

# When productivity lags how can PE unleash market potential?

Discover powerful new ways for private equity to create unexpected paths to value.

The IVCA-EY monthly PE/VC roundup –  
August 2021



The better the question. The better the answer.  
The better the world works.





# Our thoughts



The PE/VC juggernaut continues to roll, propelling both investments and exits to life-time highs within the first eight months of the year. Till date in 2021, PE/VC investments have recorded US\$47.3 billion, almost at par with the previous high recorded in 2020 and exits have recorded US\$30.7 billion, 13.7% higher than the previous high recorded in 2018. August recorded US\$10.7 billion in PE/VC investments over 137 deals (US\$2.2 billion, 83 deals in Aug 2020 and US\$9.7 billion, 77 deals in July 2021).

This rally has been driven by surging deal activity in the start-up space that recorded YTD investment value of US\$15.3 billion, 31% higher than the previous all-time high recorded in 2019 and a sharp rebound in buyout investments which recorded US\$13.7 billion after a subdued performance last year. Further, deal activity has been dominated by pure play PE/VC investments, that accounted for 85% of all PE/VC investments in YTD 2021. This is unlike earlier years which had witnessed significant investments in real estate and infrastructure asset classes as well.

While e-commerce sector has dominated investor interest in 2021, recording US\$11 billion and accounting for 23% of all investments in YTD 2021, financial services has quickly caught-up after a lull post the pandemic to emerge as the top sector in August 2021, recording US\$2.2 billion vs. US\$1.2 billion recorded in August 2020 and US\$435 million in July 2021. Technology sector was next in line recording US\$1.6 billion vs. US\$33 million in August 2020 and US\$1.1 billion in July 2021. Education is another sector that saw strong investor interest in August 2021, recording US\$1.2 billion vs. US\$308 million in August 2020 and US\$358 million in July 2021.

PE/VC exits too have eclipsed the previous all-time high to record US\$30.7 billion in YTD 2021. YTD 2021 has recorded 22 IPOs, second highest monthly number ever with many more in the pipeline. ReNew Power's SPAC listing in August 2021, the first for an Indian company, potentially opens up new exit avenues for investors. August recorded US\$7.3 billion in PE/VC exits over 38 no. of deals (US\$67 million, 17 deals in Aug 2020 and US\$1.2 billion, 25 deals in July 2021).

As the percentage of vaccinated population rises, hopes of economic activity returning to pre-pandemic levels have increased. However, downside risks include a possible pandemic resurgence due to new virus variants, inflation and any hawkish action by the US Federal Reserve to contain it and a potential spike in commodity prices (especially oil).





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EY helps clients begin with the end in mind  
to help them improve returns

Monthly trend analysis:  
August 2021



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# Key trends

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## Investments

- ▶ PE/VC investments in August 2021 recorded the highest ever monthly value at US\$10.7 billion on the back of large buyouts. PE/VC investments in August 2021 were almost five times the value recorded in August 2020 (US\$2.2 billion) and 10% higher compared to July 2021 (US\$9.7 billion). August 2021 also recorded the highest ever number of deals (137 deals), 65% higher than August 2020 (83 deals) and 2% higher compared to July 2021 (134 deals), driven by large number of start-up investments (91 deals).
- ▶ The deal intensity in 2021 has been very strong and has been accelerating month-on-month and as a result, the cumulative PE/VC investments of US\$47.3 billion recorded in the first eight months of 2021 have almost equalled the previous annual high of US\$47.6 billion seen in 2020.
- ▶ Pure play PE/VC investments (i.e., excluding investments in real estate and infrastructure) too recorded highest ever monthly value at US\$9.3 billion, almost five times the value recorded in August 2020 (US\$1.9 billion) and at par with July 2021 (US\$9.2 billion) and accounted for 87% of all PE/VC investments in August 2021.
- ▶ August 2021 recorded 19 large deals (deals of value greater than US\$100 million) aggregating US\$8.4 billion compared to eight large deals worth US\$1.5 billion in August 2020 and 20 large deals worth US\$8.3 billion in July 2021. The largest deals in August 2021 include the US\$1.2 billion buyout of Atria Convergence Technologies Limited by Partners Group, followed by Baring PE Asia's buyout of the healthcare services business of Hinduja Global for US\$1.2 billion.

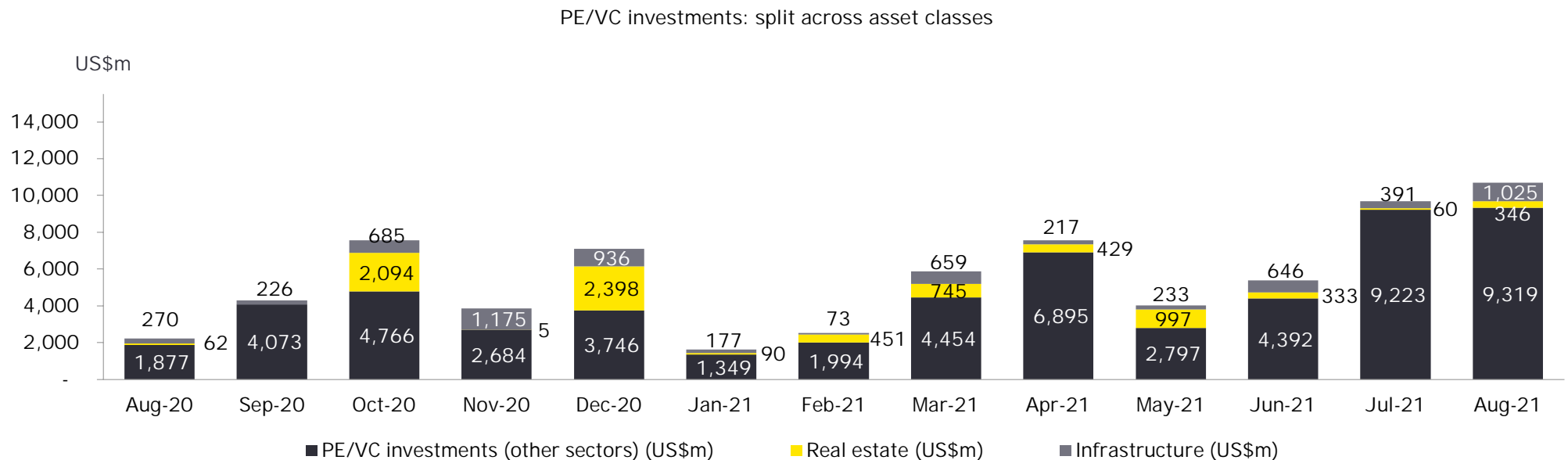
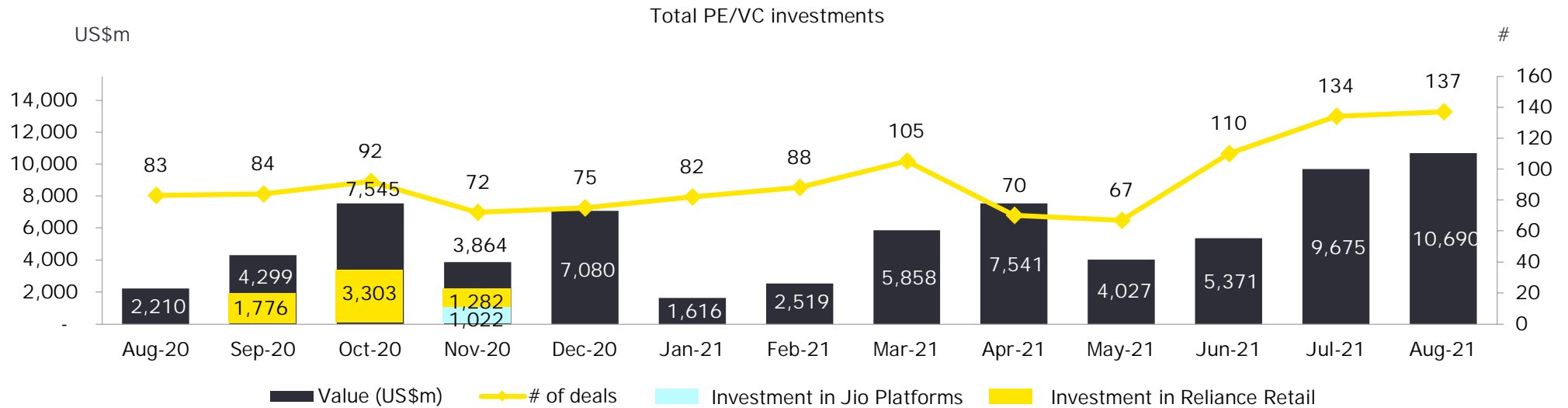
# Key trends

