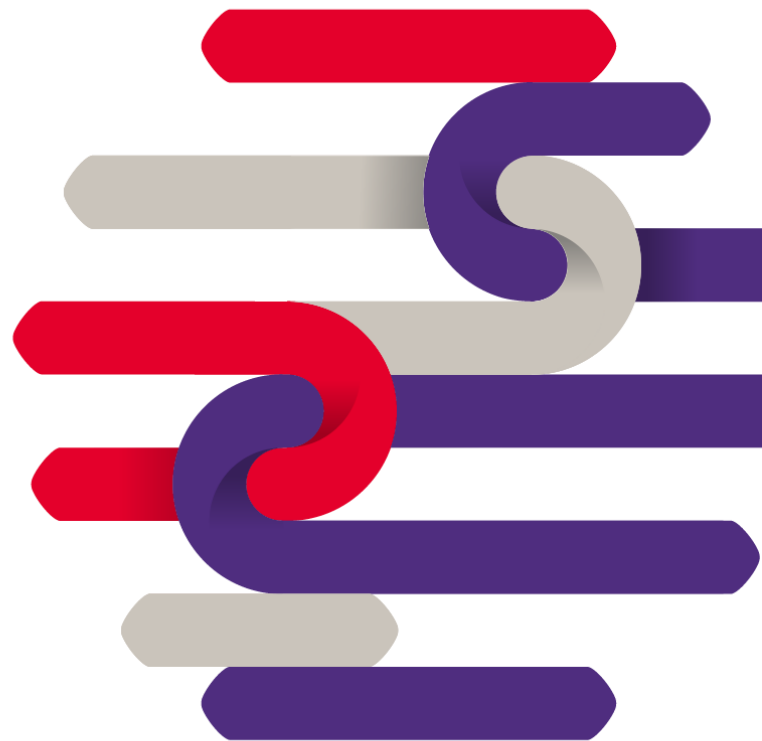


# Dealtracker

Providing M&A and PE deal  
insights

18<sup>th</sup> Annual Edition (abridged)



# Disclaimer

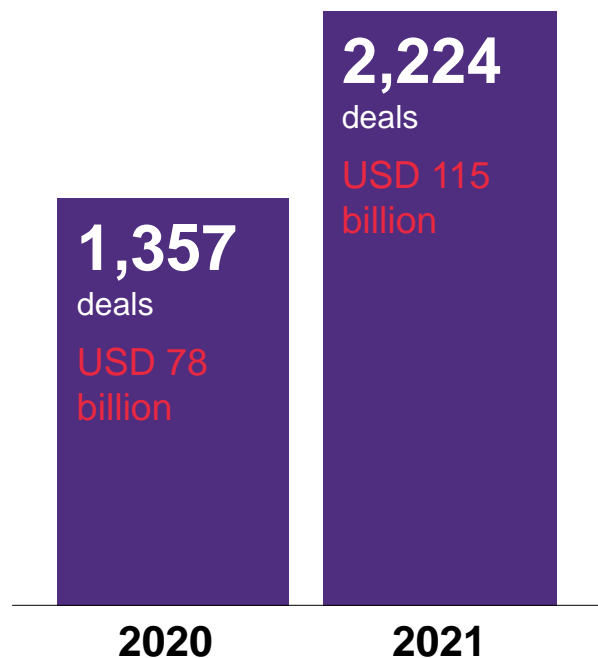
This document captures the list of deals announced based on the information available in the public domain. Grant Thornton Bharat LLP does not take any responsibility for the information, any errors, or any decision by the reader based on this information. This document should not be relied upon as a substitute for detailed advice and hence, we do not accept responsibility for any loss as a result of relying on the material contained herein. Further, our analysis of the deal values is based on publicly available information and appropriate assumptions (wherever necessary). Hence, if different assumptions were to be applied, the outcomes and results would be different. This document contains the deals announced and closed as of 24 December 2021.

