

Why do uncertain times need a certainty of purpose?

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The IVCA-EY monthly PE/VC roundup – September 2020



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Our thoughts



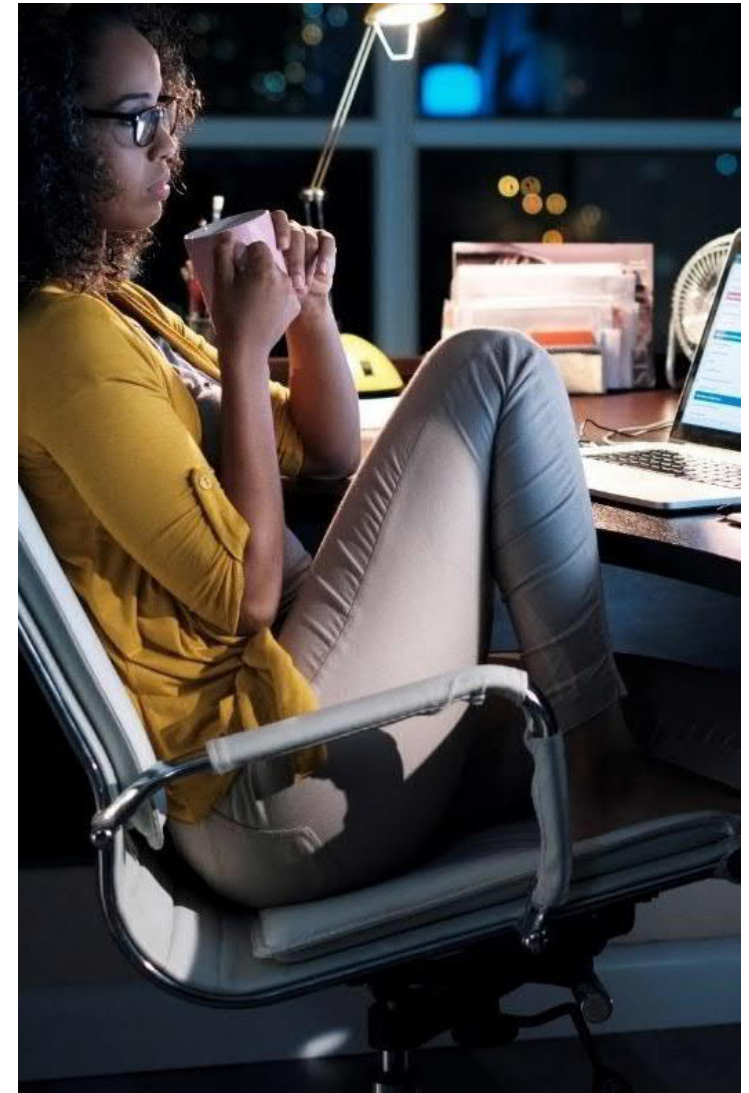
Headline numbers for PE/VC investments in 2020 till date have been far better than anticipated, primarily because of the large investments in the group entities of Reliance Group (Jio Platforms and Reliance Retail) that happened in 2Q20 and 3Q20. PE/VC investments in 2020 till date (ex-Jio Platform and Reliance Retail deals) closed at US\$17.2 billion, 53% lower than the same period last year, the lowest in the past four years. Ex-Reliance Group investments, we expect Indian PE/VC investments to close the year at around ~US\$24-28 billion, broadly in line with our earlier estimate of ~US\$26 billion.

Sectors focused on essential goods and services like pharma, telecom, digital technology, edtech, etc. have received a major chunk of PE/VC investments while some of last year's favourites like infrastructure, real estate and financial services have witnessed significant decline in investment flow. All deal segments recorded decline in PE/VC investments with buyouts being the most affected. At US\$2.9 billion buyouts declined by 79% in terms of value and 54% in terms of volume in Jan-Sept 2020, which is also the lowest value of buyouts in the last three years for the period under consideration.

With valuations impacted significantly, PE/VC backed exits too have slowed considerably, declining by 54% on a y-o-y basis to US\$3.6 billion in the Jan-Sept period. Exits are expected to remain muted for a considerable time in the absence of secondary and strategic deals as funds hold on to investments till valuations recover to reasonable levels. Fundraising activity also saw a 45% decline between Jan-Sept 2020 as LPs remained focused on managing their larger public market portfolios and restricted their new commitments to tried and tested funds only.

With the global and domestic economy still reeling under the effects of the COVID-19 induced slowdown and India witnessing one of the worst GDP contractions in history combined with other head winds like trade wars, border skirmishes, possibility of second wave of infections and the impending US elections, the improvement in PE/VC investment activity is expected to remain circumspect over the medium term. While PE/VC investment activity has picked up from the lows of 2Q2020, it is still significantly lower than 2019 levels.

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Year-to-date trend analysis: Jan-Sept 2020



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Key trends: Year-to-date

Investments

- ▶ On a year-to-date basis, PE/VC investments in 2020 between Jan-Sept declined by 21% in terms of value compared to same period last year (US\$28.9 billion in 2020 vs. US\$36.4 billion in 2019). Headline PE/VC investment performance in 2020 was propped up by PE investments of US\$11.7 billion in Jio Platforms and Reliance Retail which accounted for 40% of all PE/VC investments in 2020. If we exclude these one-off PE investments in the Reliance Group entities, PE/VC investments in 2020 would be significantly lower at US\$17.2 billion, a 53% decline compared to same period last year. In terms of volume, number of deals in 2020 for the Jan-Sept period declined by 10% compared to same period last year (686 deals in 2020 vs. 764 deals in 2019).
- ▶ One of the biggest reasons for the decline in PE/VC investments in 2020 (year-to-date) is the underperformance of the infrastructure and real estate sectors which attracted the highest PE/VC investment in 2019, at US\$16.1 billion in the period Jan-Sept (US\$20 billion for the full year), accounting for 44% of all PE/VC investments in 2019 (Jan-Sept). In 2020, these sectors have received only US\$2.9 billion in investments till date, accounting for just 10% of total PE/VC investments. As a result, there has been a sharp decline in buyout activity as well, which has recorded a decline of 79% in terms of value and 54% in terms of volume. Infrastructure and real estate sectors accounted for 73% of all buyouts by value in 2019 in the Jan-Sept period.
- ▶ In terms of deal type, all deal types except credit have recorded significant drop in investments. As stated above, buyouts were the most affected by the slowdown in PE/VC deal activity. 2020 (Jan-Sept) recorded 22 buyouts worth US\$2.9 billion compared to 48 buyouts worth US\$13.8 billion during the same period in 2019. For the period under consideration, value of buyouts in 2020 are the lowest in the last three years. Growth deals were the highest with US\$17.4 billion invested across 136 deals (US\$10.2 billion across 171 deals during Jan-Sept 2019). The significant increase in value of growth deals is primarily on account of the US\$11.7 billion invested in entities of the Reliance Group; else, even growth deals have declined by 44%. Start-up investments too declined by 44% to US\$3.5 billion across 417 deals (US\$6.1 billion across 448 deals during Jan-Sept 2019). Private investment in public equity (PIPE) deals declined by 30% to US\$2.7 billion across 47 deals (US\$3.8 billion across 41 deals during Jan-Sept 2019). Credit investments were at par with US\$2.4 billion invested across 64 deals (US\$2.4 billion across 56 deals during Jan-Sept 2019).

Key trends: Year-to-date

Investments (cont'd)

- ▶ Despite the mega PE investments in the Reliance Group entities, YTD 2020 recorded a significant decline in both value and number of large deals (value greater than US\$100 million). Between Jan-Sept, 2020 recorded 53 large deals aggregating to US\$21.4 billion compared to 84 large deals aggregating to US\$27 billion during the same period in 2019. Moreover, 13 out of the 53 large deals in 2020 were on account of investments in Jio Platforms and Reliance Retail (worth US\$11.7 billion). In addition to the RIL Group PE investments, the other large deals in 2020 (year-to-date) include Thoma Bravo's US\$729 million buyout of Majesco Limited's US business, Goldman Sachs and Varde Partners' buyout of RattanIndia Power Limited's debt for US\$566 million and Baring PE Asia's buyback of shares of Hexaware Limited worth US\$565 million in its move to delist the company.
- ▶ From a sector point of view, in 2020 (Jan-Sept), almost all sectors recorded sharp decline in value invested. Telecom, retail, education and pharma were the only sectors to record increase in value invested. Moreover, these sectors also recorded their highest ever value of investments in 2020. Telecom was the top sector with US\$10 billion invested across 13 deals (10 times increase y-o-y) mainly attributable to investments in Jio Platforms, followed by financial services with US\$4.1 billion invested across 114 deals (32% decline y-o-y), technology with US\$2.3 billion invested across 106 deals (30% decline y-o-y), pharmaceuticals with US\$1.9 billion invested across 27 deals (five times increase y-o-y), education with US\$1.9 billion invested across 52 deals (2.4 times increase y-o-y) and retail and consumer sector with US\$1.9 billion invested across 30 deals (2.8 times increase y-o-y), on the back of large investments in Reliance Retail. Infrastructure sector that received the highest value of investments in 2019 received US\$2.2 billion across 22 deals in Jan-Sept 2020 (80% decline y-o-y).

Key trends: Year-to-date

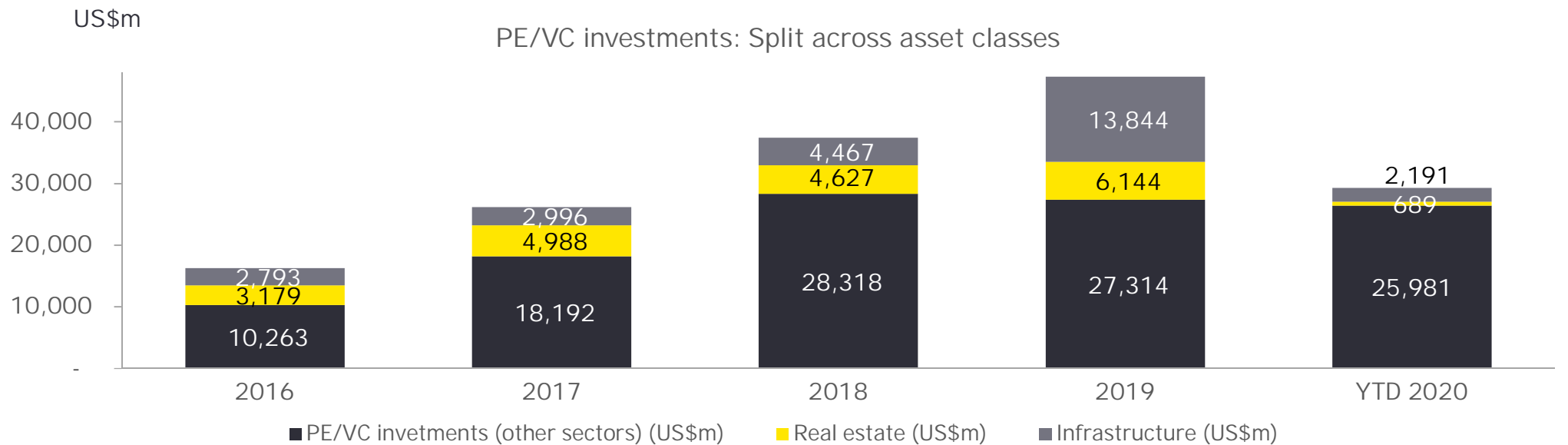
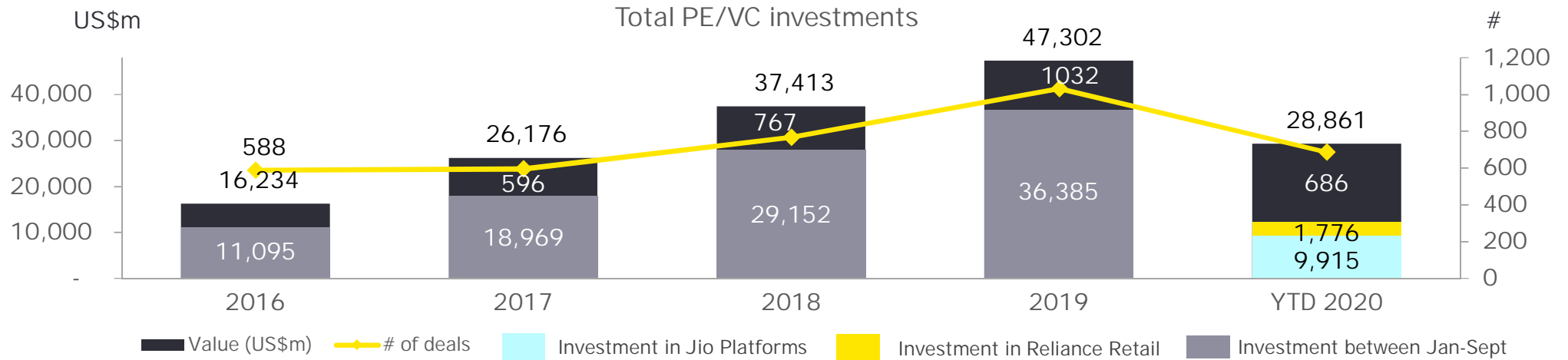
Exits

- ▶ For the period Jan-Sept, exits declined by 54% in terms of value in 2020 (US\$3.6 billion vs. US\$7.8 billion in 2019) and is the lowest value in six years for the period under consideration. In terms of volume, exits declined by 13% compared to 2019 (100 deals in 2020 vs. 115 deals in 2019). The decline was mainly due to fewer large deals.
- ▶ Exits via open market were the highest at US\$1.9 billion (49 deals) in 2020 during the period Jan-Sept, 20% decline compared to same period in 2019. Exits via initial public offerings (IPOs) were second in line with US\$1.1 billion recorded across four IPOs (US\$247 million across seven IPOs during Jan-Sept 2019), which includes the US\$1 billion SBI Cards partial exit by Carlyle. Exits via strategic sale recorded US\$425 million (32 deals) in Jan-Sept 2020, 71% decline compared to same period in 2019. Exits via secondary sale (sale to other PE funds) recorded US\$79 million (10 deals) in Jan-Sept 2020, their lowest value in over five years.
- ▶ From a sector perspective, financial services recorded the highest value of exits during Jan-Sept 2020 (US\$2 billion across 28 deals) accounting for 57% of all exits by value.

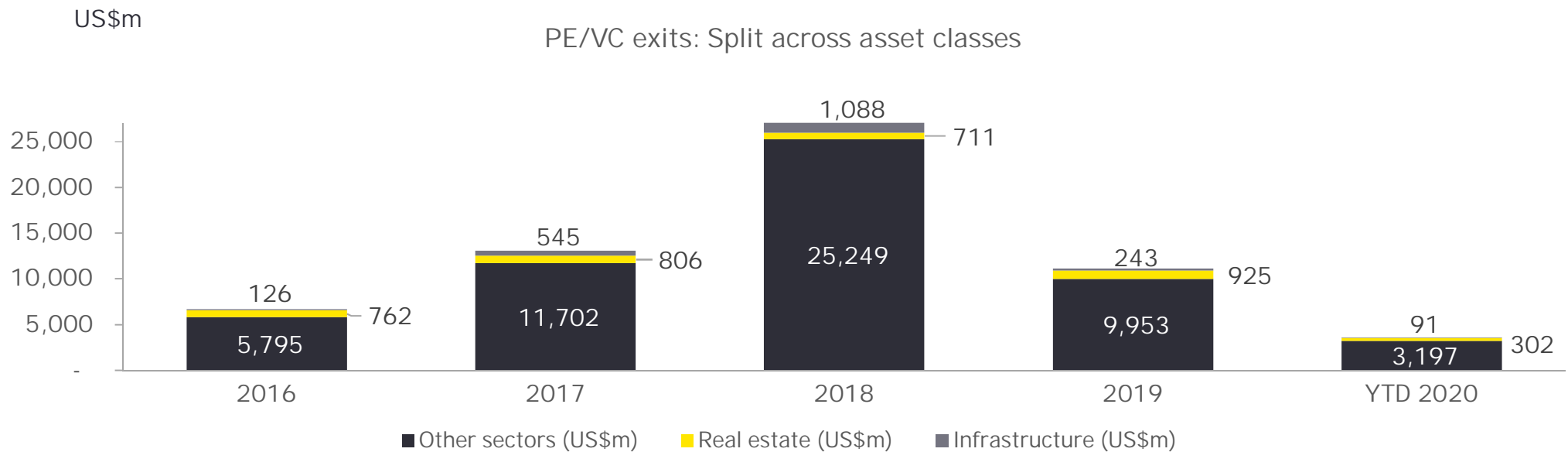
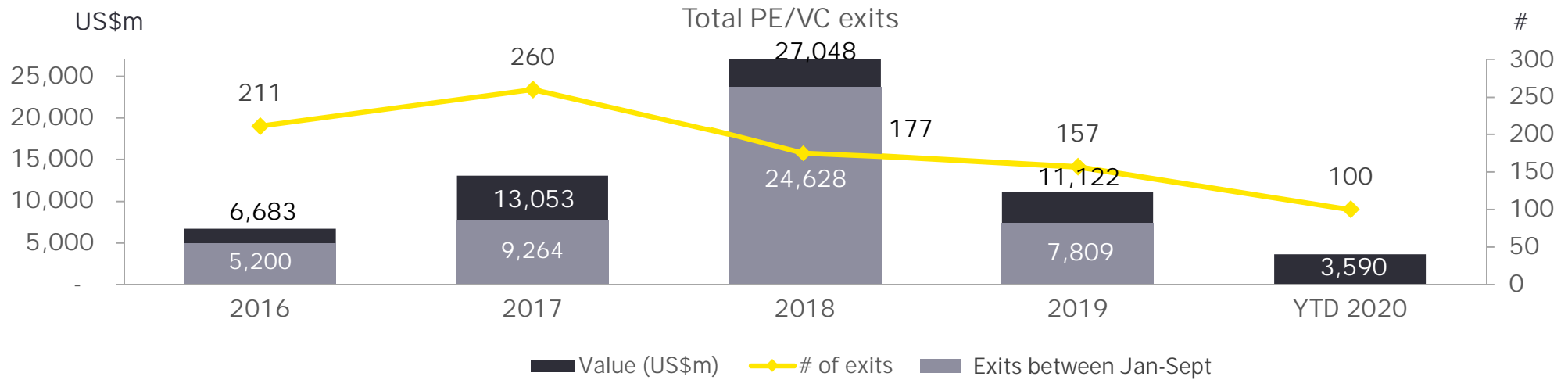
Fundraise

- ▶ The period Jan-Sept, 2020 saw US\$4.4 billion in fundraise; 45% lower compared to same period last year (US\$7.9 billion in 2019). There were only nine fundraises of over US\$100 million in 2020 (year-to-date) compared to 19 in the same period last year. The largest fundraise in 2020 saw Sequoia raise a US\$1.4 billion venture fund for investments in India and Southeast Asia followed by Nalanda Capital's US\$748 million fundraise.

