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Foreword and outlook



Vivek Soni

Partner and National Leader
Private Equity Services, EY India

“

PE/VC investments recorded a second consecutive year of decline in 2023. The dollar value of PE/VC investments fell by 11% y-o-y to \$49.8 billion, primarily due to a 33% decline in overall deal volume caused by the startup segment, which saw a sharp fall of 42% y-o-y in the number of deals (472 deals in 2023 vs. 815 deals in 2022), with deal values falling from \$18.5 billion in 2022 to \$8.8 billion. The share of PE/VC investments in start-ups also fell to 17%, which is second lowest in the past 10 years. The other deal segments of Growth and Buyouts saw a moderate increase in the dollar value of investments, and PIPE deals increased by an impressive 110%.

“

The fall in pure play PE/VC investments was pronounced in 2023, a 25% y-o-y decline with US\$30.1 billion across 741 deals). This was however offset by PE/VC investments in infrastructure and real estate asset classes that recorded a y-o-y growth of 23% in 2023 (US\$19.6 billion across 112 deals in 2023)

“

While the buoyant capital markets have proved to be a negative for private transactions on account of the valuation mismatch between investors and sellers, they have been a tailwind to PE/VC exits, which recorded a healthy growth of 36%, making 2023 the second-best year of PE/VC exits at US\$24.8 billion. Exits via open market were at an all-time high of US\$12.8 billion, which mainly comprised of follow-on stake sales in recently listed PE-backed companies. PE-backed IPOs too recorded the second-best year with 30 IPOs.

“

A steep decline in start-up investments meant both the traditionally favourite sectors of technology and e-commerce saw a decline in PE/VC investments of 39% and 55% respectively. Infrastructure was the largest sector in 2023 with US\$11.6 billion invested, a growth of 29% y-o-y followed by real estate that saw highest ever PE/VC investments at US\$8 billion, a 15% increase y-o-y. Healthcare sector too, recorded all-time high PE/VC investments of US\$5 billion.

“

Post the monetary easing propelled bull run of 2021, PE/VC investments have faced headwinds since 2Q22 due to inflation, rising cost of capital, heightened uncertainty stemming from geopolitical tensions and fears of a recession in US and Europe. In India, while the macro has remained strong and stable, expectations gap between buyers and sellers has resulted in a bid-ask spread that for a significant portion of 2023, was the primary cause behind the fall in transaction closures. For startups with high cash burn rates, the potential pool of investors has reduced drastically, primarily on account of the increased cost of capital and growth concerns. The buoyant Indian equity markets however have attracted substantial PE/VC capital in the listed space and also helped PE/VC funds exit large listed positions with minimal discount and absorbed numerous PEVC portfolio company IPOs. Overall, PEVC funds have significant amounts of dry powder and with global funds looking to increase India's capital allocation, a prolonged growth runway for the Indian PE/VC ecosystem can be projected. While the factors that have marred startup investments are expected to remain sticky, we hope that as interest rates peak, the bid ask spread between investors and sellers will begin to converge, thereby leading to growth in deal segments of growth, buyouts and PIPE trades. We remain optimistic about Indian PEVC investments and exits in 2024.



1

Annual trend analysis

2

Quarterly trend analysis: 4Q2023

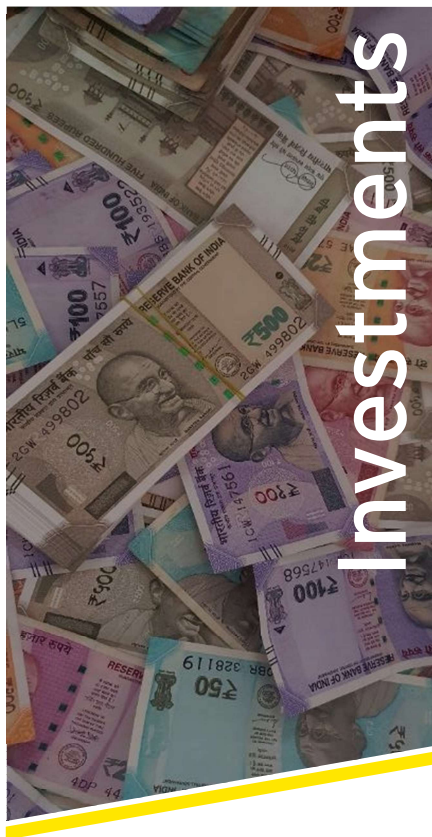
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Monthly trend analysis: December 2023

01

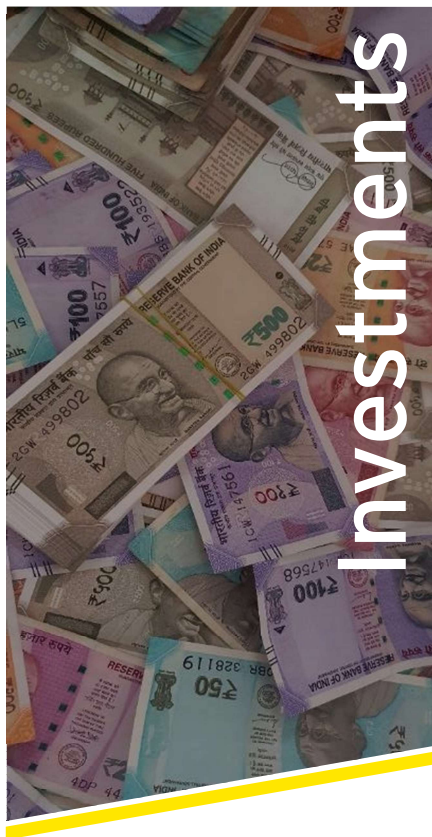
Annual trend analysis

Key trends: annual



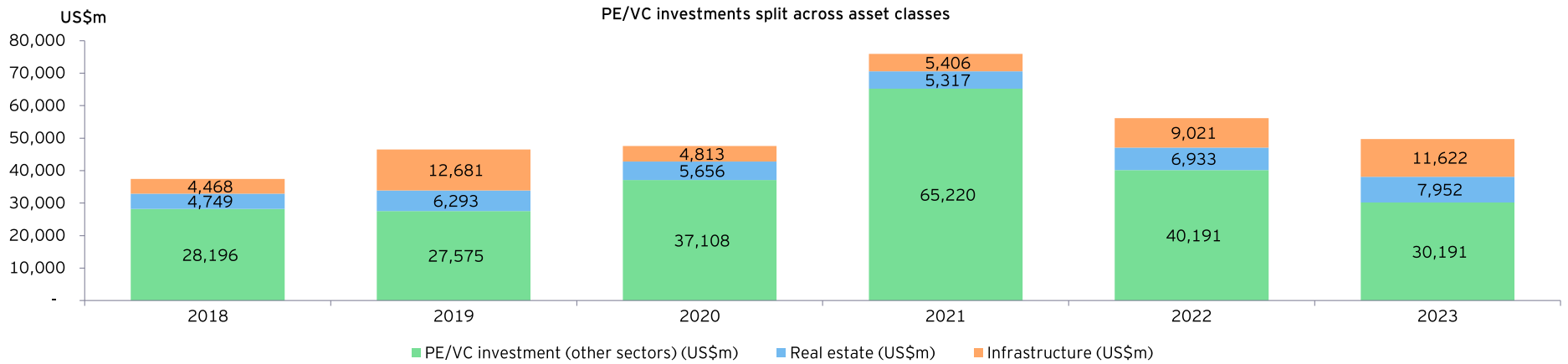
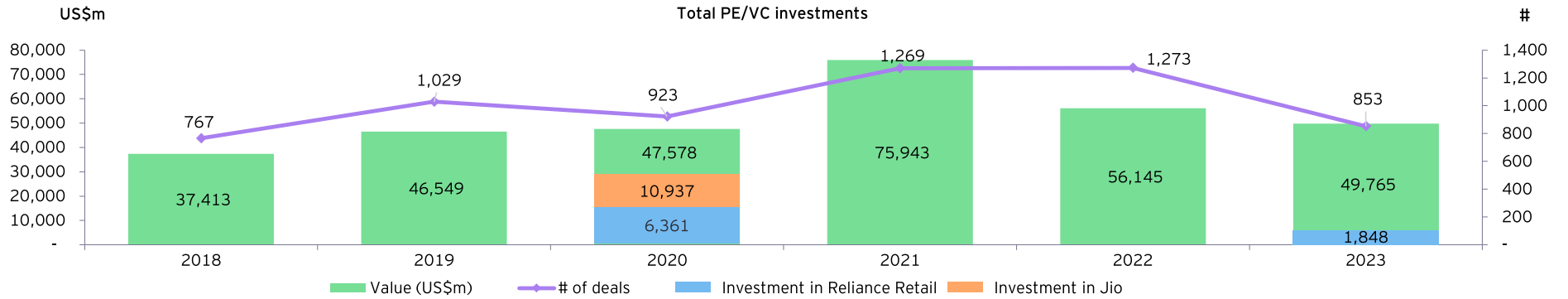
- ▶ PE/VC investments continue to decline for the second consecutive year, recording US\$49.8 billion in 2023, a 11% decline y-o-y (US\$56.1 billion in 2022) and a 34% decline compared to 2021 when the PE/VC investments recorded an all-time high of US\$75.9 billion.
- ▶ PE/VC investments in 2023 declined despite an increase in the value of large deals (deals of value greater than US\$100 million) compared to 2022 because of a significant decline of 33% in deal volume compared to both the preceding years (854 deals in 2023 vs 1,273 deals in 2022 and 1,269 deals in 2021). 2023 recorded large deals worth US\$38.7 billion vs. US\$36.6 billion in 2022.
- ▶ The decline in deal volume was primarily caused by a sharp fall of 42% y-o-y in the startup segment (472 deals in 2023 vs. 815 deals in 2022). The dollar value of PE/VC investments in startups recorded an even bigger drop of ~53% (US\$8.8 billion in 2023 vs. US\$18.6 billion in 2022) causing it to lose its position as the largest segment of PE/VC investments, a title it held since 2021 despite a huge fall in investment value in 2022). The share of PE/VC investments in startups also fell to 17%, second lowest in the past 10 years and behind 2020, a year significantly impacted by the pandemic and the ensuing lockdowns.
- ▶ Growth investments was the largest segment for PE/VC investments this year with US\$17.1 billion invested across 147 deals, a 4% increase in terms of value and a 21% decline in terms of volume compared 2022 (US\$16.4 billion across 186 deals), with four US\$1 billion+ deals compared to just one last year.
- ▶ Buyouts deals came in second with 56 deals worth US\$12 billion, a 14% growth y-o-y in terms of value (US\$10.4 billion across 53 deals in 2022). This growth was mostly due to three US\$1 billion+ deals.
- ▶ The largest deals in 2023 include two growth investments - Temasek's US\$2 billion investment in Manipal Health and US\$2 billion investment in Digital Edge DC, a 300MW hyperscale facility in Navi Mumbai by NIIF, AGP DC InvestCo and Digital Edge (Singapore) Holdings.
- ▶ Private investment in public equity (PIPE) deals recorded the highest growth this year with a 110% increase y-o-y (US\$8.4 billion across 111 deals in 2023 vs. US\$4 billion across 63 deals in 2022). PIPE investments were also the highest ever in 2023.

Key trends: annual



- ▶ Credit investments had the sharpest fall in deal volume recording 67 deals in 2023 compared to 156 deals in 2022, leading to a steep decline of 48% y-o-y in the dollar value of credit investments (US\$3.5 billion in 2023 vs US\$6.7 billion in 2022).
- ▶ The fall in pure play PE/VC investments was pronounced in 2023, a 25% y-o-y decline with US\$30.2 billion recorded across 741 deals compared to 2022 (US\$40.2 billion across 1,103 deals). This was however offset by PE/VC investments in infrastructure and real estate asset classes which recorded a y-o-y growth of 23% in 2023 (US\$19.6 billion across 112 deals in 2023 vs US\$16 billion across 170 deals in 2022).
- ▶ From a sector point of view, infrastructure was the largest sector in 2023 with US\$11.6 billion invested across 57 deals, a growth of 29% y-o-y (US\$9 billion across 75 deals in 2022). PE/VC investments in infrastructure in 2023 were the second highest ever.
- ▶ Real estate was the second largest sector in 2023 with US\$8 billion recorded across 55 deals, a 15% increase y-o-y (US\$6.9 billion across 95 deals in 2022) and the highest ever value of PE/VC investments in the sector.
- ▶ Financial services, a traditionally favored sector by PE/VC investors, was the third largest in 2023, unlike the previous two years, when it was the largest. PE/VC investments in the financial services sector recorded a sharp fall of 39% y-o-y, with US\$6.4 billion recorded across 161 deals in 2023. This was mainly due to a sharp decline in the number of Fintech deals (174 deals in 2022 to 76 deals in 2023), a segment favored by PE/VC investors.
- ▶ Healthcare sector was the fourth largest, recording the highest ever value of PE/VC investments in 2023 at US\$5 billion across 63 deals, almost double the value invested in 2022. This was largely on the back of the US\$2 billion Temasek-Manipal deal.
- ▶ Business and professional services and industrial products recorded the highest growth y-o-y of 319% and 299% respectively.
- ▶ Traditional favourites like e-commerce and technology recorded a y-o-y decline of 55% and 39% respectively in terms of dollar value invested, mainly due to the fall in PE/VC investments in startups. PE/VC investments in the e-commerce sector were the lowest in seven years.

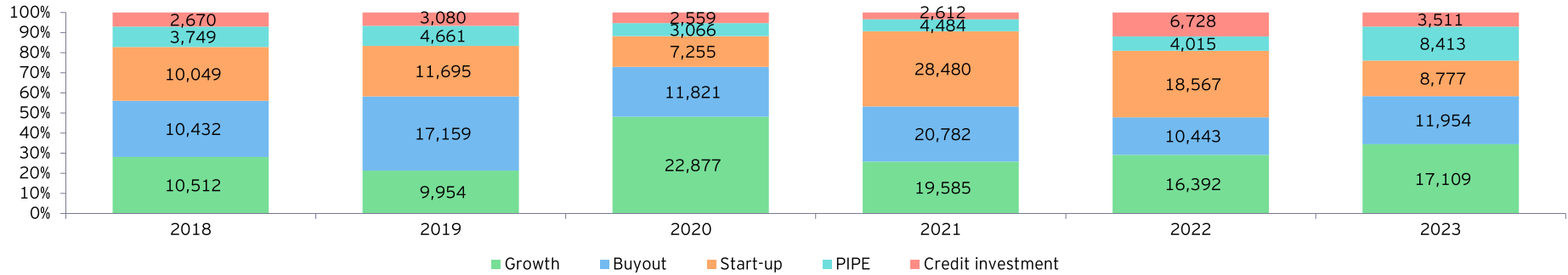
PE/VC annual headline trends: investments



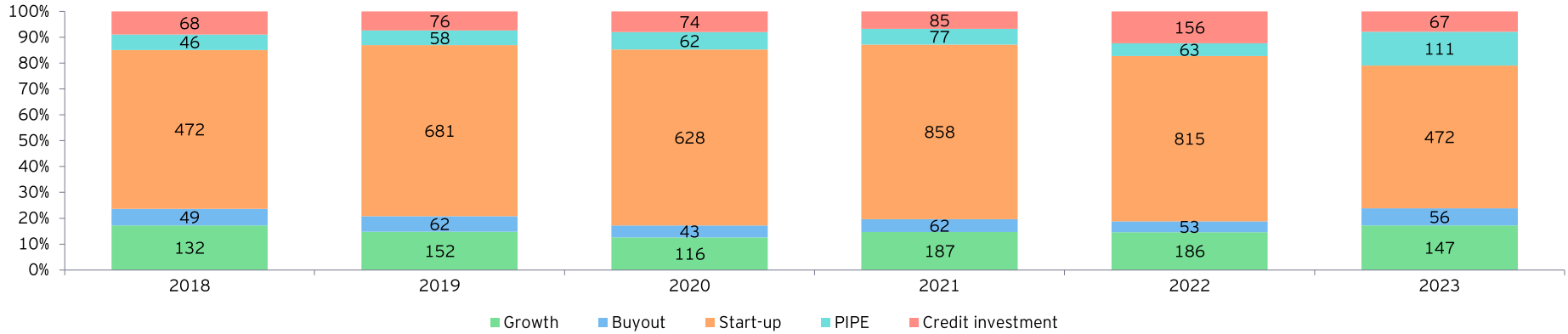
Real estate includes deals across real estate (residential and commercial), hospitality and construction. Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure. PEVC investment of 2020 (US\$ 47,578m) includes an investment into Reliance Retail (US\$6,361m) and Jio Platforms. (US\$10,937m) and 2023 (US\$49,765) includes an investment into Reliance Retail (US\$1,848m).

PE/VC annual headline trends: investments

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

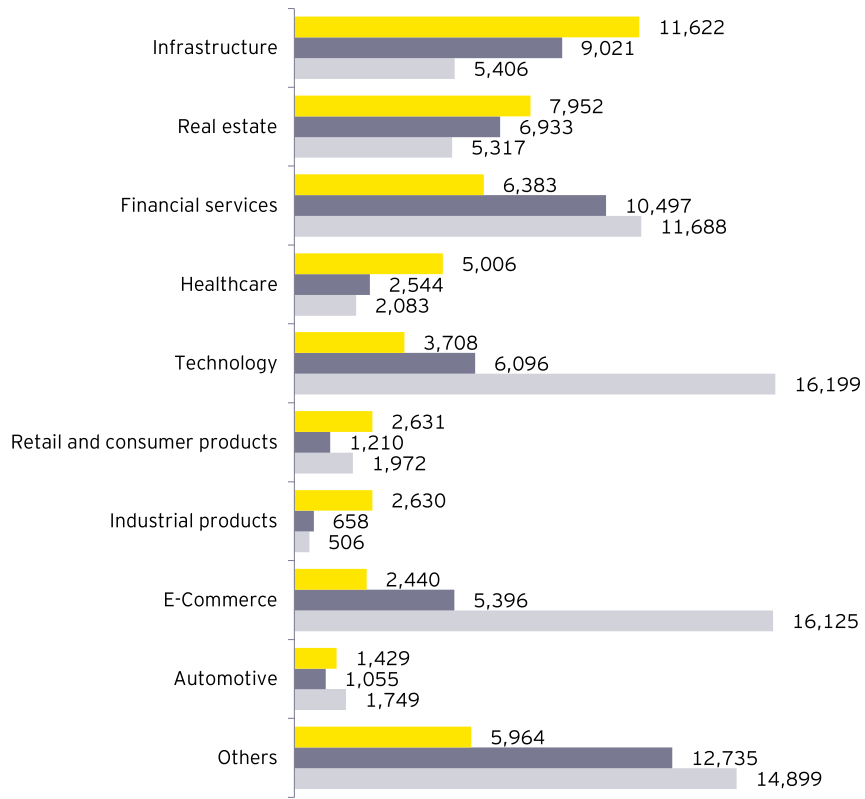


PE/VC investments: split across deal segments (number of deals)

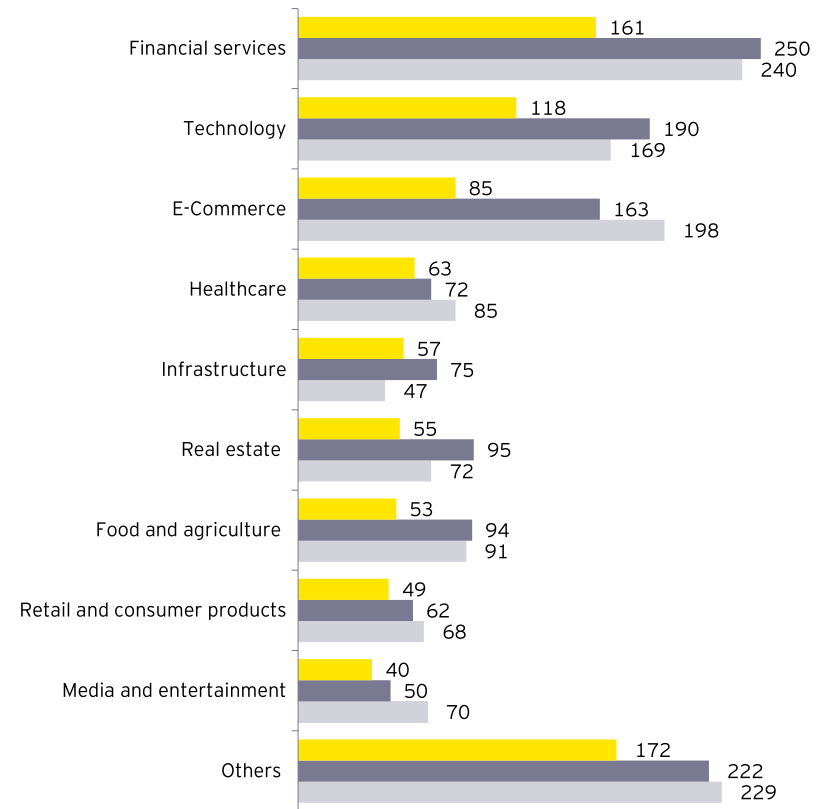


Investments: sector-wise

Top sectors by value (US\$m)



