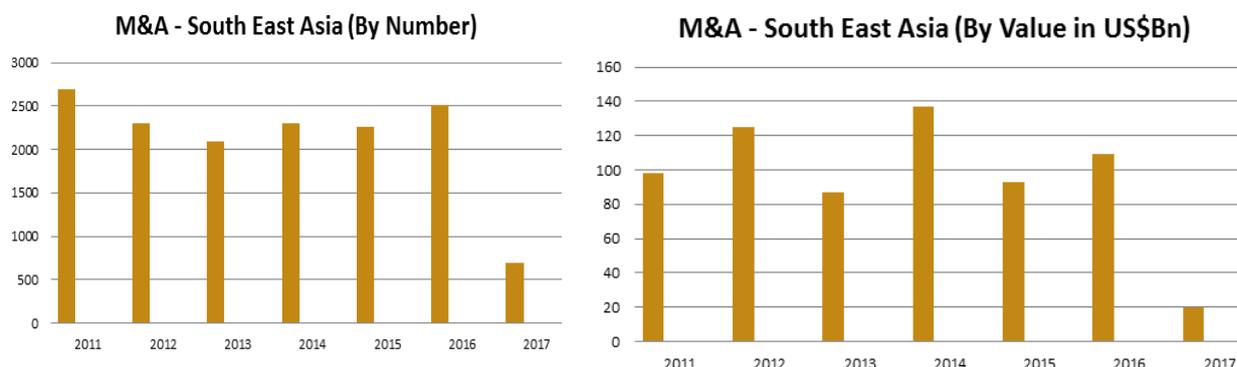


Inbound Activity in terms of deal volume

The leading countries in deal volume again were UK and European countries followed by the US companies in all the years from 2010 to 2014. In 2010, even though US companies were leading in deal value but in terms of deal volume UK and European countries stood at 74 deals, followed by South & East Asia at 62 deals, US being at the 3rd position with 61 deals in its pocket, Rest of the world, Oceania and unknown being at 15, 3 and 22 deals respectively.

In the year 2011 UK and Europe accounted to 79 deals, US at 67 deals, South & East Asia at 56 deals, rest of the world and Oceania at 8 and 4 deals respectively. In the year 2012, the total inbound M&A Activity saw a rise in the number of deals from UK and Europe being at 91 deals followed by US at 64 deals and South and East Asia with 59 deals, Rest of the world, Oceania and unknown at 14 deals and 3 deals each respectively.

In the year 2013 again, there was a fall in the deals made by UK and Europe region in the countries inbound M&A activity with 83 deals in their pockets, followed by US at 52 deals, South & East Asia at 51 deals and rest of the world, Oceania and unknown at 11 and 3 deals each respectively.



The year 2014 saw a rise in both America and South & East Asia activity in the Inbound M&A scenario of India with 81 and 80 deals respectively in their pockets. However the UK and Europe was at par with America at 81 deals, with rest of the world, Oceania and unknown at 11 and 2 deals each respectively. In the year 2015, America again bagged the most number of deals with the total number of deals being 78 deals, followed by South & East Asia with 49 deals and UK and European regions with 34 deals.

Outbound Merger Activity in terms of deal value

With respect to outbound deal activity in M&A, India has generally focused on UK and US as mostly technological deals took place in these countries.

2010, US experienced the highest deal activity in terms of outbound M&A with 34% of the total activity followed by UK and Europe with 9% and South & East Asia, rest of the world and unknown with 7%, 38% and 1% respectively.

2011 saw a major portion of the Outbound M&A activity happening in UK and Europe with 23% of the total activity taking place in it. It was followed by US, South & East Asia and rest of the world at 19%, 11% and 8% respectively.

2012 saw a rise in the deal made in the US amounting to 55% of the deal value against 19% in the previous year becoming the leading region followed by UK and Europe with 26% of the total activity. South & East Asia region stood at 4% whereas Rest of the World, Oceania and Unknown were at 8%, 1% and 6% respectively.

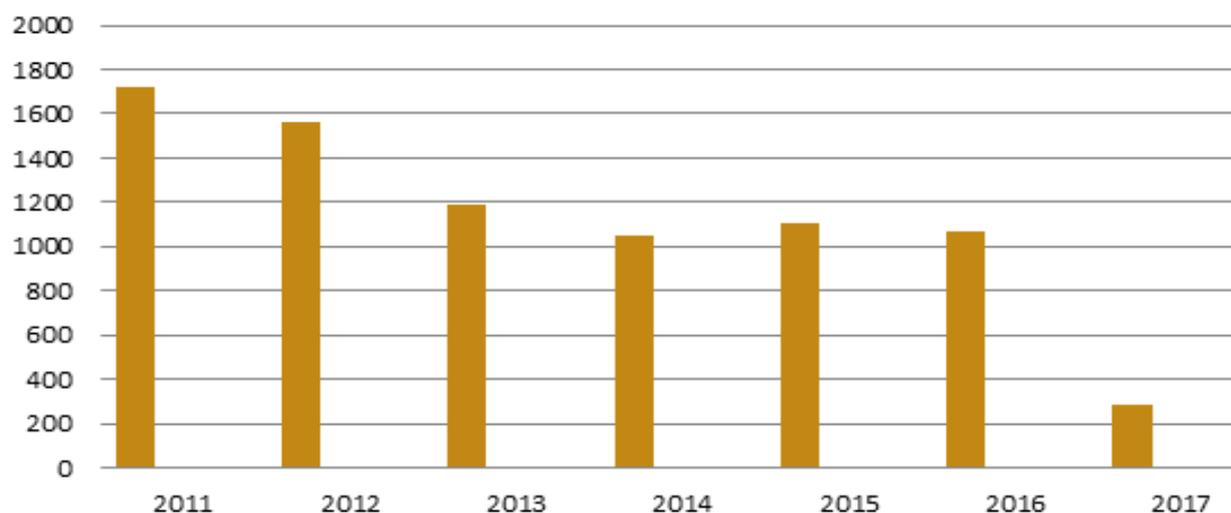
In 2013 US dipped down from 55% to 3% and UK and European region accounted for 18%. There was a high rise in out bound deal activity done by Oceania and Unknown accounting to 38% and 40% respectively.

In 2014 US again went up to 49% followed by UK and European region by 26%. However, South and East Asia region accounted for just 1% of the outbound deal activity.

Outbound Activity in terms of deal volume

In term of the number of deals UK & Europe region recorded the maximum deals followed by US and South & East Asia region.

M&A - South America (By Number)



In the year 2010 the UK & Europe region with respect to the outbound deal activity in M&A had 72 deals in their pocket, followed by US with 72 and South & East Asia with 28 deals. Rest of the world Oceania and unknown booking 17, 45 and 14 deals.

In the year 2011, UK and Europe booked 62 deals followed by US with 45 deals and South & East Asia with 29 deals.

In the year 2012 outbound M&A activity in the UK and Europe region rose in terms of deal volume and the number of deals taking place in that region stood at 49. US with 44 deals, South & East Region with 21 deals and the rest of the world, Oceania and unknown with 12, 6 and 16 deals each respectively.

In the year 2013 the Outbound M&A activity in UK and Europe experienced 36 deals followed by US with 28 deals. South And East Asia booked 11 deals and rest of the world, Oceania and Unknown booked 10 deals and 5 and 12 deals respectively.

In the year 2014 the outbound M&A activity in terms of volume saw a rise in US with 40 deals to be at par with UK and Europe region with 35 deals. and South & East Asia region accounted for 10 deals whereas, rest of the world, Oceania and Unknown being at 18 deals, 4 deals and 12 deals each respectively.

In 2015, the US experienced the most number of deals with the count being at 42, followed by UK and Europe region with 22 deals and South & East Asia with 12 deals.

In the first half of 2017, the Global M&A activity fell by 484 deals and the value dropped 4.5% as the market had uncertainty and volatility. During 2016-2017, North America remained top most region with the highest M&A value, totaling US\$99.3bn, while Europe had the most activity with 406 transactions.

Although overall M&A activity slowed down in May, but the global performance in the year 2017 is on track to outpace 2016. Positive trends such as a rise in cross-border activity and an increase in private equity buyouts also reinforce the year's outlook.

According to Merger market report May saw 1,090 deals valued at US\$229.8bn globally, a decrease in both activity and value when compared to 1,574 deals worth US\$240.7bn in May 2016. The top sector for the month was Energy, Mining & Utilities, which had 96 transactions worth US\$41.2bn. There were 1,084 private equity buyouts valued at US\$192bn through the first five months of 2017.

EXPECTATIONS IN END 2017

The market trends over the last five years and more specifically the first quarter of 2017, domestic activity is expected to remain strong and stable. There is likelihood of bug ticket divestment by the debt-laden companies in capital oriented sectors being power, cement, telecom and real estate sectors as the banks will take a stringent view on non-performing assets.

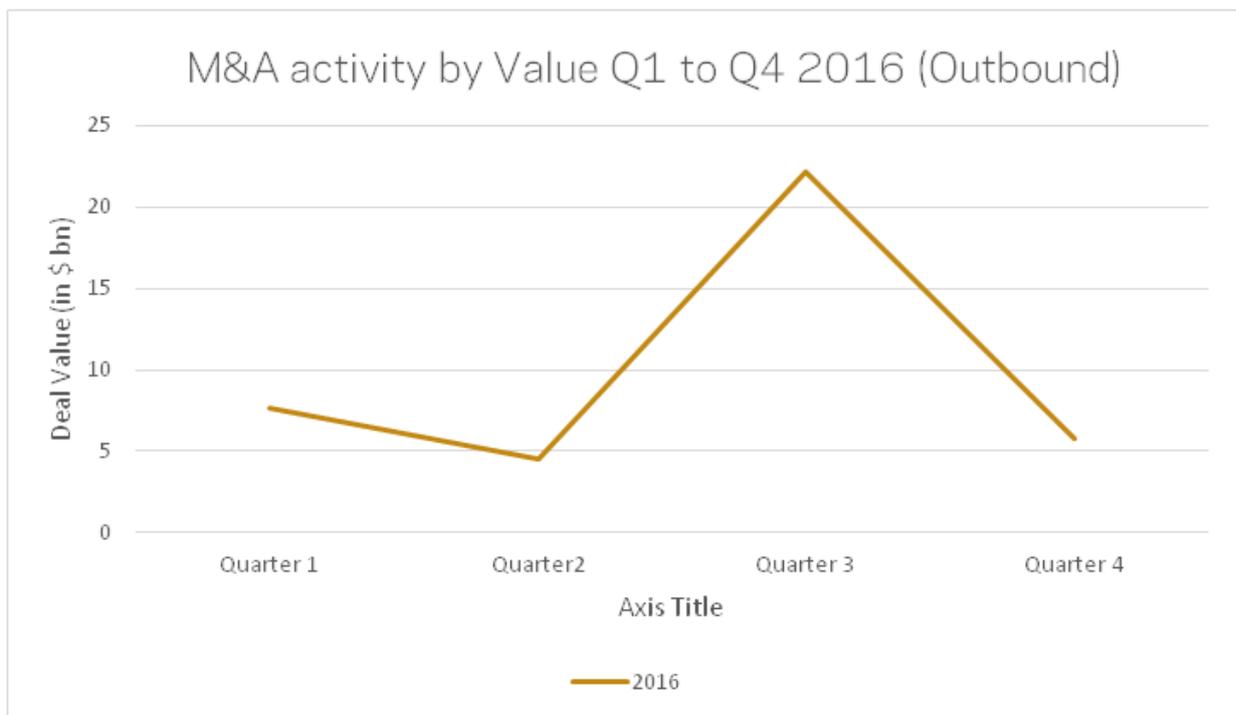
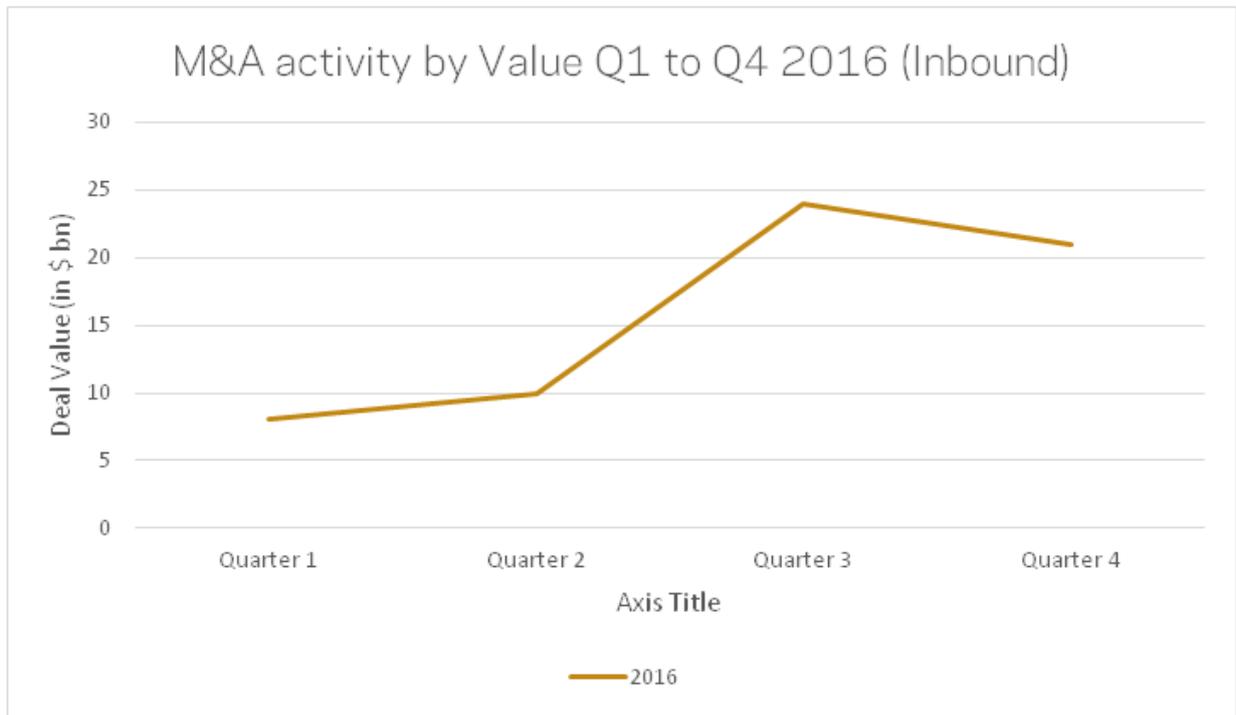
Further, the consolidation deals are also likely to gain strength across all the sectors owing to the India Corporate strategy agenda. Also the market will see an extensive focus on deals/strategic alliance/partnerships to build technological capabilities and gain a competitive edge through online/mobile presence, data analytics competencies etc., as new technologies continue to disrupt businesses across industries.

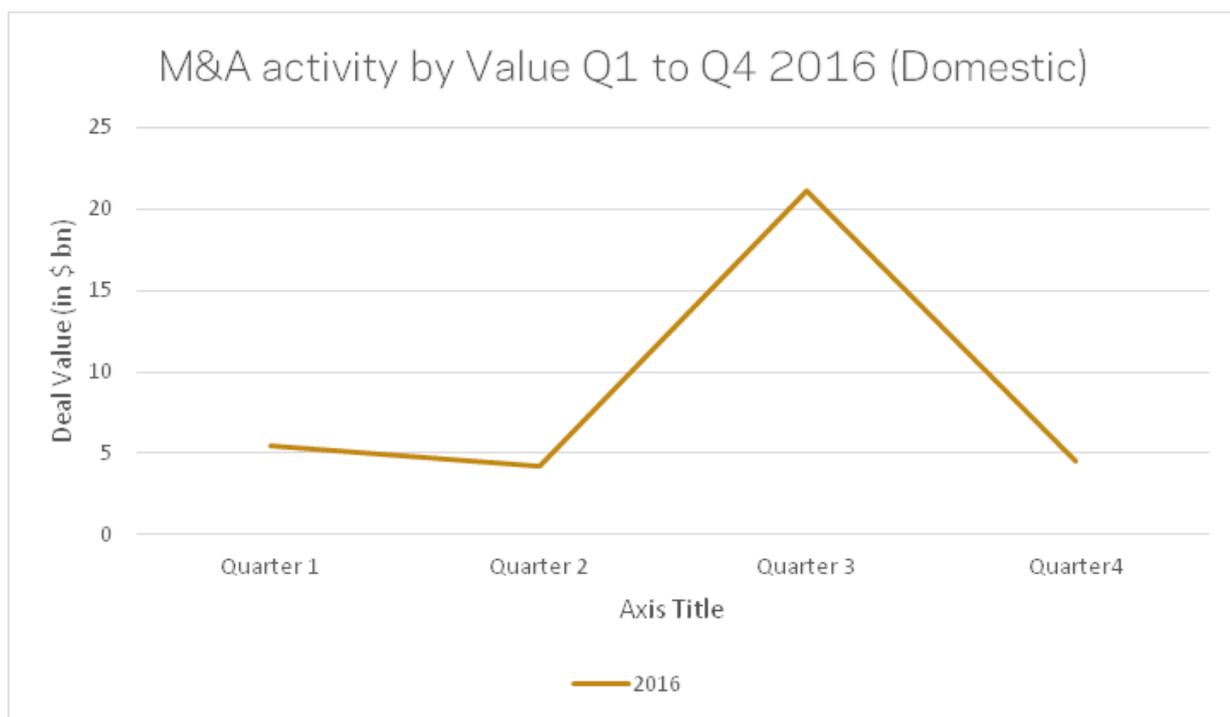
However, the outbound investments be led by the oil and gas sector in 2017, with the government taking steps to encourage Indian players to acquire oil, gas and coal assets overseas. While global buyers are expected to be selective, owing to policy uncertainty in the US and stressed economic environment in Europe, their interest in Indian businesses will remain alive as they look for growth opportunities outside the US and Europe.

