M&A Tabloid

Q1 2022

Nangia Andersen LLP

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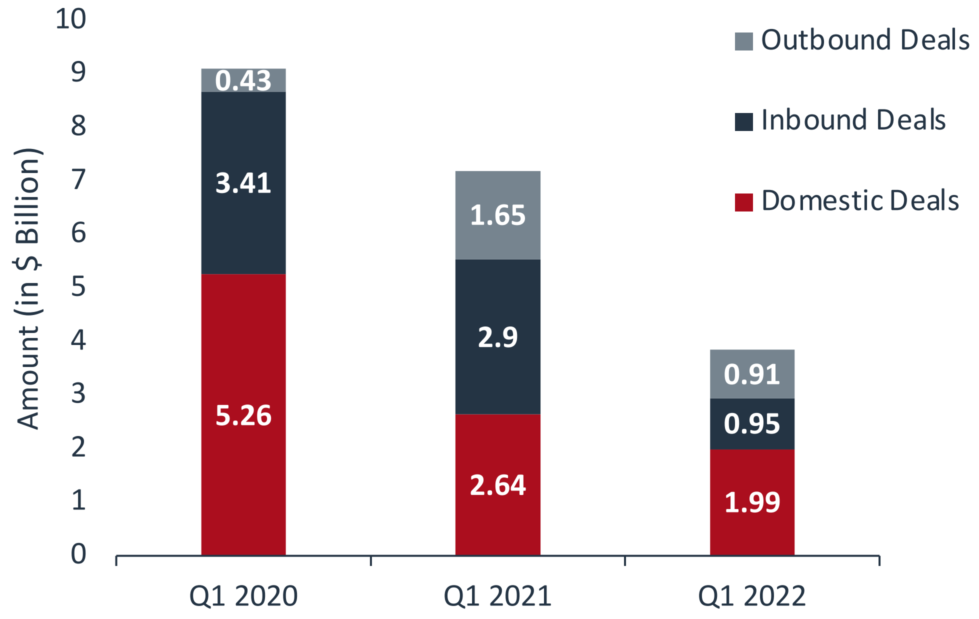
Foreword

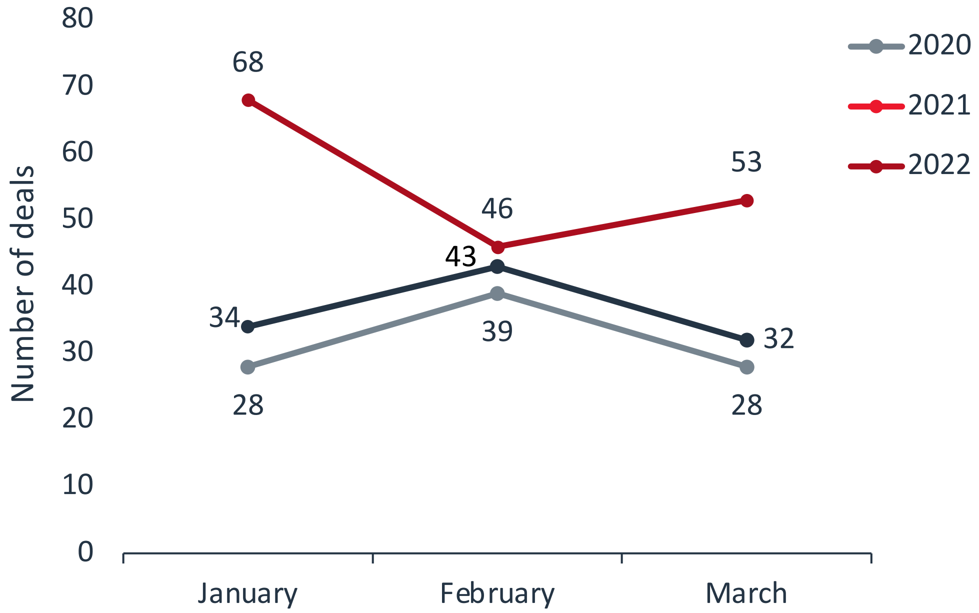
- The Indian M&A deal activity of Q1 2022 witnessed a total of 167 deals totaling $3.85 billion
- The M&A activity values declined by 46% this quarter as compared to Q1 2021 which can be attributed to around 70% of deals being undisclosed
- The IT sector recorded the highest M&A activity of $825 million as compared to the other sectors
- Indian startups raised $11.7 billion across 506 deals in Q1 2022
- The funding activity grew almost 186% and the deal count grew by 64% this quarter compared to the corresponding period last year
- The Enterprisetech sector recorded the highest number and value of PE/VC deals
- This quarter also recorded 14 unicorns, the highest ever in the first quarter of a year
- Byju’s $800 million funding round by Byju Raveendran, Vitruvian Partners, BlackRock, and Sumeru Ventures was the largest deal in Q1 2022

01

Select M&A Deals

M&A Deals - Key Trends





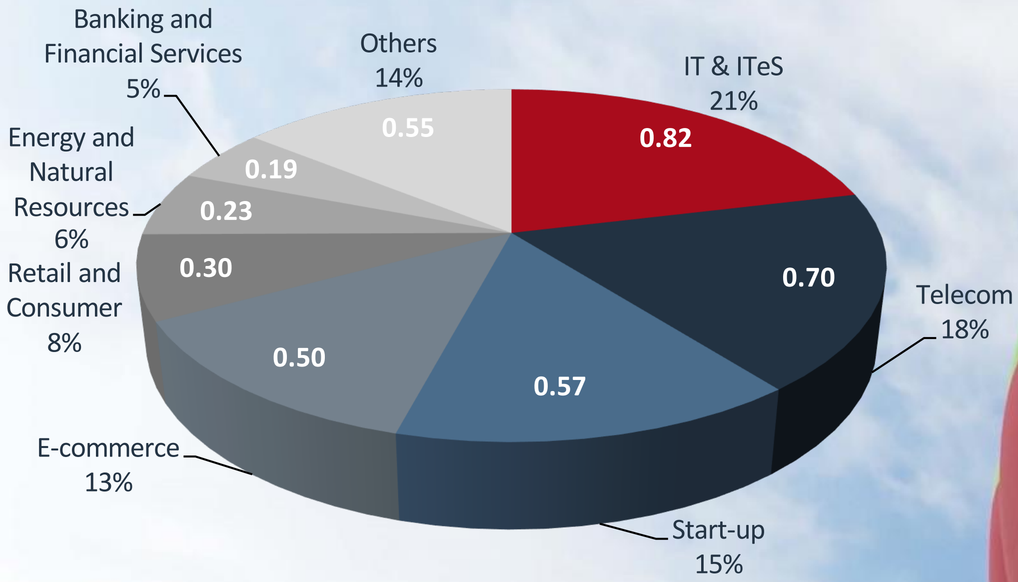
- The Indian M&A deal activity of Q1 2022 witnessed a total of 167 deals totaling $3.85 billion
- The number of deals increased by 53% while the value of deals decreased by 46% as compared to Q1 2021
- The domestic M&A transactions totaled $1.99 billion across 131 deals while the cross borders transactions totaled $1.86 billion across 36 deals
- The Inbound M&A activity fell to $.95 billion in Q1 2022 from $2.9 billion in Q1 2021. The number of Inbound M&A deals was 18
- The Outbound M&A activity fell to $.91 billion in Q1 2022 from $1.65 billion in Q1 2021. The number of Outbound M&A deals was 18
- The top 10 M&A deals accounted for 60% of the total M&A deal values in the quarter

