



**India M&A
Outlook 2026**



99TH STREET
ADVISORY

Executive Summary

India enters 2026 with strong structural momentum in M&A, supported by:

- ~\$99B deal value in 2025 (+16% YoY)
- Domestic consolidation ~\$104B and rising inbound activity
- Strong FDI (~\$81B) and cross-border interest

Key Themes for 2026

- Domestic consolidation + PE exits drive volume
- Outbound M&A accelerating (global expansion, tech acquisition)
- Mid-market deals dominate (not mega deals)
- AI, energy transition, and supply chain shifts = major deal drivers
- Financing improving, but valuation discipline remains critical



Sector wise M&A Outlook

Banking, Financial Services & Fintech (BFSI)

Outlook: Strong consolidation + inbound capital

Drivers

- PSU bank consolidation largely done → focus shifts to **NBFCs, fintech, wealth platforms**
- Global funds acquiring stakes in Indian financial institutions
- Digital lending + fintech partnerships

Trend

- Buyouts + strategic stakes
- Cross-border capital inflows (Middle East, Asia)

Technology, IT Services & AI

Outlook: Moderate, but shifting to AI-led acquisitions

Drivers

- AI disruption forcing capability-led acquisitions
- Global demand slowdown impacting traditional IT
- Focus on:
 - Cybersecurity
 - SaaS
 - AI platforms

Trend

- Smaller bolt-on deals vs large acquisitions
- Example: Wipro–Olam IT deal shows sector-specific capability buying

Risk

- Short-term caution due to global slowdown & AI transition

Energy

Outlook: One of the hottest M&A sectors

Drivers

- Energy transition + ESG capital inflows
- Solar, wind, green hydrogen, EV ecosystem
- Infrastructure + asset monetization deals

Trend

- Platform investments by PE/infrastructure funds
- Strategic acquisitions in:
 - Renewables portfolios
 - EV charging & battery tech

Tailwind

- Strong ESG investor interest in India

Infrastructure & Real Estate

Outlook: High deal value, asset monetization driven

Drivers

- Government infra push (roads, airports, logistics)
- Distressed asset acquisitions
- REITs / InvITs / yield platforms

Trend

- Large-ticket deals (e.g., Adani real estate acquisitions)
- Global funds acquiring operational assets

Healthcare, Pharma & Life Sciences

Outlook: Consistent + cross-border expansion

Drivers

- Hospital consolidation
- Diagnostics roll-ups
- CDMO / pharma exports

Trend

- PE-backed platform plays
- Cross-border acquisitions (US/EU generics, specialty pharma)

Key Insight

- High intangible value (brands, IP, customer relationships)

Consumer, Retail & FMCG

Outlook: Selective but steady

Drivers

- Premiumization
- D2C brand consolidation
- Quick commerce ecosystem

Trend

- Mid-market deals dominate
- Strategic acquisitions by large consumer companies

Risk

- Valuation gaps + FII outflows in some segments

Manufacturing, Industrial & Automotive

Outlook: Strong (China+1 + supply chain shifts)

Drivers

- Global supply chain diversification
- PLI schemes
- EV manufacturing ecosystem

Trend

- Cross-border acquisitions (technology + market access)
- Strategic JVs with global OEMs

Example

- Automotive led deal value in 2025

Telecom, Digital Infrastructure & Data Centre

Outlook: Structural growth sector

Drivers

- Data consumption boom
- 5G rollout
- Hyperscaler demand

Trend

- Data centre platform investments
- Tower and fiber consolidation

Media , Gaming and Entertainment

Outlook: Rising M&A activity

Drivers

- OTT consolidation
- Gaming & digital content
- Sports/IP monetization

Trend

- Strategic mergers (content + distribution integration)

Logistics & Supply Chain

Outlook: High deal activity

Drivers

- E-commerce growth
- Warehousing demand
- Integrated logistics platforms

Trend

- Roll-ups + PE-backed platforms
- Tech-enabled logistics acquisitions

Start-up / Venture Ecosystem

Outlook: Improving after 2023–24 slowdown

Drivers

- Exit pressure from VCs
- Strategic acquisitions by incumbents

Trend

- Down-round M&A
- Consolidation across:
 - Edtech
 - Fintech
 - D2C

Sector Attractiveness

Tier

★ ★ ★ (Very High)

★ ★ (High)

★ (Moderate)

Emerging

Sectors

Energy, Infra, Manufacturing, Digital Infra

BFSI, Healthcare, Logistics

Consumer, IT, Startups

Media, Gaming

Bottomline.....

2026 will be a “broad-based but selective M&A cycle” in India

Capital will flow toward:

- Energy transition
- Industrial growth
- Digital infrastructure

Technology M&A will shift from scale to capability (AI-led)

India remains one of the most attractive global M&A destinations



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