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

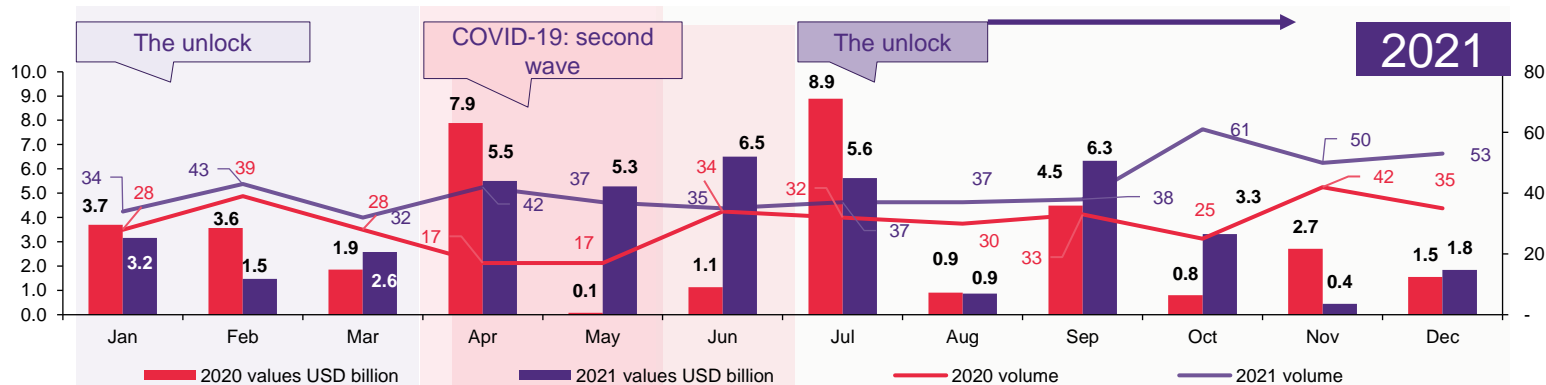
**Monica Kothari**

# Quick view at 2021

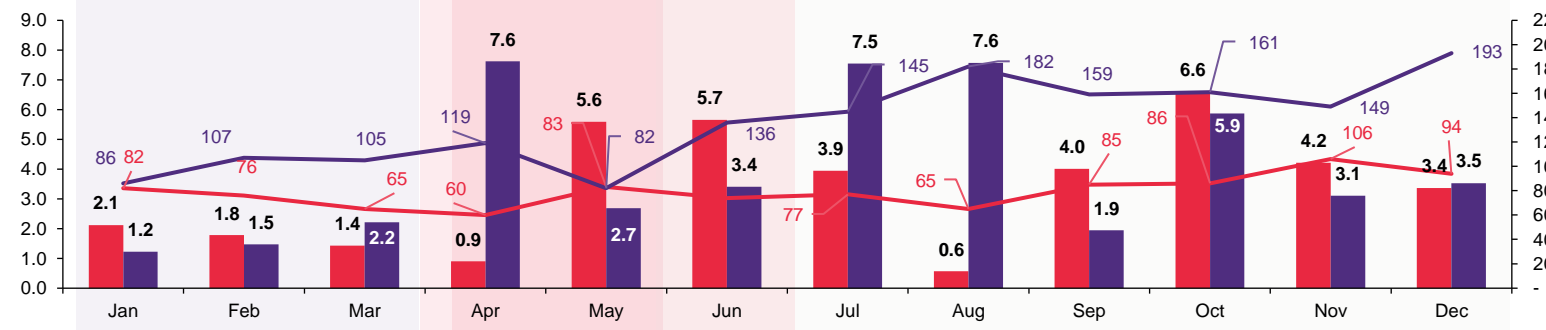


# Monthly deal snapshot

M&A snapshot



PE snapshot

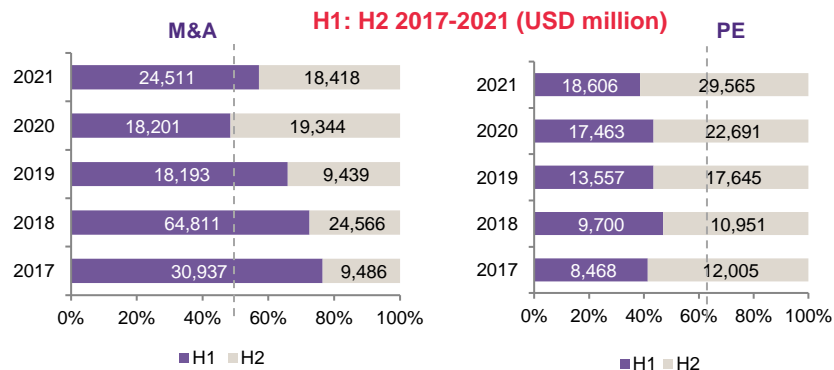


# Record deal activity witnessed in 2021; both in terms of deal volumes and values

Deal summary	Volume			Value (USD million)		
	2019	2020	2021	2019	2020	2021
Domestic	255	210	374	16,393	16,281	23,569
Cross-border	177	143	120	9,899	21,229	19,335
Merger and internal restructuring	11	7	5	1,340	35	25
<b>Total M&amp;A</b>	<b>443</b>	<b>360</b>	<b>499</b>	<b>27,633</b>	<b>37,545</b>	<b>42,929</b>
PE	815	953	1,624	31,202	40,154	48,171
<b>Grand total</b>	<b>1,258</b>	<b>1,313</b>	<b>2,123</b>	<b>58,835</b>	<b>77,699</b>	<b>91,100</b>
<b>Cross-border includes</b>						
Inbound	95	67	57	7,905	18,286	11,324
Outbound	82	76	63	1,995	2,943	8,011

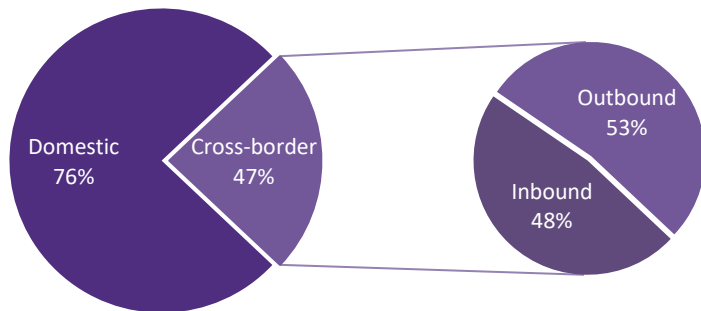
## While marquee transactions drove deal values, heightened PE volumes drove the overall deal volumes during the year

- 2021 witnessed the deadly second wave of COVID-19 during the April to June quarter, bringing the economy to a halt, thereby resulting in the slowdown of activities in certain sectors. However, in light of the vaccination drives, the domestic economy continued the path to gradual recovery with the resumption of activities in the latter part of the year. Amid this, the year recorded over 2,100 deals valued at USD 91.1 billion.
- 2021 saw 14 deals valued at over a billion dollars each, 15 deals valued between USD 500 million and USD 999 million and 135 deals valued between USD 100 million and USD 499 million. While these deals accounted for only 8% of the total deal volumes, they constituted for 80% of the values.