2016: M&A activities hit an all-time high

M&A Activities reaching an all-time high in the past 6 years

M&A activity in India remained buoyant in 2016 with the announcement of several big-ticket deals. The year proved to be an enormously successful year for Indian M&A activities reaching a six-year high in 2016 by recording deal values worth \$56.2 billion, the highest since 2010.





2016-17 also showed a remarkable improvement as compared to the previous financial year adding up to the deal value and count in M&A activities. In the last two and half years administration has moved from discretionary and favoritism based to system and transparency based. Inflation was brought under control. CPI-based inflation declined from 6% in July 2016 to 3.4% in December, 2016. Economy has been moving on a high growth path. India's Current Account Deficit declined from about 1% of GDP last year to 0.3% of GDP in the first half of 2016-17. FDI grew 36% in H1 2016-17 over H1 2015-16, despite 5% reduction in global FDI inflows. The Indian economy has been robust to mild shocks and as per IMF forecasts, India to be one of the fastest growing major economies in 2017.

The demonetization of high-value banknotes, which was announced and implemented by the central government on 8 November has set the stage for a spread in digital payments, paving the way for India's journey towards a cashless economy and digitization of financial services. Demonetization is proving to be a catalyst towards the digital payments ecosystem. People are replacing e-payments and mobile wallets for their daily transactions over hard cash. Digitization will also lead to greater financial inclusion across the country by compelling the rural population to use mobile banking for accessing payment, savings, insurance, credit services and micro-finance. Digitization deals gathered pace in the mobile wallet space following India's demonetization policy. It is being seen as an opportunity by key players in the mobile money market such as Paytm, MobiKwik, FreeCharge, ItzCash and Payworld as consumers gradually adopt alternative payment mechanisms. Overall it led to a temporary impact on the performance of companies in FMCG, auto, healthcare services and other consumption-led sectors but turned out to be a short-term challenge, though the long-term prospects remain bright and promising.

A resistant domestic economy and stable capital markets delivered robust M&A activity through 2016, while the year also registered the largest ever in-bound investment of \$12.9 billion. The momentum is expected to sustain in 2017 owing to continued progressive macroeconomic outlook for the country as the Government continues its focus to improve business and investment climate in the country. Sectors like technology, life sciences and financial services are expected to attract significant investor attention.

The financial year 1Q16-1Q17 set a higher record for mergers and acquisitions (M&As) in India, with deals worth \$61.26 billion, more than double the value of transactions in the last financial year, 2015-16, being \$27.62

billion. The sharp increase was a result of both strong foreign buying interest and consolidation underway across sectors including telecom, cement and energy.

The largest transaction of the year was the US\$12.9 billion acquisition of Essar Oil Ltd (98 per cent stake) and Vadinar Port by Russia's state-controlled petroleum giant Rosneft Oil Company-led consortium.

The year saw 505 domestic deals totalling to US\$25.1 billion, the highest yearly value, accounting for 58 per cent and 45 per cent of the total deal volume and value, respectively. A noteworthy momentum behind India's M&A activity was driven by an increased alliance across sectors as companies divested distressed assets in order to reduce debt. Meanwhile, corporates with stronger balance sheets were seen deploying funds towards acquisitions and consolidating their market positions.

The oil & gas sector led in terms of the deal value, followed by the financial services sector. From a volume perspective, the technology, infrastructure and financial services sectors dominated, accounting for nearly one-third of the total announced deals in 2016.

All in all, the Indian growth story remains positive and many global companies will continue to chase growth outside of their home countries, which will continue to fuel the M&A momentum.

M&A Deal Activities 2016, enormous rise in value but relative fall in volume

In 2016, the value of Mergers and Acquisition (M&A) transaction saw a record increase since 2010 in India. This increase was seen in all types of transaction i.e. domestic, inbound and outbound. The key factors behind such increase were strong economy and steady capital markets. During 2016, the deal value reached US\$ 56.2 billion with 60 restructuring deals worth US\$ 7.7 billion, whereas, the year 2015 only witnessed 44 deals worth US\$ 4.3 billion.

The M&A deals in terms of volume registered a 2% year-on-year decline in 2016 with 867 deals as compared to 887 deals in 2015. The domestic deals are leading in terms of volume also, accounting for 58% of total volume. The cross-border transactions have seen a decline in 2016 as compared to 2015 in terms of volume. In 2016, 362 deals were booked as compared to 404 deals in 2015. With respect to sectors, technology, infrastructure and financial services sectors, cover one third of total deals in 2016.

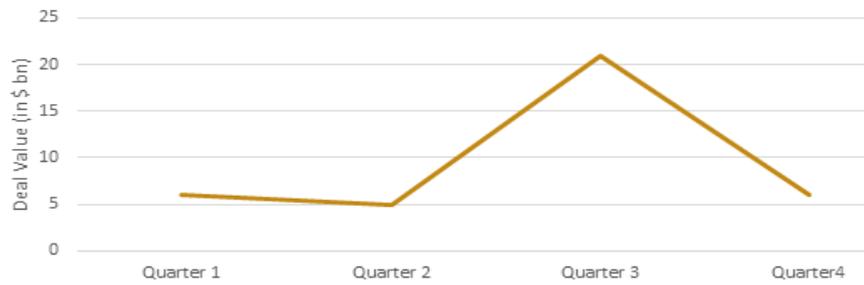
Domestic M&A transactions dominates Deal Landscape in 2016

The domestic deals stood over cross-border transaction (inbound and outbound deals) with 505 deals worth US\$ 25.1 billion, accounting for 45% of total value. The deal value of cross-border transaction in 2016 was US\$ 31.1 billion accounting an increase of 127% year-on-year. Consolidation deals by Indian companies formed a significant part of the domestic deal activity. The cumulative domestic disclosed deal value also registered its highest level ever.

The increase in deal value was driven by large domestic transactions such as Nirma Ltd's acquisition of the India cement business of Lafarge Holcim for \$1.4 billion and the merger agreement between Housing Development Finance Corp. and Max Group for their life insurance businesses.

The average deal size for 2016 edged up to US\$161 million, which was a significant increase compared to US\$97 million in 2015. This is the highest ever average deal value on record in the Indian M&A market.

M&A activity by Value Q1 to Q4 2016
(Inbound)



M&A activity by Volume Q1 to Q4 2016
(Domestic)

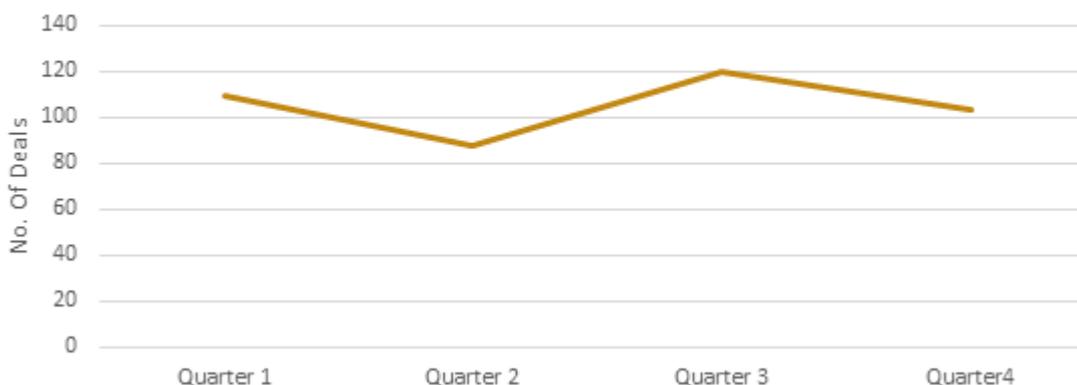


Cross-Border Deal value doubles, a significant inbound deal attributing to the same

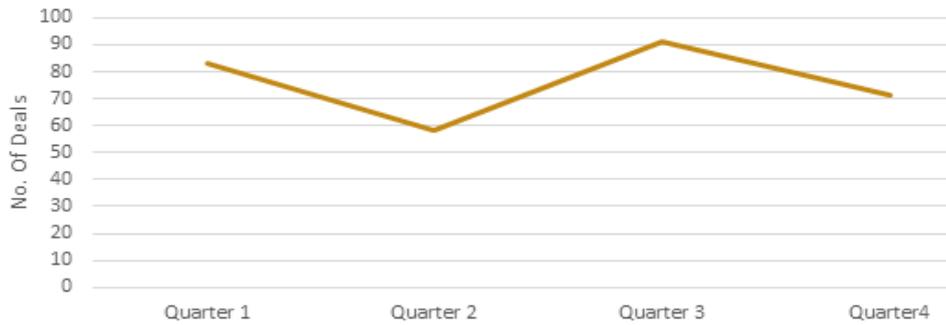
The year 2016 recorded 362 cross-border deals with a cumulative disclosed deal value of US\$31.1 billion. While the deal volume registered a decline of 10% y-o-y, value witnessed an increase of 127%. In 2015, deal volume and value stood at 404 deals and US\$13.7 billion, respectively. This increase in deal value of cross-border transaction is primarily because of increase in inbound deal value i.e. from US\$ 9.9 billion in 2015 to US\$ 21.4 billion in 2016.

Inbound deal value registered a hike of 115% y-o-y, reaching US\$21.4 billion in 2016 from US\$9.9 billion in 2015. The significant leap in inbound deal value can be attributed to the record breaking US\$12.9 billion Essar-Rosneft-led consortium deal. Russian state energy giant Rosneft along with others struck a \$12.9 billion deal with India's second-biggest private oil firm, Essar Oil, in a transaction that involves the largest inflow of foreign direct investment into the country.

M&A activity by Volume Q1 to Q4 2016
(Inbound)



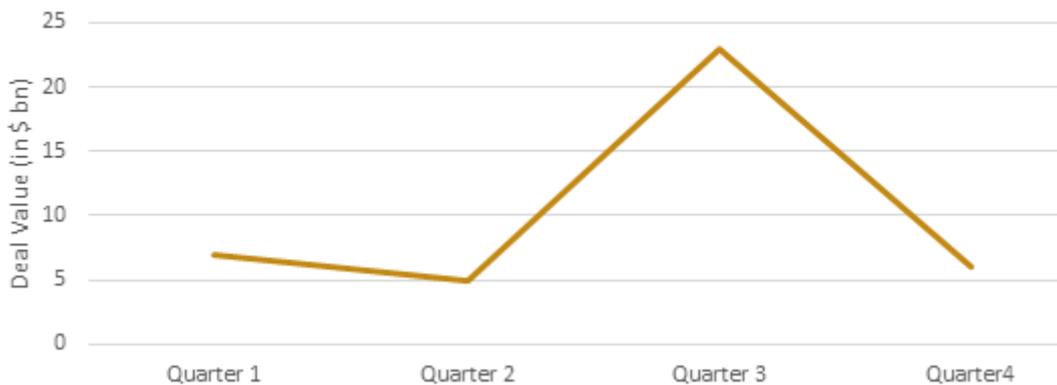
M&A activity by Volume Q1 to Q4 2016 (Outbound)



M&A activity by Value Q1 to Q4 2016 (Inbound)



M&A activity by Value Q1 to Q4 2016 (Outbound)



On the volume front, technology was the most active sector for inbound M&A activity in 2016, followed by infrastructure, and the media and entertainment sector.

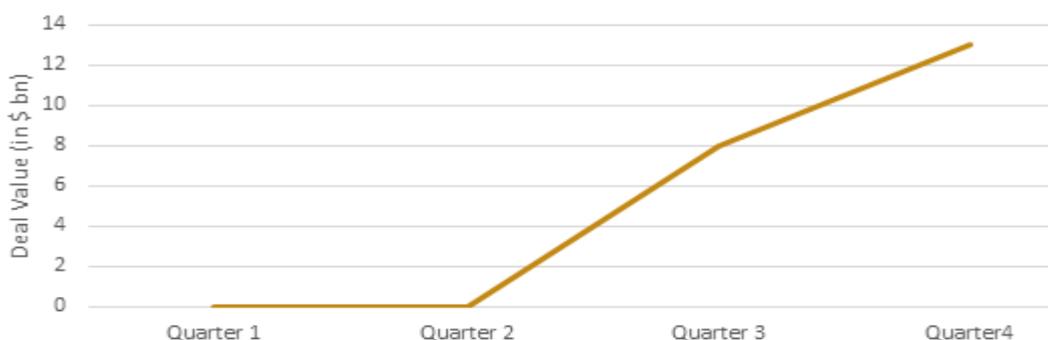
On the outbound front, the year bagged 158 deals with a cumulative disclosed deal value of US\$9.7 billion — registering an increase of 8% in terms of volume and 160% in terms of deal value respectively (146 deals constituting US\$3.8 billion in 2015.)

Mega deals of the year 2016

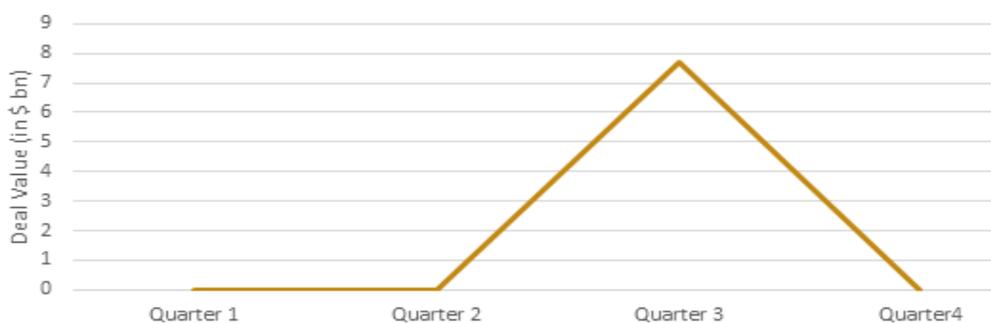
The year witnessed an increase in disclosed deal value, primarily on the back of 12 mega deals (3 in 2015). This is the highest number of mega deals logged since 2010. Notably, these deals accounted for 61% of the total deal value. The majority of these deals were domestic in nature (8 out of 12), accounting for 26% of the deal value,

indicating solid business confidence in the domestic markets. Two mega deals each were witnessed on the inbound and outbound front. Notably, three cross-border mega deals took place in oil and gas sector, worth a combined value of US\$18.4 billion. Leading Indian oil companies have signed a number of deals with Russian players, adding commercial depth to the strategic ties between India and Russia.

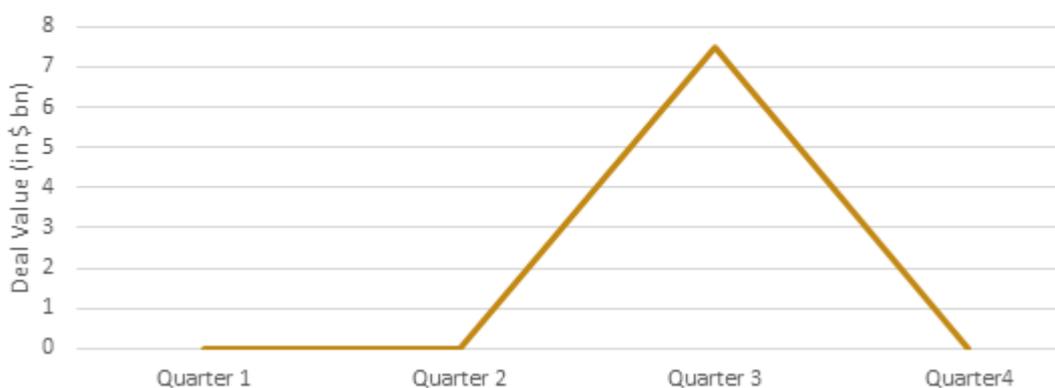
M&A activity by Mega Deals Q1 to Q4 2016 (Inbound)



M&A activity by Mega Deals Q1 to Q4 2016 (Outbound)



M&A activity by Mega Deals Q1 to Q4 2016 (Domestic)



Online and Offline Players in the M&A Activities

Amalgamation continued to reign across deal activity in the e-commerce segment as players sought to expand their scale of operation, increase market share and gain access to new technologies. Against this framework, online players increasingly concentrated on acquisitions to meet the growing demand for online shopping and counter competition. Companies are extensively buying technology start-ups not only to support their media market, products/apps or the websites, but also to gain the talent that work for these entities. The main focus is on identification of teams working on unconventional ideas/concepts and new-age technologies and get them on board by acquiring their companies. It is this section of tech mavericks that the large online players are focusing on. Mostly, the start-ups are in the technology and e-marketplace that can complement and enhance the business models of the big e-commerce companies. Recognizing the need to enhance their mode of operation, home-grown brick-and-mortar players have also entered the online space through the inorganic route. The changing buying pattern of consumers - who expect to expand their convenience in terms of time and effort, a much wider product range and competitive prices - coupled with increased internet penetration is increasingly forcing traditional players to make a shift to online platforms. As a result, traditional retailers are exploring into the online space either through tie-ups (with e-tailers), acquisitions or launch of their own online portals.

M&A activities- Impact on Indian Start Ups

The year 2015 witnessed huge rounds of funding by investors in start-up sector. On the other hand, the year 2016 saw a huge number of funding in merger and acquisition (M&A) in start-up sector. 2016 kicked off with the acquisition of CommonFloor by Quikr. Subsequently, the year saw several other major acquisitions' including Flipkart's Myntra acquiring Rocket Internet's Jabong.