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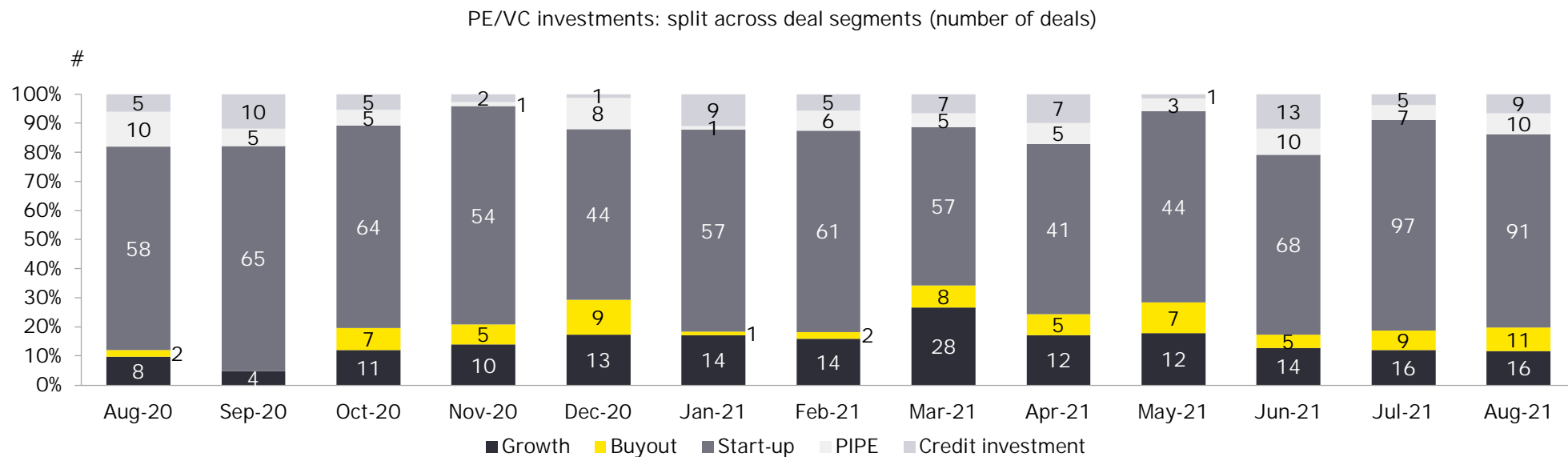
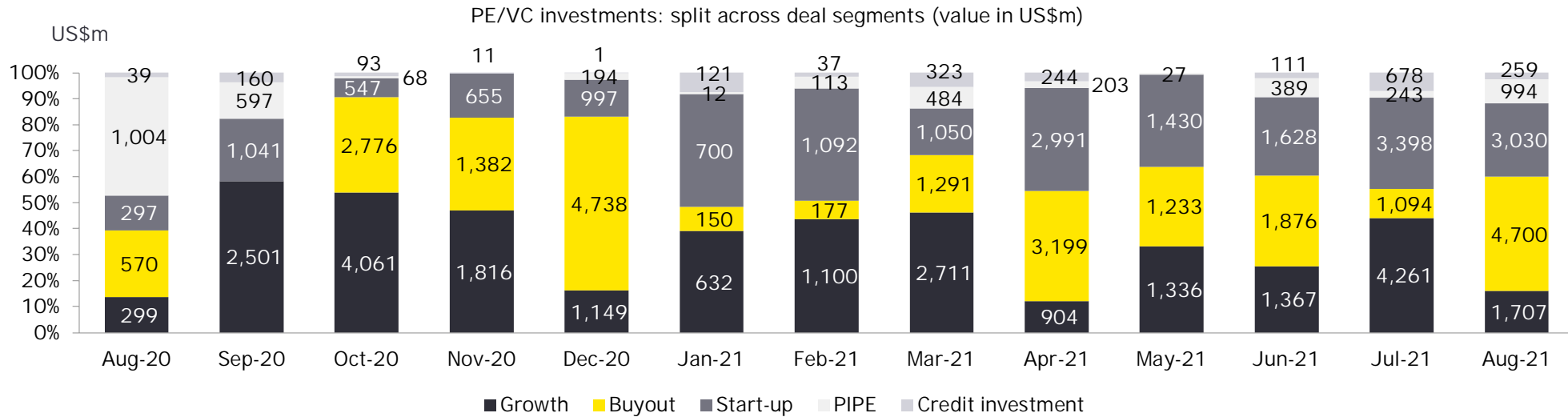
## Investments (cont'd.)

- ▶ By deal type, buyouts were the highest both in terms of value and volume in August 2021 at US\$4.7 billion across 11 deals, eight times the value recorded in August 2020 (US\$570 million).
- ▶ Next in line were start-up investments at US\$3 billion across 91 deals, more than 10 times the value recorded last year (US\$297 million) and second highest ever monthly value of start-up investments. Growth investments recorded US\$1.7 billion across 16 deals followed by PIPE investments worth US\$994 million across 10 deals.
- ▶ From a sector point of view, financial services was the top sector in August 2021 with US\$2.2 billion in PE/VC investments across 24 deals. The second largest sector was technology with US\$1.6 billion recorded across 25 deals. Education is another sector that saw strong investor interest in August 2021, recording US\$1.2 billion across 10 deals.

