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IVCA-EY PE/VC Roundup

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# Foreword and outlook



**Vivek Soni**

Partner and National Leader  
Private Equity Services, EY India

// November 2023 recorded US\$1.6 billion in PE/VC investments, 69% lower than the investments in November 2022 and 60% lower than October 2023. The number of deals in November was lower by 45% y-o-y. This is the lowest monthly total for PE/VC investments since April 2020.

// Startup investments valued at US\$553 million were the highest across 39 deals in November 2023, compared to US\$1.3 billion invested across 61 deals in November 2022, a 56% degrowth in value terms. Credit investments recorded US\$420 million across five deals, a 37% decline in value terms y-o-y.

// From a sectoral perspective, infrastructure was the leading sector in November 2023, totaling US\$701 million across seven deals, driven by a substantial investment from Actis in 321 MW Solar assets of Acme. Education sector received the second highest PE/VC investment, amounting to US\$369 million across three deals.

// PE/VC exits in November 2023 were at US\$1.2 billion across 22 deals, a 39% decline in value terms y-o-y. Open market exits were the highest valued at US\$611 million across seven deals.

// PE/VC investment and exit activity in the listed space has surged over the past three years in line with the buoyant performance of the capital markets. The robustness exhibited by the listed mid and small caps has absorbed numerous PE-backed Initial Public Offerings (IPOs) and the increasing depth of the Indian markets has been instrumental in enabling PE funds to divest substantial stakes post-listing at minimal discount. As highlighted in our Spotlight section, PE/VC investments and exits from PIPE deals in 2023 YTD exceed \$8.3 billion and \$9.5 billion, respectively.

// PE/VC deal activity in 2H2023 has experienced a notable deceleration, as it failed to sustain the promising momentum observed in the first 2 quarters. Based on the prevailing trajectory and deal pipeline, we anticipate that Private Equity/Venture Capital (PE/VC) investments for the year will close at approximately 10% - 12% below the \$56 billion total seen in 2022. This fall has been primarily fueled by a sharp contraction in startup investments and a drop in no. of large deals on account of the widening bid ask spread between investor valuations and seller expectations. The robust activity in the listed space throughout 2023 has on one hand helped mitigate some of the lethargy evident in the overall PE/VC deal activity but on the other, has been a major influence behind buoyant seller expectations on valuation. While the broader Indian market indicators display resilience, global uncertainties persist due to prevailing geopolitical tensions and both growth and inflation remain significant concerns. We remain cautiously optimistic as we step into the new year.



# Agenda

1

Monthly trend analysis: November 2023

2

Spotlight: Private investments in public equity (PIPE) and open market exits



# 01

Monthly trend analysis:  
November 2023

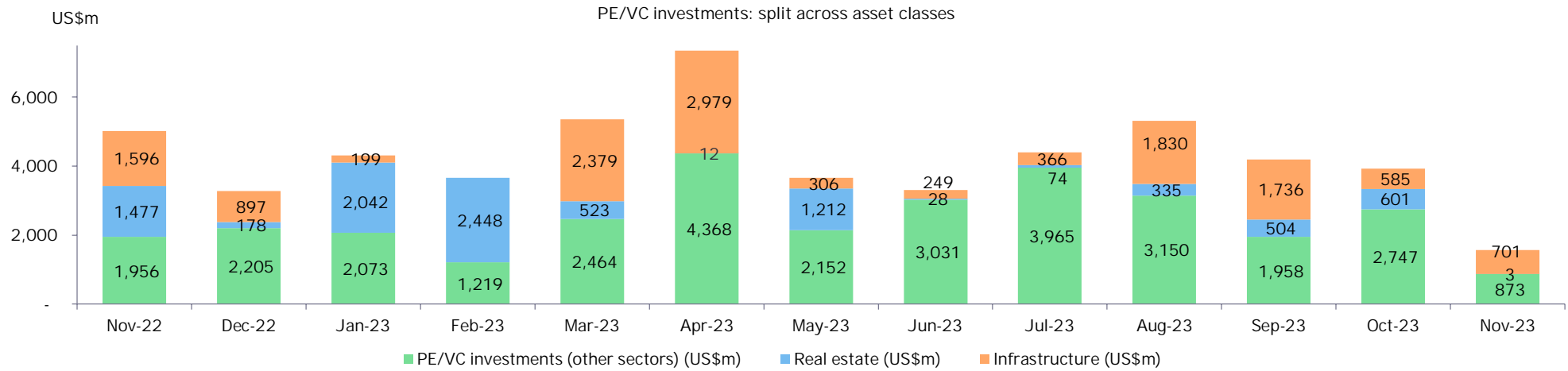
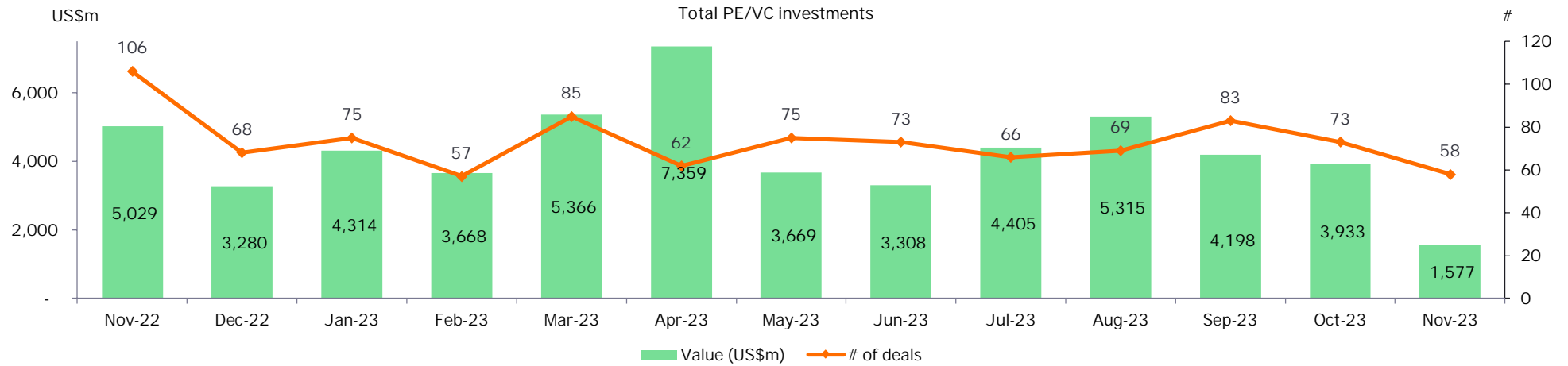


# Key trends



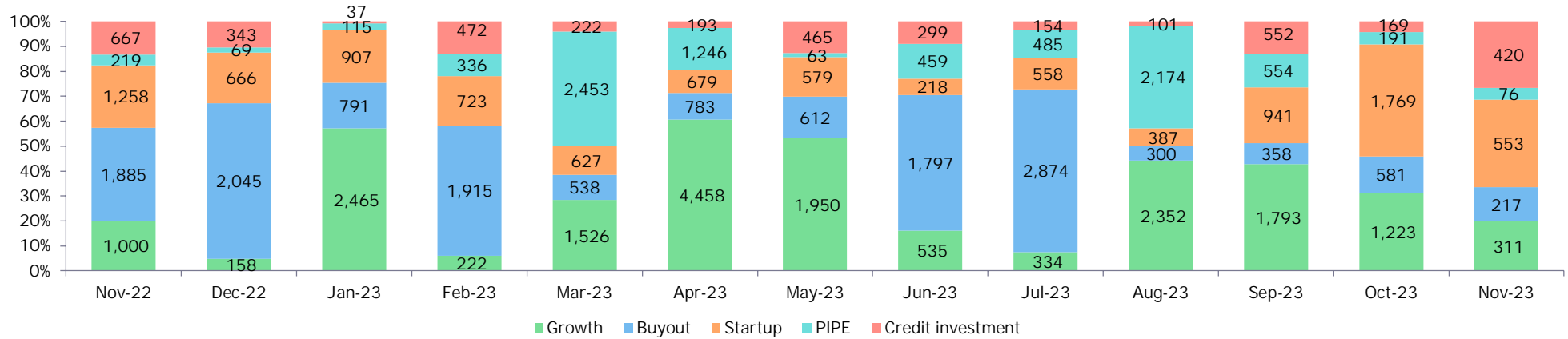
- ▶ November 2023 recorded PE/VC investments of US\$1.58 billion, the lowest monthly total since April 2020. In value terms, November 2023 was 69% lower than November 2022 (US\$5 billion) and 60% lower than October 2023 (US\$3.9 billion). In volume terms, November 2023 (58 deals) recorded a 45% decline compared to November 2022 (106 deals) and a 21% decline compared to October 2023 (73 deals).
- ▶ November 2023 recorded six large deals (deals of value greater than US\$100 million) aggregating US\$993 million, a 72% decrease y-o-y in terms of value. The largest deal in November 2023 saw Actis invest US\$205 million for a 100% in 321 MW Solar assets of Acme.
- ▶ Startup investments had the largest share in November 2023 with US\$553 million invested, compared to US\$1.3 billion invested in November 2022, a 56% decrease in value on a y-o-y basis. Credit investments were the second largest, with US\$420 million invested in November 2023, lower by 37% compared to November 2022 (US\$667 million). Growth Capital investments were third highest in November 2023 (US\$311 million) a 69% decrease over November 2022 (US\$1 billion), followed by Buyout investments (US\$217 million) which saw a sharp decline of 88% compared to November 2022 (US\$1.9 billion) and lastly, private investments in public equity (PIPE) with an investment of US\$76 million, a degrowth of 65% compared to November 2022 (US\$219 million).
- ▶ From a sector point of view, infrastructure was the top sector in November 2023 with US\$701 million in PE/VC investments across seven deals, on the back of the investment of US\$205 million by a Actis in 321 MW Solar assets of Acme. Education sector was the second largest, with investment worth US\$369 million across three deals.