The highest number of deals were seen by domestic market start-ups based out in Delhi-NCR region, followed by Bangalore (26) and Mumbai (16) with a total of 29 deals. With a total of 123 deals and overall deal size of \$534.9 million, the year 2016 saw a huge trend of M&A in start-up sectors. The outbound and inbound deals constituted 11 deals (9 per cent) and 12 deals (10 per cent) respectively while covering markets from countries like US, UK, Dubai, Canada among others. The domestic market displayed a big size of consolidation with about 100 M&As.

Few of acquisitions that were in news in 2016 were Mindtree acquiring Magnet 360, Tech Mahindra acquiring Bio Agency and Dabur acquiring Discaria. The large-scale company acquisition's included Myntra acquiring Jabong, Quikr acquiring CommonFloor, Titan Industries acquiring CaratLane, Yatra acquiring Mgaadi among others. Some start-up's also closed its operations after the merger, such as TinyOwl after being acquired by RoadRunnr, Momoe after being acquired by Shopclues among others. M&A activity of several start-up's were related to securing their future and keeping their operations ever more strong with a healthier business environment.

Restructuring Activities in 2016

Substantial restructuring activity was seen during the year, focused on accomplishing portfolio optimization, operational efficiency and unlocking value for the shareholders. A total of 60 restructuring deals with an aggregate disclosed value of US\$7.7 billion were recorded during 2016, as compared to 44 such deals worth US\$4.3 billion in 2015. These deals constituted around 7% of the deal volume seen in 2016, as compared to 5% in the previous year.

Top 10 deals of the year

In 2016, the top ten M&A deals in India mostly comprised of domestic deals. Domestic deals constituted six deals out of the top ten deals whereas both inbound and outbound deals accounted for two deals each out of the top ten ones. On studying the top ten deals sector-wise, oil and gas sector turned out to be the leading sector having four deals out of the top ten deals with two outbound deals, one domestic deal and one inbound deal. Whereas the cement and building products sector executed two domestic deals out of the top ten deals. The other sectors included in the top ten deals were insurance, infrastructure, pharmaceuticals and media-entertainment. Summary of the top deals of 2016 goes as follows:

In the top ten deals, Russia's and Netherlands' Trafigura Holding BV and Rosneftegaz respectively by acquiring the Essar Oil Limited (including Vadinar refinery) of India has harvested US\$ 12,907 million recording the highest deal value in Indian M&A Activity. Essar Group selling a combined 98 percent stake in Essar Oil to both Rosneft and Trafigura turned out to be one of the biggest inbound deal in Indian as well as global front. Russian state energy giant Rosneft along with others struck a deal with India's second-biggest private oil firm, Essar Oil, in a transaction that involves the largest inflow of foreign direct investment into the country. Rosneft bought a 49% stake in Essar Oil's refinery, port and petrol pumps while the Netherlands-based Trafigura Group Pte, one of the world's biggest commodity trading companies, and Russian investment fund United Capital Partners split another 49% equity equally.

The second highest deal in the top ten deals was of the value US\$ 3,262 million, between Russia's Taas-Yuryakh Neftegazodobycha (Target) and India's Investor Group (Oil India Limited, Bharat Petroleum Corporation Limited and Indian Oil Corporation) (Acquirer).

The third highest deal was a domestic deal between Max Financial Services-Life Insurance business and HDFC Limited with a value of US\$ 3,194 million. Anajit Singh-promoted Max Financial Services Ltd and mortgage lender HDFC proposing to merge their life insurance businesses to create the largest private-sector life insurer in the country was one of the most significant domestic deals in the year 2016. The transaction creates a company with annual premium of Rs 25,500 crore and will have a differentiated portfolio and wider reach to expand in a growing life insurance sector. The merged company is listed on the stock exchange wherein HDFC Life holds a 69% stake while Max Life holds the remaining. Currently, India's life insurance sector is dominated by state-run Life Insurance Corp. SBI Life, a joint venture of State Bank of India and BNP Paribas, and ICICI Prudential Life Insurance are the top two private-sector life insurers by premium income with HDFC Life ranked third.

The deal where Jaiprakash Associates Limited was acquired by UltraTech Cement Limited stood fourth having deal value of US\$ 2,424. Jaiprakash Associates Ltd closed a deal to sell nearly two-thirds of its cement business to UltraTech Cement Ltd. The transaction gives debt-laden Jaiprakash a breather in its attempt to stave off creditors seeking to take over the company. The domestic deal was valued at Rs 16,189 crore (\$2.4 billion) including debt. UltraTech will also spend Rs 470 crore to complete an under-construction grinding unit. The deal will help UltraTech, the single-largest cement firm in the country in terms of capacity, to again overtake its Swiss construction materials rival LafargeHolcim, which controls Ambuja Cements and ACC in the country.

On the fifth place comes the deal between ONGC India (Acquirer) and Vankorneft of Russia (Target) with a value of US\$ 2,198 million.

The sixth highest deal which had value of US\$ 1,400 million was between Nirma Limited (Acquirer) and Lafarge India Private Limited (Target). Ahmedabad-based cement player Nirma Ltd trumped the bigger boys of India including billionaire Ajay Piramal and Sajjan Jindal-led JSW Cement to lap up Lafarge India for an enterprise value of about \$1.4 billion (Rs 9,400 crore) including debt. The domestic deal completes the India leg of the global merger of French cement giant Lafarge and Swiss building materials group Holcim. The transaction is part of Lafarge Holcim's 3.5 billion Swiss franc (\$3.6 billion) divestment programme and is essential for completing the merger announced last year.

The deal of US\$ 1,382 million where Tata Sons Limited acquired Welspun Renewables Energy Private Limited stood seventh on the top ten deals list.

The eighth place is taken by the deal worth of US\$ 1,260 million between China's Shanghai Fosun Pharmaceutical (Group) Company Limited (Acquirer) and Gland Pharma Limited.

The ninth place is taken by the deal worth US\$ 1,195 million between ONGC (Acquirer) and KG Oil Field.

The tenth place is taken by the deal worth US\$ 1,186 million between Dish TV India Limited and Videocon d2h Limited.

Sector-wise Analysis in M&A Activities, 2016

Construction, Cement and Building Products

The year 2016 was a promising one for the cement sector, which recorded 17 deals out of which 14 being domestic, 1 inbound and 2 outbound with a total disclosed value of US\$5.2 billion, the highest yearly deal value on record. When compared to the previous year, the deal value increased more than three times while the deal volume also grew by 21% y-o-y (14 deals in 2015). The sector's M&A activity was dominated by domestic deals as the industry continued to witness consolidation activity. Notably, domestic deals accounted for 82% of the sector's deal volume.

Financial Services

In 2016, the financial services sector saw its highest ever yearly deal value on record, at US\$7.3 billion — a more than two-fold increase as compared to 2015. However, the deal value was largely inflated due to two mega deals, which contributed around 83% to the total disclosed value. One of these deals was an internal restructuring exercise carried out by the Aditya Birla Group. On the whole, there were 8 internal restructuring transactions seen in the sector, accounting for around half of the total disclosed deal value. Even on the volume front, the sector witnessed significant activity, registering 91 deals out of which 72 being domestic, 12 inbound and 7 outbound as compared to 75 deals in the last year. Dominant segments within the sector included NBFC (27 deals; US\$100 million), insurance (11 deals; US\$3.3 billion), capital markets (12 deals; US\$83million) and payment solutions (8 deals; US\$130 million).

Infrastructure

The Indian infrastructure sector clocked 92 deals out of which 60 being domestic, 25 inbound and 7 outbound with an aggregate disclosed deal value of US\$4 billion in 2016. Compared with 2015, deal value surged by nearly 78% from US\$2.3 billion, while deal count remained largely stable (93 deals in 2015). The increase in deal value was primarily due to two mega deals recorded in 2016, as against no such deal in the previous year, in the power sector. Within infrastructure, the power segment (especially cleantech) hogged the limelight as it cumulatively accounted for 53% of the total volume and 86% of the total M&A value of the sector. Logistics and transportation was another active segment, constituting 23% of the total M&A volume.

Oil and Gas

The year 2016 was a blockbuster for the oil and gas sector. A total of 18 deals out of which 9 being domestic, 4 inbound and 5 outbound having a disclosed deal value of US\$19.6 billion were recorded, the highest deal value ever for the sector, on the back of the announced US\$12.9 billion Essar-Rosneft deal. The sector also registered the most robust deal value across all sectors. Deal-making in the sector was dominated by public sector undertakings, since the government has been encouraging state-owned companies to aggressively pursue acquisitions of energy assets overseas.

Pharmaceuticals

The pharmaceuticals sector witnessed 51 deals being announced in the year 2016, out of which 21 being domestic, 9 inbound and 21 outbound with aggregate disclosed deal value of US\$4.6 billion. Outbound and domestic transactions drove most of the deal activity, with 21 deals each. In terms of disclosed deal value, outbound and inbound activity stood at US\$2.1 billion each. Domestic deal-making was concentrated in smaller value bands with an aggregate deal value of US\$342 million, of which US\$272 million (4 deals) worth of deals were restructuring deals. On industry sub-segments, sterile injectables led the pack with nearly US\$2 billion of deal value, followed by other generic formulations with an aggregate deal value of US\$1.6 billion. There were two deals in the CDMOs/CROs segment worth US\$258 million, and 7 relatively smaller deals (worth US\$42 million) in the biotech segment.

Retail and Consumer Products

The retail and consumer products sector recorded a decline in both, deal activity and deal value. The year

witnessed 80 deals out of which 50 being domestic, 13 inbound and 17 outbound, having an aggregate disclosed deal value of US\$635 million, as compared to 97 deals with a total value of US\$2.4 billion in 2015. The dip in deal value was primarily due to missing big-ticket deal (US\$500 million and above) activity in 2016, while the last year had seen two such transactions. Similar to the trend seen in previous years, domestic deals continued to dominate the M&A activity in terms of volume, accounting for nearly 63% of the total activity in the sector. On the value front, domestic and inbound deals lead the show, contributing 53% and 46% to the total deal value, respectively. Prominent deals were seen across sectors, such as online retail, food and beverage (F&B) and personal care and homecare.

E-retail dominated the M&A activity of the sector, with 26 deals having a disclosed value of US\$200 million. It sustained the momentum witnessed last year with greater internet and mobile penetration, a rise in online shoppers and an increase in per capita income. Flipkart-owned, Myntra, bought its rival Jabong in a US\$70 million deal that created India's largest online fashion destination.

Telecom

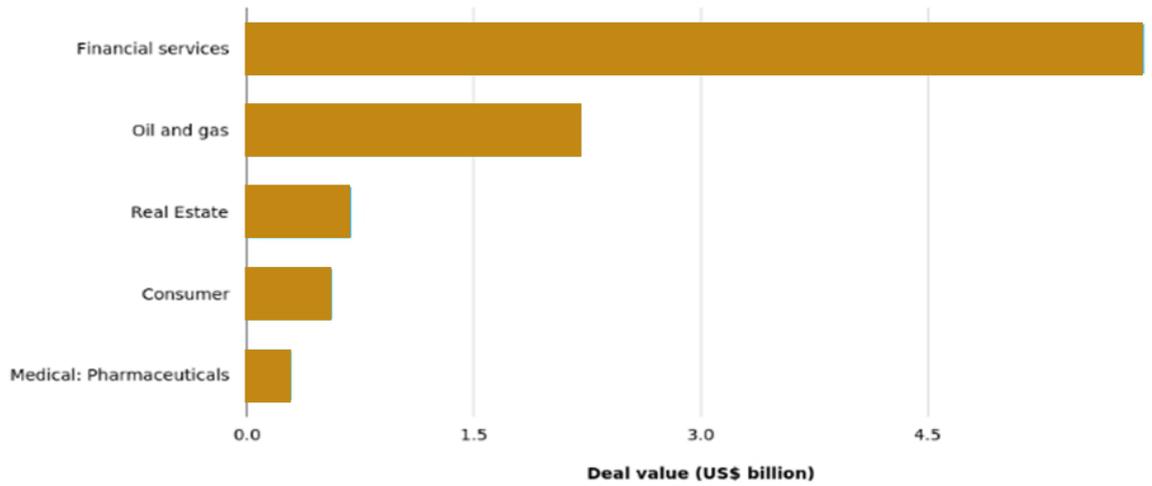
The telecom sector recorded a healthy deal activity with 19 deals having a total disclosed deal value of US\$2.4 billion in 2016. M&A activity was largely distributed between domestic (9 deals; US\$1.2 billion) and inbound deals (7 deals; US\$1.1 billion) with outbound deals (3 deals; US\$0.1 billion) contributing the least. Bharti Enterprises was the most active player in telecom M&A with eight deals worth US\$2 billion. The player was seen making deals in spectrum and mobile-tower segments.

Technology

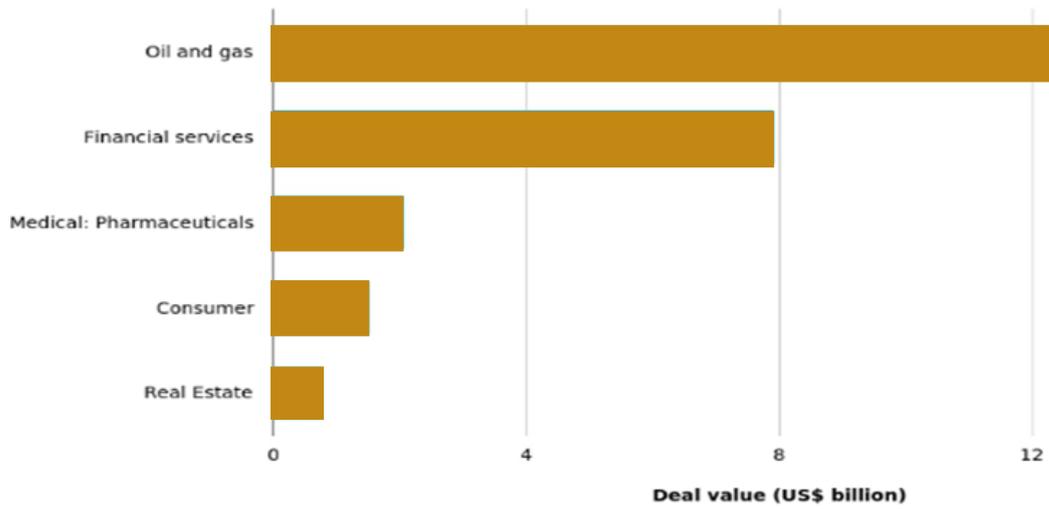
The technology sector recorded 106 deals out of which 44 being domestic, 29 inbound and 33 outbound having a cumulative disclosed deal value of US\$2.1 billion in 2016. Compared with the previous year, deal volume declined by 8% (115 deals recorded in 2015), while deal value rose by 49% (US\$1.4 billion in 2015). Building on the previous year's trend, deals with undisclosed value characterized the sector's M&A activity in 2016 (72 deals out of 106). On the cross-border front, the US continued to be the most active partner with the highest number of inbound and outbound transactions. The US was engaged in nearly 50% of the cross-border transactions with India (32 deals out of 62 deals).

Dominating Sectors in M&A Activities in 2016

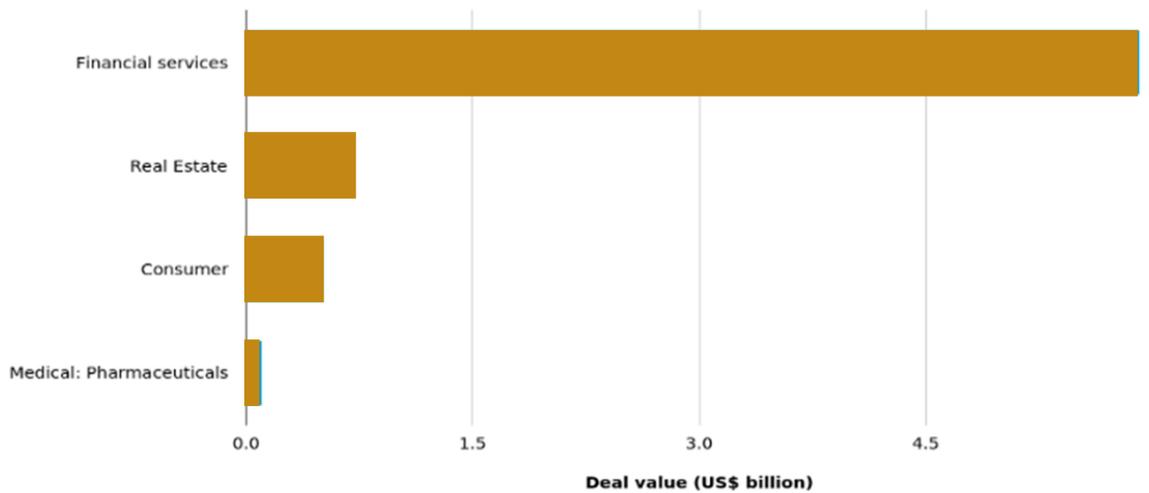
The most active sectors in M&A transactions in terms of deal value in 2016 are oil and gas, financial services, cement and building product, pharmaceuticals and infrastructure. In the year 2016, the total deal value in oil and gas sector was US\$ 19,615 million of which US\$ 1,219 million accounted for domestic deals, US\$ 12,936 million for inbound deals and US\$ 5,460 million for outbound deals. This sector was the main reason for the significant rise in the value of total inbound deals in the year 2016 because of the US\$ 12.9 billion Essar-Rosneft-led consortium deal. The total deal value of financial service sector was US\$ 7,297 million. Out of this total value US\$ 7,077 million was attributed to domestic deals whereas US\$ 211 million and US\$ 9 million were attributed to inbound and outbound deals respectively. Domestic deals in cement and building product sector are predominant in comparison of inbound and outbound deals. The domestic deals accounted for US\$ 5,231 million out of the total deal value of this sector i.e. US\$ 5,239 million in 2016. The balance of US\$ 8 million is divided between inbound and outbound in the ratio of 7:1 respectively. The total deal value of Pharmaceuticals in 2016, was US\$ 4,557 million out of which US\$ 342 million accounts for domestic deals, US\$ 2099 million accounts for inbound deals and US\$ 2116 million accounts for outbound deals. The Infrastructure sector had no outbound deals in the year 2016, where in the same year it had US\$ 3,397 million worth domestic deal and US\$ 644 worth inbound deal.



