

Mergers and acquisitions in the emerging markets of India

Prologue

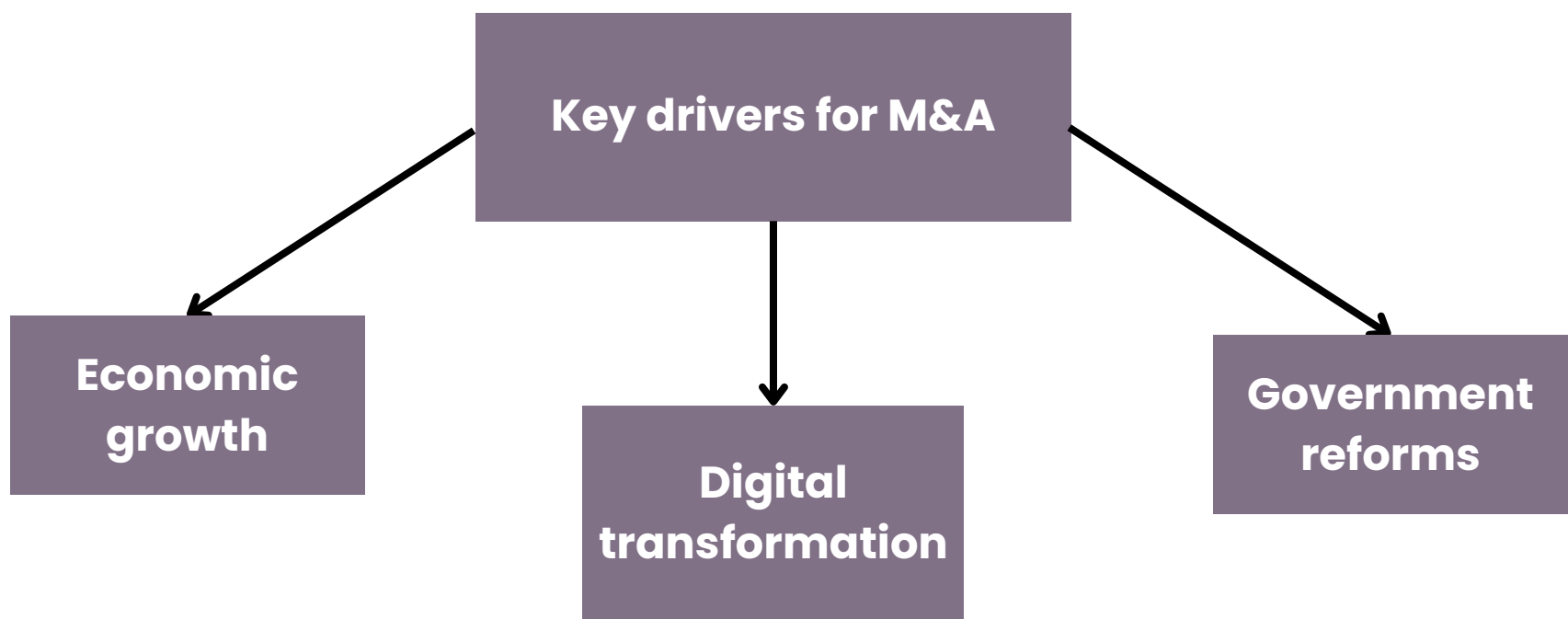
- The total deal value for M&A transactions in India reached a record high of ₹18.24 trillion (approximately USD 240 billion) in 2022.
- The number of M&A deals announced in India has also been steadily increasing. In 2023 (YTD, April 15, 2024), there have already been over 500 deals announced