# PE/VC monthly headline trends: investments

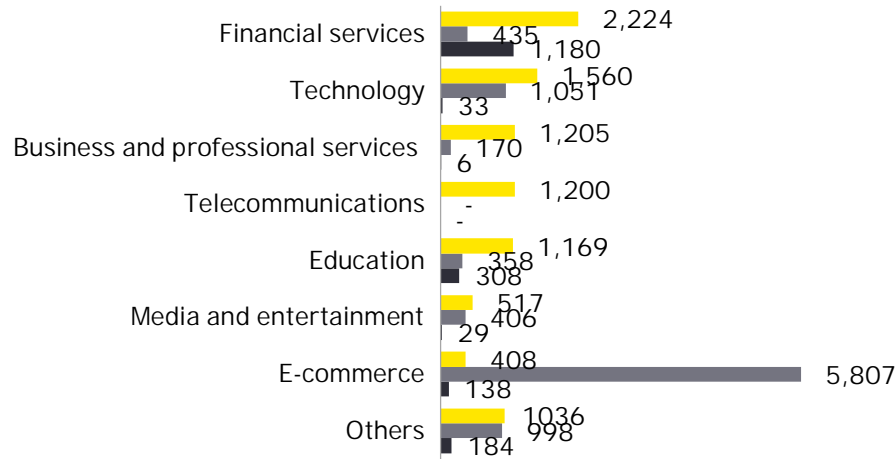


# PE/VC monthly headline trends: investments

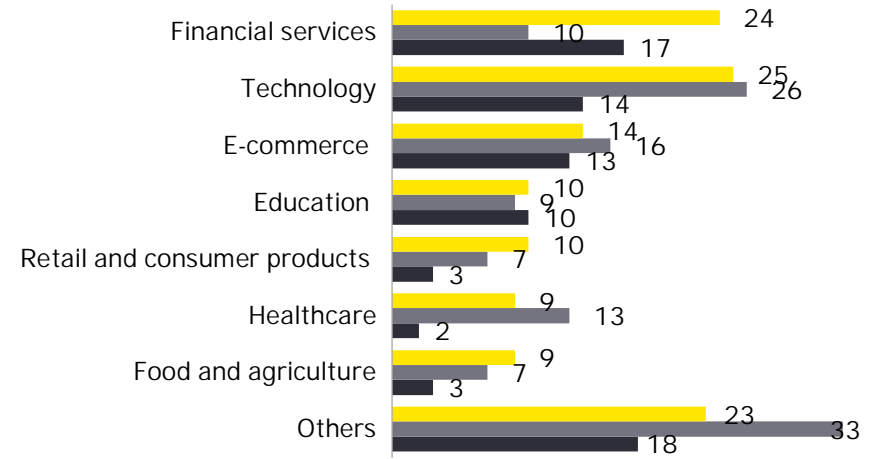


# PE/VC investments: US\$9,319 million over 124 deals (excluding infrastructure and real estate investments)

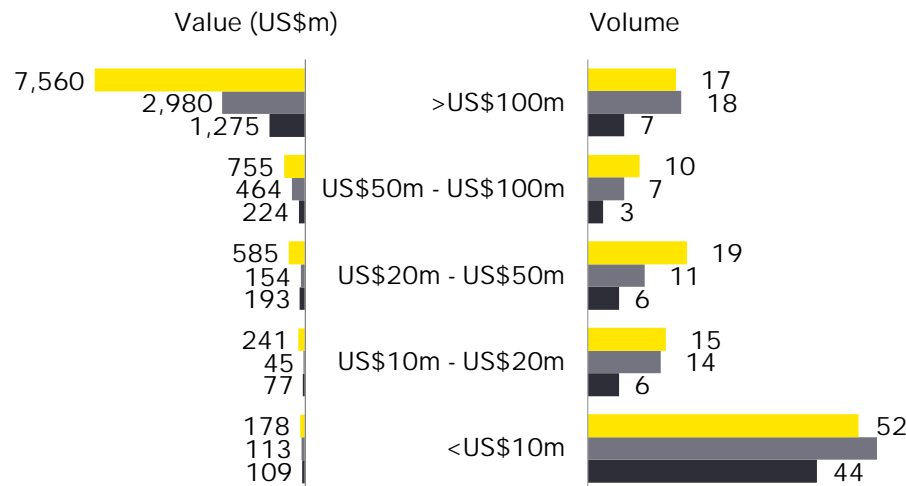
Top sectors by value US\$m



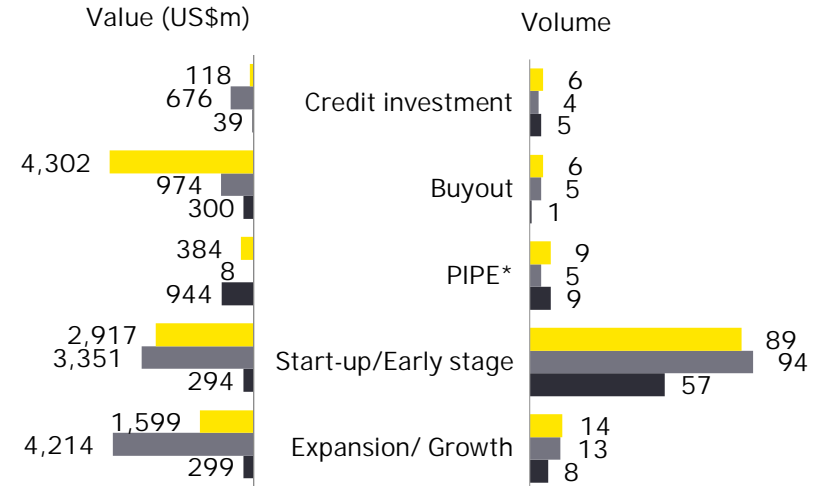
Top sectors by volume



Deal size



Deal Type



\*PIPE: Private investment in public equity

August '21 July '21 August '20



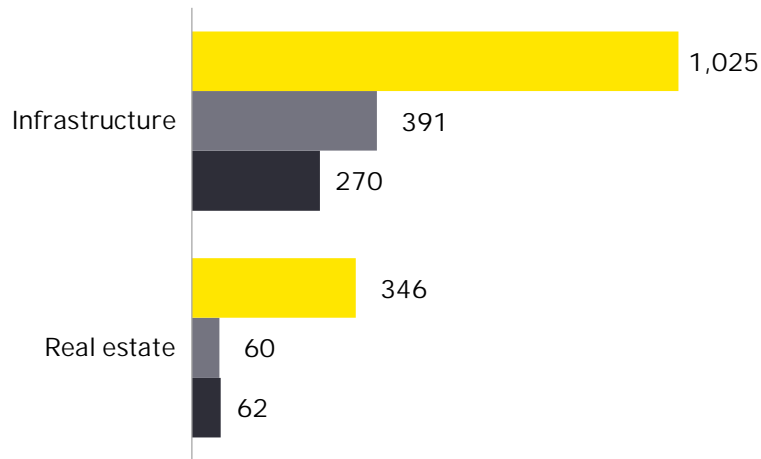
# Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in August 2021

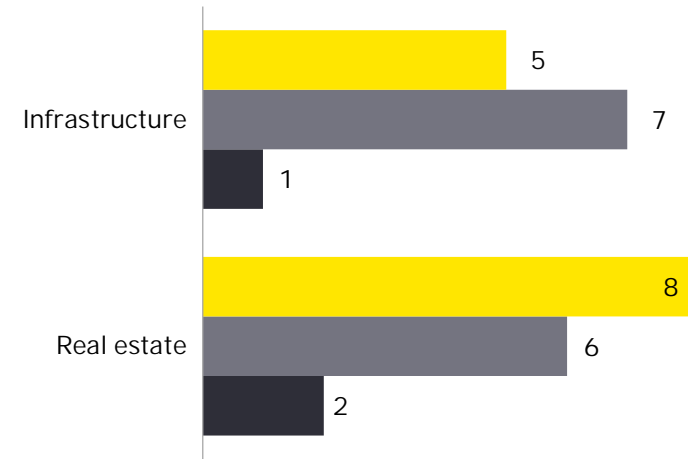
Company	PE investors	Sector	Stage	US\$m	Stake (%)
Healthcare Services Business of Hinduja Global Solutions Limited	Baring Private Equity Asia	Business and professional services	Buyout	~1,200	100
Atria Convergence Technologies Limited	Partners Group AG	Telecommunications	Buyout	~1,200	NA
ASK Group	Blackstone	Financial services	Buyout	~1,000	74
SPI Global	Baring Private Equity Asia	Technology	Buyout	~800	100
Eruditus Learning Solutions Pte. Limited	CPPIB, SoftBank, Prosus Ventures, Sequoia and others	Education	Growth capital	650	20
Verse Innovation Private Limited	Qatar Investment Authority, B Capital, Carlyle Asia and others	Media and entertainment	Growth capital	450	NA
Sorting Hat Technologies Private Limited	Tiger Global, General Atlantic, SoftBank, Temasek and others	Education	Start-up	440	13
Resilient Innovations Private Limited	Ribbit Capital, Coatue Management, Sequoia Capital, Tiger Global and others	Financial services	Start-up	370	13
PhonePe Private Limited	Tencent, Tiger Global and others	Financial services	Start-up	350	NA
Postdot Technologies Private Limited	Nexus, Coatue Management and others	Technology	Start-up	225	4