Top Sectors by Value Q1-Q4 2016 (Outbound)



Top Sectors by Value Q1-Q4 2016 (Inbound)

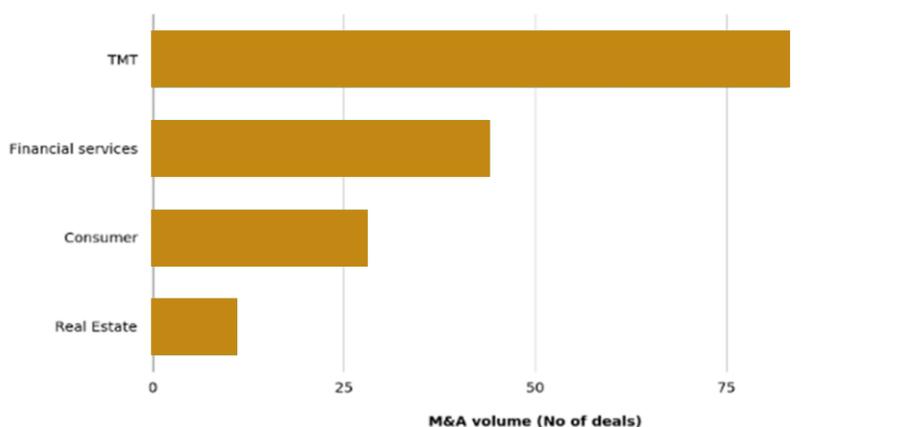


Top Sectors by Value Q1-Q4 2016 (Domestic)

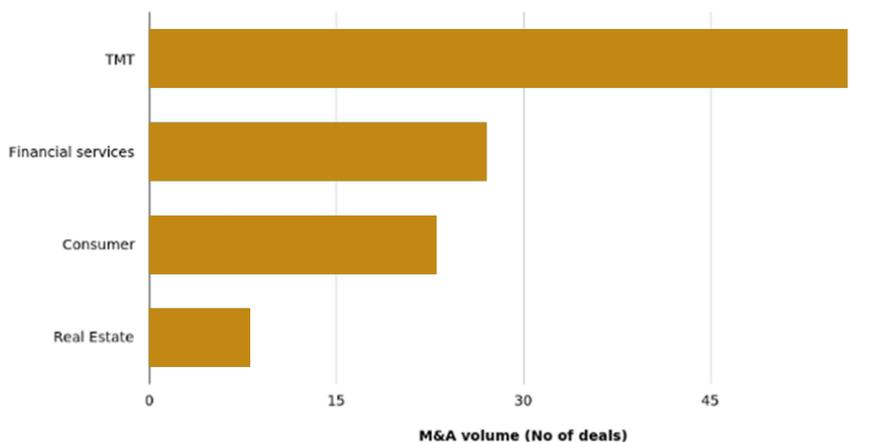
With respect to deal count the five most active sectors in 2016 are technology, infrastructure, financial Services, retail and consumer products and professional services. The technology sector had a total of 106 deals in 2016. The domestic deals were 44 in number whereas inbound and outbound deals were 29 and 33 respectively. The total number of deals in infrastructure sector in 2016 were 92 out of which domestic deals were 60 whereas inbound and outbound deals were 25 and 7 each. The total number of deals in financial services sector in the year 2016 was 91 in which the domestic deals dominated the other two transactions i.e. inbound and outbound deals. Out of 91 deals 72 were domestic deals, 12 were inbound deals. Under the consumer and retail sector the domestic deals dominated inbound and outbound deals. Out of the total 80 deals in 2016, 50 were domestic whereas 13 and 17 were inbound and outbound deals.

M&A activity: Top sectors by volume Q1 2016 – Q4 2016

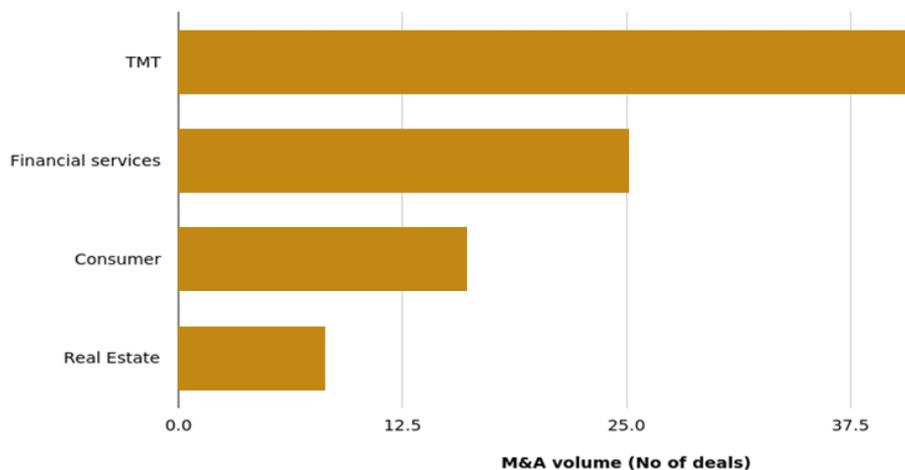
Target location: India Bidder location: Global Sectors: Consumer, Financial services, Real Estate and TMT



Top Sectors by Volume Q1-Q4 2016 (Outbound)



Top Sectors by Value Q1-Q4 2016 (Inbound)

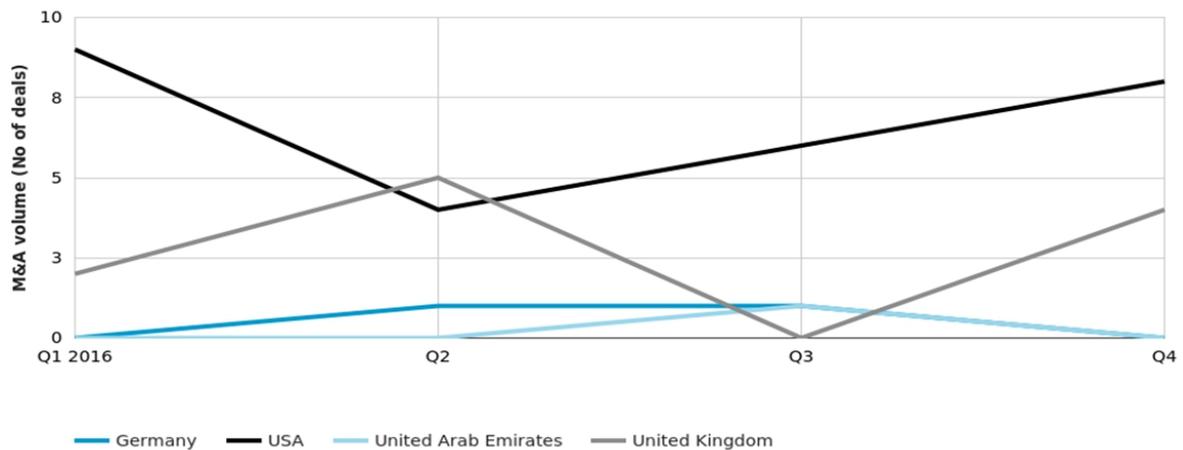


Top Sectors by Volume Q1-Q4 2016 (Domestic)

Most acquisitive and Most targeted nations

Inbound deal value registered an increase of 115% y-o-y, reaching US\$21.4 billion in 2016 from US\$9.9 billion in 2015. The significant jump in inbound deal value can be attributed to US\$12.9 billion Essar-Rosneft-led consortium deal. On the outbound front, the year clocked 158 reaching US\$9.7 billion. The U.S. continued to be India's most active cross-border partner with the U.S. based corporates looking to capitalize on India's massive economic growth and growing consumer base. American corporates' continued interest in India was showcased by 50 inbound and 43 outbound deals. UK followed with 21 inbound and 23 outbound deals and Singapore with 16 inbound and 8 outbound deals.

In a gist, four most acquisitive nations of Indian companies were US, recording the highest inbound deals followed by UK, Japan and Singapore and four most targeted nations by Indian companies were again, US recording the highest outbound deals followed by UK, UAE and Germany.



Top Geographical Location by Volume Q1-Q4 2016

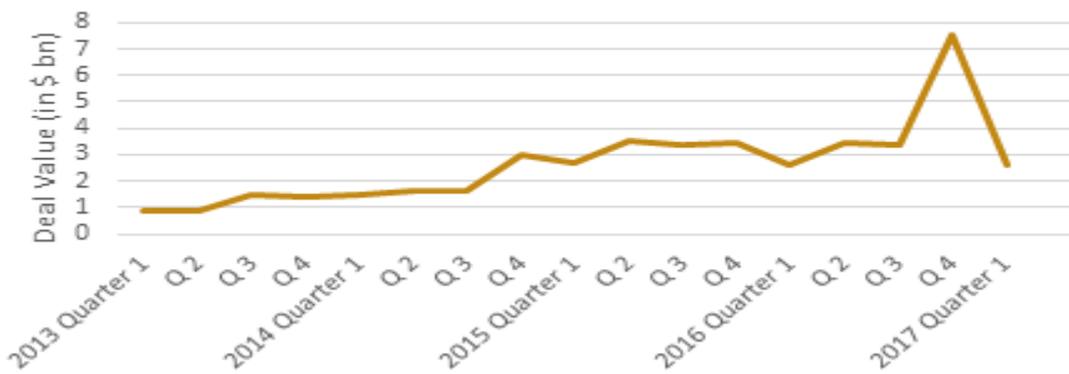
Outlook

The ongoing momentum in M&A activity is expected to continue as we progress through 2017, keeping in mind the short-term pressure that demonetization could exert on the economy. Domestic activity is expected to remain robust. One of the main agendas of Indian corporates being scale expansion, consolidation deals are likely to gain more importance across sectors. The year 2017 should continue to witness outbound investments led by the oil and gas sector. Inbound activity should continue to carry the momentum in 2017. Trends that lead to an increase in deal value, anchored on large transactions and consolidation across several sectors, are expected to stay strong in 2017 as well. The year 2017 might also witness an increase in stock deals between listed and private companies, largely to provide exit opportunities to shareholders. 2017 should be a promising year with regard to domestic, outbound as well as inbound deals.

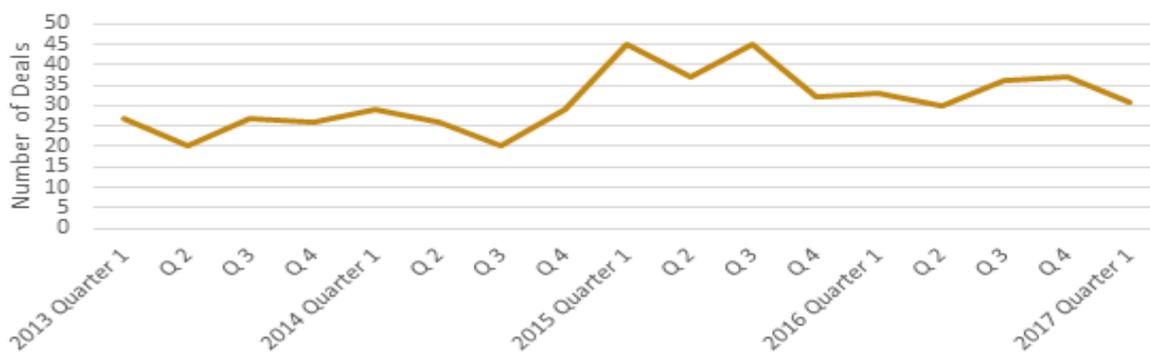
Private Equity Trends in Last Five Years

Private market investors are making the most at the moment. Private equity in India in the 21st century has captured the market with a notable rise and fall. In the beginning of the era, PE investments has awestruck the market by investing over a \$100 million in various sectors. The private equity investment sectors from the past decade have established as an experienced accessory for defining the market. This industry has surpassed the phases which were detrimental to the basic idea of private equity investment in India but competition is getting tougher for both managers and investors. In a comparison of 2 years (2015-16 and 2016-17), the revenue of the companies having the investment and funds from private equity grew 28% more than the companies which were not backed by such investment with substantial profits. In the last 5 years, employment in the private sector has been tendered more by the companies funded from the private equity investment. Private markets continue to defy expectations.

Private Equity by Value Q1 2013 to Q1 2017 (Inbound)



Private Equity by Volume Q1 2013 to Q1 2017 (Inbound)



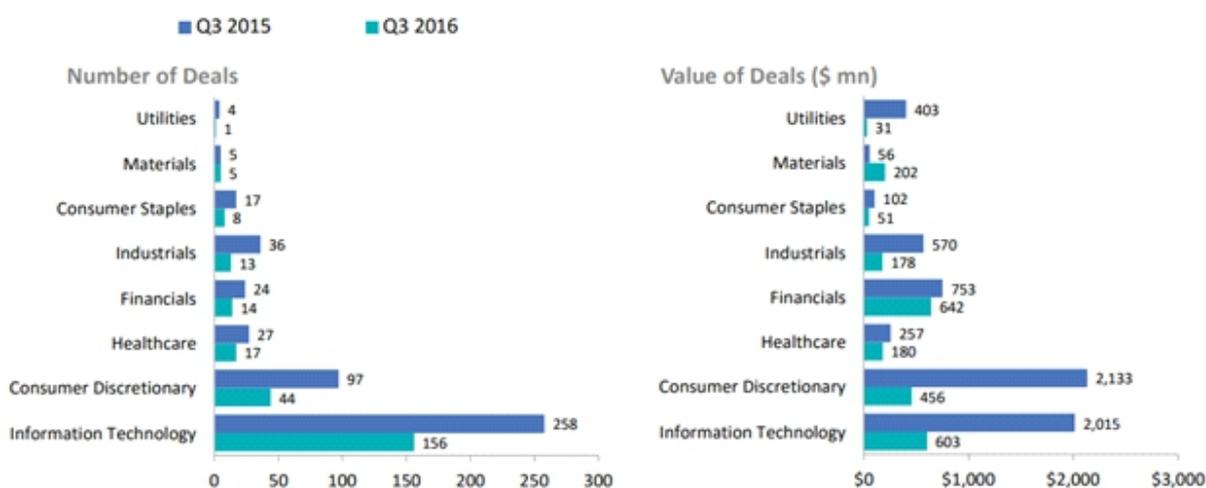
Opportunity with attendant risk brings promoters and investors together for creating value and value is about getting risk adjusted returns. In the development of an ambitious economy with a handful of funding opportunities, PE offers resource for fueling the economic engine. Over the years, companies having a portfolio of private equity investment grew their export earnings rapidly. In the recent years, private equity investment opened the door of opportunities for the companies leading to cross border mergers thereby making them global. Companies backed by private equity generally improve their corporate governance by allowing them to make committees. In addition, private companies with revenue less than INR 7.5 billion (about \$125 million) linked to

private equity contributed about 18.8 per cent of the corporate tax receipts for all companies of a similar size, more than their 13.1 per cent share of total revenue within this group. Fund-raising is expected to be a higher priority for funds in 2017. However, most believe that the fund-raising environment will become even more challenging in the coming years.



Private Equity Investments- Is this yet another slump?

Sector-wise PE investment



Sector- Secular decline in deal activity all across

Construction and Real Estate

Whenever private equity investment in construction sector is considered, following assets construe an integral part of the investment:

- Public Utilities: Gas, Electricity, Water Filtration/Distribution, Communications infrastructure
- Transportation: Airports, Sea Ports, Highways, Roadways, Bridges, Rail
- Social Utilities: Hospital, Education Institutions, etc.
- Energy Related: power, oil and gas pipelines, oil terminals, renewable energy assets

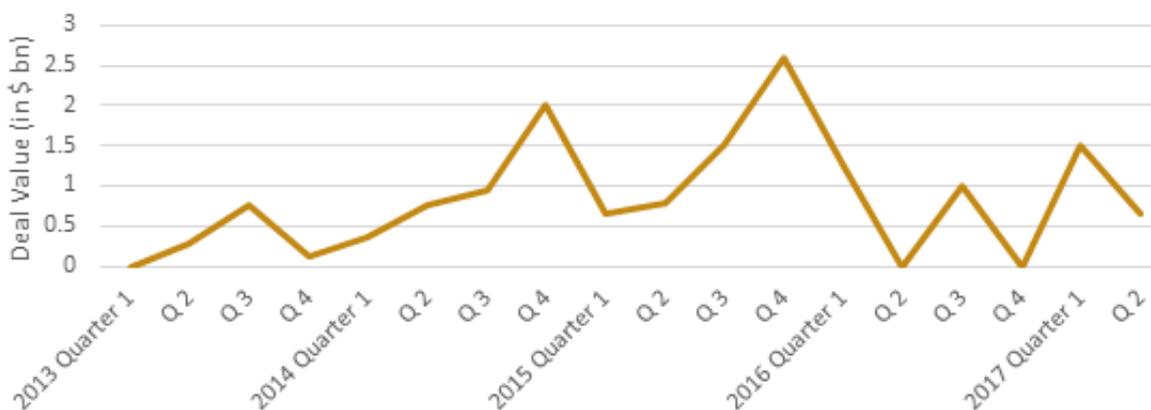
Construction investment always consists of physical assets as it resembles real estate, bringing similarities between Construction PE and Real Estate PE. The Indian Railways in 2015 aimed to attract the private equity through, NGOs, trusts, charitable institutions, corporates, etc. to provide better amenities and facilities during journey as well as on the railway stations. The businesses that are going to be successful in this market and have the potential to acquire the market attention of private equity investors are the ones that have made a substantial investment in building talent. Private Equity Real Estate (PERE) firms are deployed over \$5 billion in Indian real estate companies and projects, which are the highest since the financial crisis of 2008.