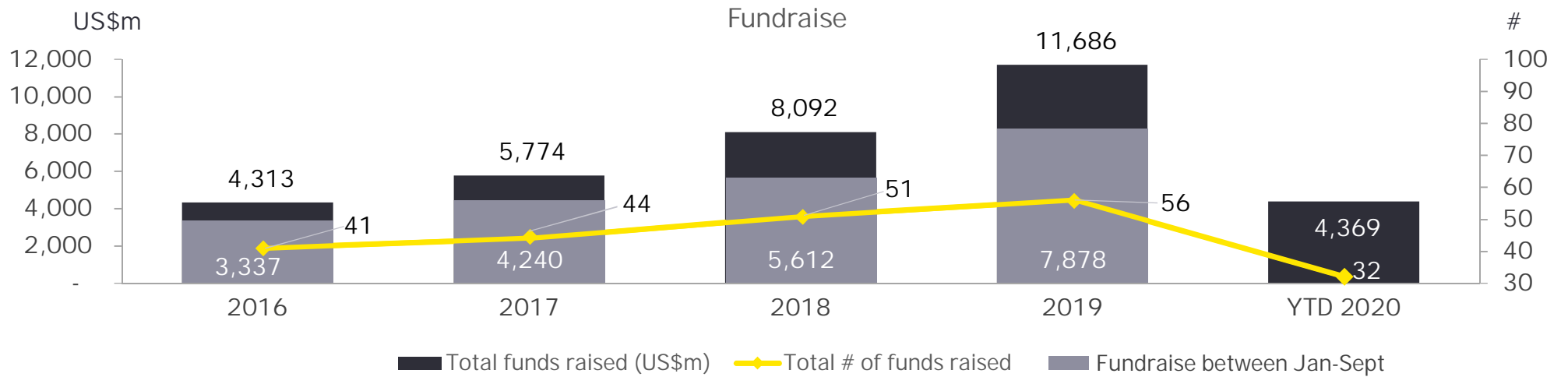
PE/VC headline trends: Investments



PE/VC headline trends: Exits



PE/VC headline trends: Fundraise



Year-to-date investments (excluding *infrastructure* and *real estate*)

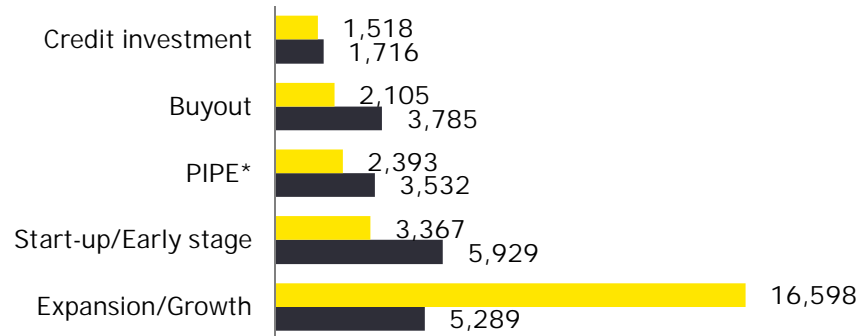
Total investments (US\$m)



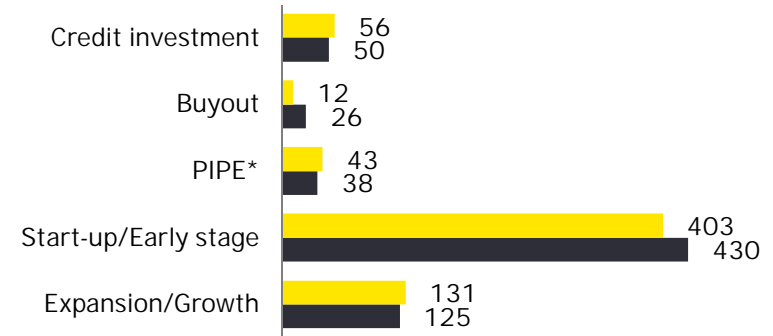
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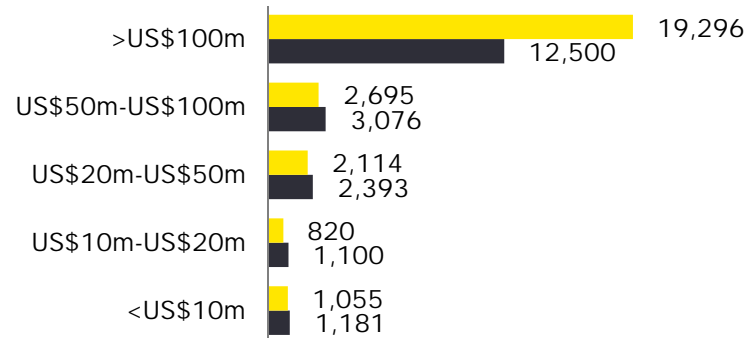
Deal type US\$m



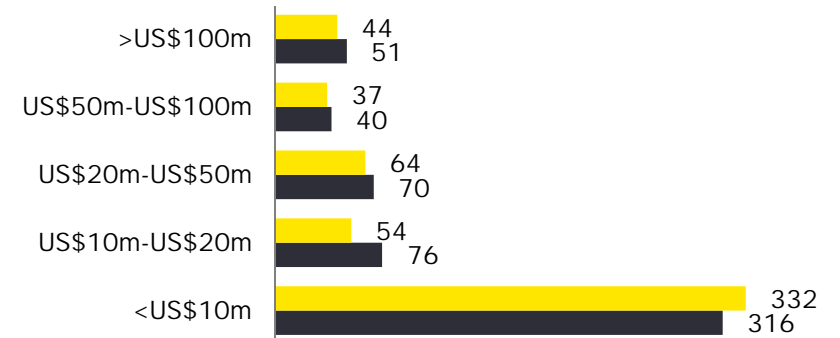
Deal type #



Deal size US\$m



Deal size #

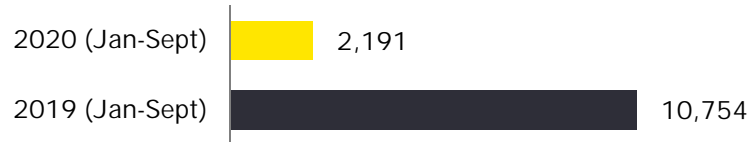


* PIPE: Private investment in public equity

Note: Deal value not available on 116 out of 669 deals in 2019 (Jan-Sept) and 114 out of 645 deals in 2020 (Jan-Sept)

Year-to-date investments: *Infrastructure*

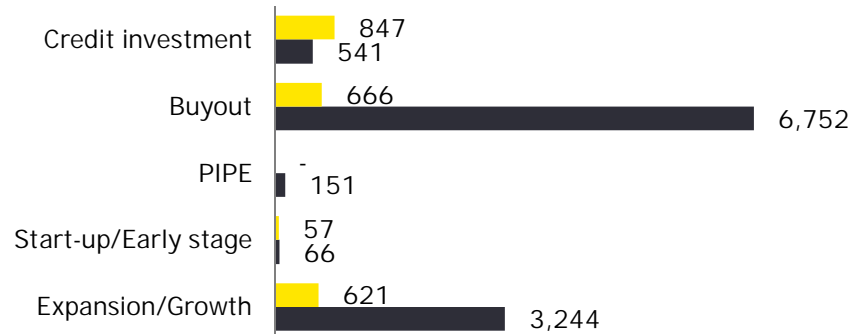
Total investments (US\$m)



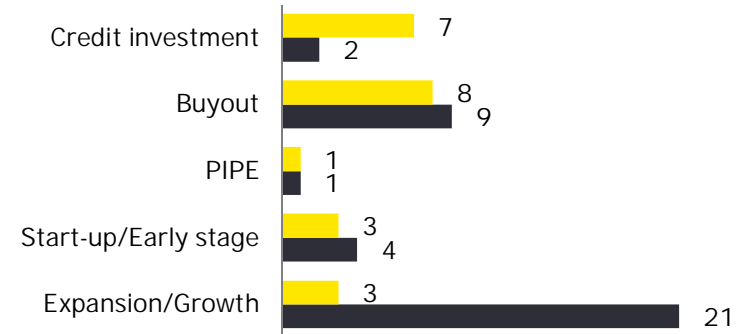
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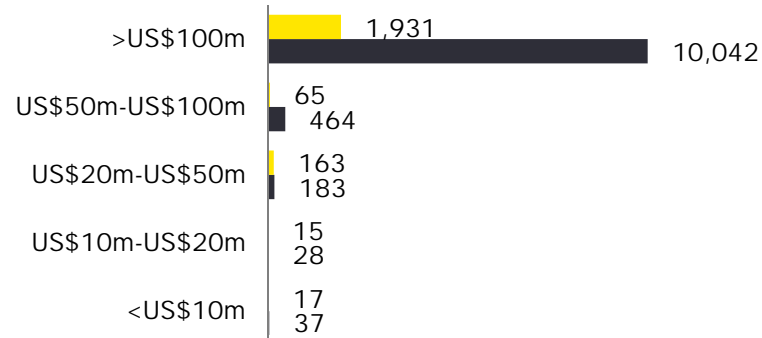
Deal type US\$m



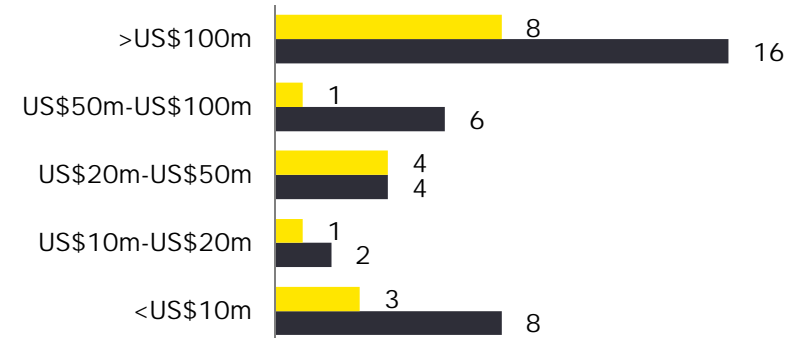
Deal type #



Deal size US\$m



Deal size #



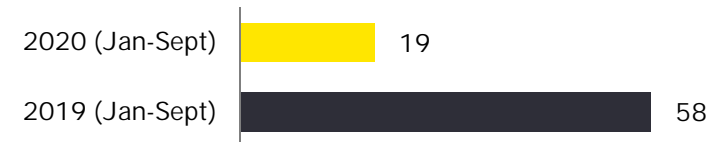
Note: Deal value not available on one out of 37 deals in 2019 (Jan-Sept) and five out of 25 deals in 2020 (Jan-Sept)

Year-to-date investments: *Real estate*

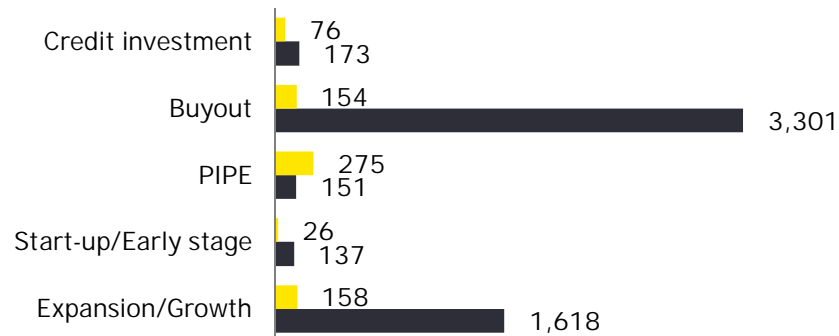
Total investments (US\$m)



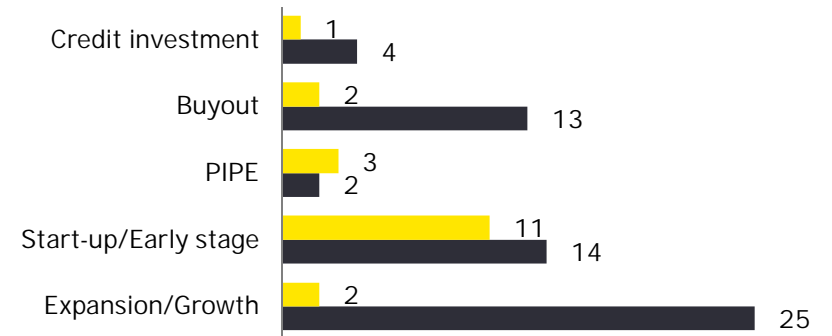
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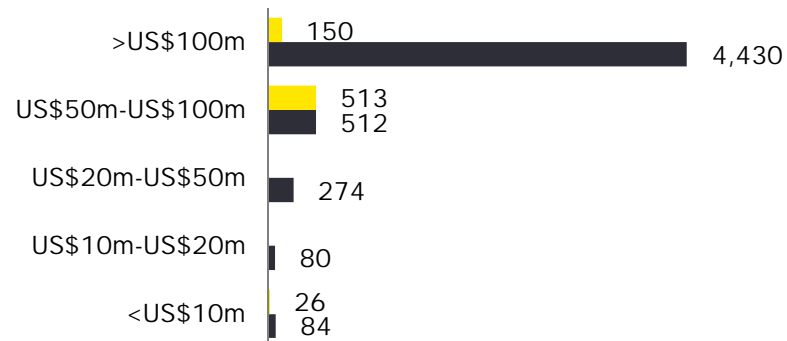
Deal type US\$m



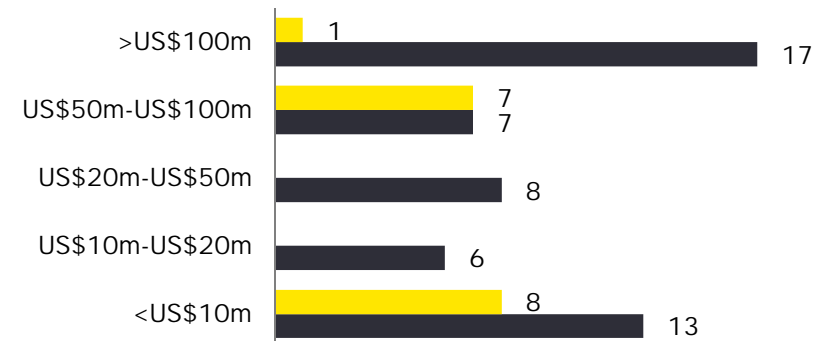
Deal type #



Deal size US\$m

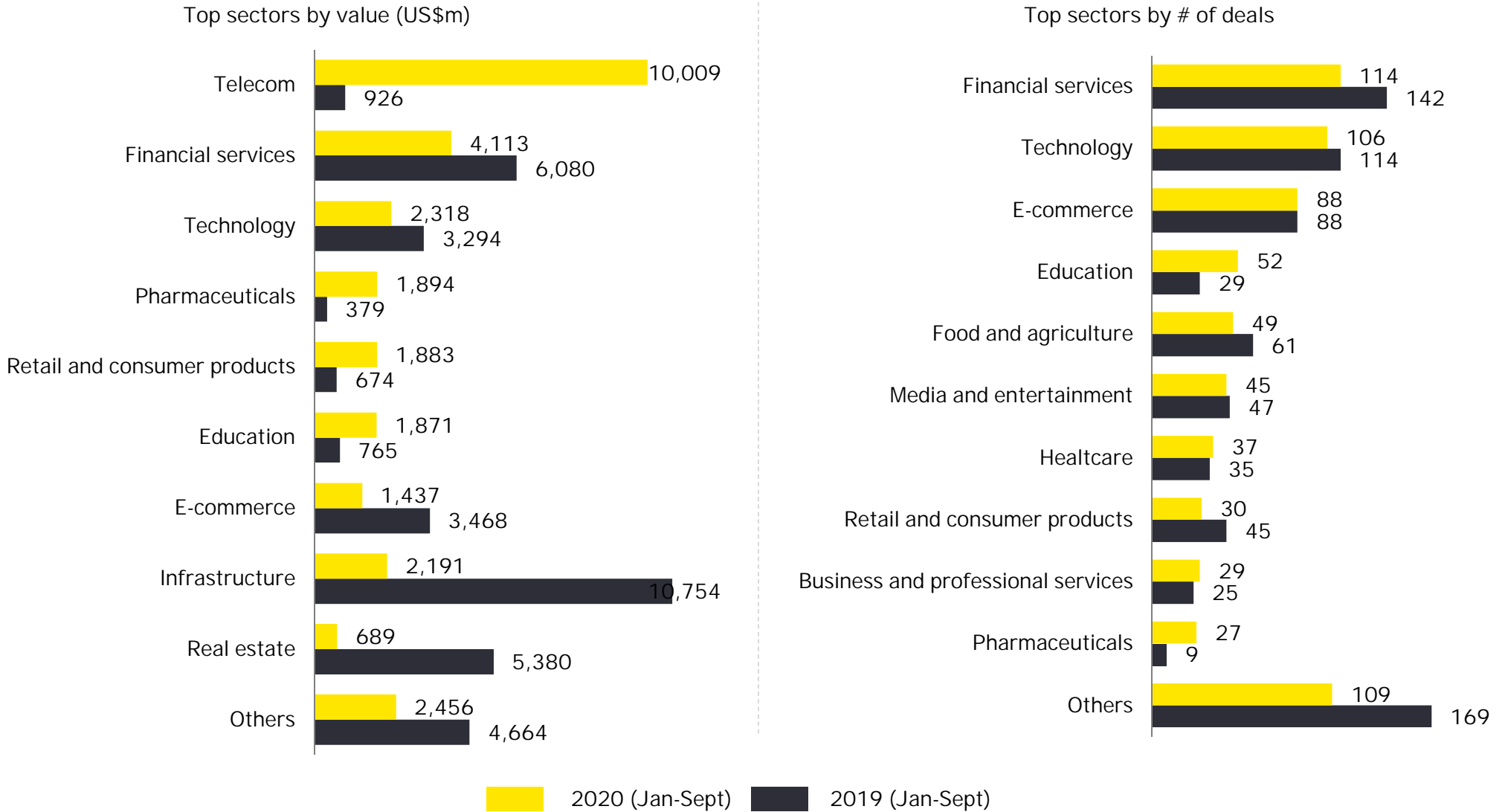


Deal size #



Note: Deal value not available on seven out of 58 deals in 2019 (Jan-Sept) and three out of 19 deals in 2020 (Jan-Sept)

