

In today's frenetic world, how does private equity set the pace?

Learn how EY helps private equity professionals thrive in the transformative age

IVCA-EY PE/VC Roundup

ENTER

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

IVCA
IVC ASSOCIATION

PROMOTING ALTERNATE CAPITAL ECOSYSTEM

EY

Building a better
working world

Foreword and outlook



Vivek Soni

Partner and National Leader
Private Equity Services, EY India

“ 1Q2024 recorded US\$13.5 billion in PE/VC investments, 1% lower than the investments in 1Q2023 but 41% higher than 4Q2023. The number of deals in 1Q2024 was higher by 33% y-o-y.

“ While the pure play PE/VC investments in 1Q2024 (US\$6 billion) declined by 15% compared to 4Q2023 (US\$7.1 billion), real estate and infrastructure asset class saw a growth of 202% (US\$7.5 billion in 1Q2024 vs. US\$2.5 billion in 4Q2023) mainly due to investments in ATC India Tower Corporation (US\$2 billion), 12 road projects (US\$1.1 billion) and Sael Limited (US\$1 billion) in 1Q2024. Compared to 1Q2023, pure play PE/VC investments are up by 5% (US\$5.8 billion in 1Q2023) and real estate and infrastructure investments declined by 5% (US\$7.8 billion in 1Q2023).

“ Buyout investments were the highest deal type in 1Q2024 at US\$4.5 billion, followed by growth investments at US\$3.6 billion. From a sector point of view, infrastructure was the top sector in 1Q2024, recording US\$6.5 billion followed by financial services (US\$1.5 billion).

“ PE/VC exits were at US\$5.1 billion across 80 deals in 1Q2024, a 35% increase y-o-y. (US\$3.8 billion in 1Q2023). Open market exits in 1Q2024 accounted for 84% of all exits by value (US\$4.3 billion).

“ Financial services sector has been one of the most favored sectors for PE/VC investors, accounting for 16% of the total PE/VC investments made during the last decade (January 2014 to March 2024). The sector's increased appeal to PE/VC firms can be attributed to the profound impact of digital transformation and technology-driven innovations, especially in the start-up space. FinTech and NBFC segments have attracted noteworthy PE/VC investments within the sector. Please see our Spotlight section for more details.

“ While the Indian macro is flashing positive signals in terms of increased GST and advance tax collections, capital market highs, good real growth notwithstanding sustained interest rates etc., we think investors will remain cautious considering the impending Indian elections and increased geopolitical uncertainty in the Middle East. Any broadening of the twin conflicts currently underway can significantly impact global commodity prices, which will have a negative impact on inflation around the world in general and the Indian economy in particular. We believe the markets and PE/VC investment activity will be rangebound till clarity emerges on election results and the risk of escalation in the geopolitical conflicts eases down.



Agenda

1

Quarterly trend analysis: 1Q2024

2

Monthly trend analysis: March 2024

3

Spotlight: PE/VC investment trend in the financial services sector

01

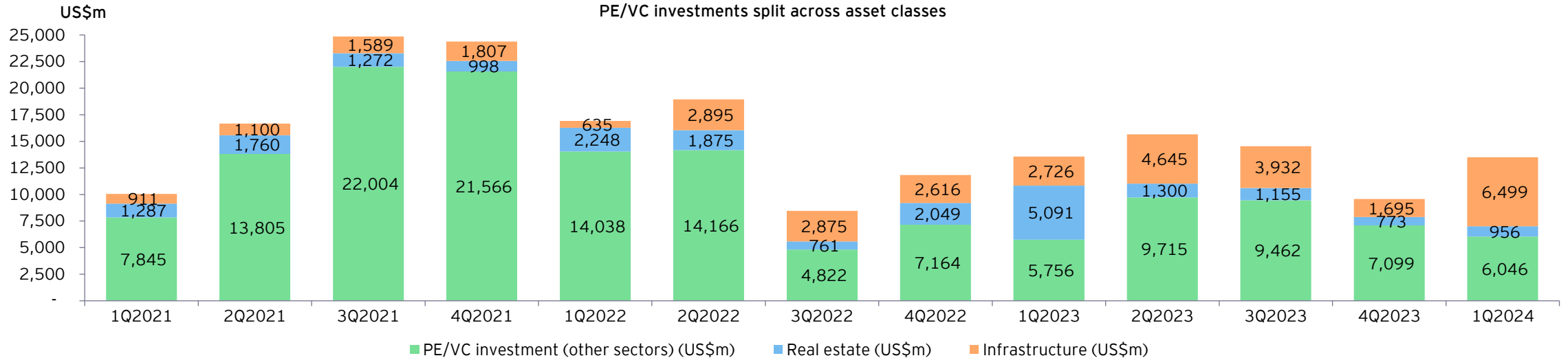
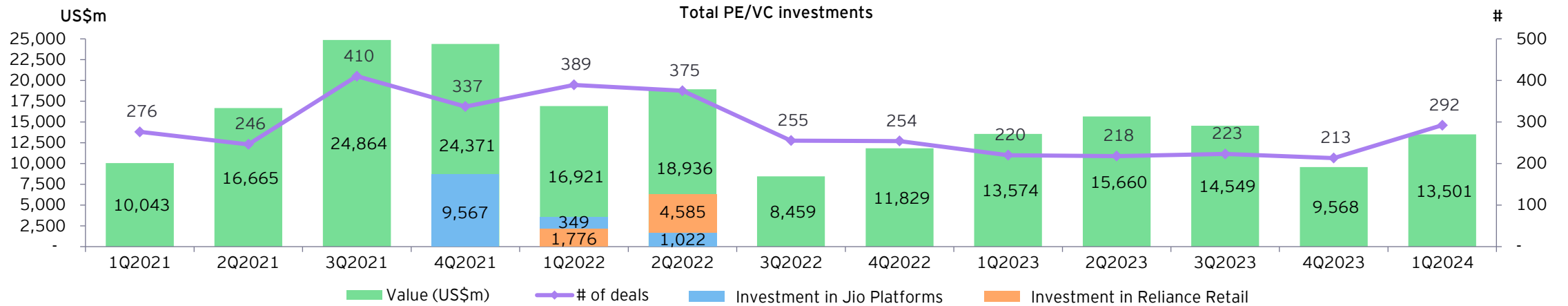
Quarterly trend analysis:
1Q2024

Key trends: quarterly



- ▶ PE/VC investments in 1Q24 were 1% lower than 1Q23 and 41% higher than 4Q23 (US\$13.5 billion in 1Q24 vs. US\$13.6 billion in 1Q23 and US\$9.6 billion in 4Q23). In terms of the number of deals, 1Q24 recorded 33% growth compared to 1Q23 (292 deals in 1Q24 vs. 220 deals in 1Q23).
- ▶ 1Q24 recorded 29 large deals (deals of value greater than US\$100 million) aggregating to US\$10.1 billion compared to 32 large deals aggregating to US\$10.9 billion in 1Q23 and 53% higher compared to 4Q23 (US\$6.6 billion across 25 deals).
- ▶ Pure pay PE/VC investments (i.e., excluding investments in real estate and infrastructure) recorded US\$6 billion, 5% higher than the value recorded in 1Q23 (US\$5.8 billion), and a 15% decline compared to 4Q23 (US\$7.1 billion). Pure play PE/VC investments accounted for 45% of all PE/VC investments in 1Q24. The largest deal in 1Q24 in pure play PE/VC investments includes GQG Partners, ADIA, Goldman Sachs and others investing US\$711 million into Bharti Airtel Limited.
- ▶ Buyouts were the highest deal segment in 1Q24 (US\$4.5 billion across 10 deals) and recorded a growth of 39% compared to 1Q23 (US\$3.2 billion across 16 deals). Growth investments were the second highest in 1Q24 (US\$3.6 billion across 40 deals), a decline by 16% compared to 1Q23 (US\$4.2 billion across 26 deals). Private investment in public equity (PIPE) followed at US\$2.7 billion across 51 deals, an 8% decline y-o-y (US\$2.9 billion across 19 deals in 1Q23). Start-up investments recorded US\$1.7 billion across 152 deals, a decline of 26% (US\$2.3 billion across 137 deals in 1Q23). Credit investments had the lowest share in 1Q24 (US\$1.1 billion across 39 deals) which were 17% higher than 1Q23 (US\$957 million across 22 deals).
- ▶ The infrastructure sector received the maximum PE/VC investments in 1Q24 (US\$6.5 billion across 23 deals) and it grew by 138% y-o-y (US\$2.7 billion across 14 deals). Brookfield's investment of US\$2 billion in ATC India Tower Corporation Private Limited was the largest deal in infrastructure space in 1Q24. The financial services sector was the second largest in 1Q24 (US\$1.5 billion across 48 deals), it declined by 4% compared to 1Q23 (US\$1.5 billion across 43 deals). Real estate secured the third rank recording US\$956 million across 19 deals, a decline of 81% y-o-y (US\$5.1 billion across 17 deals in 1Q23). These sectors collectively contributed 66% of the total PE/VC investments in 1Q24.

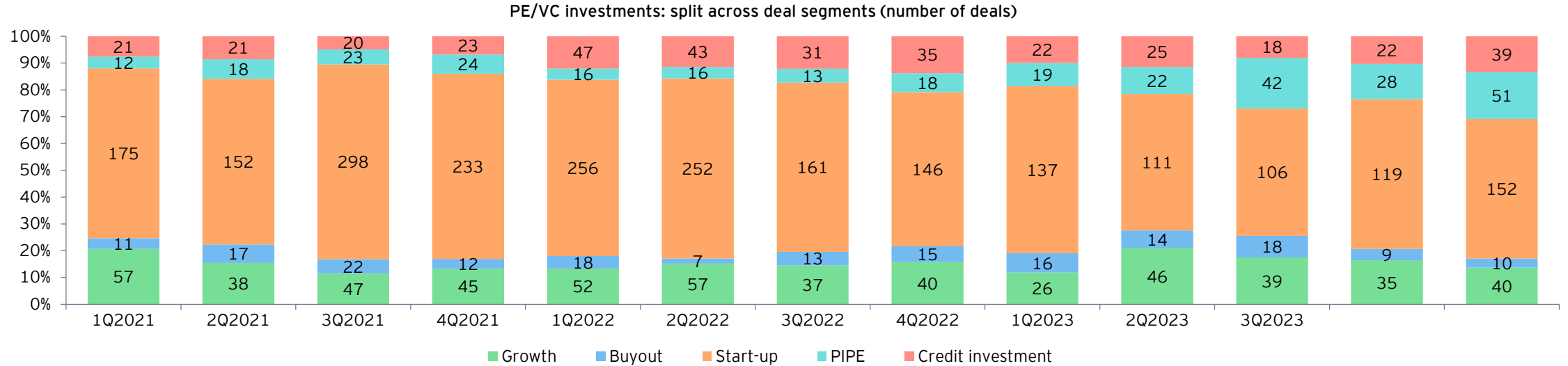
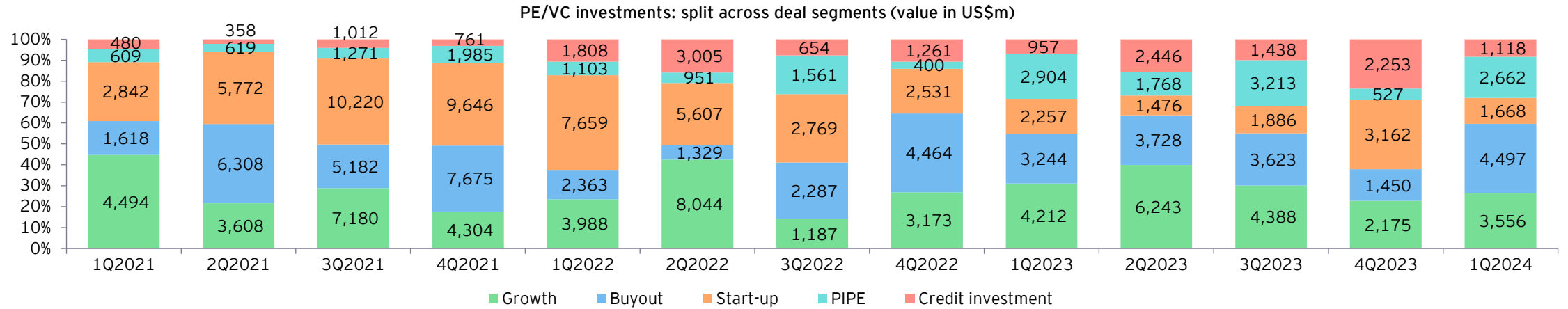
PE/VC quarterly headline trends: investments



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

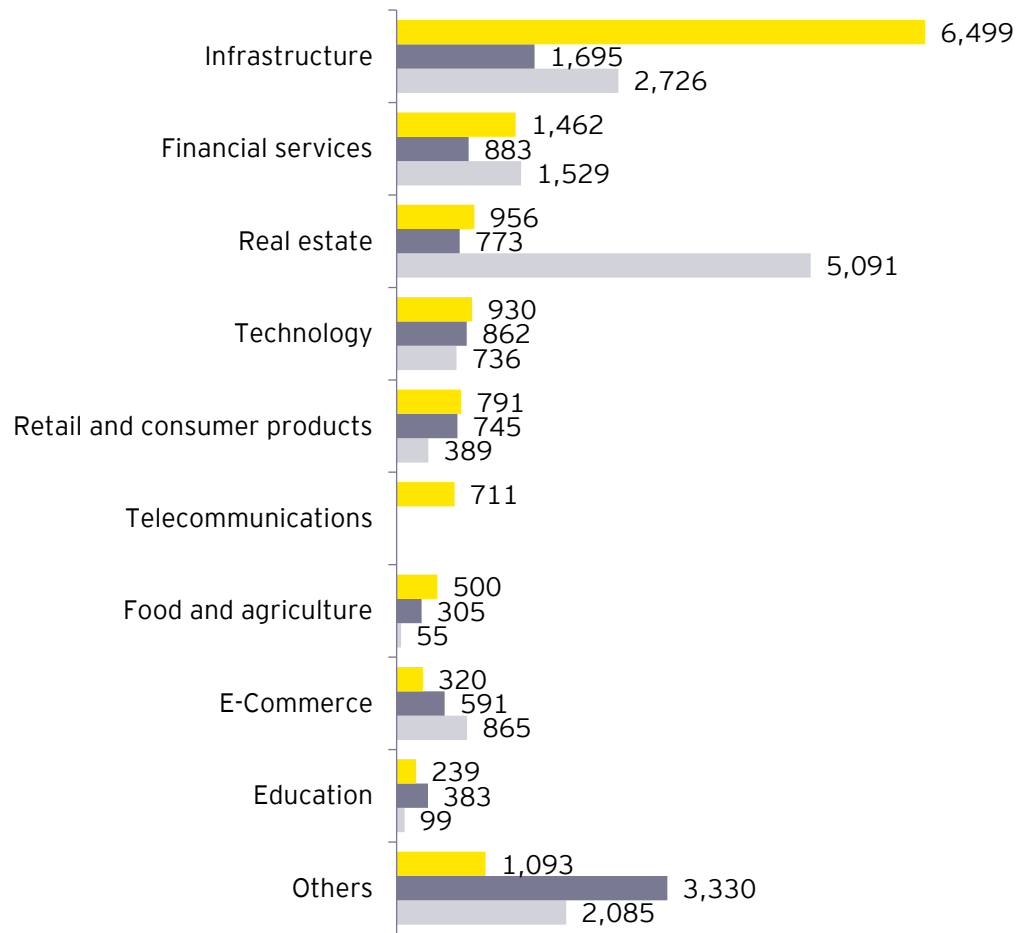
Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

