

# BACK TO ANIMAL SPIRITS



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

## By Suman Layak

**V**S 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 ₹60,000 crore behemoth. The deal got shareholder approval in April 2017. In between, in

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**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**

Deals are of 2017 till date; Source: Grant Thornton's deal tracker and Bloomberg data