Year-to-date investments: Sector-wise



Top PE/VC investments

PE/VC investments in Jio Platforms – Jan'20 - Sept'20

PE investors	Stage	US\$m	Stake (%)
KKR	Growth capital	1,512	2.32
Vista Equity Partners	Growth capital	1,510	2.32
Public Investment Fund of Saudi Arabia	Growth capital	1,497	2.30
Mubadala Investment Co.	Growth capital	1,211	1.85
General Atlantic	Growth capital	878	1.34
Tarrant Capital, TPG Capital Asia, L Catterton Management and Others	Growth capital	849	1.32
Abu Dhabi Investment Council	Growth capital	754	1.16
Silver Lake Management	Growth capital	750	1.15
Silver Lake Management	Growth capital	606	0.93
Intel Capital	Growth capital	251	0.39
Qualcomm Ventures	Growth capital	97	0.15

PE/VC investments in Reliance Retail – Jan'20 - Sept'20

PE investors	Stage	US\$m	Stake (%)
Silver Lake Management	Growth capital	1,022	1.75
KKR	Growth capital	754	1.28

Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate - Jan'20 - Sept'20*

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Majesco Limited	Thoma Bravo LP	Technology	Buyout	729	100
Hexaware Technologies Limited	Baring PE Asia	Technology	PIPE	565	29
Think and Learn Private Limited (Byju)	General Atlantic, Owl Ventures, Tiger Global, Silver Lake Management and others	Education	Growth capital	500	NA
J.B.Chemicals and Pharmaceuticals Limited	KKR	Pharmaceuticals	Buyout	496	65
Piramal Pharma	Carlyle	Pharmaceuticals	Growth capital	490	20
ECL Finance Limited	Farallon Capital and SSG Capital	Financial services	Credit investment	400	NA
Piramal Enterprises Limited	Farallon Capital	Financial services	Credit investment	346	NA
Edelweiss Global Investment Advisors, Edelweiss' Wealth Management	PAG	Financial services	Buyout	300	51
Nxtra Data Limited	Carlyle	Technology	Growth capital	235	25
Sporta Technologies Private Limited (Dream11)	Tiger Global Management, TPG, ChrysCapital and others	Media and entertainment	Growth capital	225	NA
ICICI Bank Limited	GIC	Financial services	PIPE	225	1
SeQuent Scientific Limited	Carlyle	Pharmaceuticals	Buyout	210	74
RBL Bank Limited	CDC Group, Gaja capital, Baring PE Asia and others	Financial services	PIPE	210	15
IndoStar Capital Finance Limited	Brookfield and Others	Financial services	PIPE	202	40
Think and Learn Private Limited (Byju)	Tiger Global Management	Education	Growth capital	200	NA

* PE/VC deals excluding investments in Jio Platforms and Reliance Retail

Top PE/VC investments

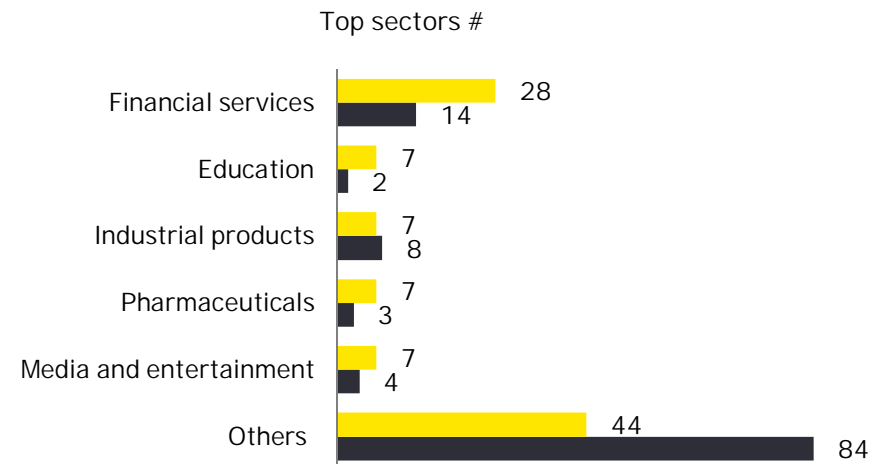
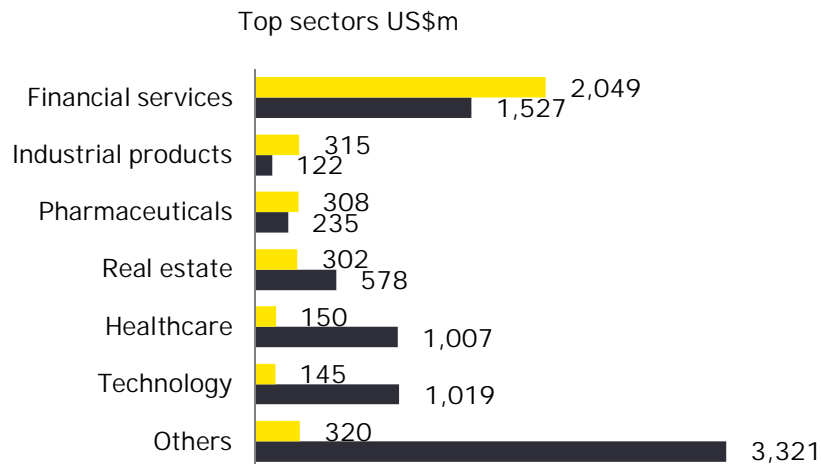
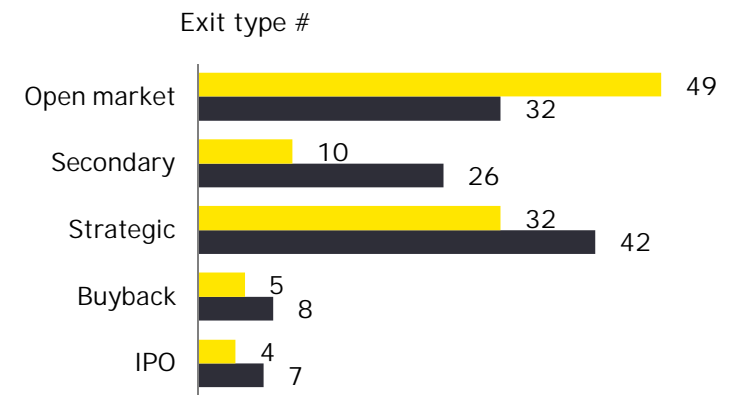
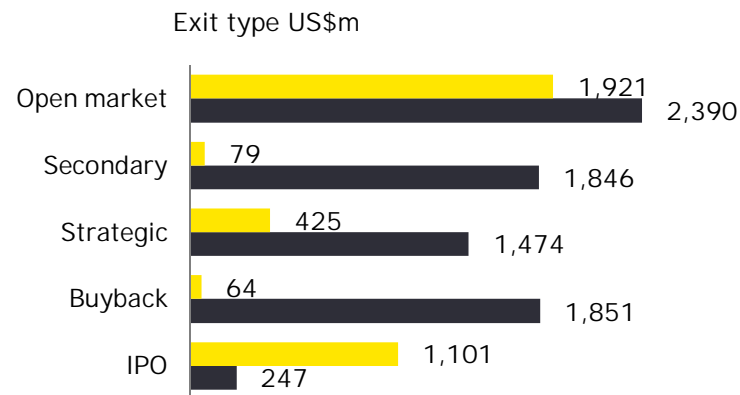
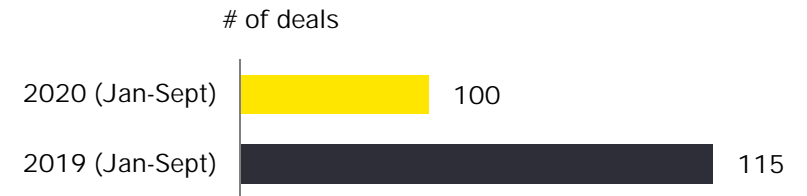
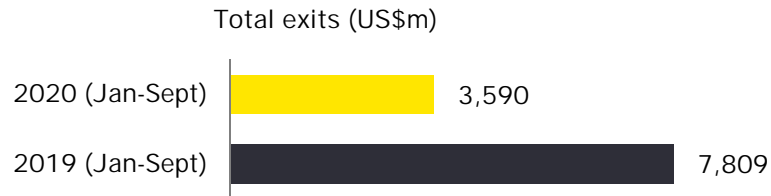
Top infrastructure and real estate investments - Jan'20 - Sept'20

Company	PE investors	Sector	Stage	US\$m	Stake (%)
RattanIndia Power Limited	Goldman Sachs, Varde Partners	Infrastructure	Credit investment	566	NA
IndInfravit Trust	CPPIB, OMERS Infrastructure Management and others	Infrastructure	Growth capital	246	24
Shapoorji Pallonji Infrastructure, 5 solar assets (317 MW)	KKR	Infrastructure	Buyout	204	100
Navayuga Road Projects Private Limited (Two road assets)	Edelweiss Alternative Asset Advisors	Infrastructure	Growth capital	150	NA
ReNew Power Limited	Development Finance Corporation	Infrastructure	Credit investment	142	NA
Acme Cleantech , 600MW solar assets	Actis	Infrastructure	Buyout	127	100
Vatika Limited	Goldman Sachs	Real estate	Growth capital	86	NA
Golden Jubilee Hotels Private Limited	Blackstone	Real estate	Buyout	82	100
Nine assets, mostly in residential projects	Motilal Oswal Real Estate	Real estate	Growth capital	73	NA
Prestige Estates Projects Limited	GIC	Real estate	PIPE	65	NA

Real estate includes deals across real estate (residential and commercial), hospitality and construction

Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

Year-to-date exits: Analysis



Top exits

Top exits - Jan'20 - Sept'20

Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
SBI Cards and Payment Services Limited	Financial services	Carlyle	NA	IPO	1,000	9
Embassy Office Parks REIT	Real estate	Blackstone	NA	Open market	302	9
Paysense Services India Private Limited	Financial services	Nexus capital, Naspers and others	PayU Corporate	Strategic	293	NA
Essel Propack Limited	Industrial products	Blackstone	NA	Open market	253	23
Computer Age Management Services Private Limited	Technology	Warburg Pincus	NA	IPO	101	13
Manappuram Finance Limited	Financial services	Baring PE India	NA	Open market	101	5
Metropolis Healthcare Limited	Healthcare	Carlyle	NA	Open market	100	13
Aavas Financiers Limited	Financial services	Kedaara	NA	Open market	93	5
Dighi Port Limited	Infrastructure	Tara India Fund III LLC	Adani Ports and Special Economic Zone	Strategic	89	NA
Laurus Labs Limited	Pharmaceuticals	Warburg Pincus	NA	Open market	84	12

Fundraise

Top fundraises - Jan'20 - Sept'20

Status	Fund	US\$m	Strategy
Raised	Sequoia Capital India Fund (2 Funds)	1,350	Sector agnostic
Raised	Nalanda Capital	728	Sector agnostic
Raised	O2 Power (EQT, Temasek JV)	500	Renewable energy
Raised	CDPO, Piramal Partners	300	Credit financing
Raised	Lightspeed third India-focused fund	275	B2B & B2C early stage - sector agnostic
Raised	Chiratae Ventures - Fund IV	184	Early/Growth stage -Deep-tech, consumer media, software, fintech and health tech
Raised	Wipro Ventures	150	Early to mid-stage (Enterprise software)
Raised	Blume Ventures Fund III	102	Early stage
Raised	Inflexor Ventures	100	Early stage

Spotlight

PE/VC investment trend in start-ups
(Jan-Sept)



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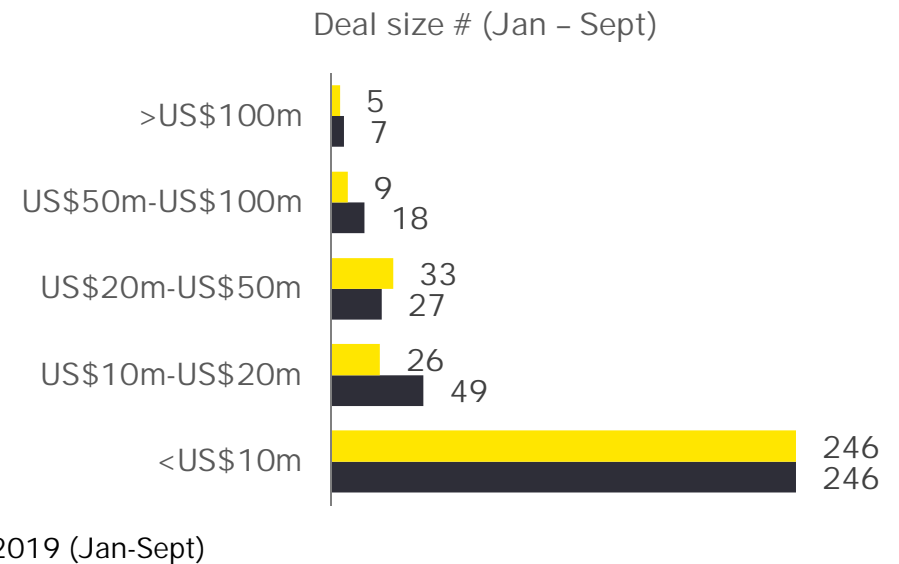
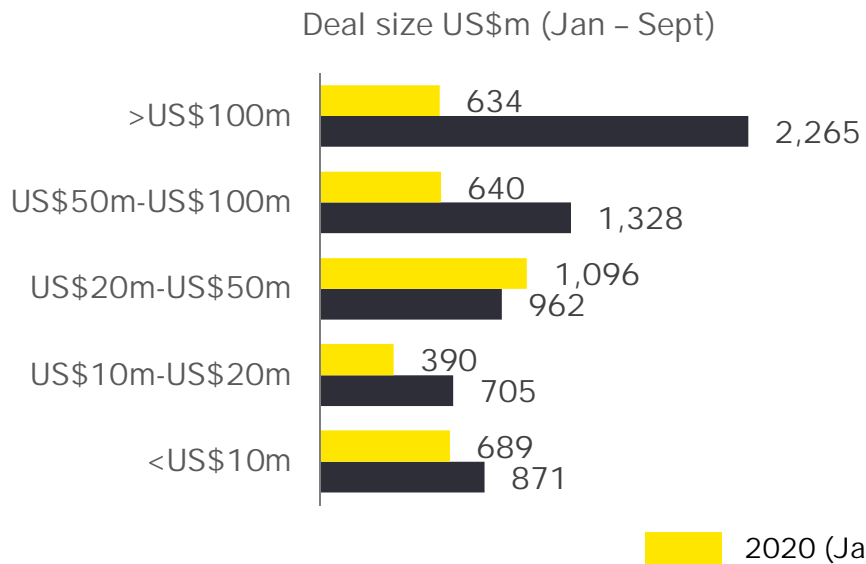
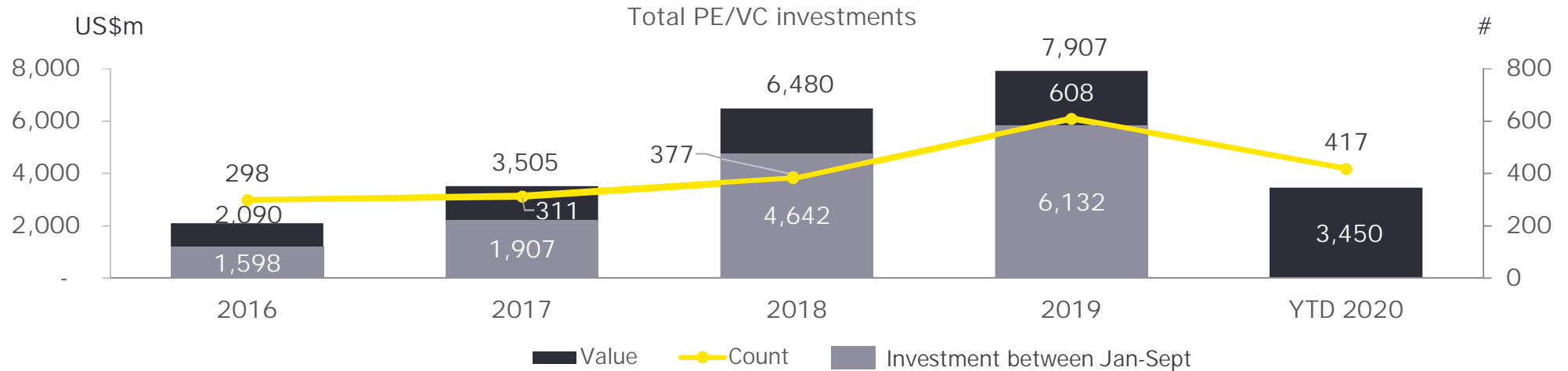


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Spotlight: Key trends year-to-date

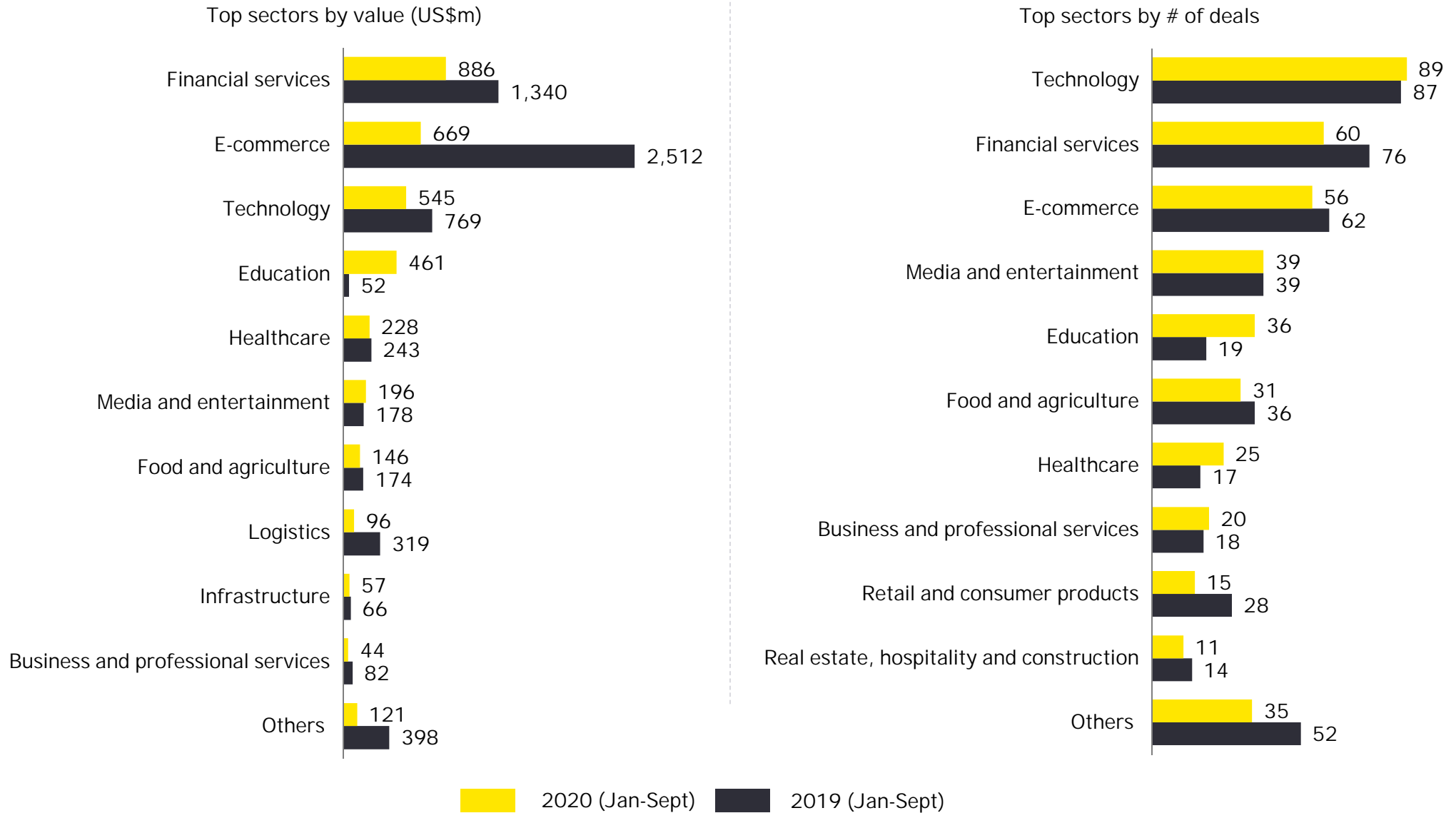
- ▶ On a year-to-date basis, PE/VC investments in start-ups between Jan-Sept 2020 declined by 44% in terms of value compared to same period last year (US\$3.5 billion in 2020 vs. US\$6.1 billion in 2019). While the number of deals were at par with last year, the deal sizes were significantly lower. Between Jan-Sept 2020 there were 14 deals of value greater than US\$50 million aggregating to US\$1.3 billion compared to 25 such deals aggregating to US\$3.6 billion during the same period last year. The average deal size for start-ups in 2020 till date was around US\$11 million compared to US\$18 million in the same period last year.
- ▶ Most major sectors recorded significant decline in start-up investments in 2020. Financial services with US\$886 million invested across 60 deals was the largest sector for start-up investments in Jan-Sept 2020, followed by e-commerce with US\$669 million invested across 56 deals and technology with US\$545 million invested across 89 deals. E-commerce with US\$2.5 billion invested across 62 deals was the top sector in Jan-Sept 2019. Education sector emerged as a standout sector in Jan-Sept 2020 recording US\$461 million across 36 deals (nine times increase over Jan-Sept 2019), highest ever value of start-up investments received by the sector.