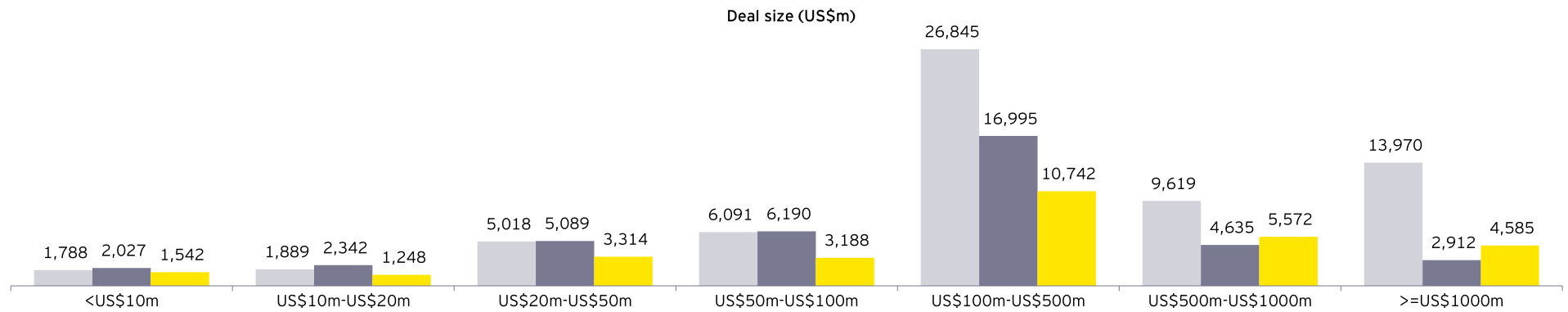
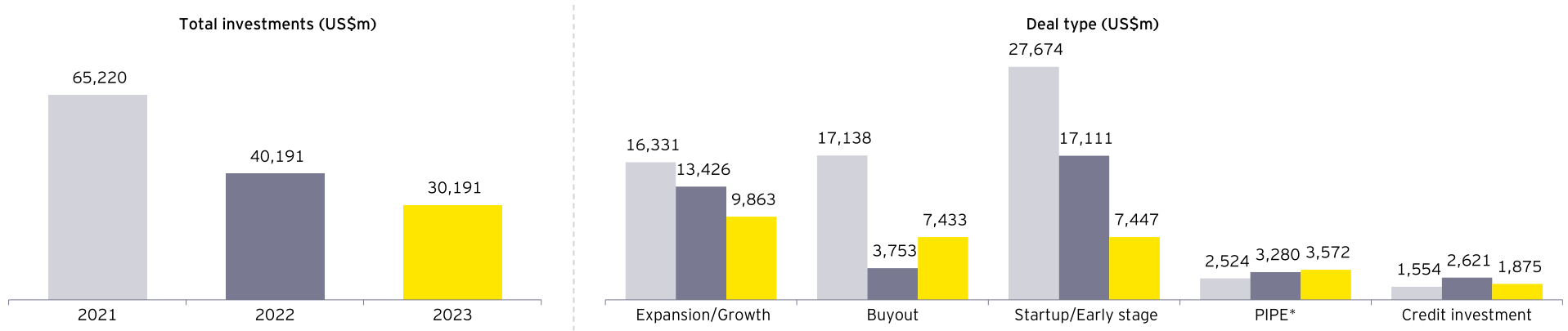
Top sectors by # of deals



2023 2022 2021

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

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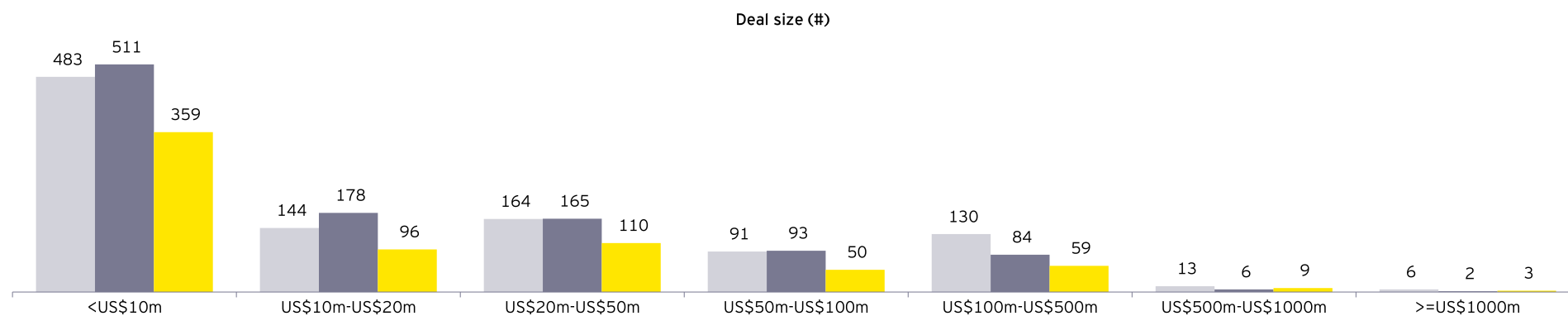
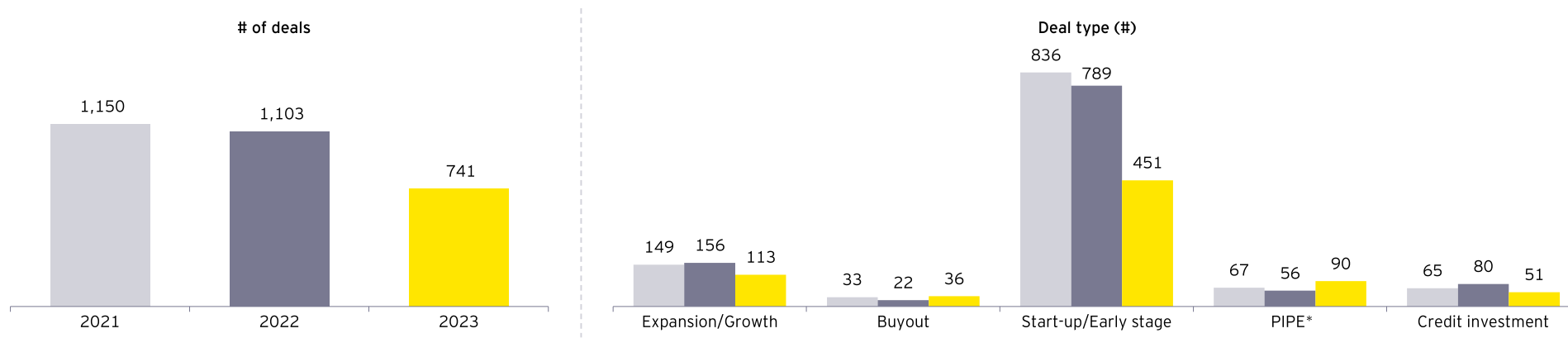
* PIPE: Private investment in public equity

Note: Deal value not available on 55 deals in 2023, 64 deals in 2022 and 119 deals in 2021

2021 2022 2023

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

Page 2 of 2



* PIPE: Private investment in public equity

Note: Deal value not available on 55 deals in 2023, 64 deals in 2022 and 119 deals in 2021

2021 2022 2023

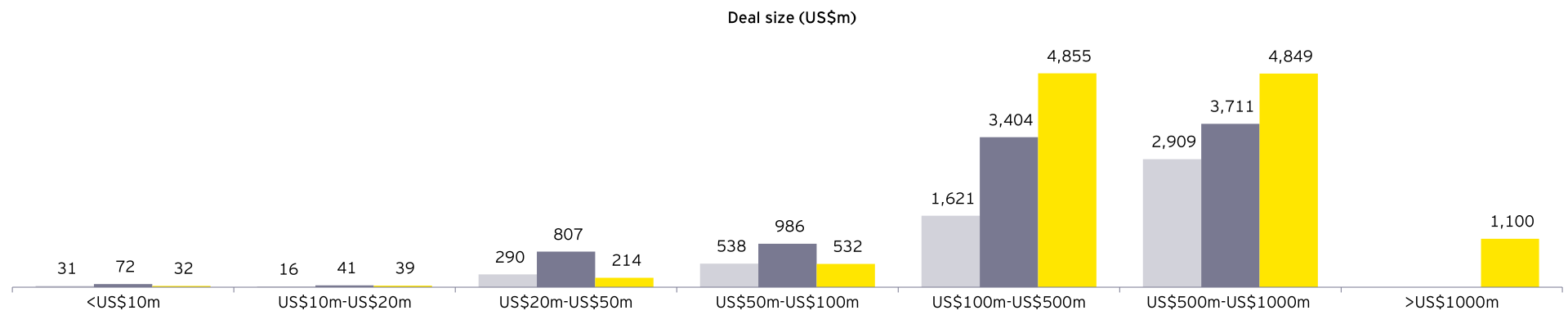
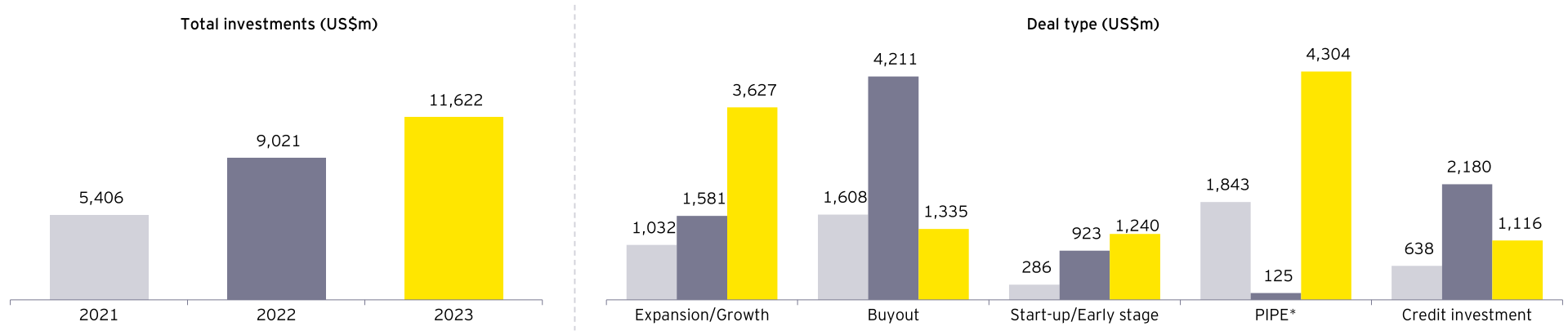
Top PE/VC investments

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

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Manipal Health Enterprises Private Limited	Temasek	Healthcare	Growth capital	2,000	41
Gemstar Infra Private Limited (Smart Meters JV)	GIC	Industrial products	Buyout	1,480	74
HDFC Credila Financial Services Limited	BPEAEQT, ChrysCapital	Financial services	Buyout	1,105	90
Reliance Retail Ventures Limited	The Qatar Investment Authority	Retail and consumer products	Growth capital	1,000	1
Adani Enterprises Limited	GQG Partners	Industrial products	PIPE	662	3
Indira IVF Hospital Private Limited	BPEAEQT	Healthcare	Buyout	660	60
Reliance Retail Ventures Limited	ADIA	Retail and consumer products	Growth capital	598	1
Quality Care India Limited (CARE Hospitals)	Blackstone	Healthcare	Buyout	580	73
Manipal Health Enterprises Private Limited	TPG	Healthcare	Growth capital	537	11
International Gemmological Institute (India) Private Limited	Blackstone	Business and professional services	Buyout	535	100

Investments: *Infrastructure*

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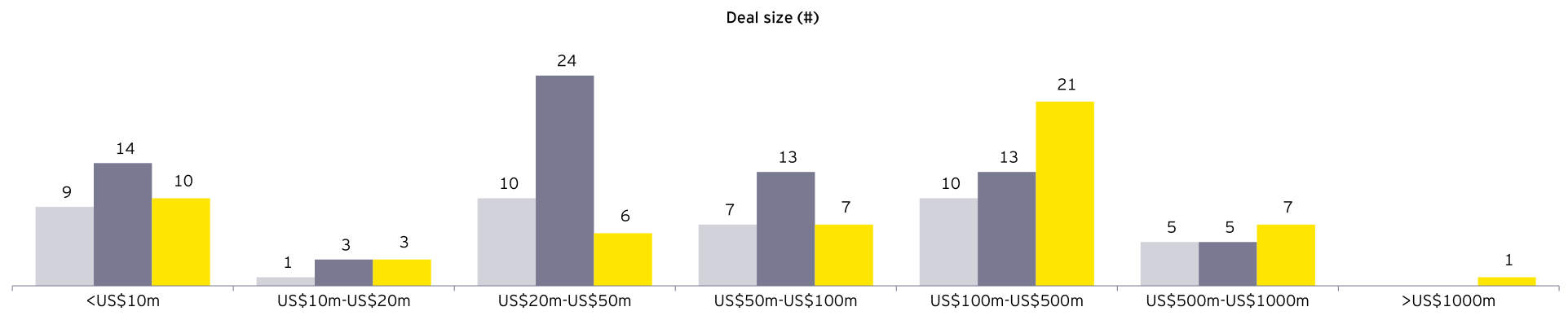
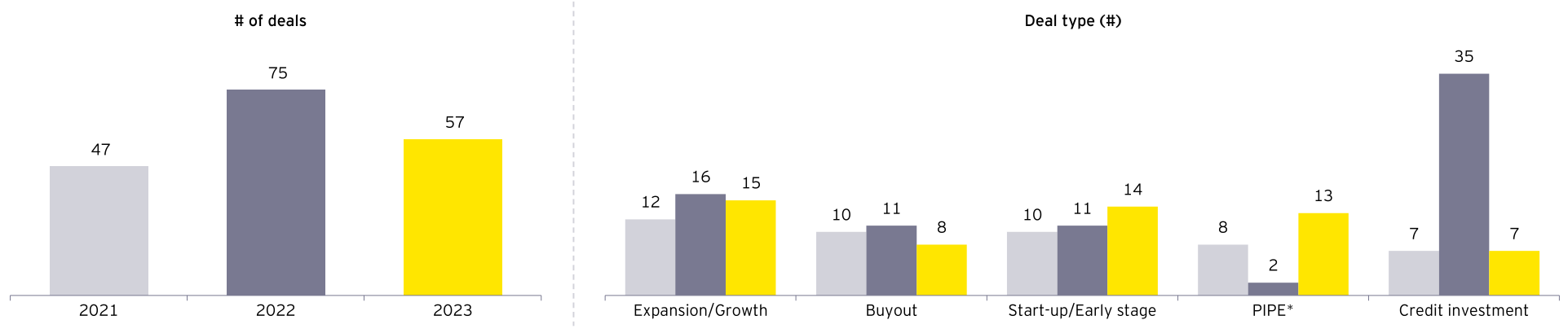
* PIPE: Private investment in public equity

Note: Deal value not available on 2 deals in 2023, 3 deals in 2022 and 5 deals in 2021

2021 2022 2023

Investments: *Infrastructure*

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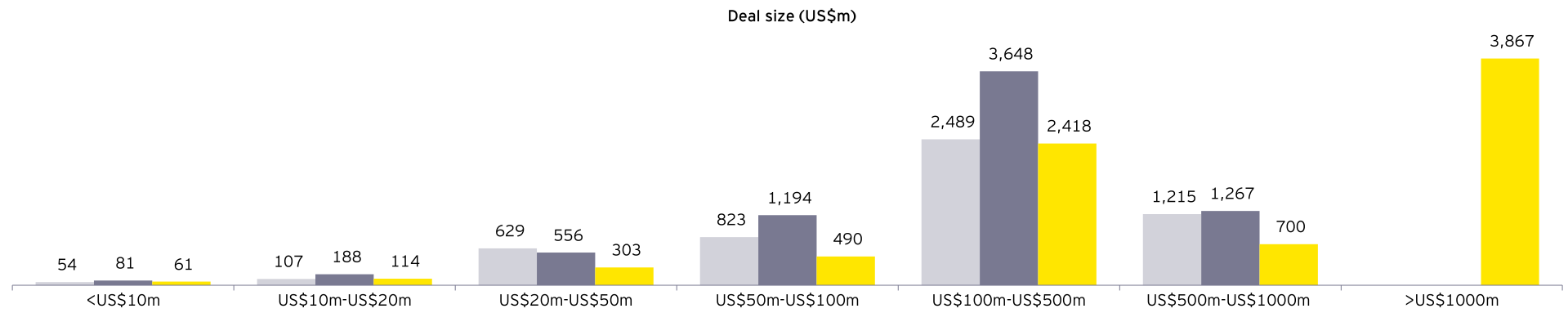
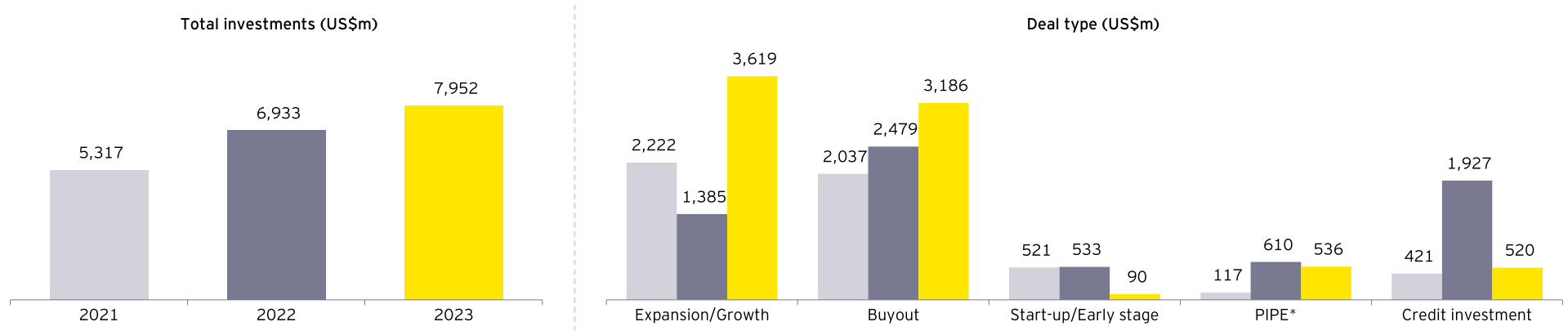


* PIPE: Private investment in public equity
 Note: Deal value not available on 2 deals in 2023, 3 deals in 2022 and 5 deals in 2021

2021 2022 2023

Investments: *real estate*

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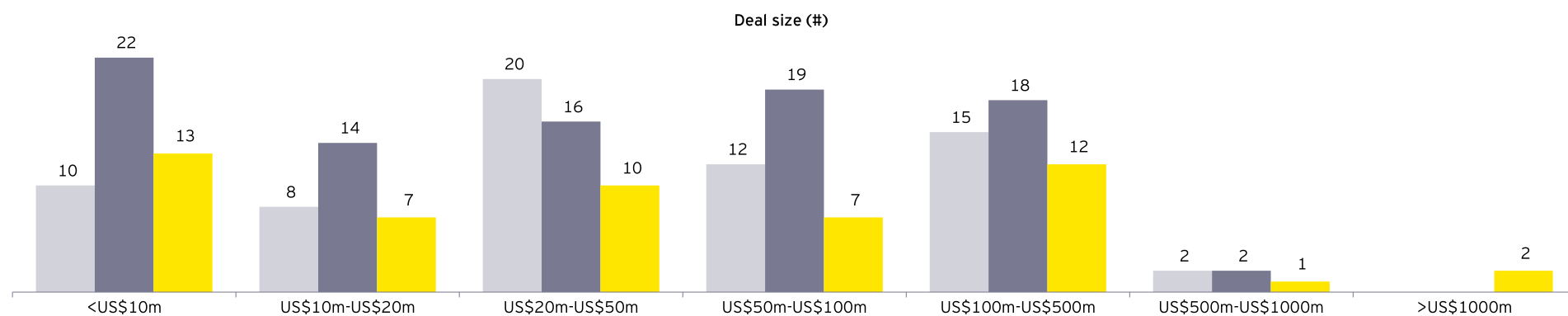
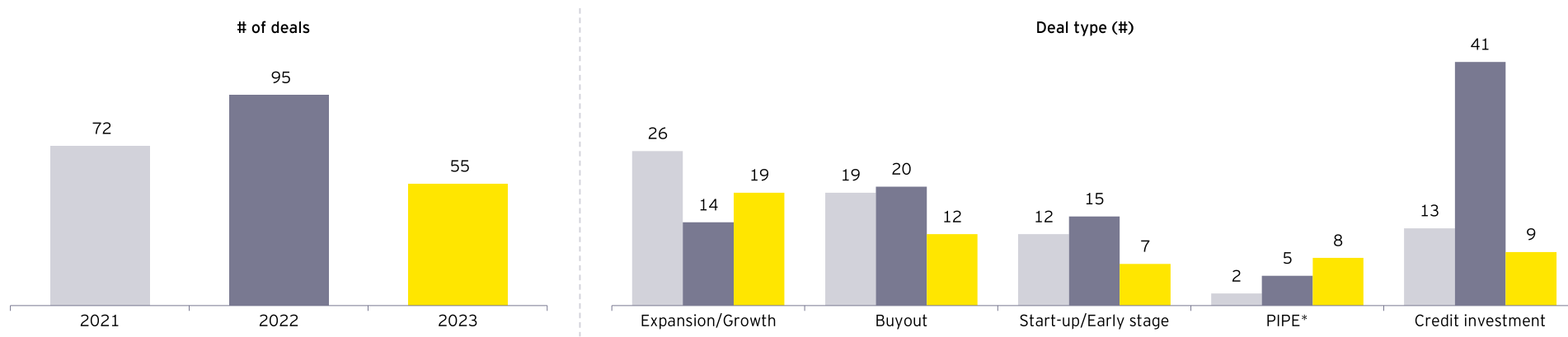
* PIPE: Private investment in public equity

