

Dealtracker

Providing M&A and PE deal insights

Half-yearly issue (H1 2022)

Volume 18.6



Disclaimer

This document captures the list of deals closed and announced based on the information available in the public domain. Our analysis in the document is basis appropriate assumptions where necessary. For example, deals have been classified by sectors and by funding stage based on certain assumptions. If different assumptions were to be applied, the outcomes and observations would be different. Hence, the document should not be relied upon as a substitute for relevant and detailed advice. Grant Thornton Bharat does not take any responsibility for the information, any errors or any decision and any loss thereof incurred by the reader as a result of relying on the document.

Please note that the criteria used to define Indian start-ups include a) The company should have been incorporated for five years or less than five years as at the end of that particular year and b) The company is working towards innovation, development, deployment and commercialisation of new products, processes or services driven by technology or intellectual property. Deals have been classified by sectors and by funding stages based on certain assumptions, wherever necessary.

Author

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Key highlights



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The global economy continues to slow down in 2022 after more than two years of the pandemic. The Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation and financial conditions continue to be felt. Despite this global trend, India Inc has been busy dealmaking, vindicating the confidence in the fundamentals of the Indian economy. With 1,149 deals totalling USD 104.3 billion deal value, this not only marks record volumes and values, but it indicates mergers and acquisitions (M&A) and private equity (PE) witnessing 34% and 40% growth, respectively, from the previous record. While private equity deal activity continued to dominate total deal volumes with 3/4th share, deal values were dominated by M&A with 76% of the total deal values in H1 2022.

The M&A space witnessed a significant increase in H1 2022 with 284 deals, representing a 27% growth over H1 2021 and a healthy 3% increase over H2 2021. On the other hand, deal values saw a remarkable spike recording USD 79.2 billion, marking the highest half-yearly values since 2011. M&A deal activity saw four multi-billion-dollar deals which alone accounted for 88% of M&A deal values in H1 2022, which included marquee deals, such as HDFC Bank - HDFC Ltd merger, LTI – Mindtree merger, Adani Group's acquisition of Holcim's Indian assets and the Axis Bank – Citicorp deal. M&A deals were driven by consolidation in tech-led sectors, the shift from unorganised to organised sectors and the partly domestic cyclical sectors after two years of impacted economic growth. Domestic consolidation continues to be the major deal driver, with record 217 deals worth USD 63.6 billion. This trend transcended domestic boundaries and drove cross-border M&A deals. Domestic leaders, such as Tech Mahindra, Wipro, Reliance Group, Adani Group and the like looked overseas and accounted for 15 of the top 20 cross-border deals. Overseas leaders, such as Google, Generali Group, Volex, and Krafton sealed inbound deals. While the cross-border deal volumes were second-lowest for the H1 period, deal values worth USD 15.6 billion are the second highest with an average deal size of USD 233 million.

The private equity and venture capital investments saw record volumes and values registered in the first six-month period at 865 deals with USD 25.1 billion in deal values. However, this was a 12% and

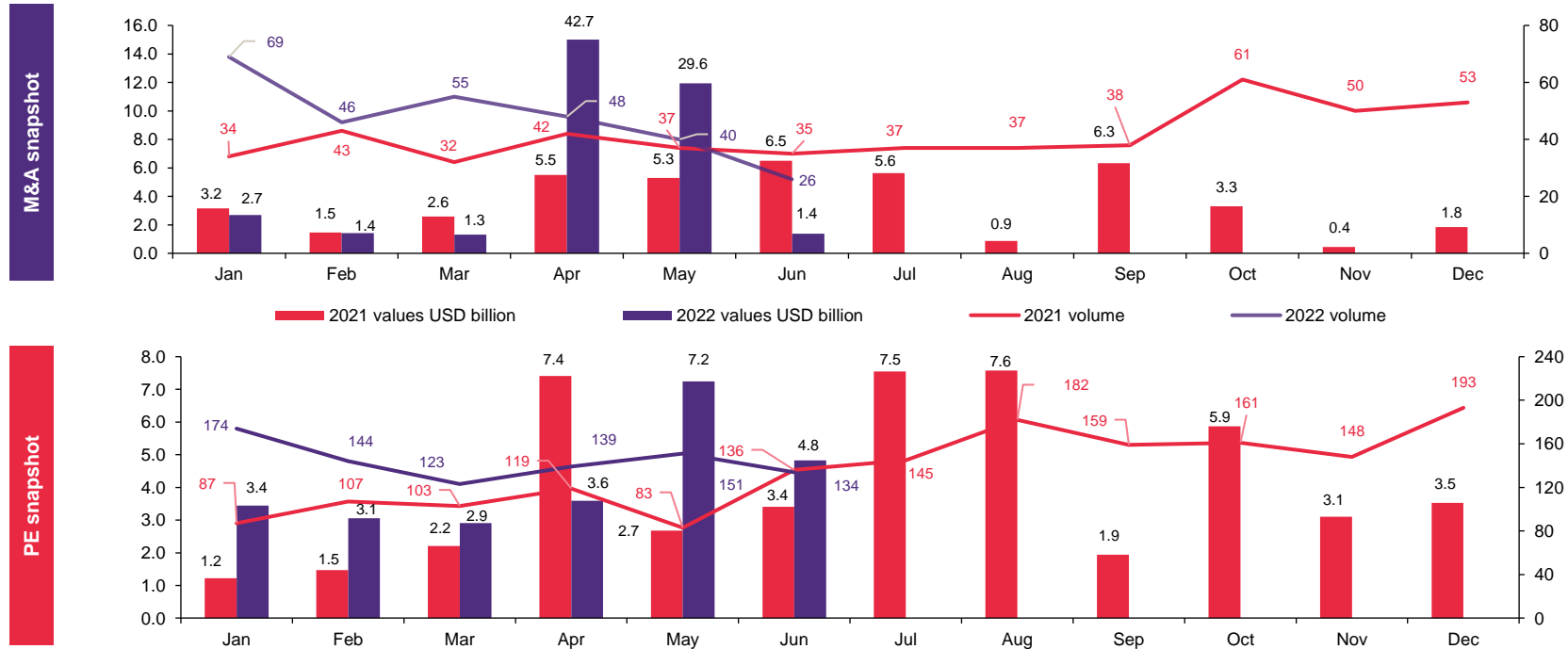
15% decrease in investment volumes and values over H2 2021 (the preceding six months). The drop in the deal values is due to a fall in big-ticket investments. While H2 2021 saw 68 high-value investments of USD 100 and above aggregating to USD 21.8 billion, H1 2022 recorded only 53 such deals totalling USD 16.9 billion. Consortium investment accounted for more than 50% of funding rounds that helped funds to participate in deals with large cheque sizes. Large funds like Tiger Global, Westbridge, Baring PE, TPG, Brookfield, Blackstone and Warburg Pincus among others continued to keep pace with their activity over the last year. A marginal slowdown in deal volumes can be attributed to prevailing factors including, geopolitical tensions, stock market volatility, concerns about the rise in commodity prices and the impact of inflation. Though the fundraising was high compared to previous years, this is partly because of the spillover in the robust fundraising of last year as well as the increase in follow-on rounds of funding. The year also witnessed the highest funds raised in the first six months via IPOs across 17 issues driven by LIC's USD 2.8 billion fundraise and eight other issues valued over USD 100 million predominantly in the retail, manufacturing and banking sectors.

Continuing the tech drive, start-up, e-commerce and IT sectors dominated the deal activity driving 76% of overall deal activity followed by retail, education and pharma sectors. Deal values, on the other hand, were driven by multi-billion-dollar deals in the banking, manufacturing, energy, media and infra sectors.

Amid macro-economic stress, the overall deal sentiment for 2022 is expected to continue, given the support from the government on infrastructure spending, supply-side response, key fiscal measures and the ongoing reopening of the economy. These measures are expected to provide support to the economy from elevated commodity prices and cap the possibility of a second-round effect of inflation which could, otherwise, be triggered by consistently high levels of inflation. However, the corporate and, more importantly, the PE/venture capital (VC) may employ a cautiously optimistic approach as the impact of the global economic slowdown on the Indian economy becomes evident in the next few months.

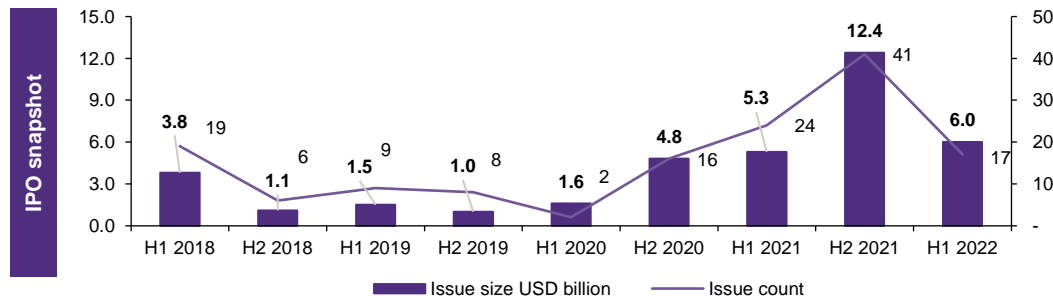
H1 2022 witnessed record volumes and values

H1 2022 recorded 1,149 deals aggregating to USD 104.3 billion with an average deal size of USD 90.7 million



IPO and QIP values set contrasting records

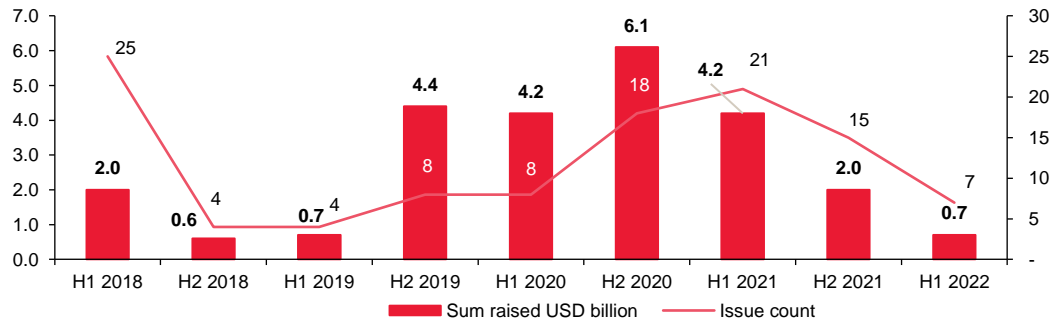
H1 2022 saw USD 6 billion from 17 IPOs, the highest values raised in the first six months



- In contrast to H1 2021, which witnessed a record volume of Initial Public Offerings (IPOs) (24 IPOs worth USD 5.3 billion), volatile market conditions have resulted in a significant slowdown during the first quarter of 2022 that witnessed only three IPOs worth USD 1 billion, however, Q2 witnessed 14 IPOs valued at USD 5 billion.
- Retail and consumer was the most active sector, followed by the diversified industrial products sector, together constituting 53% of IPO issues aggregating to USD 2.1 billion.
- The three largest IPOs in terms of proceeds were LIC (USD 2.8 billion), Delhivery (USD 0.7 bn) and Ruchi Soya (USD 0.6 billion).
- Continued regulatory developments and several recent amendments are expected to drive the IPO market in India.

