How can our insight enrich your next deal opportunity?

Learn how we give private equity deal teams the edge they need to thrive in the Transformative Age

The IVCA-EY monthly PE/VC roundup - April 2020

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

As projected, PE/VC deal activity has continued its declining trend in April 2020. Investments, exits and fundraises are at multi-month lows. Barring one US$100m+ deal, few PIPE/open market deals and a couple start-up deals in the food/essential services delivery space, most other segments did not record noteworthy deal activity. As projected, no fresh LP commitments were made towards India-dedicated funds in April.

Though the Indian Government has begun the phasing-out of the lockdown and announced graded relaxation of mobility restrictions, economic activity is far from being back to normal. With major economic centers around the country being classified as ‘red zones’, business activity recovery is expected to take time. We believe PE/VC investors would continue with the ‘wait and watch’ approach as uncertainty around business continuity, sales forecasts, supply chains and valuations persists.

On the positive side, the larger, well capitalized funds have started formulating strategies to take advantage of opportunities and are scouting for investment ideas. The large FDI deals announced by Jio Platforms with Facebook, Silverlake and Vista Partners are expected to boost sentiment as the Who’s Who of Silicon Valley begins to recognize the potential of a digitally connected India.

LP: Limited partner
How does the right edge redefine private equity's boundaries?

Learn how our proprietary deal insights help private equity deal teams thrive in the Transformative Age

Monthly trend analysis - April 2020
Key trends: monthly

Investments

► At US$881 million, April 2020 recorded the third straight month of decline in PE/VC investments in 2020 and the lowest monthly value of deals in 34 months. In terms of value, PE/VC investments in April 2020 declined by 73% y-o-y and 1.9% compared to last month. In terms of volume, deals in April 2020 declined 34% y-o-y and 12% sequentially (65 deals in April 2020 vs. 99 in April 2019 vs. 74 deals in March 2020).

► Like in March 2020, there was only one large deal (value greater than US$100 million) worth US$204 million in April 2020 compared to eight large deals worth US$1.7 billion last year. The largest deal announced in April saw KKR buy out five solar assets of 317 MW capacity from Shapoorji Pallonji Infrastructure for US$204 million.

► In April 2020, all deal types recorded significant decline in value invested on a y-o-y basis. Start-up deals were the highest in value in April 2020 with US$347 million recorded across 44 deals, a decline of 61% y-o-y (US$899 million in April 2019) followed by growth investments worth US$205 million across 14 deals, 59% y-o-y decline (US$505 million in April 2019) and a single buyout worth US$204 million, 76% y-o-y decline (US$865 million in April 2019). Private investment in public equity (PIPE) deals worth US$119 million across four deals were recorded in April 2020 compared to US$588 million across five deals in April 2019.

► From a sector point of view, infrastructure sector (US$208 million across two deals) emerged as the top sector due to the large buyout of solar assets by KKR, followed by financial services (US$168 million across eight deals) which had the large PIPE deal where GIC invested US$99 million in Bandhan Bank and e-commerce (US$145 million across 10 deals) which saw some big investments in the hyperlocal delivery of food/essential services companies - Swiggy and Bigbasket.
Key trends: monthly

Exits

► April 2020 recorded five exits worth US$117 million, lowest value of exits in 41 months and the lowest number of exits in 70 months. On a y-o-y basis exits were down by 91% in value (US$1.3 billion in April 2019) and 89% lower than March 2020 (US$1.1 billion).

► The largest exit in April 2020 saw Carlyle sell its 13% stake in Metropolis Healthcare Limited for US$100 million.

► In April 2020, open market exits were highest at US$117 million across two deals, while the deal value for other deals was not available.

► Healthcare was the top sector in April 2020 on account of the US$100 million exit by Carlyle from Metropolis Healthcare Limited.

Fundraise

► There was no fundraise recorded in April 2020. This is the first time since August 2016 that we are witnessing a month in which Nil India dedicated funds have been raised. There has been a precipitous decline in India dedicated fundraises since US$742 million was raised in January 2020. April 2019 had recorded fundraises worth US$682 million.
PE/VC monthly headline trends: investments

Total PE/VC investments

- **US$m**
  - 99
  - 80
  - 87
  - 100
  - 73
  - 93
  - 89
  - 100
  - 79
  - 83
  - 74
  - 74
  - 65

- **# of deals**
  - Apr-19
  - May-19
  - Jun-19
  - Jul-19
  - Aug-19
  - Sep-19
  - Oct-19
  - Nov-19
  - Dec-19
  - Jan-20
  - Feb-20
  - Mar-20
  - Apr-20

PE/VC investments: split across asset classes

- **PE/VC investments (other sectors) (US$m)**
  - 3,055
  - 1,076
  - 1,323
  - 3,683
  - 4,358
  - 297
  - 803
  - 764
  - 98
  - 1,415
  - 1,120
  - 26

- **Real estate (US$m)**
  - 2,059
  - 1,976
  - 1,926
  - 1,859
  - 1,450
  - 1,145
  - 1,142
  - 26

