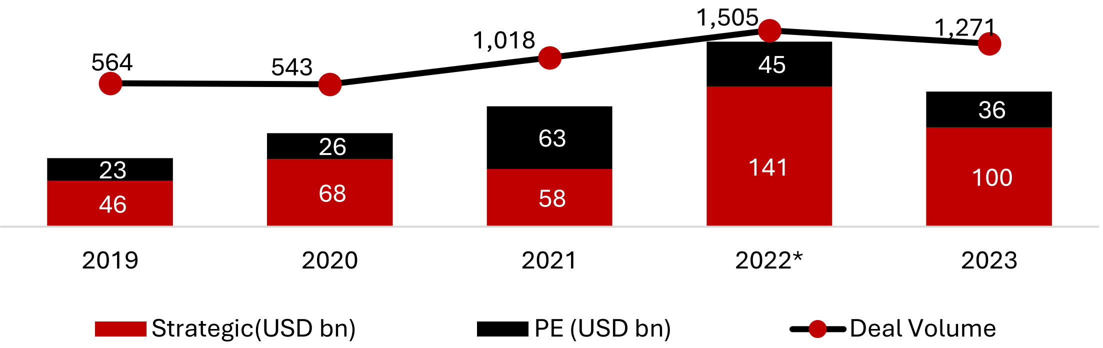
Indian Mergers and Acquisitions(M&A) Landscape

India’s M&A Landscape

India’s M&A landscape is shaped by rising inbound interest, concentrated in tech-driven sectors and led by strategic investments from global powerhouses

Annual M&A Deal Value and Volume: Strategic vs PE Investors



Source: Deloitte M&A Report – 2024

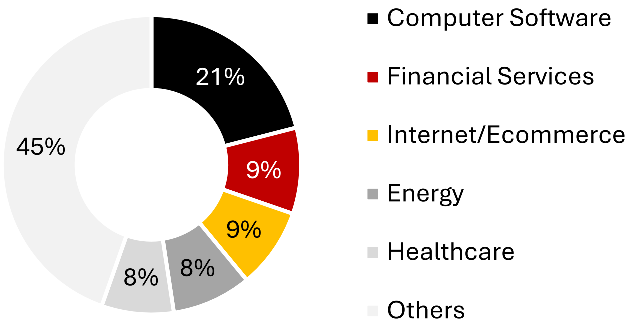
India's M&A slowdown is more measured than it appears
While total deal value dropped by 27%, activity excluding large deals stayed steady—showing investors still have interest despite broader economic challenges

Rising Rates Slow Deals, But Renewables Shine Through
Though borrowing costs have risen globally, India’s renewable energy sector has continued to attract strong investment, showing that investors still have confidence in its long-term potential

Mid-market deals are becoming the sweet spot
Amid global uncertainty, buyers are focusing on mid-sized deals between USD 100 million and USD 1 billion, which now make up 35% of all deals. These allow more control and synergy while keeping risks lower

Financial services stand out as a mid-market growth engine
A 192% jump in financial services deals shows growing interest in insurance and brokerage, boosted by India’s move toward a more formal economy and a rising middle class

Industry-Wise Share and Trends of M&A Activity in India



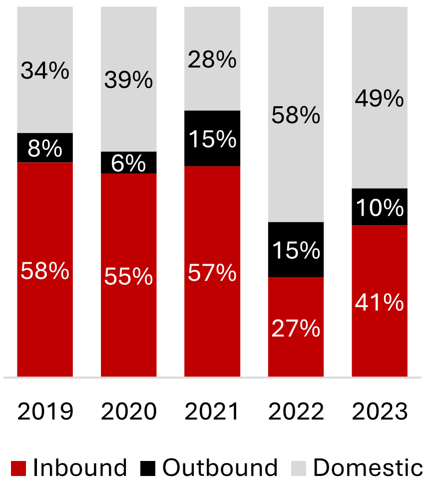
Source: Aventis Advisors M&A Report – 2024

Tech leads M&A as digital transformation drives investor interest

Fintech and e-commerce see strong deal flow, reflecting India’s digital consumer boom

Energy and healthcare attract long-term bets on sustainability and innovation

Share of inbound M&A picked up in 2023 although it declined in 2022



Germany **United states** **Netherlands**

These countries have emerged as key drivers of strategic inbound investment, collectively **contributing 65% of the deal value**

Financial Services **Technology, Media & Telecom** **Manufacturing**

These sectors emerged as the primary focus areas for inbound M&A activity

Source: Deloitte M&A Report – 2024

*Extraordinary total deal value of US$65 billion HDFC Consolidation and US$20 billion Jio demerger have been omitted to prevent skewing of data

India’s Current M&A Landscape: Similarities with Global Precedents

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India’s current M&A wave is not happening in isolation — it reflects historical patterns observed in other fast-growing economies. Just as Japan, Korea, and the US experienced rapid consolidation during their economic ascents in the 1980s and 1990s, India today mirrors several of these key inflection points.

Theme	India Today	Global Parallel
Economic liberalization aftermath	Ongoing economic reforms, PLI schemes, trade liberalization, digital economy growth	US post-Reagan era (1980s) & Japan post-1985 Plaza Accord
Rise of domestic champions	Large Indian conglomerates (Adani, Reliance, Tata, JSW) acquiring mid-size firms and startups	Chaebol consolidation in South Korea (1990s)
Family-run to institutional ownership shift	Succession issues, generational exits, promoter stake dilution	Germany’s Mittelstand M&A boom in 1990s-2000s
Private Equity dominance in deals	PE/VC are driving buyouts in pharma, tech, consumer goods	US PE boom (1980s leveraged buyouts, 2000s tech rollups)
Sectoral consolidation	Fintech, pharma, telecom, EV supply chain seeing rapid M&A	US telecom/media consolidation (1990s-2000s)
Cross-border outward M&A	Indian companies acquiring abroad (e.g., Tata, HCL, Serum Institute)	Japanese outbound M&A wave (1980s), China 2010s
Valuation arbitrage	Many mid-sized firms are undervalued vs global peers; attracting foreign buyers	Latin America (early 2000s) – strategic M&A driven by valuation gap
Startup consolidation	Large startups (Ola, Swiggy, Zomato) acquiring smaller players to scale quickly	Silicon Valley (early 2000s) – post-dot-com tech roll-up wave
Regulatory push and market opening	Policy reforms (FDI reform, bankruptcy code, green energy mandates) are accelerating deal activity	Eastern Europe (2000s) – M&A boom post-EU accession

What’s Driving M&A in India: Strategic and Structural Catalysts

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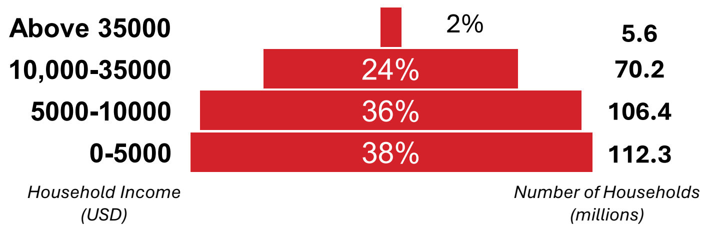
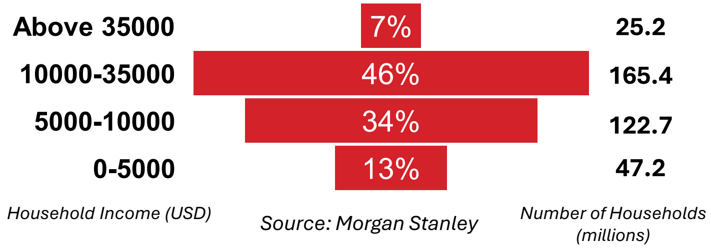
India’s shift toward market-driven M&A, succession gaps, and consolidation is opening strategic entry points for long-term acquirers

Strategic Drivers of M&A in India

2021 Households by Income Distribution



2031 Households by Income Distribution



Source: Morgan Stanley

Foreign acquirers are primarily motivated by India’s large and growing consumer market, rising middle class, and domestic demand across financial services, tech, and consumer sectors

Resource-seeking deals (e.g., low-cost manufacturing, skilled IT talent) still happen, but are secondary to market access

Nearly 85% of Indian companies acknowledge the need for succession planning, yet only 18% have a formal plan in place, highlighting a significant execution gap.

