# M&A deals close in on $100 bn in FY25

**JADEN MATHEW PAUL & DEV CHATTERJEE**
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Fuelled by private equity investments, mergers and acquisitions (M&As) in India rose by 26.4 per cent to $99.9 billion in the current financial year (FY25) in value when compared to $79.05 billion worth of deals reported in the last financial year.

According to industry executives, M&A activity is expected to remain buoyant in the new financial year beginning next week, driven by shifting investor sentiment, evolving deal structures, and changing market conditions.

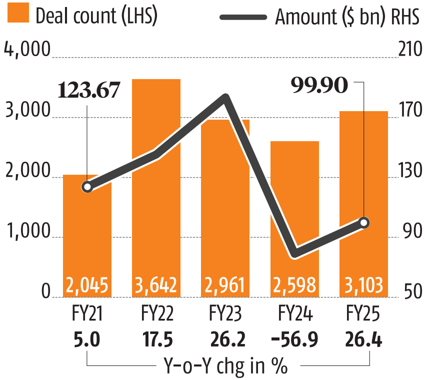
So far in FY25, 3,103 transactions were signed as against 2,598 deals signed in FY24, according to *Bloomberg* data. The largest deal of the year was the $5.08 billion merger in the healthcare sector between Quality Care and Aster DM Healthcare.

While the deal volume has grown, the overall value remains below the highest-ever deal value reported in a year, which was three years ago

## GAINING MOMENTUM

ILLUSTRATION: AJAY MOHANTY

Mergers and acquisitions in India




Source: Bloomberg Compiled by BS Research Bureau

**EARLY-STAGE FUNDING ROUNDS GETTING BIGGER FOR STARTUPS P3**

between HDFC and HDFC Bank.

"Activity should accelerate due to the slowdown in capital markets and rationalisation in valuations, which many are reluctant to discuss openly. We may see more earn-out structures, deferred consideration, or the use of stock as acquisition currency," said Bharat Anand, Senior Partner, Khaitan & Co, a leading law firm.

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# PEs ready to invest more in India via M&As

Private equity investors are also adjusting their approach, shifting towards control-driven deals for greater operational influence in high-growth sectors.

Binoy Parikh, executive director at Katalyst Advisors, expects a move from minority stakes to control-based transactions in FY26, signaling stronger investor confidence in India's growth story. "Indirect listings of high-growth unlisted firms via mergers with listed platforms may also emerge as a preferred strategy, offering a faster route to public markets versus an IPO," he said.

Private equity firms say they are ready to invest more in India via M&As as India is still reporting the highest economic growth in the world, fuelled by its rising population. "When we started investing, 95 per cent of deals were minority stakes. Over time, control-oriented investments have increased, and we have made repeated investments across sectors in technology, healthcare, consumer, and more," said Amit Dixit, senior managing director, Blackstone, which plans to double its investments to $100 billion in India.

Control investments now account for about $12 billion annually, or one-third of the overall $35 billion market, a rise from 5 per cent historically, said Dixit, adding that mature markets like Japan and Australia see over 80 per cent control investments, with India moving in the same direction.

Experts said corporate restructuring was expected to accelerate, with conglomerates hiving off business verticals to enhance valuation discovery and optimise capital allocation. The mandatory listing of upper-layer NBFCs, including Tata Sons and Tata Capital, is seen as another major development, said Parikh.

Mohit Khullar, MD at Alvarez & Marsal, said India is witnessing a variety of deal types. Mega mergers, driven by economies of scale and market expansion, are taking shape, including the Reliance-Disney and ACC-Ambuja deals. Another growing trend is the rise of private credit, which has become a significant asset class, with nearly $9–10 billion deployed in India last year. Founders and shareholders are increasingly open to this investment.

"In a strong year, we should see both value and volume growth. There should be bold investments and meaningful exits, with capital being invested and harvested through robust private markets. Ideally, we will witness a mix of transaction types, mega deals, distressed deals, growth deals, buyouts, and even IPOs of companies that have flipped back to India," added Anand.

Despite strong deal momentum, global macroeconomic risks could shape M&A activity in the future. Citing trends in the US as a key factor, Anand noted that while the US market's dominance could crowd out M&A capital for the rest of the world, a potential recession in the US could slow dealmaking.