- **Infrastructure (US$m)**
  - 259
  - 10
  - 10
  - 119
  - 764
  - 1,450
  - 1,142
  - 26

Note: 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 monthly headline trends: exits

**Total PE/VC exits**

<table>
<thead>
<tr>
<th>Month</th>
<th>Value (US$m)</th>
<th># of exits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-19</td>
<td>1,263</td>
<td>16</td>
</tr>
<tr>
<td>May-19</td>
<td>376</td>
<td>10</td>
</tr>
<tr>
<td>Jun-19</td>
<td>1,019</td>
<td>15</td>
</tr>
<tr>
<td>Jul-19</td>
<td>616</td>
<td>9</td>
</tr>
<tr>
<td>Aug-19</td>
<td>680</td>
<td>11</td>
</tr>
<tr>
<td>Sep-19</td>
<td>2,663</td>
<td>18</td>
</tr>
<tr>
<td>Oct-19</td>
<td>960</td>
<td>14</td>
</tr>
<tr>
<td>Nov-19</td>
<td>1,490</td>
<td>19</td>
</tr>
<tr>
<td>Dec-19</td>
<td>864</td>
<td>9</td>
</tr>
<tr>
<td>Jan-20</td>
<td>461</td>
<td>12</td>
</tr>
<tr>
<td>Feb-20</td>
<td>329</td>
<td>16</td>
</tr>
<tr>
<td>Mar-20</td>
<td>1,105</td>
<td>9</td>
</tr>
<tr>
<td>Apr-20</td>
<td>117</td>
<td>5</td>
</tr>
</tbody>
</table>

**PE/VC exits: split across asset classes**

- **Other sectors (US$m)**
- **Real estate (US$m)**
- **Infrastructure (US$m)**

**Note:**
- 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

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PE/VC monthly headline trends: fundraise

- Total funds raised (US$m)
- Total # of funds raised

<table>
<thead>
<tr>
<th>Month</th>
<th>Total funds raised (US$m)</th>
<th>Total # of funds raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-19</td>
<td>682</td>
<td>4</td>
</tr>
<tr>
<td>May-19</td>
<td>1,096</td>
<td>6</td>
</tr>
<tr>
<td>Jun-19</td>
<td>971</td>
<td>5</td>
</tr>
<tr>
<td>Jul-19</td>
<td>545</td>
<td>4</td>
</tr>
<tr>
<td>Aug-19</td>
<td>1,136</td>
<td>4</td>
</tr>
<tr>
<td>Sep-19</td>
<td>654</td>
<td>4</td>
</tr>
<tr>
<td>Oct-19</td>
<td>403</td>
<td>5</td>
</tr>
<tr>
<td>Nov-19</td>
<td>172</td>
<td>3</td>
</tr>
<tr>
<td>Dec-19</td>
<td>3,233</td>
<td>7</td>
</tr>
<tr>
<td>Jan-20</td>
<td>742</td>
<td>4</td>
</tr>
<tr>
<td>Feb-20</td>
<td>603</td>
<td>6</td>
</tr>
<tr>
<td>Mar-20</td>
<td>85</td>
<td>3</td>
</tr>
<tr>
<td>Apr-20</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
PE/VC investments: US$673 million over 63 deals (excluding infrastructure and real estate investments)

**Top sectors by value US$m**
- Financial services: 168
- E-commerce: 145
- Food and agriculture: 94
- Technology: 84
- Healthcare: 72
- Others: 110

**Top sectors by volume**
- Technology: 12
- E-commerce: 10
- Financial services: 8
- Healthcare: 8
- Food and agriculture: 7
- Others: 18

**Deal value US$m (volume)**
- <US$10m: 111 (33)
- US$10m-US$20m: 136 (9)
- US$20m-US$50m: 170 (6)
- US$50m-US$100m: 256 (4)
- >US$100m: 0 (0)

**Deal type US$m (volume)**
- Credit investment: 5 (2)
- Buyout: 0 (0)
- PIPE: 119 (4)
- Start-up/Early stage: 343 (43)
- Growth capital: 205 (14)

Note: Deal value was not disclosed on 11 out of 63 deals in April 2020

PIPE: private investment in public equity
Infrastructure and real estate investments: US$208 million over 2 deals

<table>
<thead>
<tr>
<th>By value US$m</th>
<th>By volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>208</td>
</tr>
<tr>
<td>Real estate</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>2</td>
</tr>
</tbody>
</table>

**Deal value US$m (volume)**

- Real estate: 0
- Infrastructure: 208

**Deal type US$m (volume)**

- Credit investment: 4
- Buyout: 0
- PIPE: 0
- Start-up/Early stage: 4
- Growth capital: 0

PIPE: private investment in public equity

Note: 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.
## Top PE/VC investments