India is experiencing a visible shift toward industry consolidation, moving away from its historically fragmented, small-scale business landscape

Consolidation is occurring both by design—through regulatory support for mergers (e.g., banks, multiplexes, cable TV)—and by default, as weaker players exit in sectors like telecom, aviation, and jewelry retail due to financial pressure or regulatory reforms.

Structural Enablers Fueling M&A Momentum

India’s tech, talent, and cost advantage remains a strong pull

- India’s expanding IT ecosystem and digital push under initiatives like “Digital India” have made it a hotspot for tech-led M&A
- In 2023, technology-driven deals surged by 40%, fueled by demand for digital transformation, innovation, and strategic tech entry
- Digital transformation is a key catalyst for M&A in India, as acquirers seek to modernize capabilities and accelerate innovation. The country’s deep pool of skilled, cost-efficient talent continues to attract deals in IT, engineering, and pharma R&D.

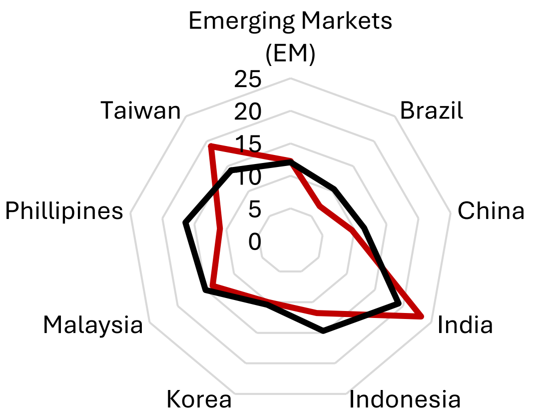
Policy Reforms and Green Momentum Are Redefining India’s M&A Landscape

- Expanded Production-Linked Incentive (PLI) allocations for solar, batteries, wind turbines, and electrolysis boost domestic capacity and reduce reliance on imports—making Indian targets more globally competitive.
- Proposed amendments to the Atomic Energy Act signal India’s willingness to open traditionally closed sectors—like nuclear power—to structured private participation
- Public banks like SBI pledging massive green credit lines (USD 33 billion) signal improved financing support and lower perceived risk for inbound acquirers
- Government-backed scale-up of hydrogen and offshore wind introduces new verticals for international energy investors exploring strategic acquisitions.

Valuation Landscape

India continues to command a valuation premium, positioning India as a standout market

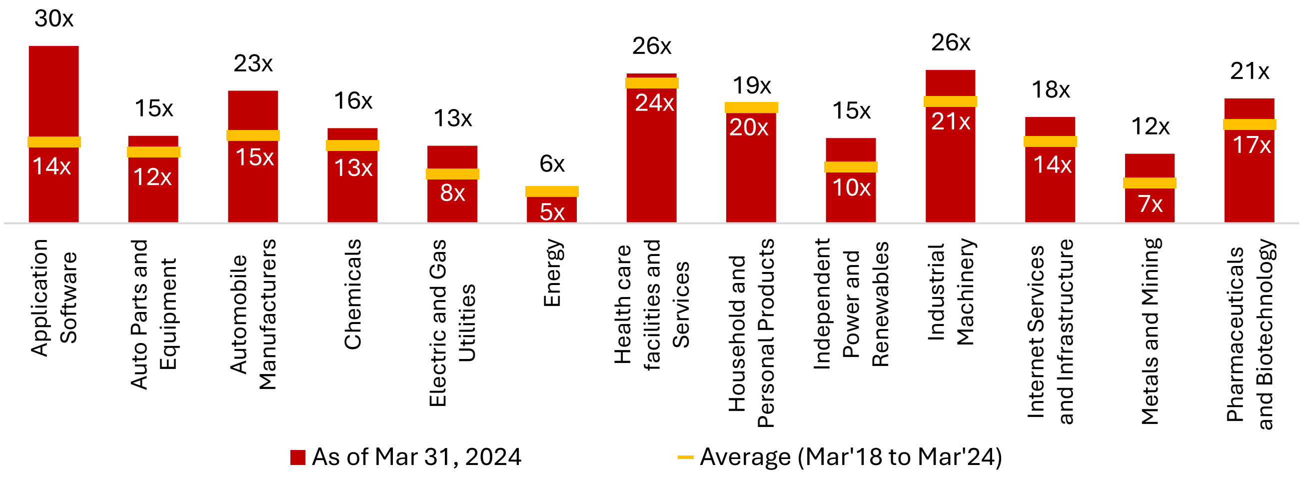
Valuation Comparison Across Emerging Markets (Forward PE)



India's valuation premium reflects strong investor confidence in its growth trajectory and strategic relevance among emerging markets

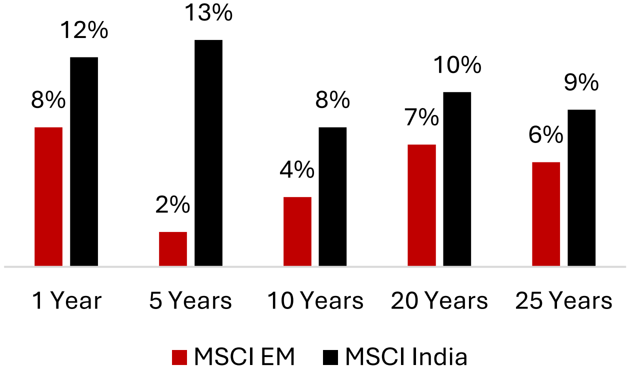
Source: Zerodha Report – 2024

Median EV/EBITDA* Multiples by Sector



Source: Kroll Report – 2024

Projected Long-Term Returns: India vs Emerging Markets



MSCI forecasted growth reflects expected earnings expansion; India's higher projections signal stronger corporate and economic momentum

Source: Morgan Stanley report – Data as of December 31, 2024

Sector Composition Advantage
Over 65% of India's market is in consumption driven high-ROE, asset-light sectors like Financials, IT, Consumer, and Healthcare — with limited exposure to cyclical sectors like Energy and Materials

Demand-Led Growth Strategy
Infrastructure and real estate often follow population-driven demand, leading to higher capacity utilization and lower leverage needs

Underpenetrated Consumer Markets
Low per capita metrics in credit, car sales, internet users, and air travel signal long runway for growth

Rising Role in Global Supply Chains
India is benefiting from the China+1 strategy, offering low manufacturing costs and strong government support through Make in India. Its skilled workforce and export momentum make it a rising global supply chain hub