# PE/VC monthly headline trends: investments

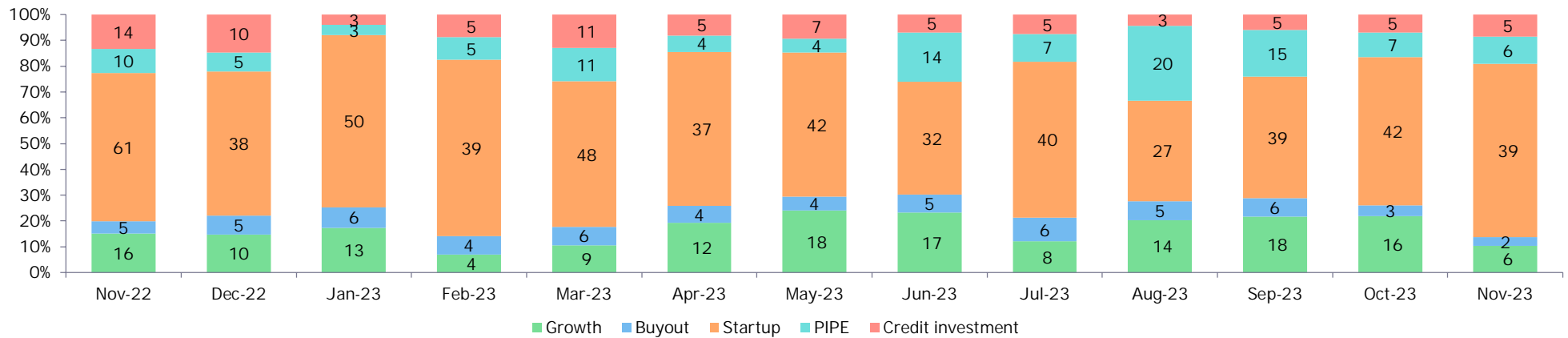


# PE/VC monthly headline trends: investments

PE/VC investments: split across deal segments (value in US\$m)

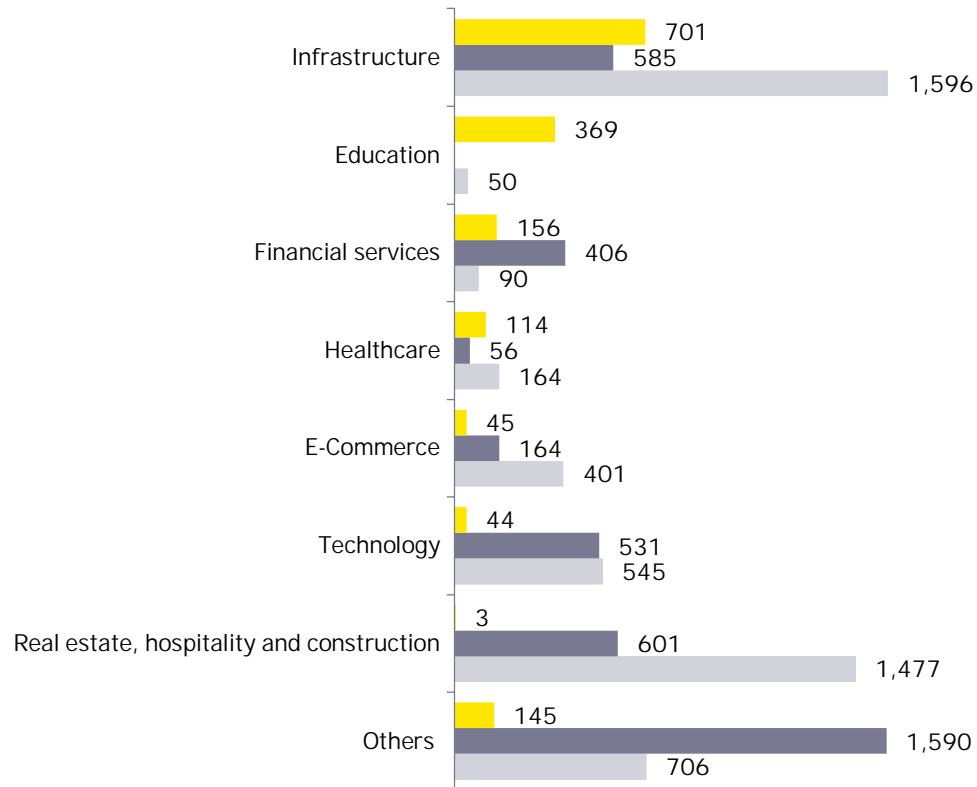


PE/VC investments: split across deal segments (number of deals)

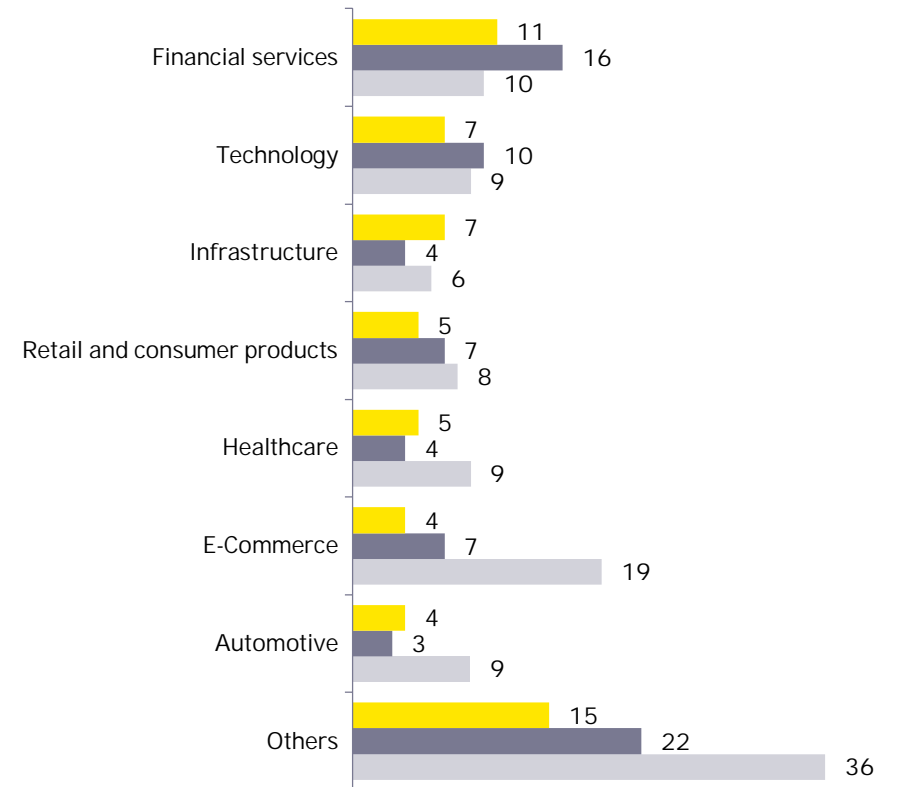


# PE/VC investments: split by sector

Top sectors by value (US\$m)



