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IVCA-EY PE/VC Roundup

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# Foreword and outlook



**Vivek Soni**

Partner and National Leader  
Private Equity Services, EY India

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“ April 2024 recorded US\$4.4 billion in PE/VC investments, 4% lower than March 2024 and 35% lower than April 2023. The number of deals in April 2024 was higher by 56% y-o-y.

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“ In April 2024, pure play PE/VC investments reached US\$3.5 billion, 4% lower compared to April 2023 and 12% higher than March 2024 (US\$3.1 billion). The number of deals was higher by 73% y-o-y (83 deals in April 2024 vs. 48 deals in April 2023). However, investments in real estate and infrastructure asset class in April 2024 (US\$894 million) declined by 71% y-o-y (US\$3.1 billion in April 2023) and 38% compared to March 2024 (US\$1.5 billion).

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“ Buyout investments were the highest deal type in April 2024 at US\$2.1 billion, accounting for 47% of the total PE/VC investments in April 2024. This was followed by growth investments at US\$884 million. From a sector point of view, financial services was the top sector in April 2024, recording US\$1.8 billion followed by real estate (US\$849 million).

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“ PE/VC exits were at US\$907 million across 21 deals in April 2024, a 43% decline y-o-y. (US\$1.6 billion in April 2023). Open market exits accounted for 79% of all exits by value in April 2024 (US\$716 million).

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“ Technology sector has been one of the favored sectors by PE/VC investors, accounting for 12% of the total PE/VC investments made during the last five years (January 2019 to April 2024). Software segment has attracted the highest value of PE/VC investments, followed by IT consulting and services and ITeS. The ongoing digital transformation across industries is fueling the demand for technology driven solutions, attracting the attention of PE/VC investors. Please see our spotlight section for more details.

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“ Deal momentum has increased in the first four months of the year, with 390 deals in 2024 compared to 283 deals in 2023, a growth of 38%. However, total value of PE/VC investments has declined by 12% compared to the same period of 2023. The value of large deals (<US\$100 million) has also decreased by 21% during the same period. PE/VC investors continue to remain cautious due to global uncertainties, geopolitical tensions, and the ongoing Indian general elections. We expect the PE/VC activity to remain subdued till the outcome of the general elections is determined.

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# Agenda

1

Monthly trend analysis: April 2024

2

Spotlight: PE/VC investment trends  
in the technology sector (services and software)

