



India M&A and PE/VC deal activity

Q3 2026

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Resilient deal volumes, disciplined capital deployment, and renewed capital markets momentum, with rising PE participation across infrastructure, renewable energy, and AI-driven infrastructure

Market overview –

Key trends in M&A and Private Equity

India's dealmaking landscape remained resilient in Q3 2026 (July–September), with broader participation across sectors offsetting a moderation in aggregate deal values.

696 Transactions worth
US\$36.9bn recorded across

M&A, private equity (PE),
venture capital (VC) and
public-market fundraising.

Excluding IPOs and qualified institutional placements (QIPs), M&A and PE activity accounted for 608 transactions worth US\$23.1 billion. While volumes increased QOQ, overall deal values moderated from Q2's elevated base.

M&A activity comprised 255 transactions worth US\$13.2 billion. Although volumes increased, aggregate deal values declined sharply from Q2, which included Sun Pharmaceutical Industries' approximately US\$11.8 billion acquisition of Organon & Co. Excluding this landmark transaction, the QOQ decline in M&A values was considerably less pronounced. The moderation therefore reflected, in part, the absence of an exceptional mega-deal rather than a broad-based slowdown in corporate acquisitions.

Domestic transactions remained the backbone of the market, accounting for 188 deals or approximately 74% of M&A volumes. Inbound activity strengthened, while outbound deal values remained significant, highlighting the growing importance of cross-border expansion and strategic capability building.

Private equity and venture capital activity regained momentum, recording 353 transactions worth US\$9.9 billion, the highest quarterly investment value of 2026 at that point. Deal volumes increased approximately 9% QOQ, while investment values rose 18%. The increase suggests renewed willingness among investors to deploy larger amounts into selected opportunities.

The broader takeaway is that India's deal market is becoming more diversified, with domestic acquisitions, private capital and public-market fundraising supporting activity even as large-ticket M&A values fluctuate.

Major deals – Sectors driving momentum

Q3 dealmaking reflected two distinct trends: sectors such as energy and infrastructure attracted significant capital through large transactions, while consumer businesses, technology and financial services generated broader deal activity.

Energy and natural resources emerged as the leading sector by deal value for the first time in 2026. Six deals exceeding US\$100 million accounted for nearly three-quarters of the sector's value. The activity highlights investor interest in energy security, natural resources and opportunities linked to India's evolving energy requirements.

Bank of America Corporation's US\$1.9 billion investment for a 50% stake in Jio Credit was the quarter's defining transaction in the sector, illustrating the potential for large strategic investments to reshape financing and lending businesses.

Energy

**USD
3bn**

**38
Deals**

Banking and
financial services

**USD
3bn**

**58
Deals**

Infrastructure and renewable energy continued to attract long-term capital

Aditya Birla Renewables' acquisition of Solenergi Power from Shell Overseas Investment led the sector with

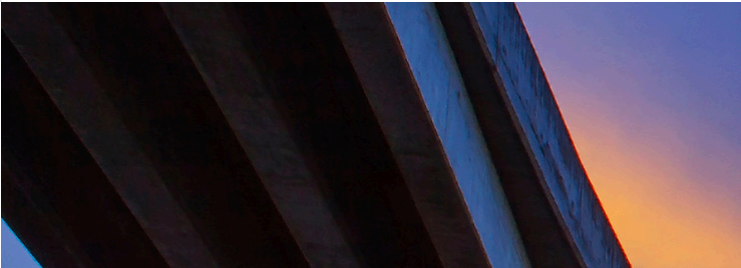
These transactions underline the appeal of infrastructure assets and the energy transition to investors seeking long-term growth opportunities.

Healthcare and pharmaceuticals remained active with

Deal volumes increased approximately 33% quarter-on-quarter, despite lower aggregate values following the exceptional pharmaceutical transaction in Q2. KKR's reported US\$1.4 billion acquisition of a 100% stake in Medcover Hospitals India highlighted continued investor interest in healthcare delivery, consolidation and capacity expansion.



**26 deals ~
USD 1.8bn**



**81 deals ~
USD 2.8bn**

Technology and manufacturing also contributed meaningfully

IT and IT-enabled services recorded

**USD
2.6bn**

**70
deals**

Manufacturing saw

**USD
2.5bn**

**61
deals**

Technology investments continued to reflect opportunities in digital transformation and artificial intelligence, while manufacturing transactions pointed to interest in industrial capabilities and supply-chain diversification.



Transport and logistics experienced a notable acceleration, with transaction volumes rising from five in Q2 to 17 in Q3.

Terminal Investment's reported US\$1.4 billion investment for a 49% interest in Adani Vizhinjam Port highlighted the strategic importance of port infrastructure and India's position in global trade networks.

