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PRESENTS

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A CELESTIAL EPIPHANY

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POWERED BY





FINANCE CASE COMPETITION

MERGERS & ACQUISITIONS

Introduction

The term mergers and acquisitions (M&A) refers to the consolidation of companies or their major business assets through financial transactions between companies. A company may merge with another company to create a new company or may acquire some or all of its major assets.

Case Prompt

You are an Investment Banker advising four real estate companies: Oberoi, Godrej, Indiabulls, and Sunteck. Oberoi and Godrej are larger corporations, while Indiabulls and Sunteck are relatively smaller players in the industry.

The task is to strategise whether these companies should pursue a merger or an acquisition to enhance their market position and competitive advantage. Keep in mind that mergers/acquisitions should be between **2** companies only.



Aspects to focus on:

Synergies:

Your task is to identify two companies that exhibit the most complementary strengths, offering the greatest potential for synergy through a merger or acquisition. This evaluation should consider how the combination of these entities can unlock additional value, enhance efficiencies, or create a competitive advantage in their market. The ideal partnership should demonstrate a clear pathway for mutual growth, leveraging their combined resources, technologies, customer bases, or market positions. Your analysis will contribute to shaping a strategic proposition for a merger or acquisition that promises to redefine their industry landscape or fortify their market standing.

Post-Merger Integration Strategy Overview:

Participants need to give a roadmap of how once a merger and acquisition (M&A) procedure is concluded, the combined business usually integrates the two entities' operations, cultures, technology, and finances. They also need to explain how the final company will go ahead in operations and its impact on the industry.

Financial Analysis:

In this mergers and acquisitions case competition, participants need to make decisions based on solid financial modeling. Any recommendations they propose must be backed by clear financial analysis. Participants must create and include screenshots of their financial models with their submissions. This ensures that all proposals are grounded in strong financial reasoning, making for a competitive environment where strategic thinking and financial skills are key.

Financial and Legal Risks:

Although mergers and acquisitions offer promising opportunities for real estate companies to enhance their market position and profitability, they also entail significant legal and financial risks that demand careful consideration and strategic planning. By conducting thorough due diligence, scouring legal and financial hurdles, and implementing robust risk management strategies, justify your decision as to whether the mentioned strategy is viable in accordance with the above or not.

Situation and Industry Overview:

Examine the current real estate landscape and industry trends to assess the feasibility and strategic implications of potential mergers between two established firms. Investigate market dynamics, competitive pressures, regulatory environment, and growth opportunities to provide a comprehensive overview for decision-makers considering consolidation within the sector.

Company Background:

Oberoi Realty Ltd

Oberoi Realty Ltd is an India-based company engaged in real estate development and hospitality. The company operates through two segments: real estate and hospitality. The real estate segment consists of construction and real estate development and contributes the vast majority of group revenue. The company's developments include residential, commercial, retail, and social infrastructure projects such as Oberoi Splendor, Oberoi Splendor Grande.

Godrej Properties

Godrej Properties Ltd develops residential, commercial, and township properties in multiple cities. The company derives a majority of its revenue from the sale of properties. Other operating sources of revenue include the sale of services, compensation received from projects, and lease rents. The company's operations take place in two main business areas Residential Real Estate and Commercial Real Estate. Some of the company's Residential Real Estate projects include Godrej Garden City, Godrej Prakriti.

Sunteck Realty Ltd

Sunteck Realty Ltd is a Mumbai-based real estate development company, catering to the ultra-luxury and luxury residential segment. It is engaged in designing, developing, and managing residential and commercial properties. Its brands include Signature, Signia, Sunteck, SunteckWorld, and Sunteck City.

India Bulls Housing Finance Ltd

Indiabulls Housing Finance Ltd (IBHFL) is a housing finance company. It offers loans for home purchase, residential construction, mortgage, commercial real estate, plot loans, among others. The company offers financial advisory services and other related ancillary services such as home purchase counselling services and insurance solutions through its subsidiaries. The company has operations in India, and the UAE.

Rules

- Submit your Presentation/PDF of not more than 15 pages, including the introduction and last page.
- Share the link to your excel file in the deck itself.
- Deliverables must cover the aspects mentioned above.
- The required files must be submitted by 23rd March 2024 EOD on Unstop. No submissions will be accepted after that.
- You can attempt the case in a team of 2 to 4.
- The top 10 teams will be invited on campus to present their submitted cases to the jury on 5th April 2024.
- The case is hypothetical, but the industry and companies used for the case are real-world examples.
- One is allowed to use statistics and data available on the Internet.
- Any malpractice or plagiarism noticed by the teams will be disqualified. IFSA, BITS Pilani, Pilani decision will be the final decision.

ALL THE BEST!