H1 2022 saw seven companies raising USD 0.7 billion, second lowest values since H1 2012

- QIP snapshot**
- Compared to H1 2021, which witnessed 21 qualified institutional placement (QIP) issues with an issue size of USD 4.2 billion, H1 2022 witnessed a significant drop both in terms of volumes and values, with only seven issues raising USD 0.7 billion, the lowest sum raised in the last six years.
 - Owing to market uncertainty, fundraising activity via the QIP route has witnessed a declining trend.
 - H1 2022 witnessed two fundraises each in the hospitality and leisure and banking sectors, aggregating to USD 543 million (over 80% of the total QIP issue size in H1 2022).
 - The Indian Hotels Company Limited and Restaurants Brands Asia Limited (both in the hospitality sector) were the top two recipients of the QIP funding.



Domestic market resilience was witnessed in deal activity

H1 deal summary	Volume			Value (USD million)		
	2020	2021	2022	2020	2021	2022
Domestic	95	171 ↑ 27%	217	7,855	5,649 ↓ 102%	63,591
Cross-border	68	52	67	10,346	8,862	15,620
Total M&A	163	223 ↑ 27%	284	18,201	24,511 ↑ 223%	79,211
PE	437	635 ↑ 36%	865	17,413	18,392 ↑ 36%	25,059
Grand total	600	858 ↑ 34%	1,149	35,614	42,903 ↑ 143%	104,270
Cross-border includes						
Inbound	31	21	34	9,752	3,028	1,700
Outbound	37	31	33	594	5,834	13,920

Quick facts

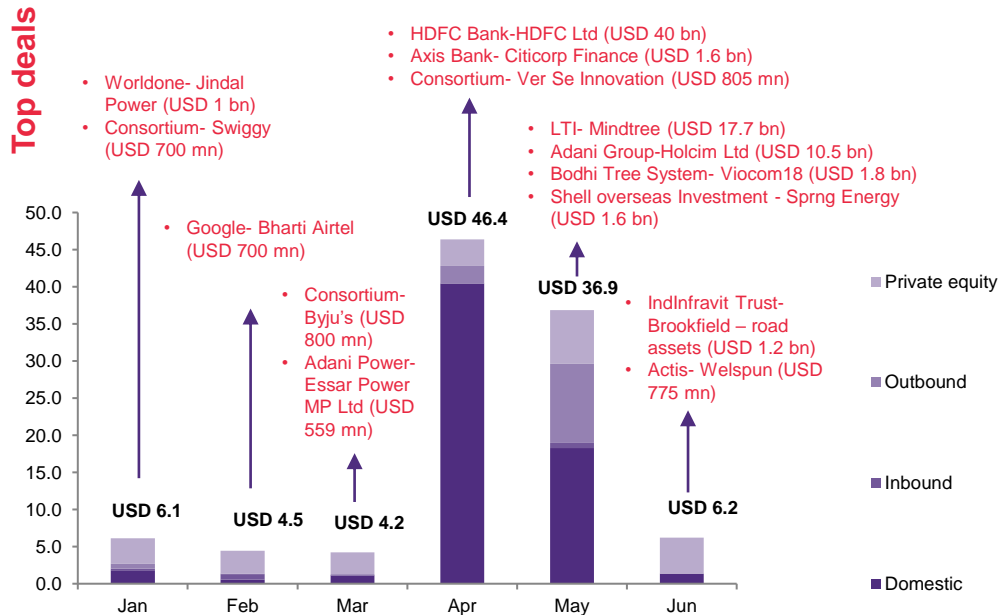
- Overall deal values at USD 104.3 billion recorded 15% more than the overall deal values recorded in 12 months of 2021 at USD 91 billion.
- Driven by domestic consolidations and big-ticket transactions, India Inc recorded 284 M&A deals valued at USD 79.2 billion, significant growth both in terms of deal volumes and values.
- While the year witnessed the second-lowest outbound deal volumes for the first six months, it registered record values at USD 13.9 billion.
- Private equity investments saw record volumes and values (over the last 12 years) for the first six-month period with 865 deals and values aggregating to USD 25.1 billion. This was a 36% increase in both volume and values compared to the previous record witnessed in H1 2021.

Deal highlights

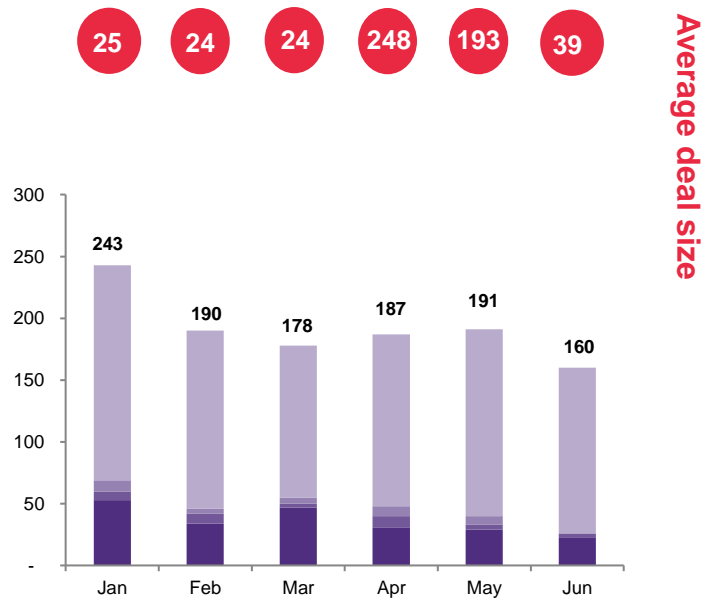
- The Indian economy has been dealing with high levels of imported inflation on account of rising global commodity prices led by supply disruption, prompting the Central Bank to take speedier measures to anchor inflation expectations and lower the systemic liquidity levels.
- Amid the uncertainty, the year so far recorded 1,149 deals valued at USD 104.3 billion setting the record volumes and values in H1 2022. This represented a significant 34% increase in the overall deal volumes while values more than doubled recording a whopping 143% increase in the deal values driven by the HDFC Bank-HDFC Ltd merger for USD 40 billion.
- The first half of 2022 saw seven deals in the billion-dollar category, 12 deals valued over USD 500 million each and 59 deals estimated and valued at and above USD 100 million each. Compared with eight, five and 54 such deals, respectively, in H1 2021, these high-value deals accounted for 7% of overall deal volumes and 90% of overall deal values in H1 2022.
- Driven by HDFC Bank and HDFC Ltd's USD 40 billion merger, LTI and Mindtree merger (USD 17.7 billion) and Adani Group - Holcim Ltd's USD 10.5 billion deal, M&A deal values recorded an over 2x increase over H1 2021. These three deals alone accounted for 86% of total M&A deal values in H1 2022.
- While the cross-border deal volumes were the second-lowest for the H1 period, deal values worth USD 15.6 billion are the second highest with an average deal size of USD 233 million. Domestic deal activity, on the other hand, saw record volumes and values for the given period.
- Compared with the last six months (H2 2021), which registered 1,264 M&A and PE deals worth USD 48 billion, H1 2022 saw a 9% decrease in deal volumes while values witnessed a significant 117% increase at USD 104.3 billion.
- Core sectors, such as banking and manufacturing, witnessed a surge in deal values with big-ticket marquee deals in banking, and industrial materials space correspondingly contributing to 63% of deal values. Start-up/e-commerce and IT and ITeS sectors led volumes during the year aggregating 76% of deal volumes.

Domestic market resilience was witnessed in deal activity (Contd.)

Total deal value spread (USD billion) – YTD 2022



Total deal volume spread – YTD 2022

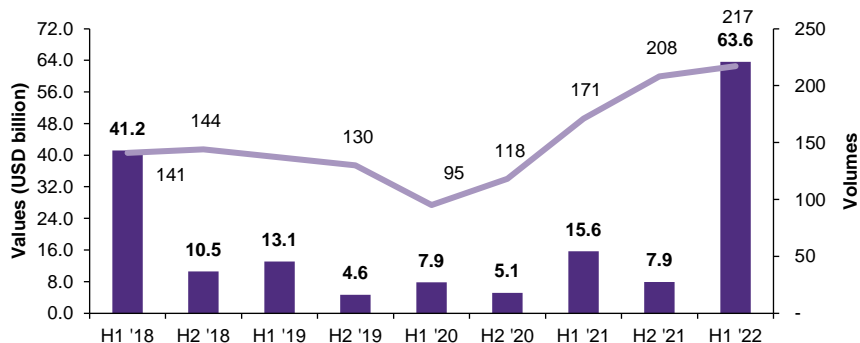


M&A dealscape

- Domestic deal snapshot
- Inbound deal snapshot
- Outbound deal snapshot
- Sector spotlight
- Top 10 deals highlights
- In the spotlight
- Outlook on M&A

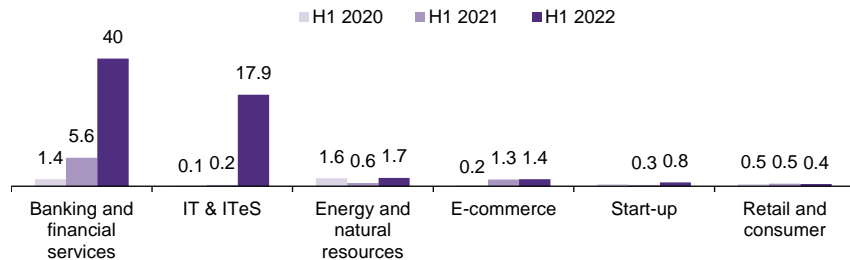
Domestic deals witnessed record volumes and values since H1 2011