PE/VC quarterly headline trends: investments

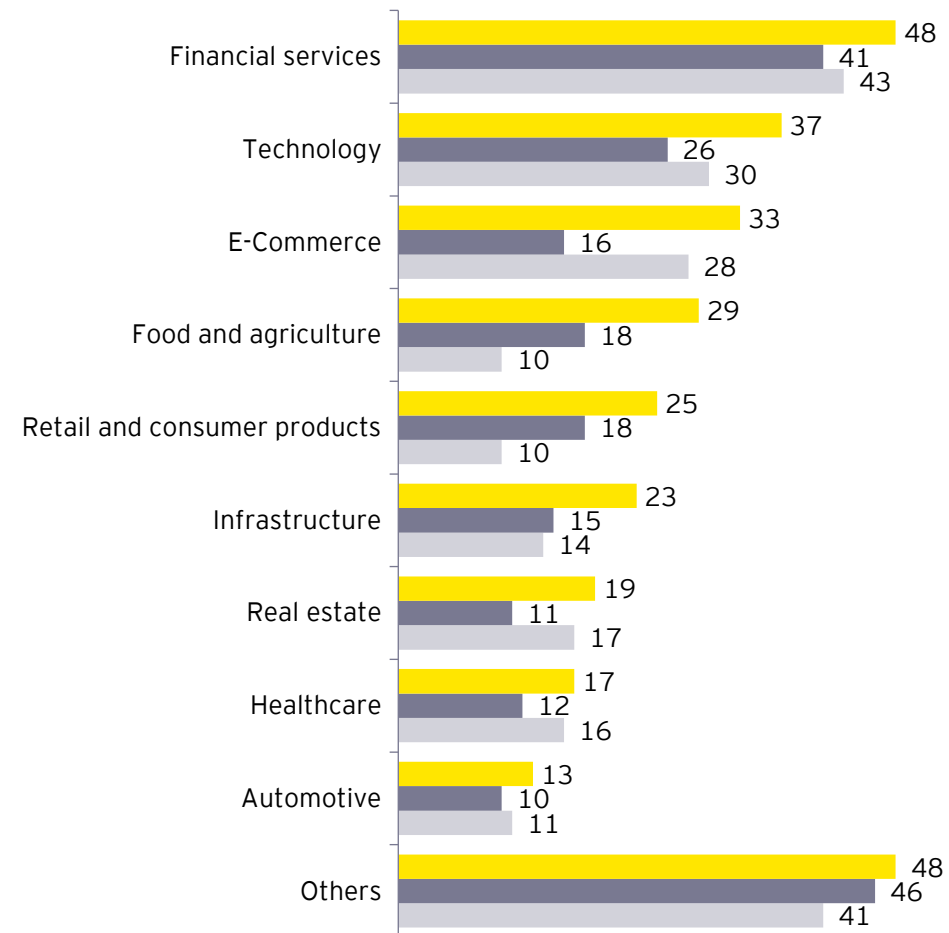


Investments: sector-wise

Top sectors by value (US\$m)



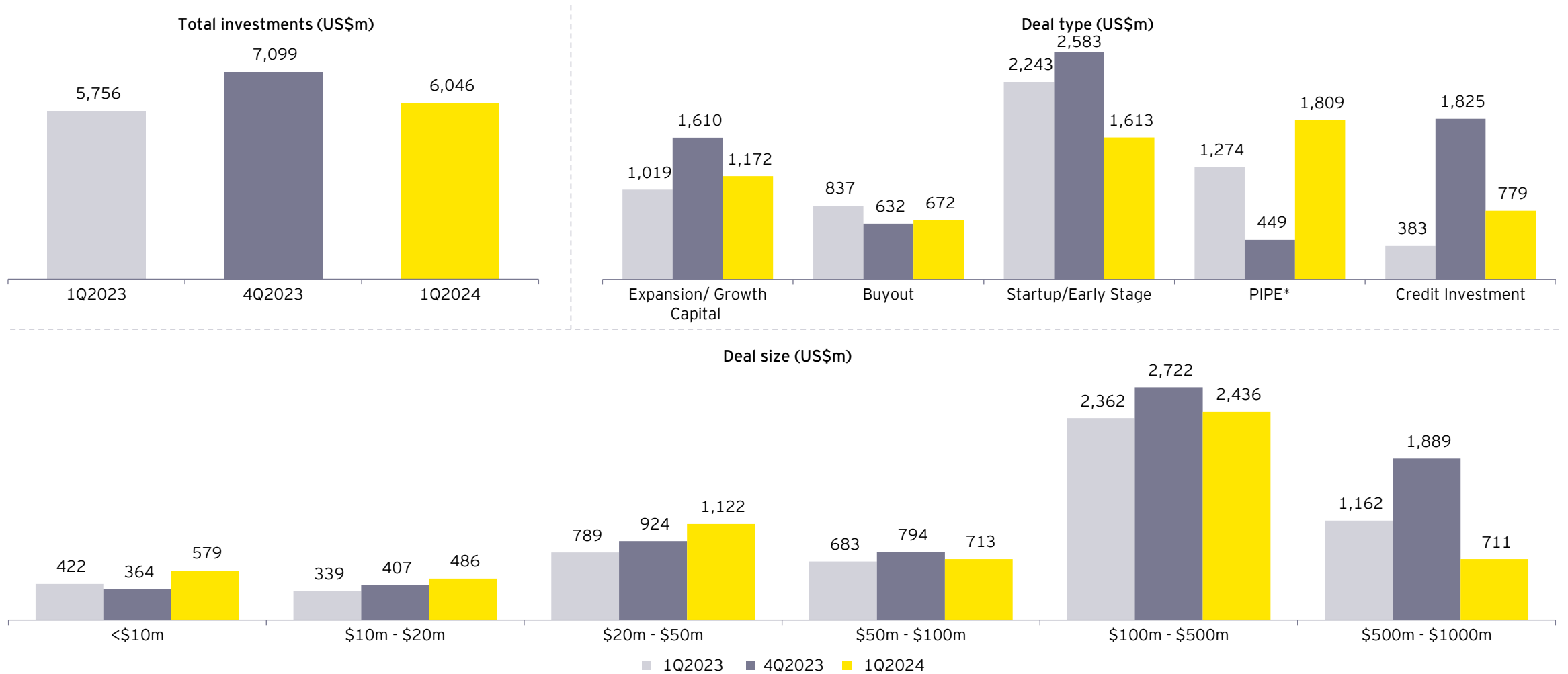
Top sectors by # of deals



1Q2023 4Q2023 1Q2024

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

Page 1 of 2

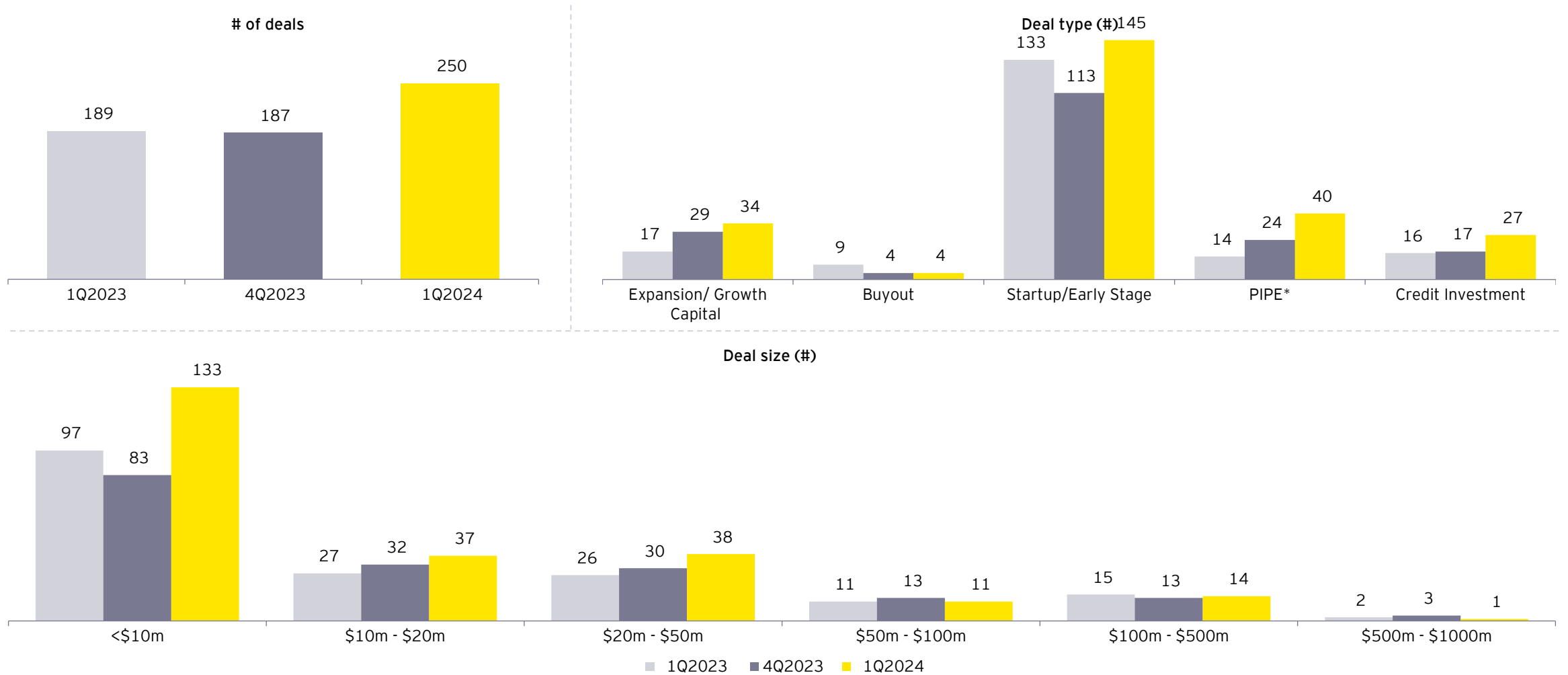


* PIPE: Private investment in public equity

Note: Deal value not available on 11 deals in 1Q2023, 13 deals in 4Q2023 and 13 deals in 1Q2024

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

Page 2 of 2



* PIPE: Private investment in public equity

Note: Deal value not available on 11 deals in 1Q2023, 13 deals in 4Q2023 and 16 deals in 1Q2024

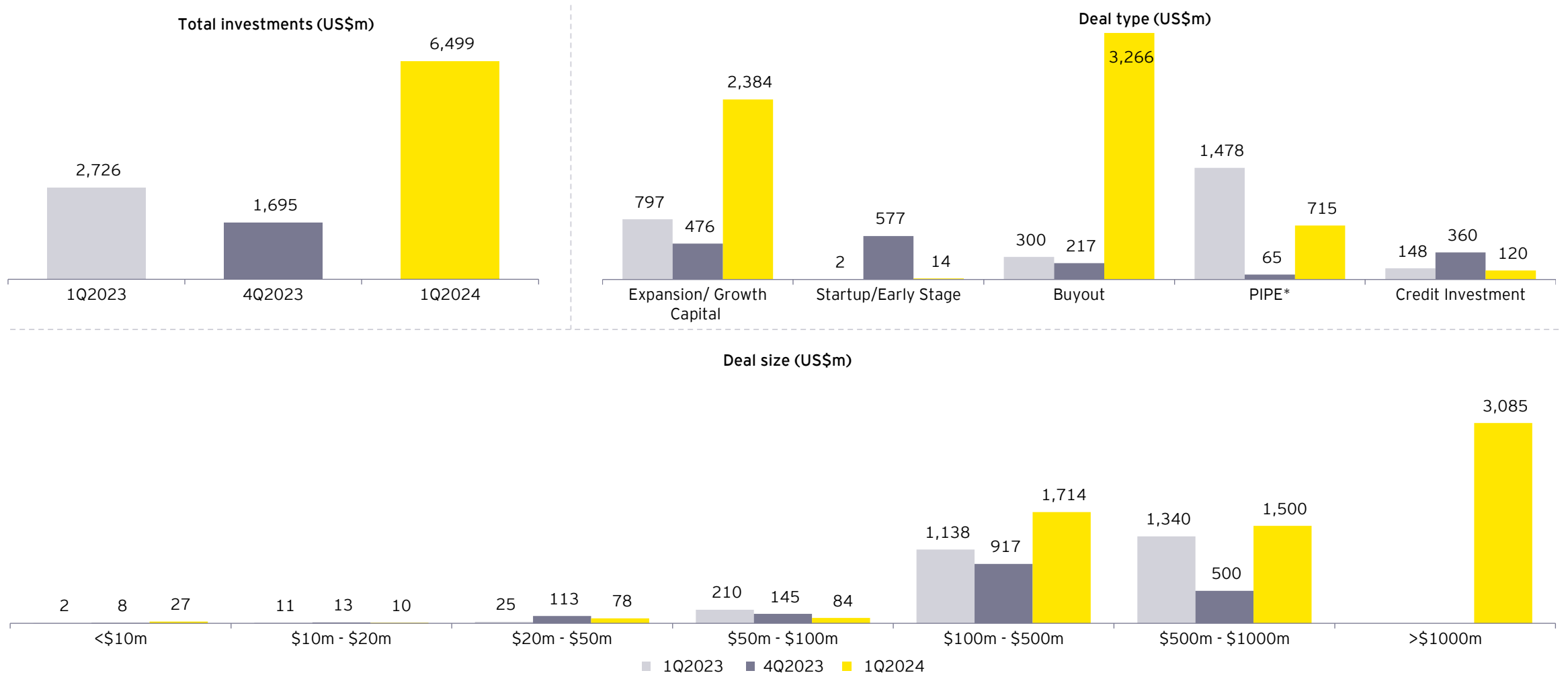
Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in 1Q2024

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Bharti Airtel Limited	GQG, ADIA, Goldman Sachs and others	Telecommunications	PIPE	711	0.8
ITC Limited	GIC and Kuwait Investment Authority	Retail and consumer products	PIPE	447	0.7
Svatantra Microfin Private Limited	Advent and Multiples	Financial services	Growth	233	NA
IBus Network and Infrastructure Private Limited	NIIF	Technology	Buyout	200	NA
Think and Learn Private Limited (Byju's)	Rights Issue	Education	Buyout	200	90.9
IIFL Finance Limited	Fairfax	Financial services	Credit	200	NA
SK Finance Limited	Norwest, TPG, Baring Private Equity India, MOPE and others	Financial services	Growth	160	NA
Grasim Industries Limited	IFC	Retail and consumer products	Credit	150	NA
Kore.ai Software Private Limited	FTV Capital, Vistara Growth, Sweetwater PE and others	Technology	Growth	150	NA
Dairy Classic Ice Creams Private Limited (Dairy Day)	Kedaara	Food and agriculture	Buyout	150	NA