**EV/EBITDA – Enterprise value / Earnings before interest, tax, depreciation and amortization*

Common Valuation Models Used in India

DCF, EBITDA Multiple, and CCA are the most commonly used, valued for their flexibility, industry relevance, and alignment with regulatory and investor needs

Most commonly used approach

Discounted Cash Flow (DCF)

- Widely used for high-growth or cash-generating companies.
- Preferred for strategic inbound investments.
- Allows adjustment for promoter expenses, family withdrawals, etc.
- Required in regulatory filings

EBITDA Multiple (Relative Valuation)

- Popular for valuing mature, profitable businesses.
- Benchmark against industry comparables or peer transactions.
- Often used by private equity funds in mid-market deals

Comparable Company Analysis (CCA)

- Used for benchmarking against listed Indian or global peers.
- Quick, market-based snapshot—often combined with other models

Precedent Transaction Analysis

- Valuation based on recent M&A deals in the same sector.
- Helps assess premium or strategic interest in similar Indian targets

Sum-of-the-Parts (SOTP)

- Used for diversified groups or conglomerates.
- Values each business unit separately (e.g., Tata, Aditya Birla Group)

Asset-Based Valuation

- Suitable for real estate-heavy or capital-intensive sectors (e.g., hotels, logistics).
- Common in insolvency/bankruptcy or stressed asset deals

Replacement Cost Method

- Used in regulated sectors (power, telecom, insurance).
- Sometimes required by Indian regulators for fairness or tariff-setting

Revenue Multiple

- Used for early-stage tech/startups with low or negative EBITDA.
- Common in VC/PE transactions, especially in SaaS, edtech, fintech

LBO (Leveraged Buyout) Model

- Rare but used by global PE firms acquiring Indian assets.
- Focuses on internal rate of return (IRR) and debt service capacity

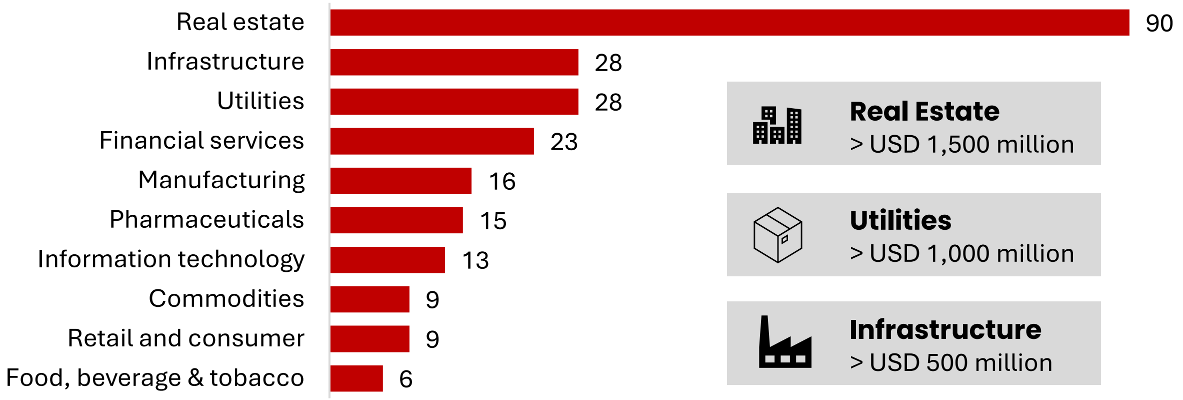
Evolving Acquisition Financing Landscape in India

India's acquisition financing landscape is evolving rapidly, with alternative lenders, regulatory reforms, and cross-border structures reshaping how deals are funded and executed

Domestic Acquisitions – Evolving Local Funding Landscape

- With NBFCs shifting to retail lending, AIFs have emerged as key lenders for acquisition financing, especially in flexible and structured deals.
- Domestic and global private credit funds are playing a bigger role, supporting both distressed and standard acquisition scenarios.
- RBI norms restrict banks from financing equity buys, but they actively fund acquisitions through bankruptcy processes like CIRP
- Funds in GIFT City enjoy tax perks and flexibility, making it an emerging hub for acquisition financing by FPIs and family offices

Top 10 sectors by credit deals volume in India



Real Estate
> USD 1,500 million

Utilities
> USD 1,000 million

Infrastructure
> USD 500 million

Source: PWC Report – 2024

Inbound Acquisitions – Foreign Capital, Local Constraints

- Most inbound acquisitions are funded by foreign banks and institutions, often through syndicated loans. Pension funds and global credit funds are also becoming active lenders in India-bound M&A
- Foreign acquirers typically use listed Non-Convertible Debentures (NCDs) or External Commercial Borrowings (ECBs) to fund their deals. These instruments provide limited but workable options for compliant deal structuring.
- Indian targets can't offer guarantees or collateral, creating challenges for structuring inbound acquisition finance

Emerging Trends in Cross-Border M&A

Cash + Share Deals
A structure where public shareholders receive cash, while promoters or large shareholders accept shares in the acquiring company.

Mergers of Equals
Indian and foreign companies combine through mutual share exchange, forming a joint entity without a dominant acquirer.

Reverse Flips
Indian subsidiaries of global firms acquire foreign assets or operations, flipping the traditional direction of cross-border deals.

Equity-as-Currency Acquisitions
Indian companies use their own listed or private equity as consideration to acquire foreign businesses, avoiding large cash outflows or external borrowing.

Cross-Border M&A Activity Across Target Types in India

Global acquirers are targeting diverse Indian companies across ownership types and stages, reflecting broad-based M&A interest.

Promoter-led Firms	PE owned Platforms	Startups	Listed Companies	Distressed Assets via IBC
Acquirer: Singapore	**Acquirer:** Sweden	**Acquirer:** United States	**Acquirer:** South Korea	**Acquirer:** UK and UAE
sembcorp	EQT	NETGEAR	MIRAE ASSET	Murari Lal Jalan, KALROCK
Target: Leap Green Energy (We Partner Your Tomorrow)	**Target:** INDOSTAR HOME FINANCE	**Target:** EXIUM	**Target:** Sharekhan	**Target:** JET AIRWAYS
Deal size: USD 52 million	**Deal size:** USD 210 million	**Deal size:** NA	**Deal size:** USD 360 million	**Deal size:** USD 135 million
Ownership of Target: Narain Karthikeyan	**Ownership of Target:** Brookfield	**Ownership of Target:** Farooq Khan	**Ownership of Target:** Listed company	**Ownership of Target:** Naresh Goyal, الإتحاد ETIHAD, pnb
Rationale: This acquisition enhances Sembcorp's renewable energy portfolio in India, contributing to its goal of achieving 25 GW of gross installed renewables capacity by 2028	**Rationale:** EQT AB acquired IndoStar Home Finance to expand its presence in India's affordable housing finance market and drive digital transformation.	**Rationale:** To enhance Netgear's cybersecurity offerings for managed service providers (MSPs) and their customers by integrating Exium's advanced security solutions into its networking portfolio.	**Rationale:** The acquisition strengthens Mirae Asset's presence in India's fast-growing retail investment market by leveraging Sharekhan's established brand, customer base, and distribution network	**Rationale:** The consortium aimed to revive the grounded airline, leveraging its brand value and operational slots, marking a significant foreign investment in India's aviation sector through the IBC process.