About Mergers and Acquisitions

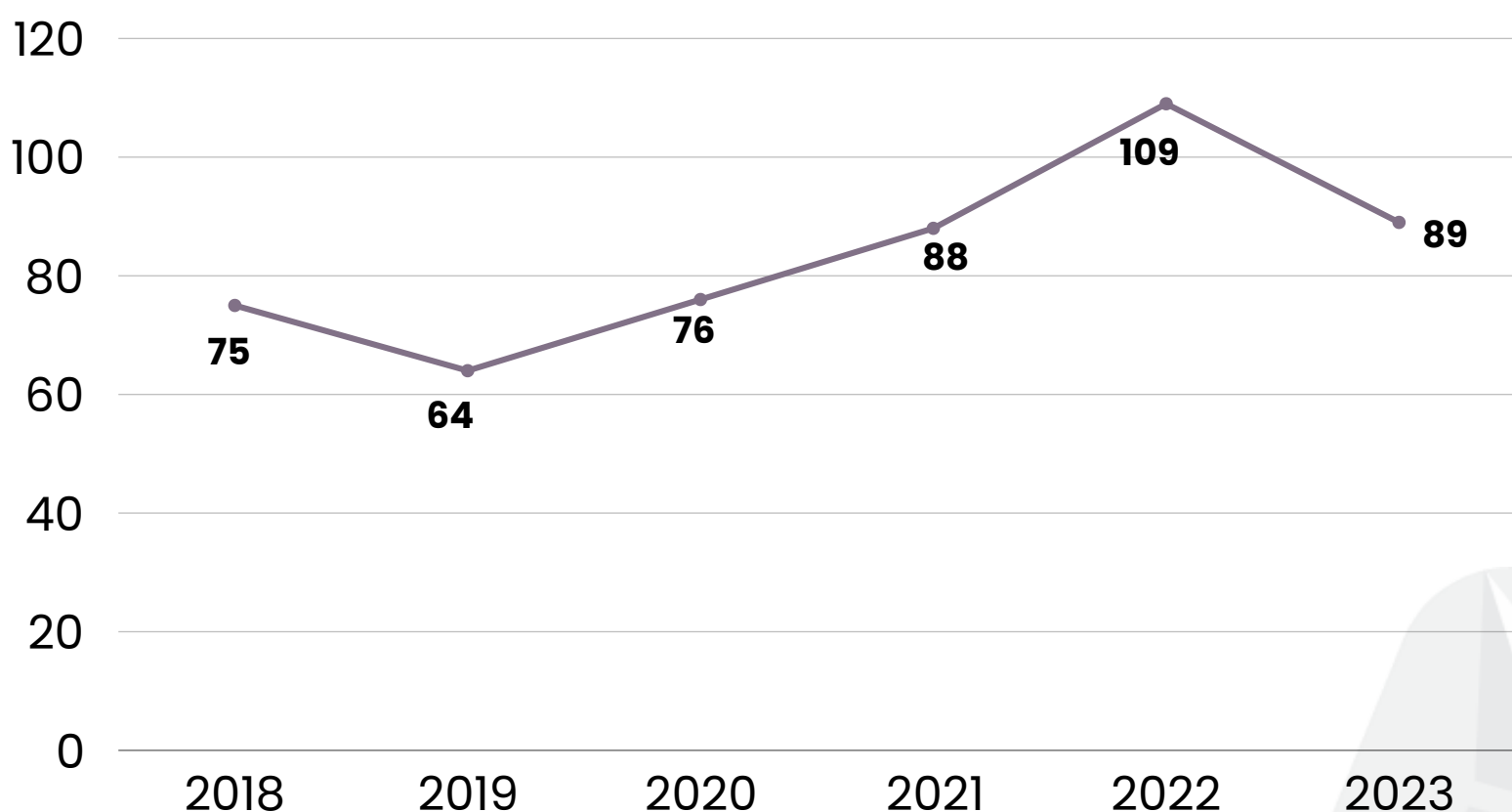
A **merger** is the combination of two similar-sized companies to establish a new single entity. It is generally done by offering the stockholders of one company securities in the acquiring company in exchange for the surrender of their stock.

An **acquisition** occurs when a larger corporation acquires a smaller company, absorbing the latter's business. An acquisition occurs when a buying company acquires more than 50% of a target company. During an acquisition, the acquiring business may purchase the target company's stock and assets, granting them the ability to make decisions without the target company's shareholders' permission.