Private Equity Real Estate firms made 90 investments in India during 2015 and out of these, 85 transactions had an announced value of \$5.06 billion. The real estate sector in India has assumed growing importance since the department of industrial policy and promotion (DIPP). PE investors to a greater extent have maintained a strategic distance from the construction sector because of various innate risks, such as the monotonous idea of the business, and due to unmet expectations related to financial requirements of construction firms (i.e., bonding), succession planning, and professional management.

**Private Equity By Volume Q1 2013- Q2 2017
(Inbound)**



**Private Equity by Value Q1 2013 to Q2 2017
(Inbound)**



Technology

The investment in the technological sector slowed down in the year 2016 as compared to the investments in the year 2015. Disinvestment and no investment by the private equity firm in tech-startups in 2016 were the major hurdles for slow investment last year. Technology sector in the investments is the most dynamic and volatile sector where the companies come forward and invest whenever there is any opportunity but at the same time these companies are more than willing to sell their acquisitions as the compensation to it, which is almost equal to the value of the investment. Private Equity investor firm Blackstone had entered the Indian market with abundant inflow of funds. The firm not only invested a large amount of funds in the real estate but also in the technology sector on firms like Mphasis. The country received a record \$22.4 billion in investments in 2015, 31.8% more than the previous highest of \$17 billion in 2007, and the 2015 deal value marked a 47% increase over the \$15.2 billion India received in 2014. Sector-wise, IT and ITES companies accounted for 53 per cent of the PE investment value pie in January-March quarter of this year, attracting almost USD 2.9 billion across 64 deals.

Healthcare

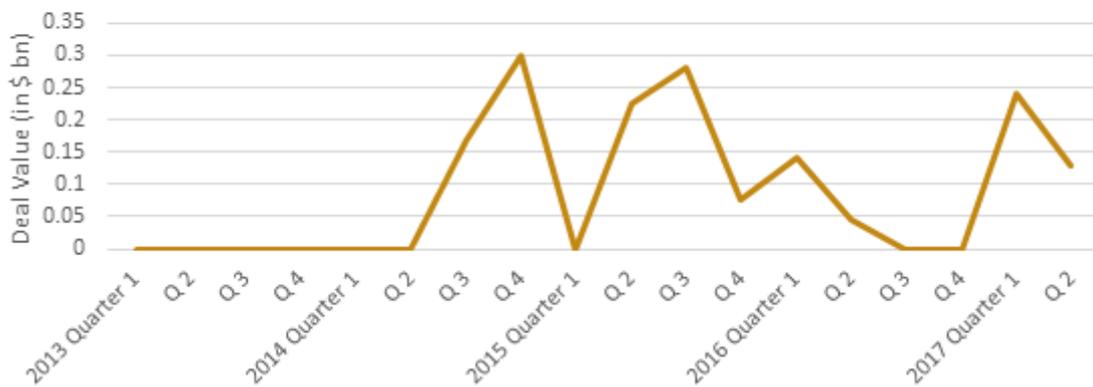
The Healthcare & Life Sciences sector saw the highest level of PE funding in 2016. The average deal size for the sector increased to US\$38 million from US\$7 million in the previous quarter and US\$10 million for the same period last year. The Indian healthcare and pharmaceutical sector gives convincing chances to corporate and financial investors. True North (formerly India Value Fund) exited one hospital chain (Manipal Health via a USD 215 million sale to Temasek) and entered a new one (KIMS Group via a USD 200 million investment that gave an exit to Ascent Capital and OrbiMed). Retail & consumer and pharma & healthcare sectors are forming emerging sectors to attract private equity investments to support expansion of the established business operations. As a result, we see rapid development of facilities in the hospital as well as in the ambulatory care environment.

Private Equity investments in Healthcare & Life Sciences sector touched a record high of \$1584 million in 2015 (across 50 deals), 22.45% higher than the previous high of \$1293 million (across 60 deals) recorded in 2013 and a whopping 65.56% higher than the \$957 million (across 55 deals) invested during the previous year. The surge was mainly driven by investment in pharmaceuticals companies which attracted investments worth \$778 million (across 14 deals).

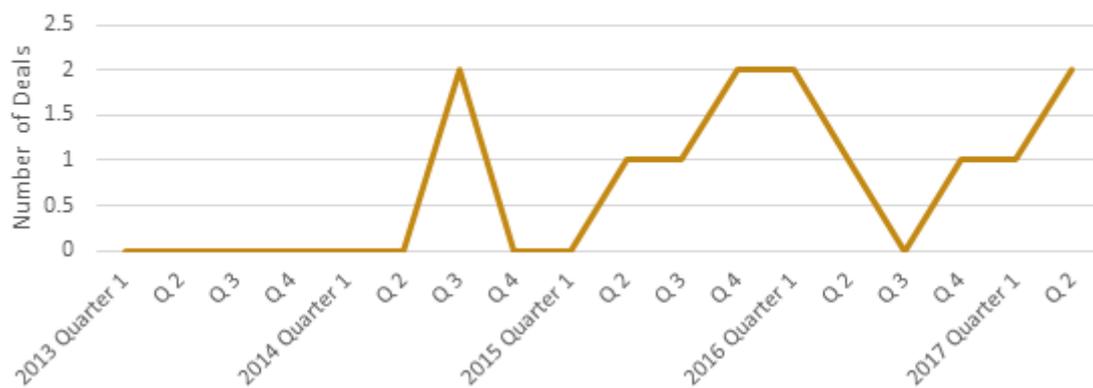
Meanwhile, BFSI companies attracted USD 498 million across 17 PE investments, followed closely by healthcare and life sciences companies which attracted USD 496 million across eight transactions.

In 2016, Healthcare sector faced certain exits among which, one successful exit was Advent's exit from Care Hospitals. Advent had bought a stake in Care Hospitals, a multispecialty healthcare provider, in 2012 at a price of around \$125 million. Over the next four years, Advent developed and implemented several value-creation initiatives in the portfolio company.

Private Equity by value Q1 2013 to Q2 2017 (Inbound)



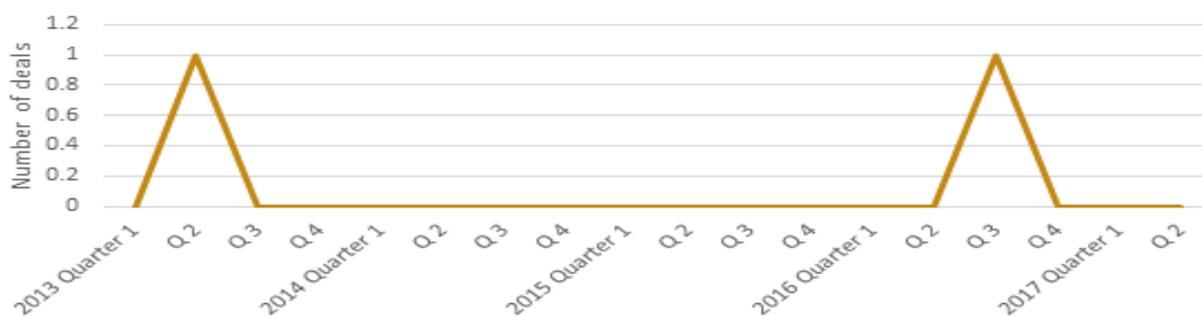
Private Equity by Volume Q1 2013 to Q2 2017 (Inbound)



Real Estate

This sector of investment still has various opportunities but the hesitant nature has been developed because of the FDI policies making it difficult for the investors to exit the area of market. Canada Pension Plan Investment Board (CPPIB) is trying and making an effort to acquire private equity firm Everstone Group's industrial and logistics real estate development platform, IndoSpace, as a part of private real estate investment trust (REIT). In 2016, the entire estimate of the peg, which it would like to invest was US\$ 2 bn (Rs 15,000 crore). Reports indicate that in the first phase of the deal, CPPIB will acquire nearly ready development space of approximately 10 mn sq ft for around Rs 4,000 crore. The announcement of Real Estate Regulation Act, 2016 will not majorly change the course of investment in this sector but will definitely ensure that there are more checks and balances are installed in the system. The GST Act, 2017 might have a positive impact on the funding and investment in this sector, as the tax rate decreases, the cost of production will also decrease leading to a situation of attractive market opportunities and affordable resources for the private equity investors. The Real Estate tax norms has certain ambiguities which if cleared then the Real Estate companies in 2018-19 will be backed by the private equity investors.

**Private Equity by Volume Q1 2013 to Q2 2017
(Inbound)**



Food and Agriculture

Private Equity Investors are more than keen to invest in agriculture sector as they will get reasonable resource price as well as reasonable labour. In 2017 till now, Manpasand Beverages has got US\$10 million for the production of juice from a private equity investor SAIF Partners. This investment in the agriculture and food sector is taking yet another route where it is opening up instances where branding would only not play a role tantamount to the investment. The year 2016 registered 62 Private Equity deals worth \$ 250 million in the food and agriculture space, the lowest in terms of deal value over the last five years. In comparison to 2015 which saw a massive 153 deals worth US\$ 1154 million, 2016 YTD has seen a fall of 78% in deal value and 59% in number of deals. While the number of deals in the sector at the going run rate is better than 2012 and 2013 which witnessed 45 and 64 deals respectively, the deal value is lower than half of 2014, which had US\$ 523 million worth of deals. Since 2012, the sector has made investments to the tune of US\$ 2767 million from 406 deals. While agro businesses attracted US\$ 722 million from 40 deals, those in the food industry saw 366 deals amounting to US\$ 2045. Agri Farming and Processing businesses attracted maximum investments in 2016. This segment saw 6 deals amounting to \$ 79 million, greater than 2013 and 2014 (US\$ 30 million and US\$ 28 million) but down by 58% compared to \$ 191 million last year. Its share in overall deal value has spiked up from 17% in 2015 to 32% in 2016.

**Private Equity by Volume Q1 2013 to Q2 2017
(Inbound)**



Techno (E-Commerce)

The private equity investment in India in technology have majorly invested in the E-commerce in the recent 5 years. The investment in other technological sectors like telecommunications, automobiles has been done way before the time and with very strict FDI Policies where almost none private equity investor existed in India. Paytm in talks to raise funds at US\$ 5 bn valuation. The company is in negotiations with MediaTek, Singapore's Temasek, Goldman Sachs and others to raise US\$ 350 mn; this deal valued Paytm at about US\$ 5 bn, more than double its last reported valuation of around US\$ 2 bn in June 2016. Reports indicate that existing investors which include Chinese Internet giant Alibaba and its payments affiliate Alipay besides venture capital firm SAIF Partners, also participated. The funds which were deployed by these firms were regarding all types of services provided by Paytm including digital marketing. The transaction which occurred was the largest funding in India's broader technology and internet space this year. The sector in India has grown by 34% since 2009 to reach 16.4 billion USD in 2014. It was expected to be in the range of 22 billion USD in 2015 and it had crossed the limit of the expectation in 2016. When the time for stabilizing the market conditions came into the picture, the investment in both the technological and e-commerce sector declined drastically. E-commerce received 25 deals worth US\$731 million & 40 deals worth US\$823 million in 2015 as compared to 20 deals worth US\$242 million in 2016. The largest investment of this quarter was made in Oyo Rooms of \$100 million which was surprisingly not what the market expected as the infrastructure sector had its time in 2012 and was concluded in 2014. The FDI has been really assistive to the private equity investment in the country in almost all the sectors but government had certain restrictions on the investment in the E-commerce sectors till 2016 but it has been effectively removed by the government with the help and support of Competition Commission of India. E-Commerce attracted 30% of the pie by volume, attracted 120 investments worth almost \$3 billion, which were followed by Online Services that accounted for 23% of the pie at 91 deals worth \$860 million.

Fundraising



Fund Raising - Is dry powder for the future drying up?

A dip of 26% was witnessed in fund raising by PE funds in the year 2016, being \$5.7 billion in 2015 to \$4.2 billion in 2016. The dip can be attributed to low fund-raising activity in the last two quarters (Q3 & Q4) of 2016 which saw 14 funds raising a mere \$895 million as compared to 29 funds in first half raising a total of \$3.3 billion.

Out of the total funds raised in 2016, approximately 20 percent were raised by India focused funds. On a cumulative basis, PE and VC firms have raised close to US\$ 67 bn from 2014 to 2016. However, due to high levels of cash reserves (dry powder) with the PE/VC investors which could also be one of the reasons for decline in fund raising activity in 2016, only US\$ 42 bn was deployed by them over the three-year period. In 2015, majority of funds including YourNest Angel Fund, Global venture capital, Bessemer Venture Partners (BVP) - BVP IX, Trifecta Capital, SAIF Partners, Astarc Ventures, YouWeCan Ventures, Accel India IV-Accel Partners, Sequoia

Capital, India Realty Excellence Fund II (IREF II)- MORE, were raised towards technology startup by PE/VC firms while in the year 2016, majority of the funds were raised towards the infrastructure space. PEs also raised funds with a focus on such sectors. The other main sectors towards which PEs raised funds were power, real estate, technology and startups. These funds were raised by ICICI venture, HDFC Limited, Kotak Realty Fund, Norwest Venture Partners, Accel Partners, Rocket Internet and others. With the emergence of startups, corporates and multinational companies have been setting up funds to invest in them. Following the trend of 2016, top entrepreneurs too are continuing to make investments in their personal capacity. Looking at the present scenario, there appears to be sufficient funds available to be deployed; however, the challenge is to identify attractive investment opportunities.

Challenges in private Equity Investment

Valuation markdown:

India followed a cautious approach in 2016 as compared to 2015 when the investment activities were at a high. In the year 2016 PE/VC firms focused more on sustainability, profitability and unit economics as opposed to valuation in 2015. Because of this cautious approach there was a fall in overall investments, with a number of start-ups and ecommerce companies finding it more difficult to raise capital. The year saw valuation markdown by several top investors of quite a number of companies which were considered to be unicorn investments a couple of years ago by several top investors. Due to the markdown, the PE/VC firms may find it tougher to make profits from the exiting investee companies. The year also witnessed a number of shutdowns, leading to investment write-offs.

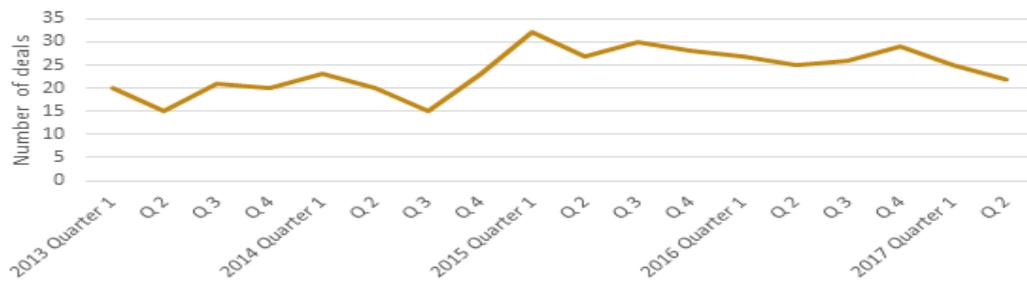


Deal Size - Smaller bets, cautions investors

Tax and regulatory challenges

The entire investment industry has witnessed a number of positive policy changes by the government to boost investments into the country. A few challenges which the private equity industry was facing were expected to be resolved in the Union Budget 2017. For instance, the Central Board of Direct Taxes (CBDT) had issued a circular stating that the investors of Foreign Portfolio Investors (FPIs) could fall within the ambit of the provisions of taxation of indirect transfers but seeing the adverse investor sentiment, this circular was however put on hold. In another development, the investors expressed concern regarding the implementation of the GAAR (General Anti-Avoidance Rules) and its impact on the fund industry. Further, Safe Harbour Rules were introduced to encourage offshore fund managers to relocate to India but some of the prescribed eligibility conditions are complex and practically difficult to comply.