- M&A deals saw a strong 14% growth at USD 42 billion across 499 deals, 39% up from 2020. The surge in the values was largely supported by 10 deals recorded at and over USD 1 billion each. Further, the deal volumes also reached pre-COVID-19 levels, recording 13% growth over 2019 volumes. While outbound volumes were higher than inbound volumes, high-value inbound deals pushed the cross-border deal values to USD 19.3 billion in 2021.
- PE investment values recorded USD 48.2 billion in 2021, marking the highest yearly values witnessed in any given year since 2011. This surge in the investment values is attributed to 112 high-value investments of USD 100 million and above. Despite the stress around COVID-19 and other geopolitical tension, 2021 witnessed 1.5 times growth in the investment volumes compared with 2020, attracting a considerable portion of funding from overseas investors.
- 2021 recorded 36 fund raises via qualified institutional placement (QIP) at USD 6.2 billion, marking the third-highest fund raised via this route since 2011. This was majorly driven by four high-value fund raises of over USD 500 million each. On the other hand, 65 companies raised USD 17.7 billion via initial public offering (IPO), a 2.7x increase in issue size over 2020.
- Start-ups, e-commerce and IT sectors were the major deal drivers in 2021, both in terms of volumes and values. Banking, education, pharma, energy, manufacturing and aviation sectors also witnessed high-value marquee deals during the year. The year 2021 also saw the emergence of 33 unicorns.