India's M&A activity- Deal count

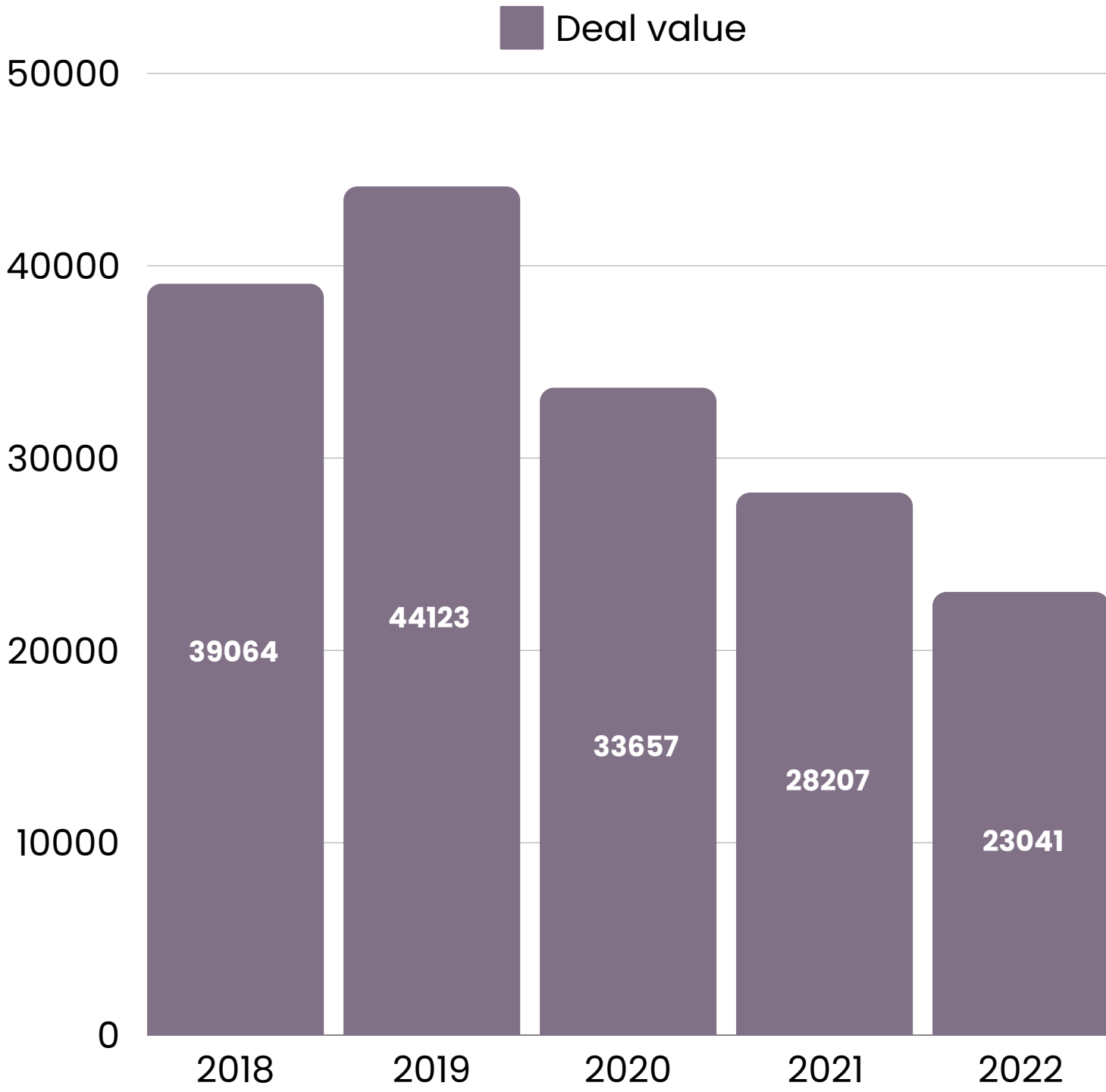
While the deals dipped following a boom in year 2022, activity in 2023 remained strong.