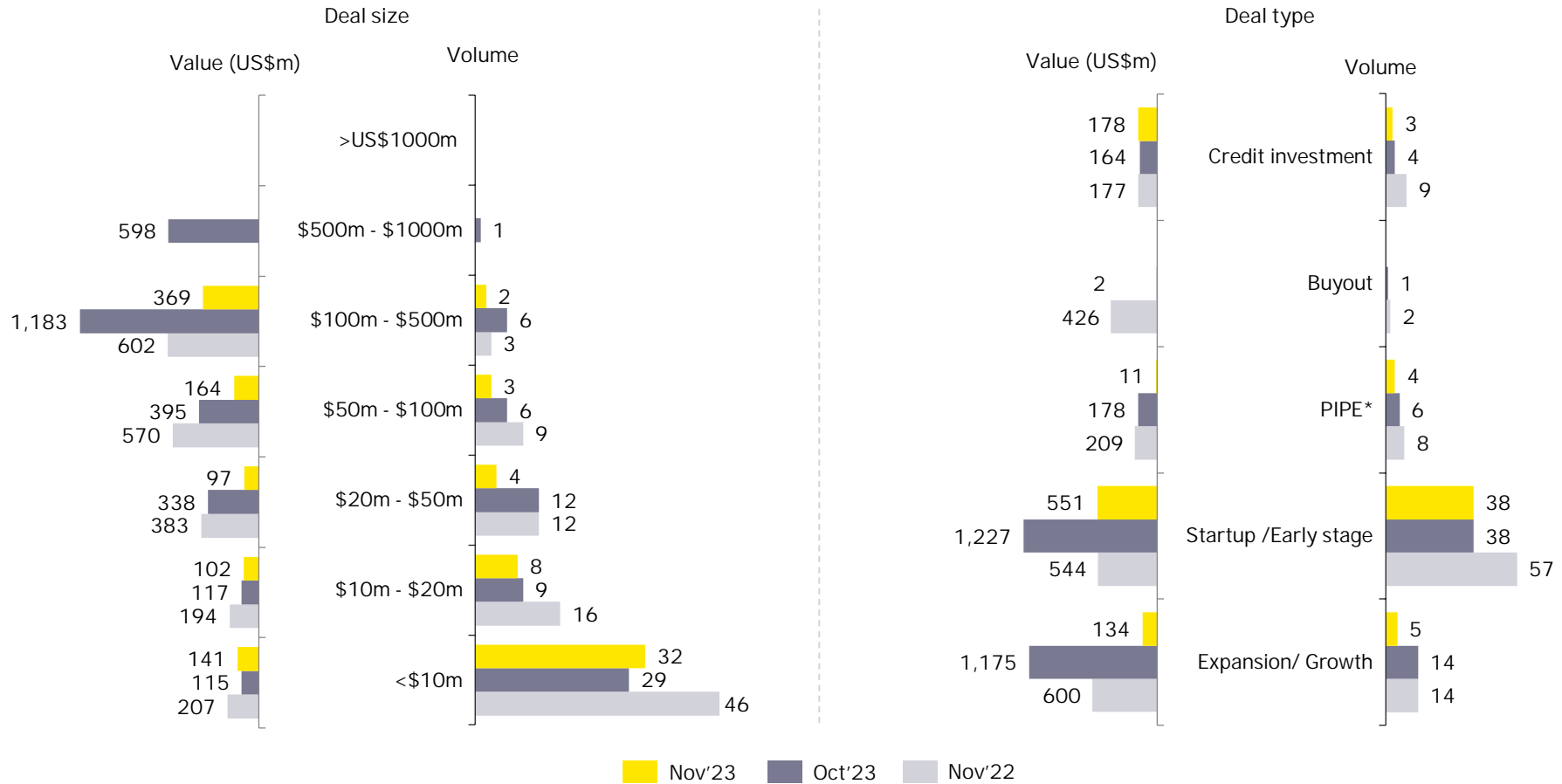
Top sectors by volume



Nov'23 Oct'23 Nov'22



# PE/VC investments: split by deal type and deal size (excludes real estate and infrastructure)



\* PIPE: Private investment in public equity

Note: Deal value not available on 4 deal in Nov'22, 1 deal in Nov'23

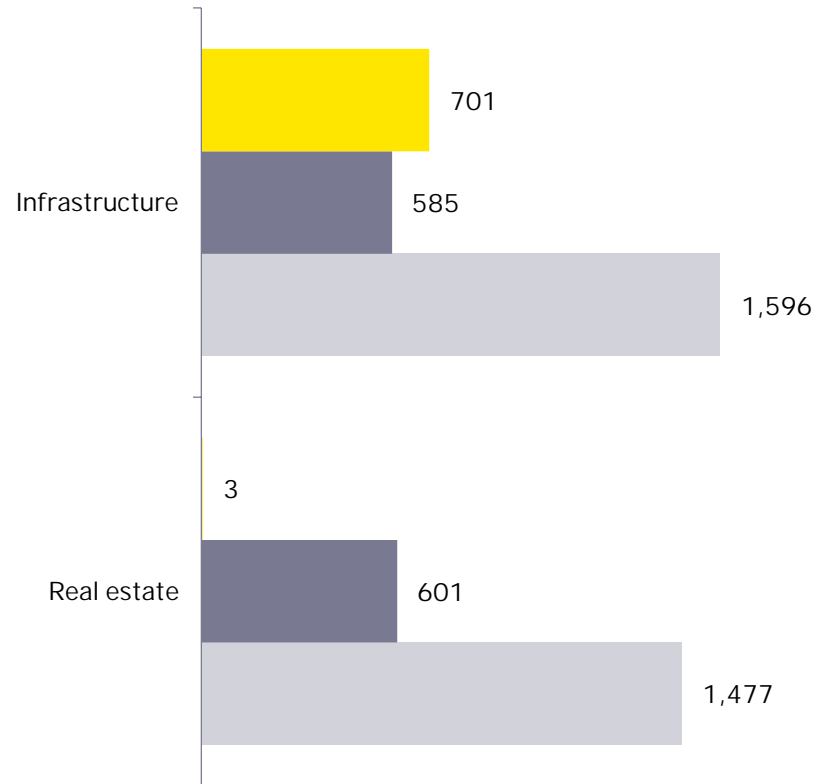
# Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in November 2023

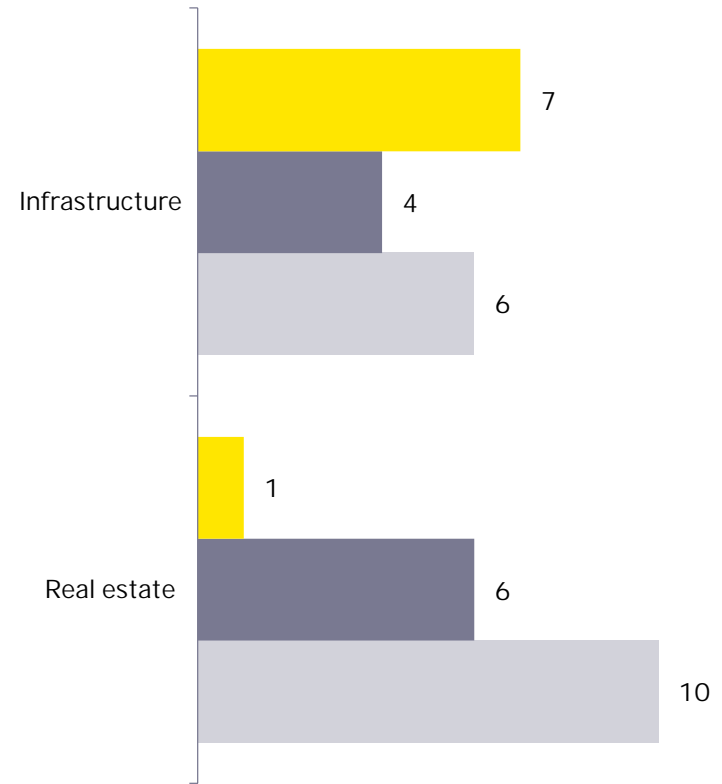
Company	PE investors	Sector	Stage	US\$m	Stake (%)
Cappella Eduinfra Private Limited	Alta Capital	Education	Startup	200	NA
Aakash Educational Services Limited	Ranjan Pai's family office	Education	Credit investment	169	NA
Incred Financial Services Limited	PE funds, corporate treasuries, family offices and HNI's	Financial services	Startup	60	6
Regency Hospital Limited	Norwest Venture Partners	Healthcare	Growth capital	54	30
Star Dental Centre Private Limited	The Qatar Investment Authority	Healthcare	Growth capital	50	NA
KiranaKart Technologies Private Limited	Goodwater Capital, Nexus Venture Partners, Mangum, Oliver and Lish Jung	E-Commerce	Startup	31	2
Nexon Omniverse Limited	Family offices	Retail and consumer products	Growth capital	23	NA
Scapia Technology Private Limited	3State Capital, Tanglin Venture Partners, Matrix India Asset Advisors, Elevation Capital	Financial services	Startup	23	NA
Inkodop Technologies Private Limited	Alteria Capital, Green Frontier Capital, Panthera Growth Partners, Xto10X Technologies	Automotive	Startup	20	NA
Bake Wish Private Limited	Faering Capital Private Limited	Food and agriculture	Startup	16	NA

# PE/VC investments in infrastructure and real estate sectors

Top sectors by value (US\$m)

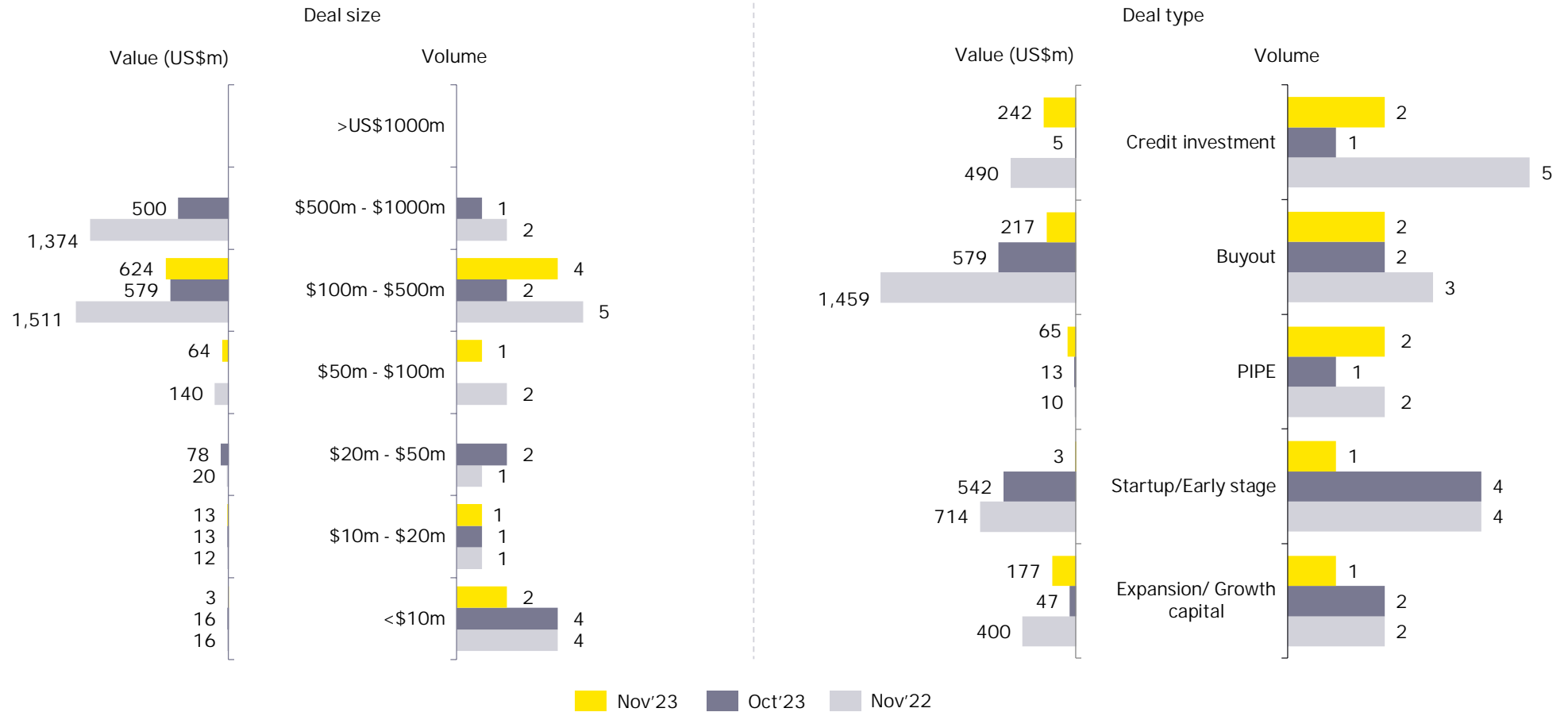


Top sectors by volume



Nov'23 Oct'23 Nov'22

# PE/VC investments in infrastructure and real estate sectors



\* PIPE: Private investment in public equity  
 Note: Deal value not available on 1 deal in Nov'22

