

M&A ADVISORY PICKS UP PACE IN GUJARAT

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The latest thing abuzz in the financial advisory circles in Gujarat is Mergers & Acquisitions (M&A).

The rising M&A activity across the country has attracted financial advisors and corporate experts in the state to take up exclusive advisory services for business enterprises interested in M&A activity.

In 2010, the corporate circles witnessed one of the largest acquisitions in India's corporate history, when UK-based Reckitt Benckiser acquired Ahmedabad-based FMCG major, Paras Pharmaceuticals Ltd for ₹3,260 crore. In a reverse transaction, Ahmedabad-based industrial conglomerate, Adani Group acquired a large coal tenement in Galilee Basin of

Queensland in Australia under a deal size of USD 2.7 billion.

"Gujarat has become one of the preferred destinations for investments by overseas as well as domestic corporate mainly because of the conducive investment environment, better infrastructure and supportive policy in place. The investment banks advise foreign buyers to target Gujarat-based companies," informed Sanjeev Shah, a Vadodara-based chartered accountant, who has turned to M&A advisory from the auditing and corporate advisory services.

Pradip Modi, one of the promoters of Ahmedabad-based PKM advisory noted that the need for advisory services for M&A activity would increase in coming days. "There is huge potential in advisory services in this niche segment. Gujarat-based companies are expand-

ing outside the state. Looking at this opportunity to cater to the rising enquiry about the M&A advisory, we have started a web portal, www.bizexindia.com, exclusively for such activities. This will bring together business owners and advisors seeking to buy or sell business enterprises within India," said Modi adding that his focus would be on MSMEs having a deal size in the range of ₹10 crore to ₹200 crore.

According to Modi, Gujarat has a huge potential in M&A activity in the sectors like automobiles, manufacturing, infrastructure, logistics and ancillaries. "At present we have some 40 deals at various stages of finalisation. Out of these about 65-70 per cent deals involve Gujarat-based companies," Modi informed. The industry experts are of the opinion that the M&A advisory re-

quires global networking as well as expertise in the field of finance. In order to meet this challenge, chartered accountants and financial advisors from Gujarat are seen joining hands in groups to venture into this niche segment of advisory.

Shah is processing some large M&A deals involving US and Germany-based companies. He declined to divulge the size of the deals on the grounds of confidentiality. Meanwhile, Saurashtra region has remained silent on the M&A front. A financial consultant and corporate advocate from Rajkot said, "In Rajkot and parts of Saurashtra, businesses function under a traditional model, which does not encourage much of M&A activity. The trend has started in Ahmedabad, Vadodara and Surat. It will take some time for Saurashtra to pick up the pace on this front."

Pradip Modi