Note:
1. Outbound M&A refers to when a domestic company purchases or merges with a company in a different country
2. Inbound M&A refers to when a company in a different country purchases or merges with a domestic company
3. Domestic M&A refers to when a domestic company purchases or merges with a domestic company

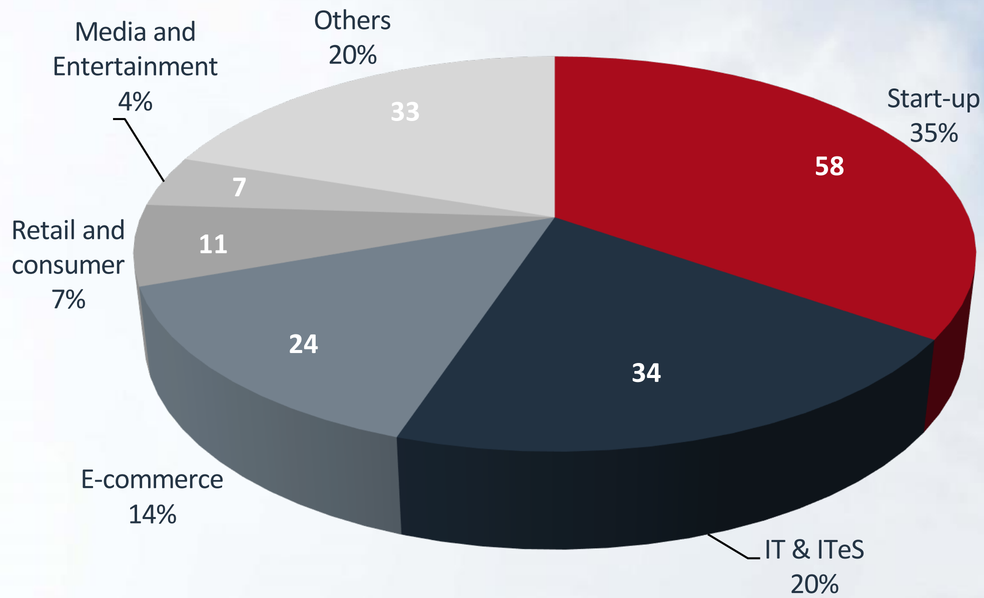
M&A Deals - Sector Trends

- Start-up sector recorded a total of 58 deals, accounting for around 35% of the deal volume.
- Within the start-up sector, the Retail tech segment had the highest sector volume of 24% which was followed by Edtech, enterprise & infrastructure, and fintech together accounting for 36%
- IT sector had the highest deal value of $0.82 billion across 34 deals. The IT solutions segment accounted for 53% and the software development segment accounted for 32% of the IT sector deal volumes
- The telecom sector recorded only a single deal, which was also the highest value deal of the quarter – Google acquired a 1.28% stake in Bharti Airtel for $0.7 billion

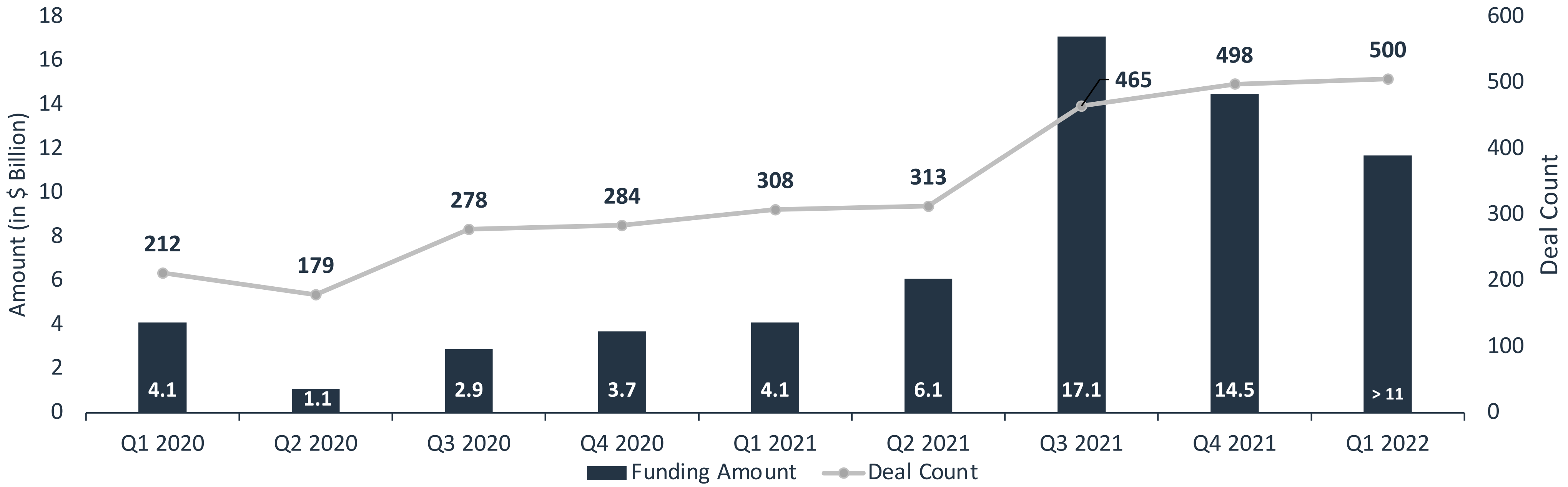
Based on Deal Value (in $ Billion)