Spotlight: Start-up investments (Jan-Sept)



Note: Deal value not available on 111 out of 448 deals in 2019 (Jan-Sept) and 98 out of 417 deals in 2020 (Jan-Sept)

Spotlight: Start-up investments sector-wise (Jan-Sept)



Spotlight: Top PE/VC investments in start-ups

Top PE/VC investments in start-ups - Jan'20 - Sept'20*

Company	PE investors	Sector	US\$m	Stake (%)
Sorting Hat Technologies Private Limited (Unacademy)	Nexus Ventures, Sequoia, General Atlantic, SoftBank, Blume Venture	Education	260	15
Bundl Technologies Private Limited (Swiggy)	Naspers Ventures, Meituan-Dianping, Wellington Management	E-commerce	113	NA
Bundl Technologies Private Limited (Swiggy)	Tencent, Korea Investment Partners, Samsung Ventures and Mirae Asset Capital Markets	E-commerce	45	NA
Postdot Technologies Private Limited (Postman.com)	Nexus Ventures, Charles River Partnership XIV, Insight Venture Management	Technology	150	NA
CureFit Healthcare Private Limited (CureFit)	Temasek, Accel Growth Fund IV, Epiq Capital Fund, Chiratae Ventures Fund III, Ascent Private Equity and others	Healthcare	112	NA
Home Interior Designs E-commerce Private Limited (Livspace)	Venturi Partners, Bessemer Venture, Goldman Sachs, TPG Capital and others	E-commerce	90	NA
Galactus Funware Technology Private Limited (Mobile Premier League)	Pegasus Tech Ventures, Go Ventures, MDI Ventures, RTP Global Advisors, Sequoia and others	Media and entertainment	90	NA
Go Digit General Insurance Limited	TVS Capital, Faering Capital, A91	Financial services	84	NA
Resilient Innovations Private Limited	Amplo, Coatue Management, Steadview Capital, Ribbit Capital, Insight Ventures	Financial services	75	NA
MWYN Tech Private Limited (MoneyTap)	Megadelta Capital Advisors LLP, Prime Venture Partners, RTP Global Advisors, Sequoia Capital India Advisors Private Limited	Financial services	70	NA
Vivriti Capital Private Limited (Vivriticapital.com)	LGT Lightstone Aspada	Financial services	50	NA



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Quarterly trend analysis – 3Q2020



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Key trends: Quarterly

Investments

- ▶ On a quarterly basis, investments in 3Q20 declined by 36% in terms of value compared to 3Q19 and 23% compared to 2Q20 (US\$10.3 billion in 3Q20 vs. US\$16 billion in 3Q19 and US\$13.5 billion in 2Q20). In terms of number of deals 3Q20 recorded 10% fewer deals compared to 3Q19 and 8% higher deals compared to 2Q20 (239 deals in 3Q20 vs. 265 deals in 3Q19 and 222 deals in 2Q20).
- ▶ Growth deals were the highest with US\$4.4 billion invested across 42 deals (US\$3.5 billion across 62 deals in 3Q19), followed by buyouts worth US\$2 billion across seven deals (US\$7.6 billion across 19 deals in 3Q19). Buyouts were the most affected from the decline in PE/VC deal activity post the onset of the COVID-19 pandemic, declining by 73% in value and 63% in volume. Start-up investments recorded US\$1.1 billion in 3Q20, 67% decline y-o-y (US\$3.4 billion in 3Q19). PIPE investments recorded US\$1.7 billion, twice the value recorded in 3Q19 (US\$823 million). Credit investments recorded US\$1.1 billion in 3Q20, 52% higher compared to 3Q19 (US\$721 million).
- ▶ From a sector perspective, financial services was at the top (US\$2.1 billion across 38 deals), highest quarterly value of investments in the sector in 2020 followed by retail and consumer sector (US\$1.8 billion across 12 deals, on the back of large investments in Reliance Retail), technology sector (US\$1.8 billion across 44 deals), and education sector (US\$1.1 billion across 23 deals).
- ▶ 3Q20 recorded 23 large deals aggregating to US\$7.8 billion (compared to 37 large deals aggregating to US\$12.8 billion in 3Q19), 40% decline y-o-y. The largest deals in 3Q20 include investments in Reliance Retail – Silver Lake’s US\$1 billion investment for 1.8% stake and KKR’s US\$754 million investment for 1.3% stake.

Key trends: Quarterly

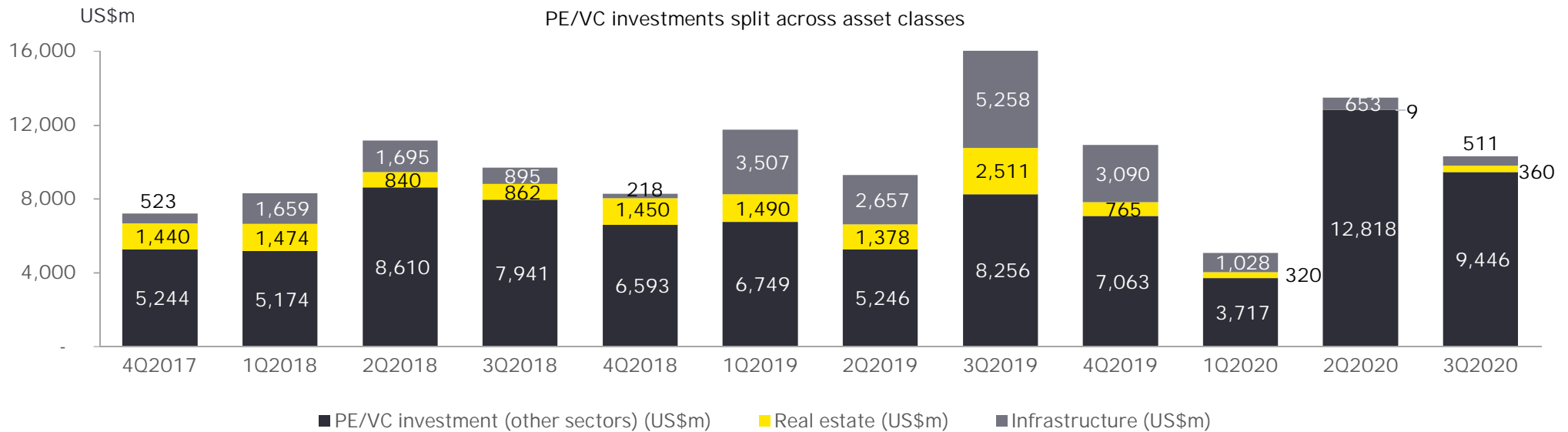
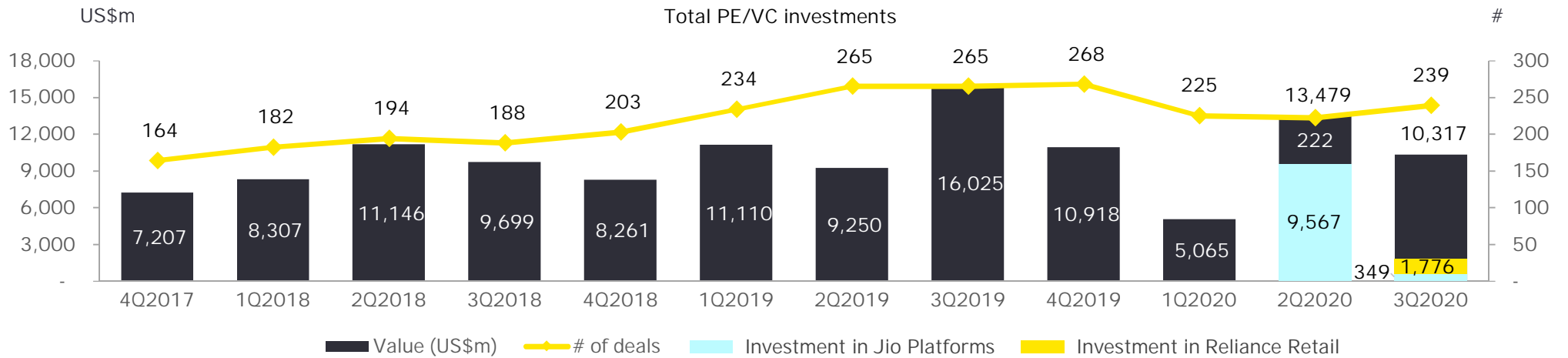
Exits

- ▶ On a year-on-year (y-o-y) basis, exits declined by 82% in terms of value in 3Q20 (US\$728 million vs. US\$4 billion in 3Q19) and 25% compared to 2Q20 (US\$927 million). The decline was across deal segments especially strategic and secondary exits.
- ▶ Exits via open market were the highest with US\$566 million recorded across 20 deals, accounting for 78% of all exits in 3Q20 followed by three PE backed IPO worth US\$101 million. Exits via strategic sale were at US\$26 million (13 deals) compared to US\$174 million in 3Q19 (10 deals). Exits via secondary sale (sale to other PE funds) recorded US\$34 million (one deal), 97% lower compared to 3Q19 (US\$1.2 billion).
- ▶ From a sector perspective, industrial products recorded the highest value of exits in 3Q20 (US\$305 million across five deals) followed by technology (US\$101 million across two deals).
- ▶ The largest exit in 3Q20 saw Blackstone sell 23% stake in Essel Propack Limited for US\$253 million.

Fundraise

- ▶ 3Q20 saw US\$2.8 billion in fundraises, 19% higher compared to 3Q19 (US\$2.3 billion). The largest fundraise in 3Q20 saw Sequoia raise a US\$1.4 billion venture fund for investments in India and Southeast Asia.

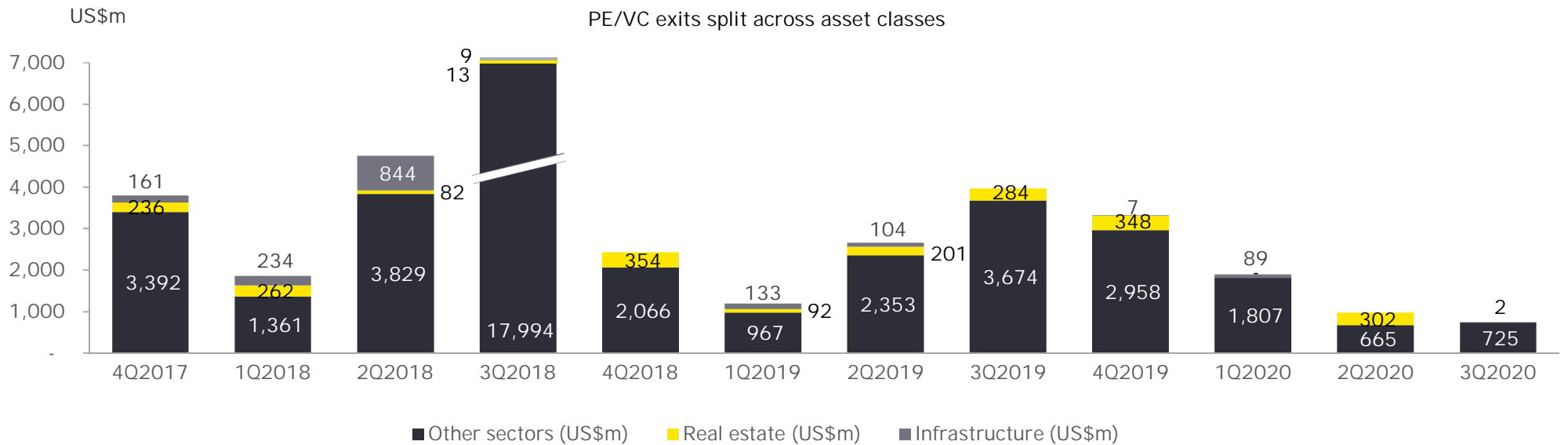
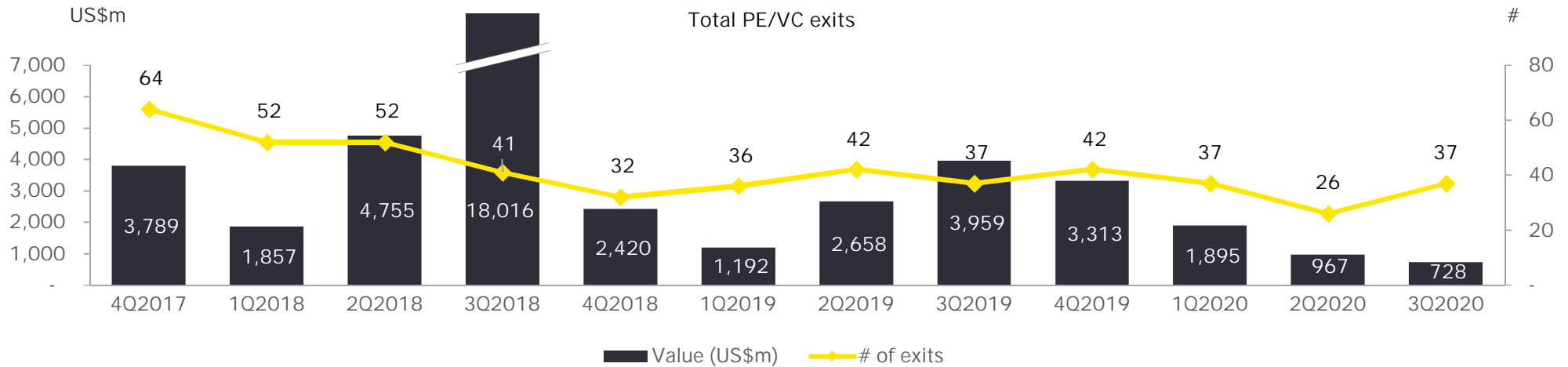
PE/VC quarterly headline trends: Investments



Real estate includes deals across real estate (residential and commercial), hospitality and construction

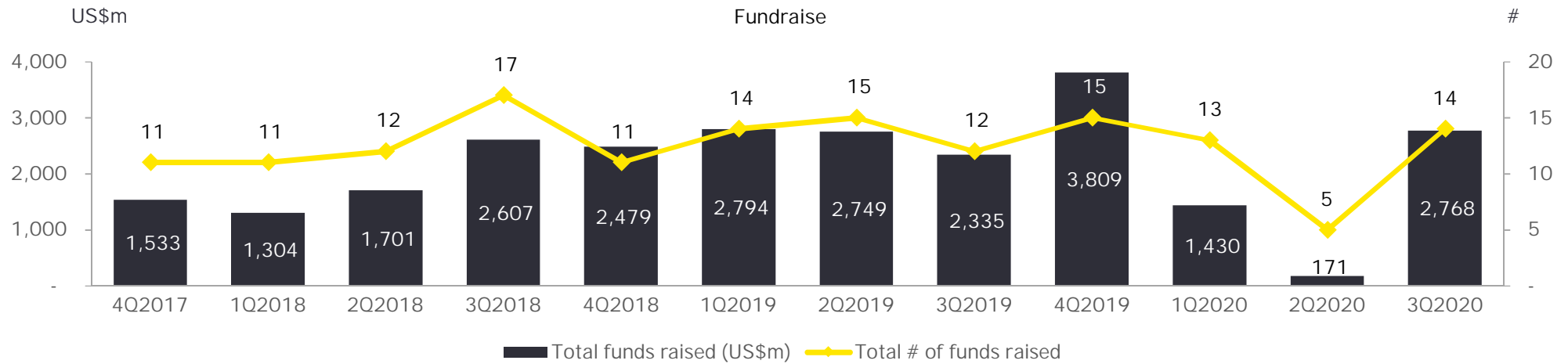
Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