# 01

Monthly trend analysis:  
April 2024

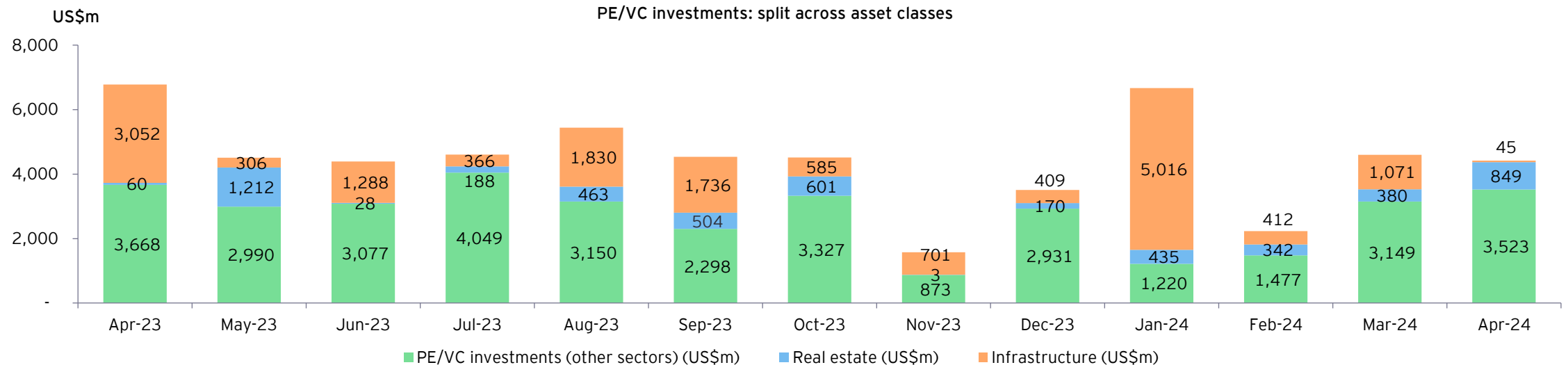
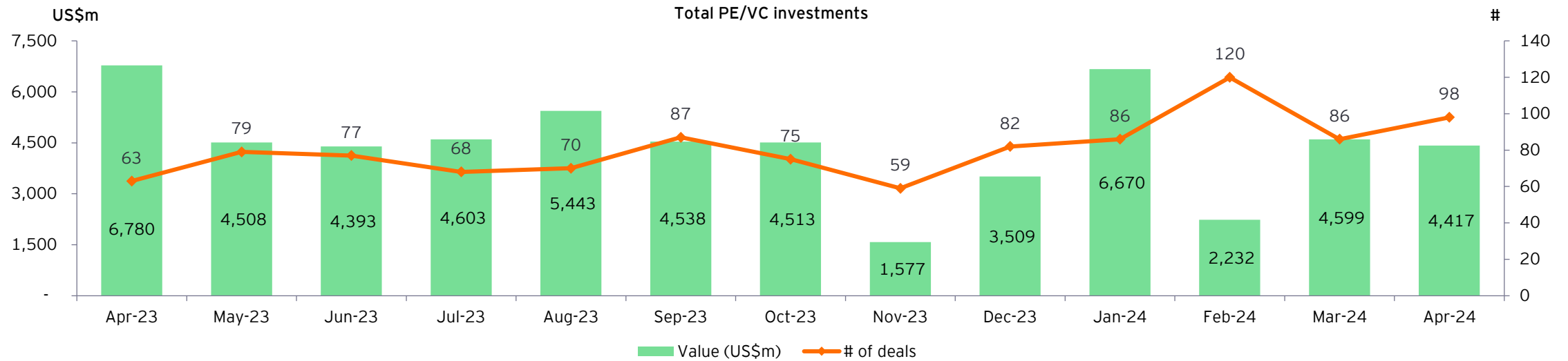


# Key trends



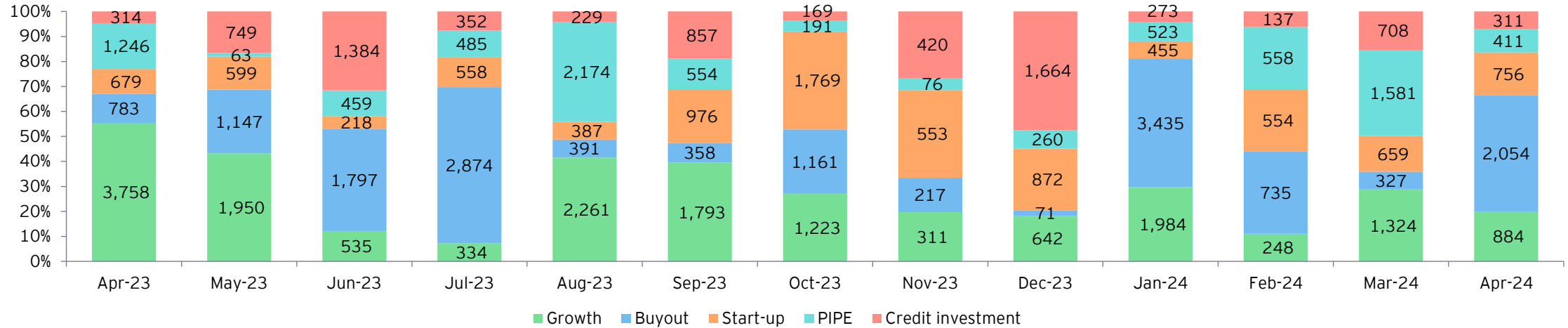
- ▶ PE/VC investments in April 2024 (US\$4.4 billion) were lower by 4% than March 2024 and 35% lower than April 2023 (US\$6.8 billion). In terms of number of deals, April 2024 (98 deals) recorded a 14% growth compared to March 2024 (86 deals).
- ▶ In April 2024, there were nine large deals (deals of value greater than US\$100 million) worth US\$3.1 billion, marking a 48% decrease compared to April 2023 (US\$6 billion across 11 deals). The largest deal in April 2024 saw Macquarie investing US\$1.5 billion into Vertelo.
- ▶ Buyout investments had the largest share in April 2024 with US\$2.1 billion invested across five deals, compared to US\$783 million invested in April 2023 (across four deals), a 162% growth in value on a y-o-y basis. Growth investments were the second largest, with US\$884 million invested across 16 deals in April 2024, a decline by 76% compared to US\$3.8 billion across 11 deals in April 2023. Start-up investments were third highest in April 2024 (US\$756 million across 54 deals) with a 11% growth compared to April 2023 (US\$679 million across 37 deals). In terms of number of deals, April 2024 recorded a growth of 46% y-o-y. Private investments in public equity (PIPE) saw a decline of 67% in April 2024, with US\$411 million invested across seven deals, compared to US\$1.2 billion invested across four deals in April 2023. Lastly, credit investments stood at US\$311 million across 16 deals compared to US\$314 million across seven deals in April 2023, recording a decline of 1%.
- ▶ From a sector point of view, financial services was the top sector in April 2024 with US\$1.8 billion in PE/VC investments across 17 deals, followed by real estate (US\$849 million), healthcare (US\$489 million), and E-Commerce (US\$341 million). These sectors contributed to 79% of the total PE/VC investments in April 2024.