Note: Deal value not available on 3 deals in 2023, 4 deals in 2022 and 5 deals in 2021

2021 2022 2023

Investments: *real estate*

Page 2 of 2



* PIPE: Private investment in public equity

Note: Deal value not available on 3 deals in 2023, 4 deals in 2022 and 5 deals in 2021

2021 2022 2023

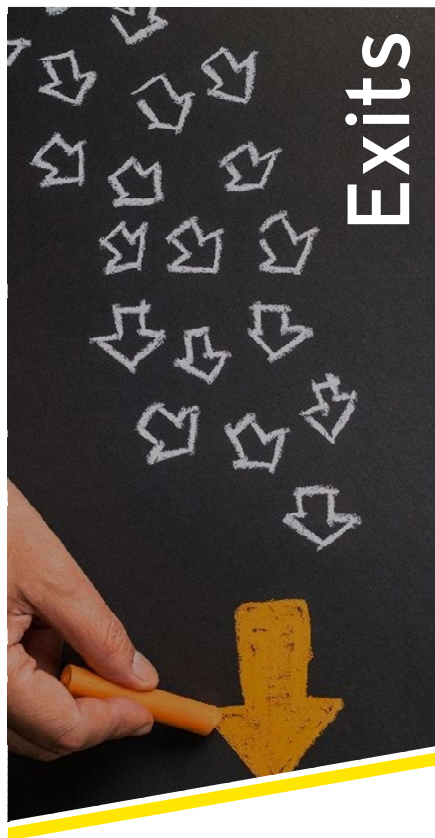
Top PE/VC investments

Top infrastructure and real estate investments in 2023

Company	PE investors	Sector	Stage	US\$m	Stake (%)
300MW hyperscale facility in Navi Mumbai (Digital Edge DC)	AGP DC InvestCo, Digital Edge (Singapore) Holdings and NIIF	Real estate, hospitality and construction	Growth capital	2,000	NA
Investment Platform for Office Properties in India	CDPQ, Temasek	Real estate, hospitality and construction	Buyout	1,867	100
Adani Power Limited (Adani Power)	GQG Partners	Infrastructure	PIPE	1,100	8
Avaada Ventures Private Limited (Avaada Group)	Brookfield	Infrastructure	Growth capital	1,000	NA
Brookfield - Axis Energy Ventures JV2	Brookfield	Infrastructure	Growth capital	845	NA
JV with Brookfield REIT for Two Large Commercial Assets totalling 6.5 million sq ft	GIC	Real estate, hospitality and construction	Growth capital	700	50
Greenko Energy Holdings	GIC, ADIA, Orix	Infrastructure	Growth capital	700	NA
Adani Ports and Special Economic Zone Limited	GQG Partners	Infrastructure	PIPE	640	4
Cube Highways InvIT	British Columbia Investment Management Mubadala and others	Infrastructure	PIPE	637	NA
IndInfravit Trust	CPPIB, OMERS	Infrastructure	PIPE	527	NA
Hexa Climate Solutions Private Limited	I Squared Capital	Infrastructure	Startup	500	NA

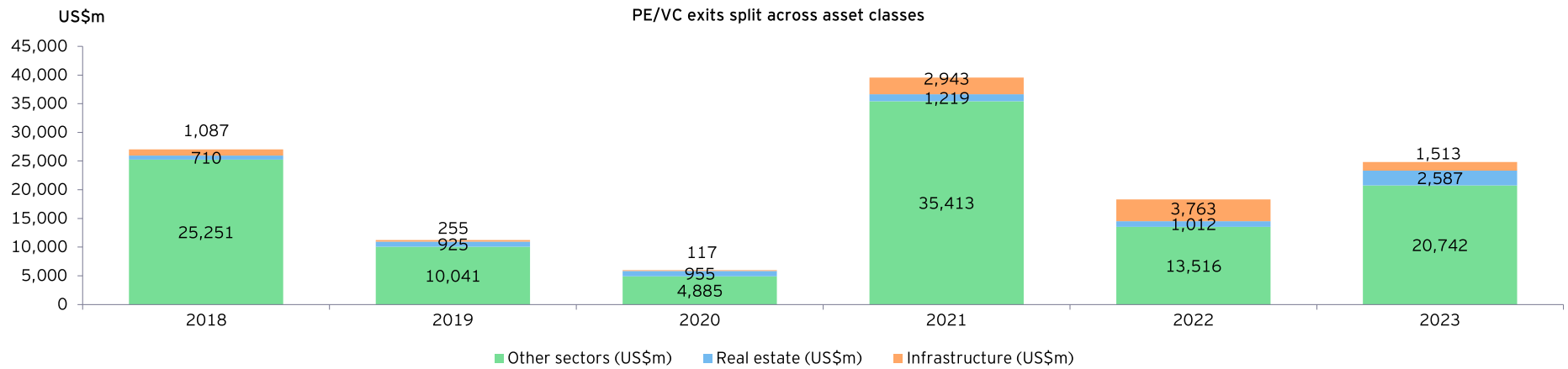
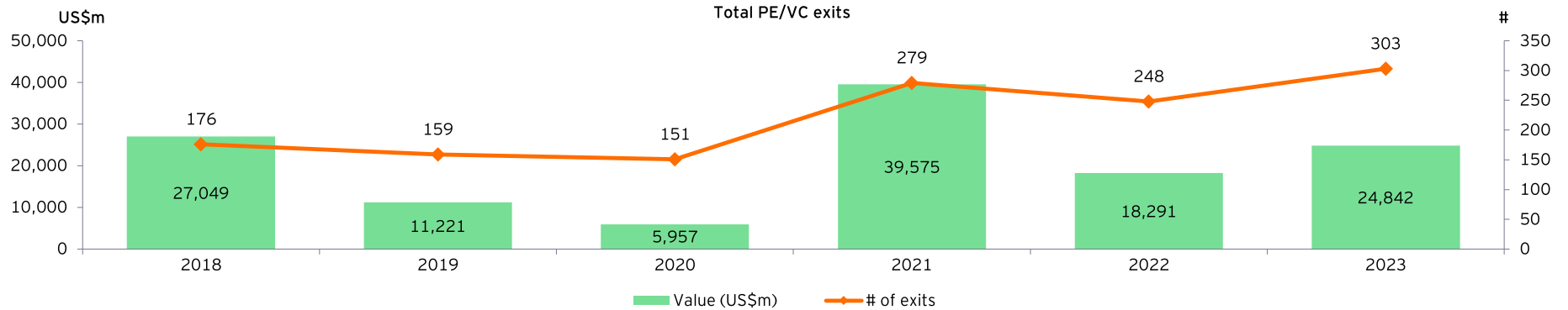
Real estate includes deals across real estate (residential and commercial), hospitality and construction. Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

Key trends: annual



- ▶ In 2023 exits recorded US\$24.8 billion, a 36% growth compared to 2022 (US\$18.3 billion), but a 37% decline compared to 2021 (US\$39.6 billion). In terms of volume, exits in 2023 were the highest ever, a 22% growth compared to 2022 (303 deals in 2023 vs 248 deals in 2022).
- ▶ Open market exits was the largest segment in 2023, with US\$12.8 billion recorded across 131 deals, a growth of 94% y-o-y. 2023 also recorded the second highest number of PE-backed IPOs ever (30 IPOs).
- ▶ In 2023, Secondary exits and PE-backed IPO's recorded a 37% (US\$6.6 billion in 2023 vs US\$4.8 billion in 2022) and 28% (US\$1.4 billion in 2023 vs US\$1.1 billion in 2022) growth, respectively.
- ▶ In 2023, strategic exits and buybacks recorded a 33% (US\$3.5 billion in 2023 vs US\$5.2 billion in 2022) and 13% (US\$486 million in 2023 vs US\$562 million in 2022) decline, respectively.
- ▶ The largest exit in 2023 was by Tiger Global and Accel where they sold a combined 4% stake in Flipkart to Walmart for US\$1.4 billion.
- ▶ From a sector point of view, the financial services sector had the highest value of exits in 2023 (US\$7.4 billion across 80 deals) a 94% growth when compared to 2022 (US\$3.8 billion across 40 deals). The e-commerce sector recorded the second highest value of exits in 2023 (US\$2.9 billion across 35 deals), a 67% growth compared to 2022 (US\$1.7 billion across 32 deals). Healthcare was the next big sector with exits worth US\$2.8 billion across 16 deals, a 32% growth when compared to 2022 (US\$2.1 billion across 21 deals).

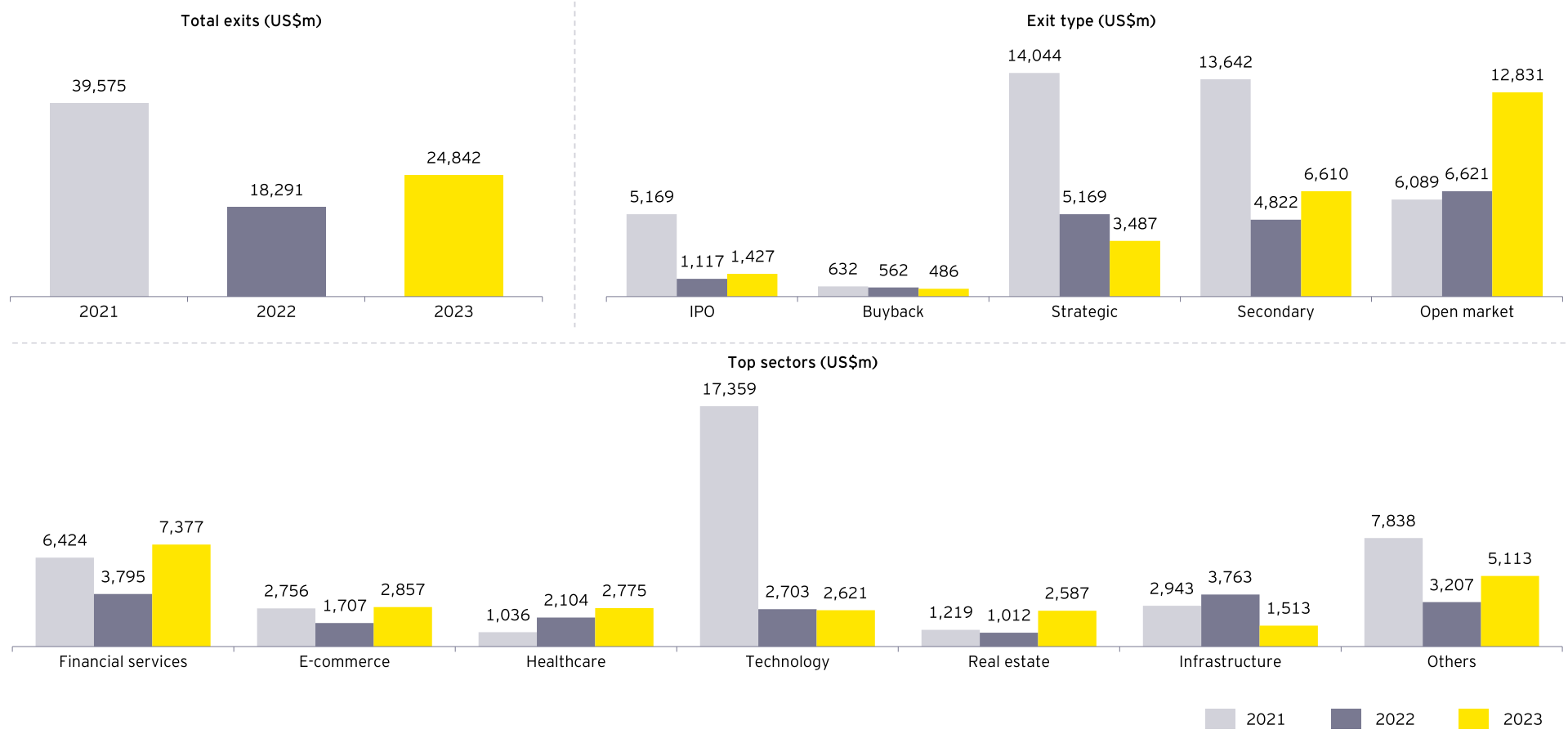
PE/VC annual headline trends: exits



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

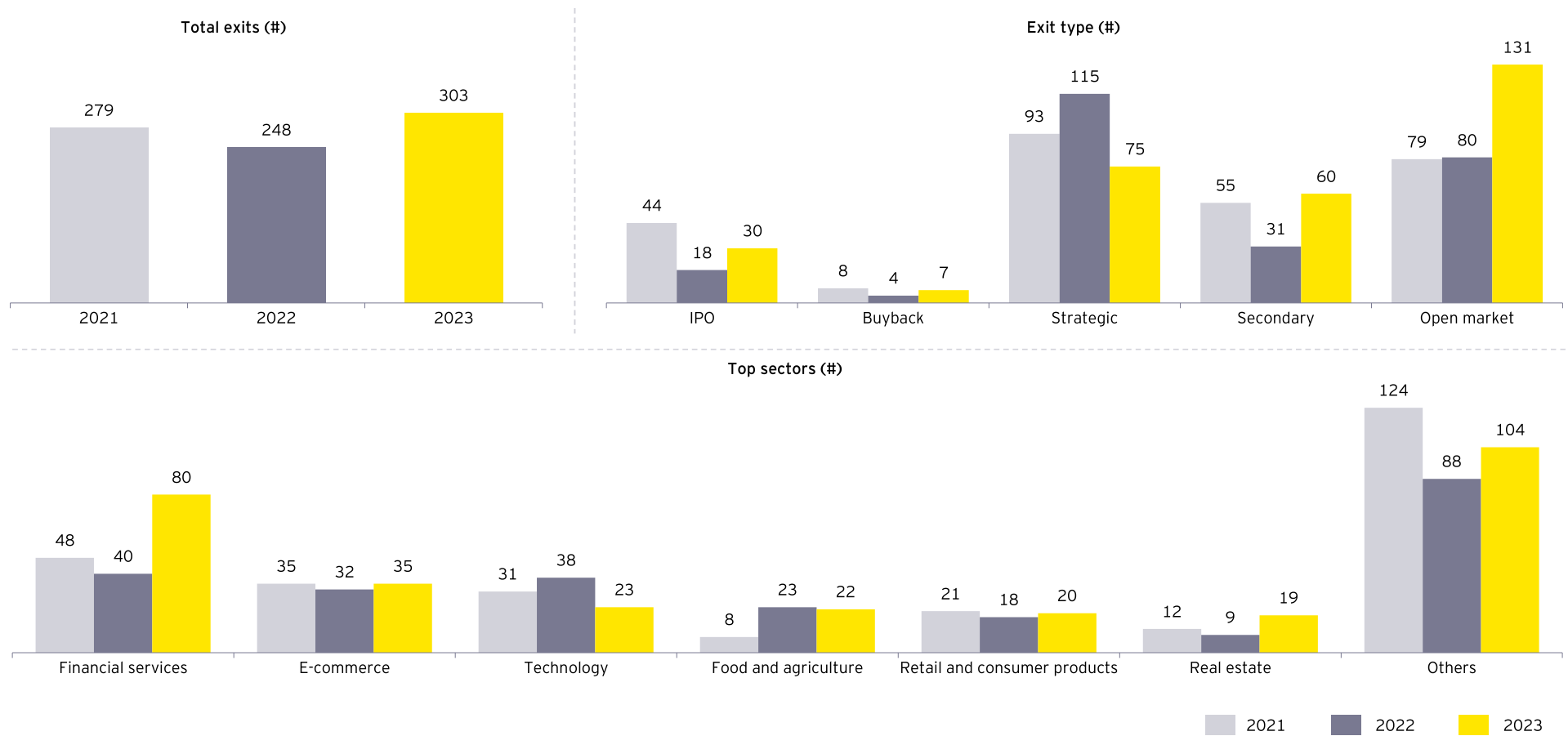
Exits: annual analysis

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Exits: annual analysis

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Top exits

Top exits in 2023

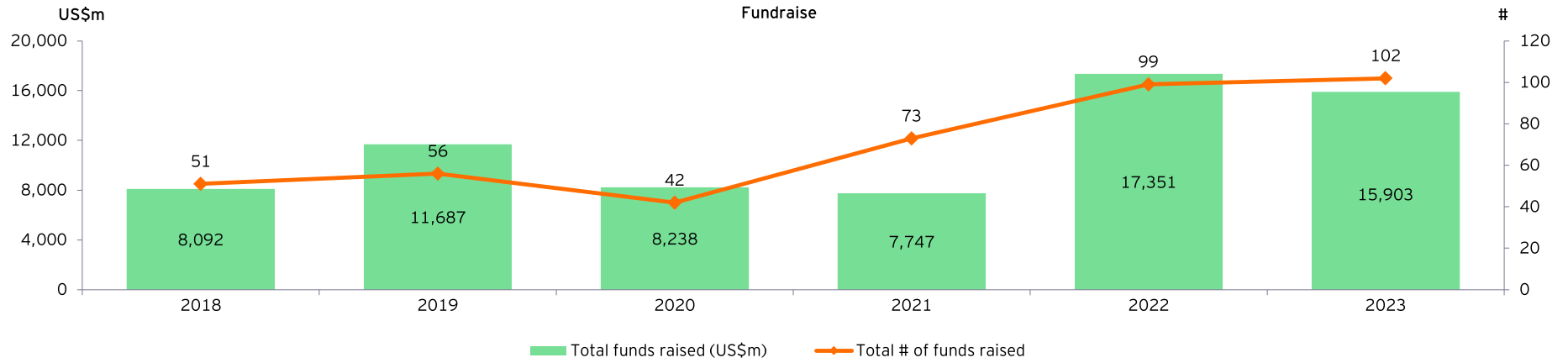
Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Flipkart Private Limited	E-Commerce	Tiger Global, Accel	Walmart	Strategic	1,400	4
Manipal Health Enterprises Private Limited	Healthcare	NIIF, TPG	Temasek	Secondary	1,024	41
Coforge Limited	Technology	BPEAEQT	NA	Open market	925	27
Embassy Office Parks REIT	Real estate	Blackstone	NA	Open market	851	24
Kotak Mahindra Bank Limited	Financial services	CPPIB	NA	Open market	742	2
Mankind Pharma Limited	Pharmaceuticals	ChrysCapital, Capital Group	NA	Open market	673	8
One 97 Communications Limited (PayTM)	Financial services	Alibaba	Vijay Shekhar Sharma	Secondary	628	10
Sona Blw Precision Forgings Limited	Automotive	Blackstone	NA	Open market	600	21
Quality Care India Limited (CARE Hospitals)	Healthcare	Evercare (TPG Rise)	Blackstone	Secondary	580	73
Indira IVF Hospital Private Limited	Healthcare	TA Associates	BPEAEQT	Secondary	517	47

Key trends: annual



- ▶ 2023 recorded an 8% decline in fundraising, with US\$15.9 billion in fundraises across 102 funds compared to US\$17.4 billion raised across 99 funds in 2022 and a 105% growth compared to US\$7.7 billion raised across 73 funds in 2021.
- ▶ The largest fundraise in 2023 saw New York-based Tiger Global Management raise US\$2.7 billion for its 16th Fund with a focus on investments in Indian startups. Kotak Investment Advisors' US\$1.3 billion fundraise of its Kotak Special Situations Fund 2 targeted at equity, debt capital and hybrid instruments across sectors was the second largest.