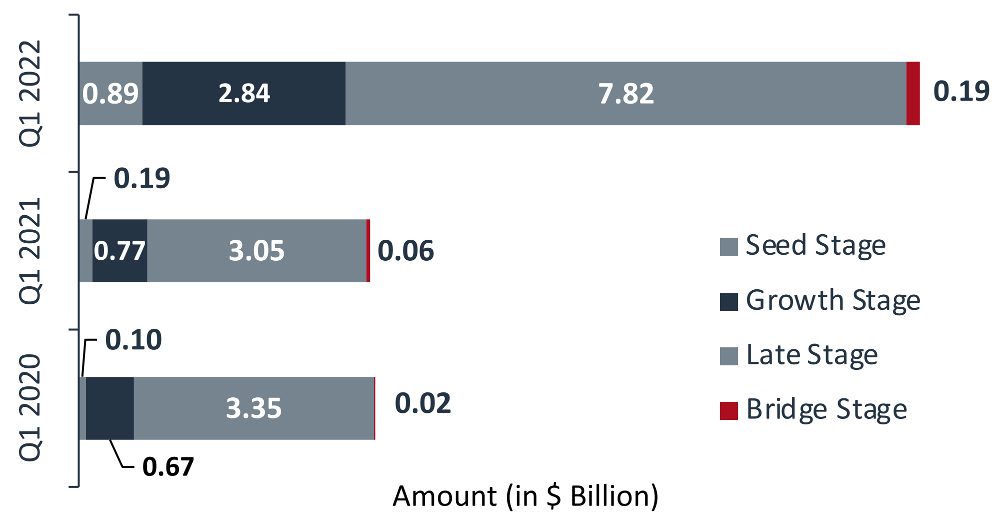
Based on Deal Volume



PE/VC Deals - Key Trends



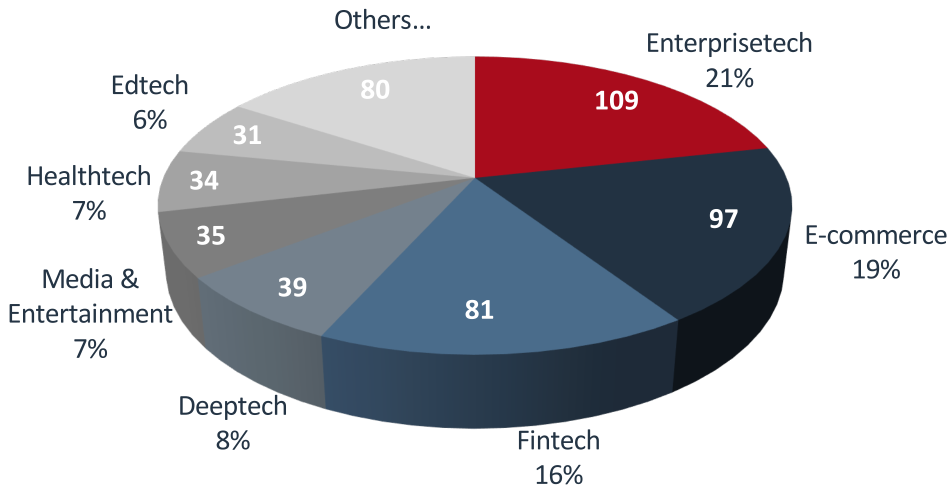
- The Indian funding space witnessed total funding of more than $11 billion in over 500 transactions in Q1 2022
- Both the funding amount and deal count were higher 186% and 64% respectively compared to the corresponding period in the previous year
- The average ticket size jumped to its highest level in excess of $25 million in Q1 2022



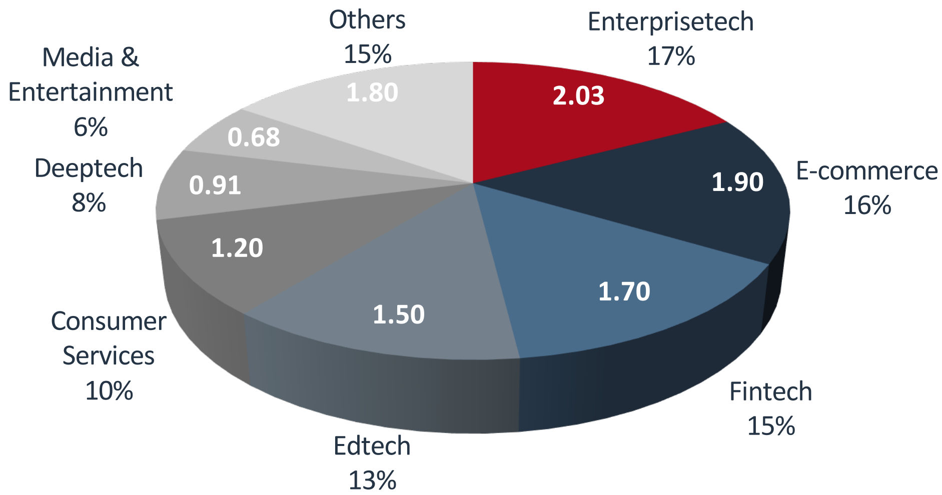
PE/VC Deals - Sector Trends

- Enterprisetech witnessed a total number of 109 deals, the highest as compared to other sectors. The total funding of the sector was $2.09 billion, which was also the highest across all the sectors
- Enterprisetech was closely followed by Ecommerce with 97 deals and total funding of $1.9 billion, and Fintech with 81 deals and total funding of $1.7 billion
- This quarter also recorded 14 unicorns which is the highest ever in the first quarter of a year
- Number of Mega deals[1] in Q1 2022 was 30

Based on Deal Volume



Based on Deal Value (in $ Billion)



Note:

1. Mega Deals refer to $100 million and above funding rounds

Top 10 M&A Deals

Acquirer	Target	Amount ($ Million)	Deal Type	M&A Type
Google International LLC	Bharti Airtel Limited	700	Minority stake	Inbound
Tech Mahindra Limited	Com Tec Co IT Limited	350	Acquisition	Outbound
Reliance Retail Ventures Limited	Dunzo Digital Private Limited	200	Strategic Stake	Domestic
Jio Platforms Limited	Glance Digital Experience Private Limited	200	Minority Stake	Domestic
Crompton Greaves Consumer Electricals Limited	Butterfly Gandhimathi Appliances Limited	186	Controlling Stake	Domestic
Generali Participations Netherlands N.V.	Future General India Life Insurance Company Limited	167	Strategic Stake	Inbound
Reliance New Energy Solar Limited	Faradion Limited	136	Acquisition	Outbound
Reliance Retail Ventures Limited	Addverb Technologies Private Limited	132	Controlling Stake	Domestic
Reliance Retail Ventures Limited	Purple Panda Fashion Private Limited-Clovia.com	127	Majority Stake	Domestic
Netcore Cloud Private Limited	Unbxd Inc	100	Majority Stake	Outbound