# PE/VC monthly headline trends: investments

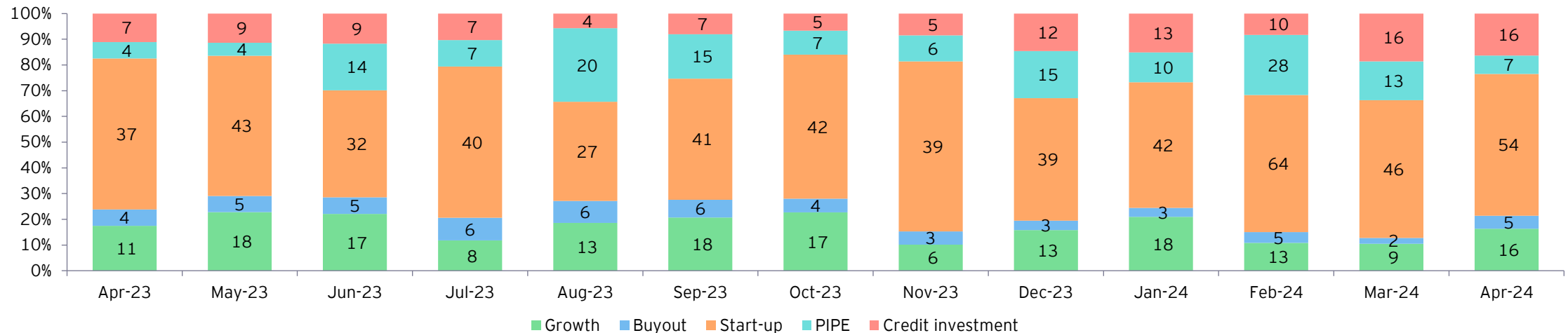


# PE/VC monthly headline trends: investments

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

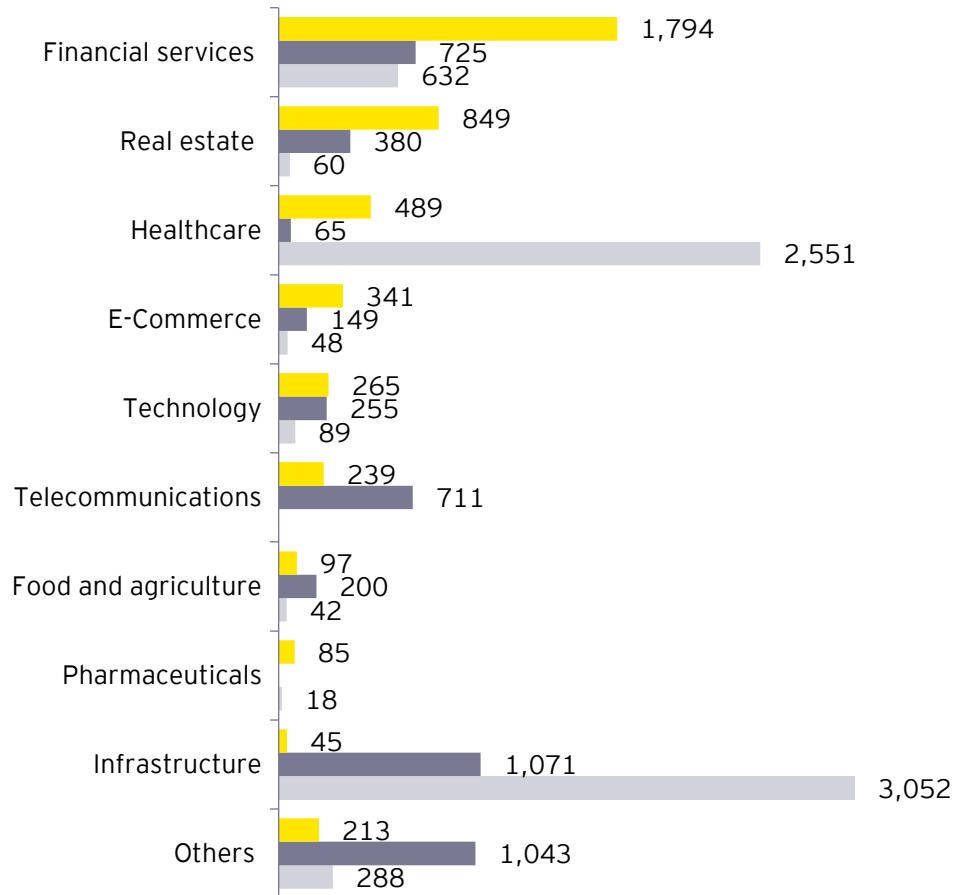


PE/VC investments: split across deal segments (number of deals)