PE/VC annual headline trends: fundraise



Fundraise

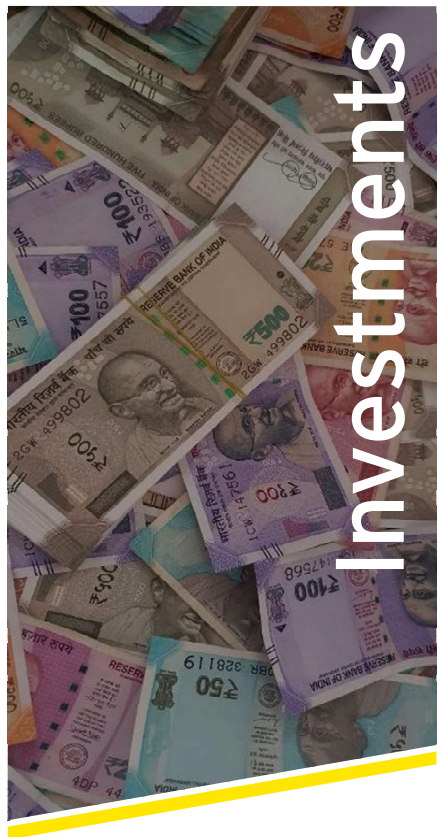
Top fundraise in 2023

Status	Fund	PE/VC GP	US\$m	Strategy
Raised	Tiger Global Fund 16	Tiger Global Management	2,700	Primarily back enterprise startups in India
Raised	Kotak Special Situations Fund 2	Kotak Investment Advisors	1,250	Deployed in equity, debt capital and hybrid instruments across sectors
Raised	Edelweiss Alternatives Special Situation Fund 3	Edelweiss Alternatives	964	Attractive opportunities offered by robust sales of secondary loans
Raised	Nexus Ventures VII	Nexus Venture Partners	700	Artificial intelligence, software-as-a-service (SaaS), fintech, and e-commerce
Raised	Multiples PE Fund 4	Multiples Alternate Asset Management	640	Identifying big shifts (primarily technology led) and investing in them at their inflection point, catalysing transformative growth and investing in platforms for multi-decadal growth potential
Raised	India-Japan bilateral climate fund	NIIF	600	Environmental conservation sectors, encompassing renewable energy, e-mobility, and circular economy areas like waste management and water management
Raised	Kotak Data Centre Fund	Kotak Alternate Assets	590	Data centre capacity, enterprise cloud, 5G and IoT
Raised	Growtheum SEA Fund I	Growtheum Capital Partners	567	As many as 12 deals across Southeast Asia and India
Raised	Matrix India Fund 4	Matrix Partners India	550	Consumer technology, B2B, enterprise, and fintech
Raised	Quadria Capital Fund 3	Quadria Capital	500	Healthcare delivery, life sciences, medical technology and associated healthcare services sub-sectors

02

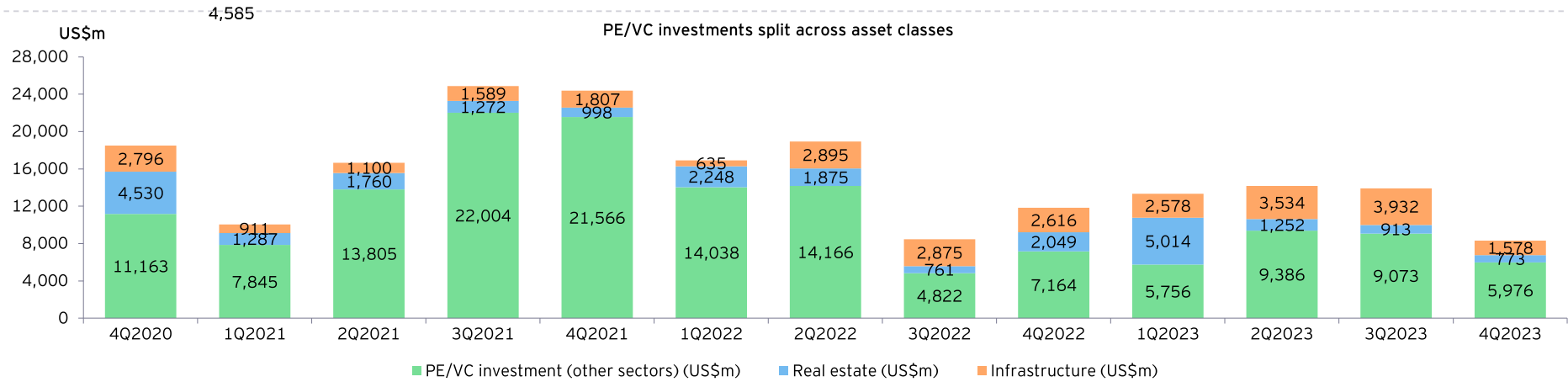
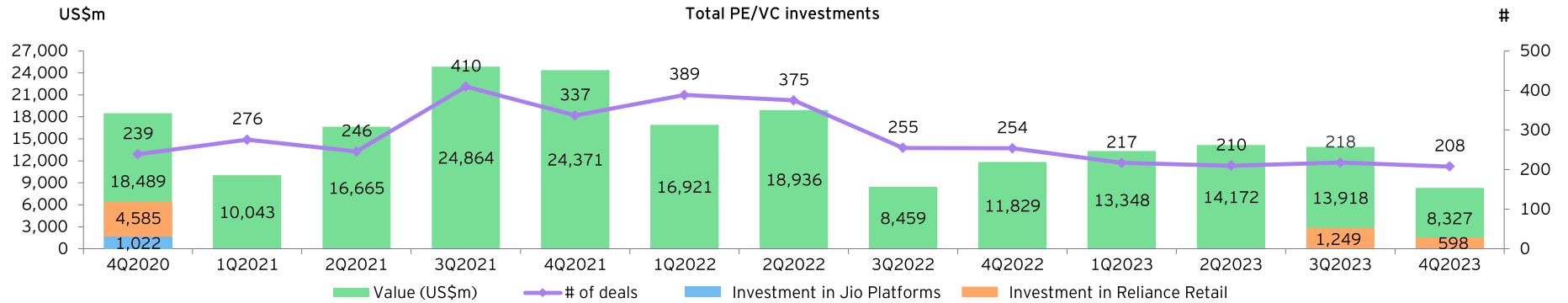
Quarterly trend analysis:
4Q2023

Key trends: quarterly



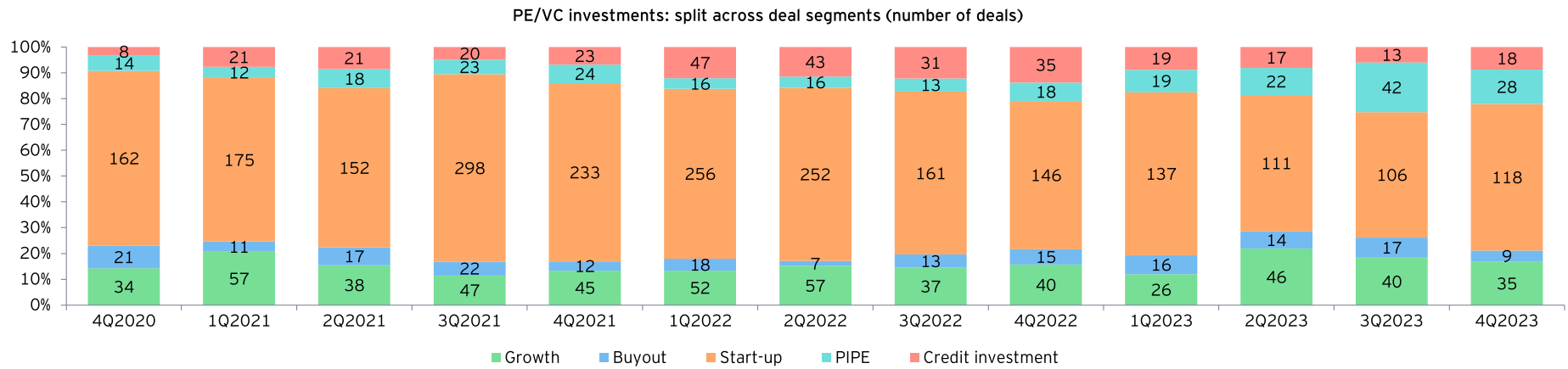
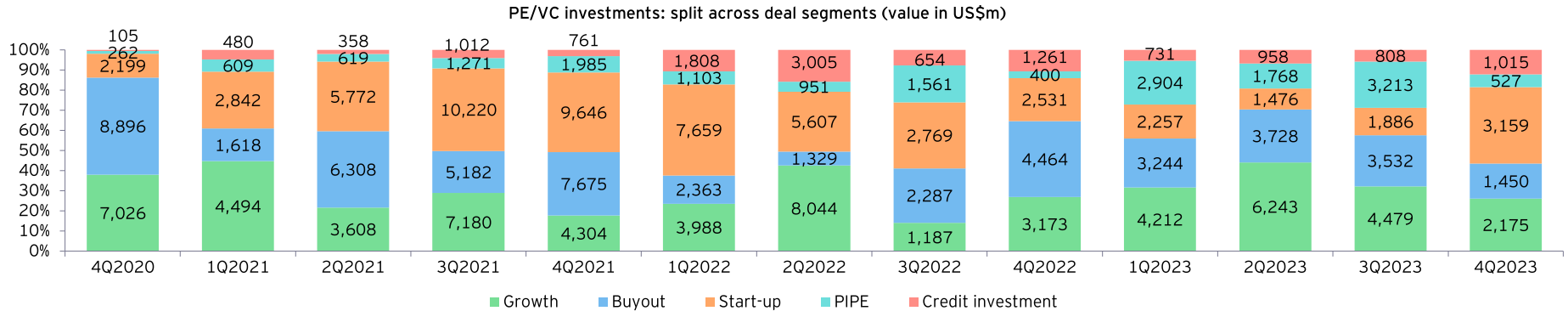
- ▶ PE/VC investments in 4Q23 were 30% lower than in 4Q22 and 40% lower than 3Q23 (US\$8.3 billion in 4Q23 vs. US\$11.8 billion in 4Q22 and US\$13.9 billion in 3Q23). In terms of number of deals, 4Q23 recorded a 18% decline compared to 4Q22 and a 5% decline compared to 3Q23 (208 deals in 4Q23 vs 254 deals in 4Q22 and 218 deals in 3Q23). Although the number of deals declined by only 5% compared to 3Q23, the dollar value of investments declined substantially due to fewer large deals.
- ▶ 4Q23 recorded 22 large deals aggregating to US\$5.4 billion compared to 21 large deals aggregating to US\$7.8 billion in 4Q22 and 32 large deals aggregating to US\$11 billion in 3Q23. The largest deals in 4Q23 include ADIA investing US\$598 million for a 0.6% stake in Reliance Retail Ventures, Blackstone acquiring a 73% stake in CARE Hospitals for US\$580 million, and I Squared investing US\$500 million in Hexa Climate Solutions.
- ▶ Pure play PE/VC investments (i.e., excluding investments in real estate and infrastructure) came in at US\$6 billion, 17% lower than the value recorded in 4Q22 (US\$7.2 billion) and 34% lower compared to 3Q23 (US\$9.1 billion). Pure play PE/VC investments accounted for 72% of all PE/VC investments in 4Q23.
- ▶ On a y-o-y basis, only PE/VC investments in startups and private investment in public equity (PIPE) recorded a growth in 4Q23. Startup investments were the highest in 4Q23 (US\$3.2 billion across 118 deals) and recorded a y-o-y growth of 25% (US\$2.5 billion across 146 deals in 4Q2022) and a growth of 68% compared to 3Q23 (US\$1.9 billion across 106 deals). Growth investments were the second highest in 4Q23 (US\$ 2.2 billion across 35 deals) and recorded a decline of 31% compared to 4Q22 (US\$3.2 billion across 40 deals) and 51% compared to 3Q23 (US\$4.5 billion across 40 deals). Buyouts at US\$1.5 billion declined by 68% compared to 4Q22 (US\$4.5 billion across 15 deals) and by 59% compared to 3Q23 (US\$3.5 billion across 17 deals). Credit investments recorded US\$1 billion across 18 deals, a decline of 19% compared to 4Q22 (US\$1.3 billion across 35 deals) and a growth of 26% compared to 3Q23 (US\$808 million across 13 deals). PIPE investments were the lowest with US\$527 million invested across 28 deals, a growth of 32% compared to 4Q22 (US\$400 million across 18 deals) and a decline of 84% compared to 3Q23 (US\$3.2 billion across 42 deals).
- ▶ Infrastructure was the largest sector in 4Q23 (US\$1.6 billion across 14 deals), a decline of 40% compared to 4Q22 (US\$2.6 billion across 15 deals). Financial services was the second largest sector in 4Q23 (US\$800 million across 41 deals), a decline of 41% compared to 4Q22 (US\$1.5 billion over 45 deals). Technology was the third largest sector in 4Q23 (US\$859 million over 25 deals), a 51% decline compared to 4Q22 (US\$1.8 billion across 31 deals). Real estate was the fourth largest sector in 4Q23 (US\$773 million over 11 deals), a 62% decline compared to 4Q22 (US\$2 billion across 20 deals). PE/VC investments in e-commerce, a traditionally favoured sector, grew by just 1% in 4Q23 (US\$591 million across 16 deals).

PE/VC quarterly headline trends: investments



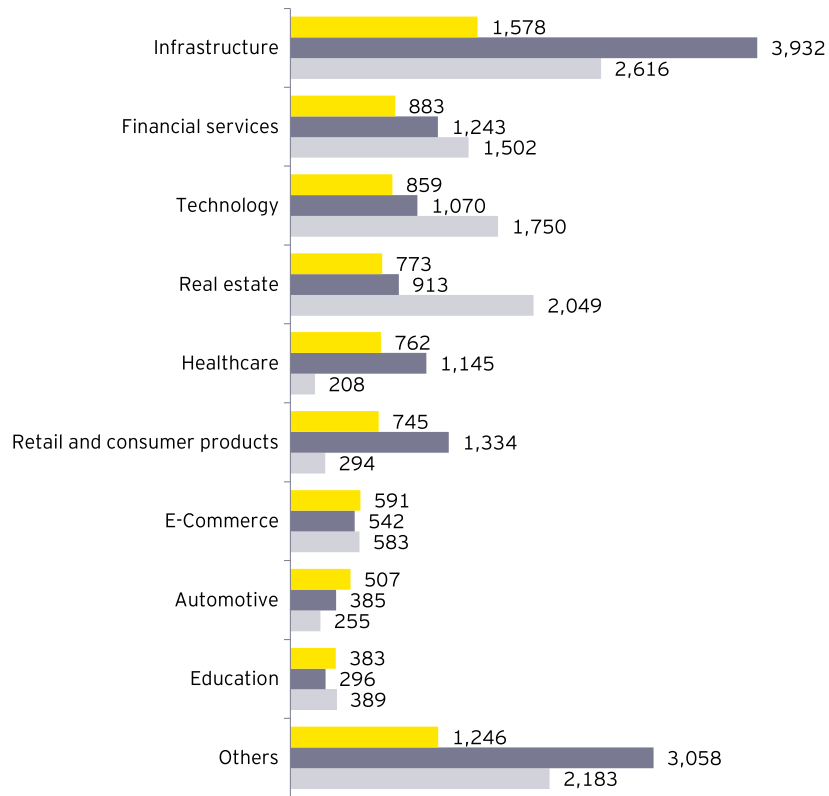
Real estate includes deals across real estate (residential and commercial), hospitality and construction. Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure. PEVC Investment of 4Q2020 includes an investment of US\$4,585m in Reliance Retail and US\$1,022m in Jio. 3Q2023 and 4Q2023 includes an investment into Reliance Retail of US\$1,249m and US\$598m respectively.

PE/VC quarterly headline trends: investments

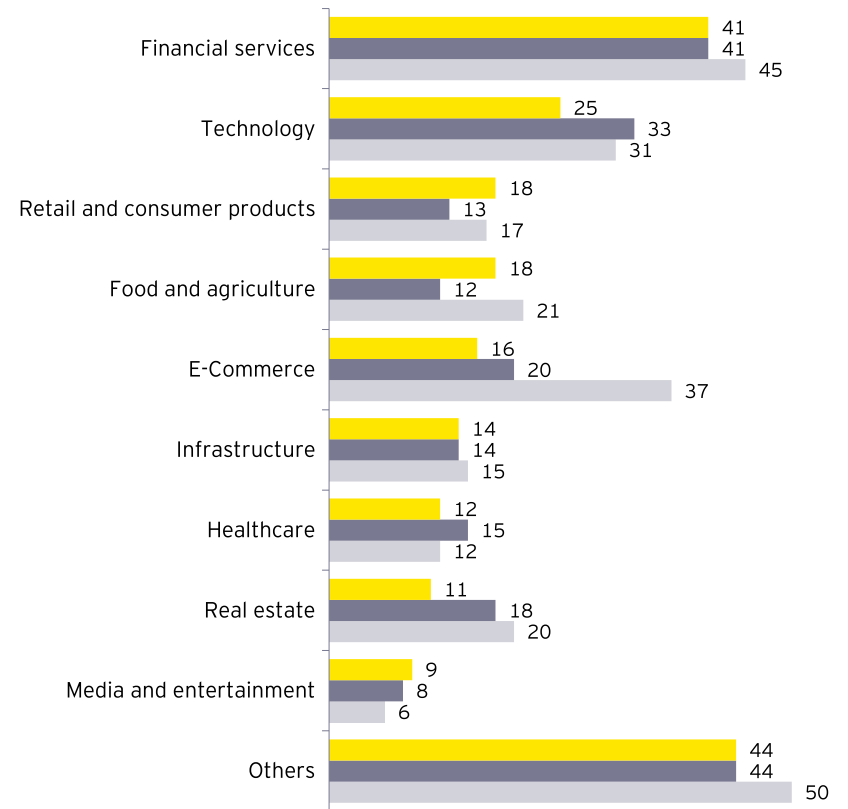


Investments: sector-wise

Top sectors by value (US\$m)



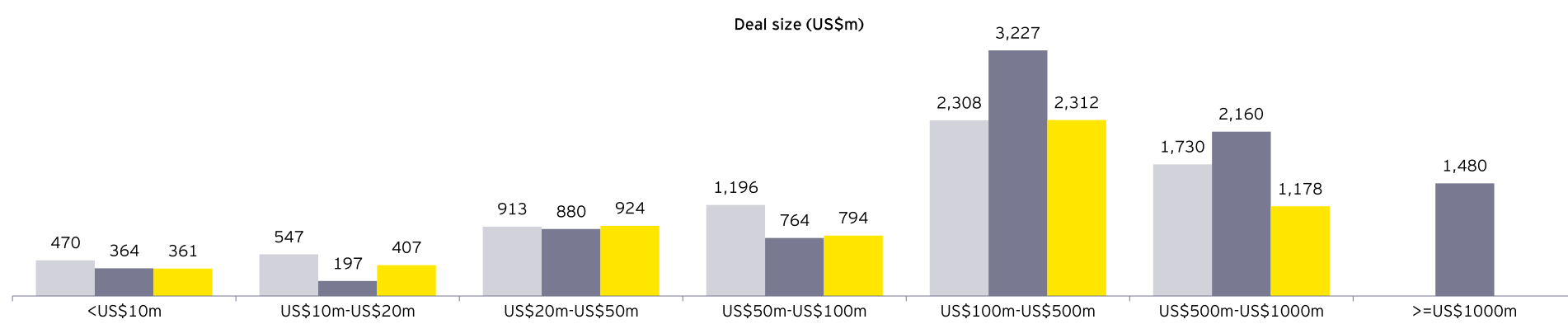
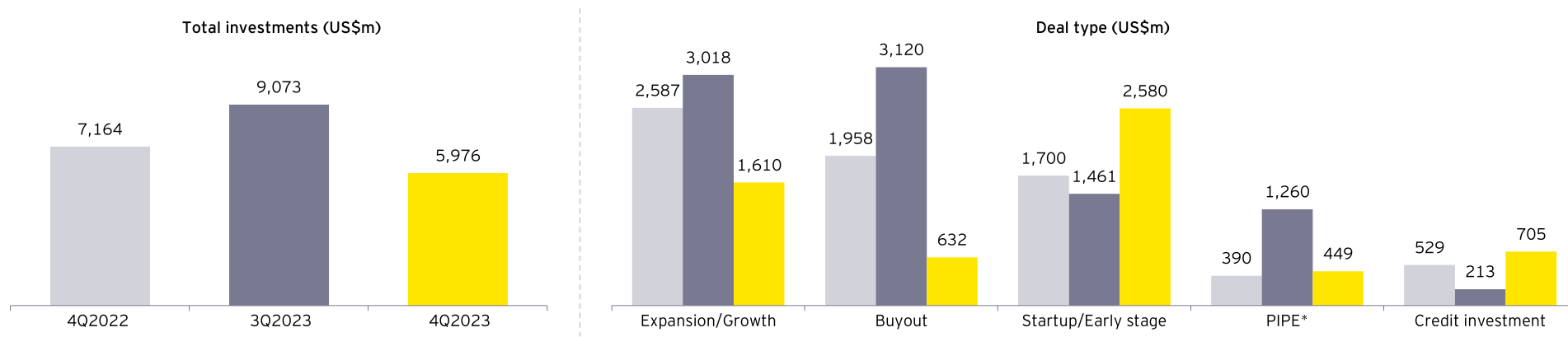
Top sectors by # of deals