# PE/VC investments: US\$1,371 million over 13 deals (infrastructure and real estate investments)

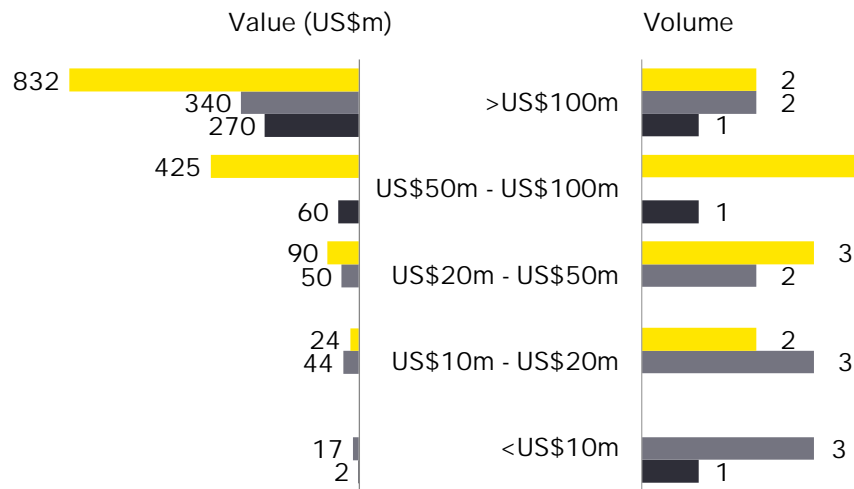
Top sectors by value US\$m



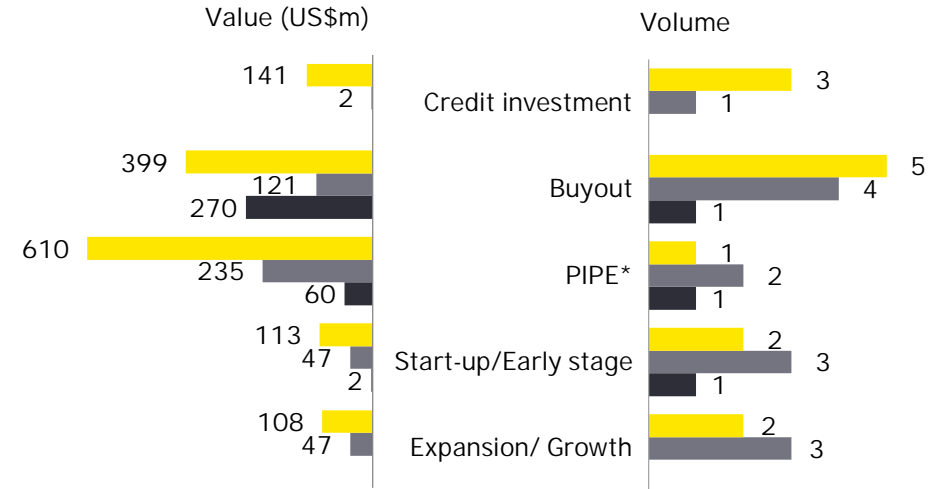
Top sectors by volume



Deal size



Deal Type



\*PIPE: Private investment in public equity

August'21 July'21 August'20

# Top infrastructure and real estate investments

Top infrastructure and real estate investments in August 2021

Company	PE investors	Sector	Stage	US\$m	Stake (%)
ReNew Power	BlackRock, Sylebra Capital, Zimmer Partners and others	Infrastructure	PIPE	610	NA
Clean Max Enviro Energy Solutions Private Limited	Augment Infrastructure Partners	Infrastructure	Buyout	222	NA
Kalpataru's two Mumbai realty projects	PAG	Real estate	Credit investment	100	NA
Amp Energy India Private Limited	Copenhagen Infrastructure New Markets Fund I	Infrastructure	Start-up	100	NA
Six Amrapali Projects	SBICAP Ventures	Real estate	Growth capital	88	NA
K Raheja Corp's 30-acre land parcel in Navi Mumbai	Brookfield Infrastructure	Real estate	Buyout	74	100
3 highway projects (KNR Shankarampet Projects, KNR Srirangam Infra, and KNR Tirumala Infra)	Cube Highways	Infrastructure	Buyout	63	100



# Key trends

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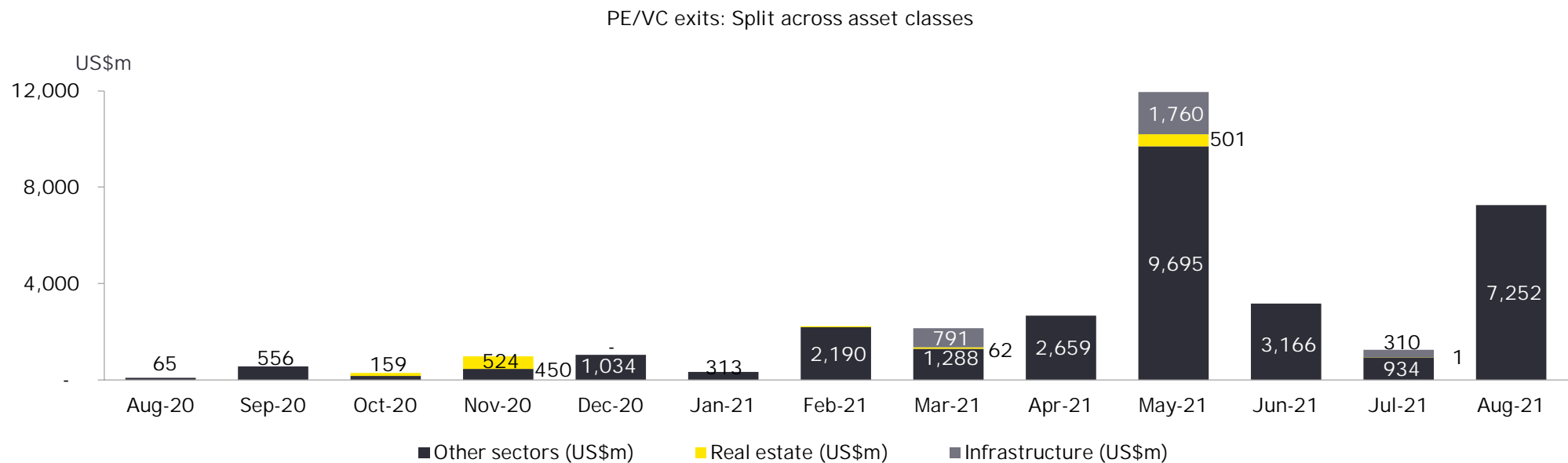
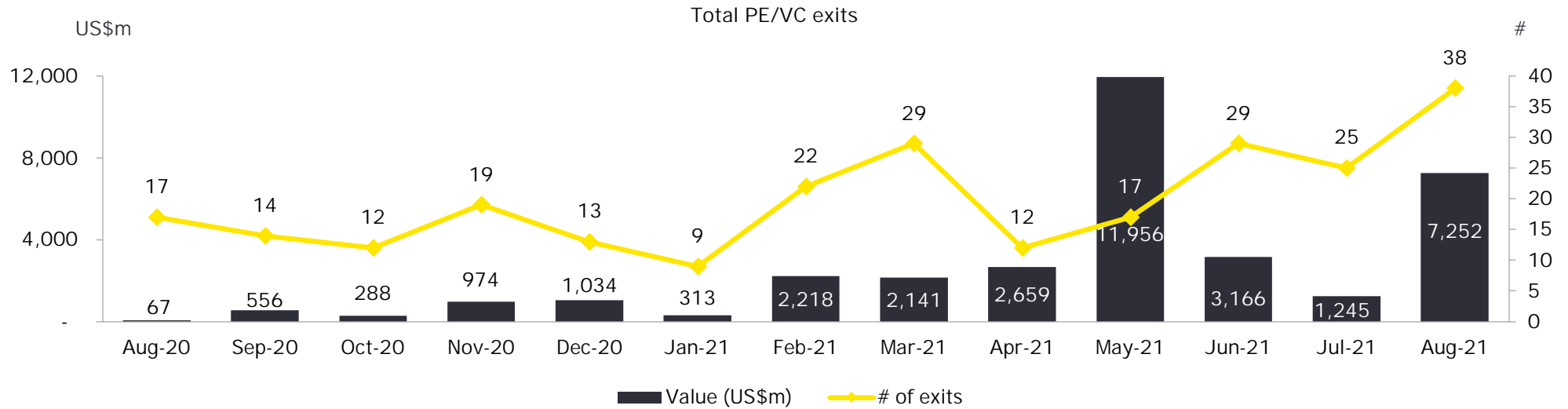
## Exits

- ▶ August 2021 recorded 38 exits worth US\$7.3 billion compared to US\$67 million recorded in August 2020 and US\$1.2 billion recorded in July 2021. Cumulative exits in 2021 till date have recorded US\$30.7 billion, surpassing the previous high of US\$27 billion recorded in 2018.
- ▶ Exits via strategic sale were the highest in terms of value and volume in August 2021 at US\$3.2 billion across 13 deals followed by exits via secondary sale worth US\$2.3 billion across six deals. There were seven PE-backed IPOs in August 2021 (highest number of pe-backed IPOs in a month) which saw investors cash out US\$881 million through offer-for-sale (OFS). August 2021 also recorded the first ever SPAC listing by an Indian company wherein ReNew Power listed on the NASDAQ via a merger with RMG Acquisition Corp. II, a blank cheque special purpose acquisition company (SPAC).
- ▶ The largest exit in August 2021 saw General Atlantic, TA Associates, Temasek and other early investors sell their stakes worth around US\$2.9 billion in the announced buyout of Billdesk by Prosus, followed by Partners Group selling its stake in SPI Global to Baring PE Asia for US\$800 million.