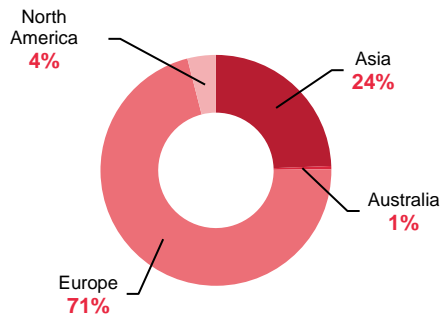


# Domestic deal activity dominated 2021

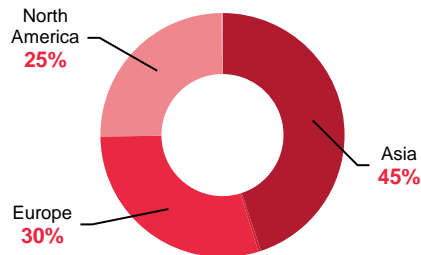
M&A segment by volumes



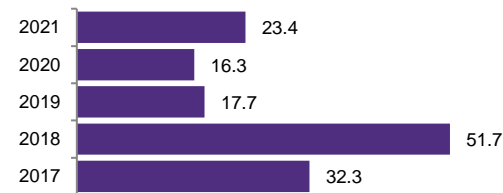
Continent – Inbound (by value)



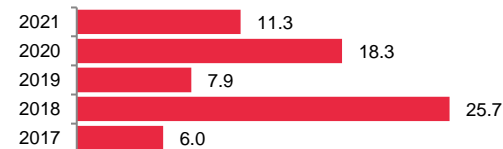
Continent – Outbound (by value)



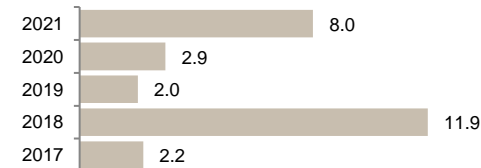
Domestic USD billion



Inbound USD billion



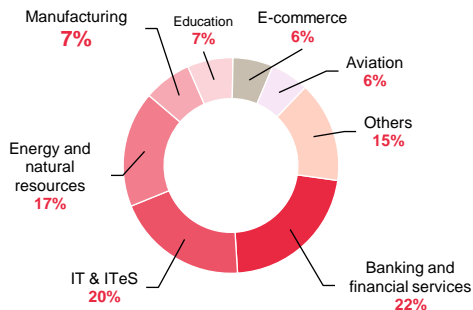
Outbound USD billion



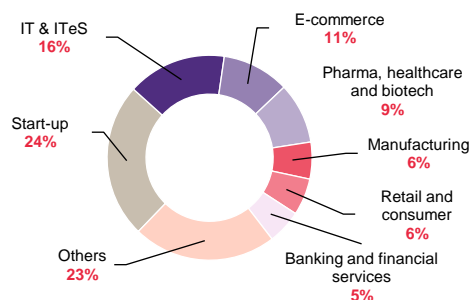
# Tech savvy sectors, such as start-ups, IT and e-commerce, topped sector volume charts in 2021

Top sectors based on deal value

M&A snapshot

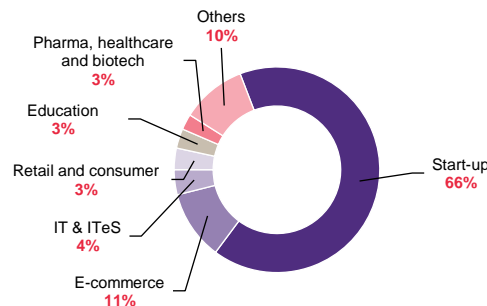
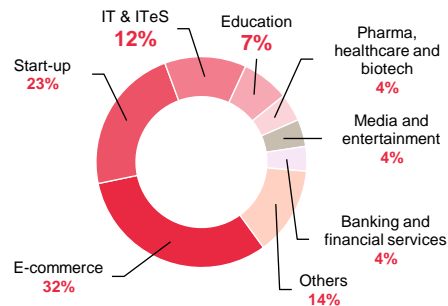