■ 4Q2023
 ■ 3Q2023
 ■ 4Q2022

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

Page 1 of 2



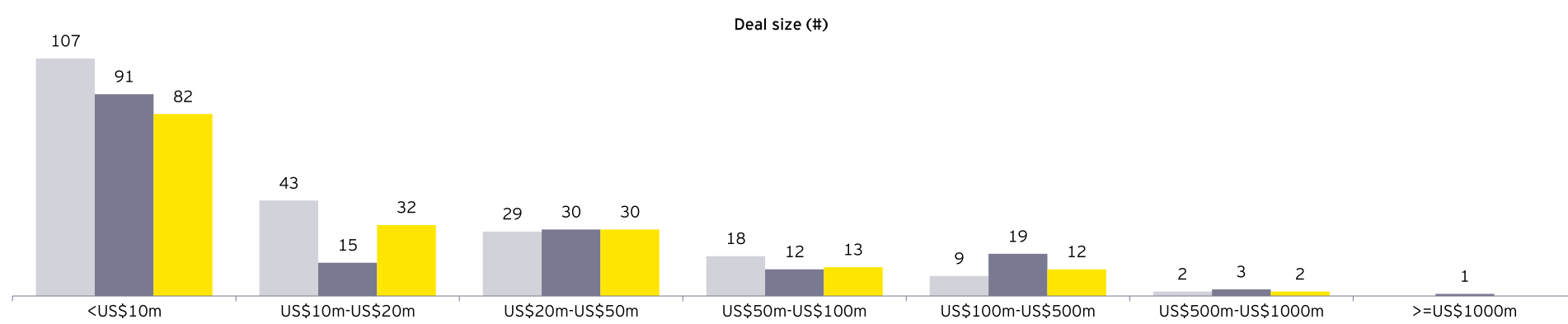
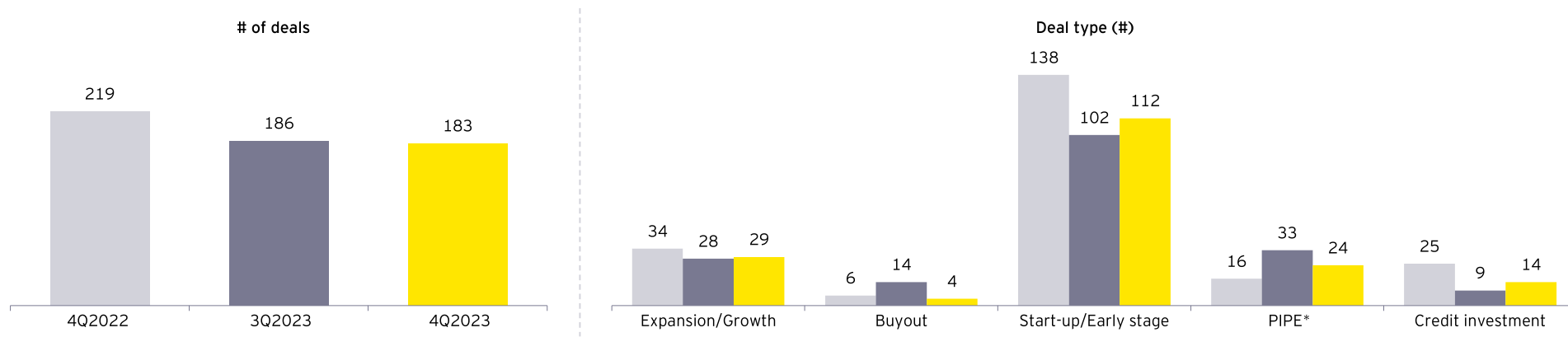
* PIPE: Private investment in public equity

Note: Deal value not available on 12 deals in 4Q2023, 15 deals in 3Q2023 and 11 deals in 4Q2022

4Q2022 3Q2023 4Q2023

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

Page 2 of 2



* PIPE: Private investment in public equity

Note: Deal value not available on 12 deals in 4Q2023, 15 deals in 3Q2023 and 11 deals in 4Q2022

4Q2022 3Q2023 4Q2023

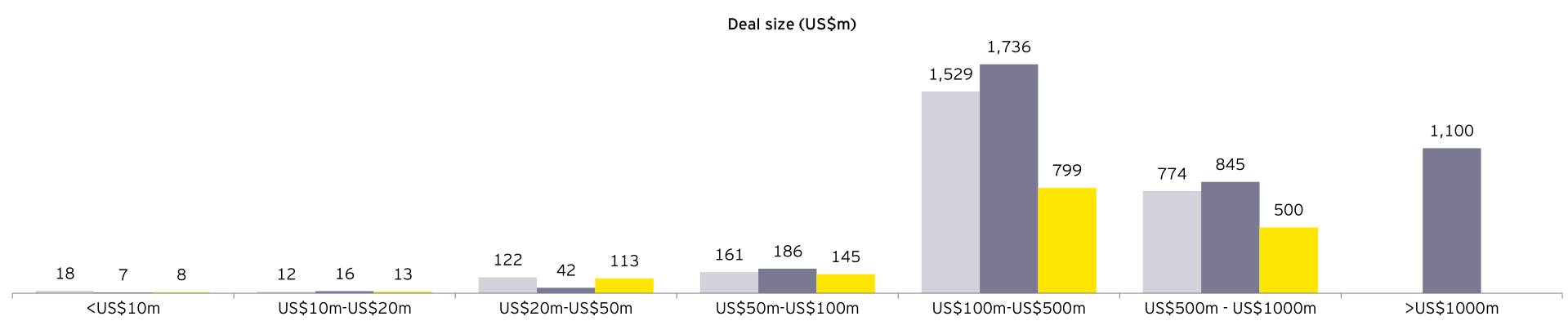
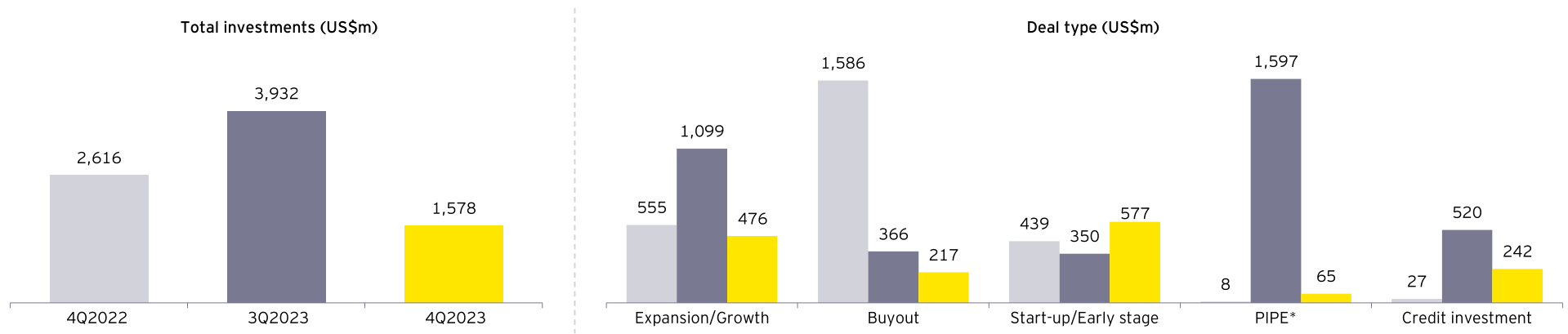
Top PE/VC investments

Top PE/VC investments, excluding infrastructure and real estate in 4Q2023

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Reliance Retail Ventures Limited	ADIA	Retail and consumer products	Growth capital	598	1
Quality Care India Limited (CARE Hospitals)	Blackstone	Healthcare	Buyout	580	73
Ola Electric Mobility Private Limited	Temasek and others	Automotive	Startup	385	NA
Trustroot Internet Private Limited (Udaan.com)	DST Global, Lightspeed and others	E-commerce	Startup	340	17
IQuest Enterprises	Kotak Special Situations Fund	Pharmaceuticals	Growth capital	200	NA
Everise Holdings Pte. Limited	Warburg Pincus	Technology	Startup	200	20
Cappella Eduinfra Private Limited	Alta Capital	Education	Startup	200	NA
Tata Technologies Limited	TPG Rise Climate	Technology	Growth capital	198	10
Jayaswal Neco Industries Limited	Kotak Special Situations Fund	Metals and mining	Credit investment	181	NA
Aakash Educational Services Limited	Ranjan Pai's family office	Education	Credit investment	169	NA

Investments: *infrastructure*

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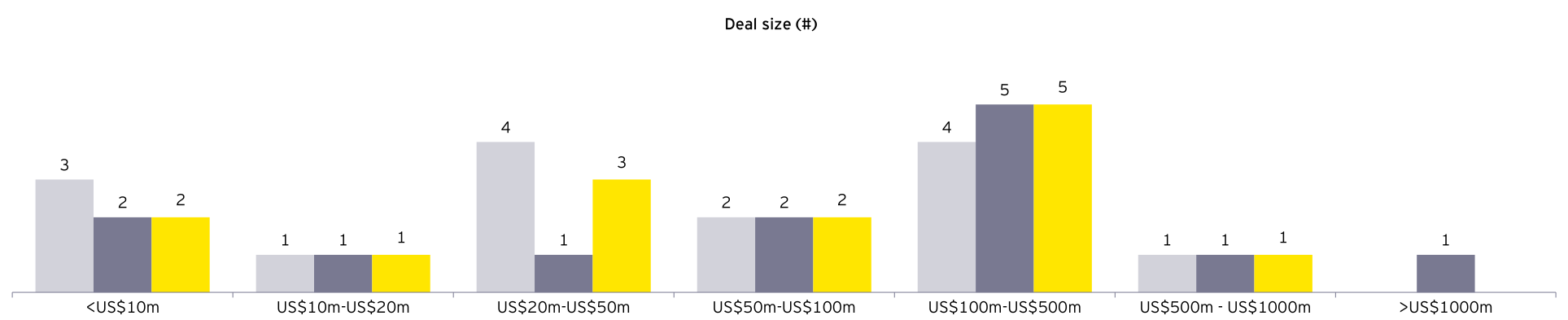
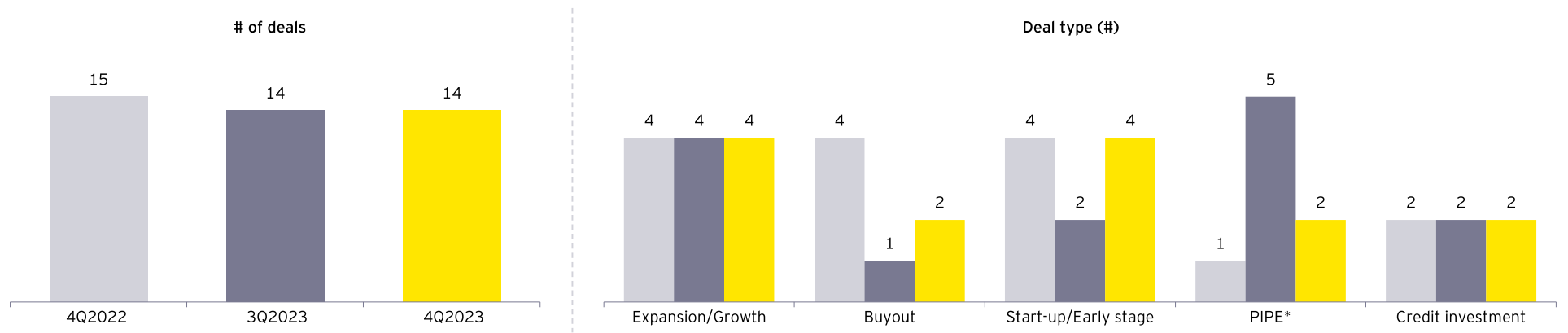


* PIPE: Private investment in public equity
 Note: Deal value not available on 1 deal in 3Q2023

4Q2022 3Q2023 4Q2023

Investments: *infrastructure*

Page 2 of 2

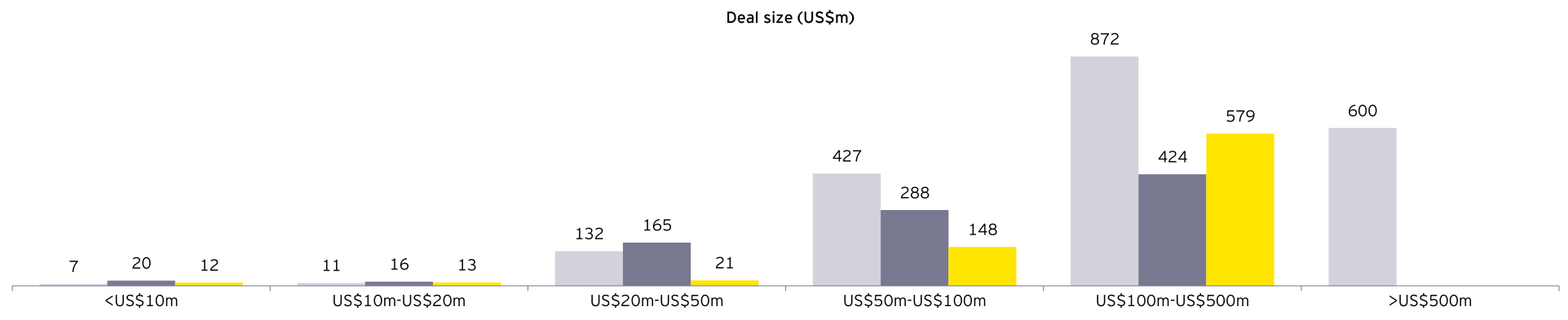
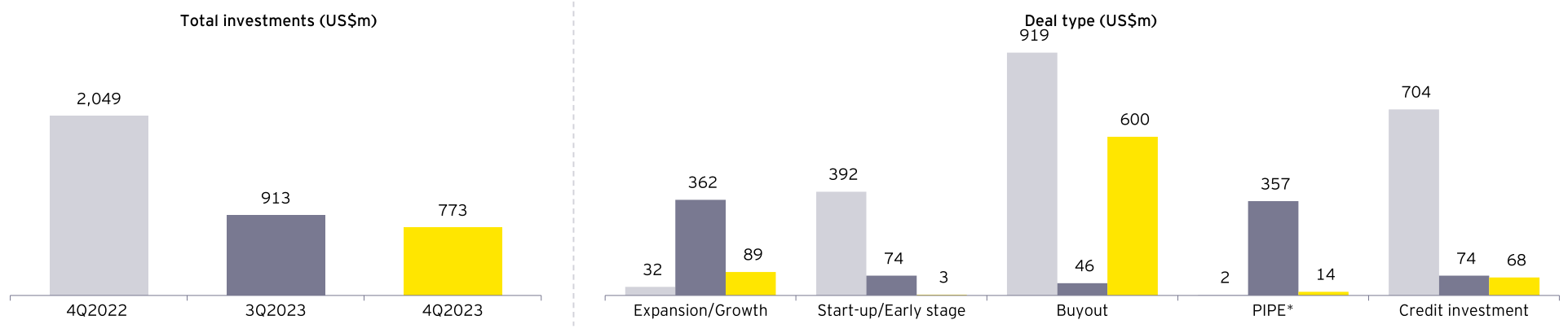


* PIPE: Private investment in public equity
 Note: Deal value not available on 1 deal in 3Q2023

4Q2022 3Q2023 4Q2023

Investments: *real estate*

Page 1 of 2

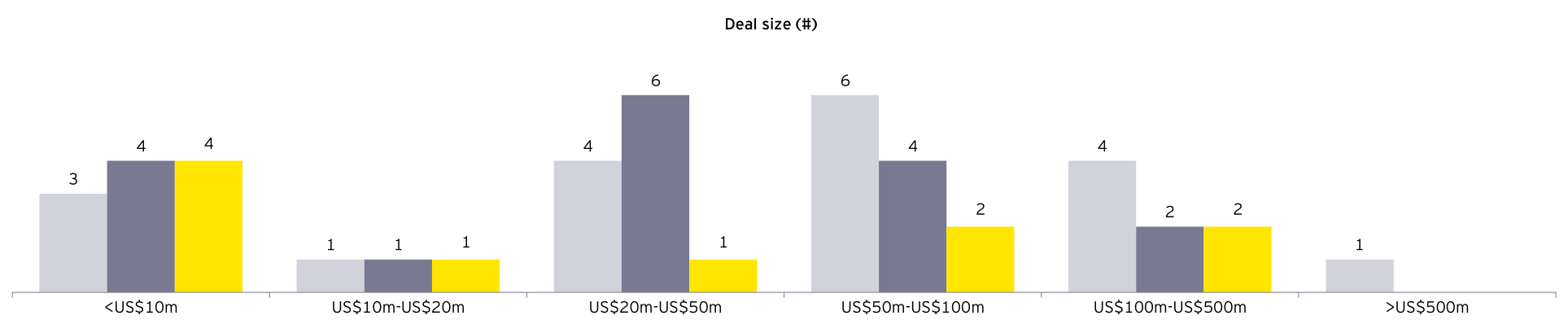
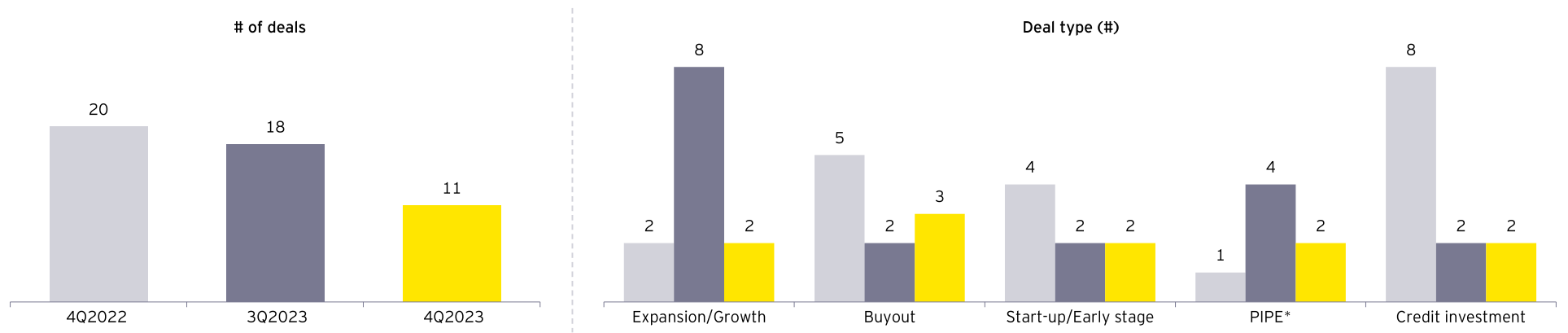


* PIPE: Private investment in public equity
 Note: Deal value not available on 1 deal in 4Q2023, 3Q2023 and 4Q2022

4Q2022 3Q2023 4Q2023

Investments: *real estate*

Page 2 of 2



* PIPE: Private investment in public equity

Note: Deal value not available on 1 deal in 4Q2023, 3Q2023 and 4Q2022

4Q2022 3Q2023 4Q2023

Top PE/VC investments

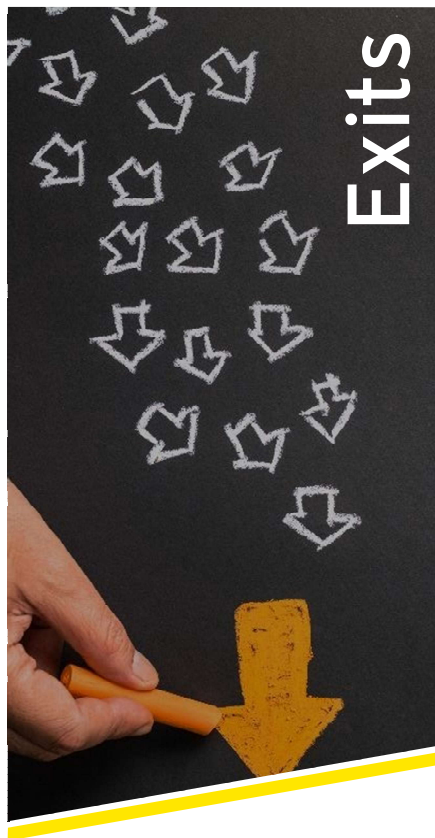
Top infrastructure and real estate investments in 4Q2023