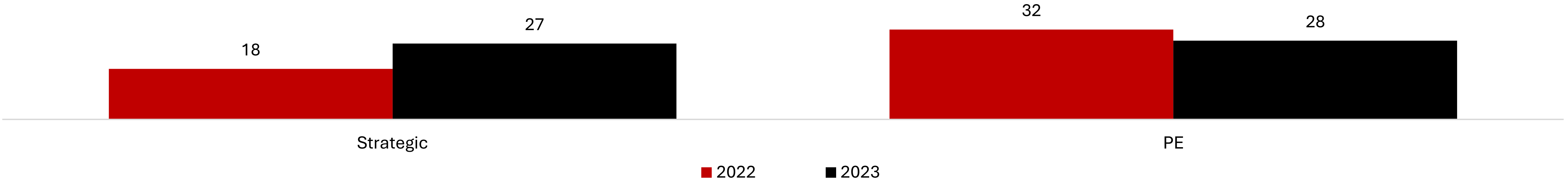
Source: T&A Analysis, Company Press releases

Entry Pathways: Key Types of Indian Targets for Global Acquirers

India offers a diverse range of acquisition targets—from family-run mid-market firms to tech scale-ups and distressed assets—each presenting unique strategic entry opportunities

Promoter-led Firms	PE owned Platforms	Startups	Listed Companies	Distressed Assets via IBC
What it is				
Privately held, often family-owned mid-sized businesses across manufacturing, services, and traditional sectors.	Scaled businesses backed by private equity, often positioned for expansion or consolidation through acquisitions.	Fast-growing companies in tech, digital health, fintech, and SaaS, often VC- or angel-funded.	Publicly traded companies on Indian stock exchanges, accessible via open offers or strategic stake purchases.	Companies under insolvency resolution, available for acquisition through formal IBC processes.
Why It's Attractive to International Buyers				
Offer established operations, **local market knowledge, and opportunities for modernization** or succession-driven exits.	**Professionally managed**, with clean governance and readiness for strategic exits or partnerships.	Provide **innovation, agility, and IP-rich** business models aligned with future growth trends.	**Transparent financials, scalable platforms**, and regulatory familiarity make them attractive for both control and minority deals.	Allow **discounted entry into core sectors** with cleared liabilities and legal certainty.

Inbound M&A Deals, Strategic vs PE (USD billions)



Source: India Briefing – 2024

Navigating Cultural Nuances for M&A Success

Cultural alignment is critical to M&A success in India—understanding local work styles, decision-making norms, and regional differences can make or break integration outcomes

Cultural and Strategic Nuances in M&A in India

Cultural Misalignment Is a Leading Cause of Deal Failure
Nearly 30% of failed M&A integrations globally are due to cultural issues—particularly relevant in India where hierarchy, consensus-driven decision-making, and collectivist values contrast with Western business norms

High Power Distance and Collectivism Shape Workplace Dynamics
Indian employees often defer to authority and prioritize group harmony. Foreign acquirers must adapt management styles to avoid friction, especially in promoter-led firms or traditional sectors

Cultural Due Diligence Is Critical
As important as financial and legal checks, CDD helps assess compatibility in leadership, communication, and decision-making. Success stories (e.g., Tata–JLR, Google, Microsoft) show that assigning local cultural "owners" and setting integration goals improves alignment

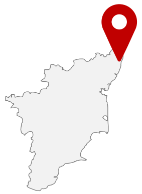
Regional Work Culture Varies Widely
M&A strategy must account for regional business norms:

Mumbai

Fast-paced, finance-driven, and highly competitive—ideal for global services and capital markets, but may require a more assertive integration strategy

Bengaluru

Innovation-focused, youthful, and tech-oriented—suited for flexible, entrepreneurial M&A approaches in IT and outsourcing



Chennai

Industrial and process-driven culture—strong in manufacturing and BPO, requiring structured, efficiency-focused integration

Walmart-Flipkart Acquisition (2018)

Walmart Save money. Live better. | Flipkart

Walmart's entry into India's e-commerce space brought together two very different work cultures. Walmart's global, hierarchical, and process-driven model initially clashed with Flipkart's fast-paced, entrepreneurial environment.

Why it succeeded

The success of the deal hinged on Walmart's ability to respect local business culture—by allowing Flipkart operational autonomy and retaining its innovation-driven ethos, Walmart smoothly integrated without stifling growth

Vodafone-Idea Merger (2018)

vodafone | !dea

This merger aimed to create a telecom giant amid fierce market competition. Vodafone introduced a globally structured and compliance-heavy approach, while Idea focused on local market knowledge and customer responsiveness.

Why it succeeded

The deal succeeded because the merged entity balanced global structure with local execution, using cultural alignment to streamline operations and improve service quality.

Navigating Cultural Nuances for M&A Success

Complexities in Dealing with Family-Run Businesses

What Makes Family-Owned Acquisitions in India Unpredictable?

- Promoters often treat the business as an extension of the family, making decision-making highly personal and resistant to external influence
- Use of personal loans or family-backed financing can distort the true capital structure
- Personal expenditures may be routed through the business, creating challenges during due diligence
- Director-level expenses and related-party transactions often lack formal records, complicating valuation
- Leadership transitions are frequently unplanned and driven by family hierarchy, rather than merit or business continuity
- Many businesses lack formal boards or defined leadership roles, concentrating control with 1–2 individuals

Common Challenges

- ☒ **Blurring of personal and business finances** (e.g., real estate, vehicles, or travel expenses classified as business costs)
- ☒ **Family-financed debt or support** that is undocumented or not reflected in official accounts
- ☒ **Lack of formal governance** (e.g., board independence, internal controls, or reporting standards)
- ☒ **Unclear succession planning** or leadership transition paths
- ☒ **Emotional decision-making** overriding commercially sound options
- ☒ **Resistance to external due diligence** or hesitation to disclose complete financials
- ☒ **Employee roles based on family ties** rather than competencies

Key Legal and Regulatory Enablers for M&A in India

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India offers clear legal and FDI frameworks for M&A, but regulatory compliance is essential for seamless execution.

Key Laws Governing M&A

Companies Act, 2013

This law governs internal corporate approvals and post-deal compliance. It also impacts deal structuring through rules on related-party transactions, minority protections, and disclosures — especially in promoter-led firms where governance may be informal.

Foreign Exchange Management Act

FEMA regulates how foreign investors can bring in capital, structure acquisitions, and repatriate returns. It sets pricing guidelines, approval needs, and timelines for cross-border deals. Non-compliance can delay closing, so structuring equity infusions, earnouts, or offshore holding entities must be carefully aligned with FEMA rules.

Competition Act

This act requires CCI approval if the buyer and target exceed certain asset or turnover thresholds. Even minority acquisitions may need approval if they grant strategic control. For global buyers active in India, early competition risk checks are crucial to avoid delays or remedy conditions during the approval process.

FDI Entry Routes

Sector	FDI Limit	Entry Route
Banking- Private	**74%**	49%- Automatic. Above 49-74%- Government route
Financial services' activities regulated by RBI, SEBI, IRDAI, other regulator	**100%**	Automatic
Single brand retail trading	**100%**	Automatic
Renewable energy	**100%**	Automatic
Auto components & EV	**100%**	Automatic
Electricals machinery and system	**100%**	Automatic
Defence manufacturing	**100%**	Automatic upto 49%. Above 49% under Government route.
Machinery and Industrial Equipment	**100%**	Automatic
Food processing	**100%**	Automatic

Source: Set in India Biz – 2023

Role of SEBI in Listed Company Deals

Open Offer Requirement
Foreign acquirers must make a public open offer if acquiring ≥25% stake or control in a listed Indian company.