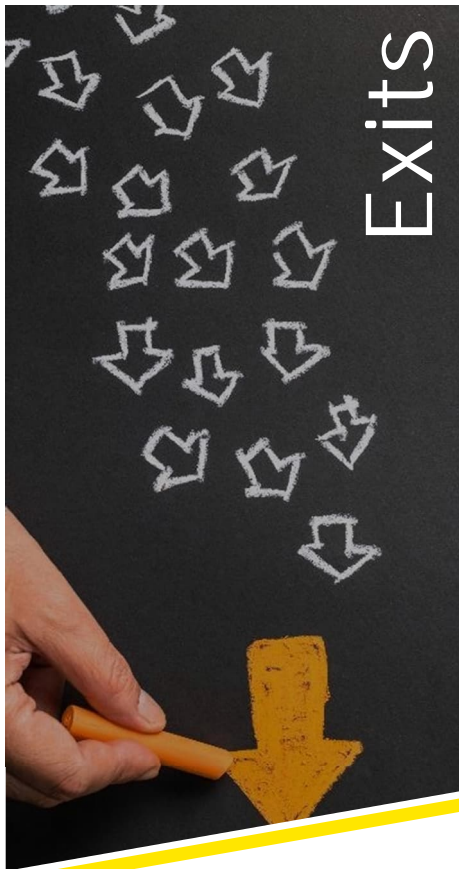
# Top infrastructure and real estate investments

Top infrastructure and real estate investments in November 2023

Company	PE investors	Sector	Stage	US\$m	Stake (%)
321 MW Solar assets of Acme	Actis	Infrastructure	Buyout	205	100
18 road assets from Dilip Buildcon	Alpha Alternatives	Infrastructure	Growth capital	177	26
GMR Goa International Airport Limited	JP Morgan, Tata Cleantech Capital	Infrastructure	Credit investment	130	NA
GMR Airports Limited	JP Morgan, Varde Partners	Infrastructure	Credit investment	113	NA
Dilip Buildcon Limited	Alpha Alternatives	Infrastructure	PIPE	64	10



## Key trends

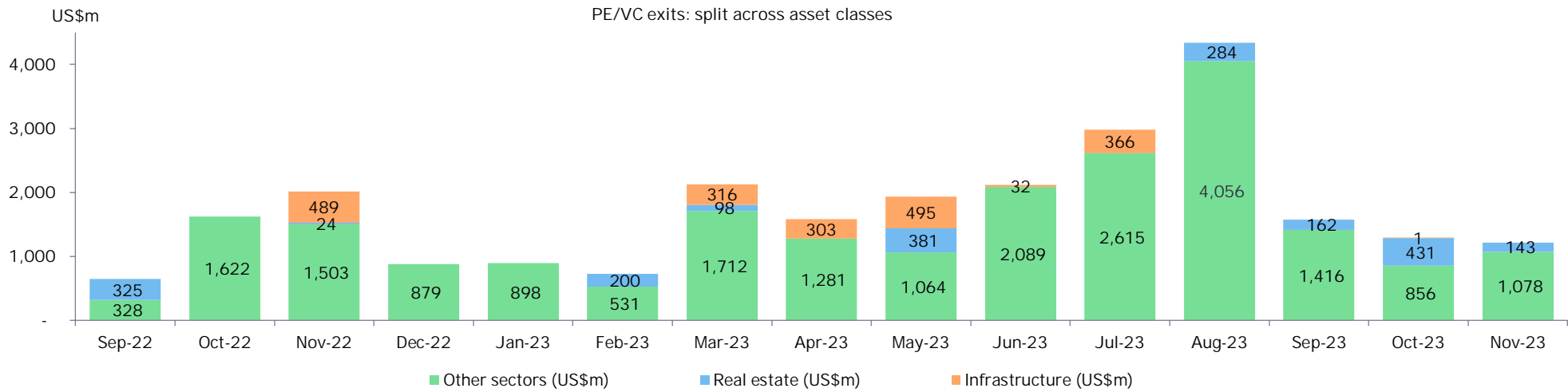
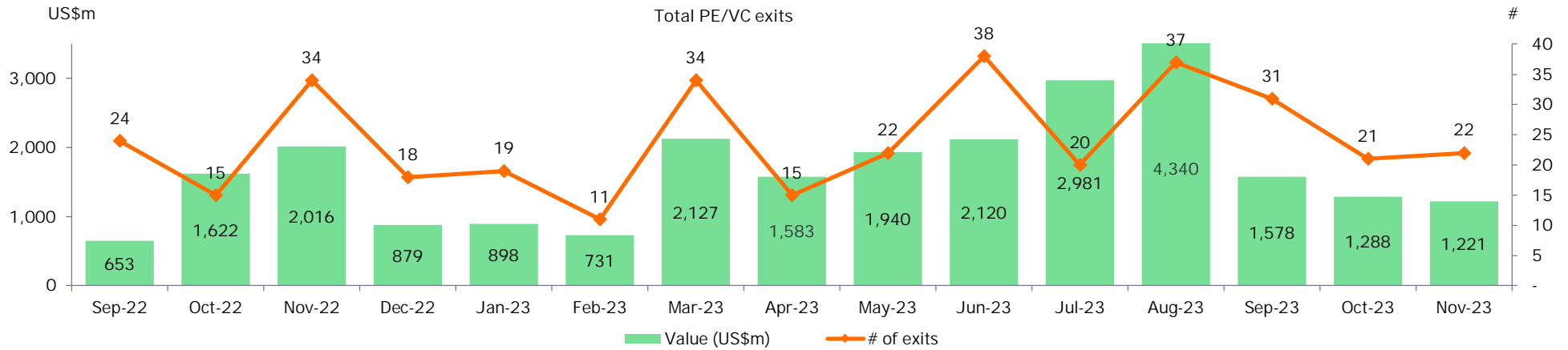


- ▶ November 2023 recorded 22 exits worth US\$1.2 billion, compared to US\$2 billion in November 2022 across 34 deals.
- ▶ Open market exits were the highest in November 2023 at US\$611 million across seven deals, followed by six PE-backed IPO's at US\$265 million.
- ▶ The largest exit in November 2023 saw the Alipay Singapore Holding exit from Zomato Limited for US\$402 million.



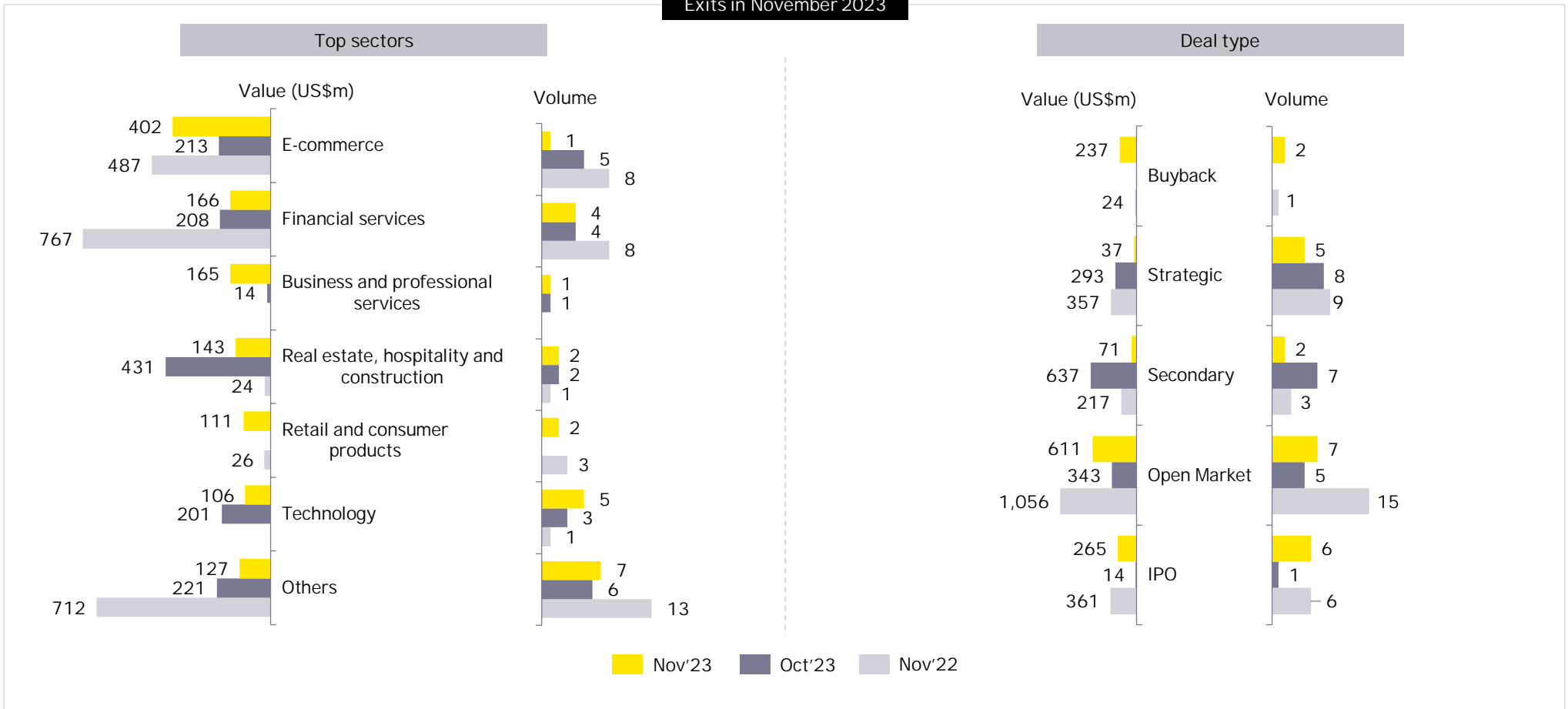
- ▶ November 2023 recorded total fundraises of US\$401 million compared to US\$1.9 billion raised in November 2022 and US\$2.4 billion in October 2023.
- ▶ US\$133 million raised by Sundaram Alternate Assets - Emerging Corporate Credit Opportunities Fund was the largest in November 2023.