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Hexa Climate Solutions Private Limited	I Squared Capital	Infrastructure	Startup	500	NA
Good Host Spaces Private Limited	Alta Capital	Real estate, hospitality and construction	Buyout	320	100
Tsi Business Parks (Hyderabad) Private Limited (Waverock)	GIC	Real estate, hospitality and construction	Buyout	259	100
321 MW Solar assets of Acme	Actis	Infrastructure	Buyout	205	100
18 road assets	Alpha Alternatives	Infrastructure	Growth capital	177	26
Bangalore International Airport Limited	Fairfax	Infrastructure	Growth capital	175	7
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
1.2 million sq ft logistic hub in JNPA SEZ in Navi Mumbai	Welspun One	Real estate, hospitality and construction	Growth capital	84	NA
GMR Visakhapatnam International Airport Limited	NIIF	Infrastructure	Growth capital	81	NA

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

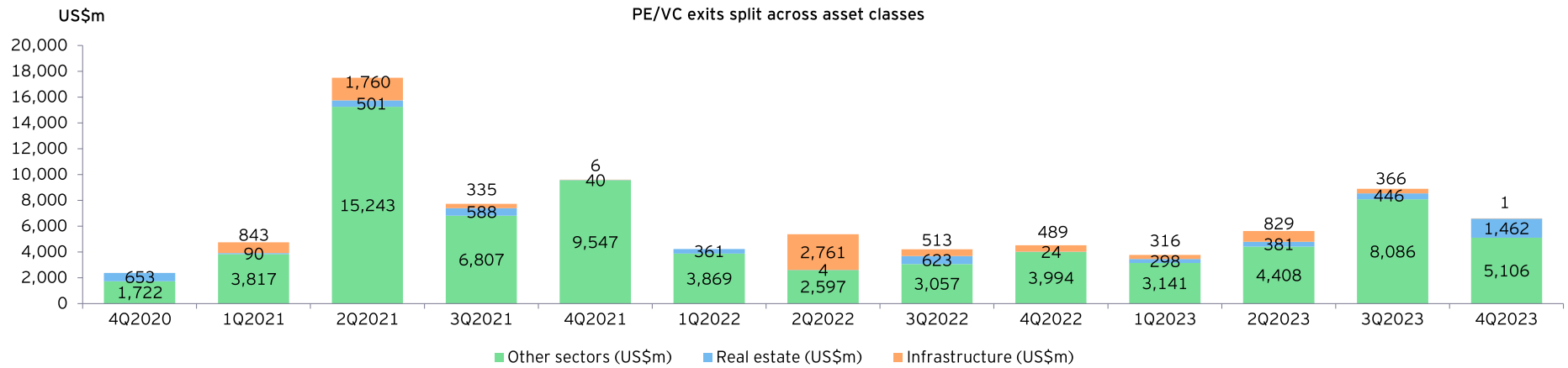
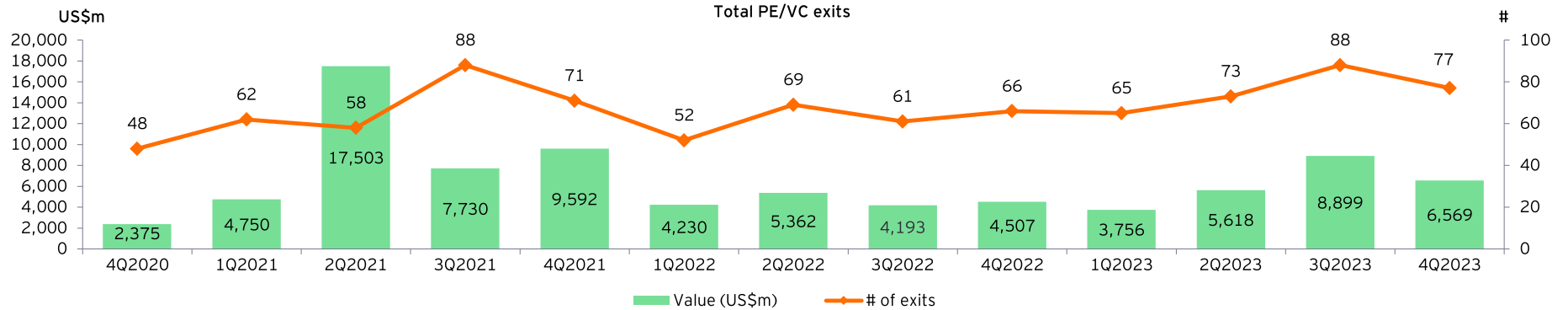
Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

Key trends: quarterly



- ▶ 4Q23 recorded exits worth US\$6.6 billion, 46% higher than the value recorded in 4Q22 (US\$4.5 billion) and 26% lower compared to 3Q23 (US\$8.9 billion). In terms of deal volume, there was a 17% growth y-o-y, with 4Q23 recording 77 exits vs. 66 exits in 4Q22 and a 13% decline compared to 88 exits in 3Q23.
- ▶ In 4Q23, open market exits were the highest, with US\$4.3 billion recorded across 33 deals with a 133% growth y-o-y (US\$1.8 billion across 28 deals in 4Q22). Secondary exits were the second highest, with US\$1.3 billion recorded across 15 deals, a 15% decline y-o-y (US\$ 1.6 billion across seven deals in 4Q22). 4Q23 had 11 PE-backed IPOs with US\$367 million in exit proceeds compared to 10 PE-backed IPOs in 4Q22 (US\$665 million). Strategic exits recorded 15 deals worth US\$330 million, a 19% decline y-o-y (US\$410 million across 20 deals in 4Q22). The deal values were unavailable for 12 out of 15 strategic exits.
- ▶ The largest exit in 4Q2023 saw Blackstone sell its remaining stake in Embassy Office Parks REIT for US\$851 million.
- ▶ From a sector perspective, financial services sector recorded the highest value of exits with US\$1.8 billion across 18 deals in 4Q23, followed by real estate with exits worth US\$1.5 billion across seven deals on the back of the Blackstone-Embassy Office Parks REIT exit.

PE/VC quarterly headline trends: exits

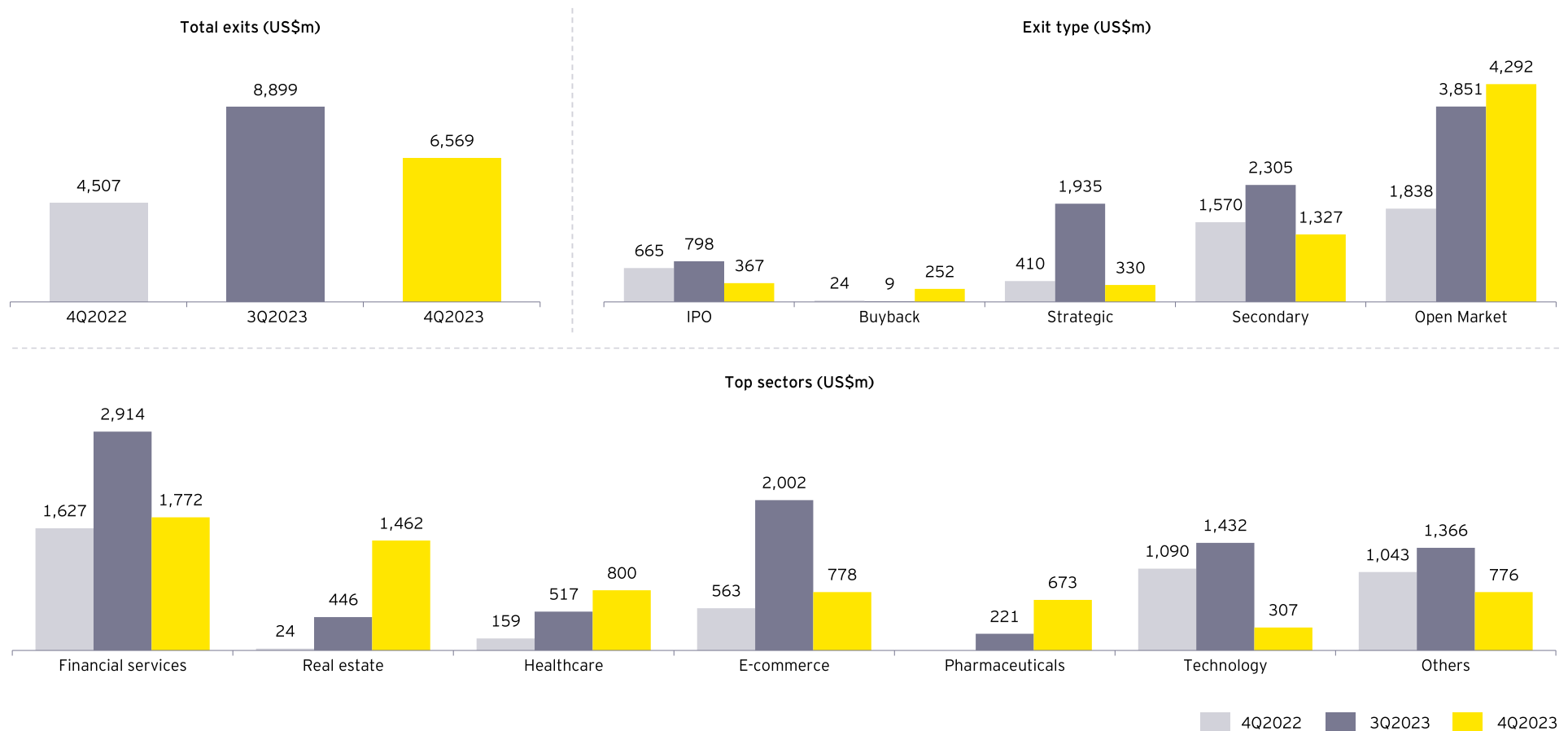


Real estate includes deals across real estate (residential and commercial), hospitality and construction
 Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure



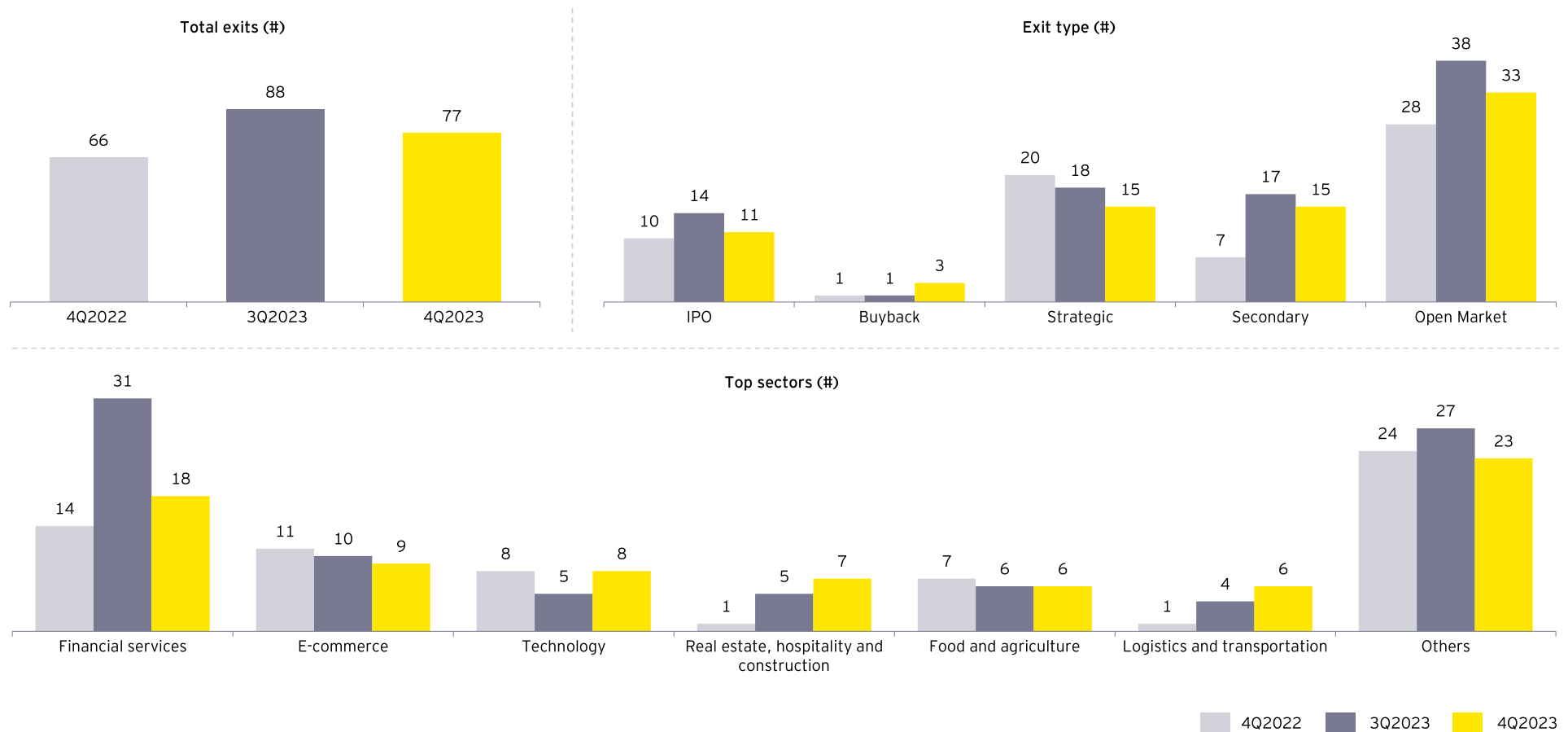
Exits: quarterly analysis

Page 1 of 2



Exits: quarterly analysis

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Top exits

Top exits in 4Q2023

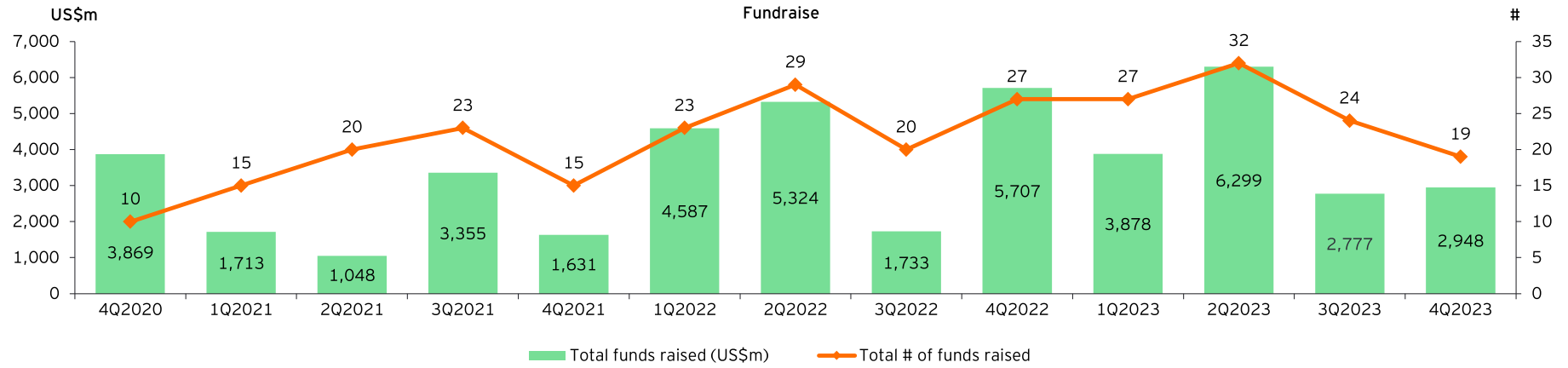
Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Embassy Office Parks REIT	Real estate, hospitality and construction	Blackstone		Open market	851	24
Mankind Pharma Limited	Pharmaceuticals	ChrysCapital, Capital Group		Open market	673	8
Quality Care India Limited (CARE Hospitals)	Healthcare	Evercare (TPG Rise funds)	Blackstone	Secondary	580	73
Axis Bank Limited	Financial services	Bain Capital		Open market	450	1
Zomato Limited	E-commerce	Alibaba		Open market	402	3
Computer Age Management Services Limited	Financial services	Warburg Pincus		Open market	325	20
Good Host Spaces Private Limited	Real estate, hospitality and construction	Goldman Sachs and Warburg Pincus	Alta Capital	Secondary	320	100
KIMS Healthcare Management Limited	Healthcare	True North	Quality Care India	Strategic	220	55
Everise Holdings Pte. Limited	Technology	Everstone	Warburg Pincus	Secondary	200	20
Five-Star Business Finance Limited	Financial services	TPG, Peak XV Partners and Matrix Partners		Open market	200	8

Key trends: quarterly



- ▶ 4Q23 recorded a 6% growth with US\$3 billion in fundraises across 19 funds compared to US\$2.8 billion raised across 24 funds in 3Q23 and a 48% decline compared to US\$5.7 billion raised across 27 funds in 4Q22.
- ▶ The largest fundraise in 4Q23 saw Edelweiss Alternatives raise its third special situation fund of US\$964 million, from a mix of prominent global institutional investors and large Indian family offices.

PE/VC quarterly headline trends: fundraise



Fundraise

Top fundraise in 4Q2023

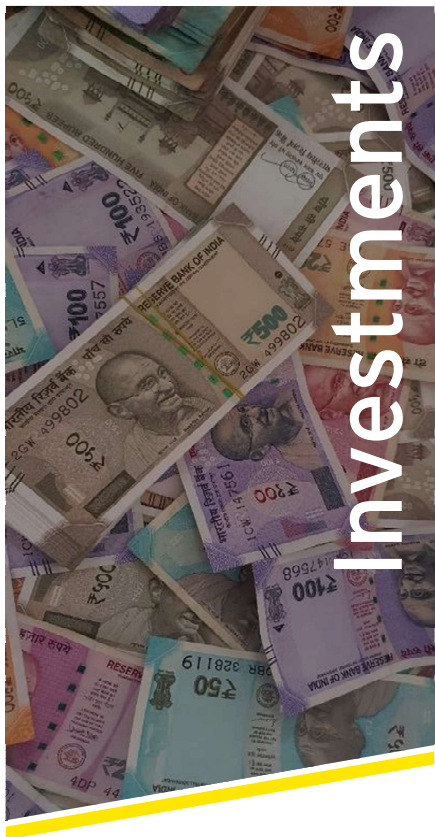
Status	Fund	PE/VC GP	US\$m	Strategy
Raised	Edelweiss Alternatives Special Situation Fund 3	Edelweiss Alternatives	964	Attractive opportunities offered by robust sales of secondary loans
Raised	India-Japan bilateral climate fund	NIIF	600	Environmental conservation sectors, encompassing renewable energy, e-mobility, and circular economy areas like waste management and water management
Raised	Quadria Capital Fund 3	Quadria Capital	500	Healthcare delivery, life sciences, medical technology and associated healthcare services sub-sectors
Raised	Vivriti Asset Management 3 Bond Funds	Vivriti Asset Management	200	Airports, clean energy, road construction, fertiliser, thermal energy, financial services, logistics, software services and managed offices
Raised	Sundaram Alternates Assets - Emerging Corporate Credit Opportunities Fund	Sundaram Alternates Assets	133	Debt finance to small and medium enterprises

A group of business professionals in a meeting room are gathered around a large digital display. They are looking at and pointing to various data visualizations, including bar charts and line graphs. One person is holding a blue pen, ready to write on the screen. The scene is lit with a cool blue light, creating a professional and focused atmosphere.