Investments: *infrastructure*

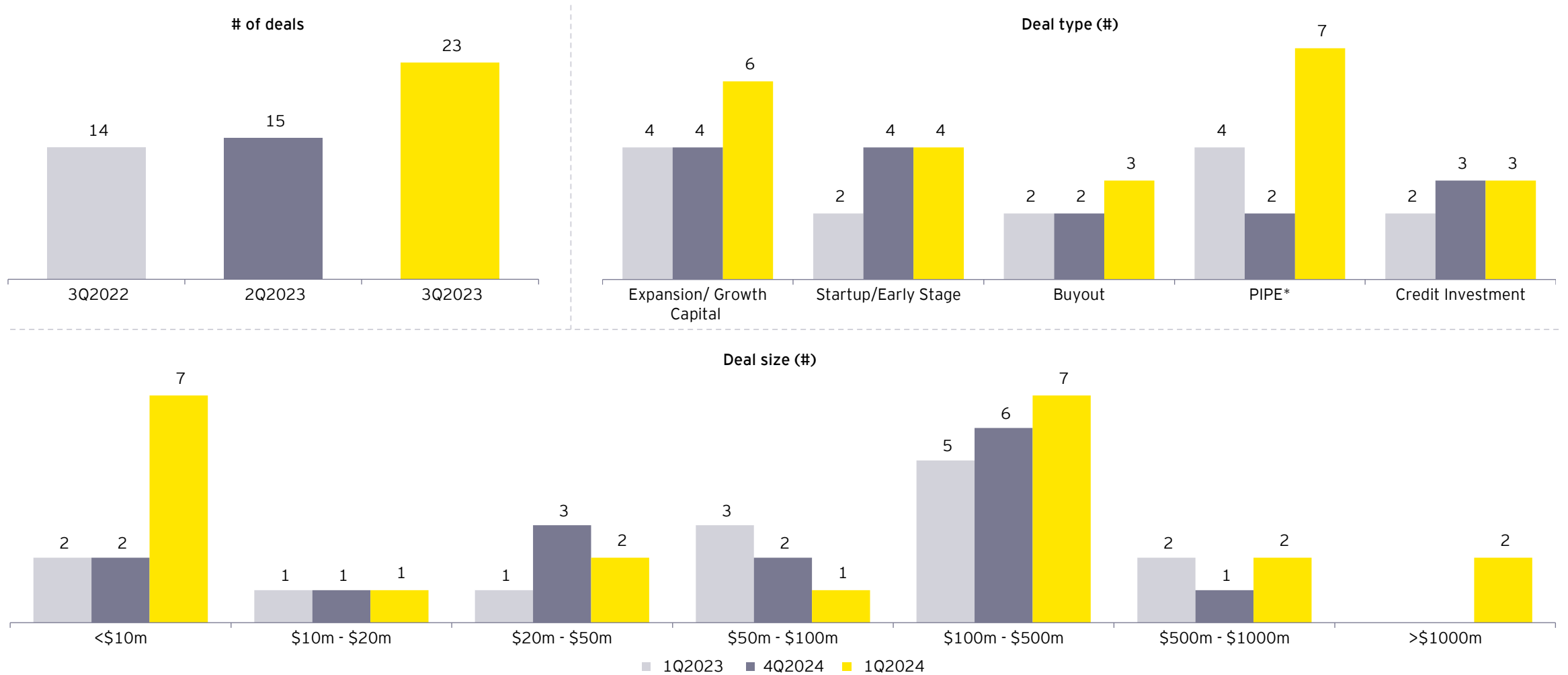
Page 1 of 2



* PIPE: Private investment in public equity
 Note: Deal value not available for 1 deal in 1Q2024

Investments: *infrastructure*

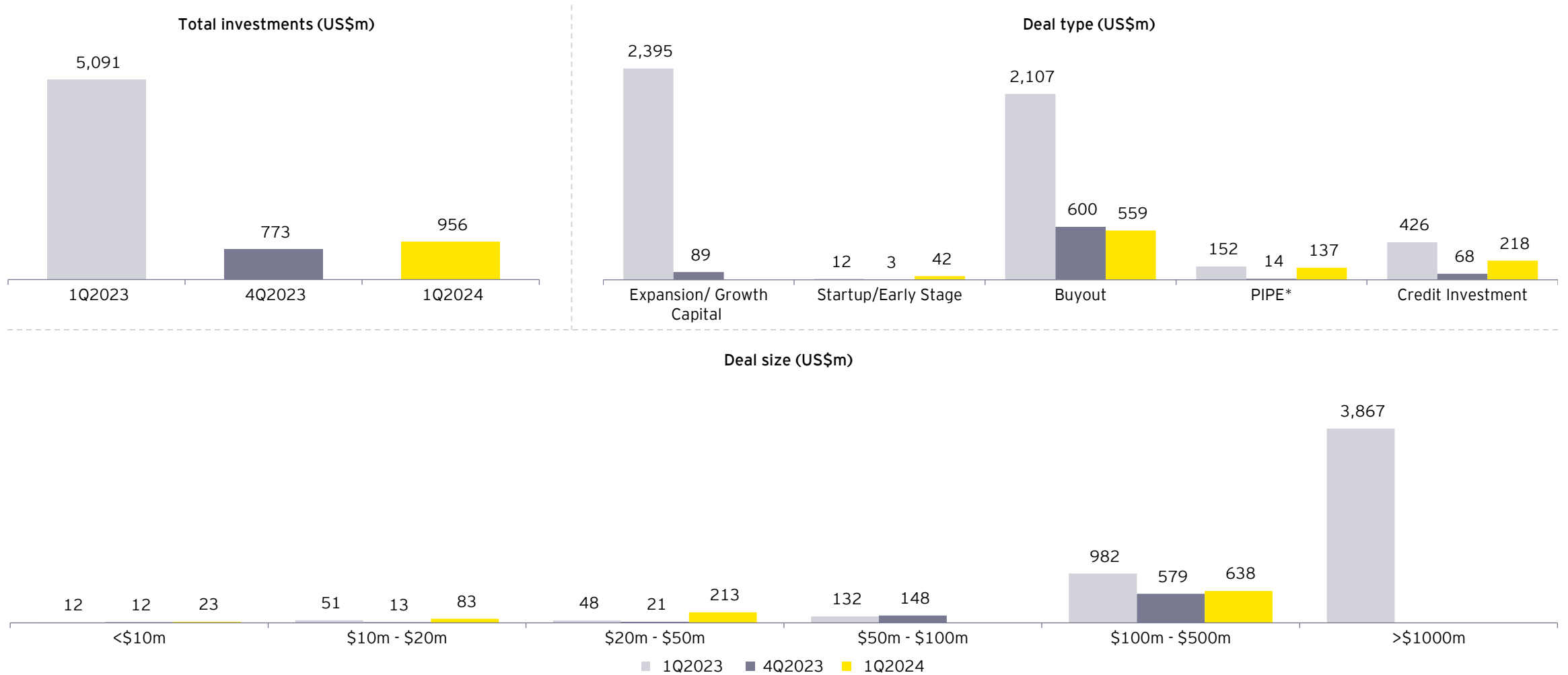
Page 2 of 2



* PIPE: Private investment in public equity
 Note: Deal value not available for one deal in 1Q2024

Investments: *real estate*

Page 1 of 2

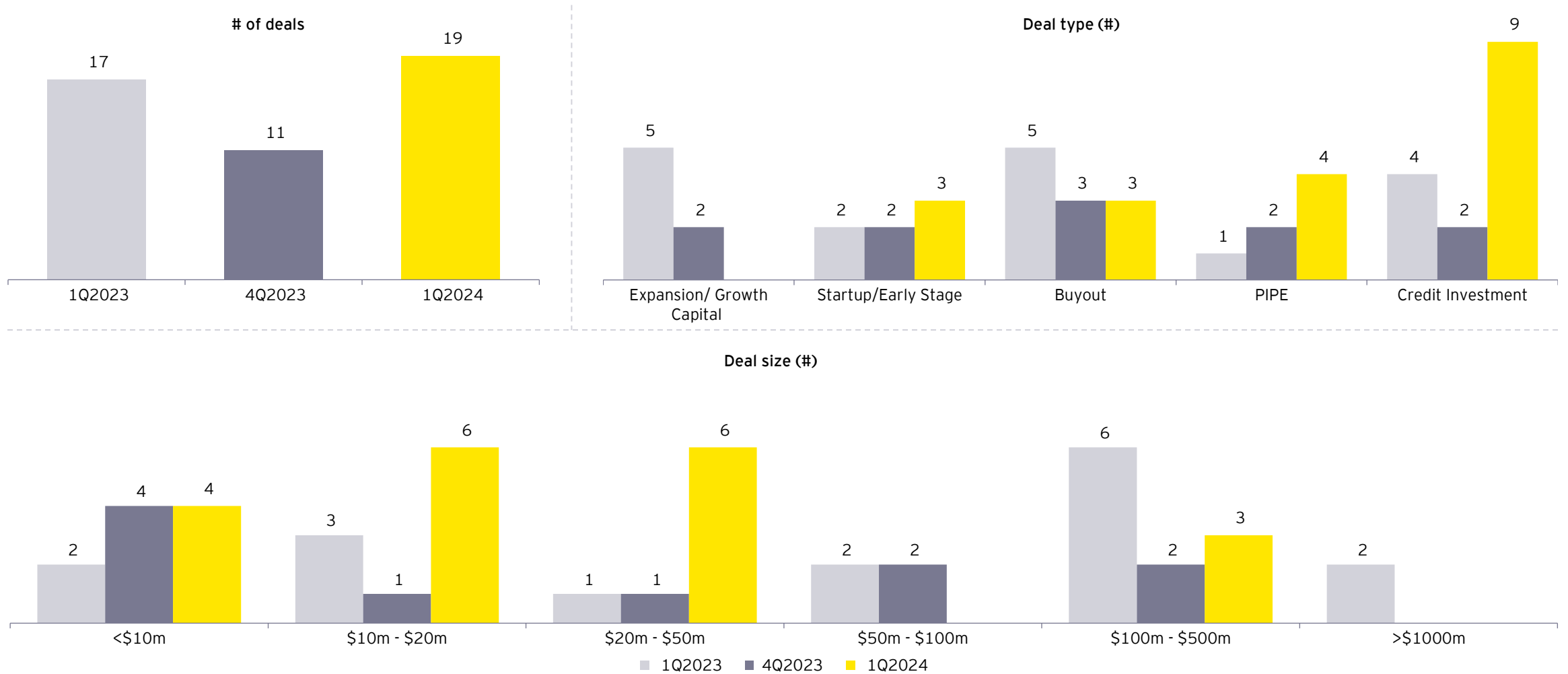


* PIPE: Private investment in public equity

Note: Deal value not available on one deal in 1Q2023 and 4Q2023

Investments: *real estate*

Page 2 of 2



* PIPE: Private investment in public equity

Note: Deal value not available on one deal in 1Q2023 and 4Q2023

Top PE/VC investments

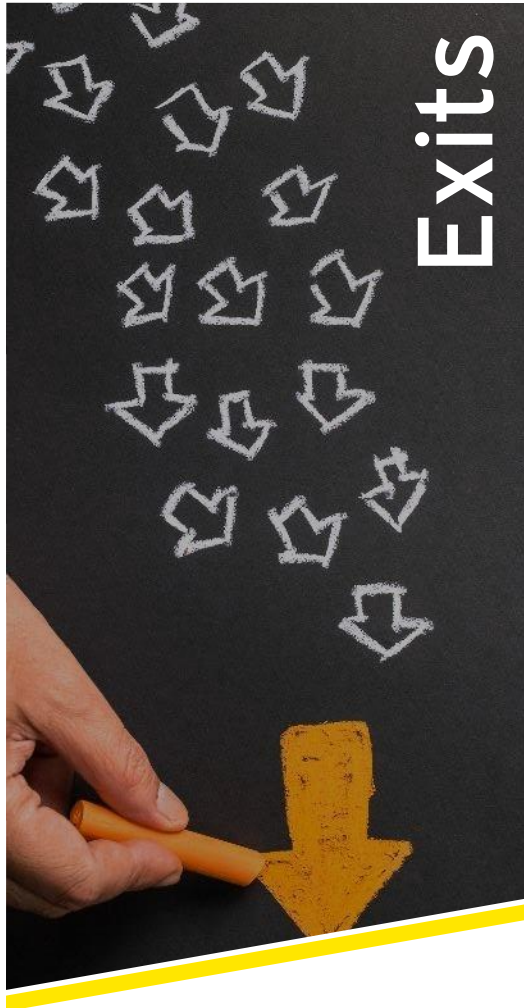
Top infrastructure and real estate investments in 1Q2024

Company	PE investors	Sector	Stage	US\$m	Stake (%)
ATC India Tower Corporation Private Limited	Data Infrastructure Trust (Brookfield)	Infrastructure	Buyout	2,000	100
12 road projects	Highways Infrastructure Trust (KKR InvIT)	Infrastructure	Buyout	1,085	100
Sael Limited	Norfund, Tata Cleantech Capital, US DFC and others	Infrastructure	Growth	1,000	NA
Sterlite Grid 32 Limited (Sterlite GIC JV)	GIC	Infrastructure	Growth	500	49
National Highway Infra Trust (NHAI InvIT)	CPPIB, OTPP	Infrastructure	Growth	438	NA
Mahindra Susten Private Limited	OTPP	Infrastructure	Growth	428	NA
Hyderabad Next Galleria Malls (3 malls in Hyderabad)	Nexus Select Trust (Blackstone)	Real estate	Buyout	350	100
Adani Green Energy Limited	Ardour Investment Holding	Infrastructure	PIPE	282	4
Patel Infrastructure Limited, Four Hybrid Annuity Model Portfolio	Actis	Infrastructure	Buyout	181	100
MFAR Developers' 1.21million sq ft IT park in Bengaluru	Edelweiss Alternatives	Real estate	Buyout	177	100

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

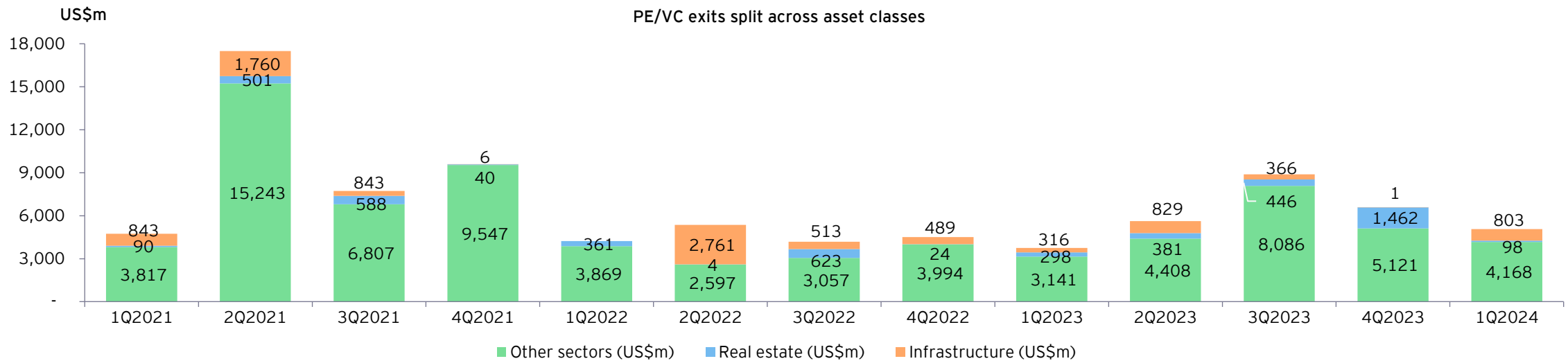
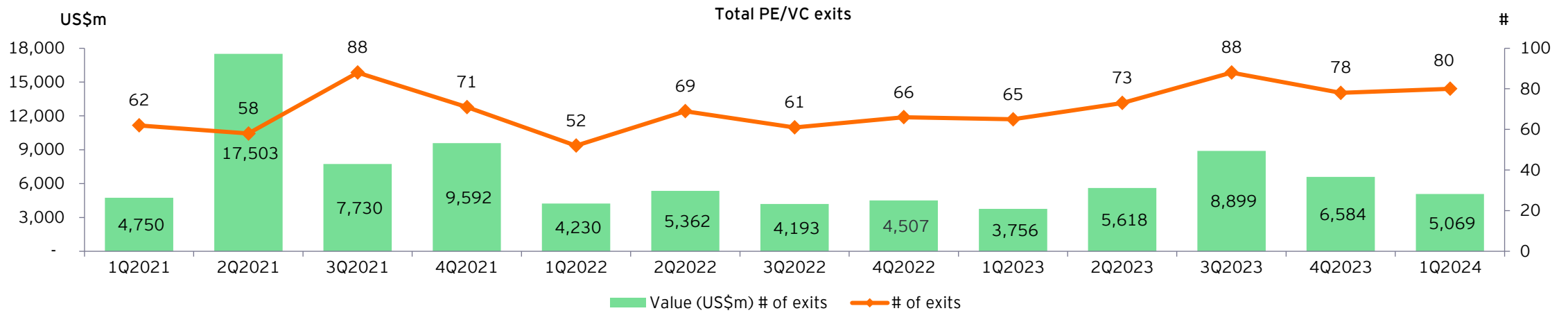
Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

Key trends: quarterly



- ▶ 1Q24 recorded exits worth US\$5.1 billion, 35% higher than the value in 1Q23 (US\$3.8 billion) and 23% lower compared to 4Q23 (US\$6.6 billion). In terms of number of exits, there was a 23% growth, with 1Q24 recording 80 exits vs. 65 exits in 1Q23 and a 3% growth compared to 78 exits in 4Q23.
- ▶ In 1Q24, open market exits were the highest, with US\$4.3 billion recorded across 46 deals with a 105% growth y-o-y (US\$2.1 billion across 19 deals in 1Q23). Strategic exits were the second highest, with US\$460 million recorded across 13 deals, a decline of 4% compared to 1Q23 (US\$481million across 26 deals). PE-backed IPO exits worth US\$271 million (across 11 exits) were 539% higher than 1Q23 (US\$42million across two PE-backed IPO exits), followed by secondary exits recording US\$59 million across 10 deals, a significant drop of 95% compared to 1Q23 (US\$1.1 billion across 17 deals).
- ▶ The largest exits in 1Q24 saw Brookfield exiting from Data Infrastructure Trust for US\$801 million.
- ▶ From a sector perspective, the financial services sector recorded the highest value of exits at US\$1.4 billion across 17 deals in 1Q24, followed by the infrastructure sector with exits worth US\$803 million across six deals. Food and agriculture secured the third rank with exits worth US\$517 million across eight deals.