Top 10 PE/VC Deals

Company	Amount ($ Million)	Round	Investors
Byju's	800	Private Equity	**Byju Raveendran**, Vitruvian Partners, BlackRock, Sumeru Ventures
Swiggy	700	Venture Round	**Invesco**, Accel, ARK Impact, Amansa Holdings, Alpha Wave Global and others
Polygon	450	Venture Round	**Sequoia Capital India**, Steadview Capital, Sino Global Capital, SoftBank Vision Fund and others
Uniphore	400	Series E	**New Enterprise Associates**, March Capital, GoldenArc Capital
Fractal	360	Private Equity	**TPG Capital Asia**
Eruditus	350	Debt Financing	**CPP Investments**
XpressBees	300	Series F	**Chrys Capital, Blackstone Group, TPG Growth**, Investcorp, Norwest Venture Partners
ElasticRun	300	Series E	**SoftBank Vision Fund**, Goldman Sachs, Prosus Ventures, InnoVen Capital, Chimera Investment
Udaan	250	Convertible Note and Debt Financing	Microsoft, Arena Investors, M&G Investments, Tor Investment Management
Chargebee	250	Series H	**Sequoia Capital India, Tiger Global Management**, Insight Partners, Sapphire Ventures, Steadview Capital

Note: Lead Investors are in **Bold**

Unicorn Deals

amagi

Raised $95 million at a valuation of over $1 billion- March 2022

CredAvenue

Raised $137 million at a valuation of $1.3 billion- March 2022

darwinbox

Raised $72 million at a valuation of over $1 billion- January 2022

DealShare

Raised $165 million at a valuation of $1.6 billion- January 2022

elasticrun

Raised $300 million at a valuation of $1.4 billion- February 2022

fractal INTELLIGENCE FOR IMAGINATION

Raised $360 million at a valuation of over $1 billion- January 2022

GAMES 24 SEVEN

Raised $75 million at a valuation of $2.5 billion- March 2022

HASURA

Raised $100 million at a valuation of $1 billion- February 2022

LEAD

Raised $100 million at a valuation of $1.1 billion- January 2022

Unicorn Deals

LIVSPACE

Raised $180 million at a valuation of $1.2 billion- February 2022

Oxyzo

Raised $200 million at a valuation of $1 billion- March 2022

polygon

Raised $450 million at a valuation of $10 billion- February 2022

uniphore

Raised $400 million at a valuation of $2.5 billion- February 2022

XPRESSBEES
delivering happiness

Raised $300 million at a valuation of $1.2 billion- February 2022

02

Key M&A Restructurings

01 Acquisition of Polimeraas Agros LLP by GSS Infotech Private Limited through merger by absorption

Overview of the transaction

GSS Infotech which is engaged into business of IT Consulting and software development business plans merger with Polimeraas Agro LLP which is engaged in the sale of agricultural products, semi and fully processed food post conversion of LLP into private limited company. GSS Infotech has filed with the stock exchange for obtaining the observation letter with regards to the proposed scheme of merger through absorption of Polimeraas Agros LLP ('Polimeraas'). The purpose of the merger is to acquire 100% of stake in Polimeraas Limited and consolidate the exceptional growth ability of Polimeraas into GSS Infotech

Transaction Structure

The Proposed Transaction shall be executed in parts wherein:

1. **Part 1 – Investment in Polimeraas Limited**

GSS will invest INR 25 crores in addition to the INR 15 crores already invested in Polimeraas Limited (the company shall not become part of the scheme)

2. **Part 2 – Merger of Polimeraas with GSS**

In the subsequent part, there will be a merger of Polimeraas with GSS post its conversion into a Private Limited Company wherein the partners of the Polimeraas shall receive the shares of the Company in the same proportion as aggregate of their fixed and current account balances.

As part of the consideration, GSS shall issue Equity shares worth INR 117.91 crores and Compulsorily Redeemable Preference Shares 0.1% (yearly coupon) worth INR 132.61 crores which can be redeemed in 12 months after the allotment at the option of GSS.

Key Consideration Points

1. **Conversion of current capital contribution into shares:** LLP has fixed capital of INR 1 lacs and current contribution amounts to INR 9.99 crore and pursuant to the conversion the newly formed company shall have an authorize capital as INR 10 crores
2. **Valuation:** Valuation report by the register valuer submitted with Stock exchange has considered the LLP as private limited company and thus has computed the per share value of the LLP. In relation to the notified SOPs for submission of the observation letter from stock exchanges if new valuation report is obtained, GSS will have to pass the board resolution approving scheme of merger and make fresh application to the stock exchange for getting observation letter
3. **Resolution Validity**: As per the master circular for observation letter the converted company needs to pass necessary resolutions for approval of merger, however the resolution approving the scheme has been passed by partners in LLP. Under Companies Act, 2013 there is no exclusive provision dealing with validity of resolutions/decisions taken by the entities before conversion. Further, AOA of the company may contain clause giving validity of the resolution/decision taken by entities before their conversion. Thus, GSS may have to consider conducting the board meeting again for the approval of merger.
4. **Non-Approval of ROC before appointed date:** The Appointed date mention in the scheme of merger is not linked with the date of approval by ROC for conversion of LLP in private limited company. If the date of approval extends the appointed date, it will lead to the case of merger of LLP with a company which has been prohibited as per explanation of section 61(4) of LLP Act by NCLAT in its decision in case of Real Image LLP and Qube Cinema Technologies Private Limited.