03

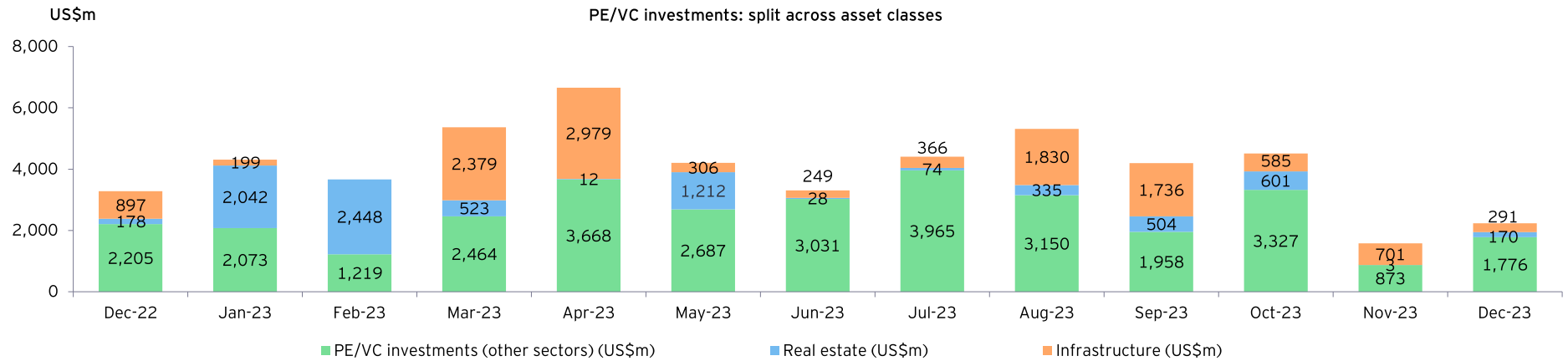
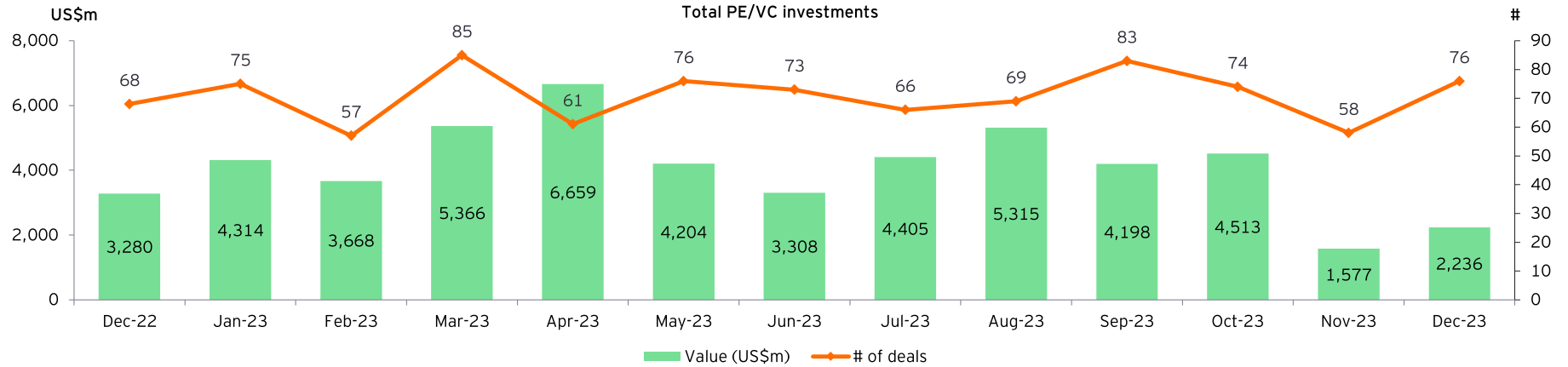
Monthly trend analysis:
December 2023

Key trends: monthly

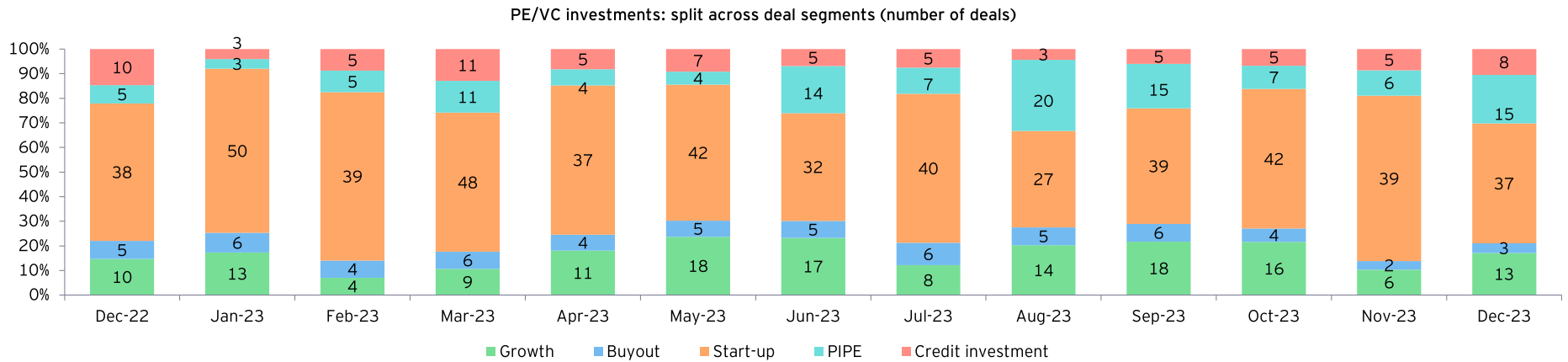
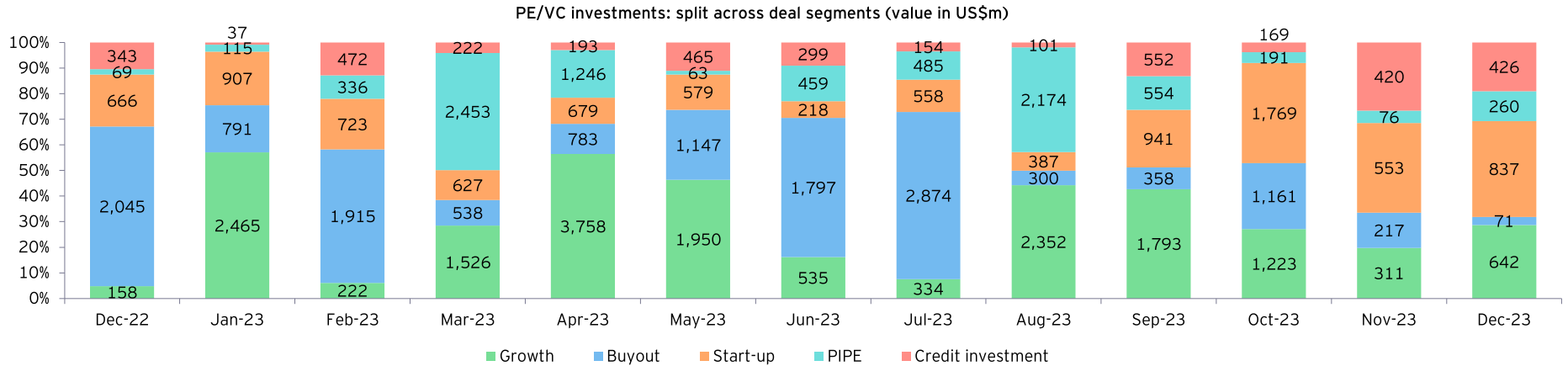


- ▶ PE/VC investments in December 2023 recorded US\$2.2 billion, 32% lower than PE/VC investments in December 2022 (US\$3.3 billion) and 42% higher than November 2023. In terms of number of deals, December 2023 (76 deals) recorded a 12% y-o-y increase (68 deals in December 2022).
- ▶ December 2023 recorded five large deals aggregating US\$935 million, a 33% decline y-o-y in terms of value. The largest deal in December 2023 saw Udaan raise US\$340 million in Series E round from M&G Prudential, Lightspeed Ventures and DST Global.
- ▶ Startup investments had the largest share in PE/VC investments in December 2023 with US\$837 million invested, compared to US\$666 million in December 2022, a 26% y-o-y increase in dollar value of investments. Growth investments were the second largest, with US\$642 million across 13 deals in December 2023 compared to US\$158 million across 10 deals in December 2022, a 307% increase y-o-y in terms of value. Credit Investment recorded US\$426 million across eight deals, followed by private investments in public equity (PIPE) with US\$260 million PE/VC investments across 15 deals. December 2023 recorded three buyouts worth US\$71 million compared to five buyouts worth US\$2 billion in December 2022.
- ▶ From a sector point of view, e-commerce was the top sector in December 2023, recording US\$382 million across five deals with US\$340 million coming from just one investment in Udaan. The financial services sector was the second largest, with US\$322 million recorded across 14 deals.

PE/VC monthly headline trends: investments

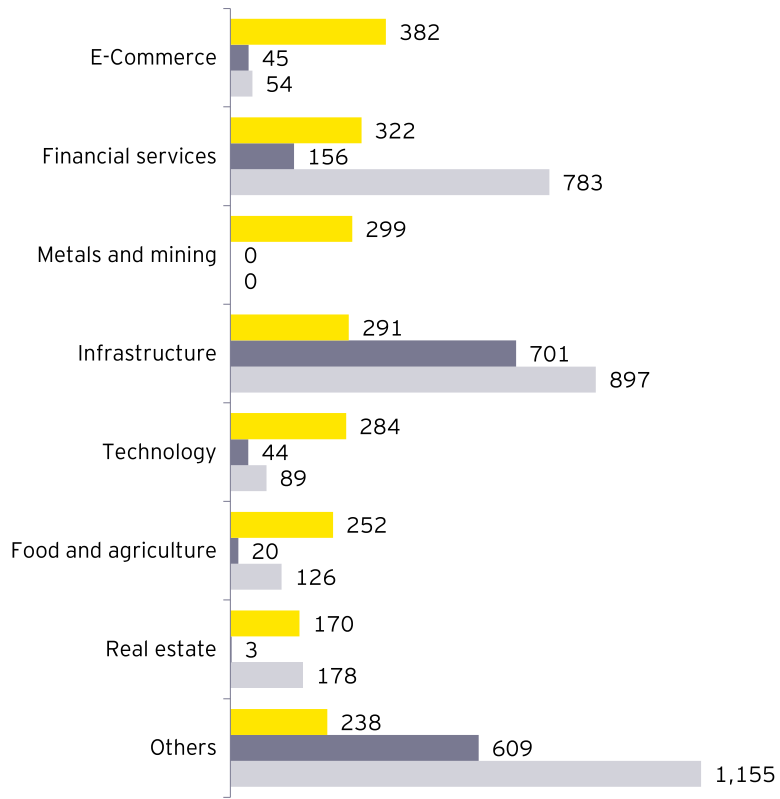


PE/VC monthly headline trends: investments

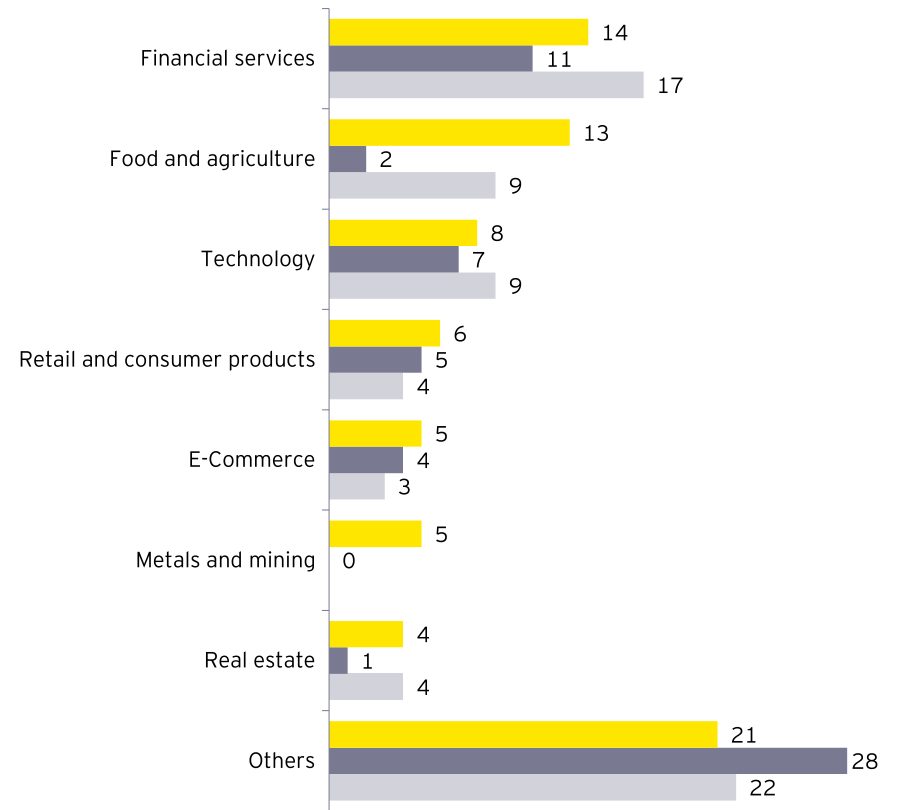


PE/VC investments: split by sector

Top sectors by value (US\$m)

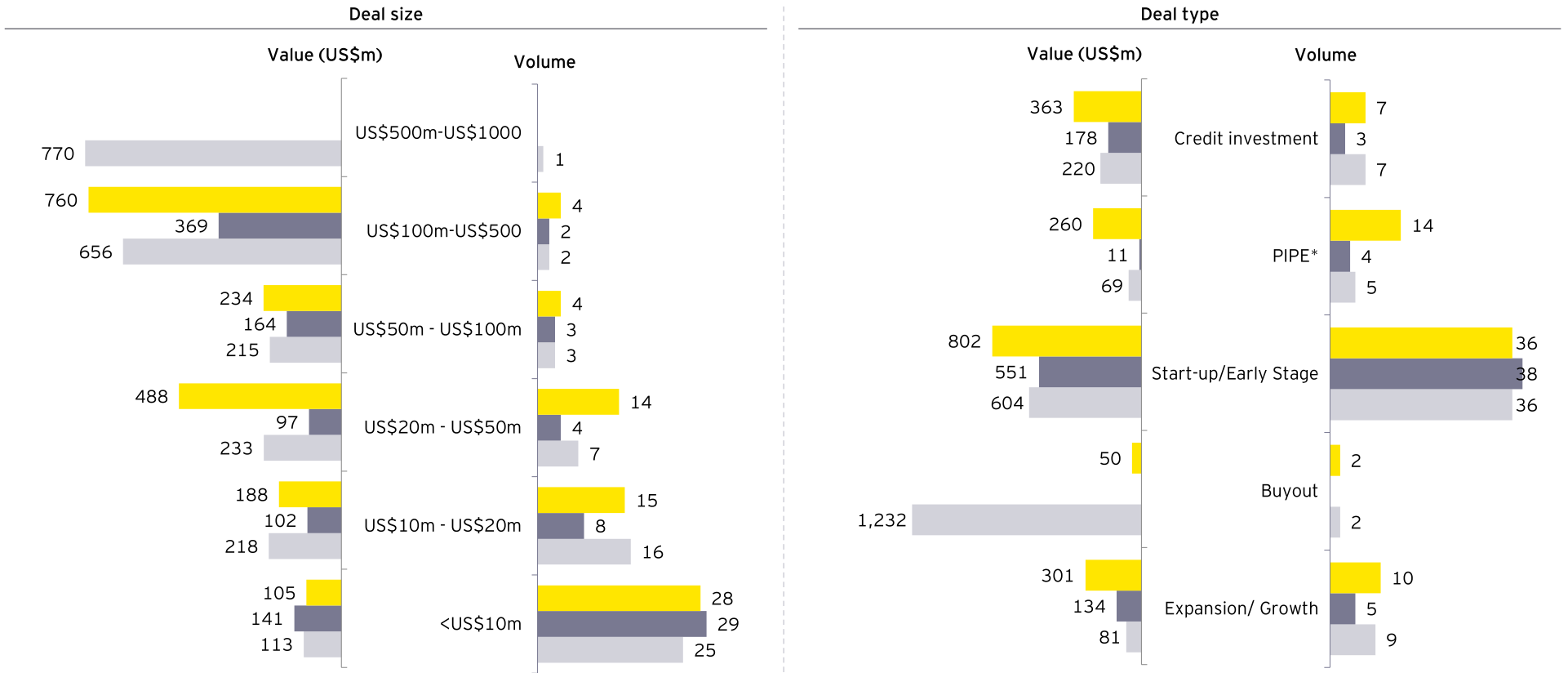


Top sectors by volume



Dec'23 Nov'23 Dec'22

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



* PIPE: Private investment in public equity

Note: Deal value not available on 4 deals in Dec 23 and Nov 23 and 5 deals in Dec 22

Dec'23 Nov'23 Dec'22

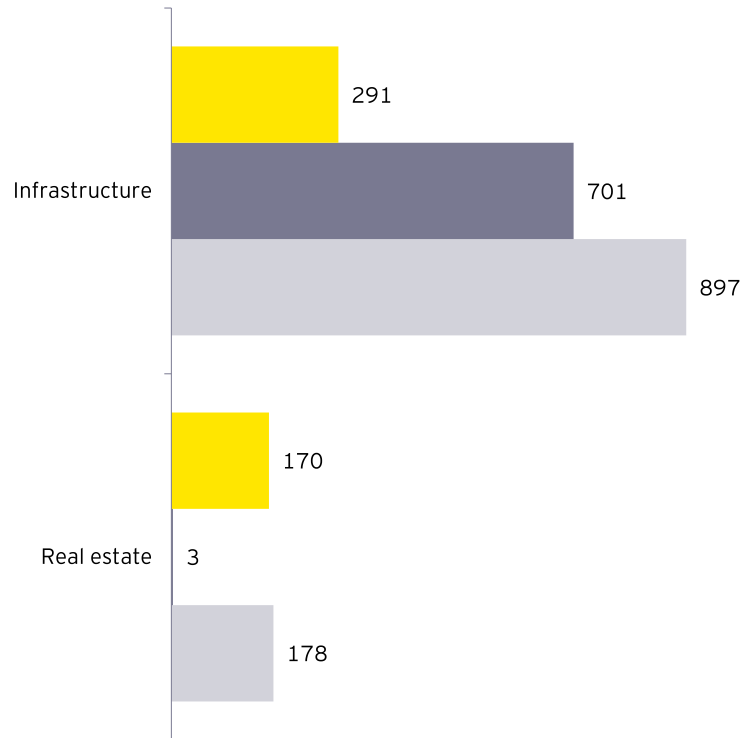
Top PE/VC investments

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

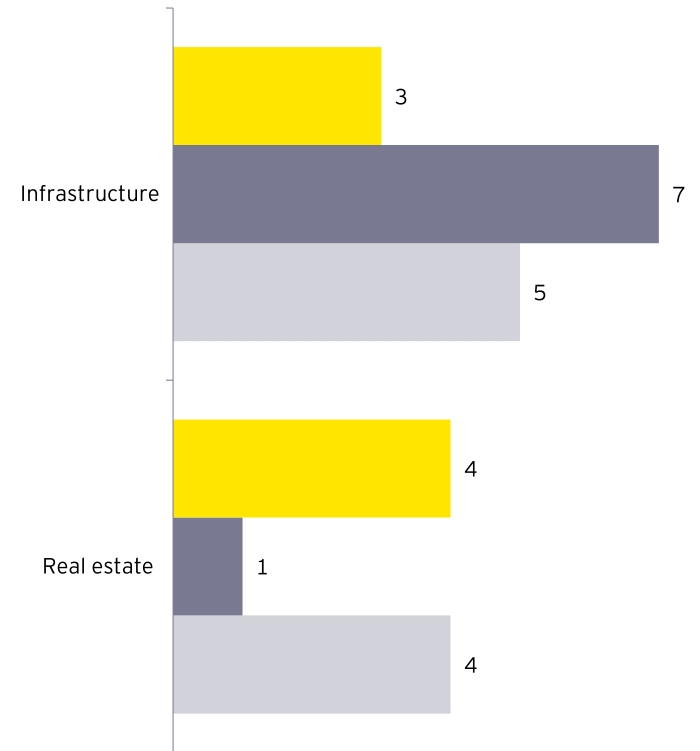
Company	PE investors	Sector	Stage	US\$m	Stake (%)
Trustroot Internet Private Limited (Udaan.com)	DST Global, Lightspeed and others	E-Commerce	Startup	340	17
Jayaswal Neco Industries Limited	Kotak Strategic Situations Fund	Metals and mining	Credit investment	181	NA
GreyOrange Inc.	Anthelion Capital, Mithril Capital, Blume Ventures and Three State Capital	Technology	Growth capital	135	NA
Axis Bank Limited	Goldman Sachs, Morgan Stanley and others	Financial services	PIPE	104	0.25
Jai Balaji Industries Limited	Tata Capital	Metals and mining	Credit investment	67	NA

PE/VC investments in infrastructure and real estate sectors

Top sectors by value (US\$m)