Mergers and Acquisitions–Inbound and outbound

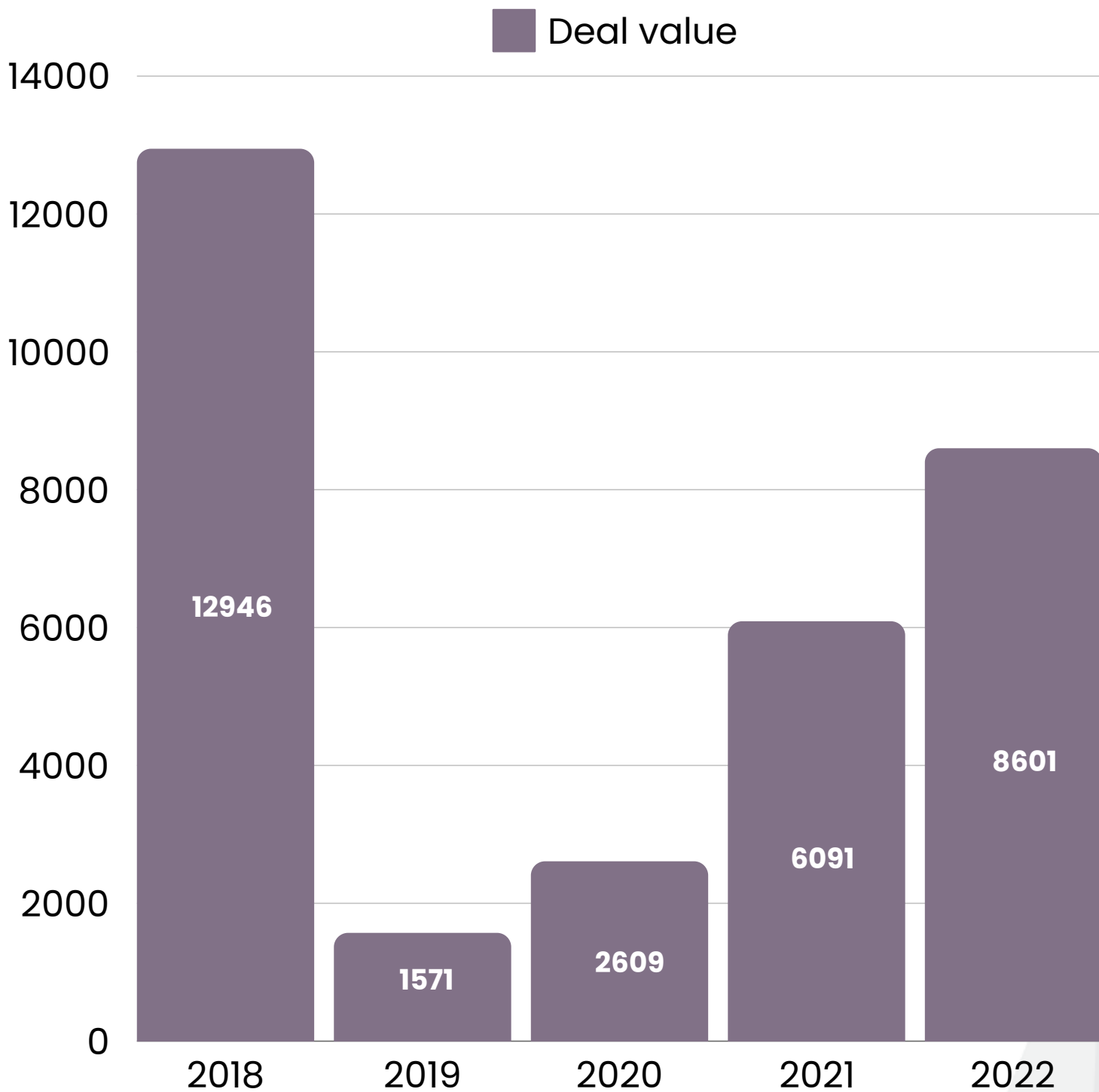
Inbound M&A is the kind of M&A where the payment is made by a foreign acquirer to a domestic shareholder.