Post merger holding in GSS Infotech Ltd. shall be as follows

Particulars	Shareholding (%)
Promoters of GSS Infotech Ltd.	12.71%
Trusts	1.34%
Partners of Polimeraas LLP	35.25%
Public Shareholders	50.7%

Nangia Andersen LLP's Take

The said scheme shall enable GSS to obtain the benefit of synergies between GSS and Polimeraas group, which in turn has wide reach in the southern part of India especially Telangana and Karnataka with more than 75 locations. However, it may be interesting to note how the entities will comply qua the provisions provided in the Companies Act, 2013 and the extant SEBI guidelines

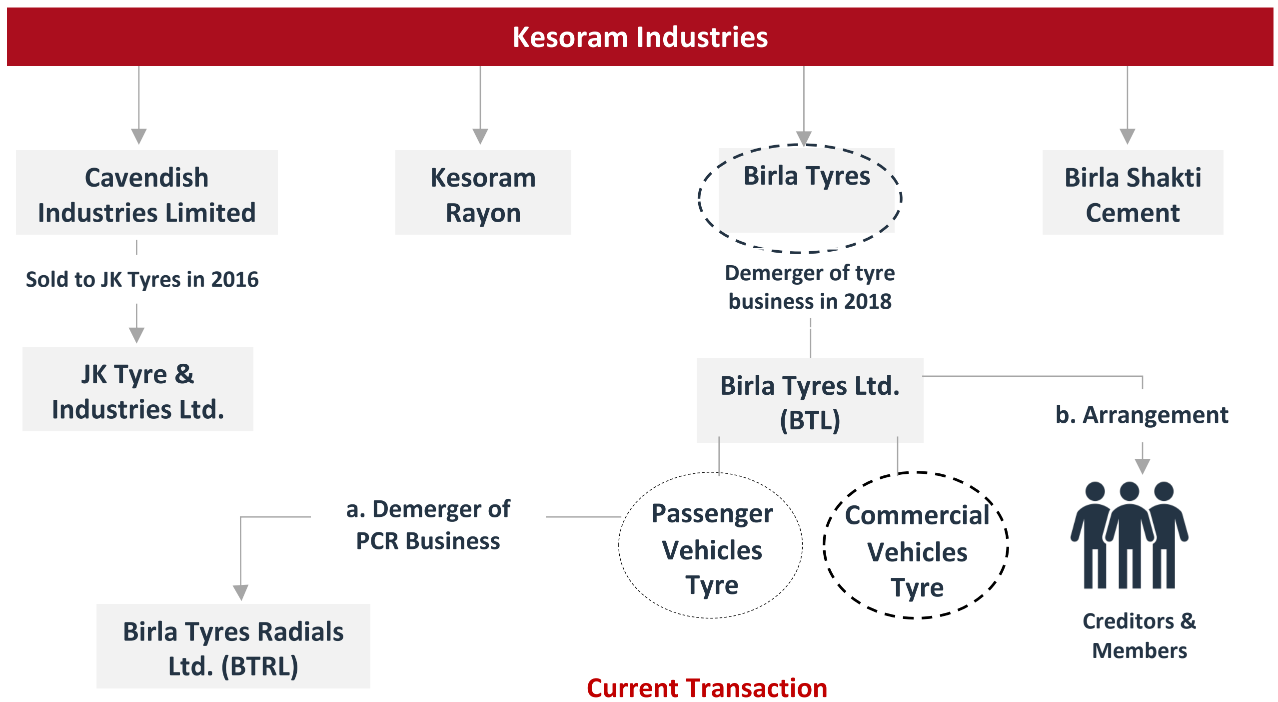
02 Birla Tyres Limited Board Approves Draft Scheme of Arrangement

Overview of the transaction

Kesoram Industries ("KIL") has been on a long grind to optimize its tyre business undertaking. The demerger of tyre undertaking by KIL in 2018 to Birla Tyre Limited and loan of 400 Crore for setting up of PCR business has not seem to be enough. The business of Birla Tyre Limited has been severely impacted for last few years which coupled with ongoing pandemic has almost crippled its tyre business which has run into huge losses. This has led to company defaulting in debt payments leading to shut down of the working capital fund inflow and halting of the operations

Thus, the Board of Directors of Birla Tyres Limited has approved composited scheme of further demerger of tyres business & arrangement with the creditors.

Transaction Structure



The Scheme of Compromise and Arrangement ("Scheme") is a two-phased Scheme involving:

a. **Demerger of the Passenger Car Radial Tyres (PCR) Business and allied activities of BTL into Birla Tyre Radials Limited (BTRL), on a going concern basis -** As on the appointed date, BTL will transfer its PCR business consisting property, plant and equipment amounting to 52.97 Cr, capital work-in-progress amounting to 707.09 Cr and loan amounting to ₹758 crores, to BTRL. Further, BTRL shall remain a wholly-owned subsidiary of BTL since it will issue 20,982 equity shares of ₹10 each to BTL only and not to any shareholder of BTL. Further post-issuance of shares, the existing 50,000 equity shares (₹10 each) of BTRL stands cancelled and existing equity shares of BTL of ₹10 each shall be reduced to ₹5 each, as part of the Scheme. The amount by which the share capital is so reduced shall be available for writing off and adjusting the carried forward losses as of March 31, 2021.

b. **Compromise and arrangement with creditors and members of the Demerged Company –** BTL has proposed 'Arrangement' with the creditors under section 230(1)(b) of the Companies Act, 2013. The summary of the settlement is delineated in the table below:

Particulars	Amount (in INR Crore)	Upfront	Converted to**		
			Equity Shares	Preference Shares	Deferred Payment
Secured Creditors	299.87*	25%	47%	28%	-
Overdue Liabilities	249.30	10%	20%	40%	30%
Unsecured Creditors	546.45	-	15%	85%	-

*Excluding debt to be transferred to PCR division.

** Loan transferred to BTRL is amounting to 758 crore

Rationale

As discussed above, BTL Commercial business has been halted due to insufficient funds which have been due to heavy loans for commercialization of PCR business segment. Further, loans are required by the company to fully set up the PCR facility. During this period, lenders have been recalling their funds which have created a havoc situation for the company. Thus, the scheme discussed above is a gateway for the company to streamline its operations and settlement with creditors

Other Key Consideration

1. Accounting- The value of all assets and liabilities pertaining to the PCR business in the books of BTL shall cease to be the assets and liabilities of BTL. The same shall be derecognized by BTL at their carrying values while BTRL shall record transferred assets and liabilities at their fair values as per the Valuation Certificate.
2. Taxes- Any Demerger is considered to be a direct tax neutral provided the conditions under section 2(19AA) are duly met. According to section 2 (19AA), as a part of consideration resulting company is required to issue its shares to the shareholders of demerged entity, which is being violated as BTRL is discharging the consideration to BTL and not to its shareholders. Therefore, the transaction may be considered to be taxed under the direct tax. However, a minimal direct tax liability may arise as the value of the undertaking is only INR 2,09,820. As regards to Goods and Services Tax (“GST”), the demerger will be tax neutral provided it is a transfer of an undertaking on a “Going Concern” basis.
3. Shareholding Pattern- The paid-up share capital of BTL will increase from 14,25,90,079 equity shares to 29,61,69,670 shares of ₹10 each by virtue of equity shares issued by BTL to its creditors. KIL will hold an approximate stake of 18.37% in equity share capital which will be classified as public shareholding and around 61.13% stake in preference share capital.

