

## How we helped an Infrastructure conglomerate restructure its Environment business

### Issue

A family owned Infrastructure conglomerate having presence across Roads, Railways, Irrigation, Mining and Urban development charted out a visionary plan for its Environment and Clean Energy arm. Having realized a huge potential in the sector, it brought on board a non-family top executive to lead this division of the organization. Strategic plans for this Environment business were formulated with the goal of having an IPO (Initial Public Offer) or PE (Private Equity) funding in future. However, the executive soon found out that there was a complex web of legal entities and non-standardized intercompany transactions among other issues. To prepare for the future, a complete overhaul of the business portfolio was essential.

### Approach

Along with our Associate Partner Consultants, we worked with the executive to outline the critical issues impeding his quest to achieving the vision and identified the key drivers and stakeholders for Business Restructuring. Client internal teams were interviewed and opinions sought from Subject Matter Experts (SME) including legal and taxation professionals. We carried out secondary research to gather deep technical insights.

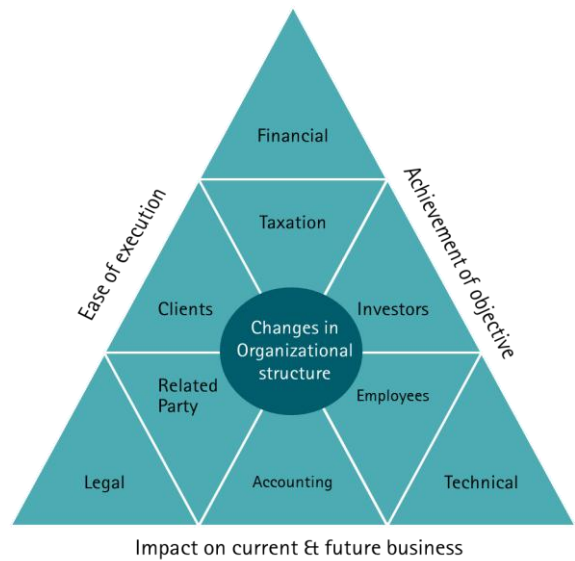
### Methodology

- Defined the problem statement, identifying the objectives, critical issues, key drivers and stakeholders of the Business Restructuring exercise
- Researched on Best Practices for Business Restructuring, Technical issues and IPO/ PE funding
- Categorized the various legal entities (SPV - Special Purpose Vehicles) according to their shareholding, project status and operational parameters
- Analyzed the Environment business' technical strength, project execution capability, dependency on parent group company and financial sufficiency
- Generated various restructuring options and evaluated the pros and cons of each option
- Performed a top-level comparison for all such options factoring in several parameters including legal, tax, clients, investors, future projects, ease of execution, achievement of objective etc. and selected the most suitable restructuring option
- Developed a detailed step-wise execution plan for that Restructuring option and provided the financial, taxation, accounting, legal and related party impact due to such restructuring, on current and future business
- Assessed the business' position for IPO qualification and educated the client on the IPO/ PE landscape, considerations, process and timeline
- Formulated a roadmap to achieve the objectives

- Conducted a risk assessment exercise and prioritized and highlighted the most critical steps the client should expedite

## Solution & Benefits

Recommended the client the most beneficial Restructuring option to achieve the objectives; getting the necessary autonomy and independence to operate, yet able to leverage the group parent's strengths and brand image. Presented the deliverables to the group company management, explaining the reasoning behind solution provided and addressing their issues. This led the Environment business' executive to convincingly get a buy-in from the group management, for the recommended Restructuring option and have a robust plan in hand to execute the same.



Apart from the solution provided, the client was highly appreciative of our Post-engagement support to help execute the solution and resulted in a mandate of several consulting cases.

## Contact

**Vyom Shah**

M: +91-9158852515

E: [vyom.shah@phronesisstrategies.com](mailto:vyom.shah@phronesisstrategies.com)

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