Private equity investment also extended into aviation infrastructure, with a reported US\$1 billion investment by Alpha Wave Global, Premji Invest, Temasek and BlackRock funds for a 6% stake in Adani Airport Holdings. Collectively, these transactions demonstrate that investors continue to favour sectors offering scale, long-term demand and strategic relevance.

Investor sentiment: Evolving strategies and opportunities

Investor sentiment during Q3 was best characterised as selectively optimistic. Higher transaction volumes and stronger PE investment values indicated continued confidence in India's growth prospects, but the decline in aggregate deal values highlighted a more measured approach to large acquisitions.

Private equity investors increasingly favoured businesses with established market positions, credible growth plans and clear routes to profitability. Healthcare, infrastructure (toll roads), renewable energy, IT and telecom infrastructure (data centres) and financial services attracted large investments, while consumer businesses, pharmaceuticals and technology continued to generate opportunities across a wider range of transaction sizes. The role of Canadian investors like La Caisse (formerly CDPQ), CPP investments and Brookfield who have invested over \$3 billion in infrastructure companies in 2026, is noteworthy in this regard.

Strategic buyers also pursued acquisitions to strengthen capabilities, expand internationally and diversify portfolios. Cross-border transactions remained important, particularly where overseas acquisitions offered access to established assets, specialised technology or new markets.

Capital markets provided another important source of momentum. IPO fundraising increased to approximately US\$9 billion from US\$1.1 billion in Q2, while Qualified Institutional Placements (QIP) proceeds more than doubled to US\$4.8 billion. This stronger issuance activity offered companies additional avenues to fund expansion and provided existing investors with potential liquidity and exit opportunities.

Deal structures are also likely to remain sensitive to valuation expectations and execution risks. Minority investments, staggered acquisitions and milestone-linked payments can help bridge differences between buyers and sellers. For financial sponsors, exit visibility, entry valuations and the ability to generate sustainable returns will remain central to investment decisions.

Emerging opportunities include healthcare services, AI-enabled technology, renewable energy, digital infrastructure, financial technology and specialised manufacturing. The underlying theme is a shift towards disciplined capital deployment, with greater emphasis on strategic fit, cash generation and long-term value creation.

Investor sentiment: Evolving strategies and opportunities

India's dealmaking outlook for Q4 2026 remains constructive, supported by domestic demand, ongoing corporate consolidation and continued interest from financial investors. However, the pace of activity will depend on large-deal execution, valuation alignment, financing conditions and global developments.

Several factors are likely to shape the market:

Macroeconomic conditions: Resilient domestic growth should support investment confidence. However, inflation, interest rates and financing costs may influence valuations and acquisition decisions.

Capital markets: Continued IPO and QIP activity could support fundraising, sponsor exits and liquidity. Market volatility may nevertheless affect issuance timing and pricing.

Private equity deployment: Investors are likely to remain active but selective, prioritising high-conviction opportunities and businesses with identifiable value-creation potential and earnings growth supported by a stable investment environment.

Cross-border investment: Greater clarity on India-US trade policy and tariffs could improve visibility for export-oriented manufacturing, pharmaceuticals and IT services. Uncertainty may delay some transactions.

Geopolitical risks: Energy-price volatility, currency movements and global trade tensions could affect deal economics, particularly for overseas acquisitions and capital-intensive businesses.

Sectors to watch in Q4 include pharmaceuticals, healthcare and biotechnology, supported by consolidation and rising demand; IT and IT-enabled services, driven by AI adoption and digital transformation; and banking and financial services, where technology and changing customer needs may create investment opportunities. Manufacturing, energy and infrastructure could benefit from capacity expansion, supply-chain diversification and the energy transition. Retail and consumer businesses and real estate may also attract interest where valuations and growth prospects are aligned.

Looking ahead

Q3 2026 highlighted the resilience and growing breadth of India's dealmaking market. While aggregate M&A values moderated following an exceptional Q2, domestic transactions remained active, PE investment values strengthened and public-market fundraising accelerated.

The market is increasingly defined by strategic acquisitions, selective large-ticket investments, and a sharper focus on sustainable returns.

As investors enter the final quarter of 2026, geopolitics, national interests, import substitution, and supply chain resilience will increasingly shape investment decisions. At the same time, execution discipline, realistic valuations, and greater clarity on the global economic outlook will remain critical to unlocking value and sustaining deal momentum.

The outlook is positive but selective: India continues to offer compelling opportunities, but successful dealmaking will depend on identifying the right assets, structuring transactions effectively and delivering measurable value after completion.



Contact



Akhil Puri
Partner, Financial Advisory
akhil.puri@mazars.co.in

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