Top sectors based on deal volume



Key sectors		
Notable sectors	Volume	USD million
Start-up	122	857
IT & ITeS	78	8,511
E-commerce	53	2,597
Pharma, healthcare and biotech	48	1,645
Manufacturing	29	3,100
Banking and financial services	27	9,361
Education	23	2,935

PE snapshot



Key sectors		
Notable sectors	Volume	USD million
Start-up	1,072	10,901
E-commerce	177	15,286
IT & ITeS	64	6,033
Retail and consumer	55	1,364
Education	50	3,515
Pharma, healthcare and biotech	40	2,056
Banking and financial services	30	1,829

# Top M&A deals constituted 62% of M&A values

Acquirer	Target	Sector	USD million	Deal type	% stake	Cross-border/ domestic	
<b>Piramal Capital &amp; Housing Finance Limited</b>	Dewan Housing Finance Corporation Limited	Banking and financial services	5,103	Acquisition	100%	Domestic	This marks the largest acquisition in India's digital payments space.
<b>Prosus N.V.- PayU</b>	Indialdeas.com Ltd- BillDesk	IT & ITeS	4,700	Acquisition	100%	Inbound	The deal is the largest acquisition in the renewable energy sector in India.
<b>Adani Green Energy Ltd</b>	SB Energy India	Energy and natural resources	3,500	Acquisition	100%	Outbound	IBC: With the 2.5 million tonnes BPSL buy, JSW Steel boosted its steelmaking capacity and regained its lost crown of the largest steel player in the country.
<b>JSW Steel Ltd</b>	Bhushan Power & Steel Ltd	Manufacturing	2,651	Acquisition	100%	Domestic	
<b>Total SE</b>	Adani Green Energy Ltd	Energy and natural resources	2,476	Minority Stake	20%	Inbound	This deal is Total's biggest investment yet in renewables.
<b>Talace Pvt Ltd</b>	Air India Limited	Aviation	2,432	Acquisition	100%	Domestic	
<b>Sumitomo Mitsui Financial Group, Inc</b>	Fullerton India Credit Company Limited	Banking and financial services	2,000	Majority Stake	75%	Inbound	The transaction marks the largest M&A of a private company in the Indian financial services space in the last two years and the largest ever inbound control acquisition by a Japanese enterprise entering the Indian market.
<b>Wipro Ltd</b>	Capco	IT & ITeS	1,450	Acquisition	100%	Outbound	
<b>Tata Digital Private Limited</b>	Supermarket Grocery Supplies Private Ltd- Innovative Retail Concepts Pvt Ltd - BigBasket.com	E-commerce	1,257	Controlling Stake	64%	Domestic	
<b>Think &amp; Learn Pvt Ltd- Byju's</b>	Aakash Educational Services Ltd	Education	1,000	Acquisition	100%	Domestic	This deal is one of the largest edtech acquisitions in the world.



# Top PE deals constituted 26% of PE values

Investor	Investee	Sector	% stake	USD million
GIC, the Canada Pension Plan Investment Board, SoftBank Vision Fund 2, Walmart, Qatar Investment Authority, Khazanah Nasional Berhad, DisruptAD, Tencent, Franklin Templeton, Willoughby Capital, Antara Capital, and Tiger Global	Flipkart Online Services Pvt Ltd	E-commerce	N.A.	3,600
Three Blackstone affiliate funds	Mphasis Ltd	IT & ITeS	55.3%	2,085
Baring Private Equity Asia	Hinduja Global Solutions (HGS) Ltd- Healthcare business	IT & ITES	100.0%	1,200
TPG Rise Climate and ADQ	Tata Motors Evolve To Electric Company	Start-up	N.A.	1,014
Partners Group	Atria Convergence Technologies Ltd	Telecom	75.0%	900
Falcon Edge, DST Global, D1 Capital, Redbird Capital, Tiger Global, TPG and Footpath Ventures	Dream Sports Inc- Dream11 Fantasy Private Limited	Media and entertainment	N.A.	840
Falcon Edge Capital, Amansa Capital, Think Investments, Carmignac, Goldman Sachs, Prosus Ventures and Accel Partners	Bundl Technologies Pvt Ltd- Swiggy.com	E-commerce	N.A.	800
Blackstone Real Estate	Embassy Industrial Parks Pvt. Ltd	Transport and logistics	N.A.	709
Accel Partners, SoftBank Vision Fund 2, The Chan Zuckerberg Initiative, Leeds Illuminate, The Canada Pension Plan Investment Board and Prosus	Eruditus Executive Education Pvt. Ltd	Education	N.A.	650
KKR & Co.	Vini Cosmetics Pvt Ltd	Retail and consumer	N.A.	625