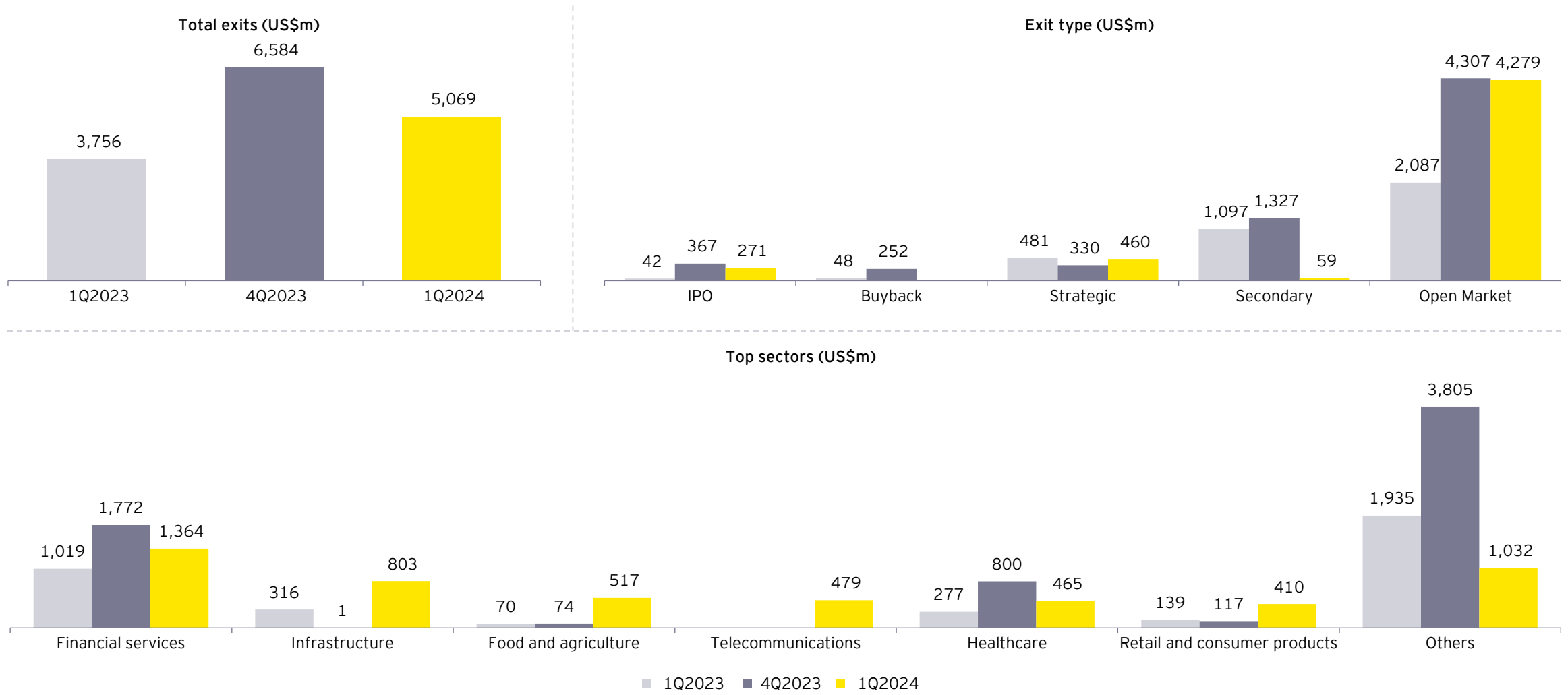
PE/VC quarterly headline trends: exits



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

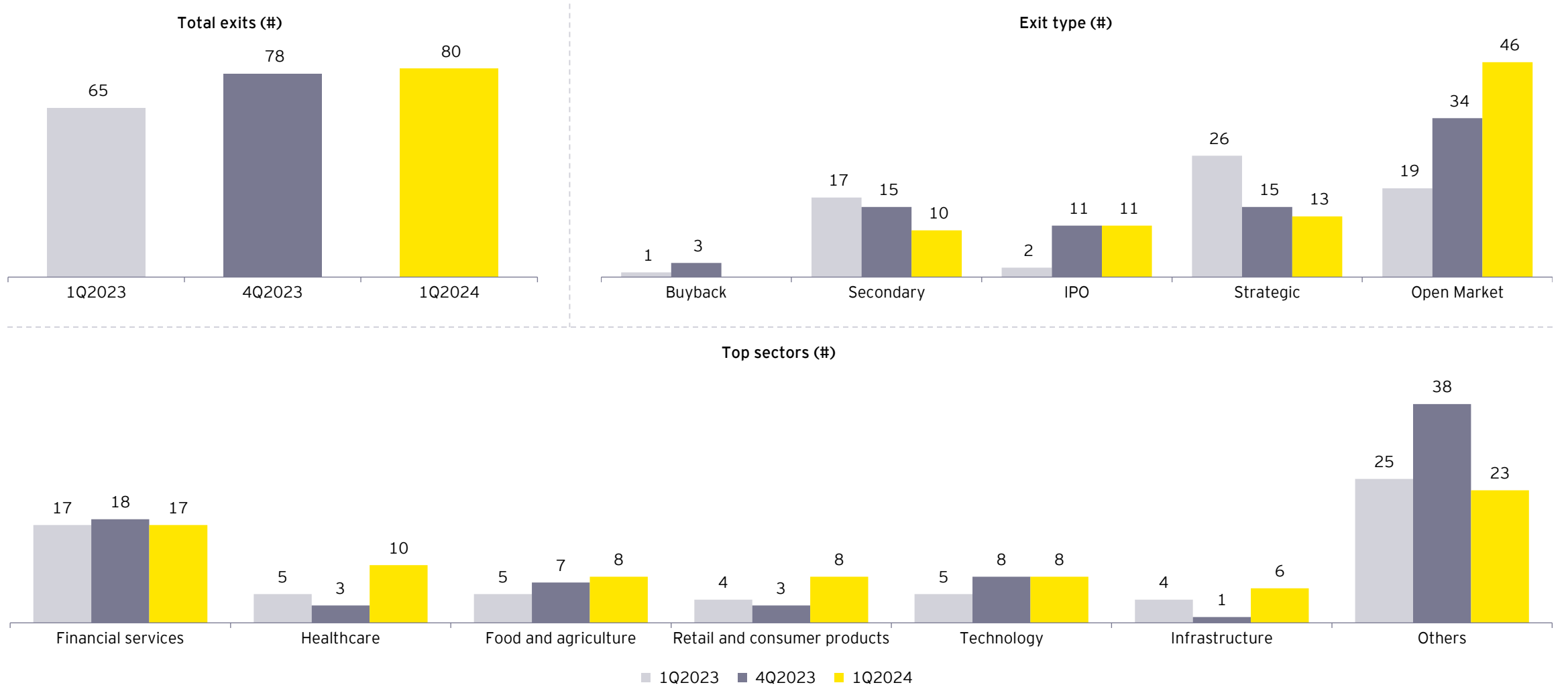
Exits: quarterly analysis

Page 1 of 2



Exits: quarterly analysis

Page 2 of 2

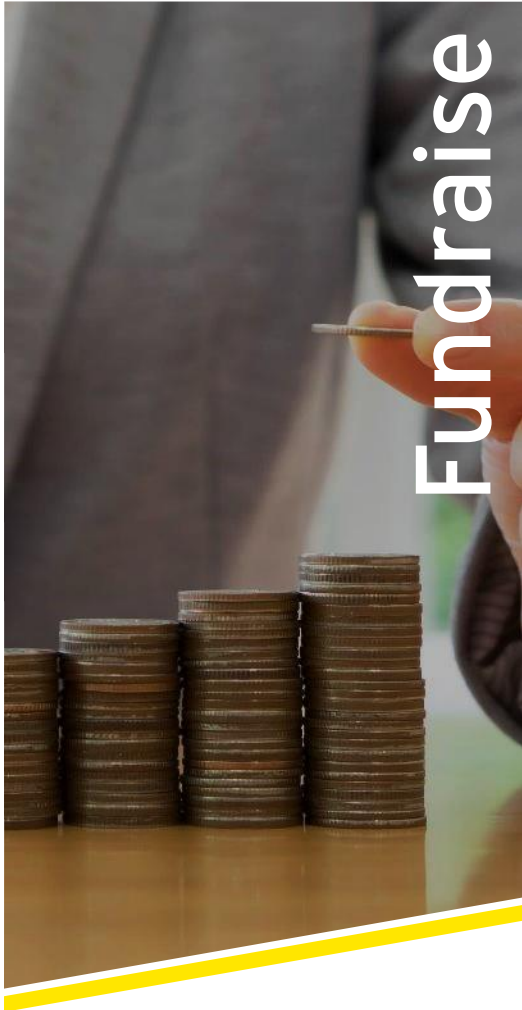


Top exits

Top exits in 1Q2024

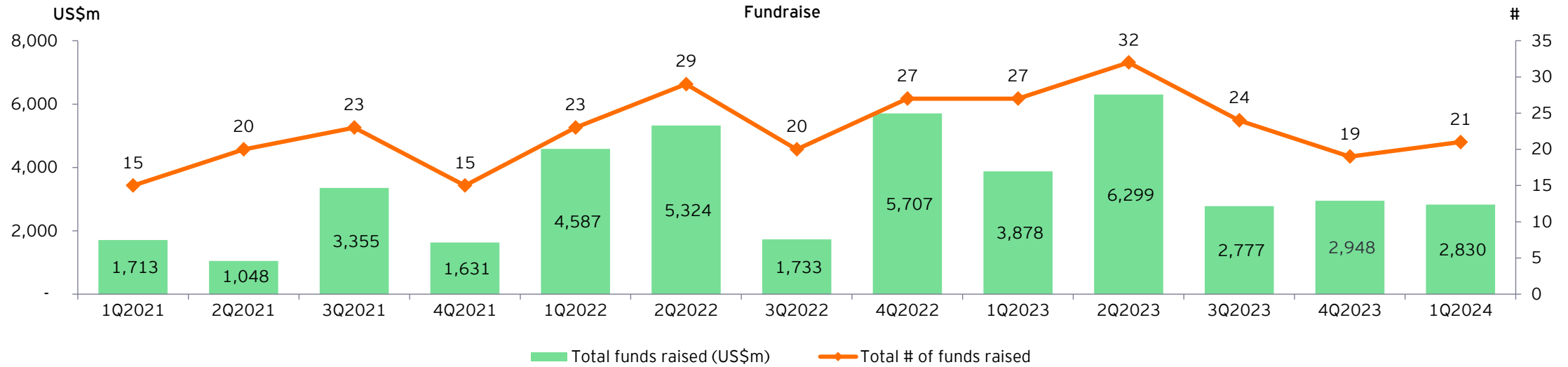
Company	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Data Infrastructure Trust	Infrastructure	Brookfield	NA	Open market	801	NA
Indus Towers Limited	Telecommunications	CPPIB, KKR	NA	Open market	479	7
Capital Foods Private Limited	Food and agriculture	Invus, General Atlantic	Tata Consumer Products Limited	Strategic	460	75
Kalyan Jewellers India Limited	Retail and consumer products	Warburg Pincus	NA	Open market	353	8
Zomato Limited	E-commerce	Antfin (Alibaba)	NA	Open market	339	2
Mankind Pharma Limited	Pharmaceuticals	ChrysCapital	NA	Open market	296	3
PB Fintech Limited (Policybazaar)	Financial services	Temasek	NA	Open market	292	5
Aster DM Healthcare Limited	Healthcare	Olympus Capital	NA	Open market	237	10
CMS Info Systems Limited	Financial services	BPEA EQT	ADIA and Think India Opportunities Master Fund	Open market	187	27
Aavas Financiers Limited	Financial services	Kedaara Capital, Partners Group	NA	Open market	164	13

Key trends: quarterly



- ▶ Fundraises in 1Q2024 declined by 27%, with US\$2.8 billion raised across 21 funds compared to US\$3.9 billion raised across 27 funds in 1Q2023. A 4% decline was noticed compared to US\$2.9 billion raised across 19 funds in 4Q2023.
- ▶ US\$1 billion signed by Goldman Sachs and Mubadala to invest in private credit opportunities throughout the Asia-Pacific region, with a particular focus on India, was the largest fundraise in 1Q2024.

PE/VC quarterly headline trends: fundraise



Fundraise

Top fundraise in 1Q2024

Status	Fund	PE/VC GP	US\$m	Strategy
Announced	Kedaara Fund 4	Kedaara	1,700	Banking, healthcare, consumer and software
Raised	Goldman Sachs and Mubadala Asia Pacific private credit fund	Goldman Sachs and Mubadala	1,000	Private credit
Raised	Edelweiss Alternatives - Infrastructure Fund 2	Edelweiss Alternatives	964	Infrastructure
Announced	A91 Partners Fund III	A91 Partners	750	Technology, consumer and financial services
Announced	SayeNvest Group India Fund	SayeNvest	500	IT, energy, healthcare, asset and wealth management - ESG

