

Financial & Tax Due Diligence for a large Real Estate Company

ABOUT THE CLIENT

- Real Estate major based in Gurgaon that develops residential and commercial projects across India.
- During the course of JV formation, the client sought our help for the due diligence and asked us to evaluate the funding plan for the land sale transaction.



BUSINESS CHALLENGE

Evaluating the financial and tax standing of the counterparty is imperative to prevent any future issues in the JV. The proposed funding plan needed to be viable for the working capital needs of the JV project. The primary challenges faced by the client included:

- Lack of in-house technical expertise.
- Limited in-house bandwidth to undertake due diligence tasks.
- Inability to promptly transform information supplied by the counterparty for management review.



OUR SOLUTION

- We swiftly analyzed key data points from the counterparty. We established regular communication channels with the seller and provided frequent updates to the management for their use.
- Our team of dedicated professionals collaborated with the client to deliver quality work within the stipulated deadlines thereby helping the client to efficiently close the transaction.



Prepare

- Deployed Due Diligence experts having in-depth understanding of carrying out financial and tax due diligence in the Real Estate sector.
- Utilized our understanding of the potential risks involved in the transaction to adjust the review procedures.
- Well-documented deliverables for better understanding of issues



Execute

- Understood the background of the proposed transaction and potential pitfalls
- Analyzed historical financial data to identify potential issues
- Reviewed open litigations & tax documents to assess the financial position and potential future liabilities that may impact the proposed land transaction.
- Assessed the project funding plan to ensure adequate availability of capital



Report

- Prepared a detailed due diligence report based on a thorough review of the company's financial and tax data
- Value addition by way of independent analysis and assessment by our due diligence specialists
- Assessed risk percentage based on agreed upon risk assessment framework



BUSINESS IMPACT



Valueonshore Advisors assisted the client by identifying the potential issues in the proposed JV for better decision-making by the Management. The major impact of work done by us included:

- Timely turnaround – delivering within the tight deal timelines.
- Detailed observation reporting identifying the issues and possible resolutions.
- Management discussions for better understanding of the identified issues.
- Development of risk assessment framework for better representation of risks.

ABOUT US



Headquartered in Gurgaon, Valueonshore Advisors is a specialized professional services firm managed by the Big 4 alumni and industry executives. Our portfolio includes multi-billion dollar companies, mid-cap public, and pre-IPO companies that range from late stage to early stage. We are a trusted, preferred partner for various multinational and Indian clients who engage us for our functional expertise, industry knowledge and for our objective solutions for complex problems.

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