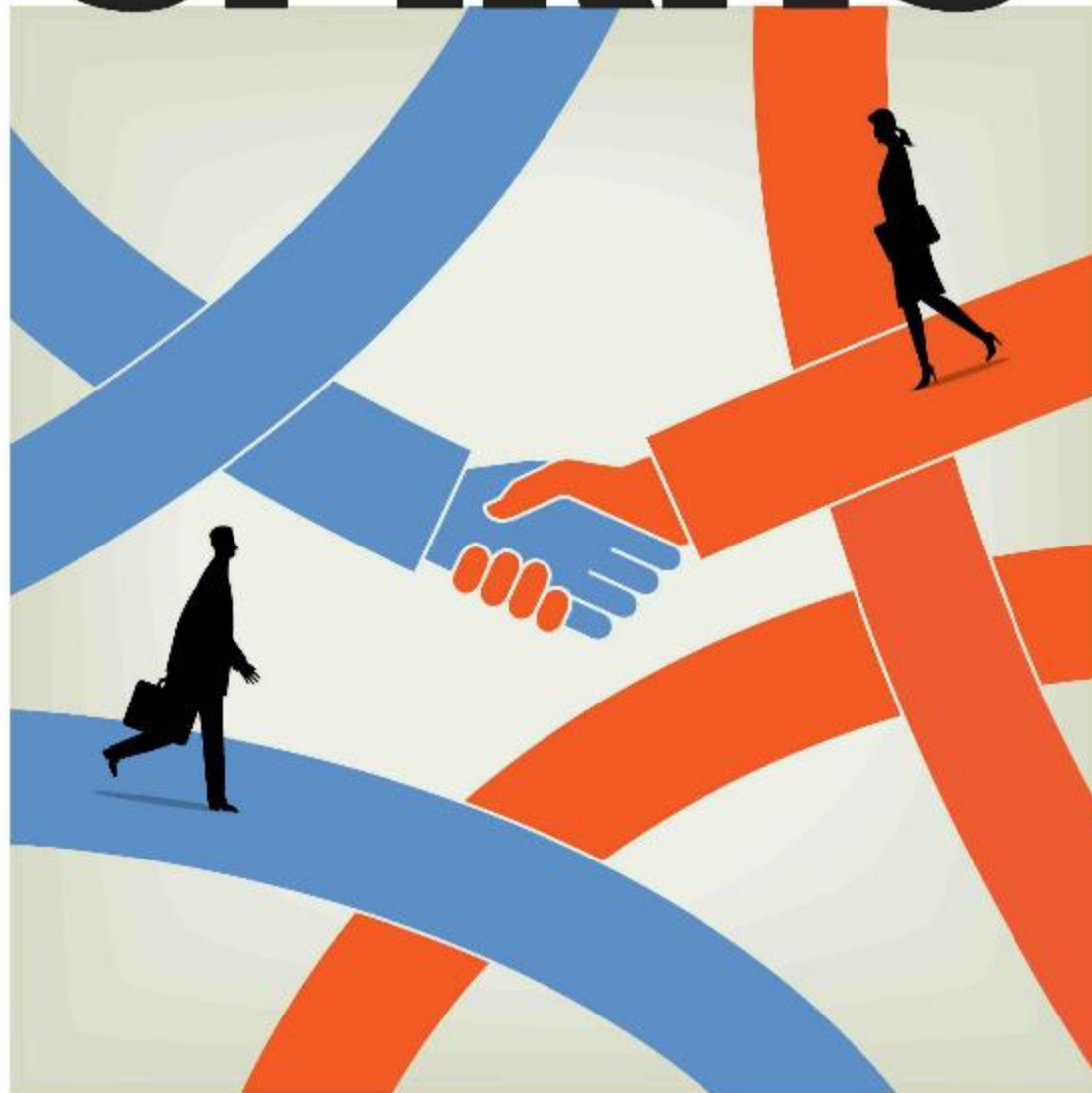


BACK TO ANIMAL SPIRITS



Why India Inc is on an M&A spree, preferring inorganic growth to investing in fresh projects and capacities

:: Suman Layak

VS Parthasarathy, group chief financial officer of auto and farm equipment maker Mahindra & Mahindra (M&M), recalls a conversation with a supplier a few years back that was one of the inspirations behind MSquare Alliance, an online portal to help small and medium enterprises make acquisitions. It was just after M&M had pulled off an overseas buyout and the supplier let on that he too was pursuing an inorganic strategy for growth. MSquare Alliance is a forum for the Mahindra ecosystem that helps smaller companies conclude deals by providing them with support services. M&M has a three-member team managing the service, which is free for Mahindra's dealers and

"Inorganic growth makes good sense over organic growth when there is overcapacity in the sector"

Sushil Agarwal
CFO, Aditya Birla Group



The Big-Cheese Buyers of 2017

DESI BUYS

Anand Rathi acquired Religare's wealth management arm

IndusInd Bank acquired IL&FS Security Services

Tata Steel acquired Brahmani River Pellets for **\$132 million** and a controlling stake in Creative Port Development (Subarnarekha Port)

Havells India acquired Lloyd Electric's consumer business for **\$235 million**

JSW Cement acquired **48%** in Shiva Cement in two tranches for **\$20 million**

Zee buys majority **80%** stake in Margo Networks for **\$11 million**

Cadila Healthcare bought **6 brands** of MSD Pharmaceuticals

Bharti Airtel acquired Tikona Digital for **\$244 million** and Telenor India for **\$235 million**

Flipkart bought eBay India

Gammon Infrastructure hiked stake in Indira Container Terminal Pvt Ltd from 50% to 74%

VIDESHI BUYS

M&M acquired majority stake in Hisarlar Makina Sanayi for **\$19 million**

Tata Motors-JLR picked up a minority stake in CloudCar

Tech Mahindra acquired CJS Solution Group for **\$110 million**

WNS Holding acquired Denali Sourcing for **\$40 million**

Wipro acquired InfoSERVER SA

Jain Irrigation bought Observant Pty Ltd

Asian Paints-Berger acquired Causeway Paints Lanka

Piramal acquired Mallinckrodt LLC's portfolio of anti-spasticity and pain management drugs for **\$171 million**

suppliers, and is available for a fee for any other company. Operational since 2013, the service, says Parthasarathy, has picked up pace in the last year.

"There is a tsunami of M&A happening below the radar," Parthasarathy told *ET Magazine*. "There are people who you and I do not get to meet, who are striking deals for growth."

Two big deals in the past eight-nine months didn't, however, escape the radar - both from the Aditya Birla Group. In August 2016, the conglomerate announced the merger of Grasim and Aditya Birla Nuvo, creating a Rs60,000 crore behemoth. The deal got shareholder approval in April 2017. In between, in

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VS Parthasarathi,
Group CFO, Mahindra



Aurobindo Pharma bought four biosimilars from TL Biopharmaceutical

Cadila acquired Sentyln Therapeutics



Godrej Consumer hiked stake to 100% in Weave Senegal Ltd

Sun Pharma acquired Thallion Pharmaceuticals for **\$2 million**