02

Monthly trend analysis:
March 2024

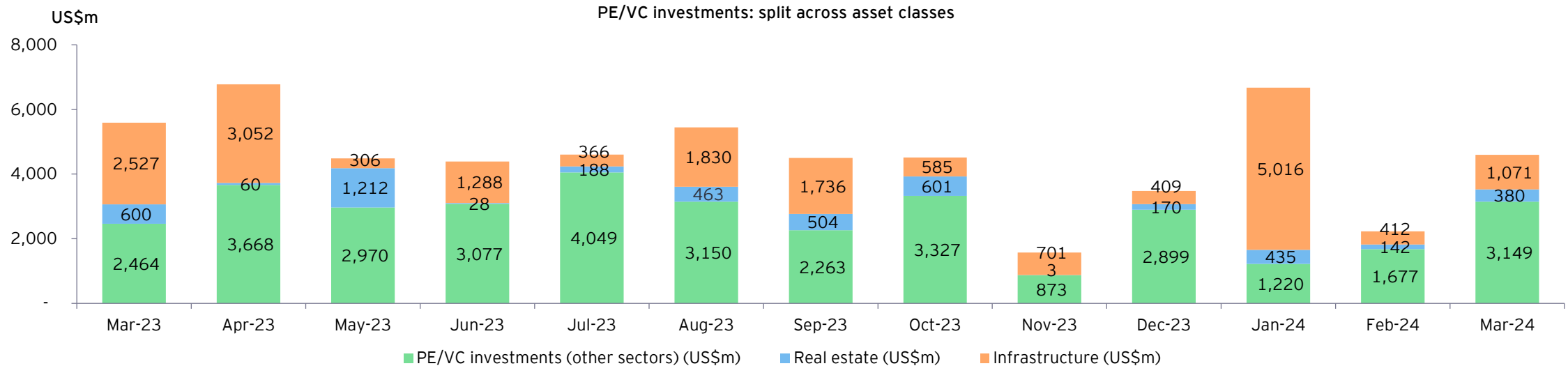
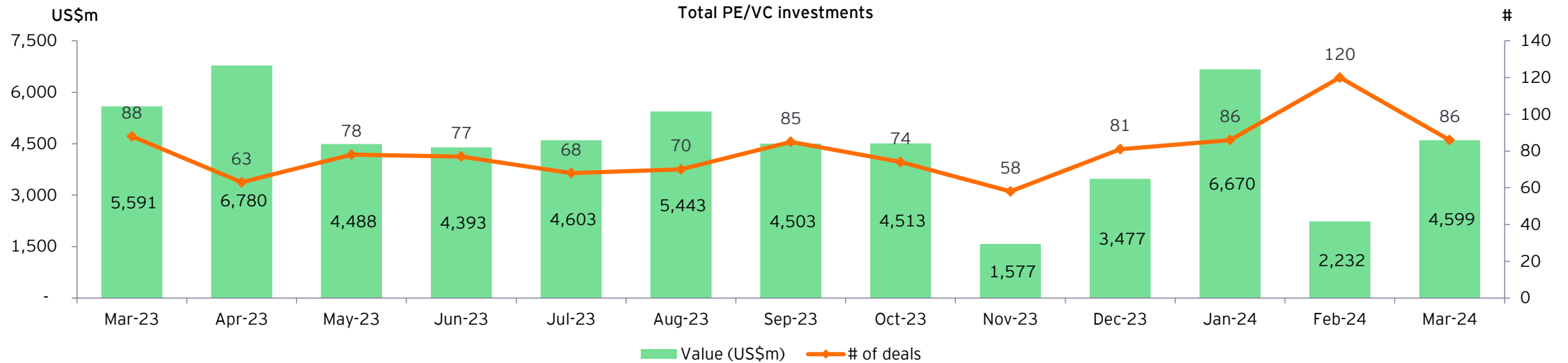


Key trends



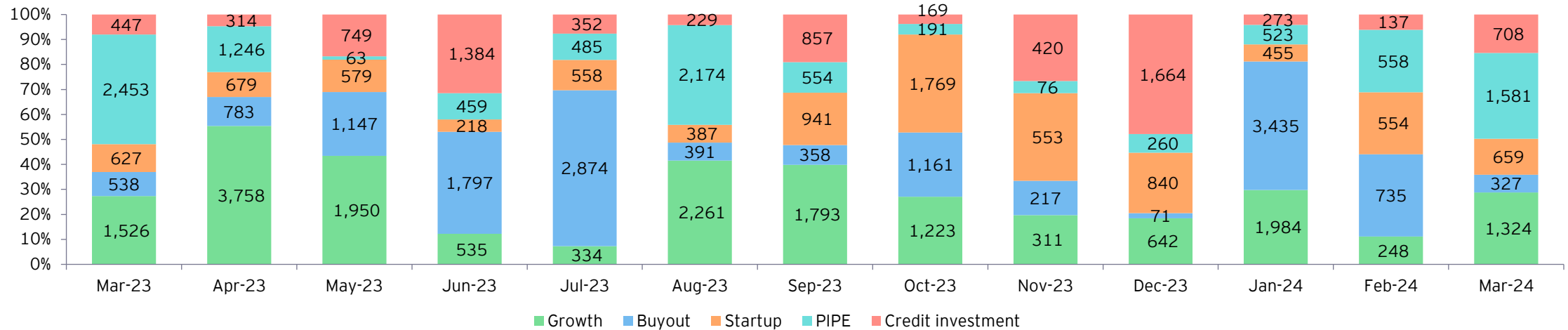
- ▶ PE/VC investments in March 2023 (US\$4.6 billion) were 106% higher than February 2024 (US\$2.2 billion) and 18% lower than March 2023 (US\$5.6 billion). In terms of number of deals, March 2024 (86 deals) recorded a 28% decline compared to February 2024 (120 deals).
- ▶ March 2024 recorded 12 large deals (deals of value greater than US\$100 million) aggregating US\$3.3 billion, a 23% decline y-o-y in terms of value (US\$4.3 billion across 14 deals in March 2023). The largest deal in March 2024 saw GQG Partners, ADIA, Goldman Sachs and others investing US\$711 million into Bharti Airtel Limited.
- ▶ Private investments in public equity (PIPE) had the largest share in March 2024 with US\$1.6 billion invested, compared to US\$2.5 billion invested in March 2023, a 36% decline in value on a y-o-y basis. Growth investments were the second largest, with US\$1.3 billion invested across nine deals in March 2024, a decline by 13% compared to US\$1.5 billion across nine deals in March 2023. Credit Investment were third highest in March 2024 (US\$708 million across 16 deals) with a 58% growth compared to March 2023 (US\$447 million across 14 deals), followed by start-up (US\$659 million across 46 deals) with a 5% growth compared to March 2023 (US\$627 million recorded across 48 deals). Lastly, buyouts stood at US\$327 million across two deals compared to US\$538 million across six deals in March 2023, a decline of 39%.
- ▶ From a sector point of view, infrastructure was the top sector in March 2024 with US\$1 billion in PE/VC investments across six deals, followed by financial services (US\$725 million), telecommunications (US\$711 million), and retail and consumer products (US\$672 million). These sectors cumulatively contributed 69% of total PE/VC investments in March.

PE/VC monthly headline trends: investments

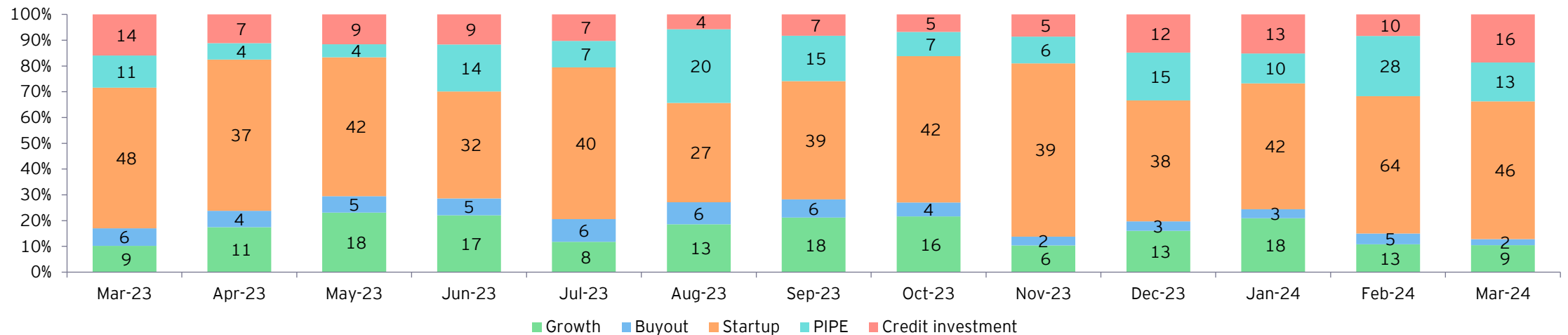


PE/VC monthly headline trends: investments

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

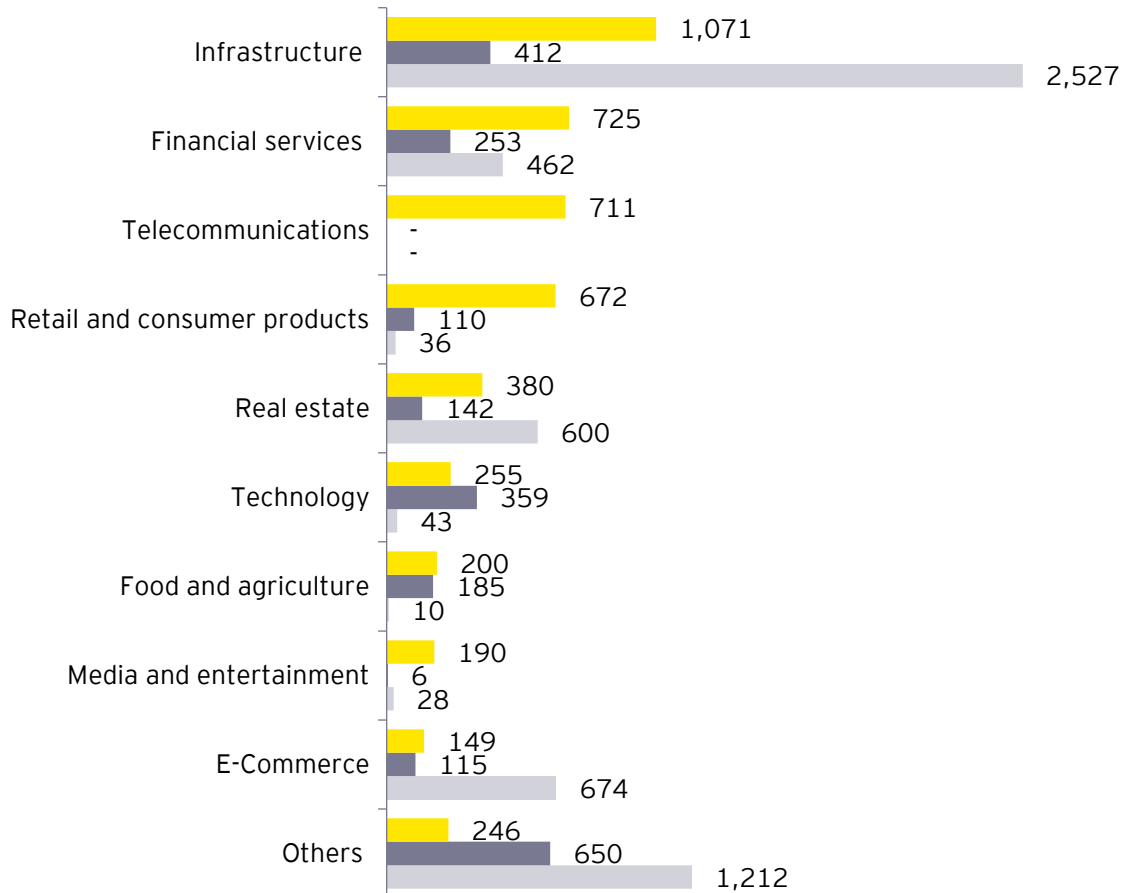


PE/VC investments: split across deal segments (number of deals)

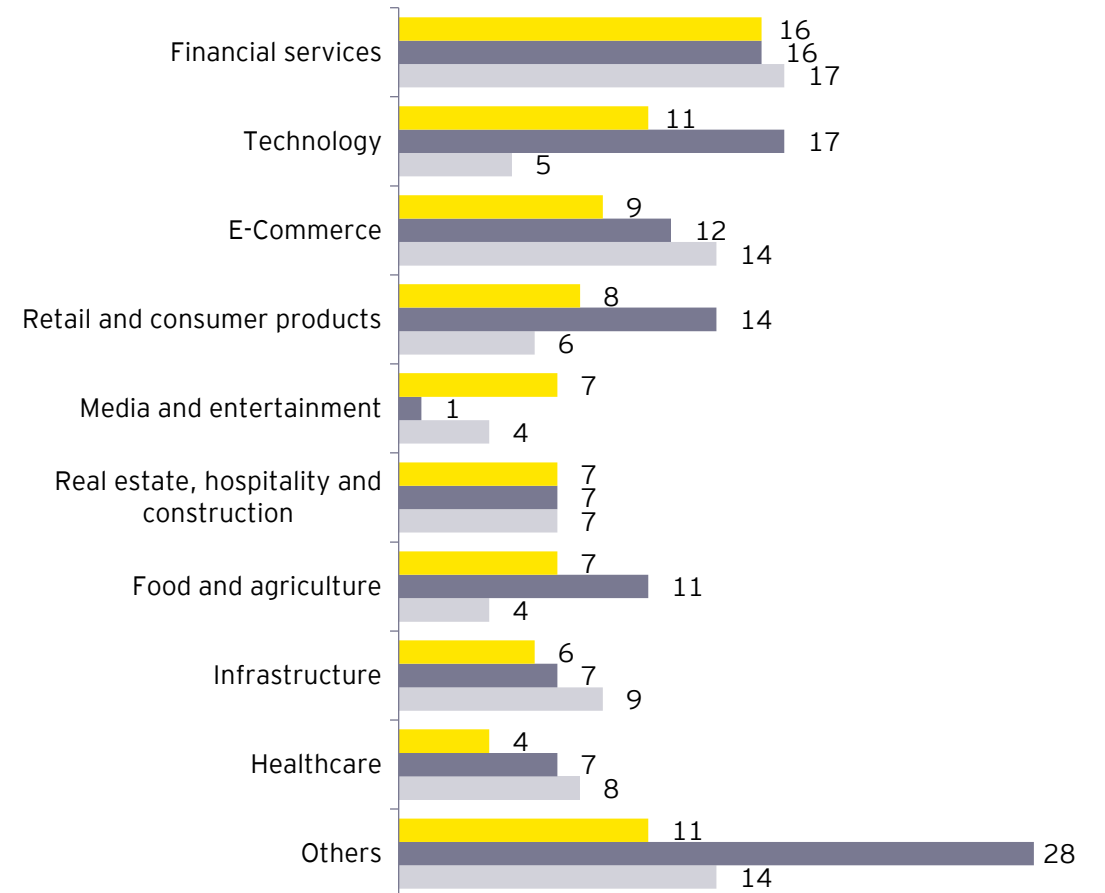


PE/VC investments: split by sector

Top sectors by value (US\$m)

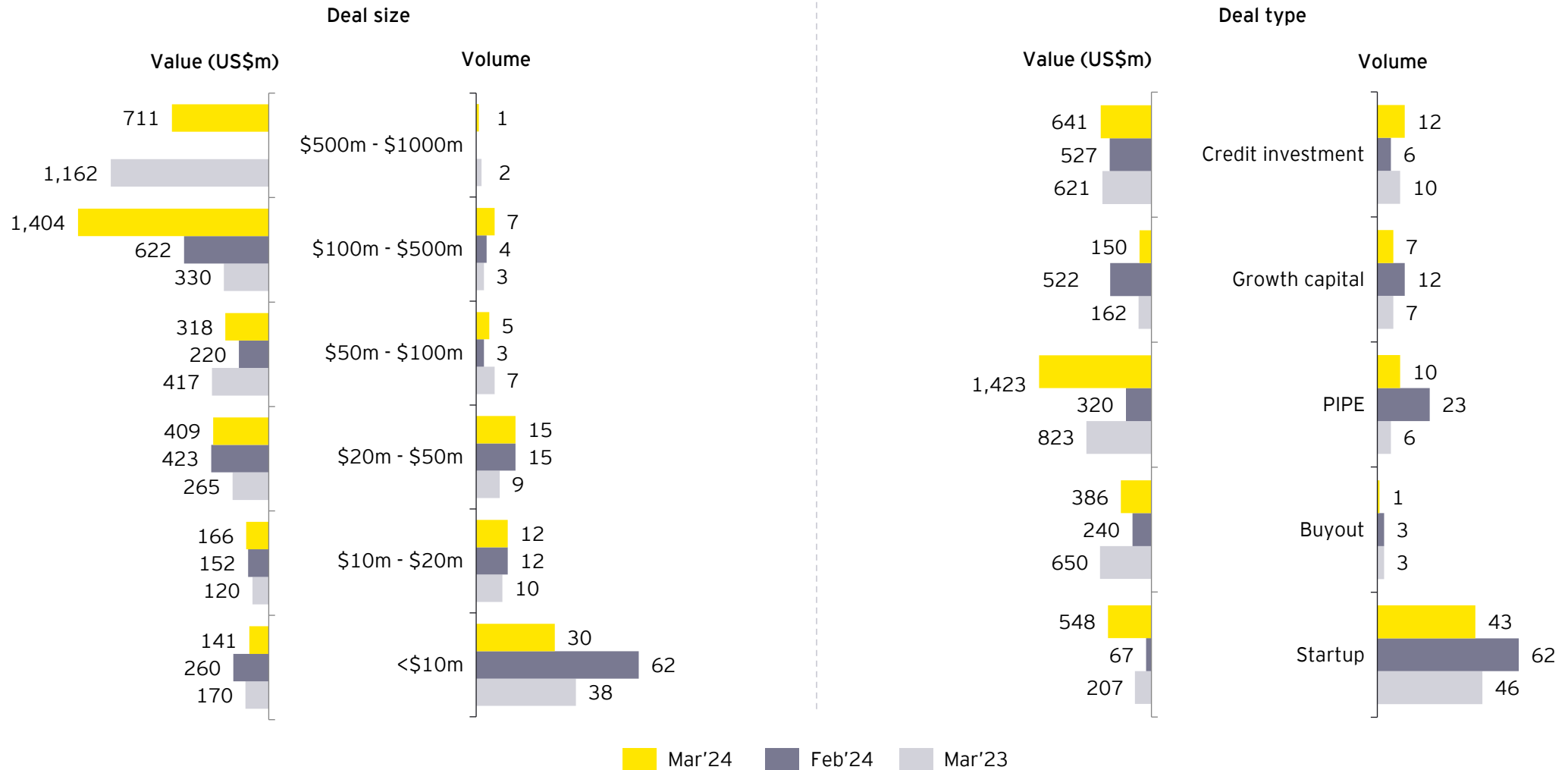


Top sectors by volume



■ Mar'24
 ■ Feb'24
 ■ Mar'23

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



* PIPE: Private investment in public equity

Note: Deal value not available on three deals in March 2024 and March 2023 and 10 deals in February 2024

