

# Led by HDFC twins, India sees record \$124-bn M&A deals

DEV CHATTERJEE

Mumbai, 30 September

Fuelled by the \$57.8-billion merger of HDFC twins (HDFC Ltd and HDFC Bank), M&A (merger & acquisition) transactions in India touched a record high of \$124.2 billion in the first half of 2022-23. Bankers said with several transactions, including the government's stake sale in IDBI Bank and Hindustan Zinc in the pipeline, the ongoing financial year will end up as the best for M&A activity in the nation.

Apart from the HDFC transaction, the \$6.5-billion acquisition of Holcim stake by the Adani family and L&T's \$3.2-billion acquisition of Mindtree added to the record transactions in the first half of FY23. A year ago, Indian companies reported M&A transactions worth \$73.73 billion.

Bankers said government divest-

## DECODING THE TREND

Period	\$ bn	% chg
H1FY18	21.14	-
H1FY19	83.16	293.36
H1FY20	67.89	-18.36
H1FY21	65.47	-3.56
H1FY22	73.73	12.61
H1FY23	124.28	68.56

ments will led the second half of the ongoing financial year. "Apart from the big ticket sale of IDBI Bank and HZL, the government will sell its stake in Corcor; NMDC will sell its steel plant in the second half," said a banker.



## MAJOR M&As THIS YEAR

Announced on	Target name	Acquirer name	Seller name	Amount (\$ bn)
Apr 04	HDFC	HDFC Bank		57.8
May 16	Ambuja Cements	Adani Enterprises	Holcim AG	6.5
May 06	Mindtree	L&T Infotech		3.2
Aug 26	Infrastructure Assets/Essar Group	ArcelorMittal Nippon Steel India	Essar Group	2.4
Aug 26	Ports & Power infrastructure/Hazira	ArcelorMittal India	Essar Steel Orissa	2.4

Compiled by BS Research Bureau

Source: Bloomberg

"The M&A outlook for the next 12 months remains robust given continued attractiveness of India as an investment theme, substantial availability of capital (albeit repriced) and moderated valuation, and is expected

to be diversified across sectors. Financial sponsors and domestic corporates are expected to continue to dominate M&A flows in the next 12 months, though we are seeing re-emergence of activity from interna-

tional corporates," said Sourav Mallik, joint managing director, Kotak Investment Banking.

The recent exits of a few foreign firms from India on changed priorities of their parents — like Citibank's sale of its retail operations to Axis Bank and Holcim's sale of its 63 per cent stake in Ambuja Cements to the Adani family — also drove M&As. Analysts said MNCs' declining presence in their respective markets, such as automobile, bank, and construction material, and restrictive FDI regulations in insurance also factored in the exits.

Analysts said these MNCs failed to build a meaningful presence in India given the strong local competition and/or their individual growth and investment strategies. Despite this, analysts said most MNCs continue to thrive in India which should drive strong foreign direct investment.

## UltraTech, JSW eye MP project of India Cements

VIVEAT SUSAN PINTO & DEV CHATTERJEE

Mumbai, September 30

Aditya Birla group flagship UltraTech Cement is leading the race to acquire India Cements' project in Madhya Pradesh, which is valued at ₹800 crore, sources said.

Among other contenders for the project, which is on the block, include JSW Cement. E-mails sent to UltraTech and India Cements elicited no response until the time of

going to press. JSW Cement said it had no comment to offer on the matter.

The deal, however, is expected to close anytime soon, ithe sources said. India Cements was contemplating a three-million tonne per annum plant in Madhya Pradesh last year and land acquisition for the same had begun. The project also has backward linkages to limestone, which is a key raw material in cement-making.

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