Pricing & Timelines
SEBI regulates how the offer price is calculated and enforces strict timelines for completing the process.

Creeping Acquisition Limit
Acquirers can increase stake by up to 5% annually without triggering an open offer, useful for phased entry strategies.

Mandatory Disclosures
All acquisition-related filings must be made on SEBI's online portal (SI Portal) with prescribed formats and timelines.

Coordination with RBI
Deals in sectors like NBFCs or banking may also need RBI approval alongside SEBI compliance, adding time and complexity.

Tax, Treaty Benefits, and Deal Timelines

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Cross-border M&A in India is shaped by a defined process, supportive tax treaties, and evolving regulatory clarity—making it increasingly navigable for global investors

Tax Considerations for M&A

Capital Gains Tax (for Foreign Investors)
Foreign investors are taxed in India on capital gains from share transfers. Long-term gains on listed shares are taxed at 12.5%, unless reduced by a tax treaty. Gains from AIF investments are taxed directly in the investor's hands.

Indirect Transfer Rules
India taxes offshore deals if over 50% of the foreign target's value comes from Indian assets. Buyers may need to withhold tax and report the transaction unless covered by a tax treaty.

Withholding Tax Obligations
Foreign buyers must withhold tax on payments to non-resident sellers, typically at 12.5% for long-term gains. TDS/TCS is not required for deals between non-resident buyers and resident sellers.

Benefits of a Tax Treaty – India's Double Taxation Avoidance Agreement with Japan and US

Lower Withholding Tax Rates
Dividends, interest, and royalties are taxed at treaty-capped rates (typically 10–15%), reducing transaction costs for U.S. and Japanese investors in cross-border M&A.

Protection from Double Taxation
Both treaties allow companies to claim tax credits in their home country for taxes paid in India—ensuring no double tax burden on capital gains or income.

Tax Certainty and Dispute Resolution
India's treaties with the U.S. and Japan include Mutual Agreement Procedures (MAP) that help resolve tax disputes and provide clarity for complex deal structures.

Favorable Treatment for Strategic Institutions (Japan-specific)
Interest income earned by Japanese entities like JBIC and JICA is exempt under the India–Japan treaty, encouraging public-private investments in infrastructure.

M&A Deal Process

Target Identification
Buyer shortlists potential Indian companies based on strategic fit

→ **Initial Engagement**
NDA signed, exploratory discussions held, and intent to acquire expressed

→ **Preliminary Assessment**
High-level due diligence, valuation range, and internal alignment

→ **Term Sheet & Deal Structuring**
Commercial terms agreed; deal structure decided (share/asset/joint venture)

→ **Detailed Due Diligence**
In-depth legal, financial, tax, operational review of the target

→ **Regulatory & Internal Approvals**
Clearances obtained (e.g., FDI route, CCI), and board/shareholder approvals initiated

→ **Signing of Definitive Agreements**
Legally binding documents executed

→ **Conditions Fulfilment & Closing**
Key conditions met, funds transferred, ownership transferred

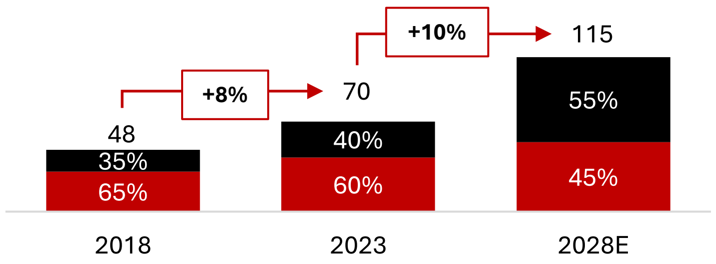
→ **Post-Deal Integration**
Cultural, operational, and strategic integration begins

Sector-specific opportunities

Food Services

Valued at ~USD 80 billion, growing at a CAGR of ~10%, the Indian food service industry is being driven by the organized sector

Indian food services market by value



Source: Swiggy DRHP, Redseer Report, February 2024

Increasing spending on convenience
Increased allocation of money to leisure and convenience, more consumption of non-home cooked food

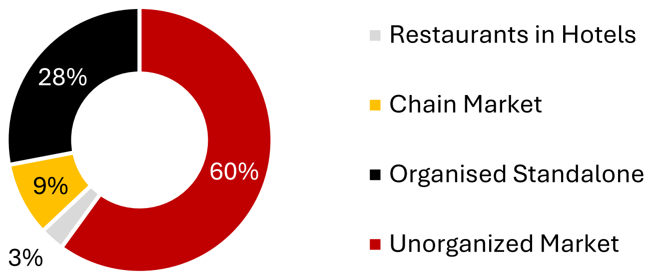
Consumer preference
~50% of metro and tier-1 consumers in India are dining out more frequently in 2024 compared to 2019.On average, individuals eat out approximately 4.5 times a month, spending USD 23–46 monthly
Source: Redseer report on Cloud Kitchen Scaling up in India's Food Sector

Brand creation
Need for variety has driven brand creation across cuisines
2000-2010: 400 organized companies
2010 to present: 1,100+ organized companies
Source: Redseer report on Cloud Kitchen Scaling up in India's Food Sector

Multi-brand model-diversified portfolio
Rising online adoption is fueling delivery-only brands and niche menus, driving stronger digital traction.Multi-brand platforms are scaling 2–3x faster than single-brand players

Fragmented Market Ready for Consolidation

Food Services Market Segmentation



Source: Swiggy DRHP, Dolat Capital report

Segment-wise growth in Indian food service industry

CAGR	FY 10-15	FY 15-20	FY 20-25 E
Unorganized retail	7%	5%	3%
Organized standalone	13%	13%	13%
Chains	21%	18%	20%
Restaurant-in-hotel	10%	8%	5%
Total food services market	9%	8%	8%

The QSR and chain restaurant market was ~USD 2 billion in FY20 (4% share) and is projected to grow 2.8x to ~ USD 6 billion (9%) by FY25. International brands make up ~50% of outlets, with most holding companies publicly listed.

M&A activity accelerating in India

nsr new silk route GROWTH CAPITAL — Moshe's

CHRYSCAPITAL — theobroma

TEMASEK — Haldiram's

Growth of cloud kitchens is fueled by PE/VC money

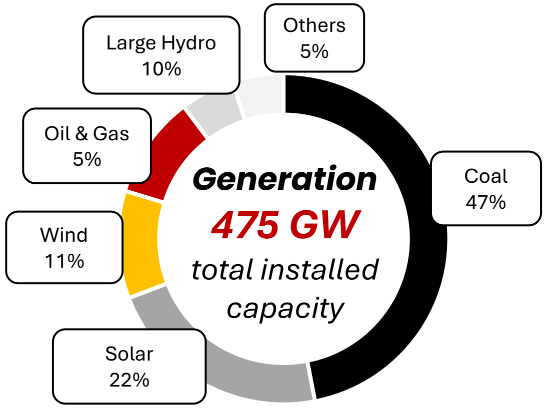
Company	Brands	Amount raised CY14-23 (USD million)
Rebel Foods	Fasos, Behrouz Biriyani, Ovenstory pizza	485
Eatclub Brands	Box8, NH1 Bowls, Mojo Pizza	58
Sky Gate Hospitality	Biryani By Kilo	35
Foodvista India	Fresh Menu	28

Source: Tracxn

India's clean energy sector is entering a new phase of maturity, with international investors actively acquiring operational assets across solar, wind, and hydro