PE/VC quarterly headline trends: Exits

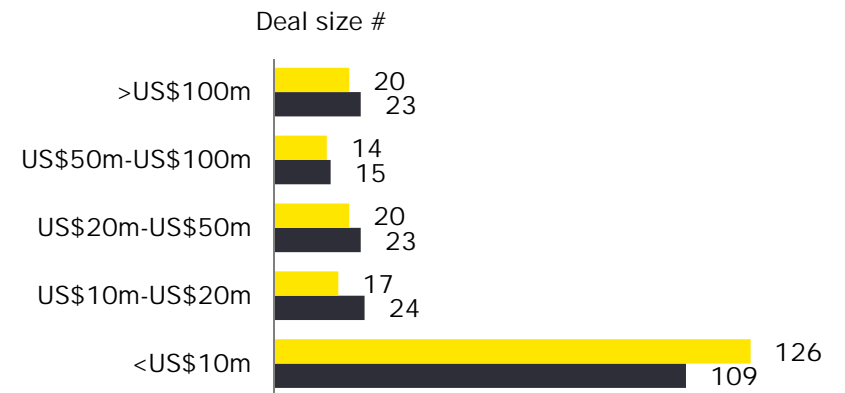
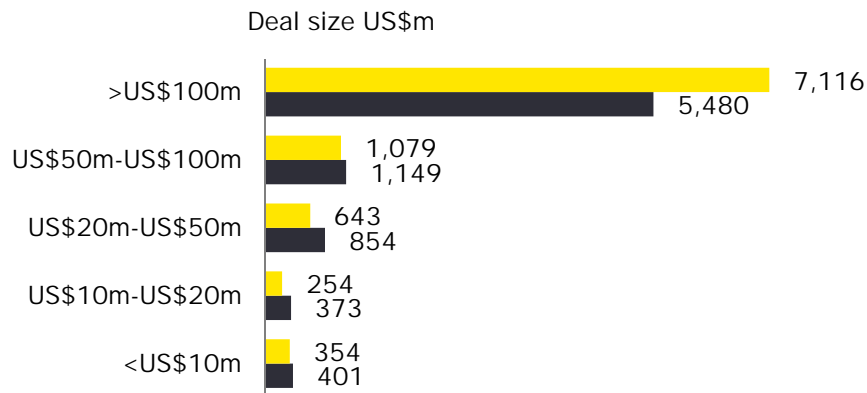
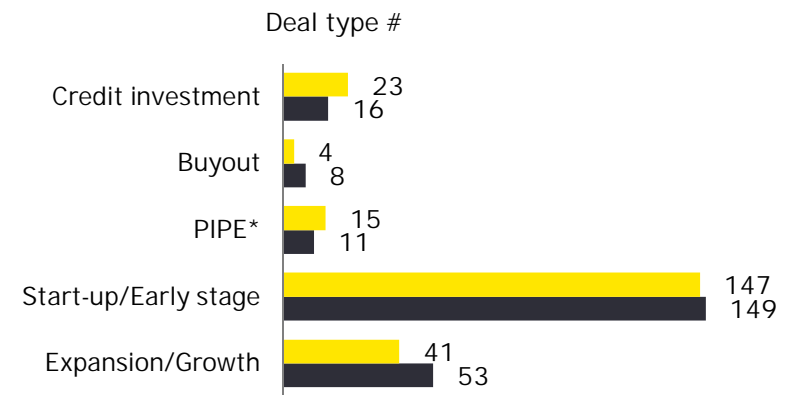
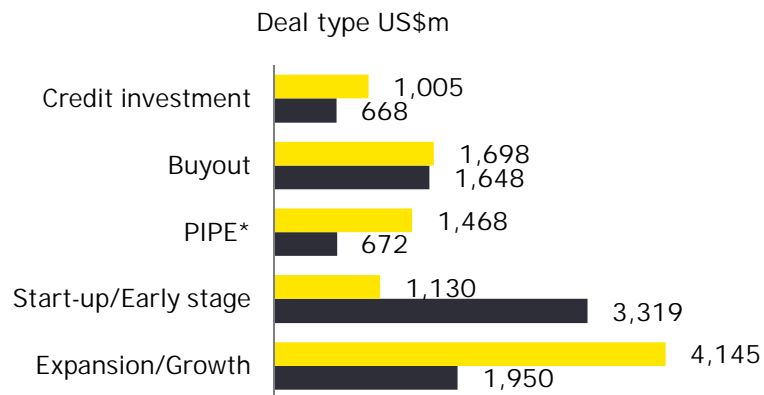
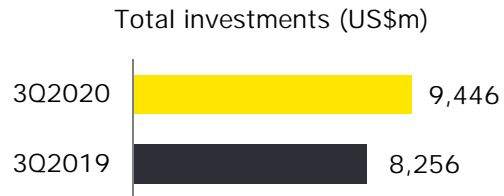


Real estate includes deals across real estate (residential and commercial), hospitality and construction
 Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

PE/VC quarterly headline trends: Fundraise



Investments (excluding *infrastructure* and *real estate*)



PIPE: Private investment in public equity

Note: Note: Deal value not available on 43 out of 237 deals in 3Q2019 and 33 out of 230 deals in 3Q2020

Investments: *Infrastructure*

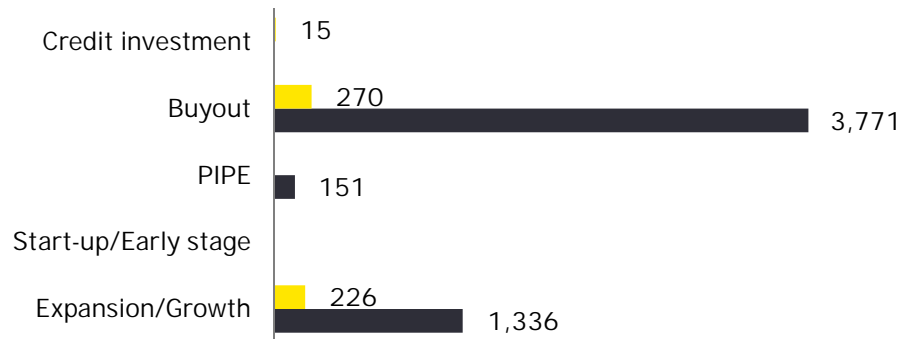
Total investments (US\$m)



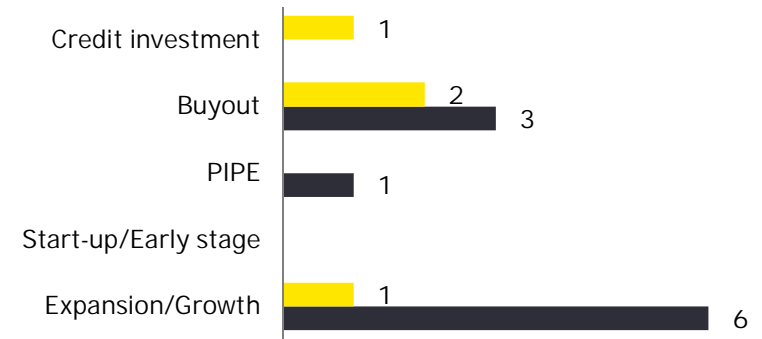
of deals



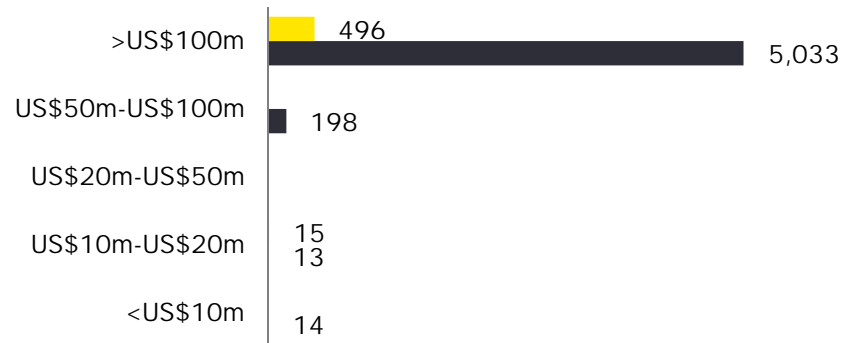
Deal type US\$m



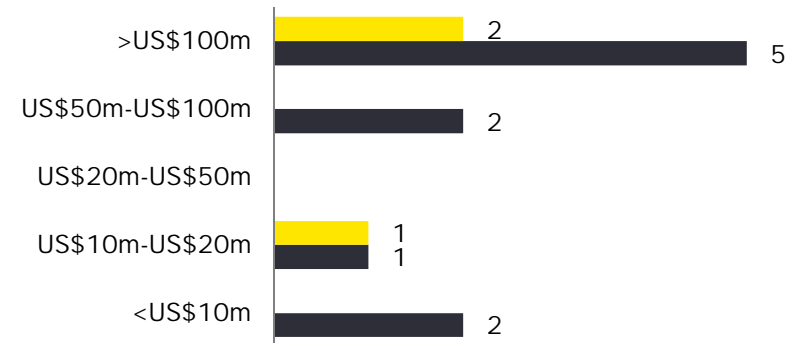
Deal type #



Deal size US\$m

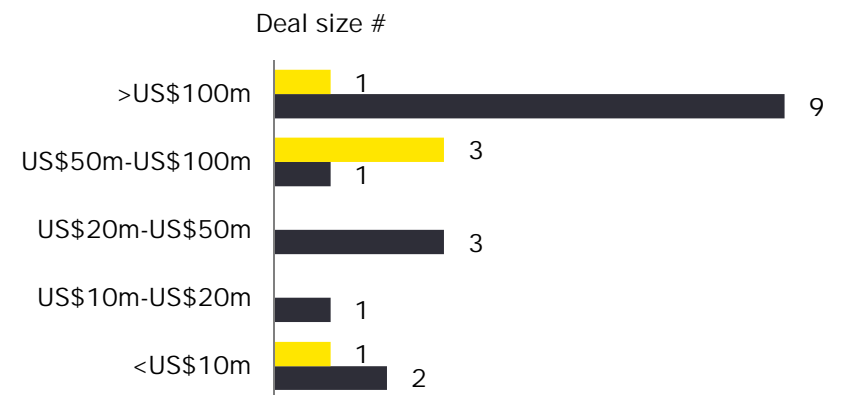
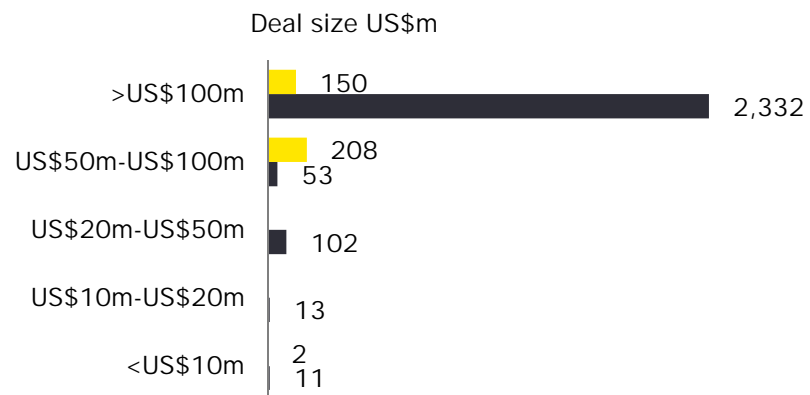
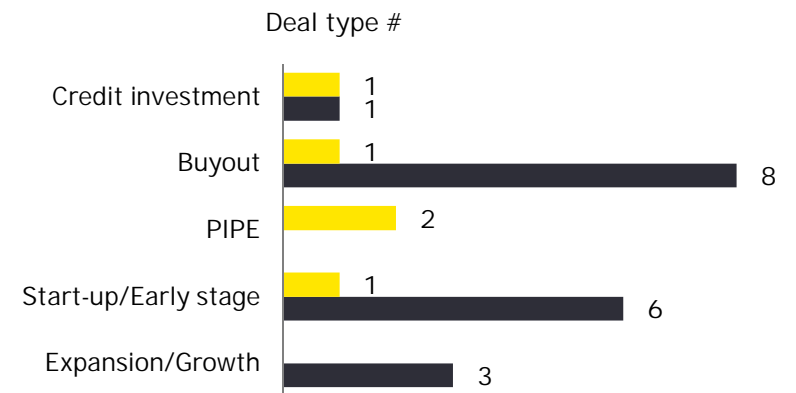
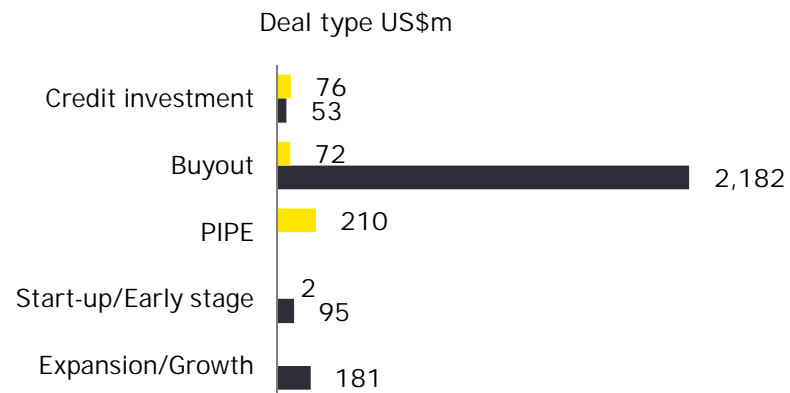
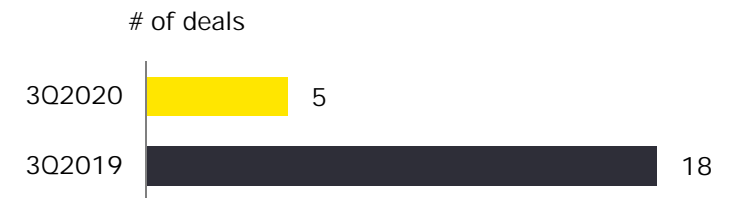
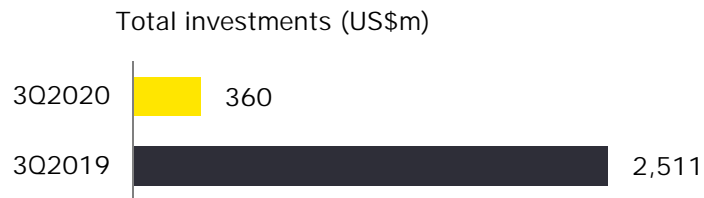


Deal size #



Note: Deal value not available on one out of 4 deals in 3Q2020

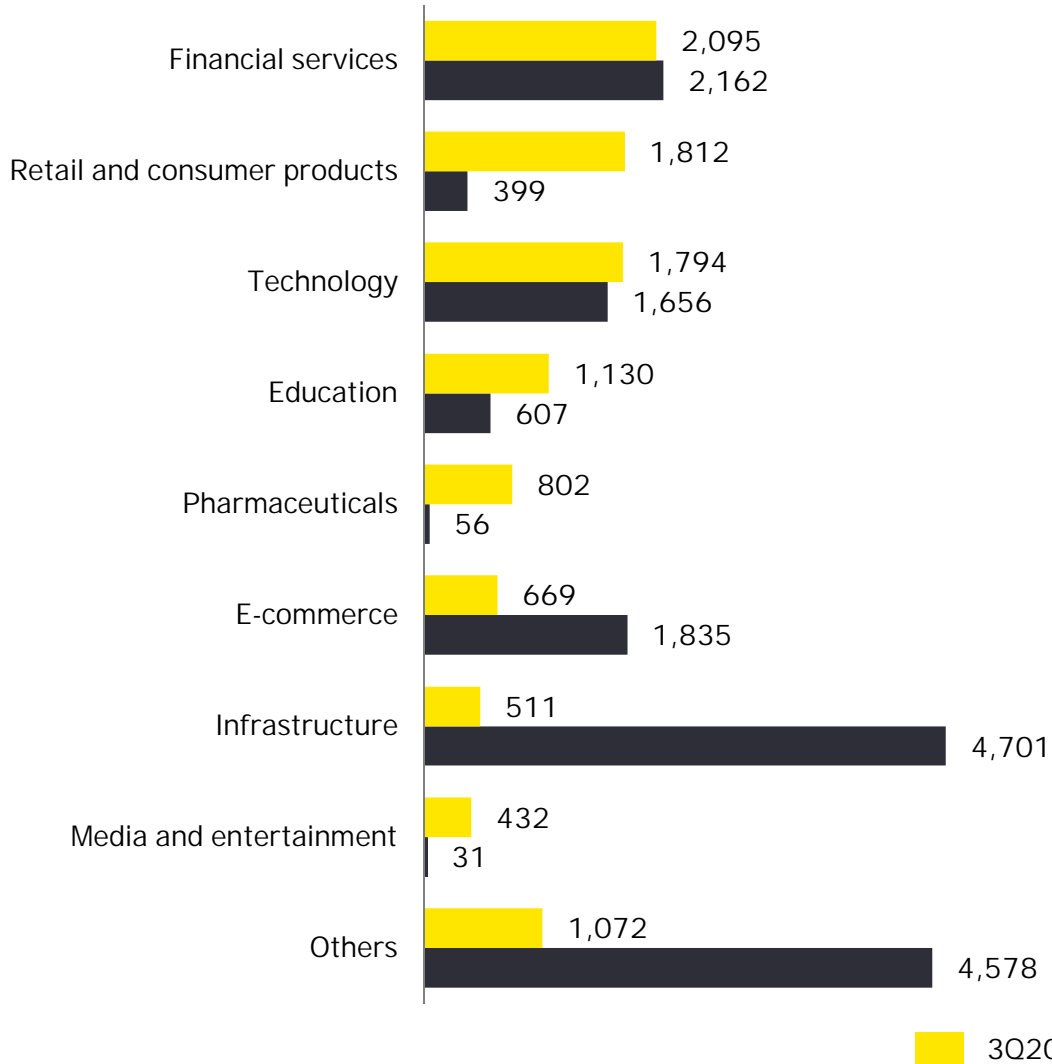
Investments: *Real estate*



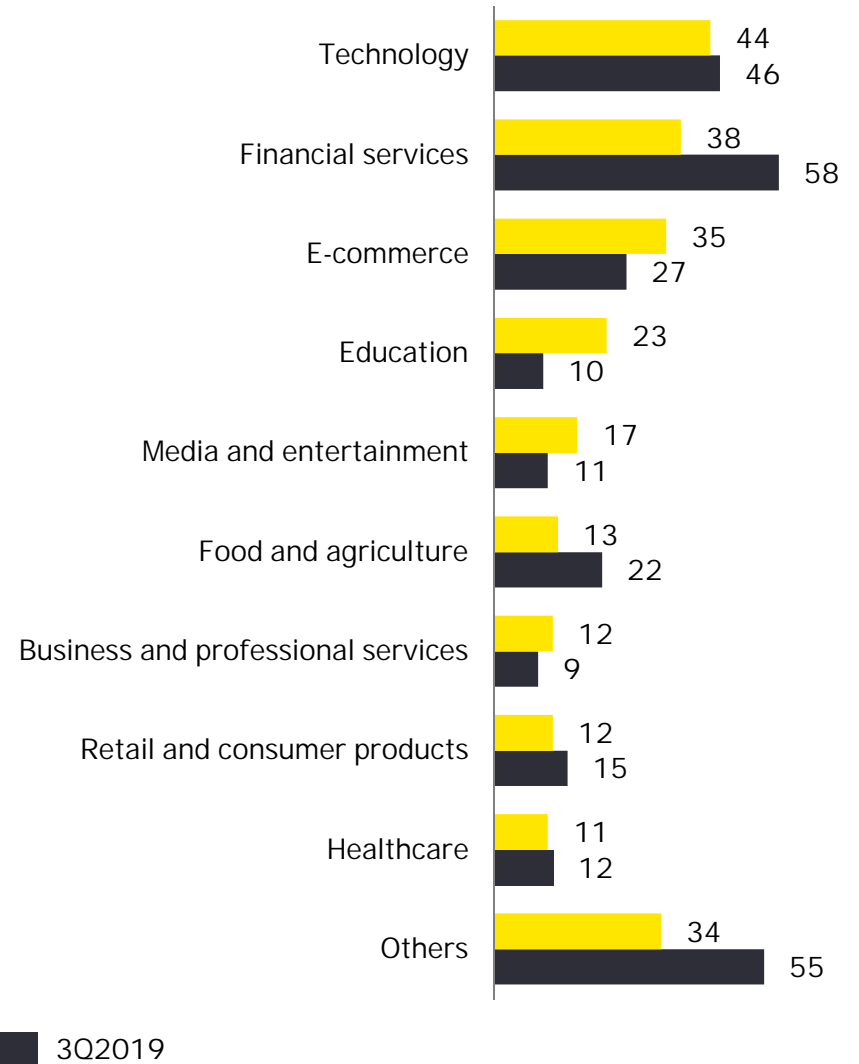
Note: Deal value not available on two out of 18 deals in 3Q2019