# PE/VC monthly headline trends: exits



# Exits: US\$1.2 billion across 22 deals in November 2023

## Exits in November 2023

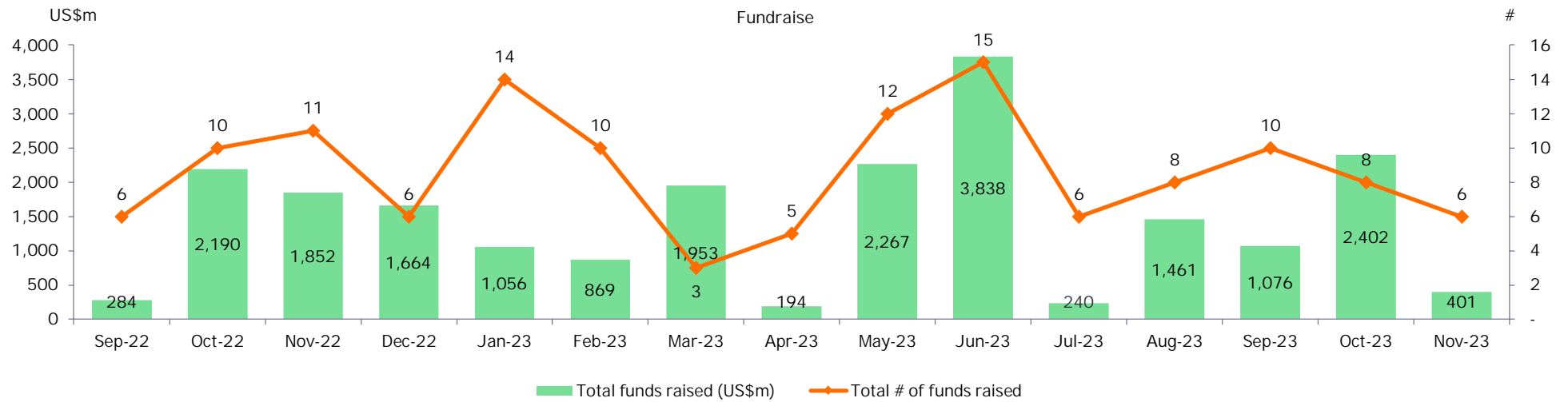


# Top exits

## Top exits in November 2023

Company	Sector	Seller	Stage	US\$m	Stake (%)
Zomato Limited	E-commerce	Alipay Singapore Holding	Open Market	402	3
NSPIRA Management Services Private Limited	Business and professional services	Banyantree Growth Capital II, Morgan Stanley	Buyback	165	20
Honasa Consumer Limited	Retail and consumer products	Fireside Ventures, Sofina, Stellaris	IPO	111	9
Home First Finance Company India Limited	Financial services	True North, Aether Mauritius, Orange Clove Investments	Open Market	91	10
Delhivery Limited	Logistics and transportation	Softbank	Open Market	89	2
Tata Technologies Limited	Technology	Alpha TC Holdings, Tata Capital	IPO	88	2

# PE/VC monthly headline trends: fundraise





# Fundraise

Top fundraise in November 2023

Status	Fund	PE/VC GP	US\$m	Strategy
Announced	Everstone Capital Asia Pte	Everstone Capital	1,000	Sector agnostic
Announced	Waterfield Advisors Fund of funds	Waterfield Advisors	250	Sector agnostic
Announced	Peak Ventures	Peak Ventures	150	Climate and Cleantech
Raised	Sundaram Alternates Assets - Emerging Corporate Credit Opportunities Fund	Sundaram Alternates Assets	133	Debt finance to small and medium enterprises
Raised	True North Private Credit fund	True North	120	Private credit business spanning performing credit, special situations and distressed debt

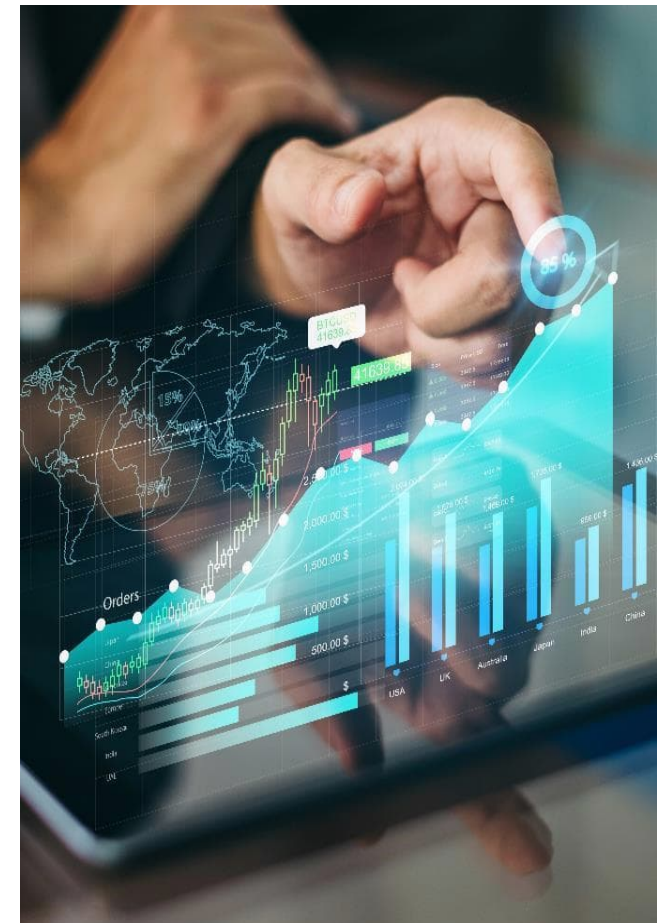
# 02

**Spotlight:** Private Investments in Public Equity (PIPE) and open market exits

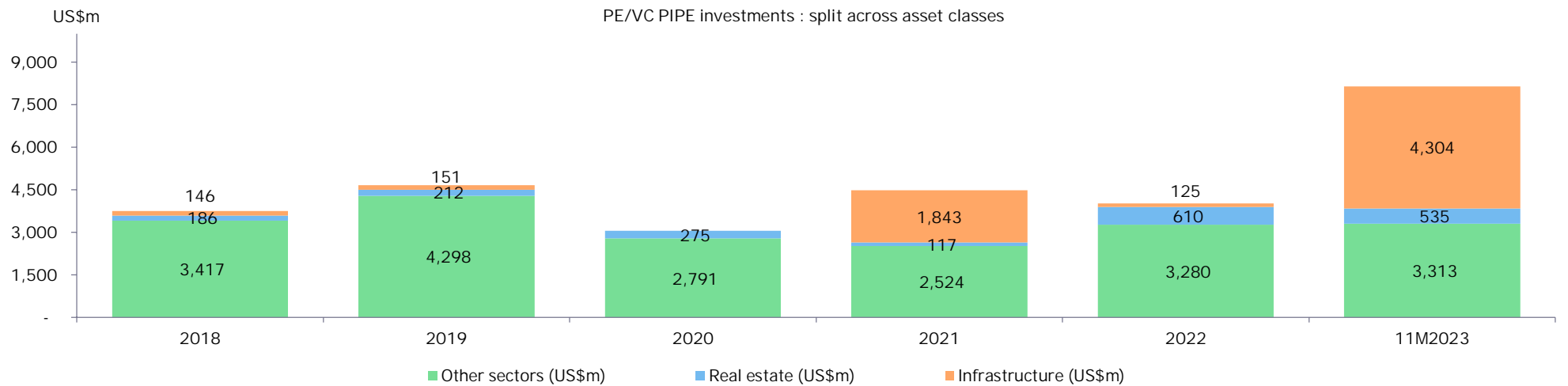
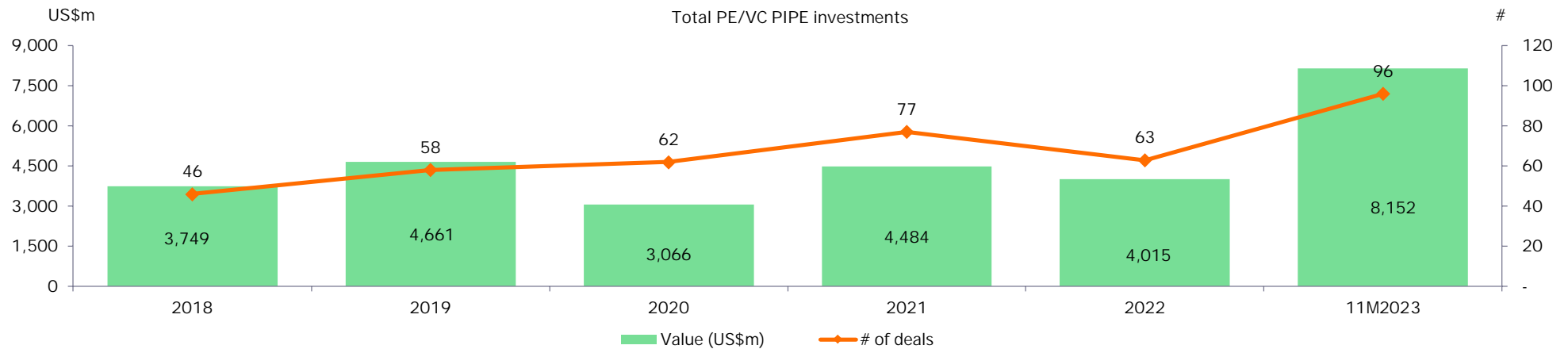
# Spotlight: Private investments in public equity (PIPE)

