

“Don’t be self-centric. Do something good for the country.”- Mr. Vijay Paradkar

On 17th August, **Mr. Vijay Paradkar** who is the **Vice President, Mergers and Acquisitions, Mahindra & Mahindra Limited** came to the IMT Nagpur campus to share his insights about mergers and acquisitions especially from the perspective of Mahindra and Mahindra. He is the core team member of the Mergers and Acquisitions team at Mahindra & Mahindra Ltd. Here is what he had to say on a one on one conversation with **Shubhendu and Komal of CCC**.

Q: As the rupee is depreciating, Govt. of India (w.e.f. August 14, 2013) has restricted this provision by limiting the overseas investment by Indian companies to not more than 100% of the net worth which was earlier 400%. How would it impact the outbound m&a of Mahindra group?

Ans: . Strictly speaking, this policy is going to affect almost everyone including the Indian entrepreneurs and big shots as Indian economy and market is dynamic enough but on the other hand it’s strong as well, thanks to our historical policies. The wings of the companies following FEMA would be cut. As you go through the FEMA, you’ll notice that the policies are taking the companies to a control region, things are not being regulated, they are being controlled. This condition is disturbing. These may hit those individual companies which are planning to buy units outside India because:-

1. The environment of India is not conducive.
2. In Europe and in USA, quite a few companies are available for up sale at a distressed value. They are ready to pay high.

Now, in such condition depriving the companies is like stopping your children from dreaming big and flying high.

Q: So it is right to say as was also tweeted by Mr. Anand Mahindra that it is ironic that companies have controls on capital on Independence day?

Ans: Independence for me in one word is to be responsible and responsibility is not forced, it comes from within. Until and unless the companies are responsible they should not be controlled. The new FEMA gives out the message of controlling and not regulating. So, the meaning of Independence has been lost.

Q: Sir, how would you look into the diversified reach of Mahindra and Mahindra?

Ans. Mahindra and Mahindra follows a federation structure where a unit called M&M has been segregated into many small units. It’s good as in:-

1. It gives every unit a standalone independence to design its own strategies and build its own plans. This gives an edge to the business.
2. In today’s economic condition when rupee is facing such depreciation, it gives an added advantage. If one unit fails, the other would balance it by performing excellent. For example when SUVs failed, we balanced it out with our tractors, thanks to the monsoon.

Q: Mahindra has a conservative approach as far as M&A is concerned. It acquires companies when the tide of growth is tremendously low. Your comments on it?

Ans. That's called the crash in the pan. We follow the principle of Warren Buffet, "When others are fearful, you be greedy and vice versa." It's an advantage. When the economy slows down, there is a terror and that fetches profit for us.

Q: Sir, you are a master in diverse field. How do you manage such tacit knowledge management?

Ans. Keep your eyes and ears open, develop a learning attitude and train your system in such a way that you could cultivate premium to knowledge management. There is always a premium to knowledge, be an aspirant of that entity.

Q: What future opportunities are you looking forward at, currently?

Ans. We, at M&M, always look forward towards more and more opportunities. We have to, because we are facilitators. We make strategies and create visions. We make sure that each such vision is fulfilled with the help of the strategies built. That's how we work and that's what I am hired for.

Q: How do you compete with the other market segments like investment banks and all in the same market?

Ans. We have just started our journey and thus we have to travel a long way before we sleep. Secondly, we are the group of people, the dirty dozen who actually have an experience of doing sixty deals. We are not like ordinary advisory councils that would teach you swimming and would stay out of the water, we would actually be in water with you. We have tested the water ourselves.

Q: What suggestions would you like to give to the students of IMT?

Ans. Be positive, be good citizens, be transparent and be an ethical citizen of this country because the country is in bad need of such qualities in a manager. There is a pool of talent but there is a dearth of morality. For every one student like you who's pursuing such a good quality of education, there are 4-5 students out there in rural India who are deprived of even basic school education. You owe to them. Don't be self-centric. Do something good for the country.