Half-yearly trend over the last five years

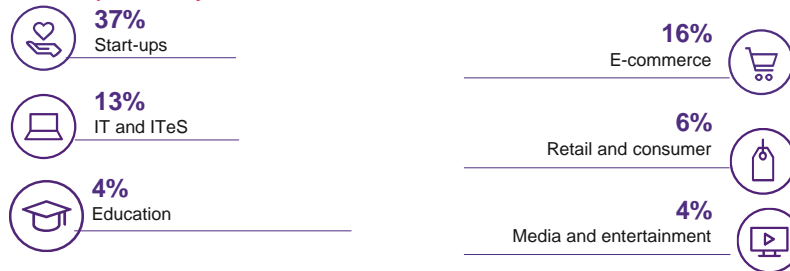


- 2022 witnessed heightened domestic deal activity both in terms of deal values and volumes compared with previous years. The year, so far, has recorded two multi-billion-dollar, 13 deals valued above USD 100 million each and 29 deals valued between USD 10 million and USD 99 million together accounting for 99% of domestic deal values.
- India witnessed a wave of consolidation in several sectors. The surge in investments is partly attributable to several opportunities for growth and scalability bought in by the pandemic and changes that have ensured easier compliance mechanisms.
- Start-up, e-commerce and IT sectors saw greater traction among other sectors. Agriculture and forestry, aerospace and defense, which saw muted deal activity in H1 2021, witnessed four and two deals, respectively, in H1 2022.
- The period witnessed some marquee transactions with: (1) HDFC Bank and HDFC Ltd merger (largest banking sector M&A globally since April 2007), (2) PVR and INOX merger (creating the largest multiplex chain in the country), (3) L&T Infotech's and Mindtree merger (creating the fifth-largest IT services company by market cap)

Top sectors based on deal value (USD billion)

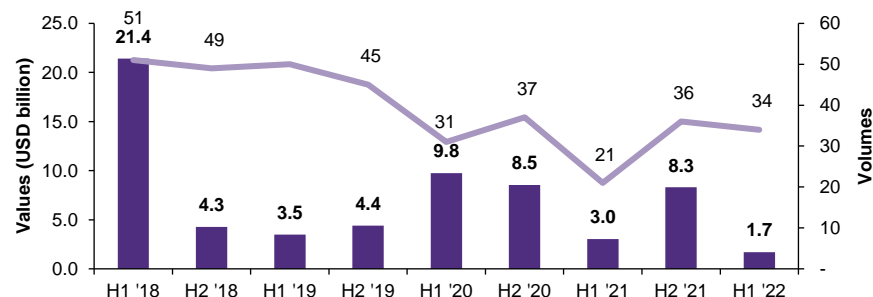


Share of top sectors by deal volume in H1 2022



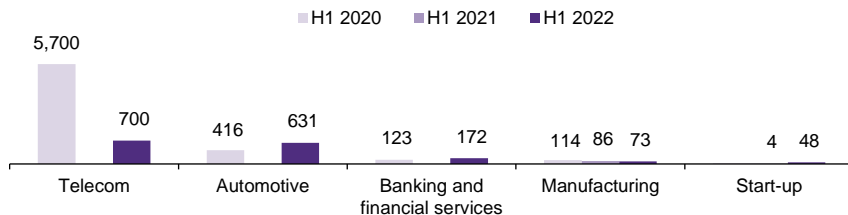
Inbound deal witnessed the lowest deal values in the last 12 years

Half-yearly trend over the last five years



- Despite the continued challenge posed by the COVID-19 pandemic and geopolitical tensions, the market has shown strong signs of recovery with H1 2022 inbound deal activity recording 34 deals, a 62% growth over H1 2021. Deal values, on the other hand, decreased significantly owing to the absence of a billion-dollar deal that was witnessed in H1 2021 and further for 76% of deals, the deal value was not disclosed adding to the shrinkage of deal values.
- In line with H1 2021, this year also saw the US being the largest contributor of inbound volumes and values with 12 deals valued at USD 800 million. This was followed by inbound interest from Singapore and Japan. Google's minority stake acquisition in Bharti Airtel for USD 700 million was the largest inbound deal for 2022.
- The year witnessed three high-value deals valued at and over USD 150 million. These three top deals together account for 88% of the inbound deal values compared with one multi-billion-dollar deal and one USD 150 million deal in H1 2021.
- Tech savvy sectors, such as start-up and IT, attracted overseas acquirer's attention witnessing increased deal activity, contributing to 50% of the total inbound deal volumes, while telecom and auto sectors attracted large-ticket investments.

Top sectors based on deal value (USD million)



Share of top sectors by deal volume in H1 2022



18%
IT & ITes

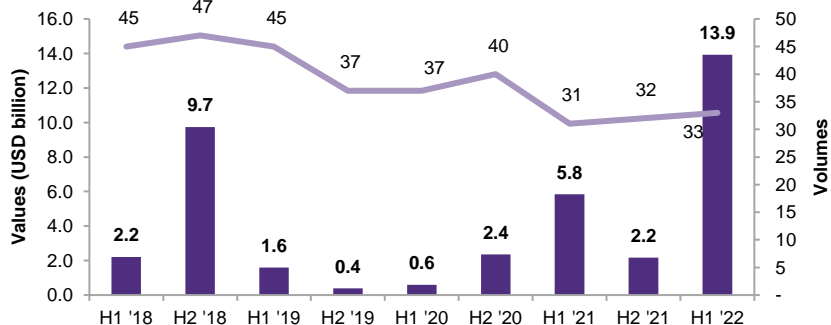


9%
E-commerce



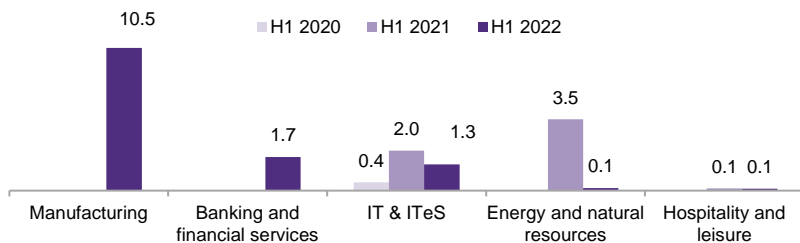
Outbound deals recorded the highest deal values in H1 since 2011

Half-yearly trend over the last five years



- Despite H1 2022 recording only 33 deals, marking the second-lowest deal volumes for the six-month period since 2011, it recorded the highest deal values. The values aggregated to USD 13.9 billion owing to Adani Group's acquisition of Indian assets from Holcim Ltd for USD 10.5 billion. However, barring this deal, the month witnessed a 41% fall in the deal values compared to H1 2021.
- Deal values were high-driven by two multi-billion-dollar acquisitions by Adani Group and Axis Bank. These two high-value deals aggregated USD 12.1 billion, accounting for 87% of the total M&A outbound values. Further, the segment recorded five deals valued over USD 100 million and 10 deals valued between USD 10 million and USD 99 million.
- Outbound acquisitions were majorly witnessed in the IT sector, followed by the interest displayed in the overseas manufacturing and retail companies. These three sectors accounted for 66% of outbound volumes. The year also witnessed Mahindra Group sealing four outbound deals followed by Reliance Group (three deals) and Adani Group and Cyient Ltd. executing two deals each.
- Switzerland was the largest recipient of the investments, accounting for 76% of the outbound deal values. US, Singapore, Switzerland, UK, and Israel were top destinations in terms of volumes.

Top sectors based on deal value (USD million)



Share of top sectors by deal volume in H1 2022



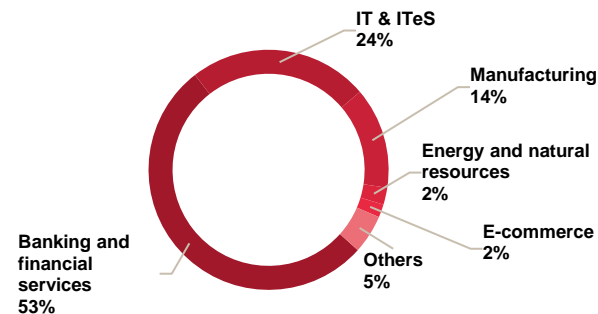
M&A deal volumes were topped by tech-led sectors and values by core sectors

Notable sectors		
	Volume	Value (USD million)
Start-up	91	808
IT & ITeS	51	19,218
E-commerce	38	1,392
Retail and consumer	17	454
Manufacturing	12	10,807
Media and entertainment	12	289
Banking and financial services	7	41,842

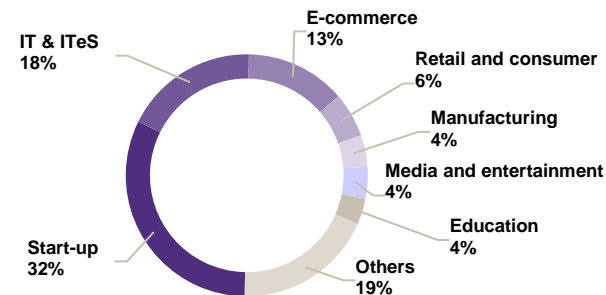
Notable sector trends

- Driven by HDFC Bank and HDFC Ltd's merger for USD 40 billion, the banking and financial services sector accounted for 53% of total M&A deal values for the year. This deal also marked the biggest deal in the M&A banking sector globally. This deal alone accounted for 50% of the overall M&A deal values for the year. The sector also witnessed Axis Bank's acquisition of Citi group Inc - Indian consumer businesses for USD 1.6 billion.
- H1 2021 was dominated by deals in the IT sector, whereas H1 2022 was driven by the consolidation in the start-up sector with 91 deals valued at USD 808 million. Retail-tech led the deal volumes followed by ed-tech and enterprise application and infrastructure segments, together accounting for 50% of start-up volumes.
- IT sector accounted for 24% of deals. The IT solutions and software development space dominated the deal activity within the sector with 43 of the 51 deals valued at USD 19.2 billion. The year witnessed the largest outbound acquisition by an Indian engineering services company (Cyient's acquisition of Citec Group Oy Ab), L&T Infotech and Mindtree merger; Razorpay's debut outbound acquisition in the IT solutions space and Krafton Inc's debut investment in a game development studio in India.
- Driven by India's largest-ever acquisition in the infrastructure and materials space, Adani Group's acquisition of Holcim's Indian Assets (Ambuja Cement and ACC Limited) for USD 10.5 billion, also marking Adani Group's largest-ever acquisition, the manufacturing sector dominated 18% of overall M&A deal values for H1 2022. Adani Group executed seven deals during the year across seven distinct sectors. The manufacturing sector also witnessed US-based Southco, Inc.'s first investment in India with the acquisition of Darshan Industries.
- Apart from mentioned sectors, other high-value acquisitions of over USD 500 million were witnessed in the energy and natural resources (power generation), telecom (wireless telecom services), automotive (auto ancillary) and e-commerce (retail) sectors. These high-value deals helped drive sector values in H1 2022.