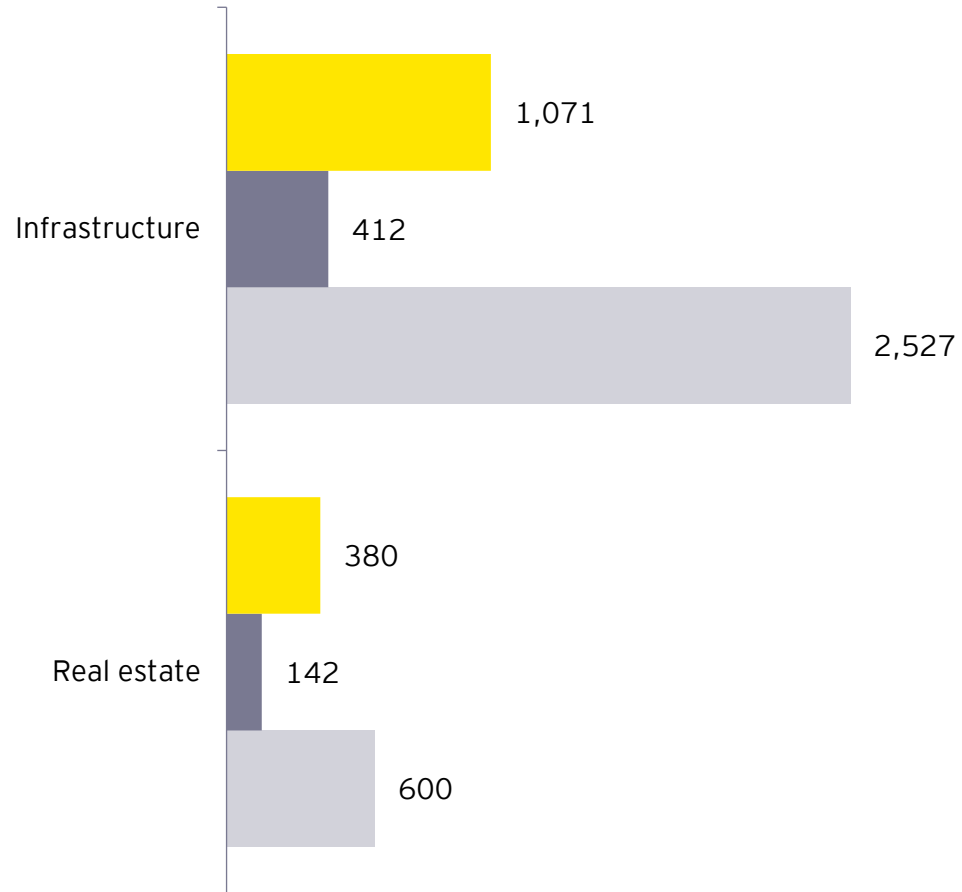
Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in March 2024

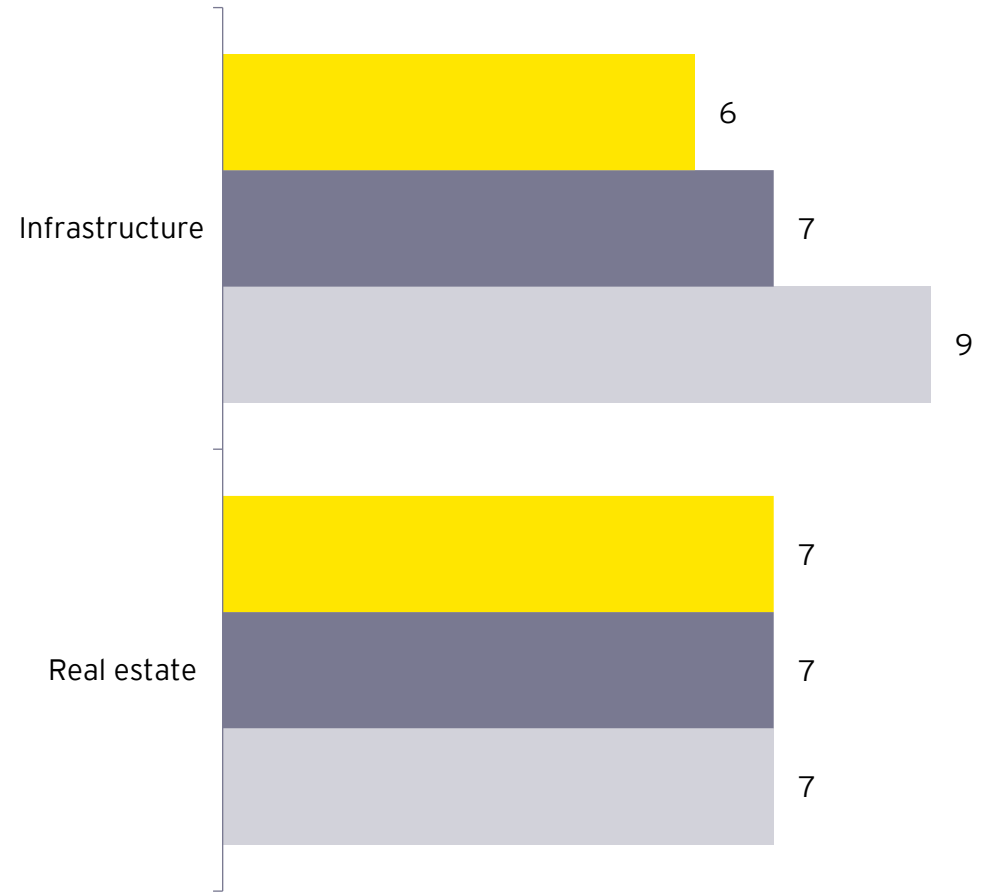
Company	PE investors	Sector	Stage	US\$m	Stake (%)
Bharti Airtel Limited	GQG Partners, ADIA, Goldman Sachs and others	Telecommunications	PIPE	711	1
ITC Limited	GIC and Kuwait Investment Authority	Retail and consumer products	PIPE	447	1
Svatantra Microfin Private Limited	Advent and Multiples	Financial services	Growth	233	NA
IIFL Finance Limited	Fairfax	Financial services	Credit	200	NA
Grasim Industries Limited	IFC	Retail and consumer products	Credit	150	NA
Dairy Classic Ice Creams Private Limited (Dairy Day)	Kedaara	Food and agriculture	Buyout	150	>50
Avanse Financial Services Limited	Avendus and Mubadala	Financial services	PIPE	121	NA
Pocket Fm Private Limited	Lightspeed and StepStone	Media and entertainment	start-up	103	14
Perfios Software Solutions Private Limited	OTPP	Technology	Growth	80	8
InterGlobe Aviation Limited (IndiGo)	Morgan Stanley	Logistics & Transportation	PIPE	76	1

PE/VC investments in infrastructure and real estate sectors

Top sectors by value (US\$m)

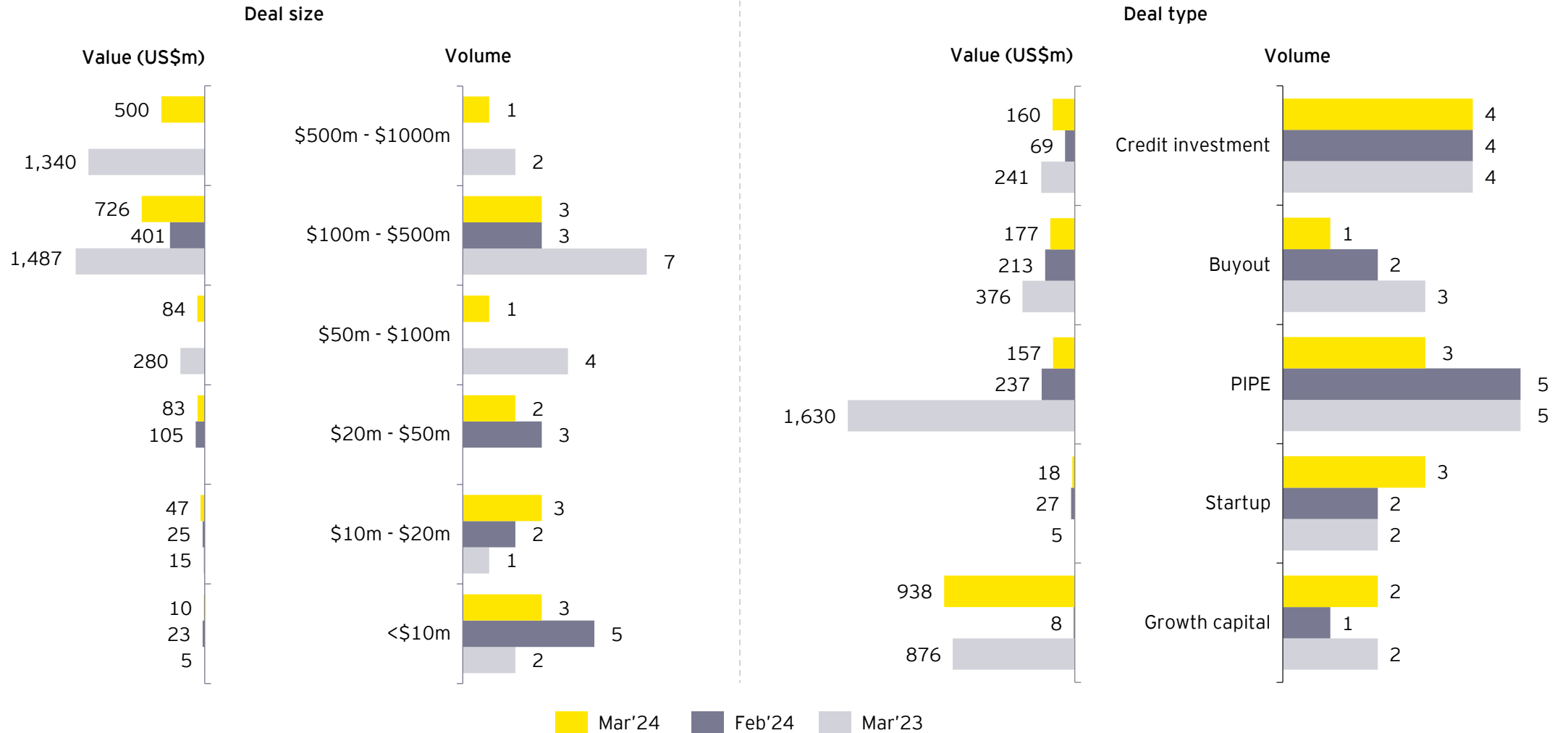


Top sectors by volume



Mar'24 Feb'24 Mar'23

PE/VC investments in infrastructure and real estate sectors



* PIPE: Private investment in public equity
 Note: Deal value not available for one deal in February 2024

Top infrastructure and real estate investments

Top infrastructure and real estate investments in March 2024

Company	PE investors	Sector	Stage	US\$m	Stake (%)
Sterlite Grid 32 Limited (Sterlite GIC JV)	GIC	Infrastructure	Growth	500	49
National Highway Infra Trust (NHAI InvIT)	CPPIB, OTPP	Infrastructure	Growth	438	NA
MFAR Developers' 1.21million sq ft IT park in Bengaluru	Edelweiss Alternatives	Real estate	Buyout	177	100
Valor Estate Limited (D B Reality Limited)	Morgan Stanley, JP Morgan, Astorne Capital and others	Real estate	PIPE	110	7
GMR Highways Limited	Zeal Global Opportunities Fund and Nova Global Opportunities Fund	Infrastructure	Credit	84	NA

Key trends

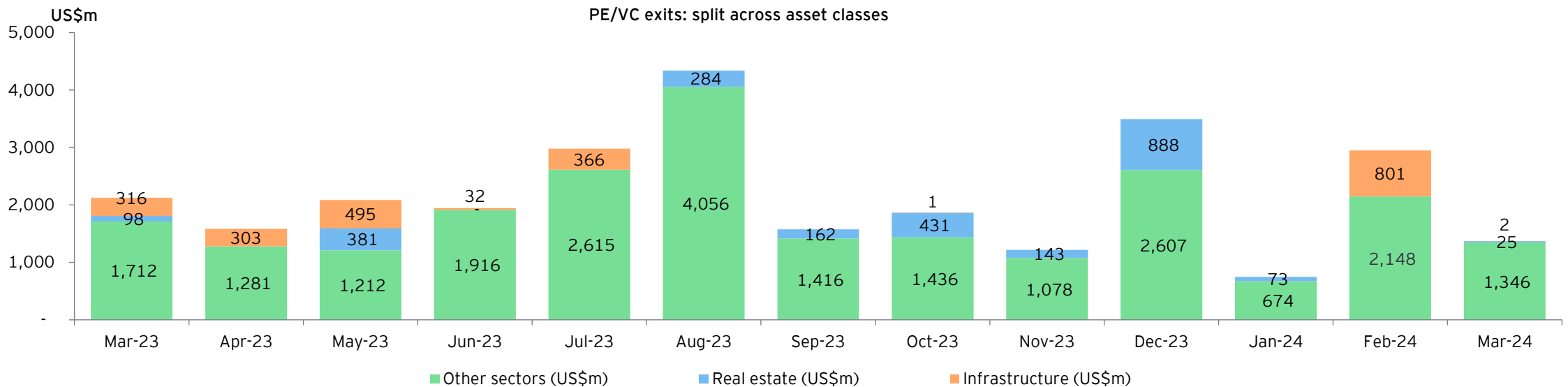
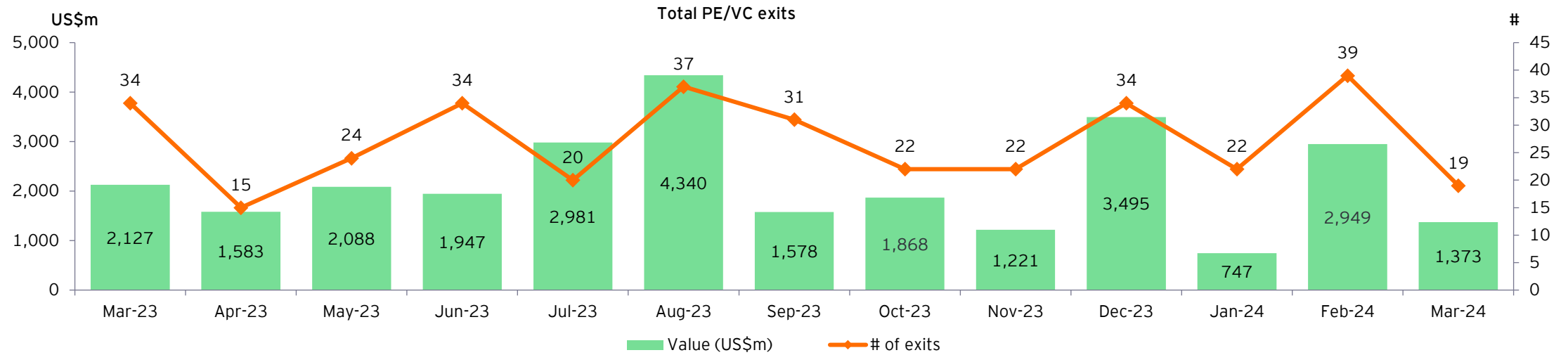


- ▶ March 2024 recorded 19 exits worth US\$1.4 billion, compared to US\$2.1 billion in March 2023 across 34 deals.
- ▶ Open market exits were the highest in February 2024 at US\$1.3 billion across 12 deals, followed by three PE-backed IPOs at US\$60 million.
- ▶ The largest exit in February 2024 saw Alibaba exit 2% stake in Zomato for US\$339 million.