Renewables Anchor India's Growing Energy Portfolio

Share of Electricity Installed Capacity by Source



Source: Central Electricity Authority (CEA), National Power Portal – 2025

Renewables make up over 43% of India's installed power capacity, highlighting the country's rapid shift toward clean energy and global climate leadership

India's Renewable Energy Project Pipeline

Category	Plants in Pipeline	Pipeline Capacity
Solar	279	79 GW
Wind	122	27 GW
Large Hydro	42	24 GW

Source: Central Electricity Authority (CEA) – 2025

Strong Policy Push and Market Trends Powering India's Renewable Energy Boom

Meeting National Targets
Contribution towards the 500 GW non-fossil fuel target by 2030, with solar expected to be a major component

Manufacturing Powerhouse – "Make in India"
Significant government push to boost domestic manufacturing of high-efficiency solar PV modules through Production Linked Incentives (PLI)
- *The first phase (outlay ~USD 542 million) established manufacturing capacity.*
- *The second tranche aims to build 65 GW of capacity with ~USD 2 billion*

Strong policy push and state-level targets— including 100+ GW of planned capacity by 2030, viability gap funding for offshore wind, and repowering incentives — are unlocking large-scale investment opportunities

Strategic Push for Pumped Storage Projects
The Indian government plans to approve over 13 pumped storage projects totaling 22 GW by March 2026, with a long-term goal of developing 50 GW of capacity by 2032

Key M&A Transactions in Clean Energy

actis | STRIDE CLIMATE INVESTMENTS

Actis' acquisition of Macquarie's 371 MW solar portfolio signals rising global interest in mature, income-generating clean energy assets in India. The deal reflects a broader trend of global investors shifting from greenfield development to operational portfolios for faster returns and lower execution risk

TPG | SIEMENS energy

Siemens Energy sold 90% of its wind turbine business in India and Sri Lanka to an investor group led by TPG's climate investment arm, transferring around 1,000 employees and two manufacturing plants to the new entity

Blackstone | Statkraft

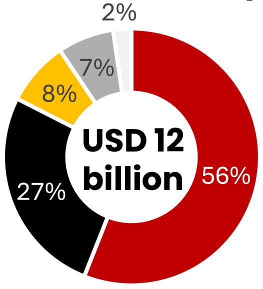
Blackstone submitted a non-binding offer of USD 1.5 billion to acquire the Indian arm of Statkraft, which includes a 2 GW renewable energy generation portfolio encompassing hydro assets

Medtech

T&A *we go beyond*

India's MedTech sector is rapidly evolving from a cost-focused manufacturing base to a strategic hub for innovation, partnerships, and global expansion

Indian Medtech Market Size and Composition



- Electronic equipment
- Disposables and consumables
- In-vitro diagnostics
- Implants
- Surgical instruments

Source: EY Medtech report – 2024

The Indian MedTech market is projected to quadruple to USD 50 billion by 2030

India as a Low-Cost, High-Skill R&D and Manufacturing Hub
India combines affordable manufacturing with skilled R&D talent—especially strong in diagnostics, surgical tools, and digital health

Rising Demand for Diagnostics, Wearables, and Surgical Tools
Diagnostics make up 27% of the MedTech market, with rising demand for wearables, surgical tools, and remote monitoring driven by post-COVID health awareness

Expanding HealthTech Startup Base
India hosts over 250 MedTech startups focusing on AI-based diagnostics, robotics, IoT, and home-care solutions. Many of these are incubated in academic institutions or accelerators, making India a hotbed for medical innovation

Growing Hospital Partnerships Open New Opportunities for Global MedTech Firms

Strategic collaborations between global MedTech leaders and Indian hospital chains are accelerating, offering a scalable route to serve India's expanding healthcare infrastructure

KIMS HOSPITALS™ GE Healthcare

This partnership aims to enhance KIMS's medical infrastructure across 12 existing and 4 upcoming hospitals, supporting its expansion in Southern and Western India

- Partnering with large hospital chains (e.g., KIMS, Apollo, Fortis) gives international firms immediate access to high-volume, multi-location networks
- Working directly with hospitals cuts through distribution layers and speeds up procurement cycles
- Long-term tie-ups allow firms to standardize their devices across hospital systems
- Global firms can deploy Device-as-a-Service or managed equipment service models, bundling equipment with training, analytics, and upgrades

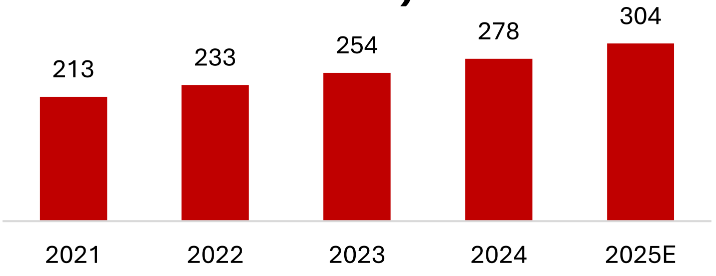
Key M&A Transaction in Medtech

Date	Company	Target	Stake acquired	Deal value (USD million)
2025	translumina (Merger)	everlife	NA	720
2024	KKR	Healthium	Majority Stake	839
2024	Warburg Pincus	Appasamy Associates	49%	270
2022	Warburg Pincus	Meril	11%	210
2022	Temasek	molbio	5%	85
2019	Everstone Capital	translumina	60%	90

Chemicals

ESG is becoming a central growth lever in India's chemical sector, driving both strategic investments and international M&A activity

Indian Chemical industry Market Size (USD billion)



Source: PWC report – 2024

- India is the sixth largest producer of chemicals in the world and third largest producer in Asia
- India's chemical industry is broadly segmented into three key categories: bulk chemicals, petrochemicals, and specialty chemicals
- India's chemical manufacturing is led by polymers (39%), followed by alkali chemicals (28%) and synthetic fibers (13%)
- Increasing demand from end user industries drives growth in India's specialty chemicals market
- India is the Fourth-largest producer of agrochemicals after the United States, Japan and China
- 58% of chemicals CEOs are prioritizing investments in sustainability in the upcoming year

ESG and contract manufacturing as a Growth Catalyst in India's Chemical Industry

- **ESG integration is now a competitive differentiator**, improving brand value, enabling regulatory compliance, and unlocking efficiencies
- **Rising pressure from stakeholders and global buyers is pushing companies to adopt cleaner** manufacturing, reduce emissions and waste, and build transparent supply chains
- **The industry's transformation is creating a platform for green innovation**, global partnerships, and long-term value creation, positioning India as a responsible global chemical manufacturing hub
- **Sustainability-linked investments are flowing into companies** demonstrating strong ESG practices—especially in specialty chemicals, where India is projected to reach USD 304 billion by 2025

Benefits of contract manufacturing in India

- **Cost-efficient production**
- **Government incentives and chemical clusters**
- **Faster scale-up and global supply chain integration**
- **Strong IP protection and regulatory alignment**
- **Skilled talent for chemical process innovation**

Key M&A Transaction in Chemicals

adani wilmar — **Omkar Chemical Industries Private Limited**

Adani Wilmar Ltd., a major Indian agribusiness firm and a joint venture with Singapore's Wilmar International, acquired a 67% stake in Omkar Chemical Industries for ~USD 7 million. The move marked Adani Wilmar's strategic diversification into the chemical manufacturing sector.

