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# Advisory

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**hu** Consultancy  
M&A, JVs & Financial Re-engineering

# Why Consolidation

## BUSINESS REASONS

- Efficient cash flow management (including optimization of working capital)
- Economies of scale
- Optimum utilization of resources
- Reduction in overhead costs
- Motivate employees as better opportunities in larger organization
- Optimization of logistic
- Strategic Decision as and when decided
  - ✓ Ease of inviting strategic or financial partner
  - ✓ Ease of selling
  - ✓ Raising of Funds IPO

## OPERATIONAL OPTIMIZATION

### • **Taxes:**

- ✓ Optimum tax and ease of estimating advance liability including GST
- ✓ No transfer pricing and related parties transactions issues
- ✓ Timely compliances and uploading of data

### • **Others Regulations:**

- ✓ Minimum MCA compliances
- ✓ Compliances related to employee (PF, ESIC, Gratuity, Leave Encashment, etc.)

***Avoiding fees, penalty and prosecution***

# Why Strategic partner

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- Technology upgradation
- Expansion into related business (complementary products)
- Grow Customer Base
- Reach new Market
- Fulfilling requirements of contract to bid.
- Block competition
- Adding resources
- Strengthen marketing , production or finance capabilities to further scale up

# When Sell

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- Good Business Value (an offer you cannot refuse)
- Time for change (Retirement, other projects, etc.)
- Poor Performance/Business Decline due to competition etc.
- No indentations to commit investment for expansion or in new technology or marketing
- Exit due to succession, relocation of family
- Relocation required (Business/Family) or for retirement

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**Thank You**

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