Top sectors based on deal values



Top sectors based on deal volumes



M&A Dealboard – H1 2022

Top 10 M&A deals accounting for 4% of M&A deal volumes, constituted 92% of the total M&A deal values in H1 2022

Acquirer	Target	Sector	USD million	Deal type	% stake	Domestic/Cross-border
HDFC Bank Ltd	HDFC Ltd	Banking and financial services	40,000	Merger	100%	Domestic
Larsen & Toubro Infotech Ltd	MindTree Ltd	IT & ITeS	17,690	Merger	100%	Domestic
Adani Group	Ambuja Cement Ltd and ACC Ltd	Manufacturing	10,500	Controlling stake	N.A.	Outbound
Axis Bank Ltd	Citicorp Finance (India) Limited- Indian consumer businesses	Banking and financial services	1,643	Acquisition	100%	Outbound
Worldone Private Limited	Jindal Power Limited	Energy and natural resources	987	Majority stake	96%	Domestic
Google International LLC	Bharti Airtel Ltd	Telecom	700	Minority stake	1%	Inbound
Compagnie Plastic Omnium SE	Varroc Engineering Pvt Ltd- four-wheeler lighting system operations in the Americas and Europe	Automotive	631	Acquisition	100%	Inbound
Zomato Media Pvt Ltd	Blink Commerce Pvt Ltd	E-commerce	585	Acquisition	100%	Domestic
Adani Power Ltd	Essar Power MP Limited	Energy and natural resources	559	Acquisition	100%	Domestic
Wipro Ltd	Rizing Intermediate Holdings, Inc	IT & ITeS	540	Acquisition	100%	Outbound

Deals in the spotlight – H1 2022

HDFC Ltd. merges with HDFC Bank creating an Indian lending behemoth in a USD 40 billion deal

Sector: Banking and financial services

Acquirer	Target
<p>HDFC Bank Ltd. is a leading private bank. It offers a range of financial products and banking services through a growing branch, ATM network and digital channels. The bank's services include working capital finance, trade services, transactional services and cash management. They also focus on foreign exchange and derivatives, local currency money market and debt securities and equities.</p>	<p>Housing Development Finance Corporation Limited (HDFC Ltd.) pioneered housing finance in India and has assisted 6.6 million Indians in owning a home of their own thus far. They have an extensive distribution network of 474 inter-connected offices, which caters to over 2,400 towns and cities across the country. They have three representative offices in Dubai, London and Singapore offering home loan products to non-resident Indians and persons of Indian origin.</p>

Rationale

India's largest private lender, HDFC Bank, is buying its biggest shareholder in a USD 40 billion deal, the country's biggest ever, creating a financial services titan to better tap the rising demand for credit.

"The merger makes the combined entity strong enough not only to counter competition but to make the mortgage offering even more competitive," said Deepak Parekh, Chairman of Housing Development Finance Corp. Ltd (HDFC).

Deal values are based on the HDFC Bank's acquisition of the HDFC Ltd and not the combined value of the merged entity

Expert insights



Khushroo B. Panthaky

Chartered Accountant
Mumbai

India's largest private lender, HDFC Bank, is buying its biggest shareholder HDFC Limited in a USD 40 billion deal, the country's biggest ever, creating a financial services titan.

The proposed merger will enable HDFC Bank to further enhance its housing loan portfolio, stronger loan growth, widen its customer base and bolster its capital base, whereas HDFC will benefit from the low-cost funds of HDFC Bank and its large branch network. The synergies arising out of the merger would result in cost efficiencies and optimisation of business processes in so far as the merged entity is concerned.

According to the proposed merger terms, shareholders of HDFC Ltd will receive 42 equity shares of HDFC Bank for every 25 shares they hold. The current stake of 21% of HDFC Ltd in the bank will be extinguished and the bank will then be fully owned by the public shareholders. The merger has the potential to create a powerhouse in the international banking space which could boast of competing with large private global banks.

Deals in the spotlight – H1 2022

Adani acquires Holcim Limited's India Assets Ambuja Cements and ACC Limited for USD 10.5 billion

Sector: Manufacturing

Acquirer	Target
<p>Adani Group is a diversified organisation comprising seven publicly traded companies. It has positioned itself to be the market leader in its transport logistics and energy utility portfolio businesses focusing on large-scale infrastructure development in India with O&M practices benchmarked to global standards.</p>	<p>Ambuja Cement and ACC are among the iconic building material brands in India, with leadership in sustainability and innovation. Their combined footprint includes 31 cement manufacturing sites and 78 ready-mix concrete plants with 10,700 people across India.</p> <p>Holcim Limited is a Swiss multinational company that manufactures building materials and operates four businesses segments: cement, aggregates, ready-mix concrete, and other products, including precast concrete, asphalt, mortar and other building materials.</p>
Rationale	
<p>According to a joint statement by both the parties, the Adani Group, through an offshore special purpose vehicle, agreed to acquire 63.19% of Ambuja Cements and 54.53% of ACC. The total value of USD 10.5 billion of the Holcim stake and the open offer consideration for Ambuja Cements and ACC made by Adani Group makes the deal the largest ever acquisition by Adani Group and India's largest-ever acquisition in the infrastructure and materials space.</p> <p>The acquisition will propel Adani Group to become the second-largest cement maker in India after Aditya Birla Group's UltraTech Cement Limited.</p> <p>Holcim in a statement said, "The corresponding offer share prices of INR 385 for Ambuja Cement and INR 2,300 for ACC translate into cash proceeds of CHF 6.4 billion (Swiss Franc) for Holcim."</p> <p>Adani Group's acquisition of Holcim's stake in Ambuja would immediately propel the company to the second slot, with a total production capacity of 70.9 million tonnes per annum (mtpa). Ambuja Cements has an installed capacity of 31.45 mtpa, with the retail segment contributing to about 80% of its sales. On its part, ACC has a production capacity of 34.45 mtpa of cement and together these companies have a total production capacity of 65.9 mtpa.</p>	



Saket Mehra

Partner and Auto Sector Leader
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Grant Thornton Bharat
Insights

The Adani group will leverage on synergies created by this acquisition, vis-à-vis their infrastructure arm. From the industry perspective, this merger will upsurge the oligopolistic nature of the industry, since the larger players will benefit from their distribution channels and economies of scale to bring down the costs. Between FY18 to FY22, the top five players in the cement industry have increased their market share from 50-55% and are looking at further enhancing their capacity levels. This will dampen the growth of smaller players.

Outlook on M&A



Abhay Anand

Partner, Lead Advisory
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In times of significant changes happening all around the globe characterised by uncertainty, geopolitical instability, shifting consumer preferences and accelerated digitisation, which was accelerated by recent events, such as Russia's invasion of Ukraine and the spread of the Omicron variant compelling countries to reimpose mobility restrictions in the H1 2022, the deal activity in India remained strong.

The total M&A deal value in H1 2022 stood at USD 79.2 billion, 22% higher than the previous best in the last 12 years with a deal value of USD 64.8 billion which happened in H1 2018. 86% of the total deal values were contributed by three deals themselves which were the 100% merger of HDFC Bank and HDFC Ltd for USD 40 billion, LTI Mindtree merger for USD 17.7 billion and the acquisition of a controlling stake in Ambuja Cement Ltd and ACC Ltd by Adani Group from Holcim Ltd at USD 10.5 billion.

The banking and financial sector had the highest contribution of 53% in terms of overall deal value in H1 2022. This was primarily due to the first and the fourth largest deal of H1 2022 in terms of value that took place in the sector, which includes the amalgamation of HDFC Bank and HDFC Ltd and Axis Bank's acquisition of Indian consumer businesses of Citibank for USD 1.6 billion. At USD 40 billion, the HDFC Bank merger is India's largest M&A transaction to date.

The IT and manufacturing sector was tailing the banking and financial sector in terms of deal value with a 24% and 14% contribution to the total deal value during H1 2022. This was primarily driven by the second and third largest deal in H1 2022, which was the LTI and Mindtree merger and Adani group's acquisition of Ambuja Cement Ltd and ACC Ltd. This deal made Adani Group India's second-largest cement manufacturer.

While banking and financial, IT and manufacturing sectors were the largest contributors in terms of

deal values, the start-up sector contributed the highest in terms of deal activity in volumes during H1 2022. The deal volumes increased by 117% for the start-up sector with 91 deals for H1 2022 against 42 deals in H1 2021. Jio's acquisition of a minority stake in the Google-backed consumer internet company Glance Digital Experience Pvt Ltd for USD 200 million was the biggest in the sector during H1 2022.

IT/ITeS and e-commerce sectors were the second and third highest contributors to deal volumes in H1 2022. Wipro's acquisition of Rizing for USD 540 million was the second largest deal in the IT/ITeS sector. While e-commerce witnessed a growth of more than 138%, IT-ITeS remained stable and grew by 18% in terms of the volume of deals during H1 2022.

Other key developments in H1 2022 also included Google's investment of USD 700 million into Bharti Airtel. This will focus on enabling affordable access to smartphones, leveraging their existing partnerships to co-create India-specific network domain use cases for 5G and other standards and help accelerate the cloud ecosystem for businesses.

Despite the disruption caused by geopolitical instability due to the Russia-Ukraine war and mobility restrictions in many countries to limit the spread of COVID-19 variants, there was an increase in deal volumes in H1 2022. Additional factors, such as rising inflation, higher interest rates and market volatility might temper down fundraising activities in start-ups and larger M&A deals driven by leverage. However, the overall momentum of the deal activity should continue in H2 2022, as well.