Outperforming markets drive PE/VC PIPE deal activity:

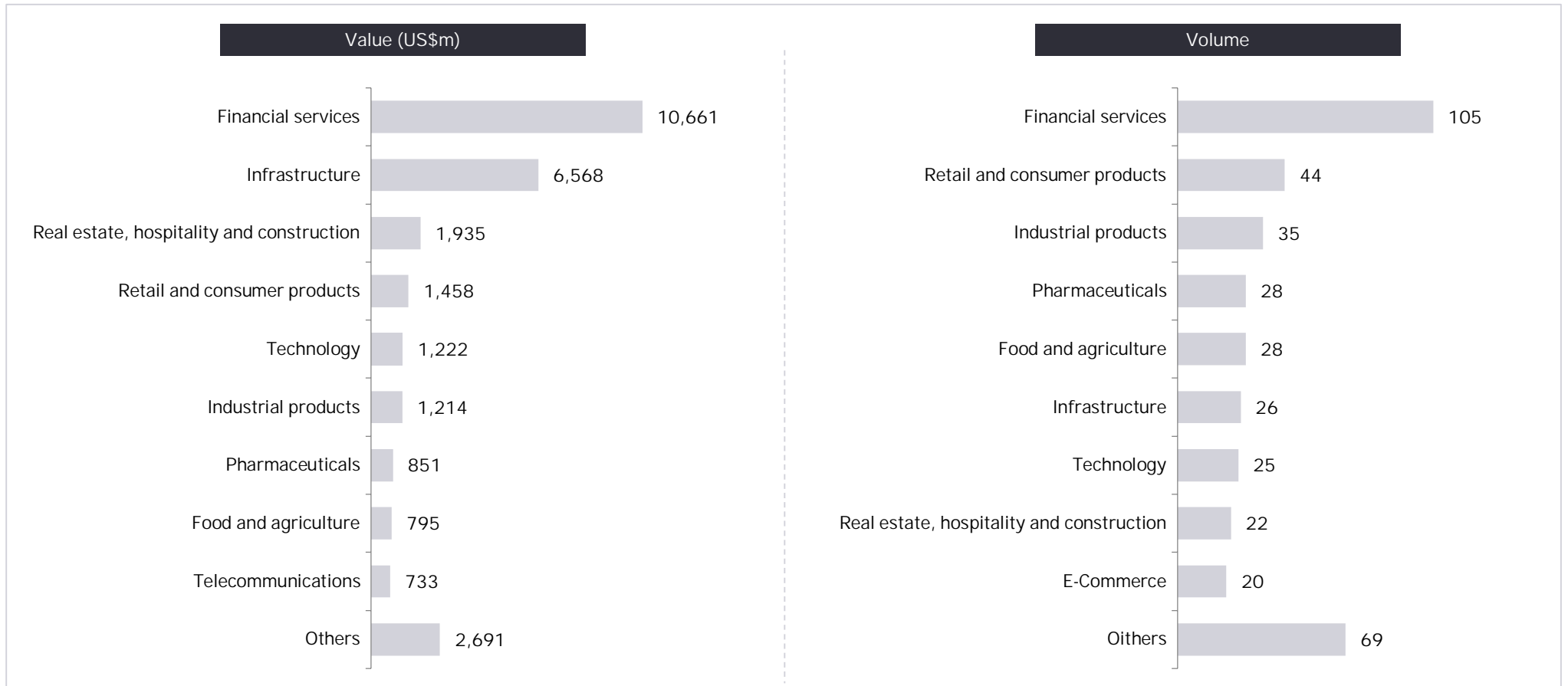
- ▶ PE/VC PIPE investments have shown a remarkable growth over the last few years, inline with the growth in the capital markets. PIPE investments in 2023 till date, at US\$8.2 billion, are the highest ever and account for 17% of all PE/VC investments during the year. PIPE investments in 2023 have already doubled compared to last year.
- ▶ The financial services sector has been the most attractive sector for PIPE investment, recording US\$10.7 billion (38% of the total PE/VC PIPE investments since 2018), followed by infrastructure (US\$6.6 billion), real estate (US\$ 1.9 billion), and retail and consumer products (US\$1.5 billion). These four sectors combined accounted for almost 73% of the total PE/VC PIPE investments since 2018.
- ▶ This trend is also reflecting on the exits side, where open market exits too are at an all-time high recording US\$9.5 billion in 2023 till date.
- ▶ Open market exits stood at US\$45.1 billion over the last decade, generating substantial returns for the PE/VC investors, with the last three years accounting for almost half of these exits. From a sector point of view, financial services sector has accounted for 45% of all open market exits since 2018.
- ▶ The open market exits began to surge post COVID, largely driven by follow-on sale of stakes held by recently listed PE-backed IPOs. The three years following COVID saw 88 PE-backed IPOs, accounting for 38% of all PE-backed IPOs till date.
- ▶ The growing depth of the capital markets in India is creating a conducive environment for PE-backed IPOs, which augers well for the PE/VC industry. Ability to part exit via IPOs will help drive further investments by PE/VC into the Indian market, as IPOs generally provide higher exit multiples.