3Q2020 investments: Sector-wise

Top sectors by value (US\$m)



Top sectors by # of deals



Top PE/VC investments

PE/VC investments in Jio Platforms – 3Q2020

PE investors	Stage	US\$m	Stake (%)
Intel Capital	Growth capital	251	0.39
Qualcomm Ventures	Growth capital	97	0.15

PE/VC investments in Reliance Retail – 3Q2020

PE investors	Stage	US\$m	Stake (%)
Silver Lake Management	Growth capital	1,022	1.75
KKR	Growth capital	754	1.28

Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in 3Q2020*

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Majesco Limited	Thoma Bravo LP	Technology	Buyout	729	100
Hexaware Technologies Limited	Baring PE Asia	Technology	PIPE	565	29
Think and Learn Private Limited (Byju)	General Atlantic, Tiger Global Management, Silver Lake Management and others	Education	Growth capital	500	NA
J.B.Chemicals and Pharmaceuticals Limited	KKR	Pharmaceuticals	Buyout	496	65
ECL Finance Limited	Farallon Capital and SSG Capital	Financial services	Credit investment	400	NA
Piramal Enterprises Limited	Farallon Capital	Financial services	Credit investment	346	NA
Edelweiss Global Investment Advisors, Edelweiss Wealth Management	PAG	Financial services	Buyout	300	51
Nxtra Data Limited	Carlyle	Technology	Growth capital	235	25
Sporta Technologies Private Limited (Dream11)	Tiger Global Management, TPG, ChrysCapital and others	Media & Entertainment	Growth capital	225	NA
ICICI Bank Limited	GIC	Financial services	PIPE	225	1
RBL Bank Limited	CDC Group, Gaja capital, Baring PE Asia and others	Financial services	PIPE	210	15
RA Chem Pharma Limited	Advent International	Pharmaceuticals	Buyout	173	74
Bandhan Bank Limited	GIC	Financial services	PIPE	170	2
Sorting Hat Technologies Private Limited	Nexus Ventures, Sequoia Capital, General Atlantic, SoftBank Vision Fund 2, Blume Ventures	Education	Start-up	150	10

* PE/VC deals excluding investments in Jio Platforms and Reliance Retail in 3Q2020

Top PE/VC investments

Top infrastructure and real estate investments in 3Q2020

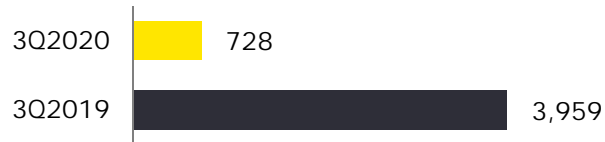
Company	PE investors	Sector	Stage	US\$m	Stake (%)
ACME Solar Holdings Limited, Two Solar Power Projects	Actis Long Life Infrastructure Fund	Infrastructure	Buyout	270	100
RattanIndia Group, Solar Assets 306 MW	GIP	Infrastructure	Growth capital	226	NA
Mindspace Business Parks REIT	GIC, Fullerton Financial Holdings, FMR LLC, Capital Group and others	Real Estate	PIPE	150	NA
M3M India Private Limited	Oaktree Capital	Real Estate	Credit investment	76	NA
Peninsula Land's residential project in Mumbai's Byculla	Brookfield	Real Estate	Buyout	72	>50
The Phoenix Mills Limited	GIC	Real Estate	PIPE	60	4

Real estate includes deals across real estate (residential and commercial), hospitality and construction

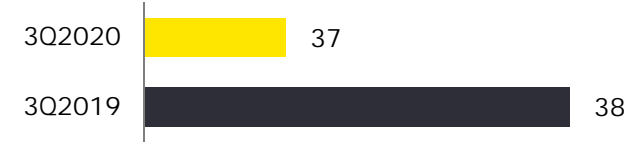
Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

3Q2020 exits: Analysis

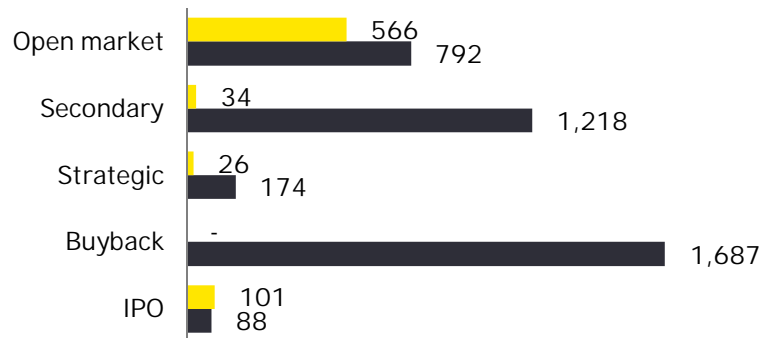
Total exits (US\$m)



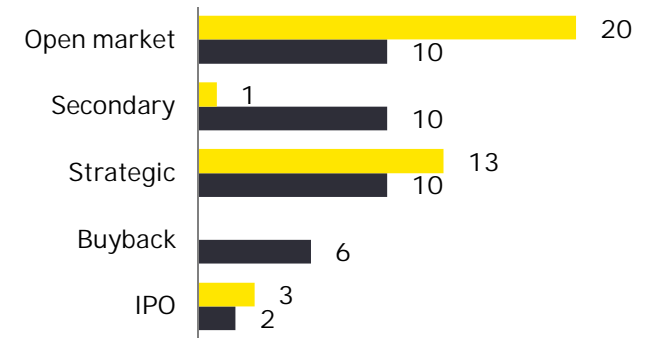
of deals



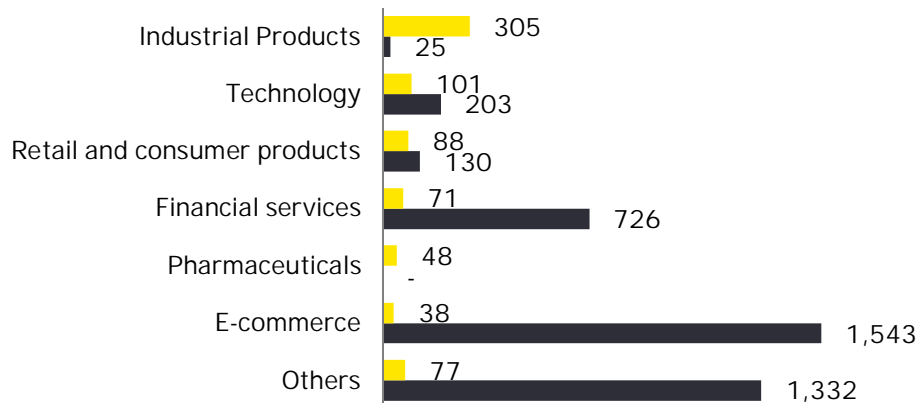
Exit type US\$m



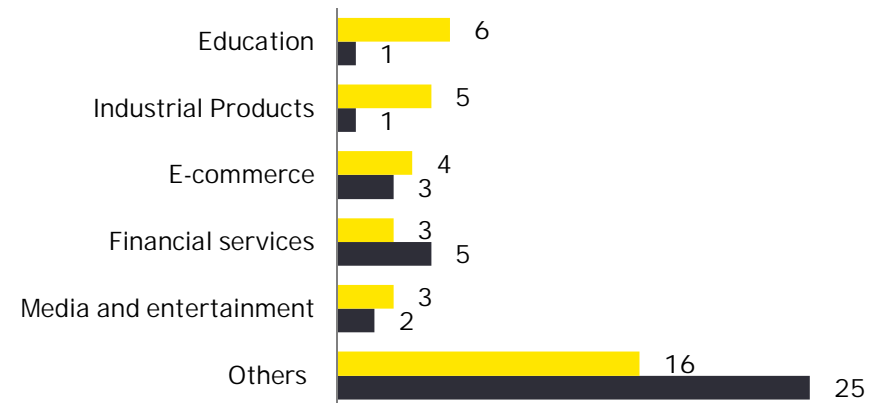
Exit type #



Top sectors US\$m



Top sectors #



Top exits

Top exits in 3Q2020

Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Essel Propack Limited	Industrial products	Blackstone	NA	Open market	253	23
Computer Age Management Services Private Limited	Technology	Warburg Pincus	NA	IPO	101	13
Amber Enterprises India Limited	Retail and consumer products	ADV Opportunities Fund I LP	NA	Open market	82	10
AU Small Finance Bank Limited	Financial services	Warburg Pincus	NA	Open market	69	2
Shilpa Medicare Limited	Pharmaceuticals	Baring PE India	NA	Open market	42	7
Shriji Polymers India Limited	Industrial products	Tata Capital and HBM Healthcare Investments	Creador	Secondary	34	NA

Fundraise

Top fundraise in 3Q2020

Status	Fund	US\$m	Strategy
Raised	Sequoia Capital India Fund (2 Funds)	1,350	Sector agnostic
Raised	Nalanda Capital	728	Sector agnostic
Raised	Lightspeed (third India-focused fund)	275	B2B & B2C Early stage - Sector agnostic
Raised	Chiratae Ventures - Fund IV	184	Early stage - Deep-tech, consumer media, software, fintech and health tech
Raised	Blue Ashva Capital - First Close	60	Sector agnostic - SME

Spotlight

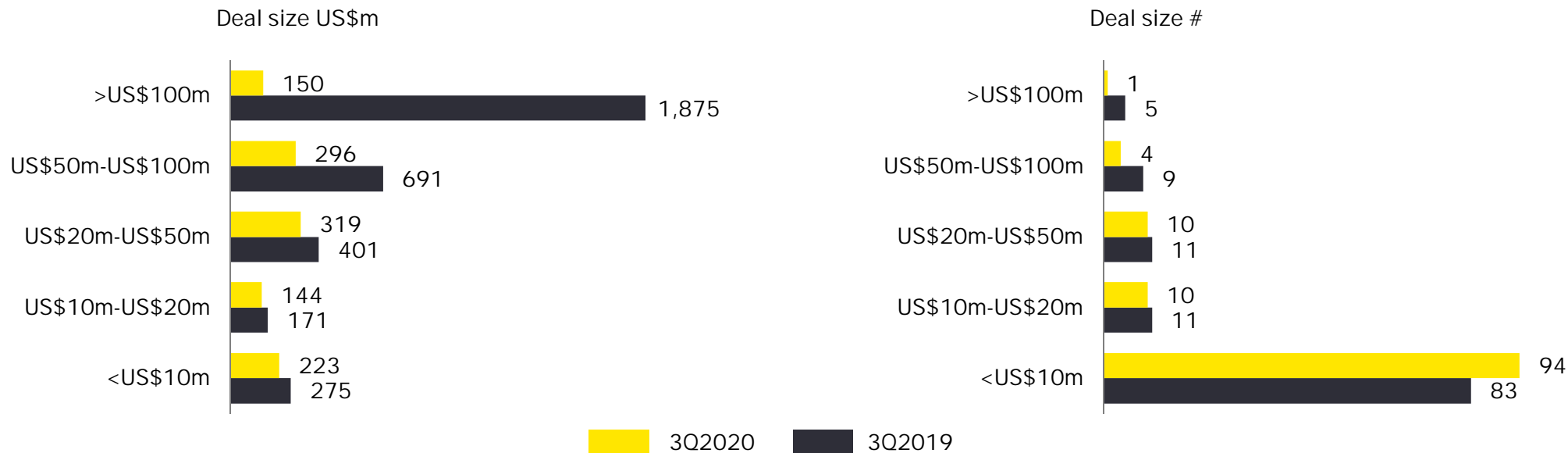
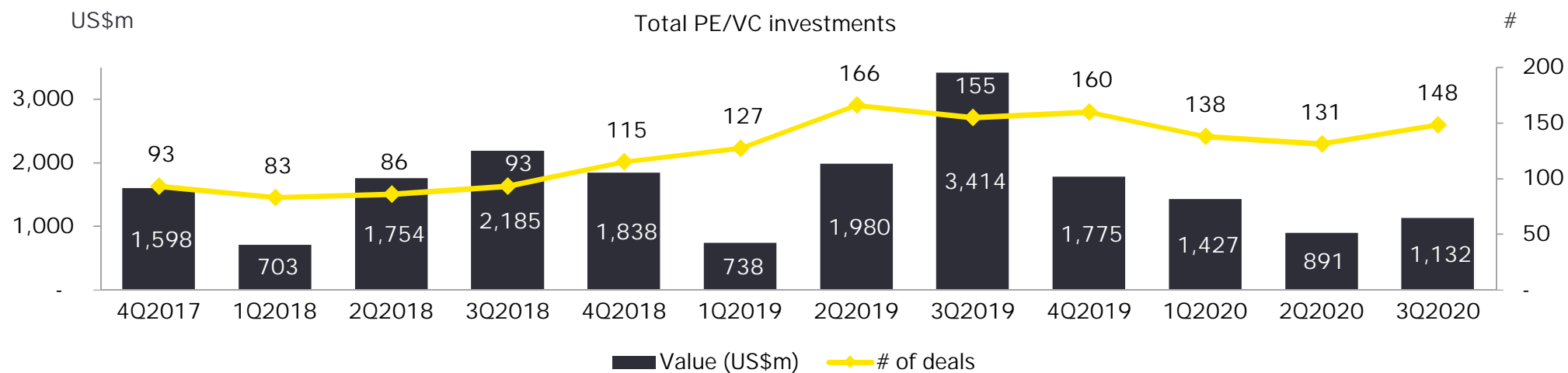
PE/VC investment trend in start-ups
(3Q2020)



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

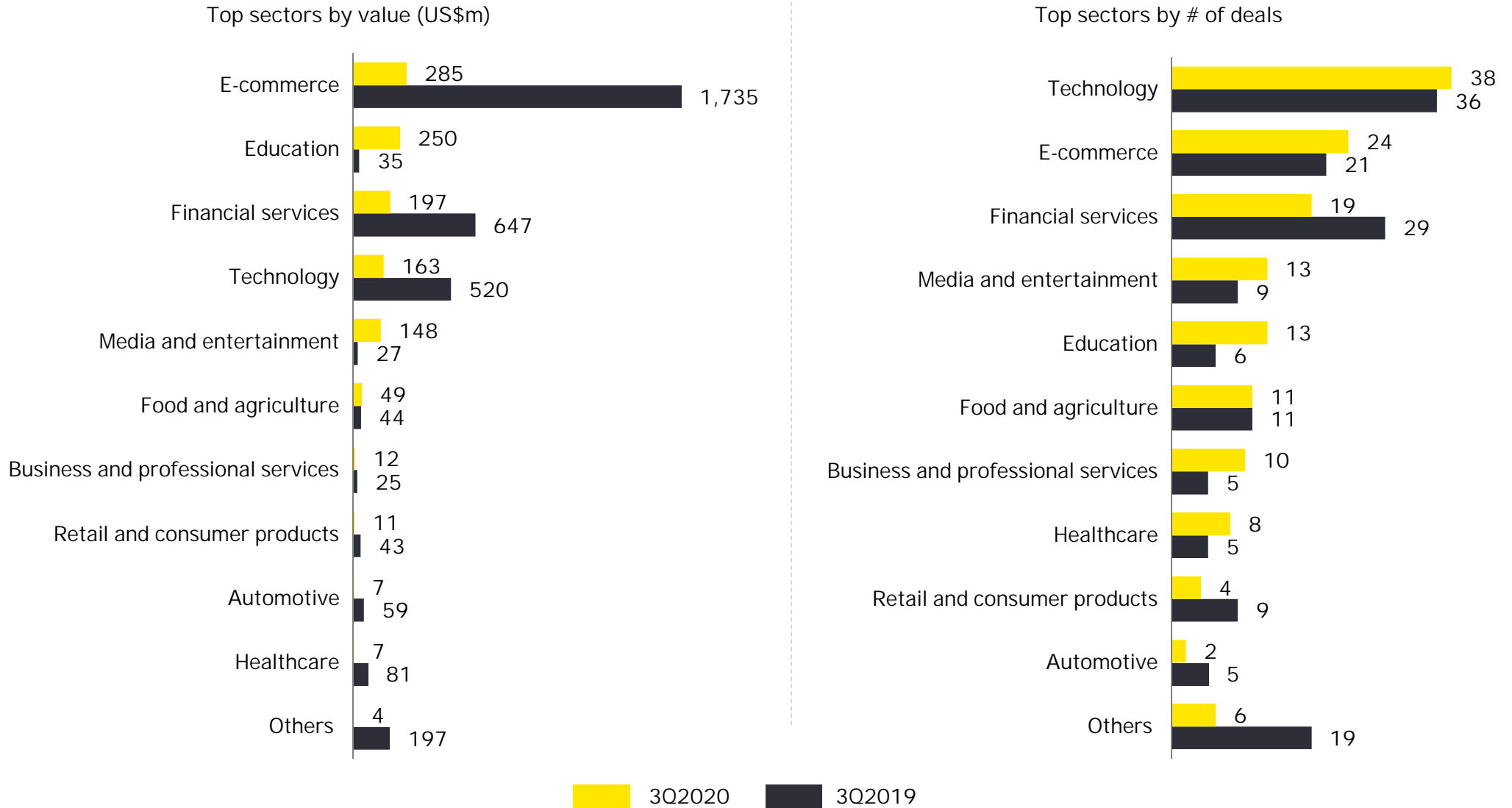


Spotlight: Start-up investments (3Q2020)



Note: Deal value not available on 36 out of 155 deals in 3Q2019 and 29 out of 148 deals in 3Q2020

Spotlight: Start-up investments sector-wise (3Q2020)



Spotlight: Top PE/VC investments in start-ups

Top PE/VC investments in start-ups – 3Q2020

Company	PE investors	Sector	US\$m	Stake (%)
Sorting Hat Technologies Private Limited (Unacademy)	Nexus Ventures, Sequoia, General Atlantic, SoftBank, Blume Venture	Education	150	10
Galactus Funware Technology Private Limited (Mobile Premier League)	Pegasus Tech Ventures, Go Ventures, MDI Ventures, RTP Global Advisors, Sequoia and others	Media and entertainment	90	NA
Home Interior Designs E-commerce Private Limited (Livspace)	Venturi Partners, Bessemer Venture, Goldman Sachs, TPG Capital and others	E-commerce	90	NA
Acko Technology and Services Private Limited (insurance platform Acko.com)	Intact Ventures Inc., RPS Investment Fund, Munich Re Ventures and others	Financial services	60	NA
ZoloStays Property Solutions Private Limited (Zolo)	Nexus Ventures, Investcorp, Mirae Asset-Naver Asia Growth Fund, Trifecta Capital	E-commerce	56	NA
Toppr Technologies Private Limited (toppr.com)	Kaizen Private Equity, Foundation Holdings	Education	47	NA
Mohalla Tech Private Limited (Share Chat)	Lightspeed Venture Partners, Saif Partners and others	Technology	40	NA
SlideRule Labs Inc. (Springboard)	Vulcan Capital, Costanoa Venture, Blue Fog Capital and others	Education	31	NA
A S Justride Tours and Travels Private Limited (Drivezy)	Shell, Middle East fund	E-commerce	30	NA

What will you invest in as investing changes?