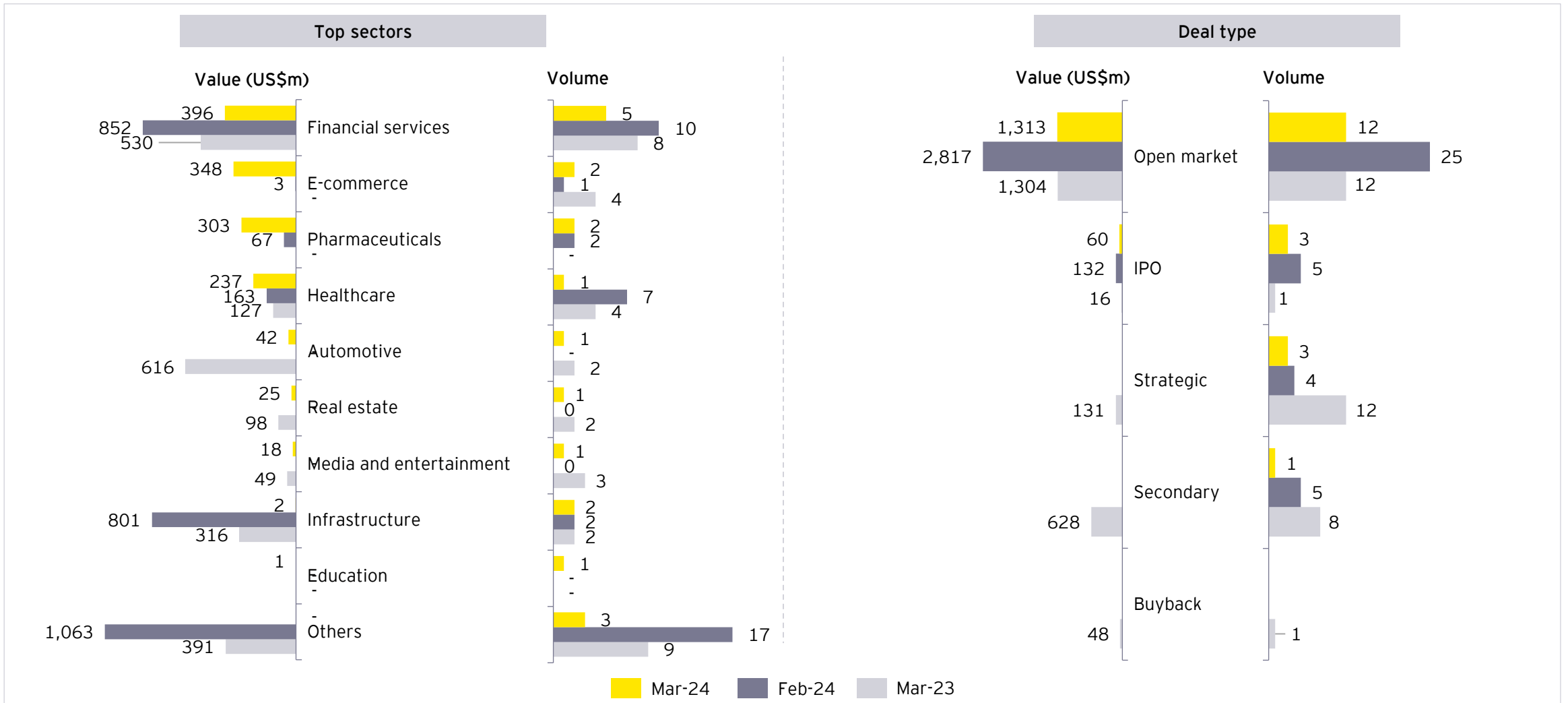


- ▶ March 2024 recorded total fundraise of US\$363 million, compared to US\$1.3 billion raised in February 2024 and US\$2 billion in March 2023.
- ▶ US\$186 million raised by Alteria capital for its third venture debt fund was the largest fundraise in March 2024.

PE/VC monthly headline trends: exits



PE/VC monthly headline trends: exits



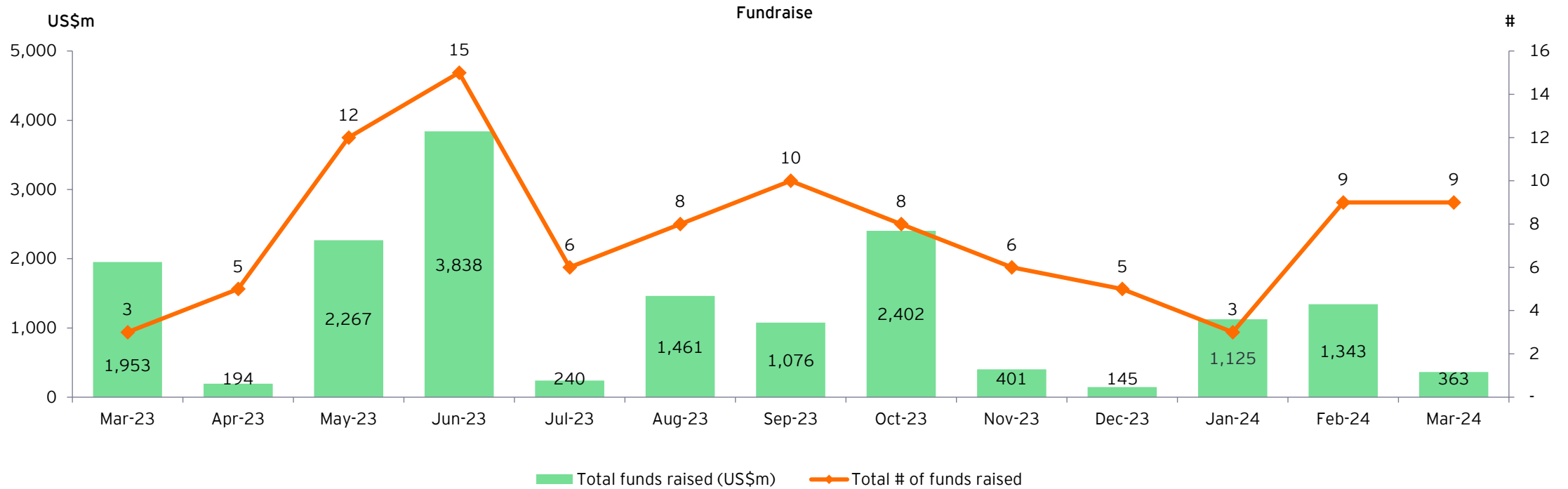
Note: Deal value not available for five exits in March 2024, ten exits in February 2024 and March 2023

Top exits

Top exits in March 2024

Company	Sector	Seller	Stage	US\$m	Stake (%)
Zomato Limited	E-Commerce	Antfin (Alibaba)	Open market	339	2
Mankind Pharma Limited	Pharmaceuticals	ChrysCapital	Open market	296	3
Aster DM Healthcare Limited	Healthcare	Olympus Capital	Open market	237	10
Aavas Financiers Limited	Financial services	Kedaara Capital and Partners Group	Open market	164	13
IDFC First Bank Limited	Financial services	Warburg Pincus	Open market	143	2
Star Health and Allied Insurance Co. Limited	Financial services	Apis	Open market	66	2
Popular Vehicles and Services Limited	Automotive	BanyanTree	IPO	42	17
Samhi Hotels Limited	Real estate	Equity International	Open market	25	5
Religare Enterprises Limited	Financial services	IFC	Open market	22	2
R K Swamy Limited	Media and entertainment	Evanston and Prem Ventures	IPO	18	10

PE/VC monthly headline trends: fundraise



Fundraise

Top fundraising in March 2024

Status	Fund	PE/VC GP	US\$m	Strategy
Announced	A91 Partners Fund III	A91 Partners	750	Technology, consumer and financial services
Announced	SayeNvest Group India Fund	SayeNvest Group	500	IT, energy, healthcare, asset and wealth management - ESG
Raised	Alteria Fund III	Alteria Capital	186	Consumer brands, e-commerce, fintech, logistics, business-to-business platforms, rural and agritech, healthcare, and climate tech, GenAI, Spacetech
Announced	Multi-Act Fintech fund	Multi-Act	100	Fintech start-ups that leverage artificial intelligence, predictive analytics and other cutting-edge technologies
Raised	Inliv Real Estate Fund	NeoLiv (360 ONE)	36	Middle-income residential properties

03

Spotlight: PE/VC investment trends
in financial services sector

Foreword and outlook



Samir Ojha
Partner

FS Investment Banking, EY India

“ Financial services and fintech space has continued to witness strong investment flows in recent years. The sector serves as a reflection and a multiplier of the broader economic growth. Implementation of reforms (eg GST) and digital payments has enabled lending to large segments of the economy that historically did not have access to formal credit. Digital public infrastructure has brought down the cost of delivery and monitoring/collections significantly enabling rapid and profitable growth. The balance sheet for banks have returned to good health post a prolonged period of cleanup and resolutions, this would enable a significant uptick in lending activity from the banking system, both directly to customers and via the NBFC system.

“ The fintech ecosystem has continued to demonstrate strong growth with many segments delivering strong profitability while achieving scale. Rising income levels and financialization of savings is creating new opportunities in the asset and wealth management space, this segment of the market is at an inflexion point and expected to witness exponential growth over the next decade.

“ The momentum of delivering exits also continues to remain strong across public markets, strategic M&A and secondary trades. This underscores the strong demand across market segments.

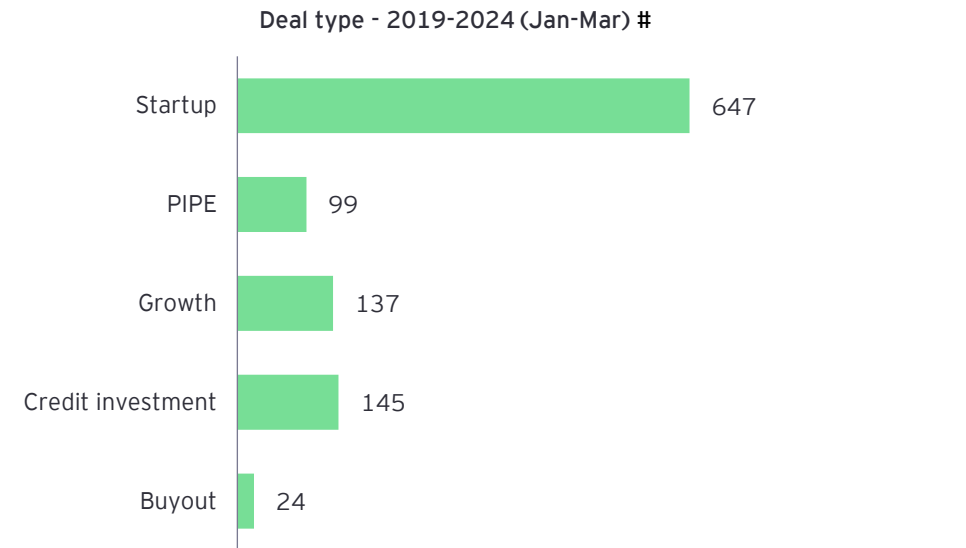
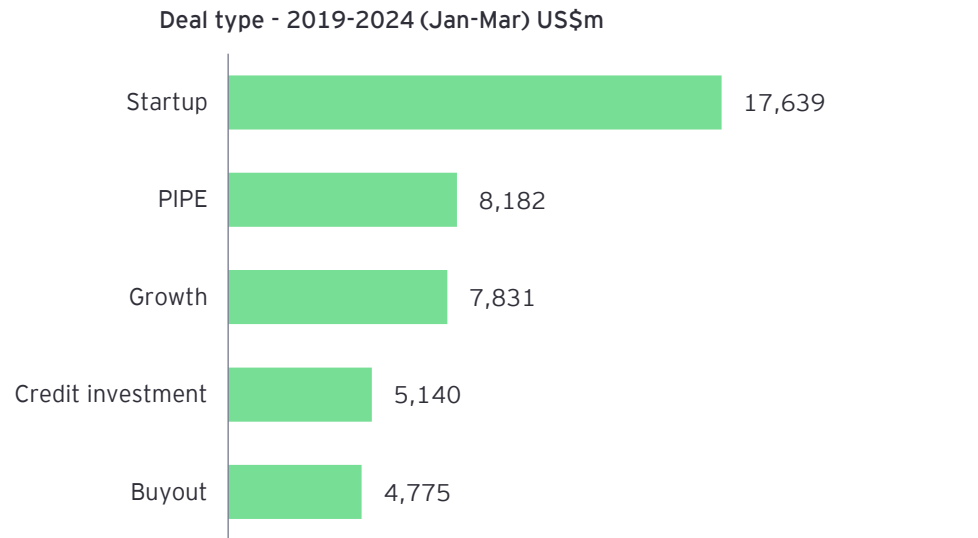
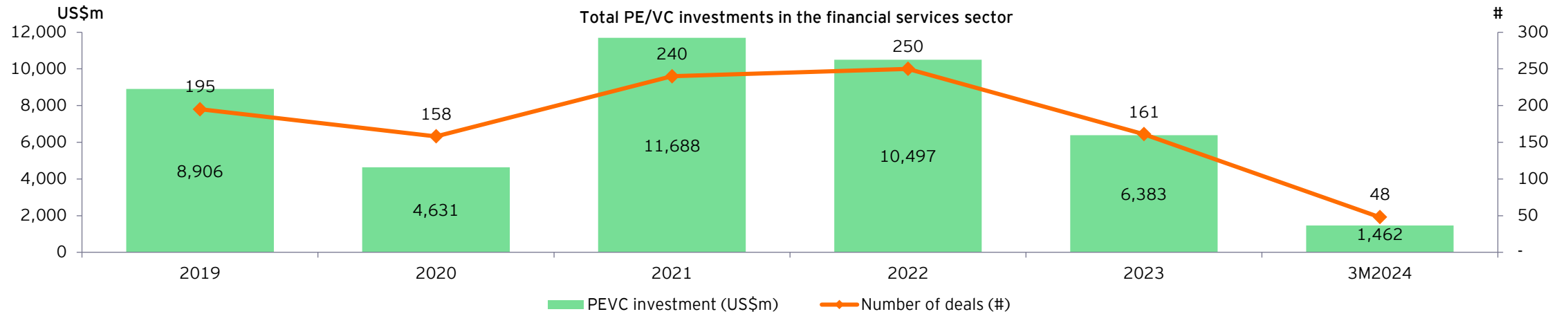
“ We expect the financial services and fintech space to continue to garner a large share of the PE/VC flows reflecting the strong sector fundamentals and positive outlook on economic growth for India.

