

Dealtracker

October 2023

Deal overview

122 deals
at USD
2.2 billion

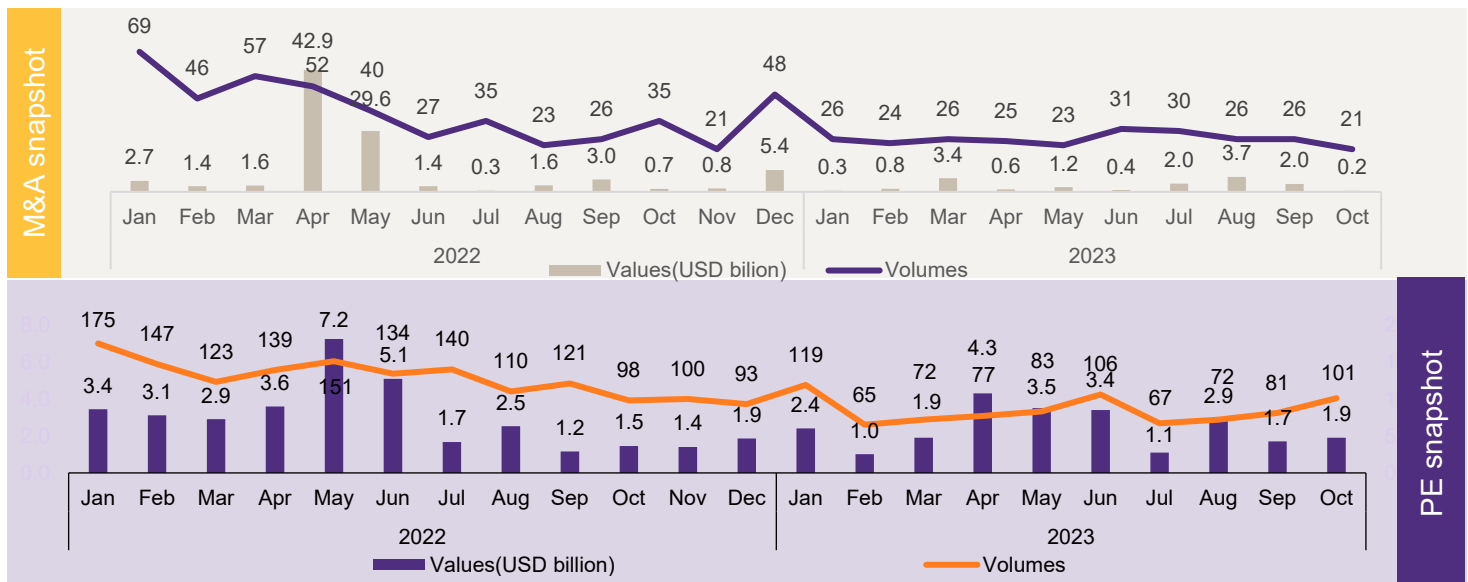
M&A - 21
deals at USD
0.24 billion

PE - 101
deals at USD
1.9 billion

6 IPOs
raising USD
546 million

4 QIPs
raising USD
928 million

Compared to Sep'23
values ↓ by **41%** and
volumes ↑ by **15%**



Steady deal volumes, but absence of big-ticket deals

- October 2023 recorded 122 deals valued at USD 2.2 billion, the third-highest monthly deal volumes in 2023 but second-lowest in terms of deal values, due to absence of big-ticket transactions. It also marked the lowest M&A activity for the year, with only 21 deals valued at USD 235 million. In contrast, PE activity, accounting for 101 deals worth USD 1.9 billion, fared better.
- After the Russia-Ukraine war in 2022, we are in the midst of another catastrophe with the Israel-Hamas conflict, potentially leading to challenges such as rising interest rates, geopolitical instability and a possible slowdown or recession. These will eventually result in tightened investor pockets and decline in cross-border deals. Furthermore, as four states gear up for elections in November-December 2023, the domestic factor may add to the mix.
- With the festive season approaching and expected rise in consumer demand, the sentiments in the economy and deal market are likely to be upbeat due to the presence of diverse growth themes and opportunities.