# Spotlight: Private investments in public equity (PIPE)

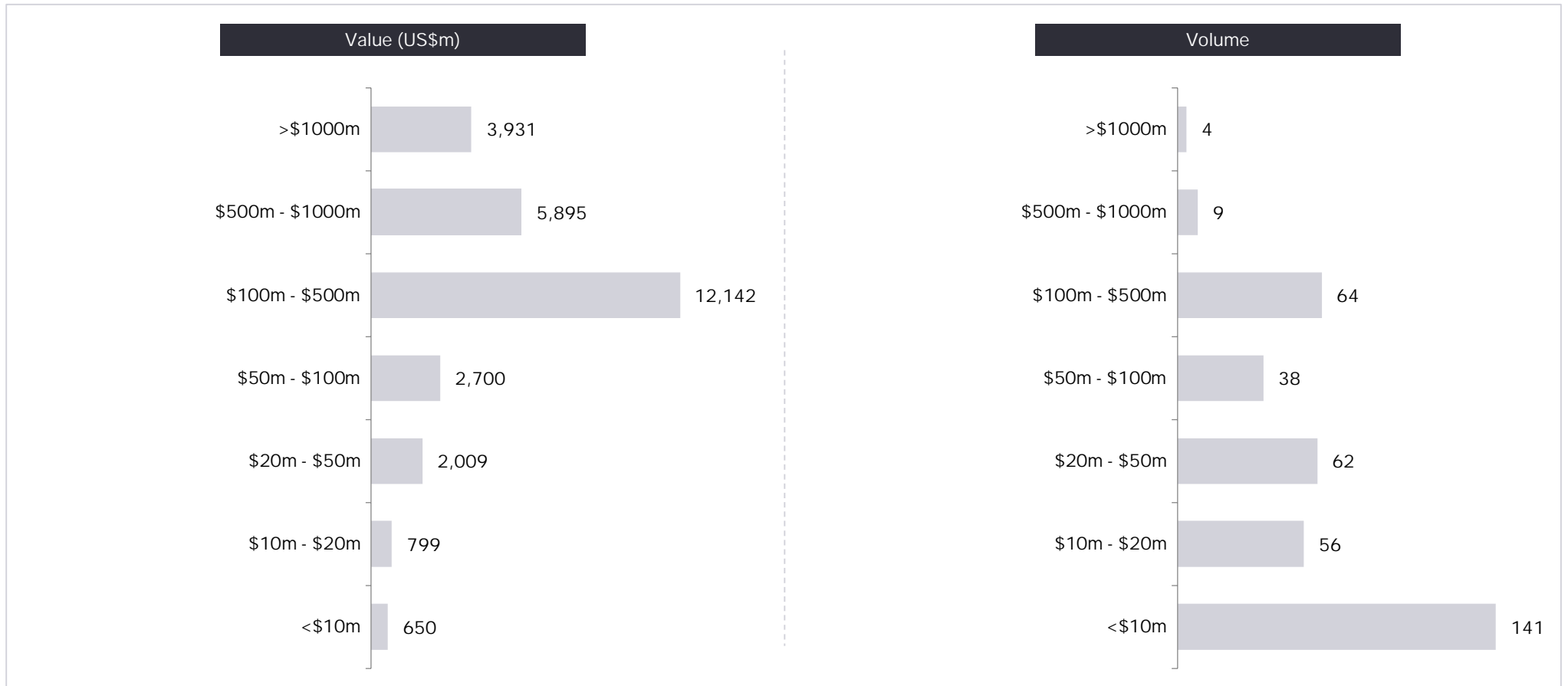


# Spotlight: Private investments in public equity (PIPE), by sector (2018 - 11M2023)





# Spotlight: Private investments in public equity (PIPE), by deal size (2018 - 11M2023)



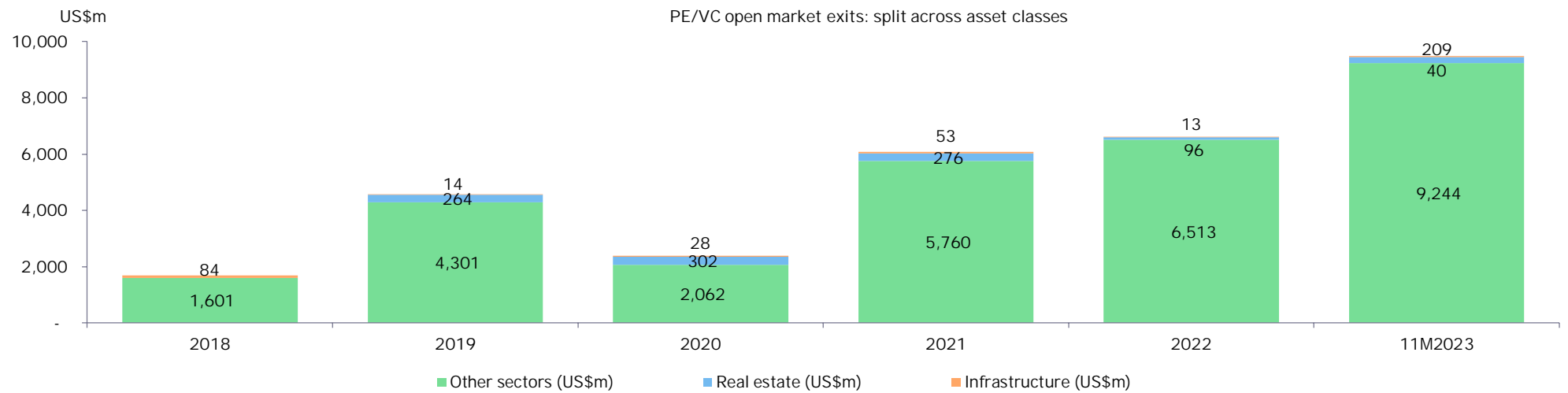
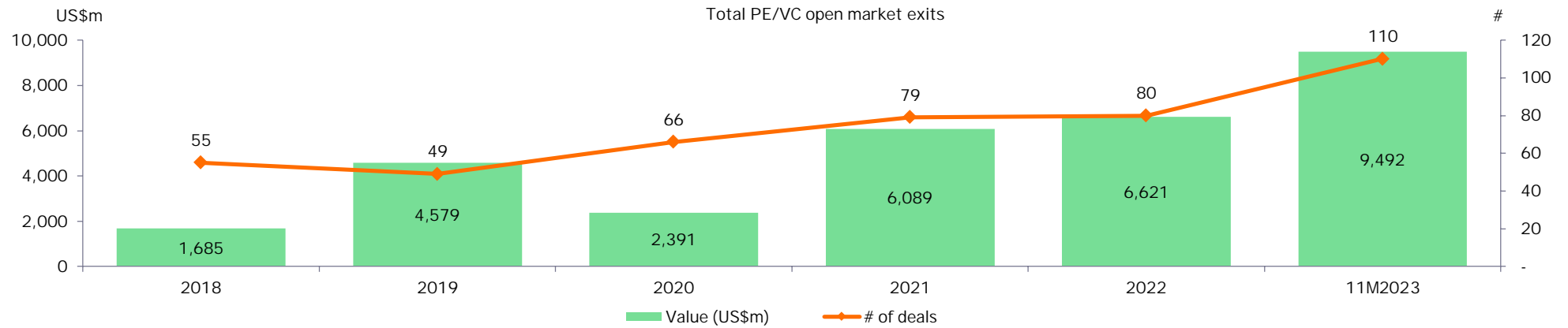
Note: Deal value not available on 28 deals for investments between 2018 to 11M2023

## Spotlight: Private investments in public equity (PIPE) | Key deals (2018 - 11M2023)

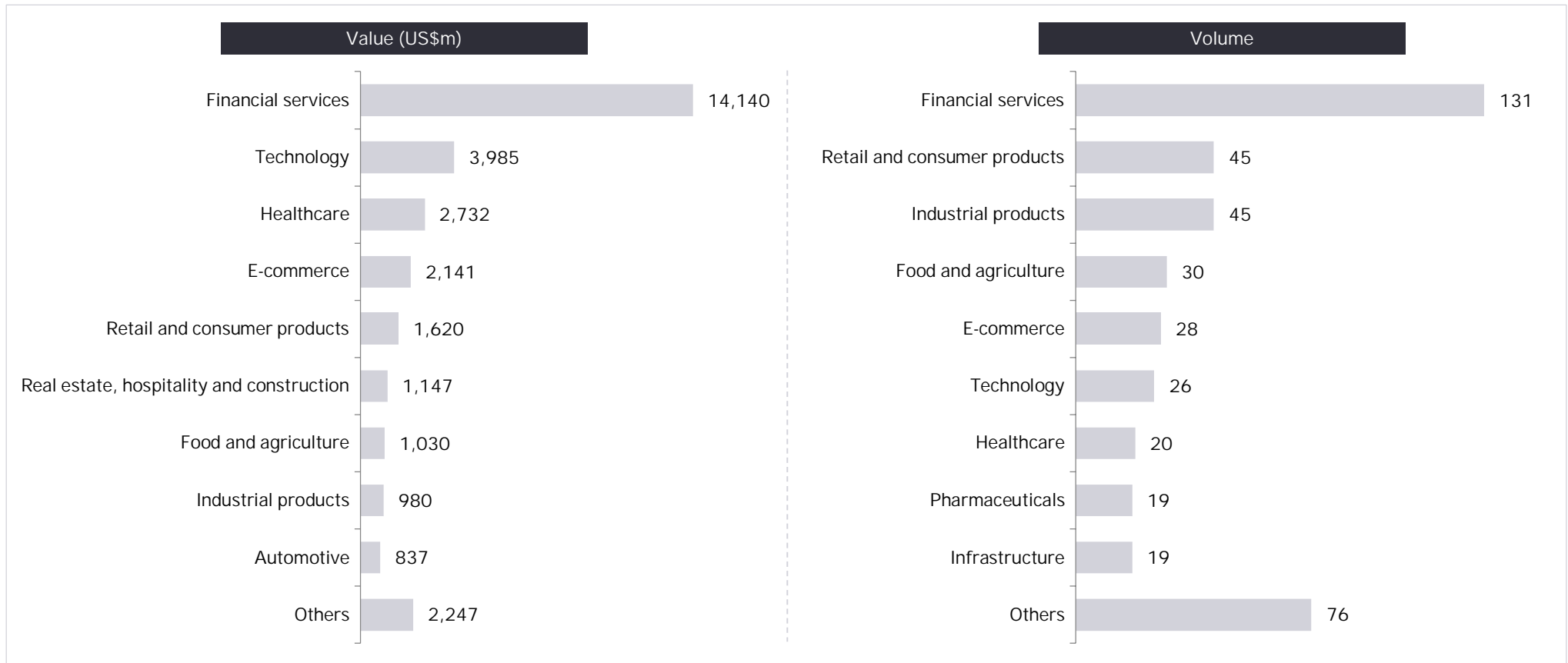
### Top PE/VC investments in PIPE

Company	PE investors	Sub Sector	Year of investment	US\$m	Stake (%)
HDFC	GIC, KKR, Premji Invest, Ontario and Others	Financial services	2018	1,731	4
Adani Power Limited	GQG Partners	Power and utilities	2023	1,100	8
Yes Bank Limited	Advent International, Carlyle	Financial services	2022	1,100	20
SBI Life Insurance Company Limited	Carlyle, CPPIB	Financial services	2019	817	6
Bharti Airtel Limited	GIC	Telecommunications	2019	726	NA
IRB Infrastructure Developers Limited	GIC, Ferrovial	Infrastructure	2021	712	42
Adani Enterprises Limited	GQG Partners	Industrial products	2023	662	3
Adani Ports and Special Economic Zone Limited	GQG Partners	Infrastructure	2023	640	4
Cube Highways InvIT	BCI, Mubadala, L&T and SBI Mutual Fund	Infrastructure	2023	637	NA
ReNew Power	BlackRock, BNP Paribas, Chamath Palihapitiya, Sylebra Capital, TT International, TT Environmental and Zimmer Partners	Infrastructure	2021	610	NA