Monthly trend analysis:
September 2020



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



Key trends

Investments

- ▶ PE/VC investments in September 2020 were 27% higher compared to September 2019 and 107% higher compared to August 2020 (US\$4.3 billion in September 2020 vs. US\$3.4 billion in September 2019 and US\$2.1 billion in August 2020). The growth was mainly on account of large investments in Reliance Retail (US\$1.8 billion), accounting for 42% of all investments in September 2020.
- ▶ From the point of view of deal type, growth deals recorded the highest value of investments at US\$2.9 billion across 12 deals, on account of the large investments in Reliance Retail. Start-up investments were the second highest at US\$687 million across 52 deals followed by PIPE investments at US\$596 million across five deals.
- ▶ September 2020 recorded seven large deals (deals of value greater than US\$100 million) aggregating US\$3.4 billion compared to nine large deals worth US\$2.3 billion in September 2019.
- ▶ From a sector point of view, retail and consumer was the top sector in September with US\$1.8 billion in PE/VC investments on the back of large investments in Reliance Retail.

Key trends

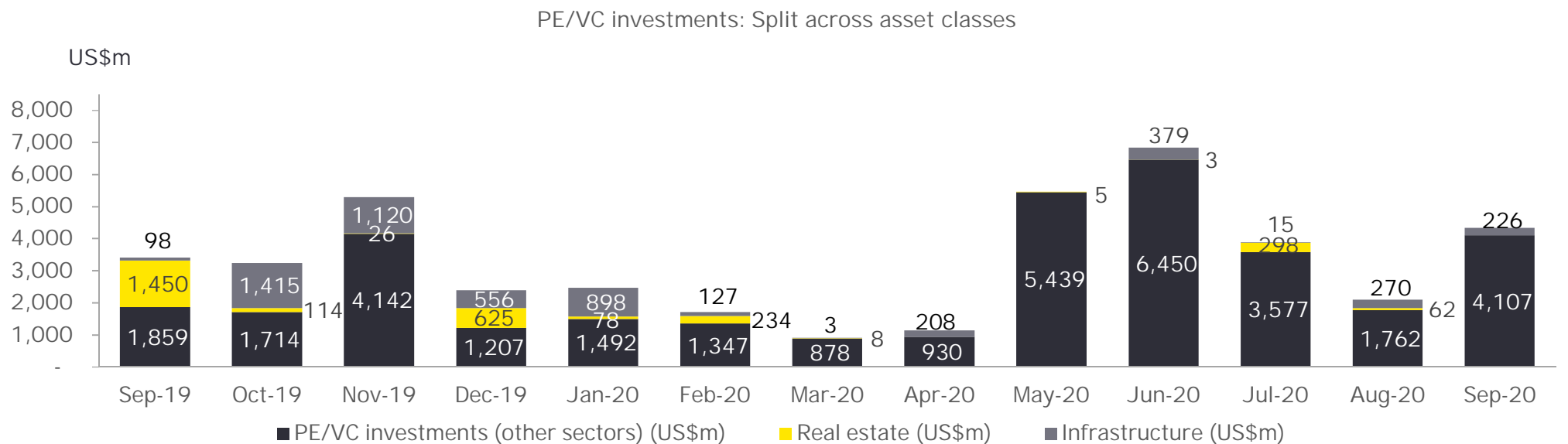
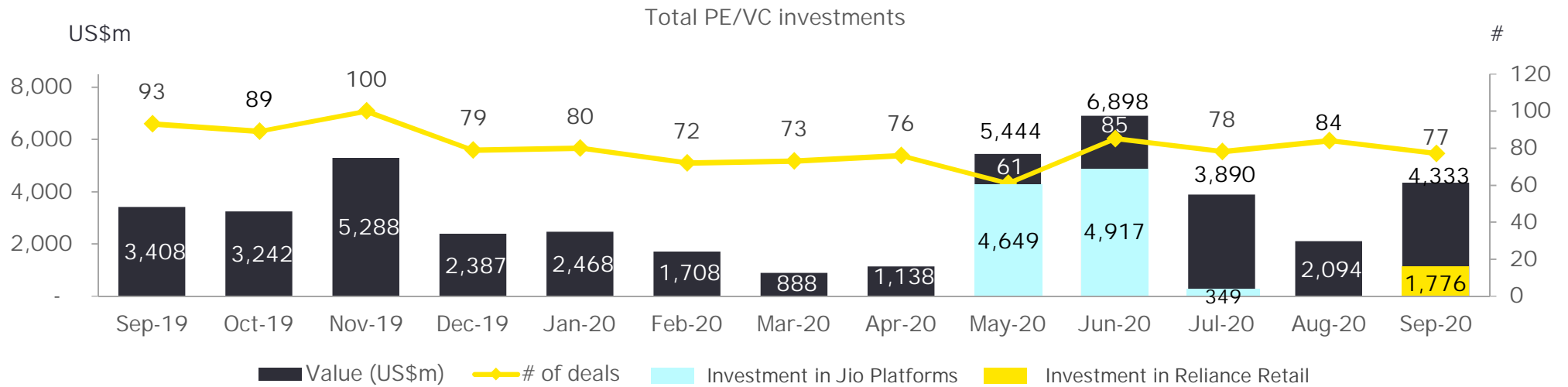
Exits

- ▶ September 2020 recorded 13 exits worth US\$527 million, 80% lower than the value of exits in September 2019 (US\$2.7 billion) and 7.9 times the value recorded in August 2020 (US\$67 million). Open market exits in September 2020 were highest at US\$391 million across six deals.
- ▶ The largest exit in 3Q20 saw Blackstone sell an 23% stake in Essel Propack Limited for US\$253 million.

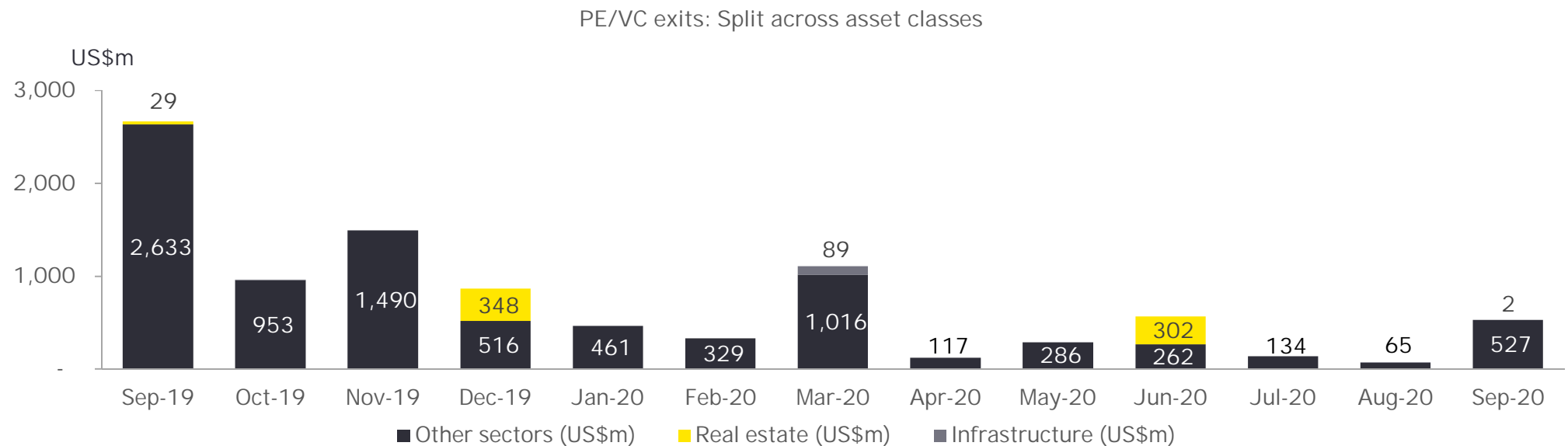
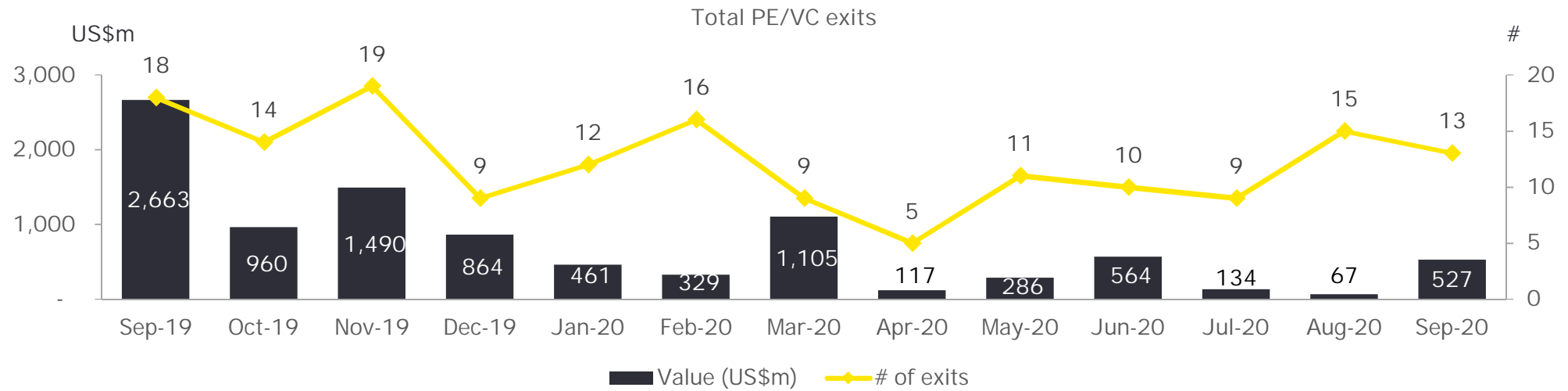
Fundraise

- ▶ September 2020 recorded total fundraises of US\$93 million compared to US\$654 million raised in September 2019.

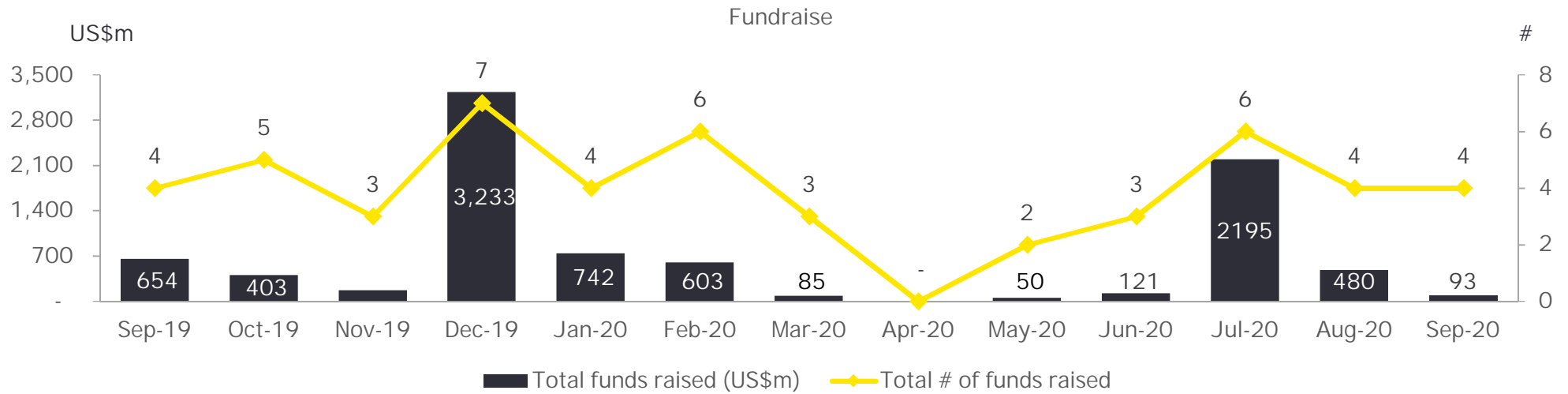
PE/VC monthly headline trends: Investments



PE/VC monthly headline trends: Exits

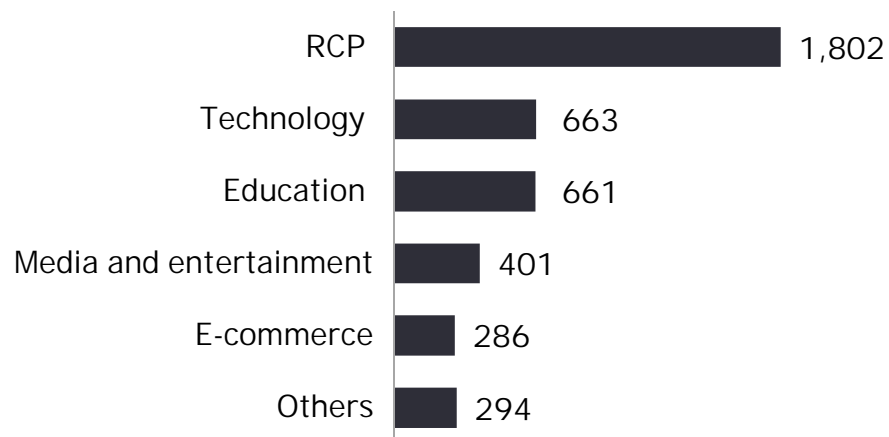


PE/VC monthly headline trends: Fundraise

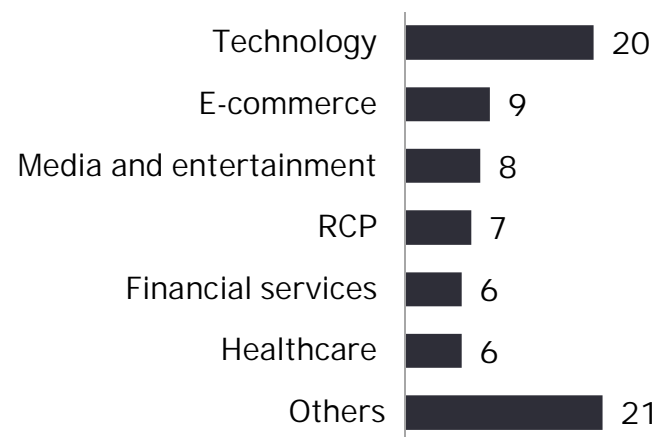


PE/VC investments: US\$4,107 million over 76 deals (excluding infrastructure and real estate investments)

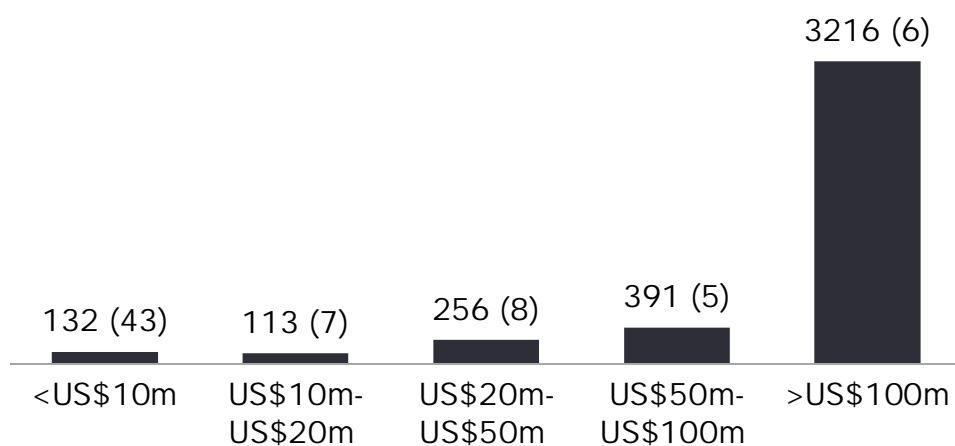
Top sectors by value US\$m



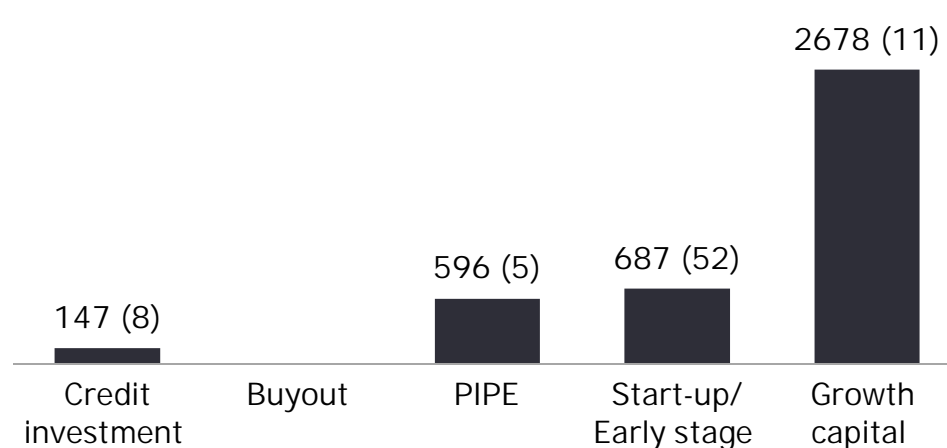
Top sectors by volume



Deal value US\$m (volume)