### Top PE/VC investments excluding infrastructure and real estate in April 2020

<table>
<thead>
<tr>
<th>Company/project</th>
<th>PE investors</th>
<th>Sector</th>
<th>Stage</th>
<th>US$m</th>
<th>Stake (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandhan Bank Limited</td>
<td>GIC</td>
<td>Financial services</td>
<td>PIPE</td>
<td>99</td>
<td>4</td>
</tr>
<tr>
<td>Med Genome Labs Limited</td>
<td>Sequoia Capital, Leapfrog Investments and others</td>
<td>Healthcare</td>
<td>Start-up</td>
<td>55</td>
<td>NA</td>
</tr>
<tr>
<td>Supermarket Grocery Supplies Private Limited (Bigbasket)</td>
<td>CDC Group and others</td>
<td>E-commerce</td>
<td>Growth capital</td>
<td>52</td>
<td>NA</td>
</tr>
<tr>
<td>Rebel Foods Private Limited</td>
<td>Coatue Management LLC</td>
<td>Food and agriculture</td>
<td>Growth capital</td>
<td>50</td>
<td>NA</td>
</tr>
<tr>
<td>Bundl Technologies Private Limited (Swiggy)</td>
<td>Tencent, Korea Investment Partners, Samsung Ventures and others</td>
<td>E-commerce</td>
<td>Start-up</td>
<td>43</td>
<td>NA</td>
</tr>
</tbody>
</table>
Top infrastructure and real estate investments in April 2020

<table>
<thead>
<tr>
<th>Company/project</th>
<th>PE investors</th>
<th>Sector</th>
<th>Stage</th>
<th>US$m</th>
<th>Stake (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five solar assets (317 MW) of Shapoorji Pallonji Infrastructure</td>
<td>KKR</td>
<td>Infrastructure</td>
<td>Buyout</td>
<td>204</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: 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: US$117 million across 5 deals in April 2020

Exits in April 2020

Deal type US$m (volume)

- IPO: NA (1)
- Buyback: NA (1)
- Strategic: NA (1)
- Secondary: NA (1)
- Open market: 117 (2)

Deal value US$m (volume)

- Healthcare: 100 (1)
- Financial services: 17 (1)
- Others: NA (3)
## Top exits

### Top exits in April 2020

<table>
<thead>
<tr>
<th>Company/project</th>
<th>Sector</th>
<th>Sellers</th>
<th>Buyer</th>
<th>Exit type</th>
<th>US$m</th>
<th>Stake (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolis Healthcare Limited</td>
<td>Healthcare</td>
<td>Carlyle</td>
<td>NA</td>
<td>Open market</td>
<td>100</td>
<td>13</td>
</tr>
<tr>
<td>Ujjivan Financial Services Limited</td>
<td>Financial services</td>
<td>CX Partners, NewQuest capital</td>
<td>NA</td>
<td>Open market</td>
<td>17</td>
<td>3</td>
</tr>
</tbody>
</table>
## Fundraise

### Top fundraises/announcements in April 2020

<table>
<thead>
<tr>
<th>Status</th>
<th>Fund</th>
<th>US$m</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Announced</td>
<td>Motilal Oswal - India Realty Excellence Fund IV (IREF IV)</td>
<td>155</td>
<td>Housing and commercial projects</td>
</tr>
</tbody>
</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. 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.
We offer an array of services to Private Equity funds and their portfolio/investee companies through our various service lines.

**Funds**
- **Fund assurance and management**
  - Fund and fund management company audit, portfolio valuation, controls and process design and review, tax and regulatory compliance

**Transaction Advisory Services**
- **Buy and sell side advisory**
  - M&A, capital markets support, tax structuring, regulatory compliance, SPA advisory, integrated sell side advisory - building equity story, vendor due diligence (VDD), structuring marketing
- **Partners**
  - Personal tax

**Portfolio Services**
- **Exit readiness**
  - IPO, GAAP conversion, vendor due diligence, value creation, investor relations, exit preparation, sale mandates, exit structuring
- **Distressed**
  - Debt syndication, bank intermediation, restructuring, working capital management, cost reduction, insolvency and bankruptcy advisory
- **Tax and Legal**
  - Tax advisory, tax accounting, ESOP advisory, global mobility, transfer pricing and operating model effectiveness, tax policy and litigation, regulatory compliance

**Assurance**
- Statutory audit, tax compliance, risk management, corporate governance advisory, internal audits and fraud reviews

**Growth**
- Strategic options, technology security, IT strategy, operational improvement, SCM, market entry options and working capital management

**Transition**
- PMO, 100-days plan, transaction Integration, GAAP conversion, governance, controls assessment, MIS development, process advisory, standard operating procedures, CFO services and compliance manager

**Buyside support**
- Due diligence - financial, tax, business and commercial, forensics and background, HR, IT and environmental, modeling and valuations

**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.
About EY
EY is a global leader in assurance, tax, transaction and advisory 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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About IVCA
IVCA
About IVCA
The Indian Private Equity & Venture Capital Association (IVCA), is the apex body promoting the Alternative Investment Funds (AIFs) in India and promotes stable, long-term capital flow (Private Equity (PE), Venture Capital (VC) and Angel Capital) in India.

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

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

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