# Spotlight: Open market exits (2018 - 11M2023)



## Spotlight: Open market exits (2018 - 11M2023)

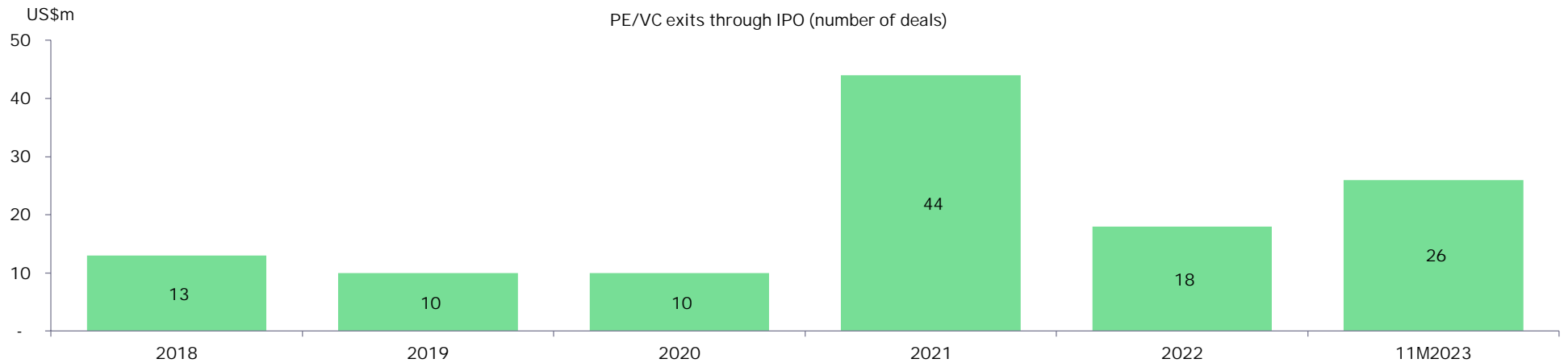
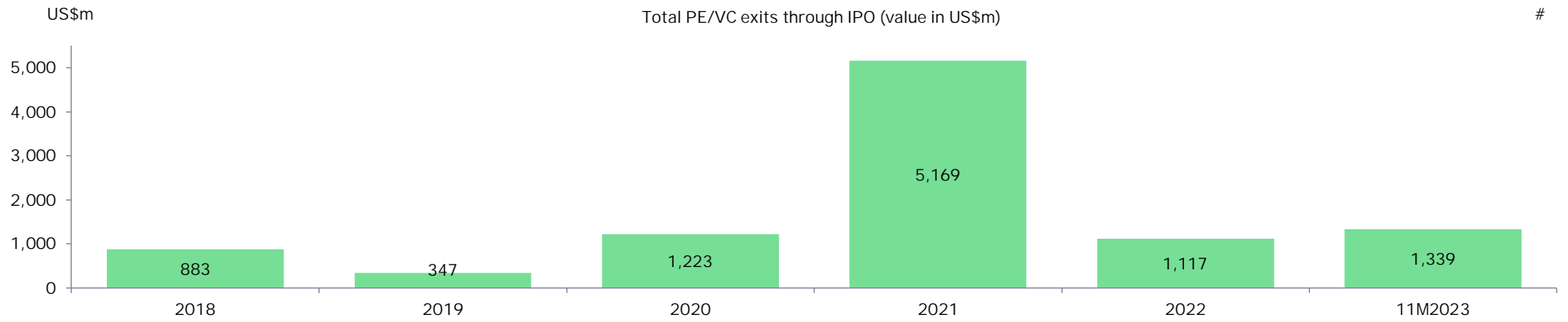


## Spotlight: Open market exits (2018 - 11M2023)

### Top PE/VC open market exits

Company	Seller	Sector	Year of exit	US\$m	Stake (%)
Max Healthcare Institute Limited	KKR	Healthcare	2022	1,163	28
ICICI Lombard General Insurance Company Limited	Fairfax	Financial services	2019	1,094	15
Genpact Limited	Bain Capital, GIC	Technology	2019	949	20
Coforge Limited	BPEA EQT	Technology	2023	925	27
Kotak Mahindra Bank Limited	CPPIB	Financial services	2022	893	2
Kotak Mahindra Bank Limited	CPPIB	Financial services	2023	742	2
SBI Cards and Payment Services Limited	Carlyle	Financial services	2021	649	5
Sona BLW Precision Forgings Limited	Blackstone	Automotive	2023	600	21
SBI Cards and Payment Services Limited	Carlyle	Financial services	2021	542	4
SBI Life Insurance Company Limited	Carlyle	Financial services	2021	531	4

# Spotlight: Exits through IPO (2018 - 11M2023)



A close-up photograph of a person's hand holding a white marker, pointing at a bar chart displayed on a tablet screen. The chart features several bars in shades of green, brown, and red. The background is dark, and the lighting is focused on the hand and the tablet.

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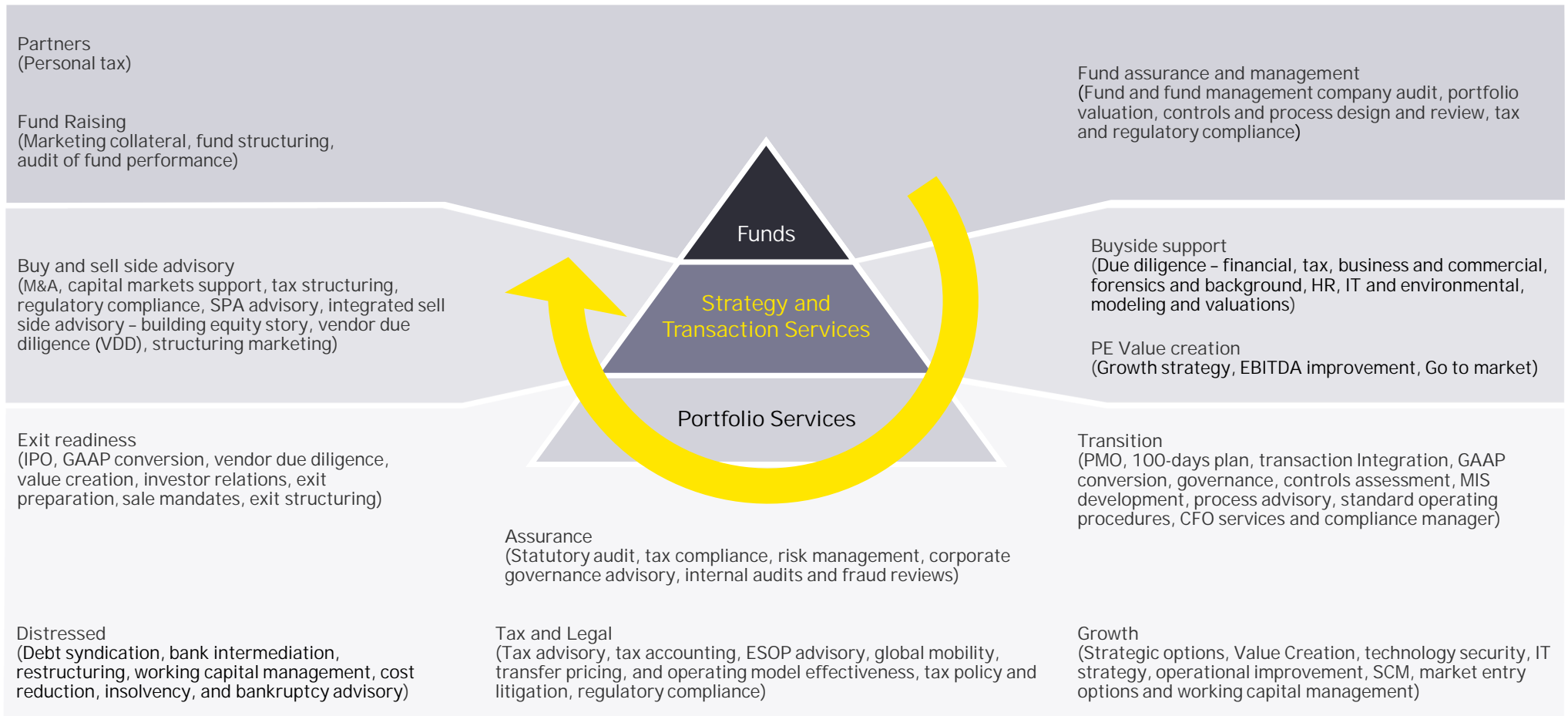
- ▶ EY's India Private Equity Services Practice has been among the top advisors for private equity deals over the past ten years. EY has been awarded the "Most Active Transaction Advisor" award by Venture Intelligence for 2009-2013 and the "Investment Bank of the Year, Private Equity" award by VC Circle in 2012, 2017 and 2020 and for M&A in 2018 and 2019.
- ▶ EY has been ranked a #1 Financial Advisor for over a decade across Mergermarket, Thomson Reuters and Bloomberg\*\*. Our position as the foremost M&A advisor in the Indian mid-market enables us to create a robust deal origination pipeline for our PE/VC clients, acting as the tip of the spear of what is India's dominant PE Services practice.
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\*\* for most number of deals



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About  
IVCA

## IVCA

### About IVCA

The Indian Private Equity & Venture Capital Association (IVCA), is the apex body promoting the Alternative Investment Funds (AIFs) in India and promotes stable, long-term capital flow (Private Equity (PE), Venture Capital (VC) and Angel Capital) in India.

With leading VC/ PE firms, institutional investors, banks, corporate advisers, accountants, lawyers and other service providers as members, it serves as a powerful platform for all stakeholders to interact with each other. Being the face of the industry, it helps establish high standards of governance, ethics, business conduct and professional competence.

With a prime motive to support the ecosystem, it facilitates contact with policy makers, research institutions, universities, trade associations and other relevant organizations. Thus support entrepreneurial activity, innovation and job creation.

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