

Dealtracker

May 2024

Total 145
deals at
USD **6.7** billion

38 M&A
deals at
USD **1.1** billion

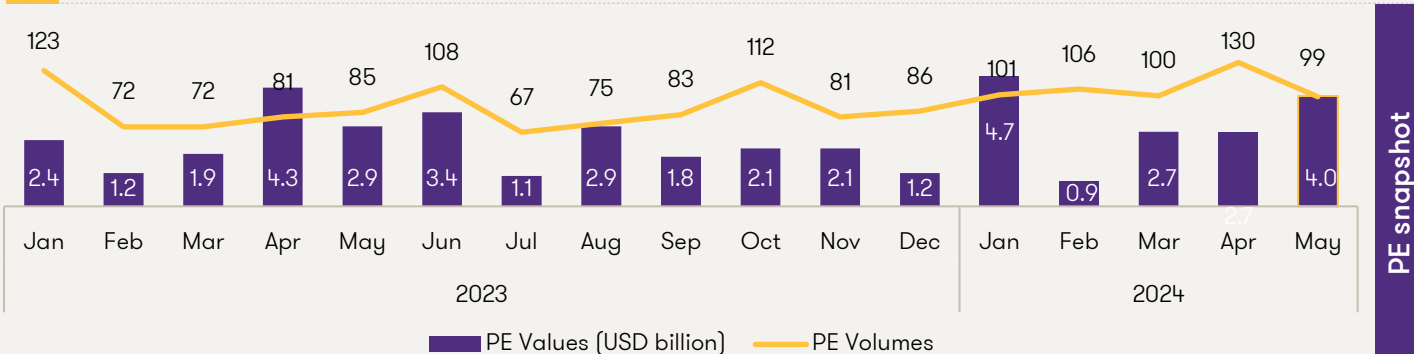
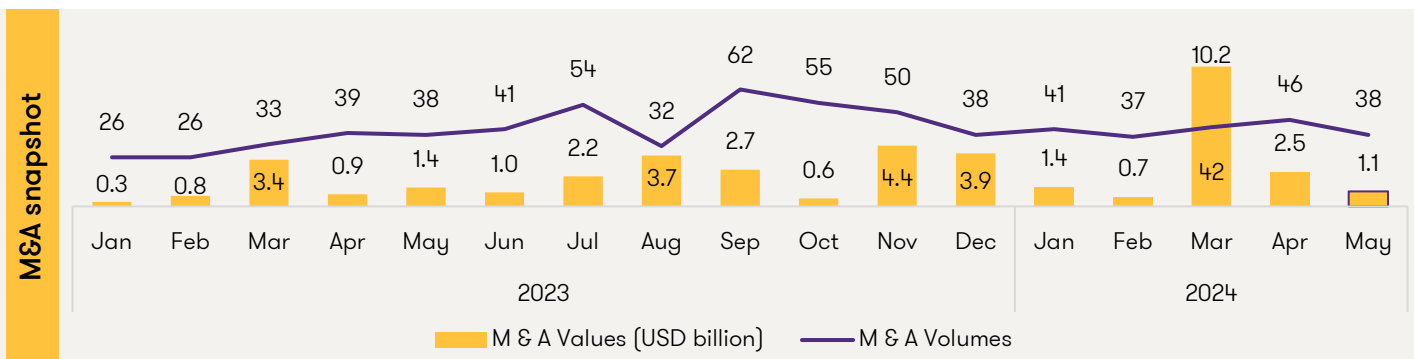
99 PE deals
at USD
4 billion

5 IPOs
raising USD
1.2 billion

3 QIPs
raising USD
0.5 billion

Values ↓ by **29%**
and volumes ↓
by **24%** versus
Apr'24

Monthly trend



“ Subdued deal activity amid the election process

India Inc witnessed 137 deals worth USD 5 billion in May 2024, representing a 22% decline in volumes and a marginal 3% decrease in values compared to April 2024. PE deal values increased significantly by 49% to USD 4 billion across 99 deals. Despite marking the lowest monthly volume in 2024, it registered second-highest monthly deal values after January, driven by nine high-value deals (~> USD100 million). Notably, the pharma, retail, Banking and real estate sectors attracted considerable investments.

