



## India's M&A and Distressed Opportunity Landscape

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Over the past decade, India's corporate landscape has experienced rapid change, which has impacted the way companies have performed, as measured by their change in market capitalization.

Some corporates that were near the top of the league table a decade ago have experienced significant operating and financial difficulty thereafter, impacting their ability to generate value for stakeholders. Companies that were able to adjust their business practices and maintain flexibility when it came to managing their capital structures, M&A activity and group vision, have continued to outperform their peers. Those companies that remained rigid in their business models or did not employ prudent governance policies have suffered.

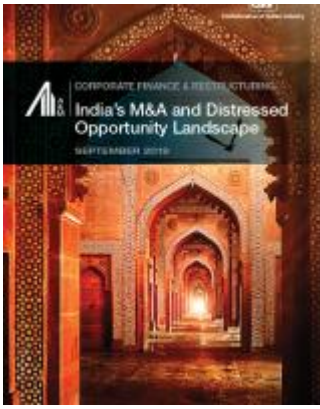
Also, a closer look at loan stress in the system shows that asset heavy sectors such as metals, mining, construction, engineering and infrastructure have not fared well, experiencing the highest stressed loans ratios.

Since the 1980s, numerous restructuring / rehabilitation regimes were implemented in India, but with limited success. The introduction of the Insolvency and Bankruptcy Code, 2016, ("IBC") has been a positive move as it presents a single court process to reorganize and achieve insolvency resolution in a time bound manner. Introduction of the IBC allows a systematic approach for both strategic companies and investors to acquire distressed assets within a specified timeframe.

PE funds are planning to earmark billions of dollars to invest in Indian companies. This money is expected to help companies pare debt levels while also making growth capital available. In addition, buyers may also look at acquisitions from companies / promoters looking to sell non-core assets. In today's environment, we are seeing significant activity with respect to non-core asset sales, including from the government's end, in an effort to deleverage and maintain a sharper focus on the core business. These dynamics shall provide for interesting opportunities for interested buyers.

In this report, we start by providing insights on the changing Indian corporate landscape and some interesting takeaways. Then we discuss the India M&A market and discuss various trends across different deal categories, and also explore non-core asset sales activity. Next, the report looks at the trends and statistics of fund flows and fund activity. The report then goes on to summarize the various restructuring regimes that came and went, and how those led to the formulation of the IBC and then introduce the recently published 7 June, 2019 RBI Circular. Finally, the report addresses approaching distressed M&A from the buy-side and its key considerations.

We hope that the report makes for insightful reading!



[Click here to read the full report.](#)

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