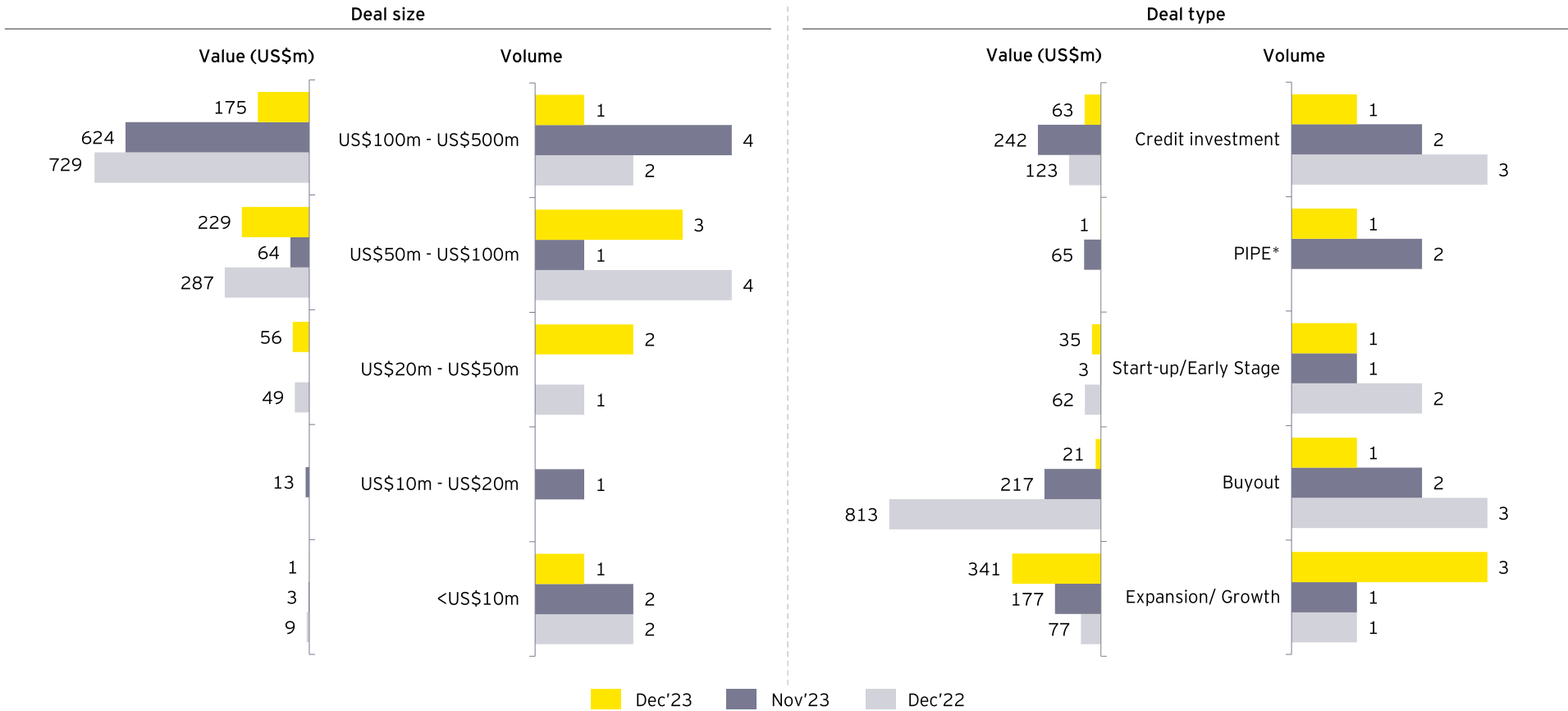


Top sectors by volume



Dec'23 Nov'23 Dec'22

PE/VC investments in infrastructure and real estate sectors



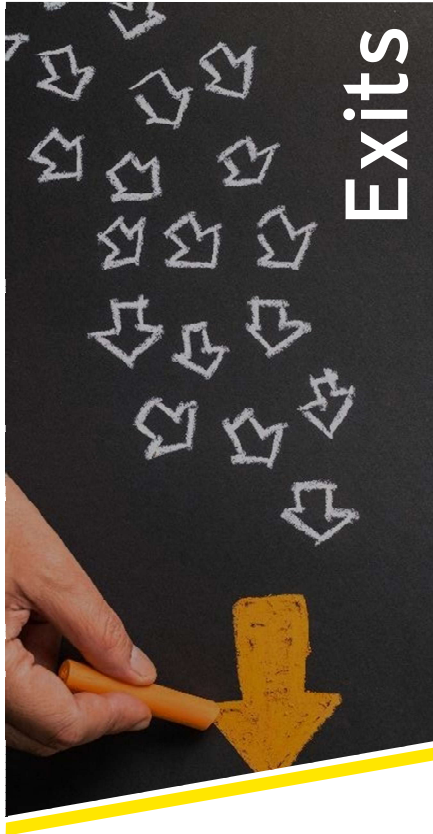
*PIPE: Private investment in public equity

Top *infrastructure* and *real estate* investments

Top infrastructure and real estate investments in December 2023

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Bangalore International Airport Limited	Fairfax	Infrastructure	Growth capital	175	7
1.2 million sq ft logistic hub in JNPA SEZ in Navi Mumbai	Welspun One	Real estate, hospitality and construction	Growth capital	84	NA
GMR Visakhapatnam International Airport Limited	NIIF	Infrastructure	Growth capital	81	NA
Alder Residency Private Limited (10 residential towers in Mumbai)	PAG	Real estate, hospitality and construction	Credit investment	63	NA

Key trends: monthly

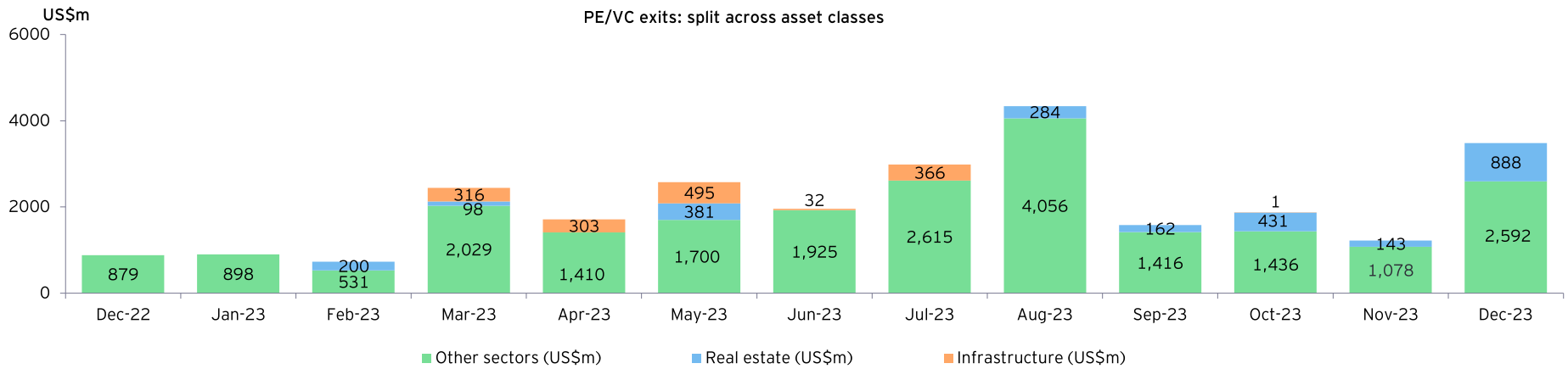
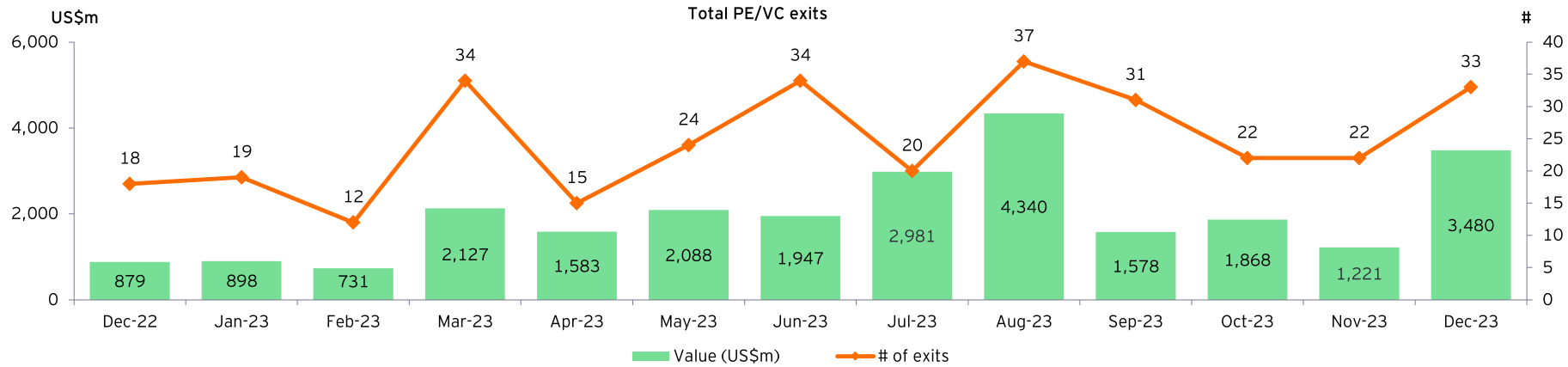


- ▶ December 2023 recorded 33 exits worth US\$3.5 billion, second highest in last two years, compared to US\$879 million in December 2022 across 18 deals.
- ▶ Open market exits were the highest in December 2023 at US\$3.3 billion across 21 deals, accounting for 96% of all exits by value.
- ▶ The largest exit in December 2023 saw Blackstone sell its remaining stake in Embassy Office Parks REIT for US\$851 million.



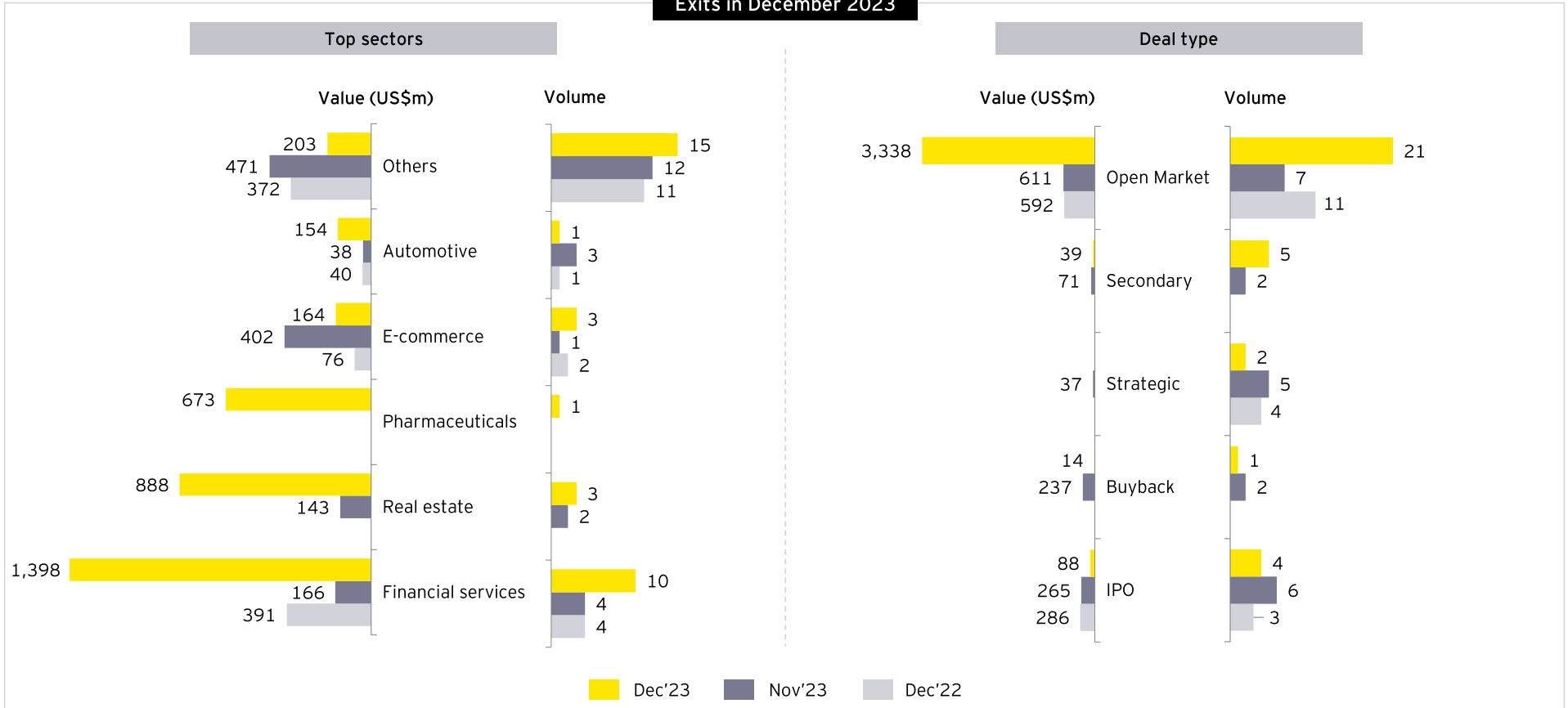
- ▶ December 2023 recorded total fundraises of US\$145 billion lowest in last two years, compared to US\$1.7 billion raised in December 2022 and US\$401 million in November 2023.
- ▶ US\$50 million raised by Asha Ventures Fund I was the largest in November 2023.

PE/VC monthly headline trends: exits



PE/VC monthly headline trends: exits

Exits in December 2023

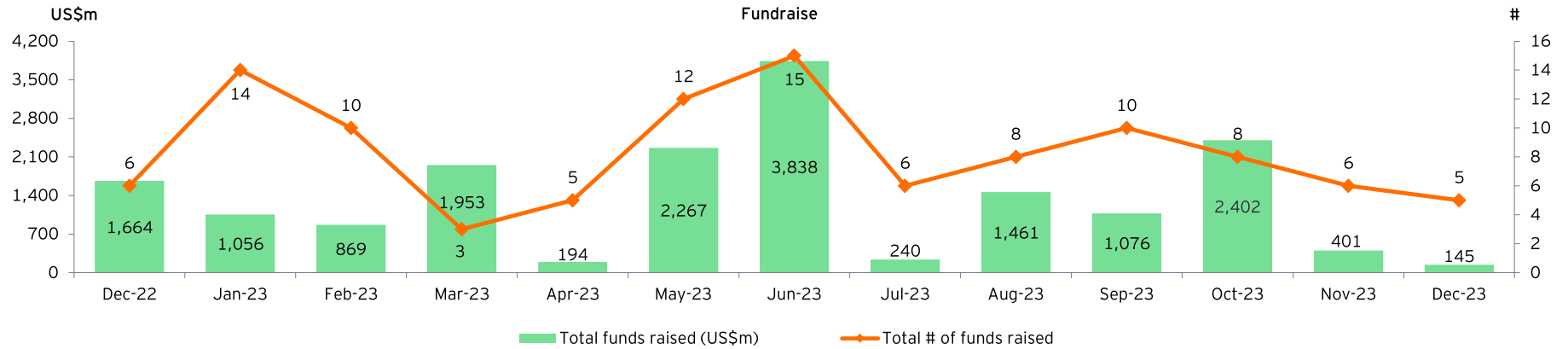


Top exits

Top exits in December 2023

Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Embassy Office Parks REIT	Real estate, hospitality and construction	Blackstone	NA	Open market	851	24
Mankind Pharma Limited	Pharmaceuticals	ChrysCapital, Capital Group	NA	Open market	673	8
Axis Bank Limited	Financial services	Bain Capital	NA	Open market	450	1
Computer Age Management Services Limited	Financial services	Warburg Pincus	NA	Open market	325	20
Five-Star Business Finance Limited	Financial services	TPG, Peak XV Partners and Matrix Partners	NA	Open market	200	8

PE/VC monthly headline trends: fundraise



Fundraise

Top fundraise in December 2023

Status	Fund	PE/VC GP	US\$m	Strategy
Raised	Asha Ventures Fund I	Asha Ventures	50	financial services, agriculture, healthcare, education and climate
Raised	IAN Alpha Fund	IAN Group	43	cleantech, healthtech/bio, fintech, deeptech, spacetech, consumer, agritech, cybersecurity, hardware, robotics, and more
Raised	GEF South Asia Growth Fund III	GEF Capital Partners	25	projects that contribute to transitioning towards a low-carbon and resource-efficient economy

A close-up photograph of two business professionals shaking hands. The person on the left is wearing a dark blue suit jacket, a white shirt, and a silver watch with a black dial. The person on the right is wearing a red long-sleeved shirt with purple and white striped cuffs. In the background, other people in business attire are visible, and a map is partially seen. In the foreground, there are two white coffee cups and a glass of water on a table.

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. 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.

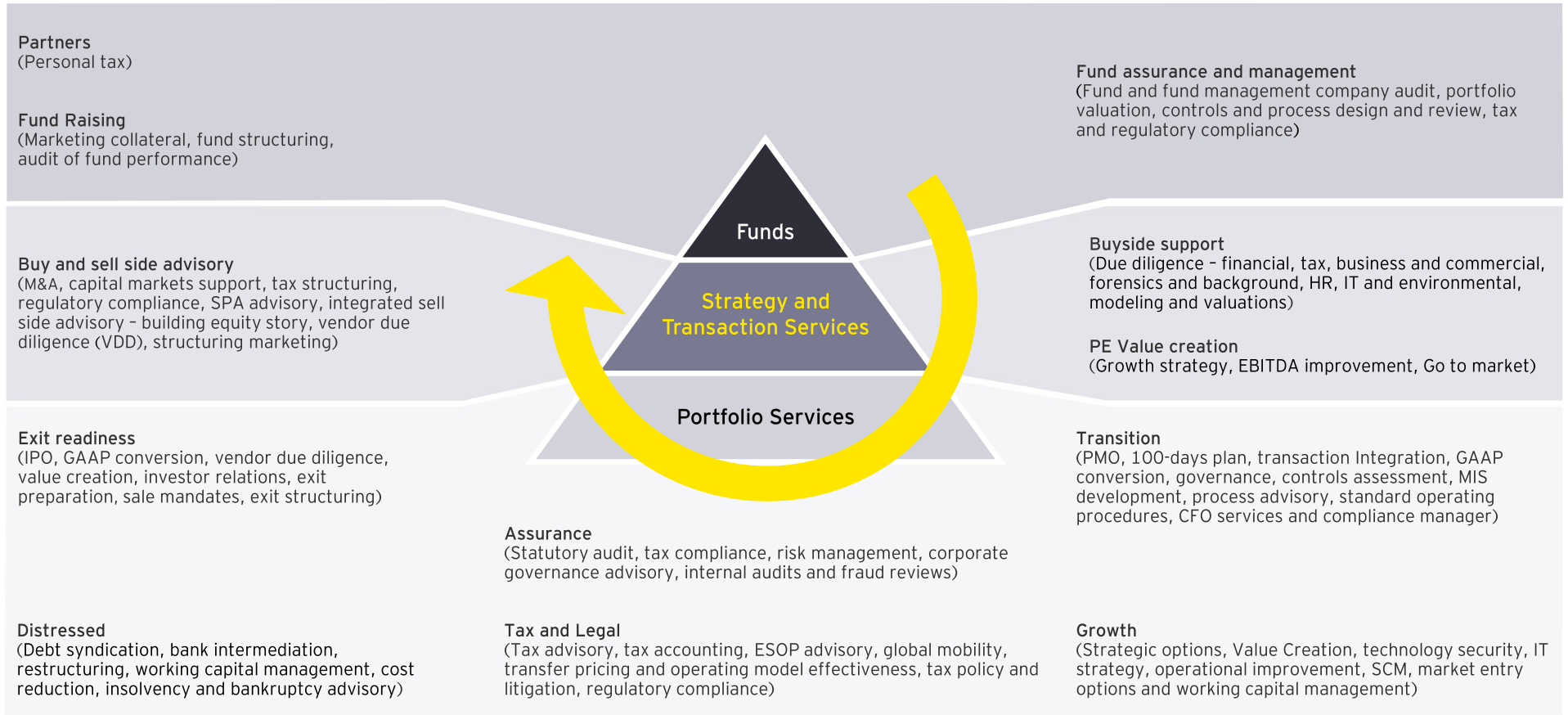
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** for most number of deals

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A nighttime photograph of a city skyline across a body of water, with a prominent cable-stayed bridge in the foreground. The bridge has two tall, illuminated pylons and is lit up with warm lights. The city skyline in the background is filled with numerous lit-up buildings. The sky is a deep blue. In the foreground, there are palm trees and some streetlights.

About IVCA

IVCA

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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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