While M&A monthly deal volumes were stable during 2024, deal values in May were lower due to lack of high value deals. YTD 2024 witnessed only two billion-dollar deals valued at USD 8.5 million in March and USD 1 million in April. Excluding these deals, monthly deal values for M&A in 2024 averaged at USD 31.4 million.

The election process could have delayed the deal making scenario. The election results and the ensuing new government’s strategic direction will be crucial in shaping the investment climate and determining future deal activity. Deal makers will closely monitor developments to adapt their strategies and seize opportunities in the post-election landscape.

Shanthi Vijetha
Partner
Grant Thornton Bharat LLP



Dealboard

Deal summary- 2024	Volume			Value (USD million)		
	Mar'24	Apr'24	May'24	Mar'24	Apr'24	May'24
Domestic	26	33	25	414	2,418	545
Inbound	6	8	6	725	84	436
Outbound	10	5	7	9,072	24	69
Total M&A	42	↑ 14% 46	↓ 17% 38	10,211	↓ 75% 2,526	↓ 58% 1,050
PE	100	↑ 30% 130	↓ 24% 99	2,722	↓ 2% 2,666	↑ 49% 3,973
Grand Total	142	↑ 24% 176	↓ 22% 137	12,933	↓ 60% 5,192	↓ 3% 5,023

Top 5 M&A deals of the month

Acquirer	Target	Sector	USD million	Deal type	% stake
Google Inc	Flipkart Online Services Pvt Ltd	Retail and consumer	350	Minority stake	N.A.
Manipal Health Enterprises Ltd	Medica Synergie Pvt Ltd	Pharma, healthcare and biotech	169	Majority stake	87%
Jindal Stainless Ltd	Chromeni Steels Pvt. Ltd - 0.6 million tonnes MTPA cold rolling mill	Manufacturing	161	Controlling stake	54%
Indiabulls Constructions Ltd	Sky Forest Projects Pvt Ltd	Real estate	78	Acquisition	100%
Firstsource Solutions Ltd	Quintessence Business Solutions Pvt Ltd	Pharma, healthcare and biotech	40	Acquisition	100%

Top 5 PE deals of the month

Investor	Investee	Sector	USD million	% stake
Brookfield India Real Estate Trust	Bharti Enterprises Ltd- four grade A assets	Real estate	723	50%
Warburg pincus - Mango Crest Investment Ltd	Shriram Housing Finance Ltd	Banking and financial services	558	100%
SoftBank, Elevation Capital, Prosus, and Peak XV Partners	Fashnear Technologies Pvt. Ltd- Meesho	Retail and Consumer	275	N.A.
Rental yield plus fund	MMTP Projects Pvt Ltd	Real estate	181	N.A.
Samena capital, ADV partners, TPG newQuest and angel investors	UGRO Capital Ltd	Banking and financial services	158	N.A.

PE deal speak



Vishal Agarwal

Partner and Private Equity Group & Deals Tax Advisory Leader
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“ May 2024 reported a total of USD 3,973 million by PE funds, as against USD 2,915 million in May 23. The trend witnessed in April 2024 seemed to continue with large deals in FS, healthcare and real estate standing out, with Warburg Pincus (Sriram Housing), KKR (Healthium) and Brookfield (commercial portfolio of Bharti Group) being the key newsmakers for the month.

Aside from the sectors that have typically attracted PE investments, there remains a steady trickle of deals in the agriculture and forestry space with six deals in May 2024 (USD 46 million) taking the total deals this year to 14 (USD 112 million). Given the need for investments in this sector, it remains an area of interest, though scaled up opportunities are still to develop.