→ This is the second largest funding raised by Flipkart, after the USD 16 billion majority stake acquisition by Walmart in 2018.

→ This is the first major fundraising by an Indian carmaker to push clean mobility.

→ It is one of the largest deal in the Indian logistics and warehousing segment.

→ Quadrupling its valuation to USD 3.2 billion, Eruditus turned into a unicorn. This will also make it the third edtech unicorn from Sequoia's India portfolio, after Byjus and Unacademy, which also raised funding recently. The recent fundraise makes Eruditus the fourth edtech firm to enter India's unicorn league.

## Deal of the year: M&A

Piramal Capital and Housing Finance Ltd received NCLT's approval to acquire Dewan Housing Finance Corp. Ltd (DHFL) for USD 5.1 billion

### Sector: Banking and financial services

#### Acquirer

**Piramal Capital & Housing Finance (PCHF)**, wholly-owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is registered as a housing finance company with National Housing Bank (NHB) and engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors.

#### Target

**Dewan Housing Finance Corporation Limited** is a leading housing finance company. It has been providing easy access to affordable housing finance to realise home-ownership aspirations of millions of lower and middle-income families in semi-urban and rural India.

- The Mumbai bench of the National Company Law Tribunal (NCLT) approved a resolution plan submitted by Piramal Group, adding some conditions. Piramal Group's resolution plan, which offered INR 37,250 crore for DHFL, was approved by the committee of creditors in January with a majority.
- Piramal Group's total offer of INR 37,250 crore includes an upfront cash payment of INR 12,700 crore to the creditors. Piramal Group has also offered INR 3,000 crore of cash to lenders from the interest earned on the existing cash on DHFL's books, another INR 1,000 crore for the insurance stake and INR 1,000 additional cash for interest income after NCLT approval. This takes the total cash for the creditors at INR 17,700 crore. The remaining INR 19,550 crore is in the form of instruments payable over 10 years.
- According to sources, the Piramal Capital and Housing Finance Ltd. (PCHFL) is going to be merged into DHFL as part of the resolution plan although the Board is yet to take a call on whether the DHFL brand will be retained or not.

## Deal of the year: PE

Walmart's Indian e-commerce store Flipkart raises USD 3.6 billion in fresh funds

### Sector: E-commerce

#### Investor

The consortium of investors includes **GIC, the Canada Pension Plan Investment Board, SoftBank Vision Fund 2, Walmart, Qatar Investment Authority, Khazanah Nasional Berhad, DisruptAD, Tencent, Franklin Templeton, Willoughby Capital, Antara Capital, and Tiger Global.**