## Fundraise

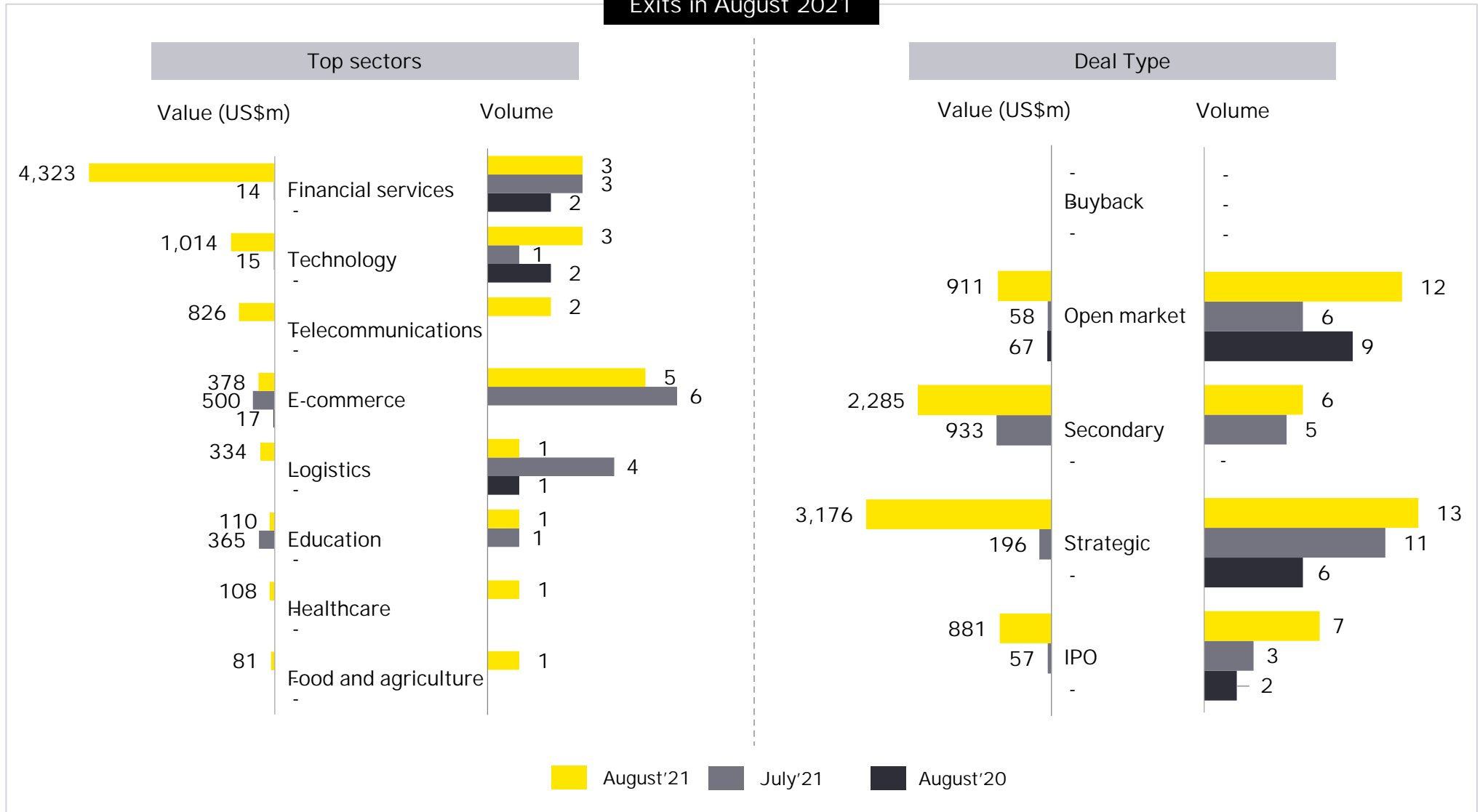
- ▶ August 2021 recorded total fundraises of US\$1.8 billion compared to US\$480 million raised in August 2020.

# PE/VC monthly headline trends: exits



# Exits: US\$7,252 million across 38 deals in August 2021

## Exits in August 2021



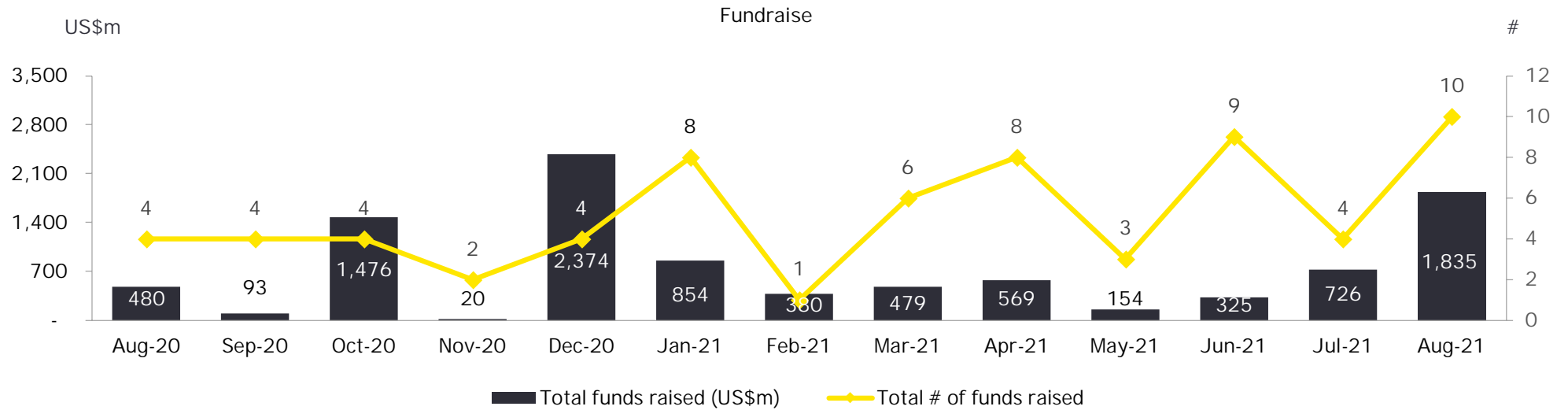


# Top exits

## Top exits in August 2021

Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Indialdeas.com Limited	Financial services	General Atlantic, TA Associates, Temasek, and others	PayU (Prosus NV)	Strategic	~2,876	61
Atria Convergence Technologies Limited	Telecommunications	TA Associates, True North	Partners Group AG	Secondary	~800	NA
SPI Global	Technology	Partners Group	Baring Private Equity Asia	Secondary	800	100
ASK Group	Financial services	Advent International	Blackstone	Secondary	541	40
Cartrade Tech Limited	E-commerce	Temasek, Warburg Pincus, March Capital and others	NA	IPO	378	38
Spoton Logistics Private Limited	Logistics	Samara Capital, Xponentia and others	Delhivery Private Limited	Strategic	300	100
Aptus Value Housing Finance India Limited	Financial services	Westbridge, Madison and others	NA	IPO	291	12
SBI Life Insurance Company Limited	Financial services	Carlyle	NA	Open Market	290	2
Coforge Limited	Technology	Baring Asia	NA	Open Market	214	6
Aavas Financiers Limited	Financial services	Kedaara Capital	GIC, MAS	Open Market	164	6
Aavas Financiers Limited	Financial services	Partners Group	NA	Open Market	113	4
Eruditus Learning Solutions Pte. Limited	Education	Bertelsmann India Investments and others	CPPIB, Prosus Ventures, Sequoia Capital and others	Secondary	110	3
Krsnaa Diagnostics Limited	Healthcare	Phi Capital, Kitara, Somerset	NA	IPO	108	27