Nangia Andersen LLP’s Take

Through the Scheme, BTL is looking forward to settling its borrowings outside the Insolvency and Bankruptcy Code within the defined timeline. Further, the proposed transaction will not only deleverage BTL but shall also aid the Company in centralizing its focus on its commercial vehicle segment and provide the breath that BTL needs.

03 Crompton’s acquisition of Butterfly

Background

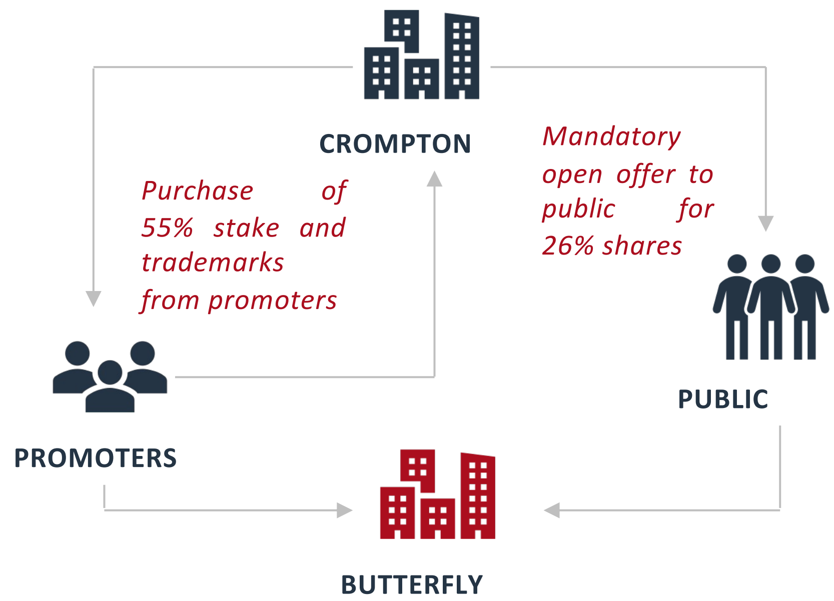
With the view of Crompton’s long term strategic goal of becoming a leading PAN India player in small domestic appliances, Crompton Greaves Consumer Electronics has signed a definitive agreement for acquiring a controlling stake in Butterfly Gandhimathi Appliances Limited.

Crompton Greaves Limited which is backed by Private Equity advent international along with Temasek is India’s leading manufacturer in the category of fans and residential pumps. The Company manufactures various products such as water heaters, anti-dust fans, LED bulbs, and a range of other categories. Butterfly Gandhimathi Appliances Ltd is among the leading pan-India kitchen and small domestic appliances players. The Company's product portfolio includes a wide range of kitchen appliance products including LPG Stoves, Mixer Grinders etc. and is the leading market player in southern India.

Transaction

Crompton has commenced the acquisition process by entering into a share purchase agreement with existing promoters of Butterfly for the sale of a 55% stake along with certain Butterfly trademarks in allied and cognate classes from promoters amounting to INR 1,380 crore and INR 30.38 crore respectively. Further, post-acquisition an open offer shall be given to public shareholders for acquiring their 26% stake in Butterfly by Crompton for INR 666 Crore.

Post this Crompton shall acquire an aggregate of 81% Stake in Butterfly while leaving the promoters under 9.58%. Further, it has been agreed by the parties that promoters shall ensure their stake shall remain under 10% and a non-compete agreement has been executed between Crompton and Promoters pointing towards the exit of promoters from the business.



Rationale

This Acquisition of Butterfly by Crompton will help both the companies as Butterfly has to offer its wide range of products with its strong brand equity and Crompton has to offer its growth opportunity in the non-south region. We have mentioned the key consideration for the acquisition:

1) **Expansion of Portfolio:** Crompton being the leader in the fans and pump market has a long-term strategic goal of becoming a leading player in the small domestic appliances segment. Crompton operates mainly with 2 segments i.e. Lighting Products and Electrical Consumer Durables. Thus, Butterfly’s complementary product portfolio coupled of small domestic appliances will scale and channel synergies to drive robust revenue growth and profitability.

2) **Geographical Expansion and PAN India Operations:** Crompton is a PAN India brand, whereas Butterfly has significant domination in the southern region. Thus, Crompton shall benefit from the dominance of Butterfly in the southern region. Further, Crompton has separately acquired 12.49 acres of land adjacent to the Butterfly factory, which will help Crompton to expand its existing Butterfly operation and its own operation in the south region.

3) **Access to Network & Brand:** Crompton has a vast retail network of 1,30,000 outlets while Butterfly has a strong network of more than 500 dealers and 25,000 retailers which will give strong support to Crompton to cross-sell its products into Southern India. Further, Crompton & Butterfly shall share with each other wherein, Crompton can sell its product under name of Butterfly and vice versa in the area of strong brand presence.

4) **Professional Management:** Recent changes in Crompton which have been brought by the professional management can be brought into the family-owned business of Butterfly.

Nangia Andersen LLP’s Take

The proposed acquisition is well placed strategically to boost the long-term objective of Crompton’s goal of becoming a leading PAN India player in domestic small domestic appliances. This will expedite the growth which Crompton aims for the small domestic appliance business. Further, the acquisition of land from promoters it will give Crompton a strong penetration in Southern Markets which can bring in economies of scale for selling its products across India.

04

Mega Merger of Inox and PVR

Overview

The M&A industry is set to witness a mega-deal between PVR Limited and Inox Leisure Limited. Through this transaction, the merged company intends to become a market leader in the cinema industry acquiring approximately 50% market share. The transaction shall enable both the entities to utilize the benefit of the combination of synergies along with the long-term sustainability of the business. Experts believe that this merger will likely take over six months as it will be subject to approvals from the National Company Law Tribunal (NCLT), stock exchanges, Securities and Exchange Board of India (SEBI), Competition Commission of India (CCI) as well as shareholders.

With INOX operating 675 screens across 160 properties in 72 cities and PVR currently operating 871 screens across 181 properties in 73 cities, the combined entity will become the largest film exhibition company in India operating 1546 screens across 341 properties across 109 cities.