ZEOCHEM® — **SORBEAD INDIA™** — **Swambe Chemicals**

Germany-based International Chemical Investors Group (ICIG) acquired a majority stake in Vasant Chemicals, a leading Indian manufacturer of specialty chemicals and pharma intermediates. The target will be integrated into ICIG's WeylChem Group, reinforcing its fine chemicals platform

International Chemical Investors Group — **Vasant Chemicals**

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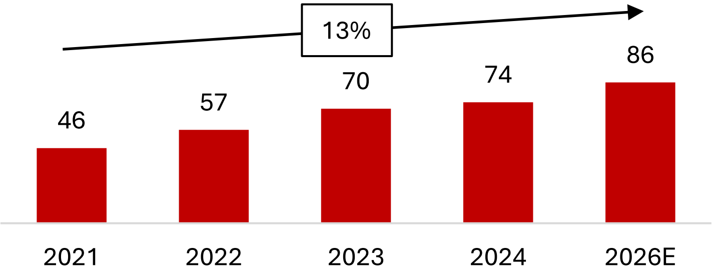
Auto Components

India's evolving EV and auto component landscape is attracting strategic global investors, with M&A momentum accelerating

Auto Component Manufacturing Industry Size In India (USD billion)



Source: Brickwork ratings report – 2024

Market Composition
India's auto component industry includes both organized and unorganized segments. The organized sector, with around 400 key players, commands approximately 80% of the market share.

Export Opportunities
The "China Plus One" strategy is prompting global firms to diversify supply chains, increasingly sourcing auto components from India and boosting its export potential

Policy Support through PLI
The Indian government backs the sector with 100% FDI, PLI schemes with USD 3.5 billion laid out to strengthen domestic manufacturing and draw investments

Competitive Advantages
India's skilled, cost-efficient workforce and well-developed supply chains offer a strong foundation for global manufacturing competitiveness

Growth of Electric vehicles in India reshaping demand and supply dynamics

By FY30, electric vehicles are predicted to dominate over 22% of the auto components market, valued at USD 206 billion

India's demand for Lithium Batteries

4 GWh	139 GWh
2023	**2035E**

India's demand for lithium batteries is expected to rise primarily due to the shift towards electric vehicles

The shift to electric vehicles is reducing the need for traditional engine components while driving growth in EV-specific parts like battery packs and electric motors.

- As the market evolves, manufacturers are turning to lightweight materials and advanced techniques like carbon-fiber-reinforced plastic (CFRP) to enhance vehicle performance
- As EVs age and require battery replacements, a rising aftermarket is expected to emerge, creating new opportunities in the sector
- The move toward electric vehicles is fueling major R&D investment in auto components, with around USD 180 billion required by 2030 to support vehicle manufacturing and charging infrastructure

Key M&A Transaction in Auto Components

THE CARLYLE GROUP — HIGHWAYROOP

Carlyle Group has taken a 65–70% stake in a new platform formed by merging India's Highway Industries and Roop Automotives in a deal valued at ~ USD 400 million. The combined entity focuses on powertrain and steering components, exporting to Europe and North America.

FONTANA GRUPPO FASTENING THE FUTURE — RIGHT TIGHT Fastners Pvt. Ltd.

Fontana Gruppo acquired a 60% stake in Right Tight Fasteners, a leading Indian automotive fastener maker, in a deal worth ~ USD 120 million. The transaction involved RTF acquiring Fontana's Indian unit, BG Fastening, before Fontana took majority control of the combined entity

Abdul Latif Jameel — GREAVES ELECTRIC MOBILITY

Abdul Latif Jameel has committed up to USD 220 million in Greaves Electric Mobility, starting with USD 150 million for a 35.8% stake, becoming the second-largest shareholder. The investment supports affordable EV adoption and Greaves' expansion in India's growing electric mobility ecosystem.

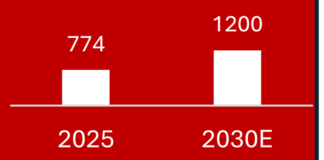
Financial Services

India's financial services sector is witnessing strong growth across asset management, insurance, and NBFCs, supported by rising wealth, digital adoption, and regulatory momentum

Unpacking India's Financial Services Spectrum

Asset Management

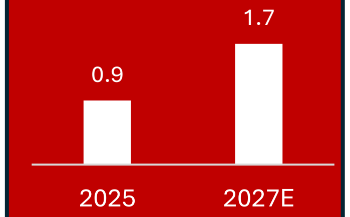
AUM (USD billion)



Between April 2024 and January 2025, USD 28 billion was invested through systematic investment plans

Wealth Management

HNI population (million)



The UHNWI population is expected to increase to 11,198 individuals

Insurance

- The insurance sector in India is expected to reach **USD 250 billion** by 2025.
- In FY23, life insurers reported ~**USD 45 billion** in new business premiums and **USD 50 billion** in renewal premiums

Non-banking financial institutions

- NBFCs support more than **80% of equipment leasing and hire purchase** activities in India.
- As of October 2024, there were **9,306 NBFCs registered** with the Reserve Bank of India

Source: IBEF report – 2025

Rising Fintech Ecosystem in India

USD 25 billion
India Fintech market size in revenue in 2023

USD 100+ billion
Valuation of Indian Fintech industry

35+
Decacorn, Unicorn & Soonicorn Fintechs in India

3.5x
Growth in Minicorns in the last 4 years

Significant potential due to low penetration

Fintech Penetration	India	Global
Mutual Funds *%GDP*	21	70-100
Life Insurance Density *(per capita premium in $)*	70	361
Non-Life Insurance Density *(per capita premium in $)*	25	528
Unsecured Retail Loans *(% population)*	9	90-120

Source: BCG report – 2025

Key M&A Transaction in Financial Services

Advent | Svatantra

Svatantra Microfin secured an investment of ~ USD 230 million from Advent International and Multiples Private Equity — the largest-ever PE deal in India's microfinance sector. The investment follows Svatantra's acquisition of Chaitanya India Fin Credit, with the merged entity set to become one of India's largest NBFC-MFIs, pending regulatory approvals.

payu | MINDGATE

PayU has acquired a 43.5% stake in Mindgate Solutions, a banking infrastructure company, valuing it at $200–$250 million. The deal marks PayU's strategic entry into UPI and digital payments processing infrastructure, supporting its broader goal to drive innovation in financial services.

stripe | recko

Stripe acquired Bengaluru-based Recko, a financial software firm specializing in payment reconciliation, marking Stripe's first acquisition in India. The acquisition enhances Stripe's infrastructure by integrating Recko's capabilities further supporting Stripe's global product expansion

Advanced Manufacturing

Strategic bilateral initiatives—especially with Japan—are strengthening India's role in global supply chains, with targeted collaborations in semiconductors, electronics, and auto components

Smart Factories in India: Unlocking Scale Through AI and Automation

USD 29 billion
Industrial Automation Market by 2029

USD 264 million
Industrial robotics market by 2028

40%
Manufacturing spend on digital technologies by 2025

54%
AI & analytics technology implementation rate

Source: Invest India – 2024

Strategic Joint Ventures Driving High-Tech Manufacturing in India

Industrial Automation: Sanmina–Reliance JV is creating a high-end manufacturing hub with an R&D centre to support hardware innovation and startups

Electronics: Indian firms like Dixon and Micromax are partnering with global players to enhance display, PCB, and component manufacturing, aided by government incentives and tech transfer mandates