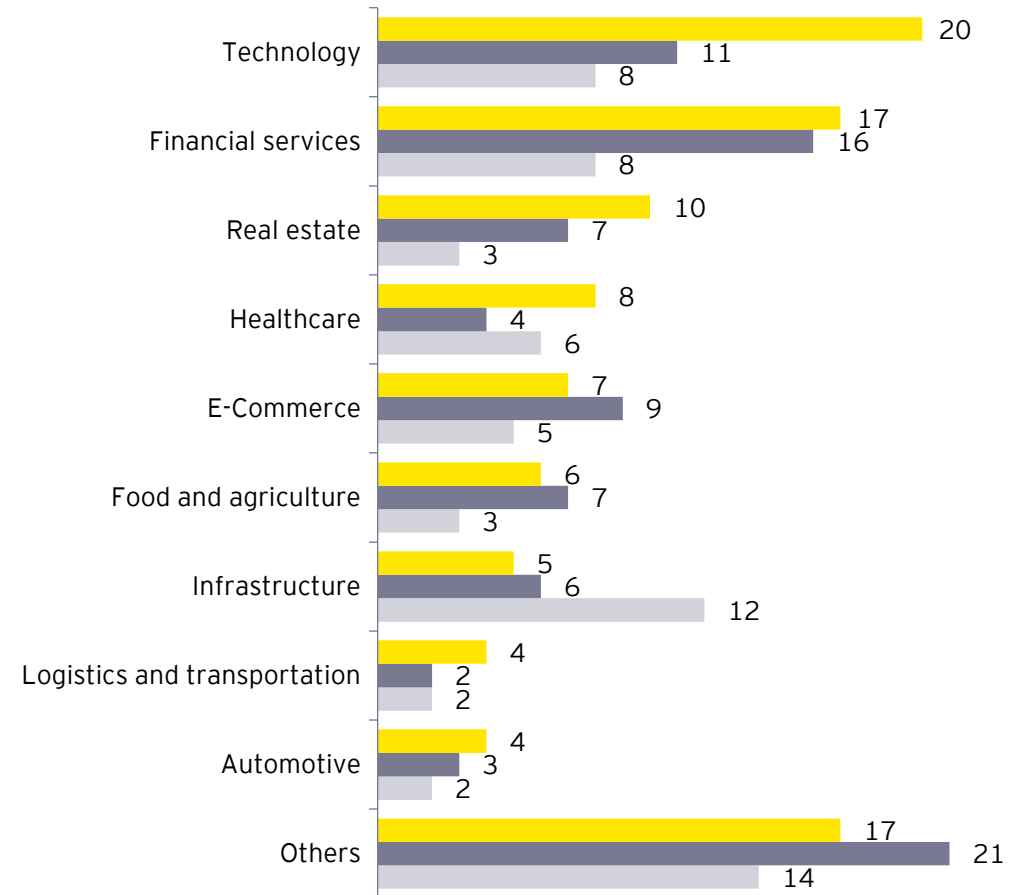


# PE/VC investments: split by sector

Top sectors by value (US\$m)