# PE/VC monthly headline trends: fundraise



# Fundraise

Top fundraise/announcements in August 2021

Status	Fund	US\$m	Strategy
Raised	A91 Partners' Fund-II	525	Companies across technology, consumer and financial services
Raised	Dream Capital	250	Sports, gaming and fitness-tech start-ups
Raised	Stellaris Venture Partners Fund 2	225	25-30 investments in seed and Series A rounds of internet start-ups
Raised	Edelweiss Crossover Opportunities Fund	222	Pre-initial public offering late stage



# Spotlight

PE backed IPO trends



  
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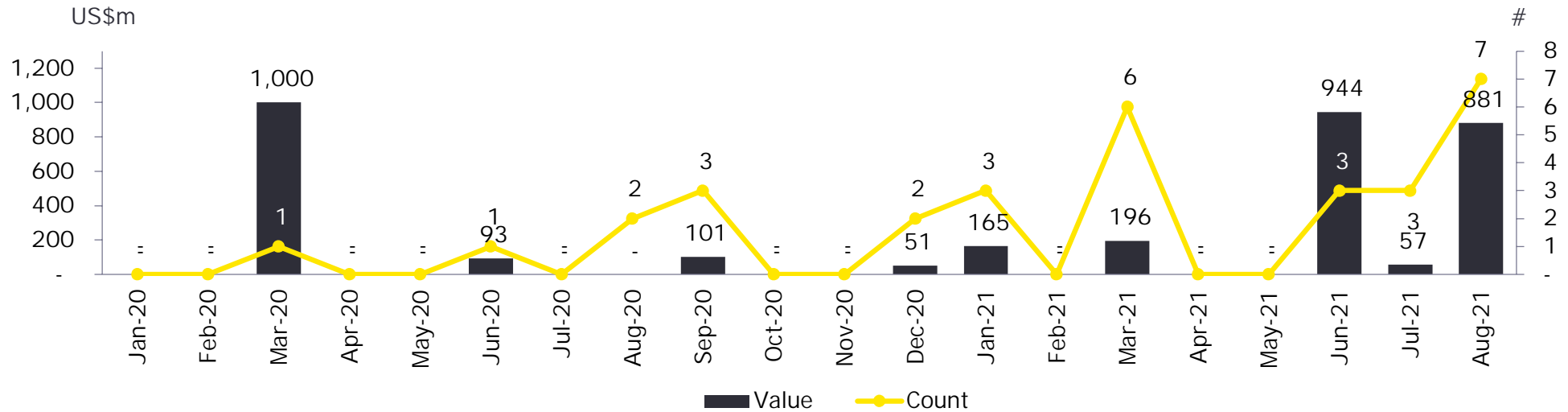
  
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# Spotlight: key trends in PE-backed IPOs

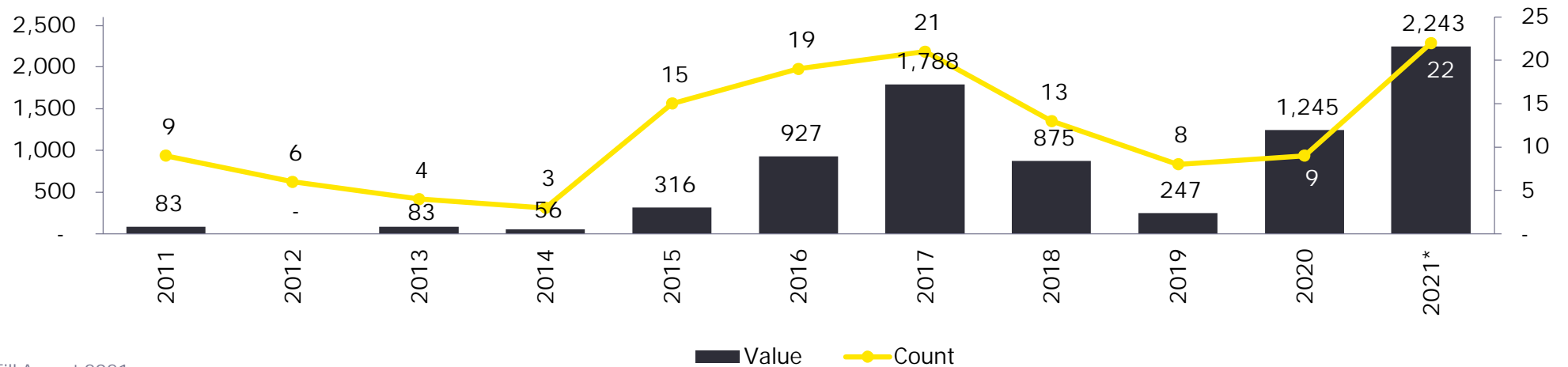
- ▶ 2021 has been a good year for PE-backed IPOs in India, with 22 PE/VC backed IPO's year-to-date (highest number in over a decade). YTD 2021, PE/VC backed IPOs have raised US\$6.5 billion, second highest value of IPO proceeds in a decade (after the US\$11.6 billion high raised in 2017).
- ▶ Financial services and consumer sectors remain the top sectors for PE/VC-backed listings. In 2021, consumer sector is at the top with five IPOs followed by financial services and automotive with three IPOs each. A novelty among this year's listings were two IPOs from the start-up e-commerce space and one overseas listing via the SPAC route. The successful response to these IPOs is expected to further catalyse other category leaders in the Indian start-up ecosystem to bulk-up and go the IPO/SPAC route as it has the potential for providing higher valuations as well as liquidity.
- ▶ With the likes of Nykaa, Grofers, Flipkart, Pepperfry and other unicorns looking to go public, the pipeline of IPO bound start-ups is quite strong. If equity markets remain buoyant, 2021 is expected to be a path breaking year for Indian start-ups.
- ▶ ReNew Power listed on the NASDAQ in August 2021 through a merger with RMG Acquisition Corp. II, a blank cheque SPAC, the first ever SPAC listing by an Indian company. This potentially opens up a new fundraising route for Indian companies as well as an additional exit avenue for early investors.
- ▶ Among PE/VC funds, Sequoia had the maximum number of portfolio companies that IPO'd (4 IPOs) which include Indigo Paints, Stove Craft, Craftsman Automation and Zomato, followed by Temasek with three PortCo IPOs and Warburg and IFC which had two each.