Private Equity by Volume Q1 2013 to Q2 2017 (Inbound)

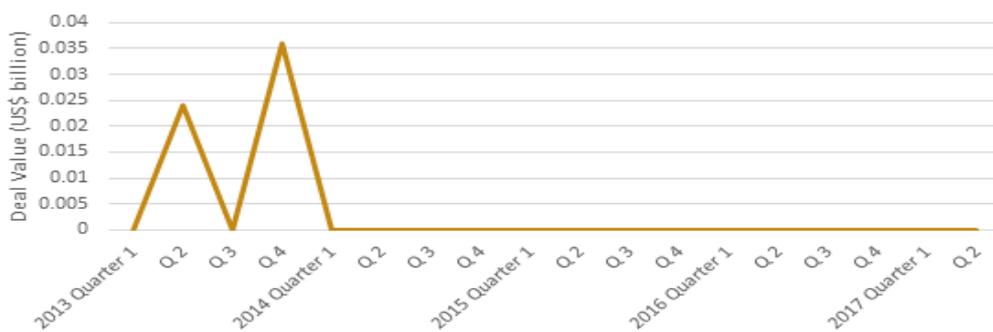


Impact of PE investment on the Indian Economy

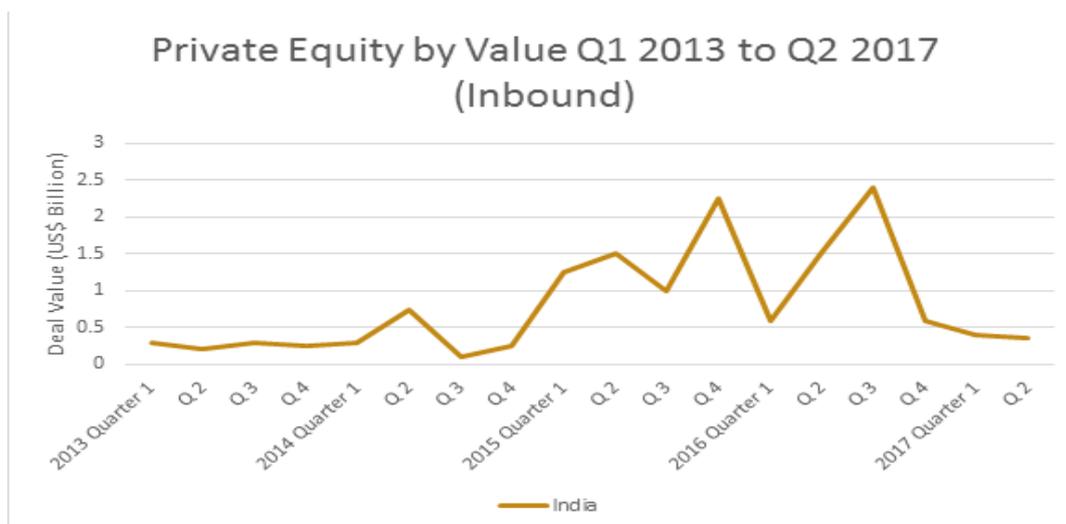
One of the significant contributors to the growth of Indian Economy since the turn of the century has been Private equity. The private equity sector invested a total of more than \$103 billion in the Indian economy between 2001 and 2014. Despite a drop in 2008, capital inflows from private equity have been more reliable than those from other sources of equity funding, including foreign institutional investment, IPOs and equity issuances, such as secondary offers and convertible instruments. Private equity inflows have remained strong, even though India's GDP growth rates have plunged from 9.6 per cent in fiscal 2007 to 4.7 per cent in fiscal 2014 amid high market volatility.

Private equity has been a broad-based source of equity capital, both in terms of sectors covered and individual companies. Private equity in India has invested in more than 3,100 companies across 12 major sectors critical to the country's development, such as telecommunications. Also, private equity appears to accelerate job growth through its portfolio companies. Between 2001 and 2016, the number of jobs at companies backed by private equity posted a compounded annual growth rate on average of almost 9 per cent during the first five years after investment. The annual growth rate at comparable companies without private equity funds was just under 3 per cent.

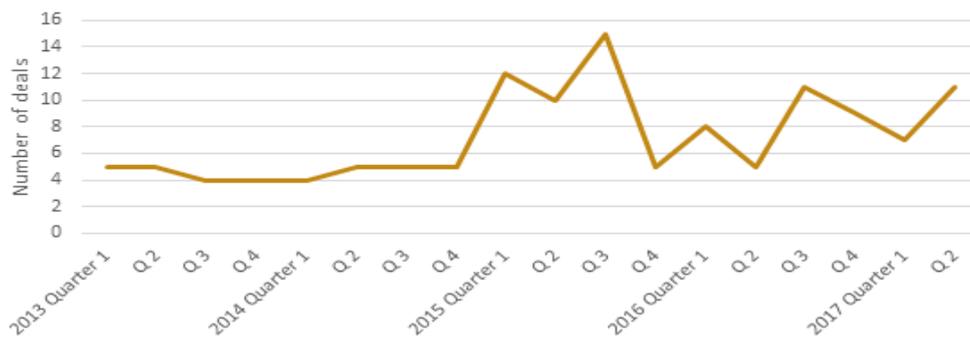
Private Equity by Value Q1 2013 to Q2 2017 (Inbound)



Private Equity exits

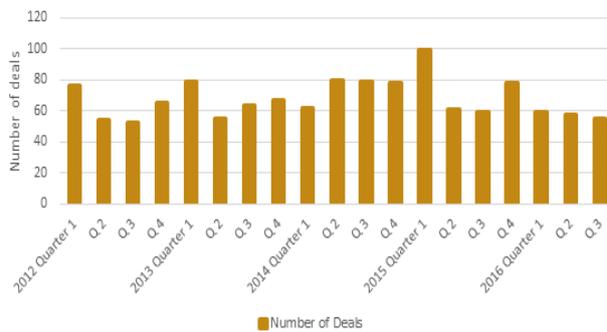


Private Equity by Volume Q1 2013 to Q2 2017 (Inbound)

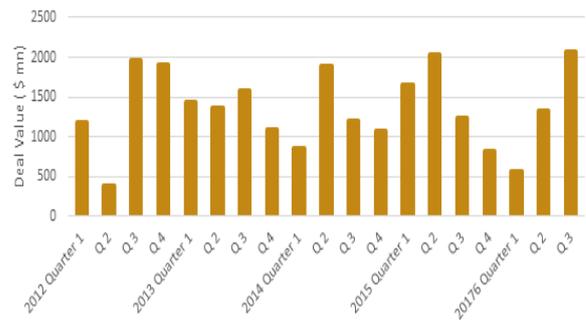


For private equity exits, there are two vital exit choices taken into consideration—the timing and the exit channel. The key external components that decide the timing and channel for an exit incorporate the predominant financial conditions of the economy, the period of the economic cycle and the impression of valuations in the business sectors. Some of the indicators are having a choice of exit and they are taking this by Mergers and Acquisitions. Now after 29th June 2017 Competition Commission of India has removed the restriction on the companies to give a 30 days' notice to the government before the arrangement.

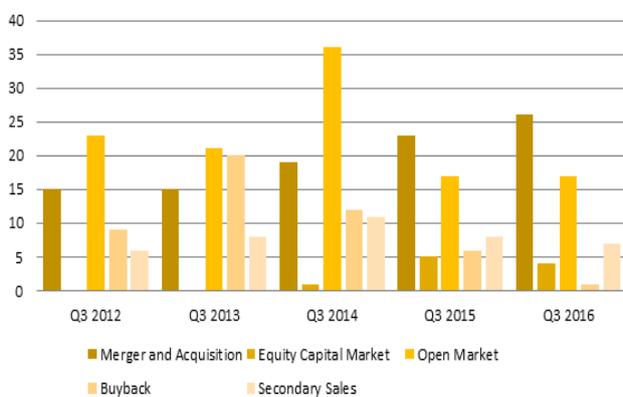
Exits by Volume Q1 2013 to Q3 2016 (Inbound)



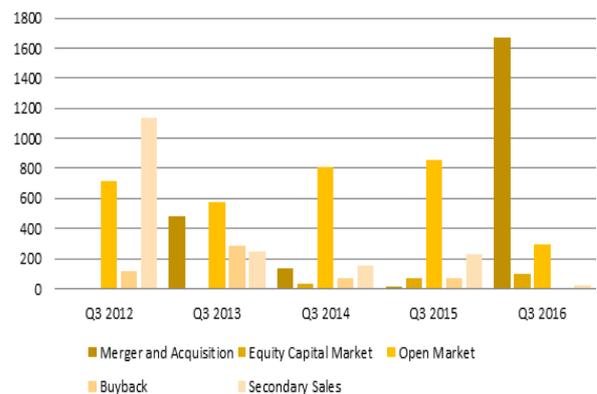
Exits by Value Q1 2013 to Q3 2016 (Inbound)

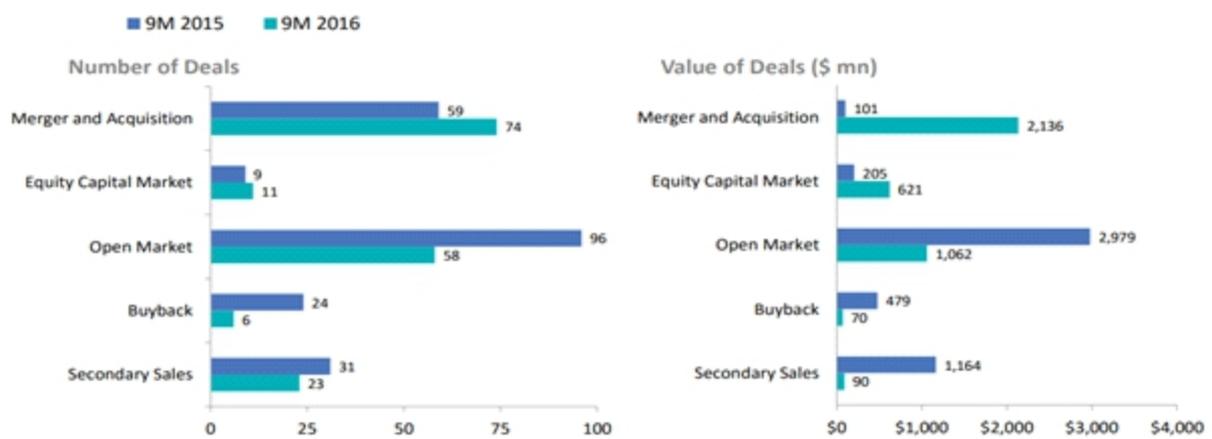


Exit Breakdown - Number of Deals



Exit Breakdown - Value of Deals (\$ mn)





Exits - Big ticket exits via M&A picks up

Route Ahead

After the global economic crisis of 2008, the Indian private equity industry finds itself in the thick of opportunities to map a new route to re-emergence. Already burdened with an average invested portfolio, proliferation of private equity funds with abundant capital and an obsolete regulatory framework, the private equity industry faces quite number of challenges towards its route to re-emergence. The lessons learnt while facing these challenges has put the industry in a strong position for accelerated growth. Factors like improving business sentiment, making the strategic benefits of private equity familiar among Indian enterprises and a pro-reform government would accelerate re-emergence.

The core area to focus on should be the PE/VC exits to generate returns for Limited partners (Lps) and free-up capital for further investment. M&A activity and a strong primary market are expected to buoy the Exits. The year 2017 already has a number of big ticket PE/VC backed IPOs lined up after 2016 being a massive year for IPOs. Consortium and partnership deals have started to gain prominence over the last few years. The same is to continue in future as investor back companies come together to reduce the competition and increase success rates. The year 2016 saw the investors turning cautious and staying away from inflated valuations being a more realistic year. The year 2017 could be the one for consolidation, with PE/VC firms chasing business having a strong business model with a focus on unit economics and profit. To continue receiving funding from PE/VC funds Startups would need to make an effort to develop stronger and sustainable business plans. To fulfill the expectations, the government has provided a boost to startups with a number of favorable announcements in the Union Budget 2017, which also addresses certain other concerns of the PE/VC investor community. A strong alliance between stakeholders within the industry and the country's economic objectives would be required for private equity to deliver its full potential to the country's economy. The key factors for success of private equity are- suitable growth opportunities for the industry and supportive regulatory framework.

Need of a regulatory framework

The regulatory framework governing the broader financial services and securities industry in India has a direct impact on private equity investors. The aim of the regulatory framework is to protect the interests of minority shareholders and to discourage the use of offshore tax treaties to prevent tax evasion. However, there are instances in which these regulations have had potentially adverse consequences for private equity.

Industry leaders have addressed their concerns to the regulators and progress has been with positive introduction to private equity investors. With the introduction of safe harbor norms for offshore funds which are to benefit private equity and venture capital industry and General Anti-Avoidance Rule ("GAAR") from April 1, 2017 which are aimed at improving transparency in tax matters and help curb tax evasion the route to re-emergence looks more realistic now.

The external environment provides a unique opportunity similar to the government's "Make in India" campaign, "Manage Indian investments from India" campaign which could increase capital investment from domestic and foreign sources. With private equity contributing more than 40 per cent of equity financing today, a set of cohesive and cogent policies specifically aimed at encouraging the flow of private equity should be welcomed. Keeping in mind these suggestions, the industry can achieve the goal of re-emergence.

PESTEL Analysis of M&A Eco-System in India

POLITICAL

As India is becoming the most favored investment destination, the M&A activity has seen a rise in the past years owing to the robust political ecosystem coupled with policy change and regulatory liberalization which has provided momentum for M&A growth across all the sectors in outbound, inbound and domestic deals. In terms of policy, schemes like 'Make in India', 'Skill India', 'Digital India', 'Start Up India' and 'Stand Up India' have paved way for the inbound investments in the country. The parallel development in the legal provisions thereby allowing the Indian companies to merge in to foreign companies will provide grip to the outbound mergers. The concept of getting over the regulation, the efforts are being made by the Central Government and the major thrust to the agenda of Ease of Doing Business in India is a live example of such efforts being taken up. Now that the M&A activity in India reached a record high of \$64 billion in 2016 is proof that domestic and foreign investors are optimistic on the Indian market.

ECONOMICAL

In India, the Government has set a pro-business direction for policy, which has helped to establish the right sentiment for growth. Focus of the Government on fiscal discipline, control of inflation and improvement of the corporate tax regime have set the pace for growth of the Indian economy. These introduction of a unified country-wide regime for taxing goods and services, introduction of a comprehensive framework governing bankruptcies, improvements in the dispute resolution system and an emphasis on reducing the pervasive corruption and black money in the system. In the year 2016, the M&A activity was at its peak in comparison to previous five years. India is currently a strong domestic economy, healthy capital market and credit conditions are ease up. Political trends around the world may also negatively impact M&A activity. The success of Donald Trump in the United States, the Brexit vote in the UK and the strengthening of nationalist parties in continental Europe all reflect a deep, broadly sourced unease with the status quo, which includes the economic status quo.

Further the relaxation of FDI norms and the abolishment of FIPB is a bold move, expected to reduce M&A (mergers & acquisition) timelines, and create new investment opportunities for foreign investor. Demonetization will favorably impact M&A as the GDP growth for 2017 is expected to rise and the mid-term to long term outlook is expected to stay robust. Recent and unexpected replacement of high-value currencies with new currencies brought short-term economic upheaval, and the new system is likely to increase transparency and stability and strengthen investor confidence over time. New business models emerging post demonetization will favor the M&A market. The financial and strategic investors will attract highest number of deals with investors getting attracted towards technology, life science and financial sector. The consolidation by micro finance firms and fund raising by non-banking financial companies will further dominate the momentum behind M&A. Also, the shareholding changes made by FDI regulation will set pace to the insurance sector. Further, the coming year may witness a rise in stock deals between listed and private firms, largely to provide exit opportunities to shareholders, as there are a limited number of acquirers willing to evaluate all-cash deals. The Infrastructure Investment Trusts (InvIts) is a new trend which will flourish in 2017.

SOCIAL

The social factors that impact the level of investment made by the investors in a country are the following namely,

- a) the literacy rate of the country;
- b) the number of businesses registered in a year;
- c) health expenditure;
- d) level of democracy

The higher number of businesses registered is directly proportional to the number of M&A's that might take place as it shows the mature market dynamic making the deals being signed at a faster rate. Health expenditure is a factor that the companies ought to take in to consideration for M&A deals as that suggests the number and cost of health insurances that will be given to its employees through the company adding to its cost. The level of corruption and informal payments to be made in order to initiate business in a country will affect the M&A decision of the companies.

TECHNOLOGICAL

The Prime Minister of India, Mr. Narendra Modi officially launched an ambitious scheme called Startup India, Standup India on 16 January, 2016. The scheme aims at helping people who wish to start new businesses. The main feature of the scheme is the use of Information technology to reach out to people across the country. A website of the scheme has already been launched with detailed information regarding the scheme. Moreover, there is a concept of technological divide also, which is important in the terms of understanding the technological penetration. These days the concept of technological divide is also expressed in terms of digital divide. Digital divide not only includes the technological advancement but also the skill development of the people of a particular country to adapt such technology. In addition, the technological divide is also measured in terms of connectivity such as transport and communication infrastructure, simplification of business process such as filling online forms, acceptability of digital signature and documents and so on.

In a nutshell, technological advancements in the world play an important role in advancing business opportunities. With this objective, developing countries like India are also pushing for digital economy. In this rapidly changing world, technological advancements are also required for economic growth, which in turn would create business opportunities. However, there exists technological divide among various economies. In fact, lack of information and communication technology has led several countries to lose better opportunities of better governance and economic integration. The ways in which technological capabilities can be acquired by developing countries is through in-house R&D efforts, embodied and disembodied technology imports, collaborations with foreign firms and very recently via M&A route. Developing countries like India gain competitive advantages in trade by importing technologies. To understand the export behavior, it is important to know the way of international technology transfer to Indian firms.

ENVIRONMENTAL

The environmental factors have recently come up as an indicator affecting the M&A deals in the last 15 years or so. These indicators are pollution related legal compliances and eco- friendly way of doing business inter-alia carbon emission norms etc. These are certain factors which affect the M&A deals as the companies need to adjust their business process and procedures accordingly and if the customers base is educated and do not accept product made with poor environmental considerations.