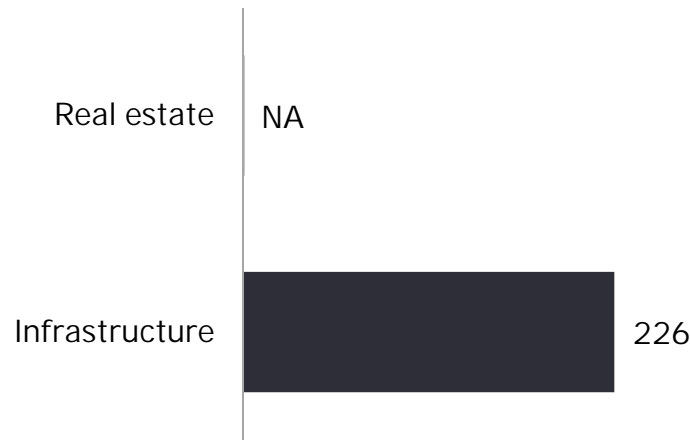
Deal type US\$m (volume)



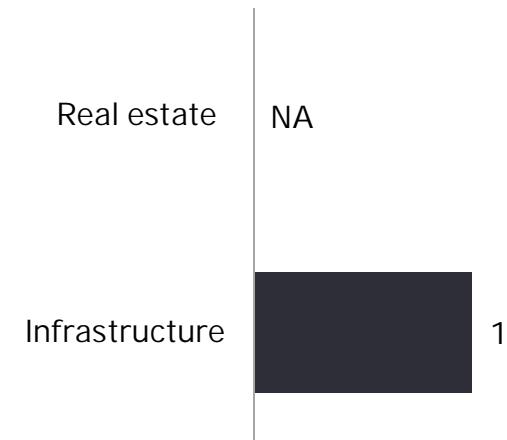
RCP : Retail and consumer products

Infrastructure and real estate investments: US\$ 226 million over one deal

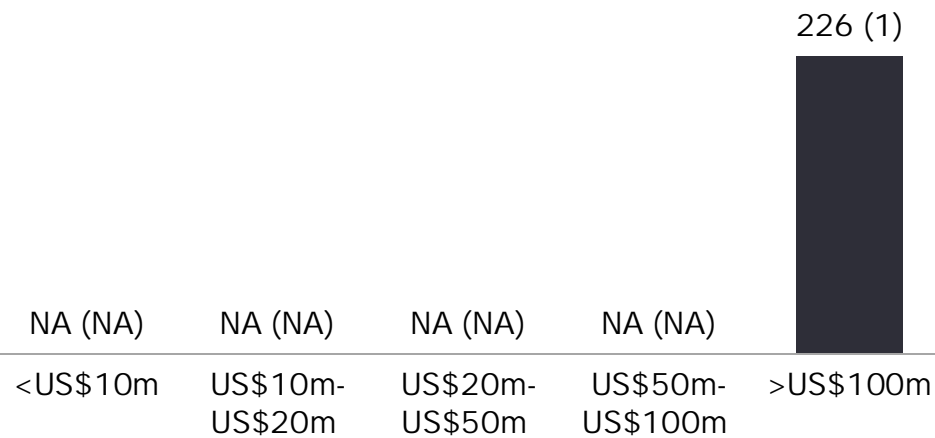
By value US\$m



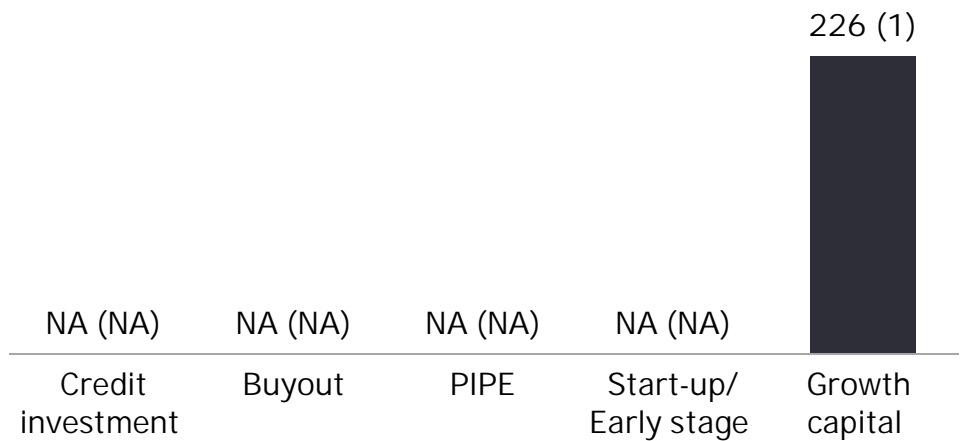
By volume



Deal value US\$m (volume)



Deal type US\$m (volume)



Top PE/VC investments

PE/VC investments in Reliance Retail: September 2020

PE investors	Stage	US\$m	Stake (%)
Silver Lake Management	Growth capital	1,022	1.75
KKR	Growth capital	754	1.28

Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in September 2020*

Company	PE Investors	Sector	Stage	US\$m	Stake (%)
Hexaware Technologies Limited	Baring PE Asia	Technology	PIPE	565	29
Think and Learn Private Limited (Byju)	General Atlantic, Tiger Global Management, Silver Lake Management and others	Education	Growth capital	500	NA
Sporta Technologies Private Limited (Dream11)	Tiger Global Management, TPG, ChrysCapital and others	Media and entertainment	Growth capital	225	NA
Sorting Hat Technologies Private Limited	Nexus Ventures, Sequoia Capital, General Atlantic, SoftBank Vision Fund 2, Blume Ventures	Education	Start-up	150	10
Zomato Media Private Limited	Tiger Global Management LLC	E-commerce	Growth capital	100	NA
Home Interior Designs E-commerce Private Limited	Venturi Partners, Bessemer Ventures, Goldman Sachs, TPG Capital and others	E-commerce	Start-up	90	NA
Galactus Funware Technology Private Limited	Pegasus Tech Ventures, Go Ventures, MDI Ventures, RTP Global Advisors, Sequoia Capital and others	Media and entertainment	Start-up	90	NA
Acko Technology and Services Private Limited	Intact Ventures, RPS Investment Fund, Amazon.com NV Investment Holdings LLC and others	Financial services	Start-up	60	NA

* PE/VC deals excluding investments in Reliance Retail in September 2020

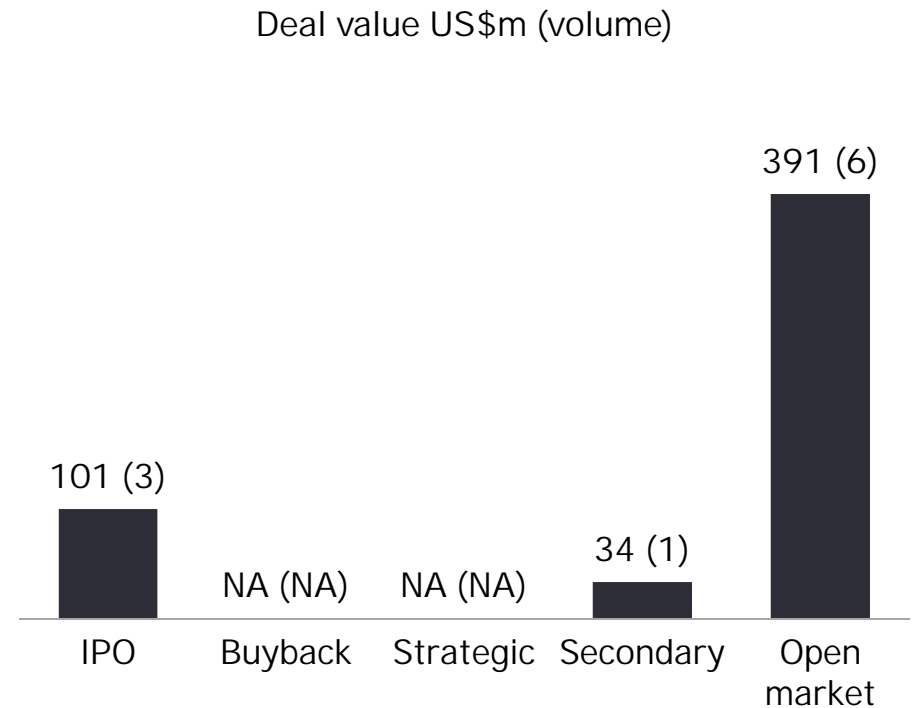
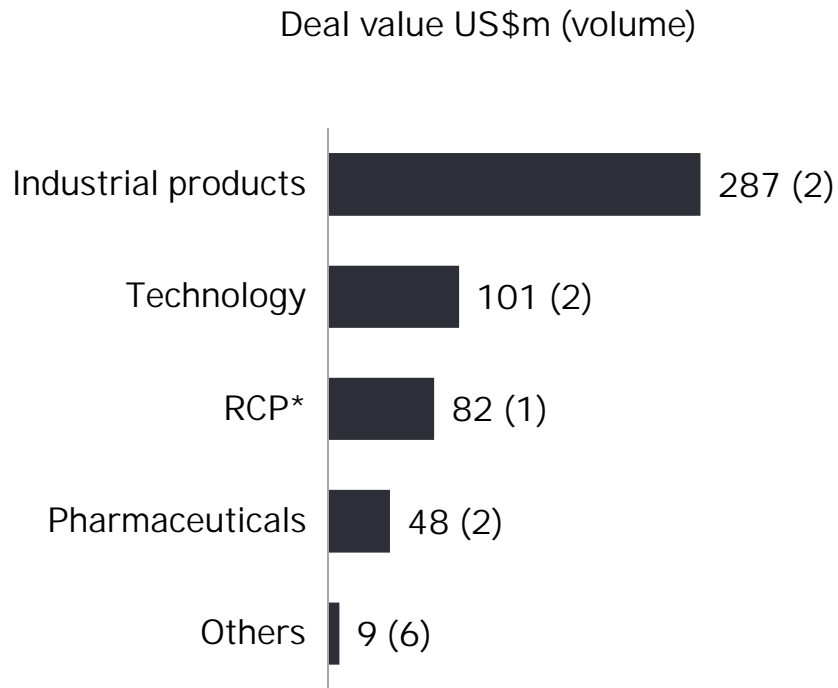
Top *infrastructure* and *real estate* investments

Top infrastructure and real estate investments in September 2020

Company	PE Investors	Sector	Stage	US\$m	Stake (%)
RattanIndia Group, Solar Assets 306 MW	GIP	Infrastructure	Growth capital	226	NA

Exits: US\$527 million across 13 deals in September 2020

Exits in September 2020



* Retail and consumer products

Top exits

Top exits in September 2020

Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Essel Propack Limited	Industrial products	Blackstone	NA	Open market	253	23
Computer Age Management Services Private Limited	Technology	Warburg Pincus	NA	IPO	101	13
Amber Enterprises India Limited	Retail and consumer products	ADV Opportunities Fund I LP	NA	Open market	82	10

Fundraise

Top fundraise/announcements in September 2020

Status	Fund	US\$m	Strategy
Announced	Godrej Fund Management	500	Real estate
Announced	8i Ventures Fund II	50	Consumer and fintech
Raised	VC firm 3one4 Fund III	40	Early stage - Emerging technologies
Raised	Inflexor Ventures	31	Early stage - Emerging technologies

An aerial photograph of a city skyline at sunset. The sun is low on the horizon, creating a bright glow and lens flare. In the foreground, a multi-lane highway with traffic runs parallel to a large body of water. To the right of the highway, there is a baseball field and several multi-story brick buildings. The city skyline in the background features various skyscrapers and buildings. A yellow vertical bar is positioned on the highway.

About EY Private Equity Services

About EY's Private Equity Services Practice

EY has been working with the private equity industry for more than 25 years, with approximately 25,000 seasoned professionals worldwide dedicated to the industry and its business issues. EY serves 74% of the top 300 PE firms included in the Global PEI 300 firms list. Private equity firms, portfolio companies and investment funds face complex challenges. They are under pressure to deploy capital amid geopolitical uncertainty, increased competition, higher valuations and rising stakeholder expectations. Successful deals depend on the ability to move faster, drive rapid and strategic growth and create greater value throughout the transaction life cycle. EY taps its global network to help source deal opportunities and combines deep sector insights with the proven, innovative strategies that have guided the world's fastest growing companies.

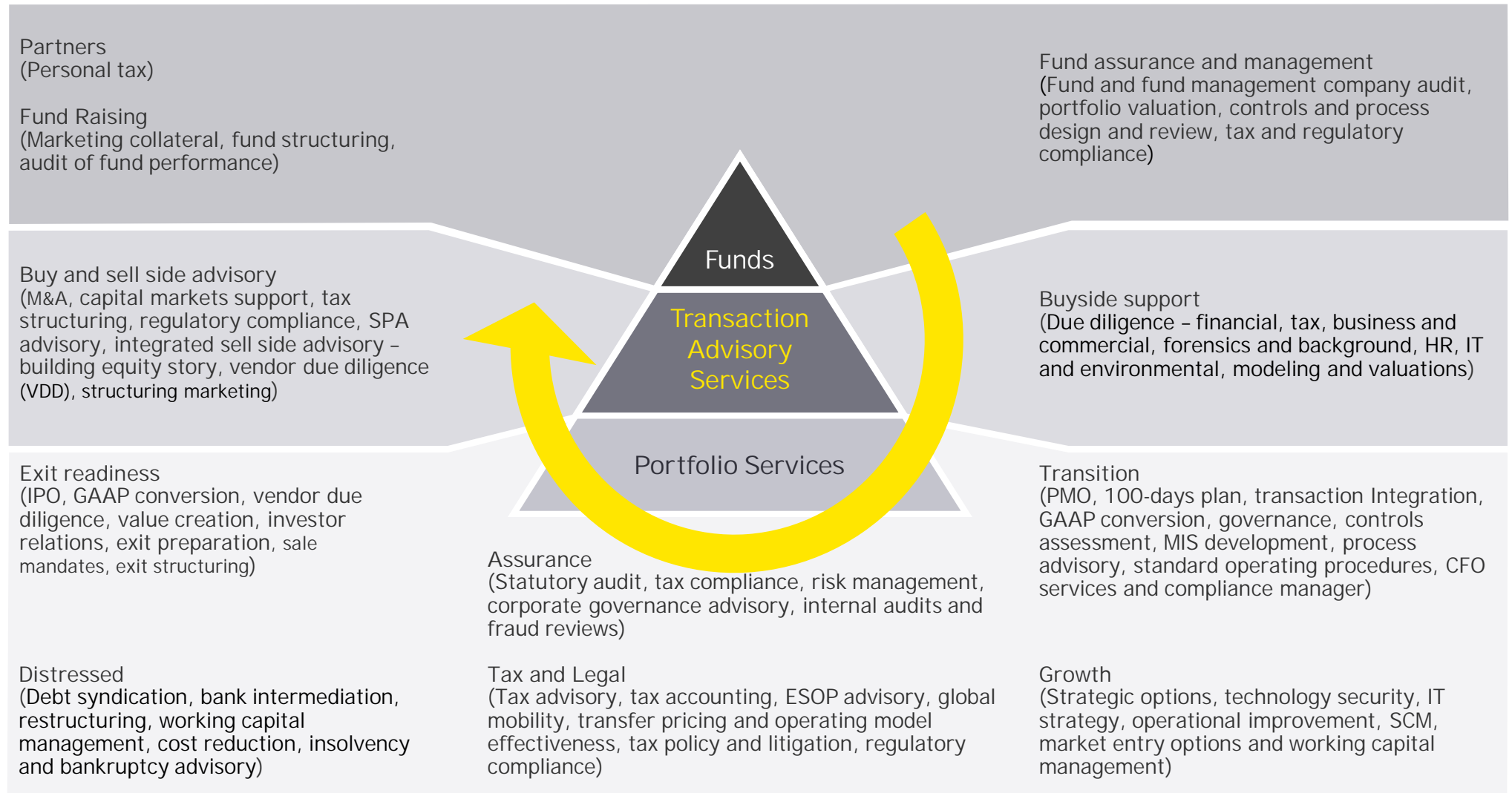
In India, EY is among the leading providers of advisory, tax, transactions and assurance services. The organization is also the number one professional services brand* in India, which is a testimony to our relentless commitment to deliver exceptional client service and create a better working world. EY has offices spread across 11 cities in India. Worldwide, our 270,000 people across 150+ countries and 700+ cities are united by our shared values and their unwavering commitment to quality.

- ▶ 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.



EY services for Private Equity

We offer an array of services to Private Equity funds and their portfolio/investee companies through our various service lines.



Ernst & Young LLP

EY | Assurance | Tax | Strategy and Transactions | Consulting

About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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EYIN2010-011

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Contacts

Private Equity Services

Vivek Soni
Partner and National Leader
E: Vivek.Soni@in.ey.com

Rajan Satija
Director
E: Rajan.Satija@in.ey.com

Narendra Rohira
Partner, Transaction Tax
E: Narendra.Rohira@in.ey.com

Nachiket Deo
Partner, Transaction Tax
E: Nachiket.Deo@in.ey.com

Subramaniam Krishnan
Partner, Tax & Regulatory Services
E: Subramaniam.Krishnan@in.ey.com

Tejas Desai
Partner, Tax & Regulatory Services
E: Tejas.Desai@in.ey.com

Strategy and Transactions (SaT)

Amit Khandelwal
Managing Partner
SaT
E: Amit.Khandelwal@in.ey.com

Ajay Arora
Partner and National Leader
Investment Banking Advisory
E: Ajay.Arora@in.ey.com

Kuldeep Tikkha
Partner and National Leader
Transaction Diligence
E: Kuldeep.Tikkha@in.ey.com

Sailesh Rao
Partner and National Leader
Corporate Finance Strategy
E: Sailesh.Rao@in.ey.com

PE Value Creation and Operational Transaction Services

Naveen Tiwari
Partner and National Leader
Operational Transaction Services
E: Naveen1.Tiwari@in.ey.com

Research and Insights

Allwyn D'Souza
Senior Manager
E: Allwyn.Dsouza@in.ey.com

Brand, Marketing and Communications

Pooja Bhalla Mathur
Vice President
E: 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

Aakriti Bamniyal
Vice President, IVCA
E: aakriti@ivca.in