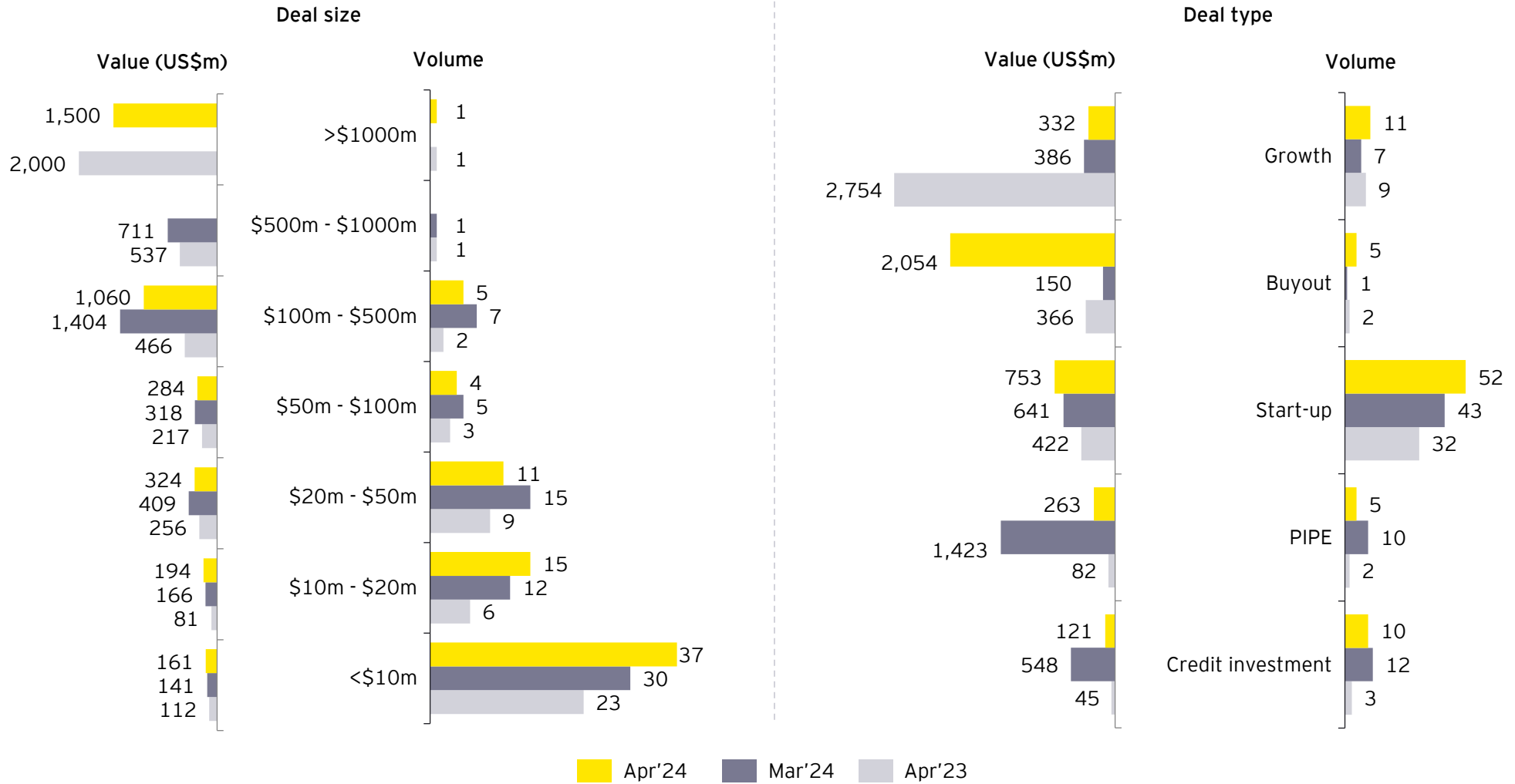
Top sectors by volume



Apr'24 Mar'24 Apr'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 April 2023 and 10 deals in April 2024

