

## India Inc strikes deals worth \$50 bn in 2014

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<http://www.tribuneindia.com/news/business/india-inc-strikes-deals-worth-50-bn-in-2014/35134.html>

Total number of merger and acquisition (M&A) deals of Indian companies in 2014 rose to 1,177 — the highest ever in a decade — and the momentum is set to pick up this year as well, says a report.

The value of the merger & acquisition (M&A), private equity deals stood at over \$50 billion in 2014 as against \$38 billion through 947 transactions in 2013.

M&A contributed close to \$38 billion from 573 deals and PEs contributed \$12 billion from 604 deals, the report by tax and advisory firm Grant Thornton said.

"2014 deal value at \$50 billion has been a fantastic year for deal-making with a strong foreign investor interest in India. I expect 2015 deal-making to even higher levels," Grant Thornton India LLP Partner Raja Lahiri said.

Lahiri added that "while the economic and growth sentiments are extremely positive, one expects more traction on the Government reform agenda in 2015 which would further trigger the growth agenda for the economy and deal-making scenario."

Domestic and inbound deals have been the highlight in 2014 as global players bet on the revival of India growth story or consolidating their holdings in Indian subsidiaries.

Domestic M&A deals are largely riding on the consolidation wave with Sun Pharma acquiring Ranbaxy, Kotak merging with ING Vysya, Flipkart looping in Myntra and a few large power sector mergers and acquisitions, the report said.

Another key driver behind deals was overleveraged companies finding ways to cut debt or companies hiving off non-core businesses or assets.

The report said there were eight deals in the billion-dollar club, and 54 deals valued over \$100 million each, highest ever in the last decade, clearly boding well for the coming year with more big-ticket deals in the pipeline.

Domestic deal activity stood at \$16 billion, up 189% over 2013 values and the highest ever seen in a decade.

"While it can largely be attributed to a much awaited election result in May, we cannot take the credit away from the fact that intrinsic business strength and the underlying drivers of consolidation, value unlocking are still the mainstays for successful deal closures," Lahiri said.

While signs of recovery were seen globally, interest in Indian targets continued unabated, with 166 deals, resulting in \$12 billion of inbound values.

It was also a good year for PE investment activity (\$12 billion, 604 deals). E-commerce within the IT/ITES space was the major contributor for PE investments with about \$4 billion being raised from over 100 deals.

Other than IT/ITES, core sectors such as oil & gas, pharma, telecom have always driven big ticket deals in both M&A and PE in the last decade and this will continue in the coming year too, the report said. — PTI