# Spotlight: key pe-backed IPO trends

PE/VC-backed IPO trend (monthly)



PE/VC-backed IPO trend (annual)



\* Till August 2021

# Spotlight: key pe-backed IPO trends

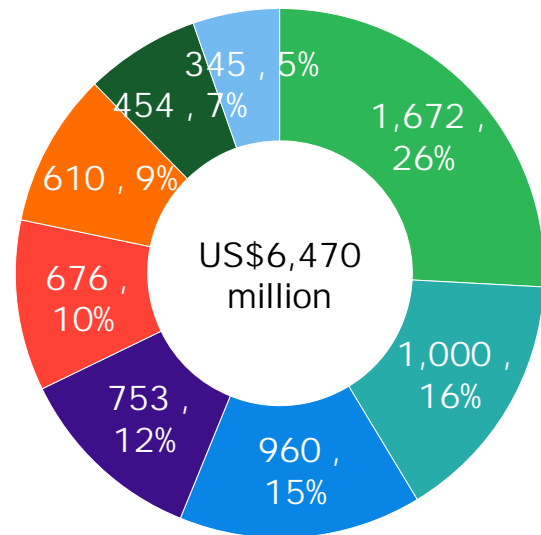
## PE-backed IPOs split across sectors by volume

PE backed IPO Sectors	2015	2016	2017	2018	2019	2020	2021*	Total
Financial services	-	6	5	4	2	2	3	22
Retail and consumer products	3	3	4	1	-	2	5	18
Technology	-	1	1	3	1	3	-	9
Healthcare	1	3	-	1	1	1	2	9
Automotive	-	1	-	2	-	-	3	6
Industrial products	1	-	2	1	1	-	1	6
Pharmaceuticals	1	2	1	-	-	-	1	5
Real estate, hospitality and construction	1	-	-	1	2	1	-	5
Infrastructure	1	1	1	-	-	-	1	4
Media and entertainment	3	-	-	-	-	-	1	4
E-commerce	-	-	1	-	1	-	2	4
Chemicals	2	-	-	-	-	-	2	4
Power and utilities	1	1	1	-	-	-	1	4
Logistics	1	-	2	-	-	-	-	3
Business and professional services	-	1	1	-	-	-	-	2
Education	-	-	2	-	-	-	-	2
<b>Grand total</b>	<b>15</b>	<b>19</b>	<b>21</b>	<b>13</b>	<b>8</b>	<b>9</b>	<b>22</b>	<b>107</b>

\* Till August 2021

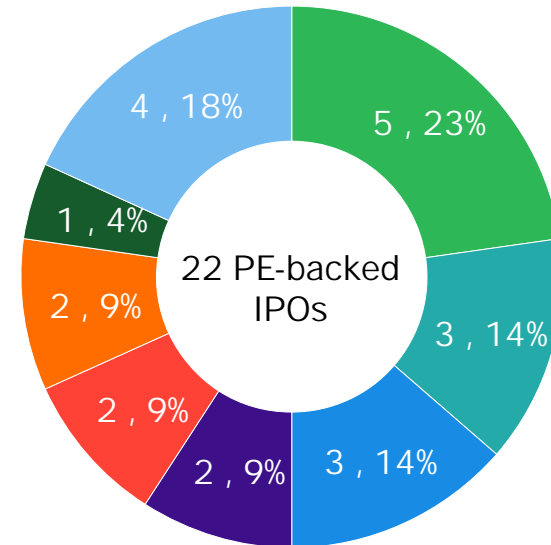
# Spotlight: key pe-backed IPO trends

Issue size of PE backed IPOs in 2021\*- split by sectors



- E-commerce
- Power and utilities
- Automotive
- Retail and consumer
- Cement and building products
- Financial services
- Healthcare
- Others

Number of PE backed IPOs in 2021\*- split by sectors



- Retail and consumer
- Financial services
- Automotive
- E-commerce
- Healthcare
- Chemicals
- Pharmaceuticals
- Others

\* Till August 2021

# Spotlight: key pe-backed IPO trends

Top PE backed IPOs in 2021\* by IPO proceeds

Issuer Company	Sector	Listing date	Issue Size (US\$m)	OFS by PE investor (US\$m)
Zomato Limited	E-commerce	14-Jul-21	1,267	No OFS
ReNew Power (NASDAQ Listed)	Power and utilities	24-Aug-21	1,000	No OFS
Sona BLW Precision Forgings Limited	Automotive	14-Jun-21	750	719
Nuvoco Vistas Corporation Limited	Cement and building products	09-Aug-21	676	No OFS
Cartrade Tech Limited	E-commerce	09-Aug-21	405	378
Aptus Value Housing Finance India Limited	Financial services	10-Aug-21	376	291
Krishna Institute Of Medical Sciences Limited	Healthcare	16-Jun-21	290	177
Devyani International Limited	Consumer	04-Aug-21	248	79

\* Till August 2021



# Spotlight: key pe-backed IPO trends

Top PE/VC funds in 2021\* in terms of number of IPO listings

Issuer Company	Number of IPOs	Investees
Sequoia	4	Indigo Paints, Stove Craft, Craftsman Automation and Zomato
Temasek	3	Zomato, Devyani International (Pizza Hut), and Cartrade
Warburg	2	Kalyan Jewellers, and Cartrade
IFC	2	Laxmi Organic Industries, and Suryoday SFB

\* Till August 2021



An aerial photograph of a city skyline at sunset. The sun is low on the horizon, creating a bright lens flare and casting a golden glow over the scene. In the foreground, a multi-lane highway bridge spans across a body of water, with several cars visible on the road. To the right of the bridge, a baseball field is visible, surrounded by trees with yellow autumn foliage. The background features a dense urban skyline with various skyscrapers and buildings. A semi-transparent dark grey box is overlaid on the left side of the image, containing the text.

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# About EY's Private Equity Services Practice

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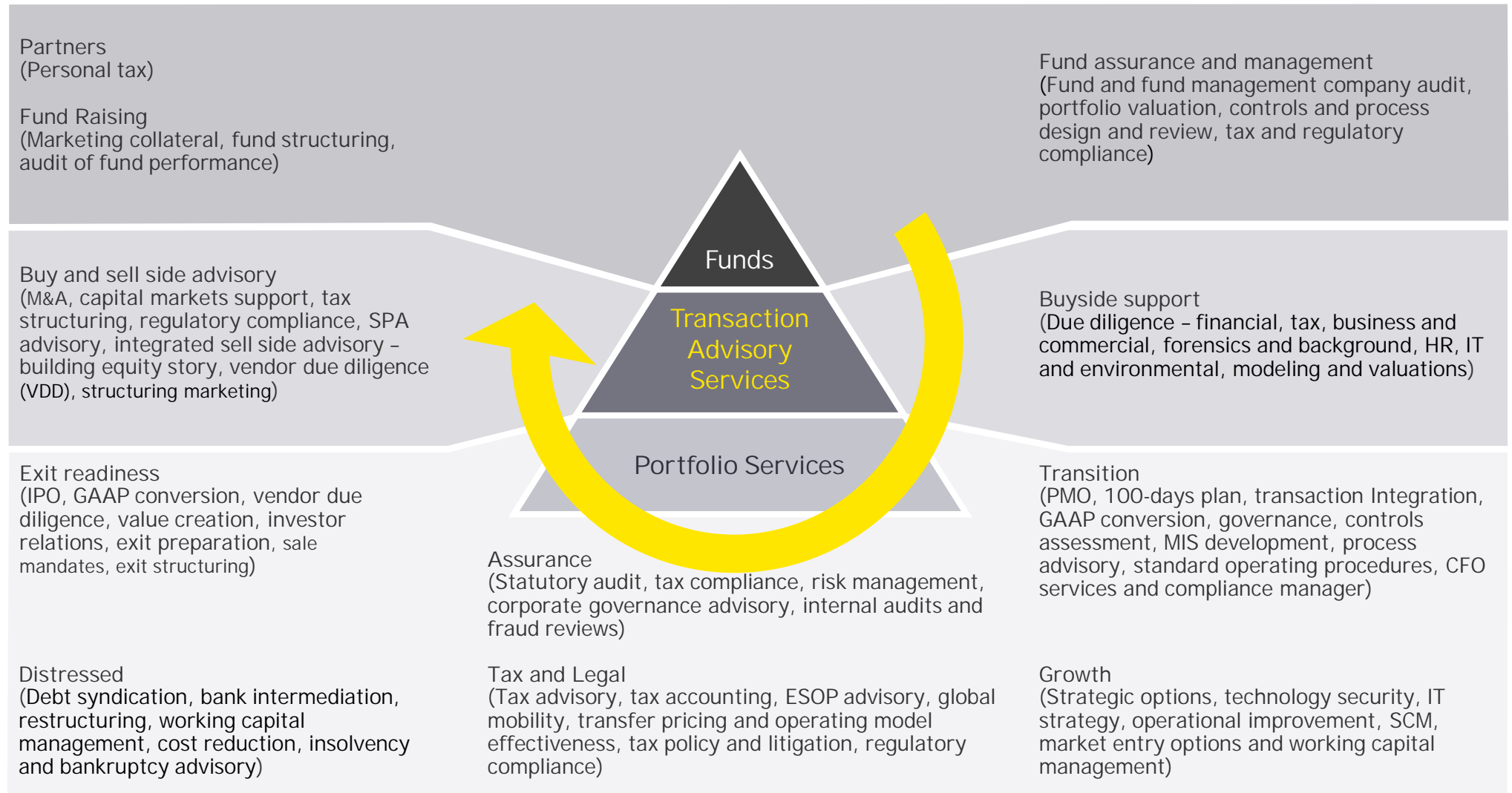
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- ▶ EY's India Private Equity Services Practice has been among the top advisors for private equity deals over the past ten years. EY has been awarded the "Most Active Transaction Advisor" award by Venture Intelligence for 2009-2013 and also the "Investment Bank of the Year, Private Equity" award by VC Circle in 2012 and 2017 and for M&A in 2018. EY was also the top PE advisor in the Venture Intelligence league table in 2018.
- ▶ EY's India Private Equity Services Practice provides value to PE funds and their portfolio companies through its deep sector and service expertise. EY India is organized around key industry verticals in a matrix structure that enables us to offer an unparalleled blend of industry expertise and functional skills. We actively track about 15 sectors with sector leads driving our penetration in each of those sectors.



