

BUYING IN INDIA – FIVE TOP TIPS FOR A SUCCESSFUL TRANSACTION

Catalyst Corporate Finance, the award winning mid market corporate finance advisory firm, in conjunction with Mergers Alliance member in India, Singhi Advisors, highlight the following key factors for companies seeking to buy a business in India:

Use a local advisor

A large proportion of Indian SMEs are family owned and as such only a local advisor will have the ability to understand their culture and philosophy. These local specialists will also be able to assist in identifying opportunities for UK businesses and provide access to the target companies in a manner that is acceptable to their current shareholders.

Joint Ventures

If the shareholders of the target company are unwilling to sell, they often might be open to forming a joint venture. If initial approaches are dismissed it is important to consider the joint venture vehicle as this may be more acceptable to the present owners and allow a deal to be done.

Retain existing management

Following the acquisition of an Indian business, the key to success and future growth is to retain the Indian management team. This enables new owners to maximise the knowledge of the local market and trading conditions.

Growing sectors

Among the sectors predicted to grow, creating opportunity for UK acquirors are pharmaceuticals, automotive components, IT and retail.

Due Diligence

India's emerging infrastructure makes this a necessity, and key points to look out for include:

- Labour/management relationships
- Off balance sheet financings

- Inter-company transactions
- Undisclosed liabilities

Abhijeet Biswas, Vice President of Cross Border M&A at Singhi Advisors notes:

“India does provide major opportunities for investment and expansion for UK businesses. However, in order to get the best deal it is vital that local knowledge is used.”

Mark Wilson, Research Director at Catalyst Corporate Finance concludes:

“Our close work with Singhi Advisors, through the Mergers Alliance network, has increased dramatically in the last few months, and means our UK clients regularly access these opportunities, maximising their potential for acquisitions in the region.”

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Note to editors

Catalyst Corporate Finance

Catalyst is a leading independent corporate finance advisory firm and was recognised by the 2007 Acquisitions Monthly awards as its Independent Corporate Finance House of the Year. With a focus on providing strategic corporate finance advice to owner managed businesses, public companies and management teams, Catalyst is committed to supporting clients in growing and realising shareholder value.

Mergers Alliance

Mergers Alliance is an international network of independent firms offering high quality advice on mid market transactions. By bringing together an international team of dedicated corporate finance specialists with real experience of completing transactions together, Mergers Alliance provides a local contact point with an international reach. Cross border transactions represent an increasing proportion of M&A activity and Mergers Alliance is well placed to offer advice on delivering the full benefits of an acquisition, through to detailed integration planning.

Singhi Advisors

Singhi Advisors was founded in 1989 and has now has an experienced and highly qualified team of 30 professionals and is one of the top 10 Indian firms in corporate finance. The firm has risen rapidly from initially being a project consultancy firm to a leading SME/ mid-market focused boutique outfit providing customized, innovative and cost effective services in M&A, Investment Banking and Fund Raising.