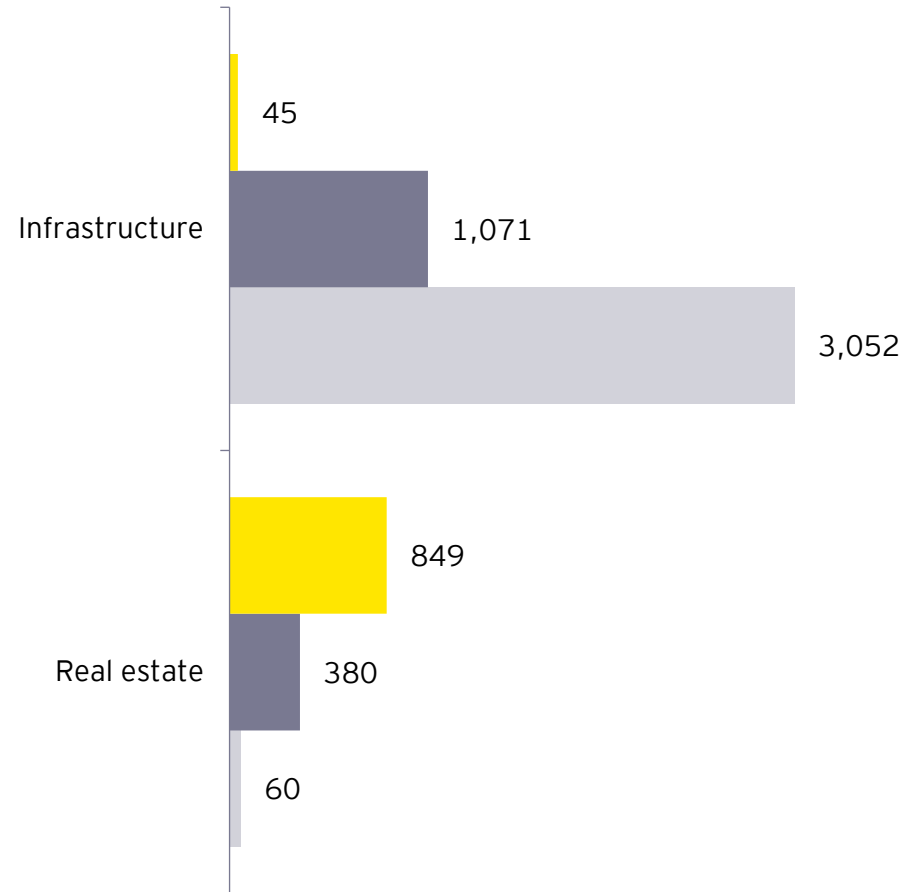
# Top PE/VC investments

## Top PE/VC investments, excluding infrastructure and real estate in April 2024

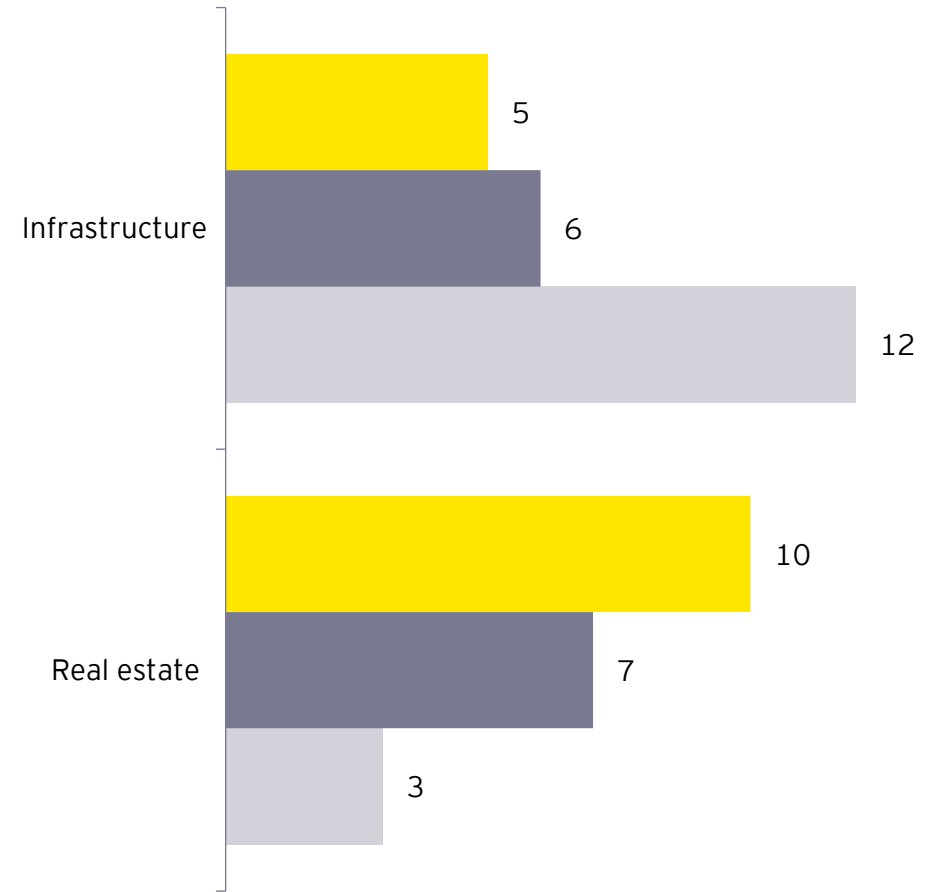
Company	PE investors	Sector	Stage	US\$m	Stake (%)
Vertelo	Macquarie	Financial services	Buyout	1,500	100
Appasamy Associates Group	Warburg Pincus	Healthcare	Buyout	300	65
Apollo Healthco Limited (Apollo 24/7)	Advent	E-Commerce	Start-up	297	17
Vodafone Idea Limited	GQG, AustralianSuper, ADIA, PSPiB, Qantas, Government Pension Fund Global and others	Telecommunications	PIPE	209	2
Cygnus Medicare Private Limited	General Atlantic	Healthcare	Buyout	134	70
The Digital Technology Business of NSE (NSEIT)	Investcorp	Technology	Buyout	120	100
Parsons Nutritionals Private Limited	Lighthouse, IFC, Evolve and others	Food and agriculture	Growth	84	NA
Northern Arc Capital Limited	IFC	Financial services	Growth	80	NA
La Renon Healthcare Private Limited	ChrysCapital	Pharmaceuticals	Growth	70	8
Ola Electric Mobility Private Limited	EvolutionX	Automotive	Credit	50	NA

# PE/VC investments in infrastructure and real estate sectors

Top sectors by value (US\$m)