Private equity dealscape

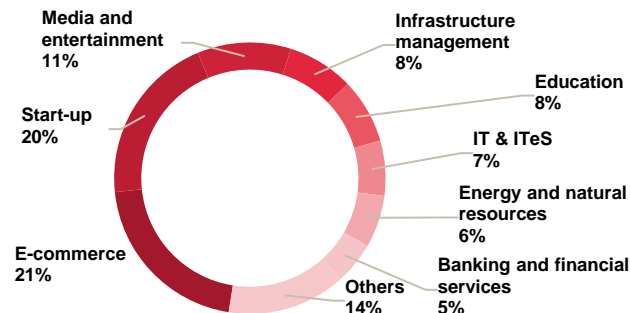
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PE deals were dominated by the start-up and e-commerce sectors

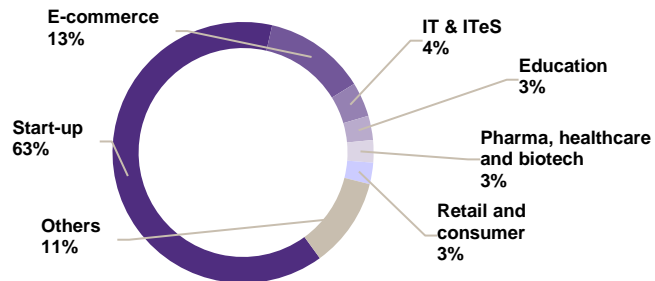
Notable sectors		
	Volume	Value (USD million)
Start-up	550	5,107
E-commerce	109	5,227
IT & ITeS	37	1,647
Education	26	1,937
Pharma, healthcare and biotech	24	1,237
Retail and consumer	23	591
Banking and financial services	17	1,267

Notable sector trends		
<ul style="list-style-type: none"> Driven by 16 deals of at over USD 100 million, e-commerce led the PE investment value in H1 2022 with 21% of PE investments. The sector recorded 109 deals garnering investments worth USD 5.2 billion. Start-up continues to occupy the lion's share of investment volumes with 63% recording 550 funding rounds worth USD 5.1 billion. The year also witnessed marquee investments in the media and entertainment sector with Bodhi Tree's USD 1.8 bn investment in Viacom18 Media, making it the largest funding round this year. Nithia Capital's acquisition of stressed Crest Steel And Power has been completed under an insolvency process in partnership with Amalgam Steel in the manufacturing sector. Wiz Freight and Pixxel witnessed large Series A funding rounds in the Indian logistics and space technology, respectively. Dr. Agarwal raised USD 138 million in the largest private equity deal in the eye care space in India; Indinfravit's acquisition of five operational road assets from Brookfield is one of the largest acquisitions in the highways sector in recent times. Apart from the above sectors, PE investors have also exhibited an interest in the Indian infrastructure (road assets), education (education solutions) and IT solutions companies. The quarter witnessed the emergence of 16 unicorns: GlobalBees (second Thrasio-styled start-up to turn into a unicorn), LEAD school (Education), Darwinbox (IT and ITeS), Mamaearth (e-commerce), Xpressbees (e-commerce logistics), ElasticRun (app-driven logistics and distribution company), Livspace (interior design marketplace), Dealshare (retail tech), Perfios (data analytics, big data and AI), Oxyzo Financial Services, Credavenue and Open (fintech), Leadsquare (software development), Physics Wallah (Edtech), Play Games24x7(Gaming), and Purpille.com (retail). H1 2022 witnessed debut investments by foreign players in India: (1) March Gaming and WestBridge Capital made debut investments in media and entertainment sector; (2) Start-up sector attracted maiden investments from MBX Capital; AngelList Early-Stage Quant Fund; Octave Ventures and Fasanara Capital (3) IDH FarmFit and Goldman Sachs in IT and ITeS, (4) Tiger Global's first investment in a startup that is still at the pre-product stage with investment in Shopflo; (5) NIIFL's funding in Ather Energy is its first direct investment in the manufacturing sector and in electric mobility (6) Lowercarbon Capital (cleantech), Capri Stressed Asset Fund (Industrial materials). 		

Top sectors based on deal values



Top sectors based on deal volumes



Top PE deals - H1 2022

Top 10 PE deals accounting for 1% of PE deal volumes, constituted 38% of the total PE deal values in H1 2022

Investor	Investee	Sector	USD million	% stake
Bodhi Tree Systems	Viacom18 Media Pvt. Ltd	Media and entertainment	1,776	N.A.
Shell Overseas Investment B.V.	Sprng Energy Private Limited- Solenergi Power Private Limited	Energy and natural resources	1,550	100%
IndInfraTrust	Brookfield Asset Management- five operational road projects	Infrastructure management	1,200	100%
Canada Pension Plan Investment Board, Ontario Teachers Pension Plan Board, Luxor Capital, Sumeru Ventures, Sofina Group, Baillie Gifford, and others	Ver Se Innovation Pvt Ltd	Media and entertainment	805	N.A.
Sumeru Ventures, Vitruvian Partners, BlackRock and angel investor	Think & Learn Pvt Ltd- Byju's	Education	800	N.A.
Baring PE Asia	IGT Solutions Pvt. Ltd	IT & ITeS	800	85%
Actis LLP	Welspun Enterprises Limited- six operating highway toll road projects	Infrastructure management	775	100%
Invesco, Baron Capital Group, Sumeru Venture, IIFL AMC Late Stake Tech Fund, Kotak, Axis Growth, Sixteenth Street Capital, Ghisallo, Smile Group, Segantii Capital, Prosus Ventures, Alpha Wave Global, Qatar Investment Authority and ARK Impact	Bundl Technologies Pvt Ltd- Swiggy.com	E-commerce	700	N.A.
Bodhi Tree Systems	Allen Career Institute	Education	600	N.A.
Bain Capital	IIFL Wealth Management Ltd	Banking and financial services	486	25%

Deals in the spotlight – H1 2022

Bodhi Tree System lead USD 1.8 billion funding in RIL's Viacom18

Sector: Media and entertainment

Investor	Investee
Bodhi Tree Systems is a platform formed between Lupa System's founder and CEO James Murdoch and Uday Shankar, the former president of the Walt Disney Company and former chairman of Star and Disney India. It makes strategic investments in consumer technology across South and South-east Asia and the Middle East, with a particular focus on India.	Viacom18 Media Private Limited is India's fastest growing entertainment network and houses more than three dozen iconic brands. A joint venture of Network18, which owns 51% and ViacomCBS, with a 49% stake, Viacom18 defines entertainment in India by touching the lives of people through its properties on air, online, on ground, in shop and through cinema.
Rationale	
<p>Bodhi Tree Systems led a fundraise with a consortium of investors to invest USD 1.8 billion in Viacom18, to jointly build India's leading entertainment platform and pioneer the Indian media's landscape transformation to a streaming-first approach.</p> <p>According to the official statement, Reliance Projects and Property Management Services Limited, a wholly-owned subsidiary of Reliance Industries, which has a significant presence in television, OTT, distribution, content creation and production services, will invest USD 216 million. Besides, the JioCinema OTT (over-the-top) app will be transferred to Viacom18.</p> <p>The transaction is expected to close within six months and is subject to closing conditions and requisite approvals. After completing the deal, Viacom18 with Reliance, Bodhi Tree Systems and Paramount Global, will shape a vision, strategy and execution for its businesses, building on the strong existing foundation, says the release.</p>	

Shell inks USD 1.55 billion deal to acquire India's Sprng Energy group

Sector: Energy and natural resources

Investor	Investee
Shell Overseas Investment B.V. , a wholly owned subsidiary of Shell plc.	Sprng Energy Pvt Ltd supplies solar and wind power to electricity distribution companies in India. Its portfolio consists of 2.9 gigawatts-peak ¹ (GWp) of assets (2.1 GWp operating and 0.8 GWp contracted) with a further 7.5 GWp of renewable energy projects in the pipeline.
Rationale	
<p>Shell Overseas Investment B.V. has signed an agreement with Actis Solenergi Limited (Actis) to acquire 100 percent of Solenergi Power Private Limited for USD 1.55 billion and with it, the Sprng Energy group of companies.</p> <p>Solenergi Power Private Limited is incorporated in Mauritius and is the direct shareholder of the Sprng Energy group of companies in India. Sprng Energy, headquartered in Pune, will retain its existing brand and operate as a wholly-owned subsidiary of Shell within Shell's Renewables and Energy Solutions Integrated Power business.</p> <p>The solar and wind assets Shell acquires through the deal will triple Shell's present renewable capacity in operation and help deliver its Powering Progress strategy. An important part of Powering Progress is to develop a best-in-class integrated power business, which will help Shell to reach its target of becoming a profitable net-zero emissions energy business by 2050.</p>	

Outlook on PE investments



Dinesh Anand

National Managing Partner, Risk, Private Equity and ESG
Grant Thornton Bharat

The first half of 2022 has been full of surprises and shocks for the global economy and investors, factors ranging from inflation to geopolitical tensions, have created a risk-off sentiment. Rising fuel and commodity prices and food inflation have prompted central banks to take a major hawkish stance in their monetary policies and the Russia-Ukraine crisis has brought in much uncertainty, which is undermining the global investment atmosphere, as is evident by the sharply rising yields and declining equity markets.

Despite the worsening macro-economic factors, the private equity space in India continued the trend of growth, with both PE deal volumes and values growing by 36% Y-o-Y. The start-up space attracted the most investment (USD 5.1 billion across 550 deals), recording a growth of 69% in deal values, followed by the e-commerce sector, which pulled in USD 5.2 billion across 109 deals, the media and entertainment sector, which received investments worth USD 2.8 billion, growing by a whopping 384% and the energy and natural resources sector, which grew by 337%. Key sectors which had seen major investment growth in recent years but saw a decline in H1 2022 were IT & ITeS (investment values declined by 51%), pharma, healthcare and biotech (investment values declined by 22%) and retail and consumer sector (investment values declined by 43%).

The trend continues from the previous year of India's PE growth, fuelled by heightened interest from foreign funds, Indian family offices' participation in direct investments, continued participation from domestic funds, sustained interest from sovereign wealth funds, pension funds and AIFs participation. Further, the Indian start-up ecosystem has seen record investment in H1 2022 and created more unicorns than that of the first half of the previous year, which was a record year for the same. Additionally, an increased focus on climate change, evident by the explosive growth of renewables and cleantech and the need for better governance structures has further pushed PE funds to include ESG factors in their due diligence process, a trend which is expected to remain in focus in the coming years.