All in all, May was more interesting than we had imagined with the election process underway. June onwards, with the election results out, we expect India to remain an attractive investment destination with strong growth forecasts. The question remains whether there enough interesting businesses are being built to absorb the capital waiting to be deployed.

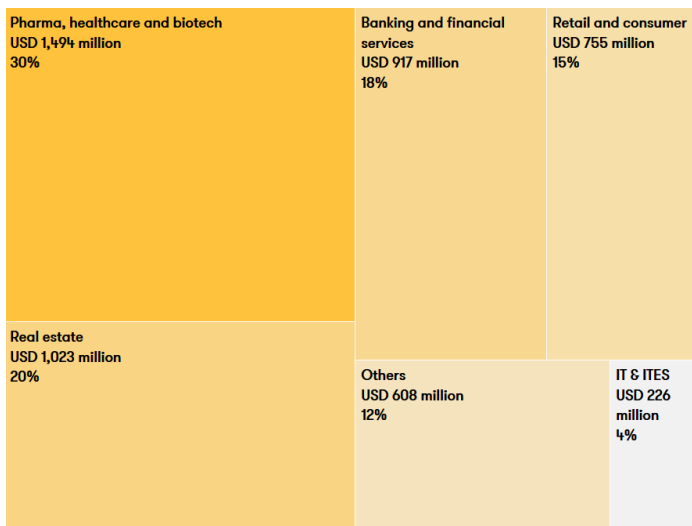


Sector trends

Top sectors based on deal volume



Top sectors based on deal value



Pharma sector leads in values, retail sector tops in volumes, IT and Real estate show mixed trends

- The pharma sector led in terms of value for the month, driven by high-value deals in the medical devices segment, such as KKR's USD 843 million (estimate) investment in Healthium MedTech, which accounted for nearly 56% of the sector's total value. The sector reported five deals in medical devices and four deals each in the pharma and biotech, and hospitals space.
- The retail sector led in deal volumes for the month despite a 12% dip compared to the previous month. It saw a 252% increase in deal values, mainly due to two high-value, e-commerce deals totaling USD 625 million. The e-commerce segment dominated, contributing 91% of deal values and 31% of deal volumes.
- The IT sector, following retail, had the second-highest deal volumes but saw a 31% decline in volumes and a 25% decrease in values compared to the previous month. Tech start-ups made up half of the deal volume, while tech creators/SaaS companies accounted for 72% of the deal values within the sector.
- The real estate sector maintained consistent deal volumes with seven deals but reported a substantial increase in deal value by 109% over April 2024. While strategic transactions dominated the residential segment, PE investments dominated the commercial real estate segment.
- The banking and financial services sector witnessed its investment doubling from USD 455 million to USD 917 million, despite a 24% decrease in deal volumes from the previous month. The sector's largest deal was Warburg Pincus' acquisition of Shriram Housing Finance for USD 558 million, marking the PE firm's biggest deal in India in more than two decades.
- The agriculture and education sectors saw significant increases in deal activity, with volumes rising 133% and 300%, respectively. In contrast, the professional services and telecom sectors experienced subdued activity, while the hospitality, aerospace, media and entertainment, and logistics sectors saw a decline in overall deal activity over previous month.

“ Grant Thornton Bharat acts as exclusive advisor to Biorad Medisys for its fundraise of up to INR 400 Crore fundraise from Kotak Strategic Situations India Fund II. For further details [click here](#) ”

This is one of the largest growth equity investments in India's medical device sector. Historically, investments in the healthcare segment in India have predominantly targeted healthcare delivery and pharma. However, there is a growing interest in India's medical device sector, fueled by the emergence of companies that are scaling up and focusing on innovation, product development and manufacturing. We see the indigenisation of the entire medical device value chain and exports as a significant growth opportunity and expect a strong investor appetite, tapping into the same. Biorad Medisys stands out as one of the few scaled-up platforms in India. We are pleased to have worked closely with Biorad Medisys in their journey.



Abhay Anand
Partner
Grant Thornton Bharat LLP



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