Spotlight: PE/VC investment trend in the financial services sector

- ▶ Financial services sector has been the largest sector in terms of pure play PE/VC investments over the past decade. The sector has received total of US\$64.6 billion in PE/VC investments (2014 to March 2024), 67% of which has come in the past five years.
- ▶ PE/VC investments in 2021 were the highest ever for the sector at US\$11.7 billion with a 152% increase y-o-y. It is also the largest sector in terms of the number of deals with over 1,000 deals in the past five years.
- ▶ FinTech has been the most preferred sub-sector for PE/VC investments over the last five years. It received an investment of US\$16.6 billion (38% of the total PE/VC investments since 2019). NBFC (US\$9.7 billion) and insurance (US\$4.4 billion) secured the second and third rank, contributing 22% and 10% of the FS PE/VC investments (since 2019) respectively.
- ▶ While the initial years saw a lot of investments in PIPE (Private investment in public equity) and growth, the trend in financial services sector investments has shifted to start-up funding of new-age tech enabled business models that are disrupting the traditional ways of providing financial services. Start-up investments accounted for 40% of the total PE/VC investments in financial services since 2019. This trend is expected to get stronger, as more and more PE/VC funds back financial services companies that leverage technology to do business, solving real-world problems revolving around payments and distribution, customer acquisition and collections etc.
- ▶ The financial services sector has witnessed a transformative wave of innovation showcasing the dynamic evolution across various fronts such as MSME credit, affordable housing finance on back of the availability of better quality of data, GST records etc.
- ▶ The ongoing digital transformation of the financial services industry is expected to continue with an increasing adaption of technology-driven solutions such as digital banking services, blockchain, artificial intelligence that will help to drive innovation and improve efficiency. FinTech start-ups are expanding into the new areas such as insurance, wealth management, etc. As the FinTech ecosystem continues to evolve, the sector would continue to attract interest and investments from PE/VC firms.

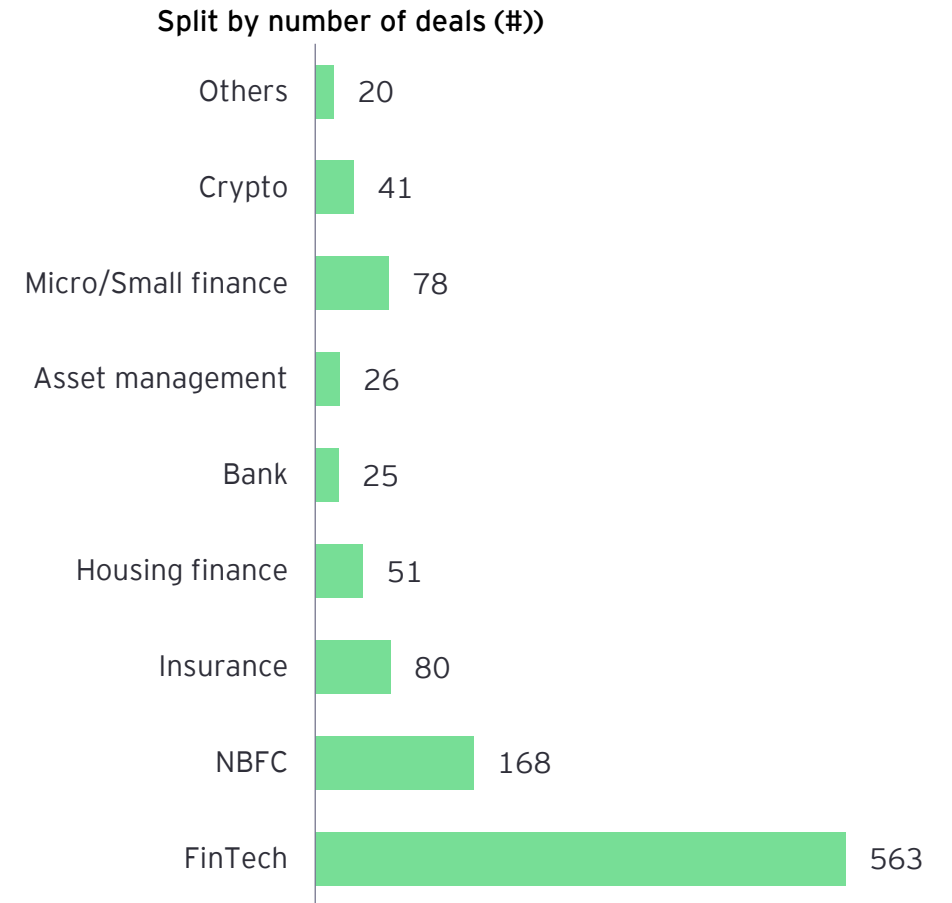
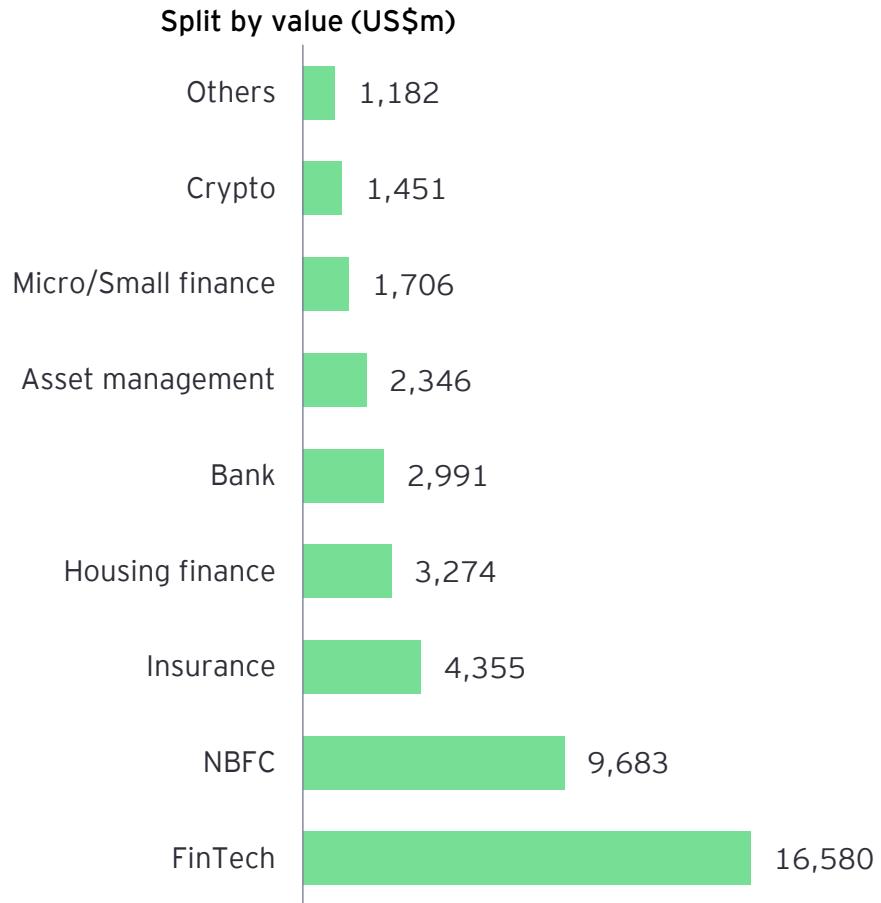


Spotlight: PE/VC investment trend in the financial services sector



Spotlight: PE/VC investment trend in the financial services sector

Financial services sub-sectors in 2019-2024 (Jan-Mar)



Spotlight: PE/VC investment trend in the financial services sector

Financial services sub-sectors in 2019-2024 (Jan-Mar)

Aggregate value of deals (US\$m)

Sub-sector	<US\$10m	US\$10m- US\$20m	US\$20m- US\$50m	US\$50m- US\$100m	>US\$100m
FinTech	1,089	1,125	2,388	2,989	8,988
NBFC	210	369	1,082	1,660	6,361
Insurance	91	142	231	1,012	2,880
Housing finance	51	85	337	390	2,410
Bank	46	14	97	193	2,640
Asset management	31	39	173	79	2,023
Micro/Small finance	129	294	675	374	233
Crypto	73	121	102	90	1,065
Others	20	21	176	-	965
Total	1,740	2,210	5,262	6,788	27,567

Number of deals

Sub-sector	<US\$10m	US\$10m- US\$20m	US\$20m- US\$50m	US\$50m- US\$100m	>US\$100m
FinTech	261	89	81	44	45
NBFC	41	29	35	25	30
Insurance	23	10	7	14	12
Housing finance	11	6	11	6	13
Bank	8	1	3	2	11
Asset management	8	3	5	1	4
Micro/Small finance	24	22	22	6	1
Crypto	20	8	4	1	5
Others	3	2	5	-	5
Total	399	170	173	99	126

Deal value not available on 85 deals

Spotlight: PE/VC investment trend in the financial services sector

Top PE/VC investment deals in the financial services sector in 2019 - 2024 (Jan - Mar)

Company	PE investors	Sub-sector	Stage	Year	US\$m	Stake (%)
HDFC Credila Financial Services Limited	BPEA EQT, ChrysCapital	NBFC	Buyout	2023	1,105	90
Yes Bank Limited	Advent International, Carlyle	Bank	PIPE	2022	1,100	20
ASK Group	Blackstone	Asset management	Buyout	2021	1,000	74
One 97 Communications Limited	Alibaba, Softbank	Fintech	Growth	2019	1,000	NA
SBI Life Insurance Company Limited	Carlyle, CPPIB	Insurance	PIPE	2019	817	6
IIFL Wealth Management Limited	Bain Capital	Asset management	PIPE	2022	483	25
Poonawalla Housing Finance Limited	TPG	Housing finance	Buyout	2022	462	100
Polygon Technology	Peak XV, Tiger Global, SoftBank and others	Crypto	Start-up	2022	450	NA
SBI General Insurance Co. Limited	Premji Invest, Warburg Pincus	Insurance	Growth	2019	433	26
ECL Finance Limited	Farallon Capital, SSG Capital	NBFC	Credit	2020	400	NA

EY Investment Banking for Financial Services sector - a market leading practice

Wealthy

Raised funds from

2024 A consortium of PE funds

Nivara Home Finance

Raised funds from

2024  BARING PRIVATE EQUITY PARTNERS INDIA

Sonata Microfinance

Kotak Mahindra Bank acquired stake in Sonata MFI from

2024  Michael & Susan Dell FOUNDATION  Triodos Bank  CASPIEN

Sarvagam

Raised funds from

2023  TEMASEK  TVS CAPITAL FUNDS (P) LIMITED

Smile Microfinance

Northern Arc acquired stake in SMILE Microfinance from

2023  DEVELOPING WORLD MARKETS

Union Bank

Sold stake in IndiaFirst Life to

2022  बैंक ऑफ़ बड़ोदा Bank of Baroda

ICICI Lombard

Acquired non-life insurance business of

2021  bharti AXA
 redefining / general insurance

DHFL

Sold business to

2021  Piramal

DHFL General Insurance

Acquired by

2021  navi

IDfy

Raised funds from

2021  TransUnion  BLUME

Navi Technologies

Acquired

2021  Essel MUTUAL FUND

Centrum Housing Finance

Sold a minority stake to

2020  Morgan Stanley



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.

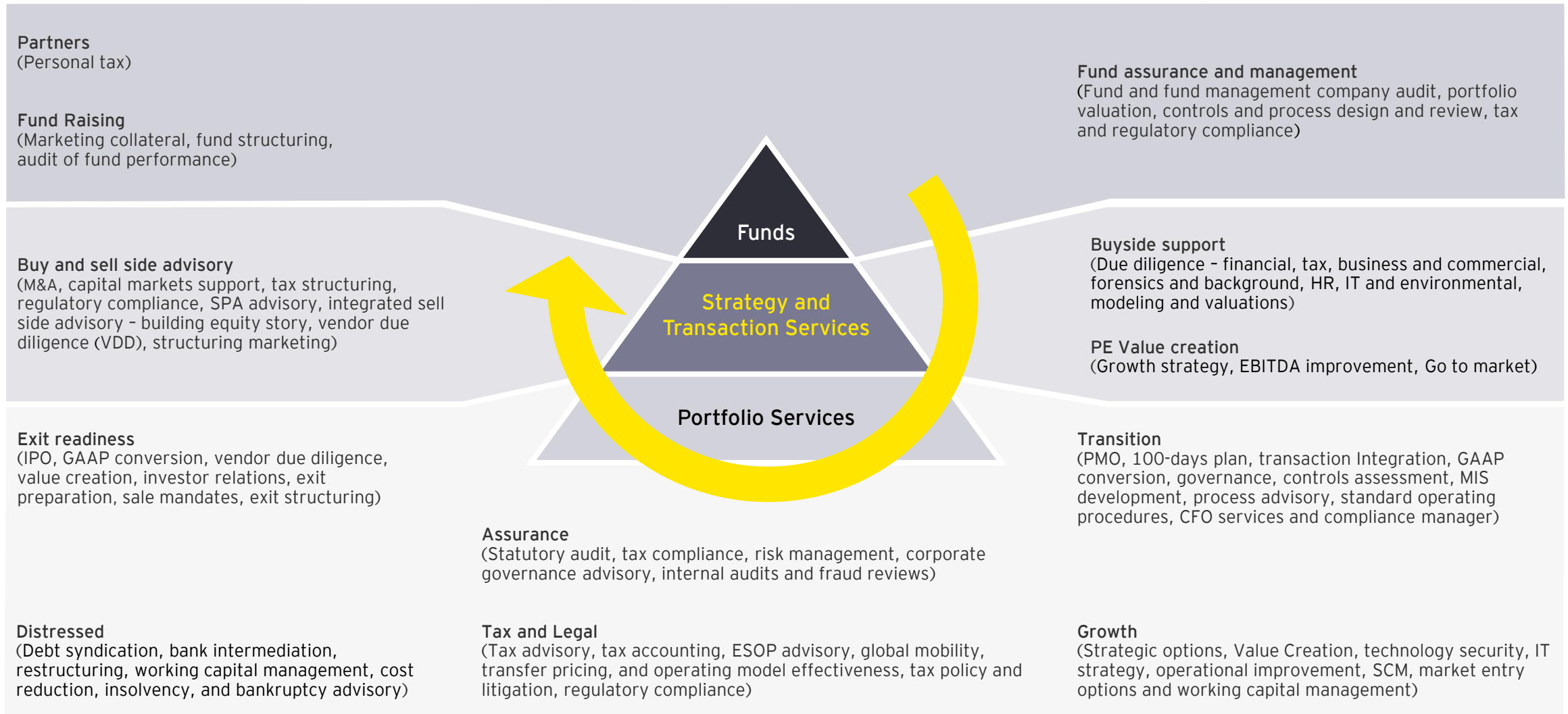
In India, EY is among the leading providers of advisory, tax, transactions and assurance services. The organization is also the number one professional services brand* in India, which is a testimony to our relentless commitment to deliver exceptional client service and create a better working world.

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



** for most number of deals

EY services for private equity



Ernst & Young LLP

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and December refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data, and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EYG member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit www.ey.com/en_in.

Ernst & Young LLP is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at Ground Floor, Plot No. 67, Institutional Area, Sector - 44, Gurugram - 122 003, Haryana, India.

© 2024 Ernst & Young LLP. Published in India.
All Rights Reserved.

EYIN2404-020
ED None

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

HS

ey.com/en_in

 @EY_India  EY  EY India  EY Careers India  @ey_indiacareers

Contacts

Private Equity Services

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

Varun Kaila
Director
E: Varun.Kaila@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

Advisory

Sardul Seth
Partner, Business Consulting
E: sardul.seth@in.ey.com

Research and Insights

Shantanu Kulkarni
Manager
E: Shantanu.Kulkarni@in.ey.com

Shubham Deshpande
Assistant Manager
E: Shubham.Deshpande@in.ey.com

Brand, Marketing and Communications

Bhavisha Jogi
Vice President
E: Bhavisha.Jogi@in.ey.com

Harshpreet Singh
Associate
E: Harshpreet.Singh@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

Senior Vice President, IVCA

E: aakriti@ivca.in