Digitisation trend



Kalpana B

CEO and Chief Thinker - dGTL
Grant Thornton Bharat

The most contrarian thing of all is not to oppose the crowd but to think for yourself.
— Peter Thiel

The digital consumer has prompted an era of innovation and starting up and deal activity like no other. This is true for both B2B and B2C. Capital allocation has always been on future potential bets and almost feels like the best crystal ball gazer makes the most. Based on the data on deals, you would notice while the percentages are high they are dropping in comparison to the same period.

Let's have a telescopic view of why the digital shift has resulted in increased activity;

- A big change in mindset in the way people buy/enterprises interact commercially post-pandemic – creating a hungry and willing to try customer base across segments
- Infrastructure for digital commerce – penetration of mobile internet, cloud companies, information security start-ups, catalogue proficiency, price management software
- Understanding customer trends – ecosystem around influencing, customised offers on loyalty programme
- Financing engines and ecosystem around Buy Now, Pay Later (BNPL), payments simplification, etc.
- Ecosystem establishment – customer and supply chain alliances in logistics, last-mile delivery, etc., where when the start-up grows, the feeders/downstream also prosper and increase the investment activity
- Increased impetus on ESG awareness

- Increased impetus on health and wellness and employee engagement

The first half saw an increase in investments since the trends from post-COVID continue and the macroeconomic factors around China and Russia have prompted India and South Asia to become an important next bet for investors. The other fuelling fact is that the digital customer/enterprise is becoming more open to ideas and newer ways of commerce. There has been increased activity in Web 3.0 with many an enterprise adopting these technologies for a range of commercial interests from supply chain to establishing provenance. The art of the possible with new-tech is challenging established business models and B2B SAAS has also seen significant investments in the first half.

Outlook for H2 2022 - We expect that the deal activity would be higher from an initial investment perspective in NFT (non-fungible tokens), BNPL, swipe up and buy commerce, visual search and Metaverse related start-ups. These are the latest trends where large organisations are looking to better customise their consumer experience. We expect that there would be consolidation of certain segments where some of the leaders may acquire regional or other specific upstream or downstream adjacencies in retail, food, delivery services and supply chain logistics providers.

In conclusion, while the first half of 2022 attracted higher investments, we expect that to reduce in the second half, along with a variation in the pattern.

Sector spotlight

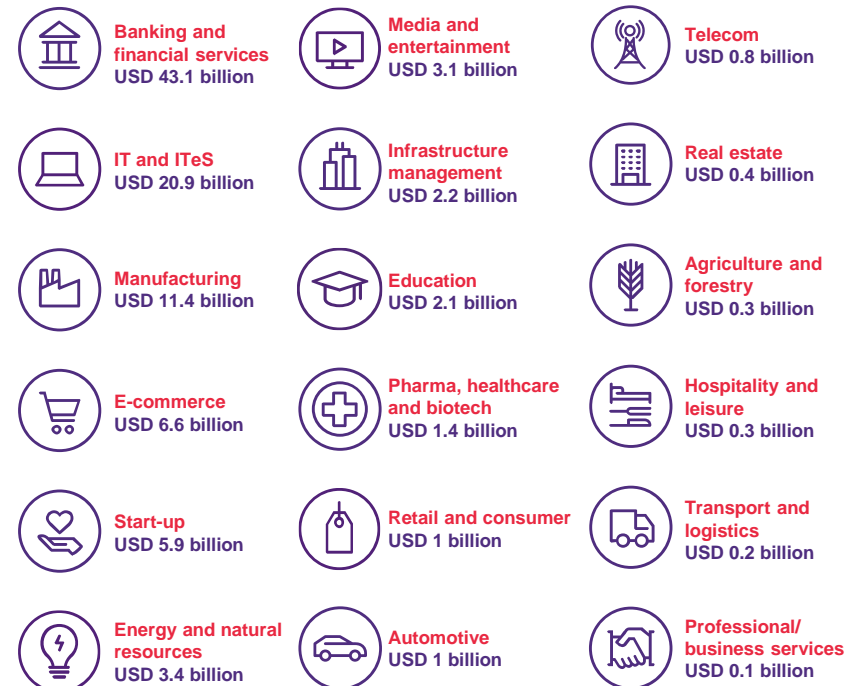
- Overall sector focus
- Start-ups
- E-commerce
- IT and ITeS
- Retail and consumer
- Pharma, healthcare and biotech

Overall sector focus - H1 2022

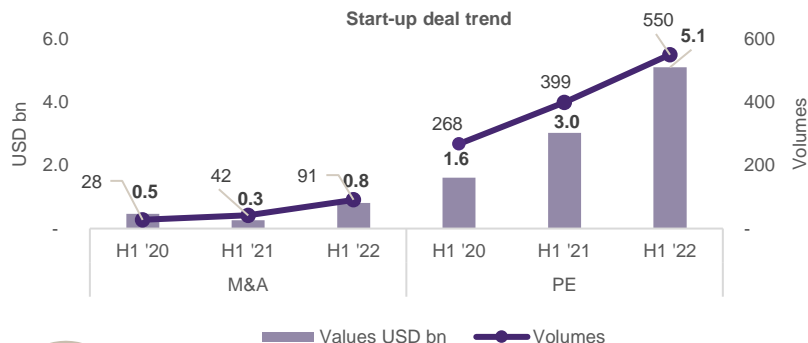
Top sectors based on volumes



Top sectors based on values



Start-up



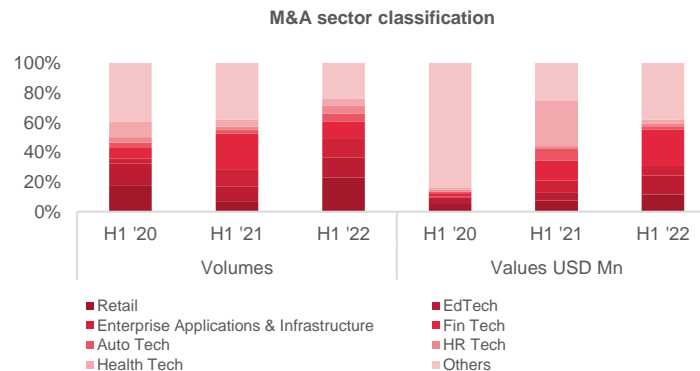
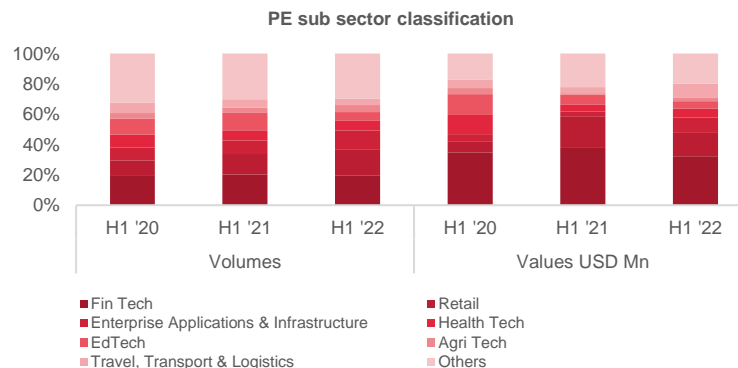
Raja Lahiri

National Sector Leader - TMT
Grant Thornton Bharat

Grant Thornton Bharat
Insights

Start-ups continue to attract funding; H1/22 saw PE/VC deals of USD 5.1 billion. During H1/22, we witnessed funding across start-up segments covering fintech, healthtech, consumer-tech and edutech. Some of the top deals which saw funding include Ola, Zetwerk, KiranaKart, Dealshare, Cred, CoinDCX and GlobalBees. We have witnessed a massive uptick in funding in 2021 and 2022 is witnessing gradual moderation in the funding and that's in line with global funding trends, as well. We are also witnessing moderation in valuations and the focus of the start-ups to drive profitability and optimise costs. Overseas listings especially US SPACs as well as Indian IPOs have witnessed a slowdown in 2022, driven by the slowdown in global and Indian capital market fundraising trends.

With 100+ unicorns and India being the third-largest start-up destination globally, investors will continue to look at the emerging areas of opportunities covering fintech, consumer tech and e-commerce, healthtech and edutech. In my view, we will also see more focus on cost efficiency strategies by the start-ups and potential consolidation and M&A opportunities in the second half of 2022.



Start-up (Contd.)



Deal highlights

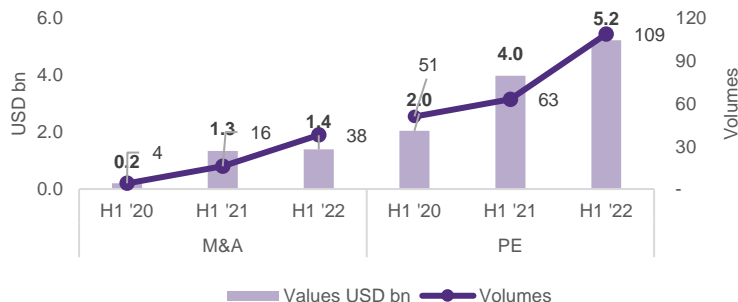
Top M&A deals - H1 2022						
Acquirer	Target	Sub sector	Value (USD million)	Deal type	% stake	Domestic/crossborder
Jio Platforms Ltd	Glance Digital Experience Private Limited	Data Analytics, Big Data and AI	200	Minority Stake	N.A.	Domestic
Pine Labs Pvt. Ltd	BrokenTusk Technologies Pvt. Ltd - Setu	Fin Tech	70	Acquisition	100%	Domestic
InterviewBit Software Services Private Limited - Scaler Academy	AAIC Technologies Pvt Ltd - Applied Roots	Edtech	50	Acquisition	100%	Domestic
Phonepe Private Limited	Quantech Capital Investment Advisors P Ltd - OpenQ	Fin Tech	25	Acquisition	100%	Domestic
ANAROCK Property Consultant Pvt Ltd	Justwork Technologies Private Limited - myHQ	Real estate Tech	17	Majority stake	75%	Domestic

Top PE deals - H1 2022					
Investor	Investee	Sub sector	% stake	Value (USD million)	
Greenoaks Capital, ICONIQ Strategic Partners, D1 Capital Partners, Steadview Capital Mauritius, Avenir Zetwerk Investors, and Lightspeed Venture Partners, among others	Zetwerk Pvt. Ltd	Retail	N.A.	210	
Tekne Private Ventures, Alpine Opportunity Fund, Edelweiss and others	Ola Electric Mobility Pvt Limited	Auto-tech	N.A.	200	
Y Combinator Continuity Fund, Kaiser Permanente Ventures, Nexus Venture Partners, Glade Brook Capital Partners, and Lachy Groom	KiranaKart Technologies Private Limited- Zepto	Travel, transport and logistics	N.A.	200	
Dragoneer Investments Group, Kora Capital, Unilever Ventures, Tiger Global and Alpha Wave Global	Merabo Labs Pvt. Ltd - DealShare.in	Retail	N.A.	165	
Insight Partners, B Capital Group, Dragoneer and existing investors	Credavenue Private Limited	Fin-tech	N.A.	137	