Transaction Structure

The transaction shall involve the issue of shares by PVR to the shareholders of Inox in the manner as provided hereunder:

Each shareholder of Inox having 10 fully paid-up shares shall receive 3 fully paid-up equity shares of PVR basis the valuations arrived at by the Registered Valuer and supported by the Fairness Opinion of SEBI Registered Merchant Banker. As per a report, based on the share-swap arrangement, INOX's valuation has been pegged at Rs 6,400 crore (EV per screen of Rs 10 crore) whereas PVR is currently trading at a valuation of Rs 11,000 crore (EV per screen of Rs 12 crore).

Transaction Mechanics

The transaction shall further result in promoters of Inox becoming co-promoters in the merged entity along with the existing promoters of PVR and the resultant Board shall have a strength of 10 Board members. In furtherance of the same, both the promoter families shall have 2 Board seats each in the Board.

Current screens of both the respective entities shall continue to operate in their individual brand names, however, new cinemas shall operate under the brand name of the new entity i.e. PVR INOX.

Post Merger- PVR Inox Ltd.

Post-merger, promoters of PVR shall have a 10.62% stake while the promoters of Inox shall have a 16.66% stake in the merged entity.
Further, the merged entity will have a combined network of more than 1500 screens across India along with a reach to Tier-2 and Tier-3 cities.

Nangia Andersen LLP's Take

The said scheme shall enable both entities to create value for the stakeholders, lenders, and employees through expanded reach and higher growth opportunities. The merger shall further enable the companies to optimize their costs through a pooling of costs and better synergies in operations. The said merger would help the entities to mitigate the increasing pressure created due to lesser audience qua impact of COVID-19 and incidental restrictions.

05

Merger of Mirza International Limited with RTS Fashions and DEMERGER of REDTAPE brand from Mirza International

Background

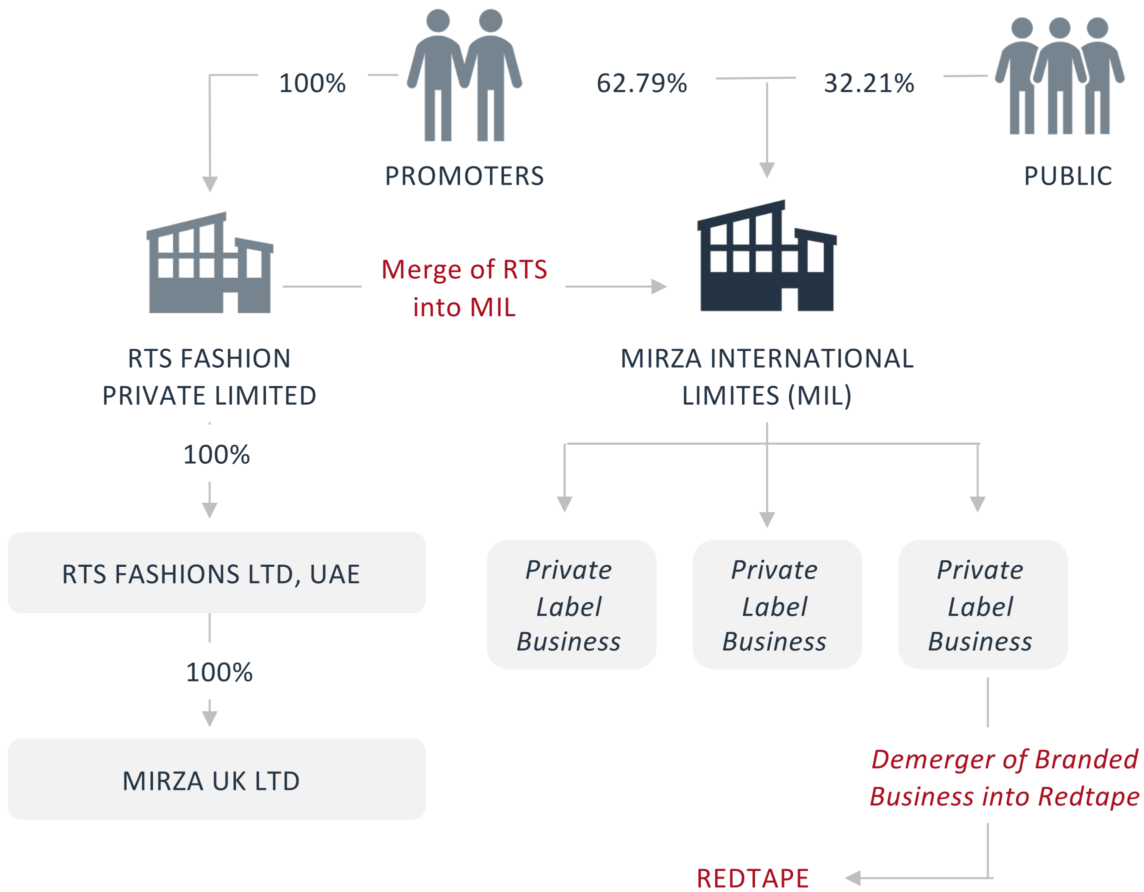
Mirza International Limited is engaged in designing, developing, manufacturing, marketing, and trading leather footwear, sports shoes, garments & apparel, etc. The company has three divisions i.e., Private Label Business, Leather Tannery Business, and Branded Business cater to its different business models.

To maximize the shareholder's value, the management of Mirza International Limited (MIL) has decided to consolidate/merge RTS Fashion Private Limited a promoter-owned entity, which predominantly sells goods manufactured by MIL in the international market through the entire chain of entities. Further, under the scheme MIL will also demerge its branded Business under Redtape into a separate entity.

Rationale and Proposed transaction

As per the scheme introduced by Mirza International Limited, the restructuring shall be carried out in two steps:

S.No	Restructuring	Consideration
1	The merger of RTS Fashion with MIL	Under this MIL shall issue 22 equity shares of INR 2 each for every 10 equity shares of INR 10 each held by the Promoter in RTS Fashion. Due to this, the paid-up capital of MIL shall increase.
2	Demerger of Branded Business intro Redtape Limited	The resulting entity i.e., Redtape Limited will issue one equity share for one equity share held in MIL.



The appointed date for both the transaction is 1st January 2022, however, the scheme mentions two different record dates for both the options. Due to this, RTS Fashion shall have a shareholding in both MIL and Redtape Limited.
Further, this restructuring proposed by the scheme shall increase the promoter stake from 67.79% to 71.69% which is in line with the satisfaction of MIL objectives.