LEGAL

In an important development that will impact corporate deal making in India, the Ministry of Corporate Affairs has eased the criteria for notifying a transaction to the Competition Commission of India (CCI). These criteria determine if details of a transaction have to be filed with CCI to assess the impact on competition. The ministry has, via a notification, extended the scope of target exemption to transactions structured as mergers and amalgamations by promulgating new regulations to give a thrust to cross-border M&A activities. Whereas the old regime permitted only the merger of a foreign company into an Indian company, the new regime provides both in bound as well as outbound foreign company merger. SEBI has issued new guidelines to regulate mergers between listed and unlisted companies. The new guidelines envisage a host of disclosure requirements for the unlisted companies as well. Also, the insolvency and bankruptcy law will make it easier for foreign investors to wind up their investments in India. The Insolvency and Bankruptcy Code, 2016 ("Insolvency Code") has been operationalized with effect from 1 December 2016. It provides for an administration-like process called the insolvency resolution process, which can be initiated upon a default of INR 100,000. The resolution plan needs to be adopted in a timebound period of 180 days.

Way Forward

The last year having seen handsome deals in mergers and acquisitions (M&A) market, the driving factor therein remained some large-ticket deals, with the oil & gas sector playing significant role. Other sectors, which closely chipped in, were pharmaceuticals, financial services, cement, media and power. Unconventional trend of mergers between domestic groups has been witnessed during the year. Despite the fact that demonetization had its impact briefly on the Indian economy, in the longer run the scenario is expected to stay positive, which is looked up to be favourable to M&A in the year 2017.

Key Factors affecting M&A:

1. M&A market set to boost on buyouts gaining confidence

A significant change both in the mindset of promoters who are now no more wary of selling businesses and also private equity investors leaning towards controlled transactions, has upped the game on buyouts. Efficient implementation of Insolvency and Bankruptcy Code will be a key factor to boost the buyouts.

2. Increase in stressed asset sales, set to augment M&A market

With the volume of non-performing assets (NPAs) in the banking system exceeding Rs 4 trillion, the Year 2017 is poised to see a large number of deals in the stressed assets space aided by the bankruptcy code and new norms allowing foreign ownership of asset reconstruction companies announced this year. Global stressed asset funds, like Oaktree Capital and Lone Star Funds, which have been actively sourcing deals, are expected to veer forth. Established names like KKR, AION Partners, Edelweiss Financial Services, Piramal Enterprises, SSG Management and Kotak Investment Advisors are expected to close more deals as banks look to clean their balance sheets.

3. REITs and InvITs poised to attract investors and encourage M&A activities

The arrangement of real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) being contemplated for almost a decade, Indian markets are finally poised to see the launch of these products in 2017. Three companies—road developers IRB Infrastructure Developers and Reliance Infrastructure and transmission line operator Sterlite Grid—have filed the draft prospectus for their InvITs that will see them collectively raise over Rs10,000 crore. Private equity fund Blackstone too is gearing up to launch REITs of commercial real estate assets.

4. Implementation of Insolvency & Bankruptcy Code is geared to attract larger investors community, articulating into higher M&A activities

The Insolvency and Bankruptcy Code, as enacted in 2016, will prove to be the biggest catalyst to consolidation activity. Institutional investors across the world are keenly watching the implementation and implication of resolution under the bankruptcy code.

5. M&A to gain from efficient implications of GST

Indirect taxation, being poised to gain face lift by the implementation of Goods and Service Tax (GST), it is likely to play encouraging catalyst to attract foreign investment in India. After its taking off with effect from July 1st, 2017, the implications of GST is being closely watched by the interested investors; further the impact of GST on itemized sales and slump sales, also stands underlined.

6. Favourable Government Policies attracting M&A market

Significant policy decisions of the Government has far reaching effects on the M&A Market. The Startup and Make-in-India policy geared up investment opportunities from both domestic and cross-border equity market. In fact, Make-in-India policy has encouraged self-dependence drive of India even in main sectors such as Defense, IT, Infrastructure, consumer products, food processing, media, etc. Further the policy on Demonetisation, though having brought a brief lull in the economy, its impact in the

longer run is expected to stay positive on the M&A market.

7. M&A in India to gain from Geo-political factors in UK and USA

With Britain exiting from the European Union (Brexit), a dip in the economic scenario of United Kingdom (UK) was perceptible, which effected in lowering the value of Pound. The constant dip in the value of Pound articulating in the uncertainty of economy, has left the investors reluctant to look up favourably at UK as investors abode. Further, on Trump administration in place in the United States of America (USA), the foreign policy approach in USA has remained uncertain, which has depleted investors' confidence. Such economic powers being in uncertain state, India is poised to gain from the same, with its encouraging and investors' friendly policies in place. Besides, reaching out policy of India has attracted investors from across the globe, a recent example whereof is the Indian hands extended to Israel, which may see healthy investors' turnaround, pursuant to execution of various deals between the two nations.

8. Regulatory facilitation inviting M&A activities:

The implementation of Section 234 of the Companies Act, 2013, eased out cross-border merger process. Further, to further ease out regulatory intervention, the Central Government has recently exempted the requirement of issuing notice under Section 6(2) of Competition Act, 2002. This apart, relaxed Foreign Direct Investment (FDI) norms is set to widely attract investment and M&A activity. Besides, abolition of Foreign Investment Promotion Board (FIPB), has been yet another step towards easing out FDI process. IRDA also came up issuing pertinent circular in March 2017 permitting investment by Insurance Companies in Reits and InvITs.

9. M&A transactions attracting General Anti-Avoidance Rules (GAAR), to show reluctance

General Anti-Avoidance Rules, or GAAR provisions which have been made applicable by April 1st, 2017, is being keenly watched by private equity and strategic investors, especially those using investment structures through Mauritius and Singapore-based entities. GAAR provisions, gives more powers to Indian tax authorities to examine cross-border transactions citing tax evasion, will be a major area of concern for India-focused fund managers and global investors.

10. Safe Harbour Rules to attract M&A market and investors

With the Safe Harbour Rules in place, the Multi-national Companies (MNCs) are enabled to carry out their business smoothly without going through the hassles of auditing of cross-border transactions with group companies. As per the updated Rules, an India unit of an MNC will not be subject to the transfer pricing rule of India, if they are eligible under the Safe Harbour Rules. These Rules are expected to reduce the disputes that arise between the MNCs and Indian Tax Authorities, thus, making India an attractive option to invest in.

EASE OF DOING BUSINESS:

In 2015, India was ranked 134 out of 189 in the Ease of Doing Business index. Since then, India has shown a great amount of improvement. There have been various initiatives that have been taken up by the Indian Government to set up a business-friendly environment and ensure that doing business in India is easy.

In May 2017 Government of India declared of having taken 7000 steps to improve the Ease of Doing Business ranking and is still a priority agenda for them. The endeavors of the Government seems to have yielded a positive outcome which can be seen from its current ranking in the Ease of Doing Business index; for the year 2017, India holds the ranking of 130. Initiatives like fast track procedure for registering any company in India, Easing of trading across border component of 'ease of doing business', Resolving insolvency by new Insolvency and Bankruptcy Code, establishments of Special commercial courts in Delhi and Bombay High Courts to speed up cases related to enforcement of contracts, making eBiz portal mandated for starting a business, creating uniform portal for filing returns, challan and making online payment for EPFO & ESIC contributions as well as other filings and payments, integrating CERSAI database with ROC Registry of Charges to create a single registry of assets with an aim to improve "Getting Credit", etc.

Key sectors to drive growth in M&A

The Department of Industrial Policy and Promotion also intends to rank the states on 405 parameters of business process reforms on ease of doing business this year. The states will have to implement these reforms by October 31.

Making India a hub for International Arbitration is a step in the direction towards Ease to do Business in India. A report along with recommendations to the Indian Arbitration Act prepared by the Hammurabi & Solomon proposes steps to make India a hub to boost M&A transactions (Copy available at <http://www.hammurabisolomon.in/Hammurabi-and-Solomon-arbitration-report-2017>)

Making World class legal support available to the international M&A transactions and deals is also an imperative move towards Ease to do business in India. A proposed roadmap was prepared by Hammurabi & Solomon defining the steps towards liberalization of Legal sector in India. (Copy available at [http://www.hammurabisolomon.in/BCI rules report 2016](http://www.hammurabisolomon.in/BCI%20rules%20report%202016)). In January 2017, Government of India has amended Special Economic Zone Rules which will further improve the Ease of doing business in India and will allow Legal services from foreign entities possible in the Special Economic Zones. (Copy available at http://www.hammurabisolomon.in/wp-content/uploads/ebook/foreign_lawyer_permission2017/mobile/index.html#p=1)

Government of India has also recently circulated a preliminary draft Code on Social Security & Welfare by simplifying and amalgamating 15 existing Labour Laws to ensure Ease of Doing Business in India. Hammurabi & Solomon along with Federation of Karnataka Chambers of Commerce & Industry (FKCCI) has been working on this to enable finalization of the unified Labour Code.

Globalization, deregulation and technological improvements have resulted in increase in M&A across the globe. Particularly, certain sectors such as Oil and gas industry, financial services and pharmaceuticals demonstrate higher M&A activity. M&A are an important aspect of any corporate strategy and may occur in response to a variety of strategic, technological, economic or organizational factors. Joint ventures, strategic alliances and lately outsourcing are other forms through which firms can work together for a well-defined set of objectives, activities or products but without commonly controlling the participating firms. The differential participation of various sectors in M&A activity affect the entire sector like growth, reform measures, taxation and government policy or micro economic factors.

With the continued interest of financial and strategic investors in the Indian economy, the M&A activity in 2017 is expected to stay positive, wherein select sectors like technology, life sciences and financial services are expected to attract significant investor attention in 2017. Focus on the consolidation and fund raising are set to dominate the momentum behind M&A, particularly in the financial services, infrastructure and the life sciences sector.

1. Banking, Finance & Insurance Sector

In financial services, the possibility of new business models emerging post demonetization, continued fund raising by non banking financial companies and a consolidation push by micro finance firms will play a big role. Similarly, consolidation, coupled with the shareholding changes driven by FDI regulations will drive deal activity for the insurance sector.

2. Healthcare & Pharma Sector

These twin themes will also favourably impact the deal activity for healthcare, while outbound M&A for pharma sector will anchor on Indian companies' evaluating opportunities to consolidate in the regulated markets.

3. Infrastructure & Real Estate Sector

For infrastructure, Infrastructure Investment Trusts (InvIts) could be an emerging theme in 2017 as interest rates soften, coupled with their ability to provide low cost financing for the sector. Heightened deal activity will continue in the renewables and roads/highways space.

4. Information Technology Sector

In the technology space, an increase in IT spends could prompt continued investor focus on the social, mobile, analytics and cloud (SMAC) segment, as also platform-based tech companies due to a shift to cloud and software as a service or SaaS-based models. Private equity is expected to remain aggressive in the services segment as it provides scale plays as compared to SMAC.

5. Oil & Gas Sector

For oil & gas, the national oil companies' focus on exploration and production (E&P) assets in CIS, Latin America and Africa, while consolidation in the E&P Independents space on the domestic side will be determining factors for M&A.

Research Methodology

Research Design

The purpose of the research was to analyze/advice on the recent changes (trend) that have taken place in “M&A” activities over the last five years majorly focusing on the last (2016) and the current year (2017). For example, how the start-ups have played a key role in changing the value and volume of the deal size of M&A activities and what are the new regulatory policies that the government has introduced to safeguard the interests of the investors in M&A activities.

Research approach

An in-depth research was conducted by the researchers to collect the data for this report.

Data Collection Method

The secondary data was collected from journals, research reports, government reports, censuses, reference books and accounting documents like Mergermarket, VCCircle, White & Case and Thomson ONE's M&A data, Livemint, Business Standard, United Nations, Intra Links, Office for National Statistics and Institute for Mergers & Alliances.

Data Analysis Method

A quantitative research method was used to analyze the recent changes by using numerical data to formulate the facts.

Vote of Thanks

I am indeed grateful to all the stakeholders involved in this ASSOCHAM's 6th National Summit on Mergers & Acquisitions being held today July 15, 2017 at New Delhi under the aegis of M&A National Council of Assocham. This Council has been proactive in addressing various issues of M&A and putting forth the recommendations and suggestions before the relevant authorities and regulators.

Recently, we have witnessed that not only globally but in India too, the M&A activities are on the rise. This has been possible not because of acceleration in the economic activities, but also because of various regulatory changes.

One of the major changes has been the transfer of jurisdiction for M&A approval from High Courts to National Company Law Tribunal (NCLT). Further, the provisions relating to Fast Track Merger for small companies and for merger between subsidiary and Holding Companies have also been notified.

Another major change in M&A activities we are going to witness is M&A as a part of Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016. There is going to be major boost to M&A activities as a part of CIRP.

I am really thankful to all the signatories viz. Hon'ble Chairman NCLAT, Hon'ble Member CCI, Hon'ble Chairman IBBI, Joint Secretary MCA, President ASSOCHAM and Secretary General ASSOCHAM for their gracious at the Inaugural Session.

My sincere thanks to all the expert speakers for sharing their knowledge with the delegates. My heartiest compliments are due to all the Partners to this Seminar for making this Seminar a success. I'll be failing in my duty, if I do not convey my Thanks to all the participants for their benign presence and for lively discussion.

This event would not have been successful but because of the untiring efforts of the Secretariat of the Council led by Mr Santosh Parashar.

Thank you all.

With warm regards



G P Madaan
Co-Chairman
Assocham National M&A Council

ASSOCHAM

THE KNOWLEDGE ARCHITECT OF CORPORATE INDIA

The Associated Chambers of Commerce and Industry of India (ASSOCHAM), India's premier apex chamber covers a membership of over 4 lakh companies and professionals across the country. ASSOCHAM is one of the oldest Chambers of Commerce which started in 1920. ASSOCHAM is known as the "knowledge chamber" for its ability to gather and disseminate knowledge. Its vision is to empower industry with knowledge so that they become strong and powerful global competitors with world class management, technology and quality standards.

ASSOCHAM is also a "pillar of democracy" as it reflects diverse views and sometimes opposing ideas in industry group. This important facet puts us ahead of countries like China and will strengthen our foundations of a democratic debate and better solution for the future. ASSOCHAM is also the "voice of industry" - it reflects the "pain" of industry as well as its "success" to the government. The chamber is a "change agent" that helps to create the environment for positive and constructive policy changes and solutions by the government for the progress of India.

As an apex industry body, ASSOCHAM represents the interests of industry and trade, interfaces with Government on policy issues and interacts with counterpart international organizations to promote bilateral economic issues. ASSOCHAM is represented on all national and local bodies and is, thus, able to pro-actively convey industry viewpoints, as also communicate and debate issues relating to public- private partnerships for economic development.

The road is long. It has many hills and valleys - yet the vision before us of a new resurgent India is strong and powerful. The light of knowledge and banishment of ignorance and poverty beckons us calling each member of the chamber to serve the nation and make a difference.

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Hammurabi & Solomon is full service law firm headquartered in New Delhi.

Mission

To provide Quality, Professional, Result Oriented Legal and Business Solutions. Client Commitment, Innovation and Team Work are the corner stone of our Practice

Description

Our legal advice is practical, relevant and individually tailored to meet the specific needs of each client. We believe that the best advice is achieved by working in close cooperation with our clients and developing a thorough knowledge of their business. A collaborative approach enables us to provide workable, operational and value-adding solutions for both the short and long term.

Approach

The firm implements a holistic approach towards client satisfaction by offering higher level of services, in-time solution, exercising greater insights to understand the clients' sectors and requirements to extend professional support in achieving strategic business goals in a cost effective manner

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Our Partners

Manoj Kumar

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Lawyer, Policy expert, Author, Strategist, Columnist, Philanthropist, Guest Law Teacher and Thought Leader, Dr. Manoj Kumar is a Doctor of Excellence (Honoris Causa) has many introductions apart from being one of the '100 Legal Luminaries' in India, as per the report published by LexisNexis 2016.

An alumnus of prestigious world class institutions such as the Harvard Business School and the National Law School (NLSIU), Bangalore Dr. Kumar received his professional and leadership skills from distinguished & globally renowned Professors such as Padma Shri (Dr.) NR Madhava Menon and Prof. Nitin Nohria, presently the Dean of the Harvard Business School.

Dr. Kumar has expanded and led the transformation of the Hammurabi & Solomon corporate M&A, Law, Regulation & Public Policy practice over the past few decades. In 2001, he founded Hammurabi & Solomon, which is now counted amongst the leading & well reputed Law Firms in the country.

Dr. Kumar's thought leadership on a wide range of critical issues i.e. Media Regulation, Fast Track Commercial Courts, India as a hub of International Arbitration, Practice of Law by Foreign Lawyers in India, Bhagwat Gita Controversy in Russia, the bringing of Russian Orthodox Church to India, to name a few are globally recognised. The Government of India, the World Bank (WB), the International Finance Corporation (IFC), the Observer's Research Foundation (ORF) and the Institute for Competitiveness have leaned on Dr. Kumar for his thought leadership.

World's best Publications and research agencies have awarded Dr. Kumar and his team as the best in India for Policy and Regulation practice for 3 years in a row (Asia's leading research handle, IBLJ Award in 2013, 2014 and 2015).

Shweta Bharti

Senior Partner

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Ms. Shweta Bharti heads the Dispute Resolution and Litigation practice at the Firm. She brings together a perfect blend of litigation strategy & business practices meeting the business needs of the clients. She possesses a vast experience of more than a decade in dealing with dispute resolution needs and reliefs of the clients. Shweta has represented clients in all facets of the corporate litigation and strategy.

Shweta provides an ideal combination of consistent high quality expertise derived from immense transactional experience and innovative thought in providing solutions to delicate transactional-legal needs. Clients refer to her as the 'most cooperative and diligent' representative, as she understands the ecosystem of the problem and provide a unique solution, making complex issues look very simple. Shweta has held numerous positions of leadership in the legal community, both within India and Internationally. Her expertise ranges from Constitutional Law, International Law, and Corporate Laws & Litigation to Human Rights and International Arbitration.

