

BACK TO THE BASICS

HSA's bite-sized analysis of topics of relevance and interest in the world of transactions

January 27, 2022

TRANSACTIONS PRACTICE GROUP



Our Perspective on Deal Making in 2022

Deep into the first month of the new year, 2022 promises to be a dynamic year with significant growth opportunities in the Indian industry. However, we expect to see significant variations in the legal and regulatory landscape, which would require navigating. In this light, this special Back to the Basics edition in its inimitable bite-sized approach, outlines some of the key highlights for the year ahead:

Deal Making

- Strategic and financial deal making is expected to continue strongly in 2022, with the market remaining an attractive and viable destination for capital deployment.
- Consolidation shall continue to be a theme in multiple sectors. Horizontal integration, new markets and greater paths to customer engagement are growing reasons for investments and acquisitions in India as well.
- The practice of unicorns growing their portfolios and valuations through the inorganic growth route is well and truly here.

Highlight Sectors

- The sectors that are expected to stand out are a mix of traditional as well as new age. Even for traditional sectors, some of the activity would be innovation and tech driven.
- Highlight sectors include financial services and fintech, e-commerce, automotive, healthcare and pharma, education and ed-tech, food processing, renewable power and energy.

Legal/Regulatory Crystal Ball

- Some of the expected legal changes would have sector specific impact, while others would cut across the board.
- In the former category are pending Bills like Cryptocurrency and Regulation of Official Digital Currency Bill, 2021; Electricity (Amendment) Bill; and new regulations that may emerge for the digital lending space based on the RBI's working group findings from late last year.
- Effecting of Data Protection Bill 2019; the Labour Codes that have been kept in abeyance; and the Competition (Amendment) Bill, 2020, would significantly impact deal making procedures.



The Indian market in 2022 presents a variety of opportunities for deal making at different scales, at valuations that are correcting themselves. The legal and regulatory regime continues to evolve, albeit somewhat piecemeal. Hence, interested stakeholders would be advised to evaluate deal prospects supported by technically sound and pragmatic advice.

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