Annual Inbound M&A



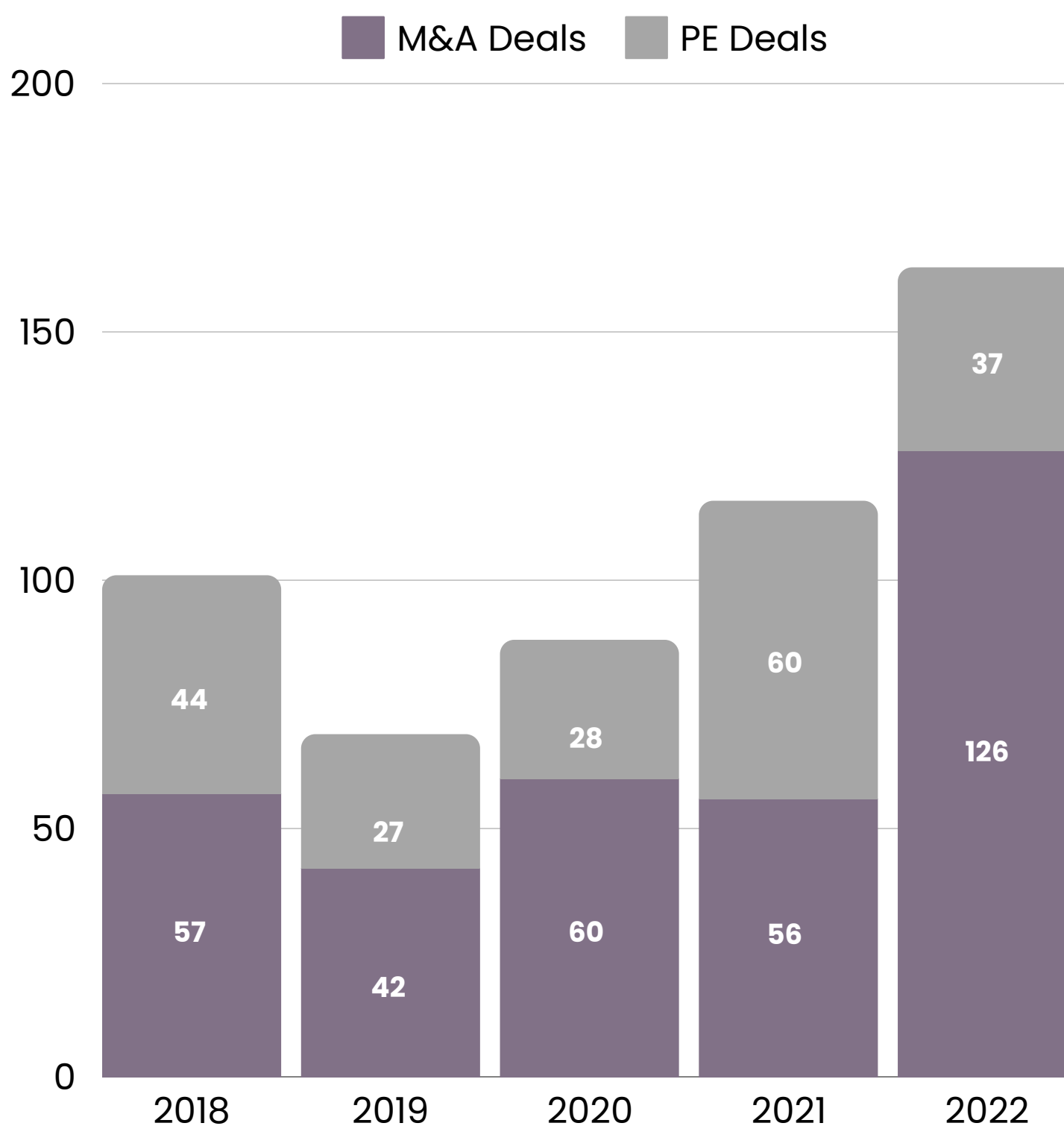
Outbound M&A is the type of M&A where a domestic acquirer makes payment to a foreign shareholder

Annual Outbound M&A



Rise of M&A deal activity in India

Overall M&A deal activity in India (2018–2022)



Growth in M&A

In 2022, the value of strategic M&A acquisitions increased by 126% compared to 2021, driven by robust domestic demand and corporate cashflows.

Mega-deals (> USD 1Bn) increased by 123% in the financial services, medical and pharmaceutical, and construction industries, with some of the largest ever M&A transactions.