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Dealboard

Deal summary- 2023	Volume			Value (USD million)		
	Aug	Sep	Oct	Aug	Sep	Oct
Domestic	13	20	9	1,524	1,182	121
Cross-border	13	6	12	2,141	768	114
<i>Inbound</i>	11	5	6	2,135	713	44
<i>Outbound</i>	2	1	6	6	55	70
Total M&A	26 ↓ 19%	26 ↓ 19%	21 ↓ 19%	3,665 ↓ 94%	1,950 ↓ 88%	235 ↓ 88%
PE	72 ↑ 40%	81 ↑ 25%	101 ↑ 25%	2,911 ↓ 34%	1,701 ↑ 13%	1,921 ↑ 13%
Grand Total	98 ↑ 24%	107 ↑ 14%	122 ↑ 14%	6,576 ↓ 67%	3,651 ↓ 41%	2,156 ↓ 41%

Top 5 M&A deals of the month

Acquirer	Target	Sector	USD million	Deal type	% stake
Reliance Retail Ventures Ltd	Superdry Plc's Licences and brand assets in India, Sri Lanka and Bangladesh	Retail and consumer	48	Majority Stake	N.A.
Bajaj Finance Ltd	Pennant Technologies Pvt. Ltd	Banking and financial services	33	Strategic Stake	26%
Saregama India Ltd	Pocket Aces Pictures Pvt. Ltd	Media and Entertainment	21	Controlling Stake	52%
NewCold India Holding B.V.	Palava Induslogic 3 Pvt. Ltd	Real estate	19	Acquisition	100%
Aditya Birla Group - TMRW	The Indian Garage Co	E-commerce	19	Minority Stake	N.A.

Top 5 PE deals of the month

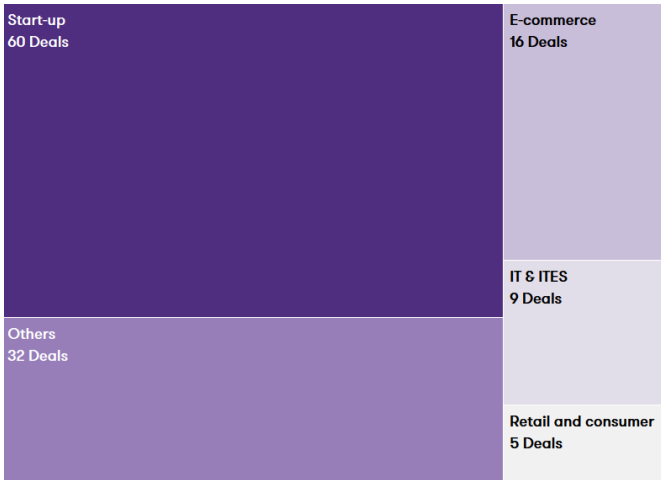
Investor	Investee	Sector	USD million	% stake
Abu Dhabi Investment Authority	Reliance Retail Ventures Ltd	Retail and consumer	598	0.6%
Temasek and State Bank of India	Ola Electric Mobility Pvt Ltd	Automotive	390	N.A.
TPG Fund	Tata Technologies Ltd	IT & ITES	197	9.9%
Avenir Growth Capital, Footpath Ventures, D1 Capital, Lightspeed, Greenoaks Capital and Steadview Capital	Zetwerk Manufacturing Businesses Pvt. Ltd	E-commerce	118	N.A.
Beams Fin Tech Fund, Mistubishi UFJ Financial Group Inc, BNP Paribas Cardif, TVS Capital, Goldman Sachs Asset Management, Avataar Ventures and angel investors	Girnar Insurance Brokers Pvt. Ltd. - Insurance Dekho	E-commerce	60	N.A.

