

INDUSTRIES: AUTOMOTIVE

SERVICES: GREENFIELD MANUFACTURING SET-UP MERGERS AND ACQUISITIONS



## ABOUT THE CLIENT

The client is an Italian auto components manufacturer with revenues close to EUR 150 million was operating in India through a Joint Venture (49% Italian, 51% Indian partner). The Indian partner wanted to divest and sell its share to a Private Equity Fund.

## BACKGROUND

The Italian company offered to buy full stake in the JV and faced issues in convincing the Indian partner.

During the deal, the Italian company faced multitude challenges with the Joint Venture such as heavy attrition of senior level executives and a search for an alternate manufacturing location to keep the production going.



## TECNOVA'S APPROACH AND SOLUTION

Tecnova helped the client on many fronts including in:

- Taking the right legal recourse: Formal notice sent to stop the Indian company from selling the stake without full consent. Tecnova M&A team mediated to bring both parties to the table and then led negotiations to reach an amicable solution.
- Setting up an alternate manufacturing facility: While the acquisition is going on, Tecnova helped the client to set-up a manufacturing facility in Bangalore (South India) to keep the production going.
- Post deal integration: Tecnova provided 360 degree post integration services including recruitment and management of new personnel, opening up of corporate bank accounts, and regulatory filings.

## BENEFITS

- ✓ 100% stake and full control on Indian operations
- ✓ Completed the acquisition within three months – therefore, avoiding a situation that had the potential of a long term shut-down and loss in revenues
- ✓ Reliable project management and establishment of a manufacturing facility within eight months with 50 employees
- ✓ Boost for the client on progress path – The company is on an aggressive growth path to with over 200 employees