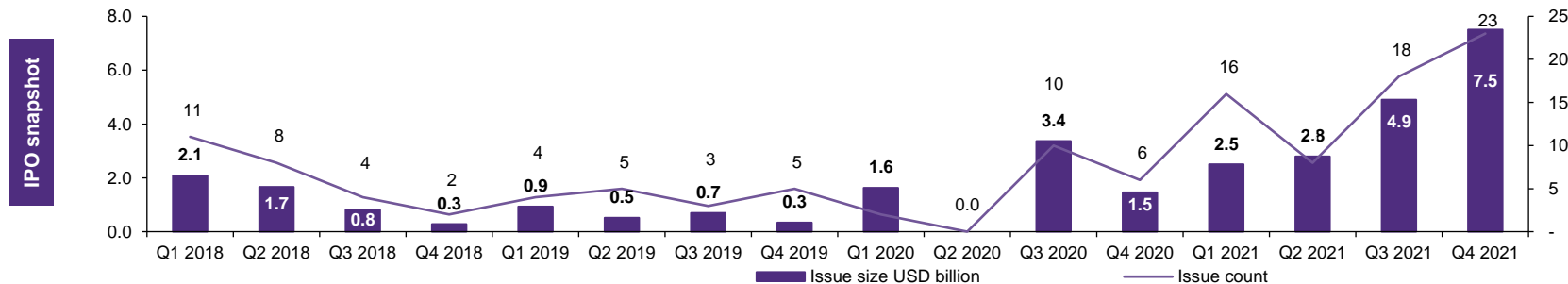
#### Investee

**Flipkart Online Services Pvt. Ltd.** is India's leading e-commerce marketplace with over 80 million products across 80+ categories. It possesses the technology that enables eight million shipments/month, 10 million daily page visits, 350 million registered users, 300 thousand sellers and 21 state-of-the-art warehouses.

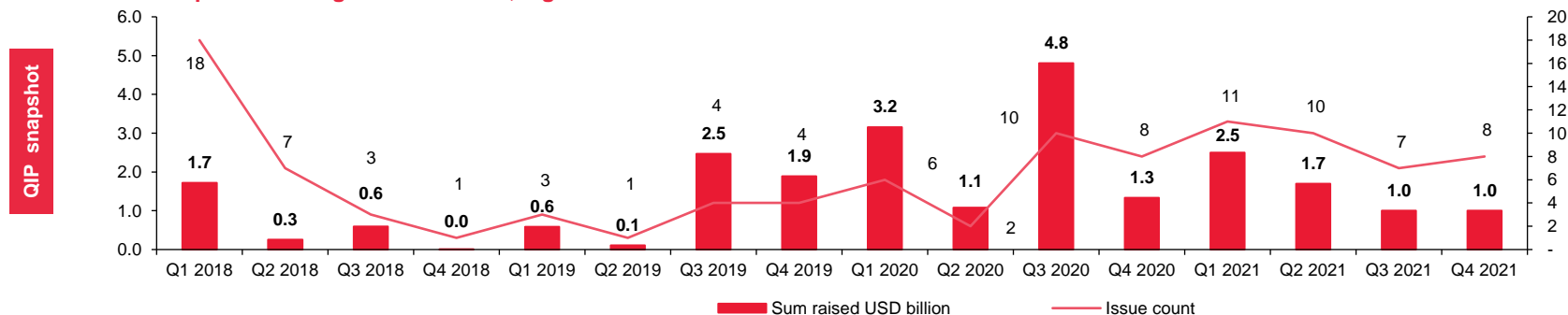
- India's e-commerce giant Flipkart raised USD 3.6 billion in fresh funds from global investors, including sovereign funds, private equity and from its parent company, Walmart.
- The new round of funding was led by Singapore sovereign wealth fund GIC, the Canada Pension Plan Investment Board, SoftBank Vision Fund 2 and Walmart. It also included investments from sovereign funds like Qatar Investment Authority, Malaysia's Khazanah Nasional Berhad and DisruptAD, the venture arm of the Abu Dhabi sovereign fund, ADQ. Other backers included China's Tencent, Franklin Templeton and Tiger Global.
- The Company will be valued at over USD 37.6 billion post-money, up from USD 24.9 billion last year when it raised USD 1.2 billion in an internal round led by Walmart.
- The latest round also marks the return of SoftBank to its cap table since the Japanese investor's exit three years ago. Masayoshi Son-led SoftBank invested USD 2.5 billion in Flipkart in 2017, selling its stake to Walmart a year later for USD 4 billion.

# High IPO and QIP volumes

2021 saw USD 17.7 billion from 65 IPOs, record volumes and values till date



2021 saw 36 companies raising USD 6.2 billion, highest volumes since 2017



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