Notable Trends

- October 2023 recorded 122 deals valuing USD 2.2 billion, a 14% increase in deal volumes while a 41% decline in deal values compared to September 2023 which was primarily due to the absence of big-ticket M&A transactions. Further the month was dominated by smaller-ticket PE investments. The month witnessed only four high value deals valued over USD 100 million, compared to nine such deals valuing USD 2.7 billion in September 2023.
- Continuing the downward trend, M&A volumes dropped by 19% compared to the previous months, with a significant decrease in values in last two months from USD 3.7 billion in August to USD 235 million in October, dropping the avg ticket size from USD 141 million in August'23, to USD 75 million in Sept'23 to USD 11 million this month.
- However, PE volumes witnessed an upward trend since July'23, increasing from 67 deals to 101 deals in October. PE space dominated the month's overall activity with 83% volumes and 89% values in the month. October marked the third-highest monthly volumes in 2023 after January and June.
- Start-ups led the overall volumes, followed by E-commerce and IT & ITES, contributing to 70% of the total volumes. Retail and consumer, automotive, IT, and e-commerce sectors led in deal values, constituting 76% of the overall values.
- Deal of the month:** The Abu Dhabi Investment Authority made a significant investment of USD 598 million acquiring a 0.6% stake in Reliance Retail Ventures Ltd, a prominent deal which constituted 28% of the total values for the month.

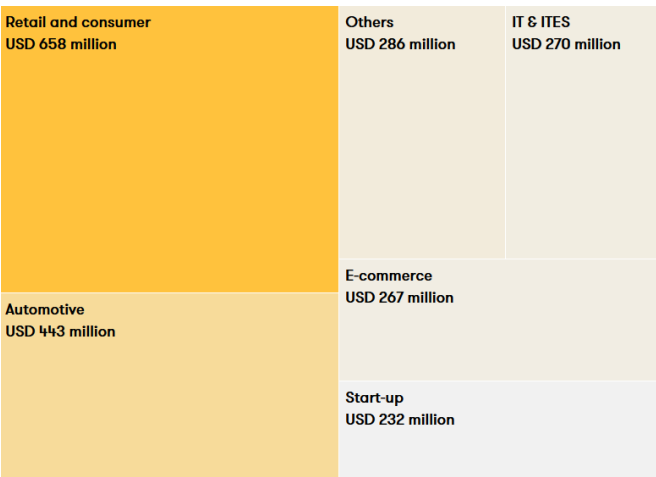
Sector trends

Top sectors based on deal volume



- The start-up sector continued to dominate the deal volumes with 60 deals accounting for nearly half of the overall deal activity. Fintech, Retail and Enterprise application and Infrastructure were the top segments constituting 58% of sector's volumes and attracted USD 172 million. Compared to September 2023, the start-up sector witnessed a 50% increase in deal volumes.
- Retail and consumer sector led in investment values, comprising 31% of the total values amounting to USD 658 million, followed closely by the automotive sector valued at USD 443 million. One high-value deal in these sectors contributed significantly, nearly 90% of their respective sectors.
- IT & ITeS and E-commerce sectors remained active, collectively contributing 21% of deal volumes and 24% in terms of values, highlighting their consistent importance and growth.
- The hospitality sector experienced increased activity in both volumes and values within the PE landscape, marking a trend witnessed since May 2023. The banking and financial services sector was also active with four M&A deals compared to zero in September 2023.
- The media and entertainment sector observed a marginal uptick in deal activity, while the education sector showed subdued activity compared to the previous month.
- In contrast, the pharma, healthcare and biotech sector, a significant player in the deal landscape, recorded a sharp decline of 98% in deal values and 43% in volumes compared to September 2023.

Top sectors based on deal value



“ Tax on online gaming

India's gaming industry is transitioning into a career powerhouse, driven by the AVGC sector, poised for remarkable 28-30% CAGR growth. Post-pandemic, it's an investment hotspot with rising PE funding and M&A, fuelled by esports' inclusion in multisport events. Further, recent tax changes including 28% GST on online gaming and removal of TDS exemption limit have galvanized discussions within the sector. In view of global competitiveness, striking an equilibrium between the overall tax burden absorbed by the industry and net winnings offered to players becomes pivotal in ensuring sector's sustainable growth and success

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