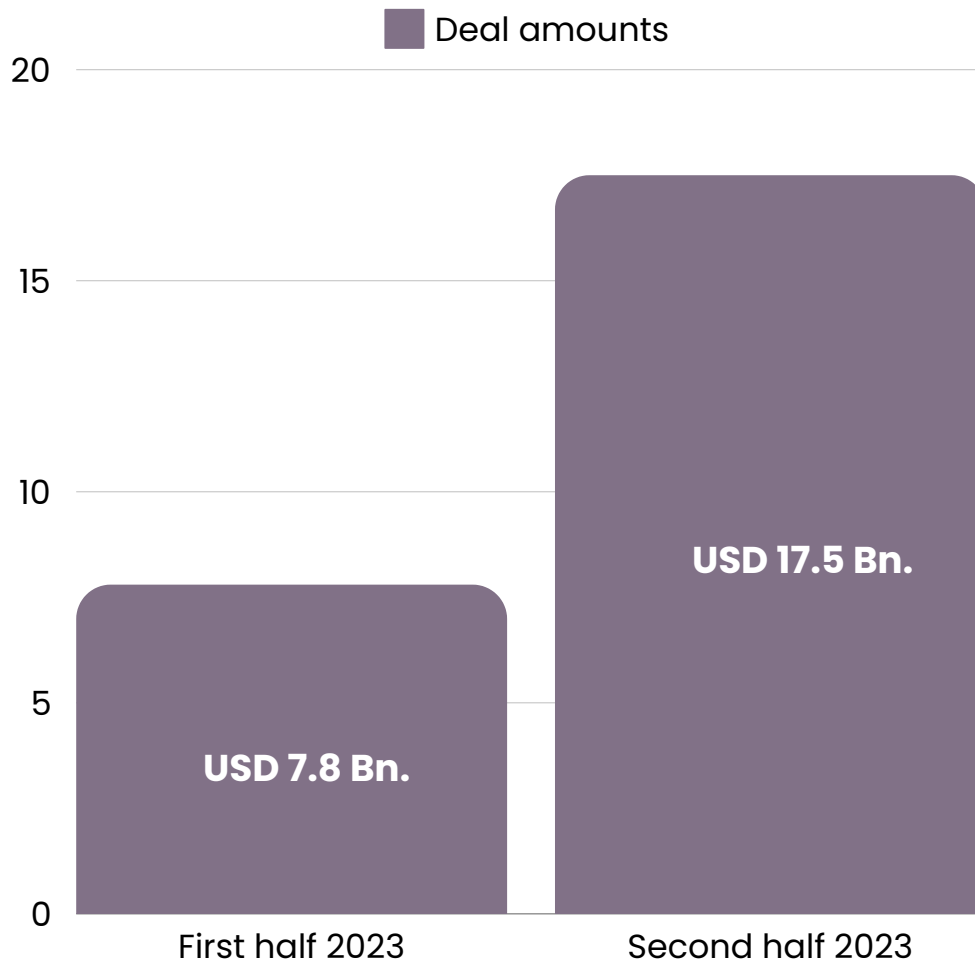
Top transactions representing Mergers and Acquisitions

Deal Description	Value (Amount)
HDFC Ltd merger with HDFC Bank	\$57 Bn.
Adani Group acquires Ambuja Cement	\$9 Bn.
BSNL merges with BBNL	\$4 Bn.
Biocon acquires Biosimilars business of Viatris Inc	\$3 Bn.
MindTree merges with L&T Infotech	\$3 Bn.
IDFC First bank and IDFC limited	\$2402 Mn.
GMR Airports Infrastructure Ltd. and GMR Airports Ltd.	\$1761.3 Mn.

Mergers and acquisitions snapshot

M&A activity in 2023 totaled 494 transactions, representing a 3% increase in deal volume but a huge 72% decrease in values compared to the previous year, which saw three transactions worth more than USD 10 billion apiece.

Domestic deals dominated the landscape, with 350 deals valued at USD 14.4 billion, indicating a substantial share of the market.



Conclusion

India's M&A market has shown promise in the first half of 2024. M&A activity is likely to move towards deals motivated by strategic goals rather than pure financial gain. M&A activity is likely to prioritize long-term value for shareholders over short-term benefits.



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