Rationale

RTS Fashion Private Limited through its chain of entities is equipped with a dedicated team for the design and development of leather footwear, leather goods, and accessories for the UK and other overseas markets. The manufacturing of such products is catered by the manufacturing facilities of MIL. Thus, the Merger will achieve consolidation of the entire value chain under the listed entity i.e. MIL.

The separation of branded business into Redtape Limited will facilitate raising necessary funds to invite strategic investors, promoter's move to bring its privately held export business under-listed entity, and demerging branded division can be to improve corporate governance as well as valuations. Thus, the private label business can cater to the requirement of other brands without any conflict of interest

Nangia Andersen LLP's Take

This is a well-thought decision by the management of MIL. The consolidation of RTS Fashion shall boost and help the company with economies of scale and consolidation of the entire value chain into the listed entity which shall provide an increase in promoter stake. Further, the hive-off of branded business is a step toward improvising the valuation for the two businesses and providing separate operation capabilities to the independent business of Redtape.

06

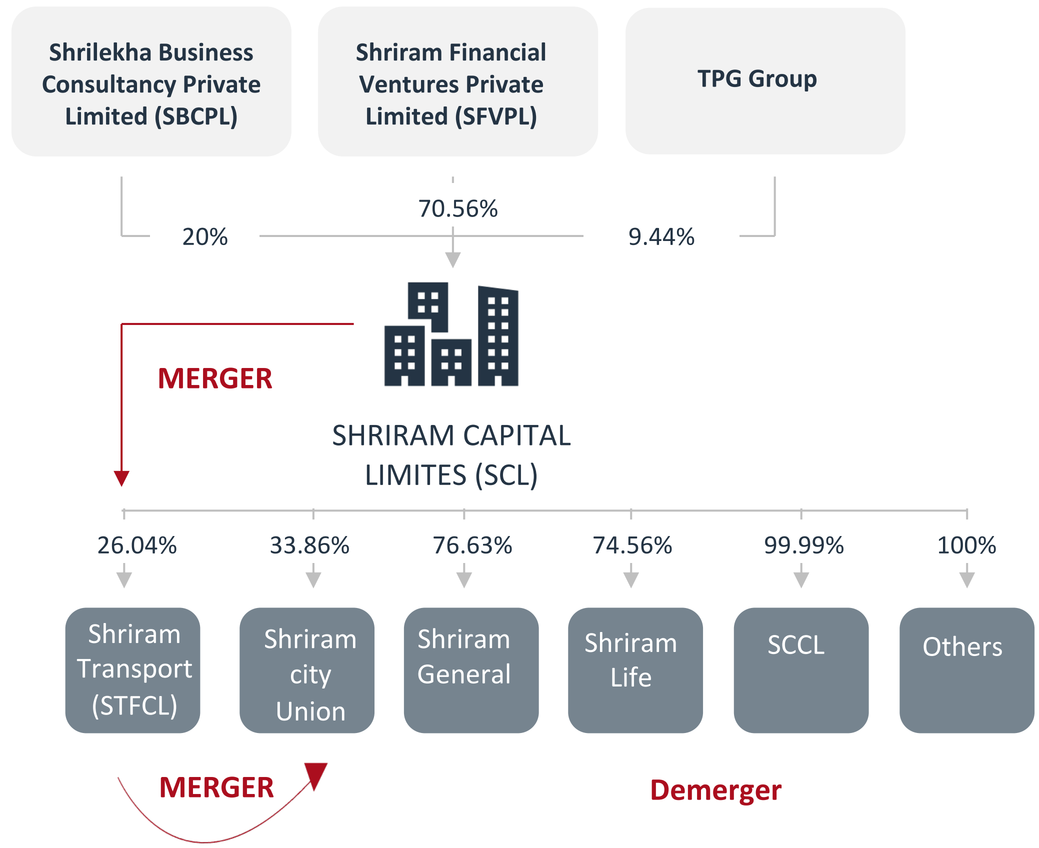
Reorganization of Shriram's Group Structure

Overview

Shriram Group, India's leading financial conglomerate, announced the long-awaited restructuring of its corporate structure. The restructuring shall involve the merger of Shriram Capital Limited (SCL) and Shriram City Union Finance Limited (SCUFL) with Shriram Transport Finance Corporation Limited (STFCL). Till date, Shriram Capital was the holding company for the group's businesses ranging from financial services and insurance to asset management. On the existing terms, Shriram Capital held about 26.04 percent stake in Shriram Transport Finance and 33.86 percent in Shriram City Union Finance.

Transaction

- Amalgamation of Shrilekha Business Consultancy Private Limited with Shriram Capital Limited.
- Demerger of financial services, life insurance, and general insurance from Shriram Capital followed by the merger of Shriram Capital (remaining businesses) with Shriram Transport Finance Company. As a result of the merger, the shareholders of Shriram capital will receive 9.8 shares of Shriram Transport for 100 shares of Shriram capital.
- Amalgamation of Shriram City Union Finance Ltd. with Shriram Transport Finance. Shareholders of Shriram City will receive 155 shares of Shriram Transport for 100 shares of SCUFL.



Rationale of the Scheme

The proposed restructuring will result in streamlining the structure of the group, so far the group has a complex holding structure, and the holding company Shriram capital itself has a diverse ownership structure. The proposed restructuring of the group is an attempt to simplify the corporate structure, apart from this there are some key considerations like:

- Country's largest NBFC: Post restructuring, the final entity will be the country's largest retail NBFC. The combined entity will be having assets under management of INR 1.5 Lakh Crore, a customer base of 2.1 Crore, and a distribution network of over 3,500 branches. The entity will likely be renamed Shriram Finance.
- Cross-Selling: Currently, the cross-selling is limited to the Insurance business, post the restructuring, the management will focus on cross-selling of services between STFCL and SCUFL business.
- Providing exit to financial investors: The proposed restructuring also aims to provide an exit to the financial investors and further simplify the business group structure.
- Diversified Portfolio: Shriram transport is engaged in the financing of used vehicles, while Shriram City is a leading two-wheeler financier and also provides SMEs, gold loans, etc. Hence, the proposed restructuring scheme will help in consolidating various business portfolios under one roof

Nangia Andersen LLP's Take

The main objective of the proposed restructuring is to streamline the structure of the group and thereby providing exit to the financial investors. This scheme is well placed to reorganize the group's businesses in order to enable focused growth strategies, benefits of synergy, and capital infusion for each vertical. Further, as the restructuring involves the merger of entities with different product portfolios and wide geographical presence, this will lead to a diversified portfolio of the final entity and will also offer PAN India presence through a wide network of branches.

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