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 @EY\_India  EY  EY India  EY Careers India  @ey\_indiacareers

## Contacts

### Private Equity Services

Vivek Soni  
Partner and National Leader  
E: [Vivek.Soni@in.ey.com](mailto:Vivek.Soni@in.ey.com)

Narendra Rohira  
Partner, Transaction Tax  
E: [Narendra.Rohira@in.ey.com](mailto:Narendra.Rohira@in.ey.com)

Nachiket Deo  
Partner, Transaction Tax  
E: [Nachiket.Deo@in.ey.com](mailto:Nachiket.Deo@in.ey.com)

Subramaniam Krishnan  
Partner, Tax & Regulatory Services  
E: [Subramaniam.Krishnan@in.ey.com](mailto:Subramaniam.Krishnan@in.ey.com)

Tejas Desai  
Partner, Tax & Regulatory Services  
[Tejas.Desai@in.ey.com](mailto:Tejas.Desai@in.ey.com)

### Strategy and Transactions (SaT)

Amit Khandelwal  
Managing Partner  
SaT  
E: [Amit.Khandelwal@in.ey.com](mailto:Amit.Khandelwal@in.ey.com)

Ajay Arora  
Partner and National Leader  
Investment Banking Advisory  
E: [Ajay.Arora@in.ey.com](mailto:Ajay.Arora@in.ey.com)

Neeraj Mohan  
Partner and Head  
EY Parthenon India  
E: [Neeraj.Mohan@parthenon.ey.com](mailto:Neeraj.Mohan@parthenon.ey.com)

Kuldeep Tikkha  
Partner and National Leader  
Transaction Diligence  
E: [Kuldeep.Tikkha@in.ey.com](mailto:Kuldeep.Tikkha@in.ey.com)

### Operational Transaction Services

Naveen Tiwari  
Partner and National Leader  
Operational Transaction Services  
E: [Naveen1.Tiwari@in.ey.com](mailto:Naveen1.Tiwari@in.ey.com)

### Research and Insights

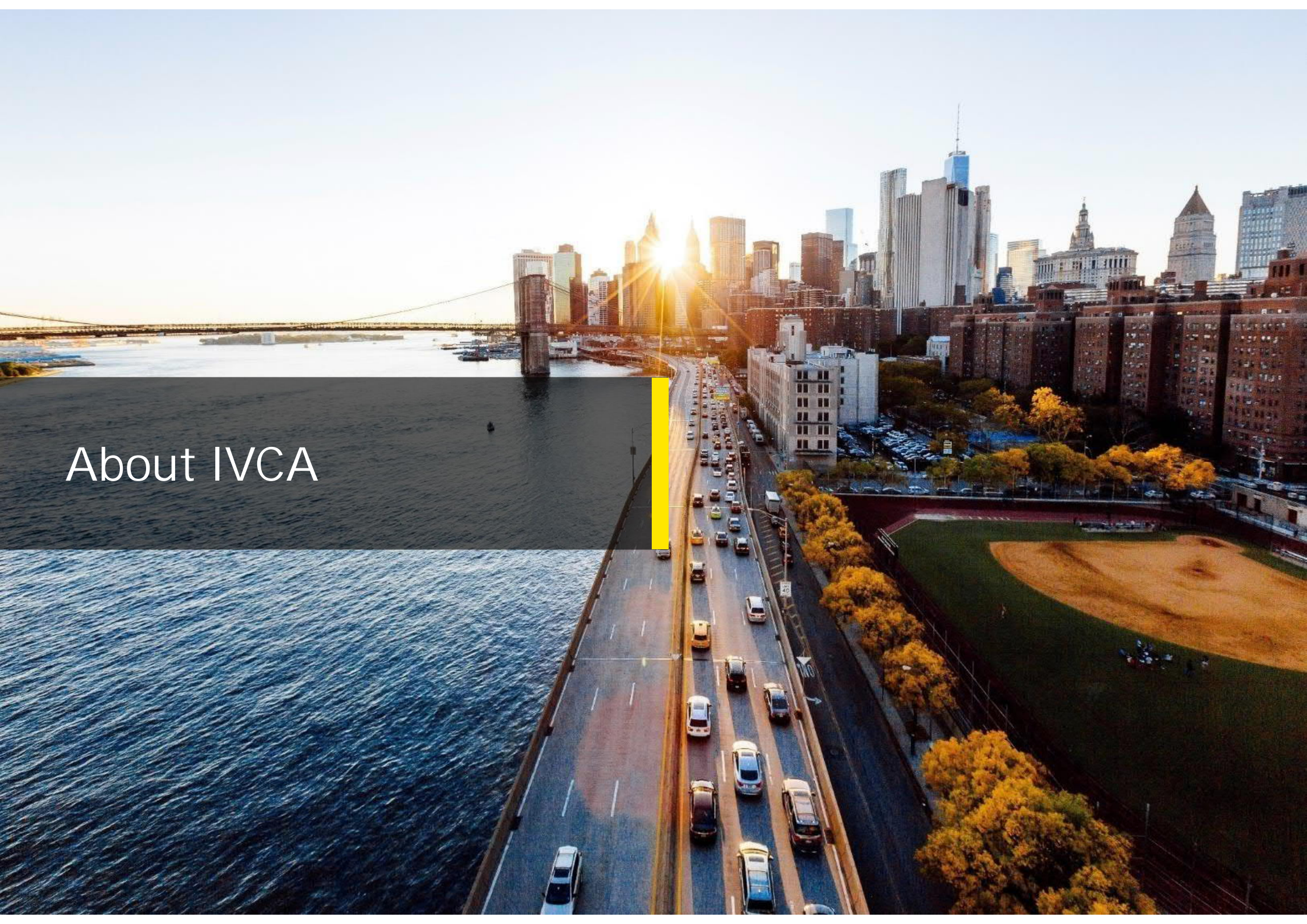
Allwyn D'Souza  
Senior Manager  
E: [Allwyn.Dsouza@in.ey.com](mailto:Allwyn.Dsouza@in.ey.com)

### Brand, Marketing and Communications

Pooja Bhalla Mathur  
Vice President  
E: [Pooja.Mathur@in.ey.com](mailto:Pooja.Mathur@in.ey.com)



# 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.

## Contacts

Rajat Tandon  
President, IVCA  
E: [Rajat.Tandon@ivca.in](mailto:Rajat.Tandon@ivca.in)

Aakriti Bamniyal  
Vice President, IVCA  
E: [aakriti@ivca.in](mailto:aakriti@ivca.in)