Processing & Packaging: Omnia–Economy Process Solutions JV is advancing automation in bottling and pharma, with a Centre of Excellence for innovation and skill-building

Global Partnerships & Supply Chain Realignment

Japan–India collaboration as a cornerstone for resilient manufacturing

Project/Initiative	Focus Area	Impact/Outcome
Semiconductor Supply Chain MoC	Semiconductors, electronics	Joint R&D, tech transfer, supply chain resilience
Resilient Supply Chain Initiative	Multi-sector supply chain resilience	Policy forums, pilot projects, industrial clustering
Automotive Supply Chain Localization	Auto components, manufacturing	Reduced import dependence, job creation
JIM & TITP	Skill development, workforce training	Enhanced manufacturing skills, bilateral mobility
Digital Partnership (IJDP)	Startups, digital tech, talent exchange	Broader innovation, startup ecosystem growth

India in the China Plus One Supply Chain Shift

India offers a balanced cost structure, improving infrastructure, a robust digital ecosystem, and a diversified industrial base

Key M&A Transaction in Advanced Manufacturing

Accenture has acquired Indian industrial AI company Flutura to strengthen its applied intelligence and analytics capabilities in the manufacturing sector. Flutura specializes in using AI and data science to reduce unplanned downtime for industrial clients, working with firms like TechnipFMC, Hitachi, and Al Mansoori. The deal supports Flutura's global expansion and deepens partnerships with OEMs, while allowing Accenture to integrate Flutura's solutions across geographies

Schneider Electric acquired the Electrical & Automation (E&A) business of L&T and merged it with its Indian operations to form Schneider Electric India Private Limited (SEIPL), in a deal valued ~USD 2 billion. This move strengthens Schneider's presence in India's industrial automation and energy management space, positioning India as its third-largest global hub for R&D and manufacturing

Machinery and Industrial Equipment

T&A *we go beyond*

Precision manufacturing is reshaping India's industrial equipment landscape—driving high-value applications in defense, aerospace, and railways

Capital Goods Turnover (USD billions)

Source: Invest India – 2024

Largest Industrial Contributor
India's engineering sector accounts for 27% of total factories and 63% of foreign collaborations, with demand rising from capex across infrastructure, mining, energy, and manufacturing

Public Capex Fueling Demand
Public sector initiatives like the National Infrastructure Pipeline (USD 1.3 trillion) and rising capital outlays across roads, logistics, and construction equipment are fueling machinery demand.

Fragmentation and Import Dependence
India's capital goods industry remains fragmented and SME-dominated, with 40% of demand met via imports, creating scope for technology infusion, consolidation, and backward integration

Strong Export Momentum in Engineering Goods
Export of engineering goods crossed USD 109 billion in FY24, making it one of India's top traded sectors and signaling global competitiveness across sub-segments like boilers, power systems, and auto components

Precision Manufacturing: Redefining India's Industrial Future

Indian Precision Engineering Market (USD million)

Source: IMARC report – 2025

Precision engineering is driving transformative change in

Defense **Aerospace** **Railways**

where zero-error tolerance and performance reliability are non-negotiable. It enables the production of mission-critical components like jet engines, missile systems, aircraft structures, and advanced braking systems to global quality standards.

Driving Tech Collaborations and Investments

The shift toward precision has opened the door for cross-border JVs, licensing deals, and inbound M&A — especially in high-tolerance tools, control systems, and intelligent automation. Industrial corridors and policy support are amplifying this momentum.

Key M&A Transaction in Machinery and Equipment

SIEMENS C&S electric

Siemens AG completed the acquisition of a 99% stake in Indian firm C&S Electric for approximately USD 284 million. The deal aims to meet the rising domestic demand for low-voltage power distribution and to position India as an export hub for Siemens' global operations.

ESAB ewac

Larsen & Toubro (L&T) divested its entire stake in EWAC Alloys, a wholly owned subsidiary, to ESAB Holdings (UK) for approximately USD 70 million. The acquisition strengthens ESAB's position in the Indian welding and cutting market.

Schneider Electric

Schneider Electric acquired the Electrical & Automation (E&A) business of L&T and merged it with its Indian operations to form Schneider Electric India Private Limited (SEIPL), in a deal valued ~USD 2 billion. This move strengthens Schneider's presence in India's industrial automation and energy management space

Information Technology and Software Services

India is emerging as a global digital and cloud hub, driven by surging data center investments, rising cloud talent demand, and growing interest from international IT giants

India as a Global IT Services Powerhouse

58% Share in Global IT sourcing	**USD 254 billion** Tech Industry Revenue
USD 194 billion Technology Exports	**1,700+** Global Capability centers

Source: PIB, Nasscom report – 2024

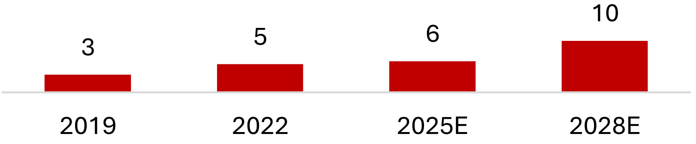
IT Services: Digital-Led Transformation
India's IT services sector is being reshaped by enterprise priorities around application modernization, cloud migration, platform-based delivery, and cybersecurity

BPM: From Efficiency to Value Creation
Business Process Management is moving beyond operational efficiency to deliver data-driven transformation, digital customer experience, and integrated industry-specific solutions

Software Products: India's Product Pivot
India's software product landscape is maturing, with a growing base of SaaS and DeepTech startups building globally relevant, scalable solutions—highlighting the country's shift from service delivery to product innovation.

Digitalization and GCC Expansion fueling IT

India Data Center Market Investment



Source: IBEF report – 2024

Doubling of data center capacity by 2026 and USD 28 billion cumulative investment are enabling IT firms to scale SaaS, AI, and analytics delivery for global clients.

Projects like Reliance's upcoming mega data center and AWS's USD 4 Billion investment reflect **surging demand for cloud and AI**, opening new avenues for IT services in architecture, cybersecurity, and managed solutions.

With 2 million cloud professionals needed by 2025, India's **growing talent pool** boosts its position as a global hub for DevOps, infrastructure, and data engineering

Global companies looking to expand GCCs in India

Global IT companies are increasingly turning to India to set up Global Capability Centers and pursue strategic acquisitions to scale operations. India's deep tech talent pool, cost advantages, and policy support make it a preferred hub for digital innovation, cloud engineering, and AI development

Goldman Sachs, IBM, SAP, ORACLE, Google, Microsoft

Key M&A Transaction in IT and Software

NTT DATA – NIVEUS

NTT DATA is acquiring India-based Niveus Solutions to boost its Google Cloud capabilities. The deal adds 1,000 GCP engineers and strengthens NTT DATA's position as a top global Google Cloud integrator, enabling delivery of scalable, AI-driven solutions across industries.

Capgemini – WNS

IT services firm Capgemini announced the acquisition of Indian-origin Business Process Management company WNS Global Services for ~USD 3 billion. This strategic move aims to enhance Capgemini's capabilities in AI-powered business process services and strengthen its presence in digital transformation

ALTIMETRIK – SLK

Altimetrik, a TPG-backed digital engineering and AI solutions firm will acquire SLK Software for ~ USD 600 million, with the deal expected to close in the second half of 2025 . The combined entity will have 10,000+ employees, serve 150+ global clients including Fortune 500 companies, and maintain partnerships with OpenAI, AWS, Snowflake, and Databricks across industries such as BFSI, manufacturing, life sciences, and technology.

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