

India Inc to tap pvt credit for new projects: PwC

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Private credit is fast emerging as a major source of finance for projects in India as several entrepreneurs are looking for short-term debt to bridge the funding gap due to difference in pricing for equity dilution, top officials at PwC India said.

They said while new private equity (PE) investments during the past two years have declined, several public market exits by PEs were observed during that period.

Several companies are likely to approach capital markets in the near future to provide liquidity to PE fund investors.

"We have noticed that demand for private credit has picked up. Several large credit funds have started investing billions of dollars in

Indian companies — in both stressed as well as the performing credit space," Bhavin Shah, partner & leader — private equity and deals — PwC India said.

Private credit is offered by PE firms at marginally higher interest rates than syndicated loans. The private credit firms also help entrepreneurs run a company by helping them with their global experience.

Tax uncertainty is a big concern for the PEs investing in India. "Even though there is an effort being made by the Centre to bring more clarity on the Indian tax system, we are still seeing several PE funds receive income-tax notices on settled issues," Shah said.

"This will be India's decade and PE investors from across the world are planning to invest in the coun-

M&As pick up pace in March qtr

The merger and acquisition (M&As) transactions have picked up pace in the March quarter of 2024 with 455 deals amounting to \$25.6 billion deal value announced. This is a 24 per cent rise in deal volume as compared to Q4CY23, according to PwC India report. This signals a shift from the declining trend observed in 2023, as per PwC

India's report *Deals at a glance*. Dinesh Arora, partner and leader — deals, PwC India, said: "Amid a landscape ripe with opportunities, the Indian economy emerges as a beacon of resilience. The first quarter of 2024 showcases the best figures in the last six quarters owing to the momentum of the market and large-ticket deals, hinting at a bold appetite for strategic expansion and market dominance." **DEV CHATTERJEE**



try," said Eric Janson, global head — private equity, PwC.

According to PwC India, 2021 was the year with maximum invest-

ments with massive amounts of private money flowing into the Indian ecosystem. This allowed record exits for early investors.