Shweta has been a part of the workshop organized by the ZEIT-Stiftung Ebelin und Gerd Bucerius, Germany, and the Observer Research Foundation jointly under the aegis of Asian Forum on Global Governance to take a close look at the Asian region and at the challenges facing the global community. The primary objective of this forum is to provide an instructional and networking platform for young professional leaders to discuss debate and challenge conventional interpretations of the existing complex realities confronting communities and leaders.

Mr. S. Ramaswamy

Co-Chair, Advisory Board
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Mr. S. Ramaswamy is a Certified Corporate Director, result oriented business enabler with over 30 years of professional experience and effectiveness in dealing with Board & Senior Management Business Strategy & Advisory, legal, Intellectual Property, corporate governance, compliance, Internal Audit and secretarial domain amongst others.

He has been associated with some of the most respected MNC's and Fortune 500 Companies & Indian Conglomerate in various capacities such as EVP- Group General Counsel, Escorts Ltd; AVP Legal, CS & Internal Auditor, Honda Siel Cars India Ltd.; Vice President, General Counsel and CS of JCB India Limited.

Kumar Manish Partner

Kumar Manish is a well-versed lawyer with an experience of over a decade and heads the East India Practice of the Firm. Kumar has niche and in-depth expertise in advising various multi-nationals in the property matters and runs the Real Estate and Litigation Practice of the Firm. Ability to handle complex issues, Kumar has been involved in many of the high stake matters of the Firm and is renowned for his professionalism amongst the clients.

Alok Anand Partner

Alok has a vast experience of more than 10 years with the Firm and has evolved with the Firm's East India Practice. Alok drives the arbitration, litigation, real estate & East India practice of the firm with his vast and deep experience in these areas of law. He has cleared title and development of over 5000 acres of land in various parts of India for over 16 major projects.

Sanjay Pandey Senior Director, Finance & Taxation

Sanjay has an experience of more than 3 decades in the field of taxation. Over the years, Sanjay has advised the clients in the areas of income tax, sales tax, service tax, wealth tax, TDS, VAT/CST, special economic zones and foreign trade policy. Sanjay has been instrumental in matters involving returns, registrations, audit, presentation in departments, liaisoning work with the various departments, Project finance & bank finance for various clients.

Sanjay is a member of the Institute of Chartered Accountants of India.

Alok Chandra Singh Director, Corporate & Secretarial

Alok is a Graduate in Law and a Company Secretary with Institute of Company Secretary of India (ICSI). He has extensive experience of 15+ years in the areas of Corporate and Commercial Legal Compliance, Foreign Exchange Laws Compliance and related Laws. Alok drives the Corporate Secretarial and compliance Practice at the Firm.

Bharath Babu Partner

Bharath's experience spans over 15 years with expertise honed in the arenas inbound investments in the real estate sector, infrastructure projects, Corporate and Commercial laws, Computer and Information Technology Law, Intellectual Properties, regulatory compliance and Employment laws. His core specialties at the Firm among others include advising multinationals in setting up ventures in India, advising on infrastructure projects, real estate developments, handling contractual, employment, dispute resolution and commercial issues.

Rohit Jaiswal Partner

Rohit's professional experience spans for more than two decades in the areas of Corporate and Commercial Laws, Mergers & Acquisitions, Capital Markets, Infrastructure, Project Finance and Secretarial Compliance. He is a graduate in law and a Company Secretary with the Institute of Company Secretary of India (ICSI).

Shantanu Malik Associate Partner

As an experienced lawyer in his field and significant member of the litigation team at the firm. Shantanu is well known amongst our valued clients for helping in matters related to Competition and Anti-trust and Commercial Negotiation. He has also been instrumental in matters pertaining to TMT and Real Estate Laws.

Jyoti Kumar Chaudhary Associate Partner

Jyoti Kumar holds a LLB degree from Delhi University. He has an experience of a decade in litigation including Coal Block matters, Arbitration cases (international & indigenous), Anti-Suit/Anti-Arbitration cases, Civil Disputes, Mining cases, Securitization & Corporate issues. He has an excellent drafting skills and has single-handedly appeared and conducted proceedings before Supreme Court, Various High Courts across India, District Courts, Forums/ Commissions, DRT/DRAT, BIFR/AAIFR, Green Tribunal etc.

Digajmaan Mishra Associate Partner

Digajmaan has handled varied matters in courts & tribunals relating to Commercial & General Civil Litigation; involving statutory, tortious and contractual aspects of civil laws. He has represented several clients in arbitrations. He has an extensive experience & expertise in handling various types of Litigations – Corporate & Commercial, Arbitrations, Writs under the Constitution of India, transaction business, legal audits & due diligence exercises and drafting of commercial agreements.

Neelesh Sinha Partner Designate

Neelesh with his rich experience in Environment & Pollution laws, Criminal litigation is an integral part of the team at Hammurabi & Solomon. His practice areas covers varied areas of Environment, Criminal Law, Taxation including but not restricted to, criminal complaints, matrimonial matters, consumer complaints, writs, NGT matters, Section 138 Negotiable Instruments Act matters, DRT matters, winding up and arbitrators.

MERGERS, ACQUISITIONS & BUSINESS RESTRUCTURING BRIEF

EXTENSIVE EXPERTISE IN

- The Companies Act , 2013
- The Competition Act ,2002
- Foreign Exchange Management Act,1999
- SEBI Take over Code 1994
- Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009
- SEBI (Prohibition of Insider Trading) Regulations, 2015
- The Indian Income Tax Act, 1961
- Mandatory permission by the courts
- Stamp duty
- Intellectual Property
- Employment Laws

COMPETATIVE EDGE

Our domain experts across the country along with our complementary practice areas enable us to advise on complex legal issues efficiently and cost effectively.

INDEPTH UNDERSTANDING

of working on transactions across industries, jurisdiction and of all sizes to provide integrated solution oriented advice.

CLIENT CAPABILITY

The Firm has developed a significant expertise in M&A by successfully handling various M&A transactions for various Companies including the Companies listed in Fortune500. The Senior Partners at the Firm have been the speakers for various M&A seminars conducted by various institutes and associations.

SERVICE OFFERING

Negotiation Assistance during the transaction from term sheet stage till closing of transaction.

Structuring the Acquisition keeping in mind the requirement and objective of the Company.

Conducting Legal Due Diligence with an industry-specific focus in various sectors.

Advising clients on issues relating to Securities and Corporate law.

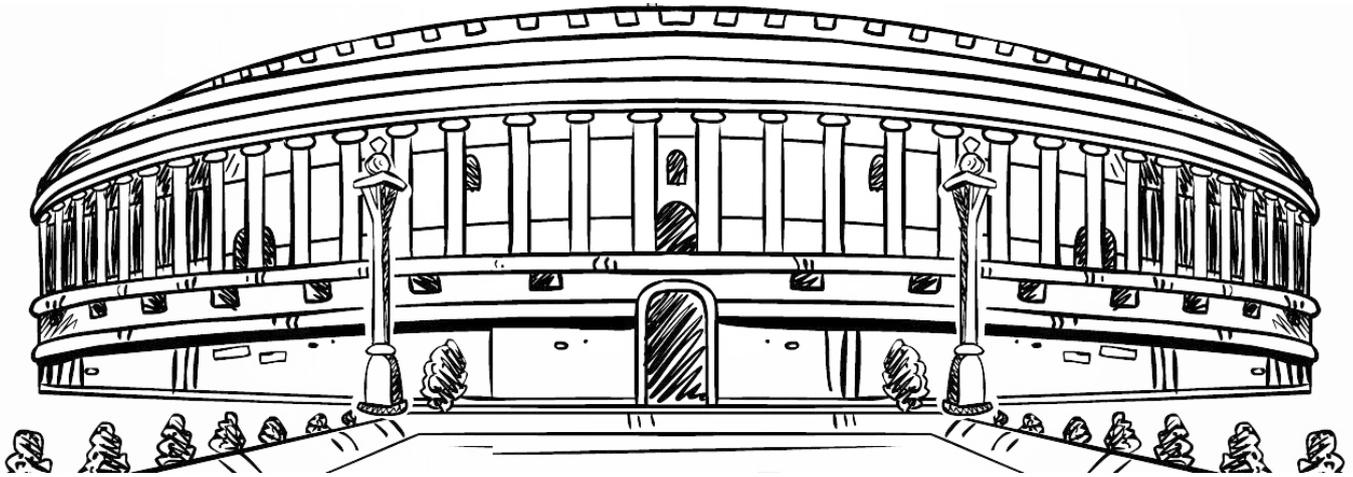
Hand-holding in Documentation such as term-sheet, definitive agreement, Shareholders Agreement, Shares Purchase Agreement, escrow agreement, stock – swap agreement, employment agreement and other related agreements.

The Firm undertakes the entire court procedure as envisaged in the Companies Act, 2013 for bringing in effect the acquisition.

Policy and Regulatory assistance to develop, implement and sustain effective business strategies in India's complex regulatory environment.

End- To End Solution from the negotiation, Entity formation till Post transaction Advisory

PUBLIC POLICY, REGULATION & STRATEGY



“Policies & Regulations influence the competitiveness, profitability & operation of any business”

COMPETITIVE EDGE

Ability to identify & access the right stakeholder & provide an inside perspective of how the policies evolve and how they impact our valued clients

IN-DEPTH UNDERSTANDING

of the statutory and regulatory framework in which issues arise, coupled with strong ties with executive agencies, and decision-makers and opinion leaders.

POLICY ADVISORY & PREDICTABILITY

Prediction is a procedure for producing factual information about forthcoming policies and regulations on the basis of prior information about policy challenges. The prime aim of policy projection is to provide information about future changes in policies and their consequences. It permits greater control through understanding past policies and their consequences, implying that the future is determined by the past. Policy Prediction also enables us to shape the future in an active manner, irrespective of what has happened in the past. Our aim is to provide information about future changes in policies and their consequences.

OUT- OF-THE-BOX METHODOLOGY

- ✦ Decide what to predict, or determine the *object* of the prediction.
- ✦ Decide how to make the Prediction, or select one or more *bases* for the Prediction.
- ✦ Choose *techniques* that are most appropriate for the object and base selected.



We are perhaps the only firm in the country offering this service to our clients.

Best Law Firm (3 years in a row) in India for Policy and Regulation Practice, 2013-2014-2015



INITIATIVE OF



India Unites Foundation is a non-profit committed to providing financial and non-financial support to the needy and distressed.

India Unites Foundation consolidates numerous social responsibility initiatives in active association with reputed NGOs and Institutions. For over 25 years, India Unites Foundation has continuously contributed towards a wide range of priority focus areas that include:

- Supporting Girl Child Orphanages
- Child Orphanages
- Critical medical care during natural disasters
- Eradication of malnutrition among distressed segments
- Reduction of neonatal deaths
- Training of nurses/midwives to reduce mother-child mortality
- Supporting shelter for abandoned senior citizens, homeless, mentally/physically disabled individuals, people on their deathbeds, persons suffering from incurable diseases, and deprived females
- Supporting shelter for abandoned cows

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India Strategy Group (ISG) is a multi-disciplinary Policy, Regulation & Strategy consulting firm with a result-oriented execution philosophy.

For over two decades, ISG has worked with multiple Fortune 50/500 MNC's and brands across sectors. ISG has worked with a spectrum of Government departments and enterprises at both national as well as state levels and has successfully assisted the Government of India, State Governments, and Public Sector Institutes & organizations on a multitude of policy & regulation issues to enable deeper public-private participation and better governance and welfare of all stakeholders.

ISG offers an array of strategic services along with a network of globally spread clients, strategic alliances, governmental contacts, leading Think-Tanks, Influencers, the Media, Academicians, Research Centers, Industry bodies, Business Sectoral Associations, Sectoral Regulatory Bodies, Bi-lateral and Multi-lateral working groups, to name a few.

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The team is a unique mix of engineers and compliance professionals - highly skilled in various legal disciplines and helping organizations comply with Laws & Regulations across 70+ locations globally.

Some of the key services include Legislative Compliance Support, Contract Management, Due Diligence, Audits, Policy Compliance, and Global Sanctions Support, Legal Updates Service and Compliance Management.

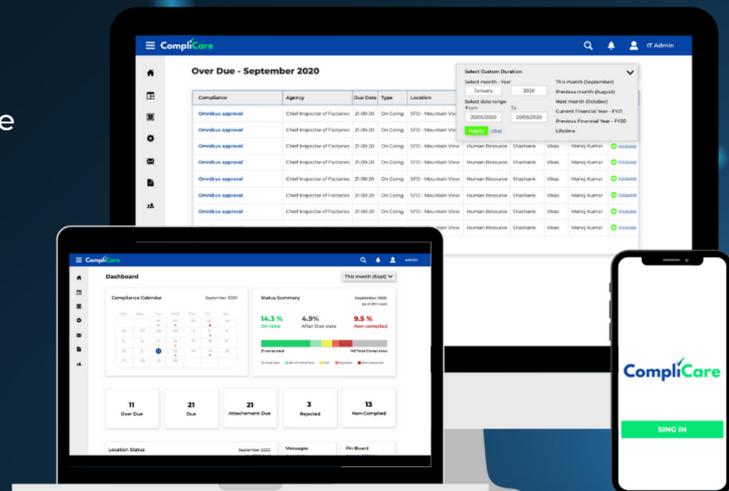
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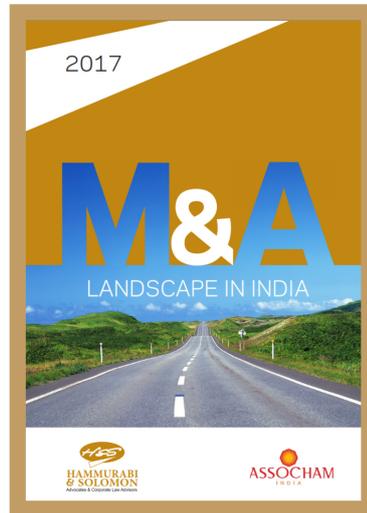
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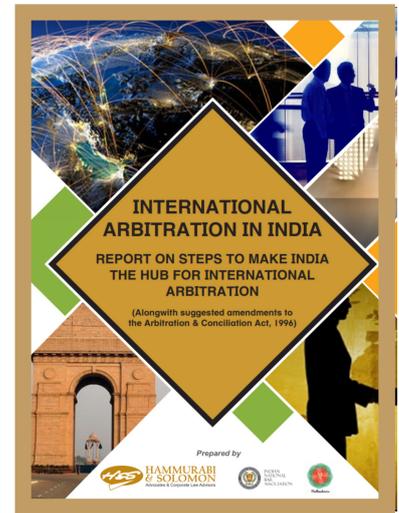
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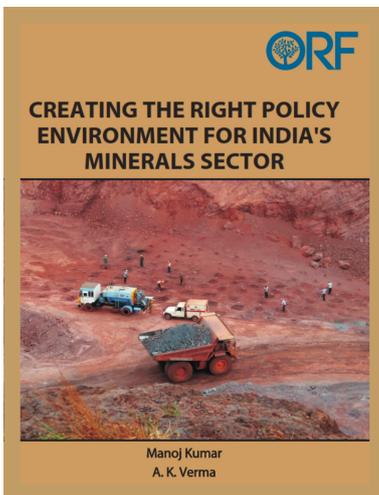
2016



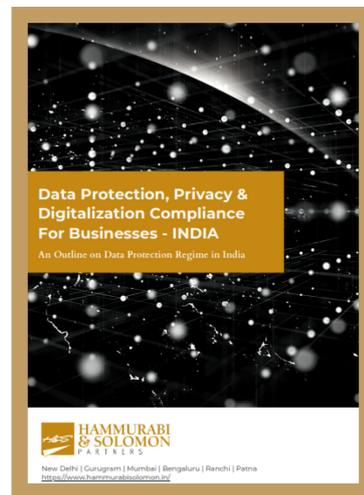
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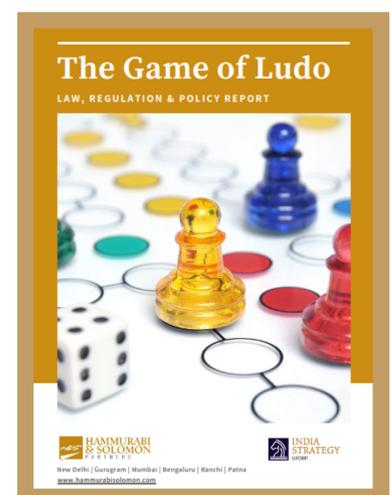
2018



2019



2020



2021

ABOUT US

Hammurabi & Solomon Partners was founded in the early 2001 and is ranked amongst the top #15 law firms in India. Our journey has been marked by stellar growth and recognition over the past 2 decades with over 16 partners handpicked from the top of their fields. Paving our way into the Indian legal landscape we believe in providing complete client satisfaction with a result driven approach.

We have always aimed at being the change-maker for a newer India and the world around us. With our portfolio of services - law, public policy, regulation and justice converge to enable solutions to our client needs within the legal framework to operate in India with ease and predictability.

Our main aim is to provide world-class legal services with a unique client-centric approach. We aim at providing the utmost quality and result-oriented solutions with our out of the box thinking and teamwork. We focus on being very approachable and highly reliable legal advice with a practical and relevant approach, we tailor solutions with each client's needs.

Our firm implements a holistic approach towards client satisfaction by offering higher level of services, in-time solutions and exercising greater insights to understand the clients' sectors.

Our offices are located in **New Delhi (HQ), Mumbai, Bengaluru, Gurugram, Patna & Ranchi.**

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