E-commerce



E-commerce deal trend



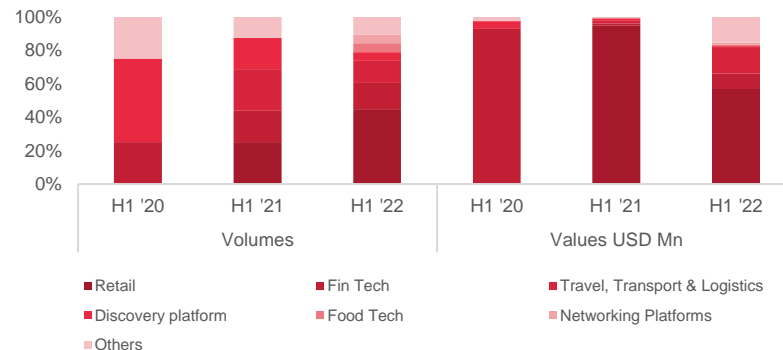
Naveen Malpani

Partner and Consumer Sector Leader
Grant Thornton Bharat

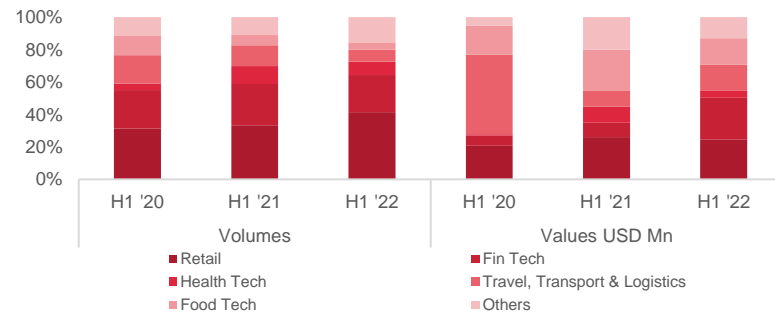
Grant Thornton Bharat
Insights

With the reducing impact of COVID-19, we see a reduced investment activity in the e-commerce sector compared with the last six months. Valuations have softened since customers now prefer to use the omnichannel experience for their purchases. The first half of the year saw investments in quick commerce (30/60 mins) deliveries which are in an investment mode currently by offering heavy discounts.

M&A sub sector classification



PE sub-sector classification



E-commerce (Contd.)



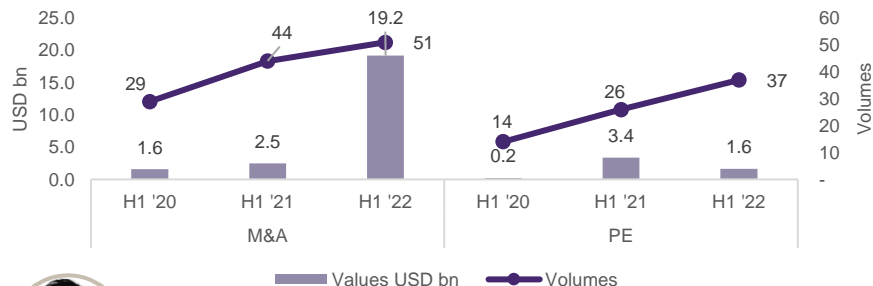
Deal highlights

Top M&A deals - H1 2022						
Acquirer	Target	Sub sector	Value (USD million)	Deal type	% stake	Domestic/Crossborder
Zomato Media Pvt Ltd	Blink Commerce Pvt Ltd	Retail	585	Acquisition	100%	Domestic
Reliance Retail Ventures Ltd	Dunzo Digital Pvt Ltd	On-demand services	200	Strategic stake	26%	Domestic
BigFoot Retail Solutions Pvt Ltd - Shiprocket	Pickrr Technologies Pvt Ltd	Travel, transport and logistics	200	Majority stake	N.A.	Domestic
Reliance Retail Ventures Ltd	Purple Panda Fashion Pvt Ltd- Clovia.com	Retail	127	Majority stake	89%	Domestic
Cholamandalam Investment & Finance Co Ltd	Payswiff Solutions Pvt. Ltd	Fin-tech	60	Controlling stake	72%	Domestic
Top PE deals - H1 2022						
Investor	Investee	Sub sector		% stake		Value (USD million)
Invesco, Baron Capital, Sumeru Venture, IIFL AMC Late Stake Tech Fund, Kotak, Axis Growth, Sixteenth Street Capital, Ghisallo, Smile Group, Segantii Capital, Prosus Ventures, Alpha Wave Global, Qatar Investment Authority and ARK Impact	Bundl Technologies Pvt Ltd- Swiggy.com	Food-tech		N.A.		700
Blackstone Growth, TPG Growth, ChrysCapital, Investcorp and Norwest Venture Partners	BusyBees Logistics Solutions Pvt. Ltd- Xpressbees	Travel, transport and logistics		N.A.		300
SoftBank, Goldman Sachs and Prosus Ventures	NTEX Transportation Services Private Limited- ElasticRun	Travel, transport and logistics		N.A.		300
Uncorrelated Ventures, Fasanara Capital, Abstract Ventures, Altara Ventures, Kravis Investment Partners, Snow Leopard	EQX Internet Capital Advisors Pvt Ltd- Stashfin	Fin-tech		N.A.		270
Google, Times Group and Temasek Holdings	Mohalla Tech Pvt. Ltd- Sharechat	Networking platform		N.A.		255

IT & ITeS



IT & ITeS deal trend



Raja Lahiri

National Sector Leader - TMT
Grant Thornton Bharat

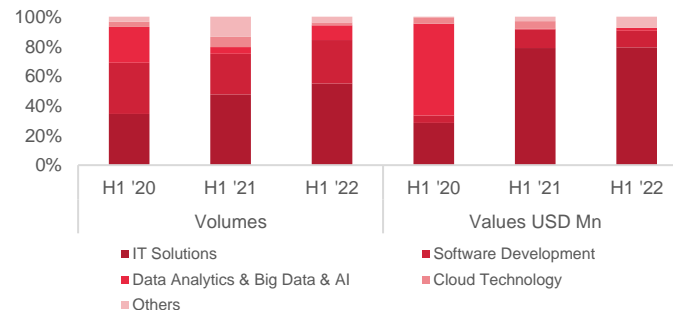
Grant Thornton Bharat
Insights

Tech continues to be active in transactions driven by the robust demand for tech and digital services and platforms. During H1/22, we witnessed the larger tech majors like Wipro and TechMahindra continue to make acquisitions like Wipro- Rizing deal (USD 540million, in SAP consulting space) and TechM-Comtech Co IT Limited (CTC) deal (USD 350 million, in insurance space). The sector also witnessed marquee L&T Infotech – Mindtree merger. PE and VC deal activity continues to be strong as well with the buy-out of Inter-Globe Technologies (BPM player) by Barings PE (USD 800 million) and fund-raising by Pine Labs of USD 200 million from a group of PE investors.

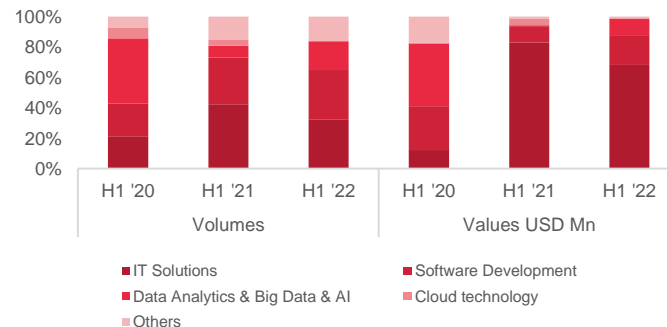
Overall, M&A and PE deal value during H1/22 was record USD 20.6 billion compared to USD 8.5 billion deal value in H1/21. During H1/21, there were 2 large USD 1+ billion deal, namely Blackstone's investment in Mphasis(USD 2.1 billion), Wipro's acquisition of Capco (USD 1.4 billion).

Tech deals are expected to continue to be strong and areas like cloud, cyber security, AI, digital consulting, etc. are expected to be areas of strong focus for larger and mid-size tech service players. PE and VC deal activity is expected to focus on the emerging areas of RPA, AI, SAAS, and digital customer engagement. We also expect moderation in valuations going forward, driven by the global tech valuation downside trends in 2022.

M&A sub sector classification



PE sub sector classification



IT & ITeS (Contd.)

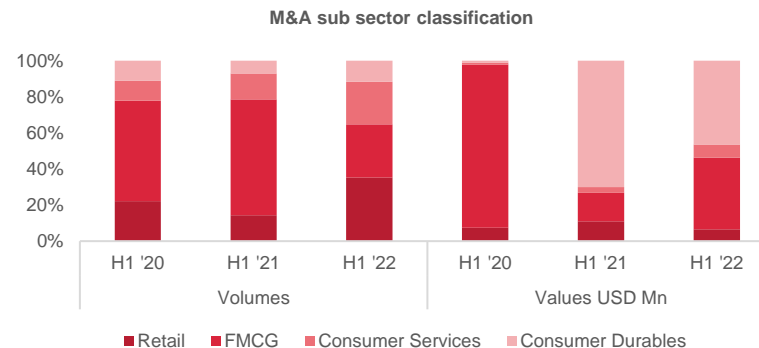
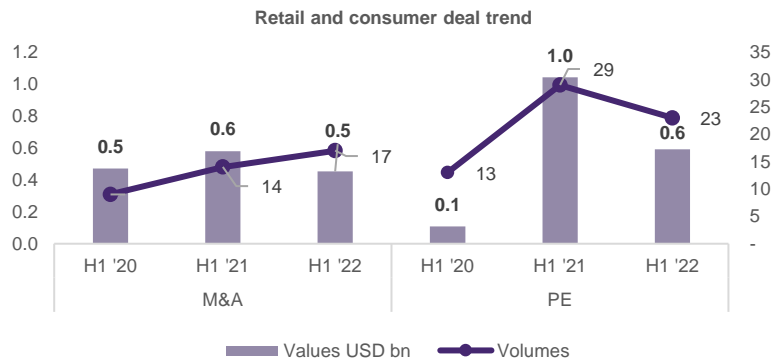


Deal highlights

Top M&A deals - H1 2022						
Acquirer	Target	Sub sector	Value (USD million)	Deal type	% stake	Domestic / Crossborder
Larsen & Toubro Infotech Ltd	MindTree Ltd	IT Solutions	17,690	Merger	100%	Domestic
Wipro Ltd	Rizing Intermediate Holdings, Inc	IT Solutions	540	Acquisition	100%	Outbound
Tech Mahindra Ltd	Com Tec Co IT Ltd	IT Solutions	350	Acquisition	100%	Outbound
Cyient Ltd	Citec Group Oy Ab	Others	107	Acquisition	100%	Outbound
Netcore Cloud Pvt. Ltd	Unbxd Inc	Software Development	100	Majority Stake	N.A.	Outbound

Top PE deals - H1 2022				
Investor	Investee	Sub sector	% stake	Value (USD million)
Baring PE Asia	IGT Solutions Pvt. Ltd	IT Solutions	85%	800
WestBridge Capital and existing investors	MarketXpander Services Private Limited- Leadsquared	Software Development	N.A.	153
Alpha Wave Global	Pine Labs Pvt. Ltd	IT Solutions	N.A.	150
Goldman Sachs Asset Management, B Capital, Steadview Capital, Multiples Alternate Asset Management, Eight Roads Ventures, and Matrix Partners India	MoEngage India Pvt. Ltd	Data Analytics & Big Data & AI	N.A.	77
Technology Crossover Ventures, Salesforce Ventures, Sequoia India, Lightspeed India, Endiya Partners, 3One4Capital, JGDEV, and SCB 10X	Darwinbox Digital Solutions Pvt. Ltd	Software Development	N.A.	72

Retail and consumer

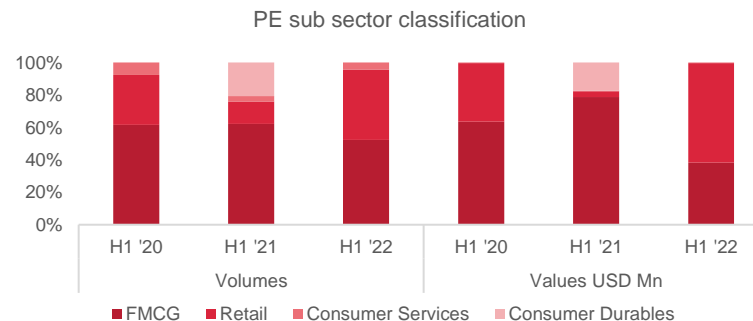


Naveen Malpani

Partner and Consumer Sector Leader
Grant Thornton Bharat

Grant Thornton Bharat
Insights

The consumer and retail sector had a tough time in the last two quarters due to a massive increase in the raw materials as well as the crude prices which they could pass to the customers to a limited extent. Most of the companies recorded a limited volume growth due to inflationary pressure. With some softening of oil prices and a positive prediction for the rainy season, the consumer and retail sector will definitely see growth in the second half.



Retail and consumer (Contd.)



Deal highlights

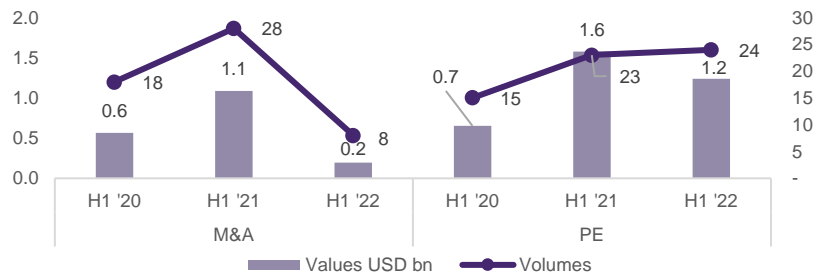
Top M&A deals - H1 2022						
Acquirer	Target	Sub sector	Value (USD million)	Deal type	% stake	Domestic / Crossborder
Crompton Greaves Consumer Electricals Ltd	Butterfly Gandhimathi Appliances Ltd	Consumer Durables	186	Controlling stake	55%	Domestic
Inbrew Beverages Private Limited	United Spirits Ltd- 32 brands	FMCG	108	Acquisition	100%	Domestic
Emami Ltd	Reckitt Benckiser Healthcare (India) Private Limited- Dermicool brand	FMCG	58	Acquisition	100%	Domestic
Asian Paints Ltd	Obgenix Software Private Limited- White Teak	Consumer Durables	24	Strategic Stake	49%	Domestic
Honasa Consumer Pvt. Ltd- Mamaearth	Godrej Consumer Products Ltd - BBLUNT	Consumer Services	18	Acquisition	100%	Domestic

Top PE deals - H1 2022					
Investor	Investee	Sub sector	% stake	Value (USD million)	
GIC	Aditya Birla Fashion and Retail Limited	Retail	7.5%	289	
NewQuest Capital Partner and Premji Invest	iD Fresh Food (India) Pvt Ltd	FMCG	N.A.	68	
L Catterton, A91 Partners, Elevation Capital and India Quotient	Vellvette Lifestyle Pvt. Ltd- SUGAR Cosmetics	Retail	N.A.	50	
GIC	Fit & Glow Healthcare Private Limited- WOW Skin Science India Pvt Ltd	FMCG	17.2%	48	
A91 Partners, Unilever Ventures and Faering Capital	Pureplay Skin Sciences (India) Pvt. Ltd- Plum	FMCG	N.A.	35	

Pharma, healthcare and biotech



Pharma, healthcare & biotech deal trend



Bhanu Prakash

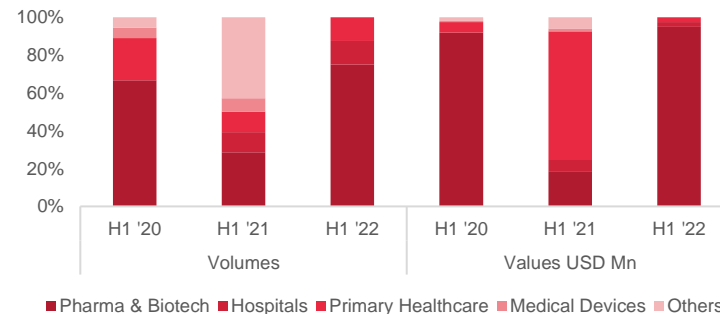
Partner and National Leader – Healthcare and Life Sciences
Grant Thornton Bharat

Grant Thornton Bharat
Insights

Healthcare and life sciences sector witnessed muted activity in H1 2022 largely due to the challenging macro-economic business environment. Following a period of heightened deal activity post-pandemic, especially in the e-pharmacy, diagnostic, advanced products, biopharma and novel therapeutics space, H1 2022 witnessed a sharp decline in M&A deal volumes and a marginal growth in PE deal volumes. However, healthtech continues the momentum with an increase in the number of deals in H1 2022 over H1 2021, led by significant PE interest in the space, especially in the digital health space.

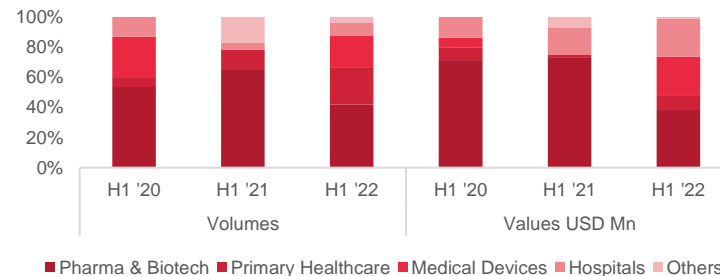
The outlook remains positive for the sector as healthtech continues to attract PE interest, especially in digital health, e-pharmacy and tech-based diagnostic/discovery platforms. Additionally, Indian pharma players will look to enhance capabilities and capacities and expand to new markets. Segments such as APIs and biosimilars are likely to see maximum traction from investors looking for strategic investments.

M&A sub sector classification



■ Pharma & Biotech ■ Hospitals ■ Primary Healthcare ■ Medical Devices ■ Others

PE sub sector classification



■ Pharma & Biotech ■ Primary Healthcare ■ Medical Devices ■ Hospitals ■ Others

Pharma, healthcare and biotech (Contd.)



Deal highlights

Top M&A deals - H1 2022						
Acquirer	Target	Sub sector	Value (USD million)	Deal type	% stake	Domestic/ Crossborder
Eris Lifesciences Ltd	Oaknet Healthcare Pvt Ltd	Pharma and biotech	86	Acquisition	100%	Domestic
JB Chemicals and Pharmaceuticals Ltd	Sanzyme Pvt Ltd- Sporlac, Lobun and Oxalo brand	Pharma and biotech	84	Acquisition	100%	Domestic
Sequent Sciences- Alivira Animal Health Ltd	Nourrie Saúde e Nutrição Animal Ltd	Pharma and biotech	5	Acquisition	100%	Outbound
Jubilant Pharmova Limited	SPV Laboratories Private Limited - Greencure	Pharma and biotech	1	Strategic stake	25%	Domestic
CritiCare Asia Multispecialty Hospital and Research Center	Kohinoor Hospitals Private Limited	Hospitals	N.A.	Acquisition	100%	Domestic

Top PE deals - H1 2022				
Investor	Investee	Sub sector	% stake	Value (USD million)
Warburg Pincus	Micro Life Sciences Private Limited - Meril Group	Medical devices	N.A.	210
GIC	Asia Healthcare Holdings	Hospitals	N.A.	170
TPG Growth and Temasek	Dr. Agarwal's Healthcare Ltd	Hospitals	N.A.	138
Multiples Alternate Asset Management, Times Group, QRG Invest and angel investors	BDR Pharmaceuticals Internationals Pvt. Ltd	Pharma and biotech	9.3%	90
Creador and India Life Sciences Fund	Accumax Lab Devices Pvt. Ltd	Medical devices	N.A.	68

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Rahul Kapur



Raja Lahiri



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Chandrashekharan



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Srivastava



Shanthi Vijetha



Siddhartha Nigam



Sridhar R



Sridhar V



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KE Healthcare Private Limited and The House of Khadi Essentials

Acquisition



Private equity investment



Private equity investment



Acquisition



Acquisition



VDD



VDD



Acquisition



with clarity.













Acquisition

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