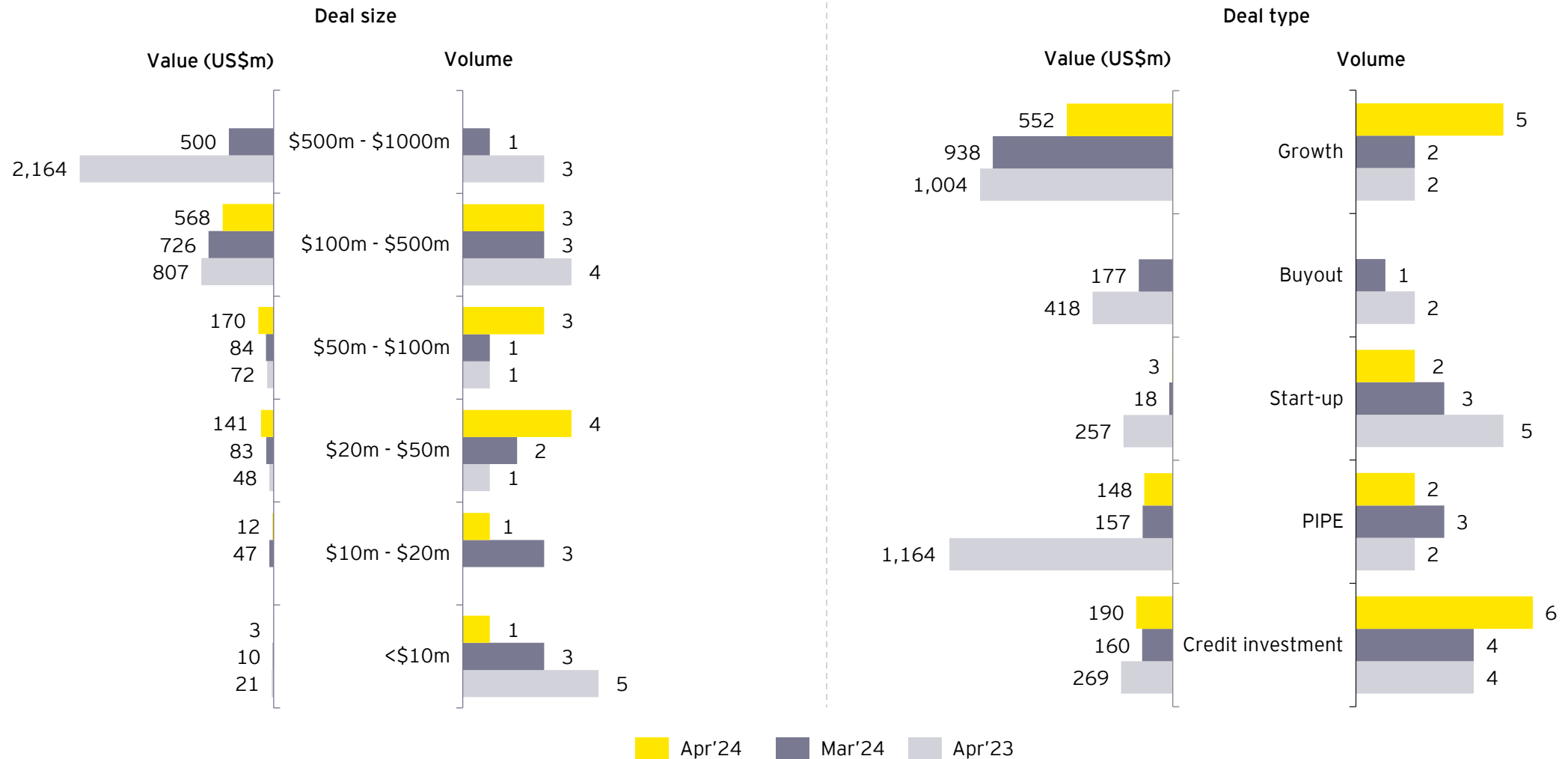


Top sectors by volume



Apr'24 Mar'24 Apr'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 April 2023 and three deals in April 2024

# Top infrastructure and real estate investments

## Top infrastructure and real estate investments in April 2024

Company / Project	PE investors	Sector	Stage	US\$m	Stake (%)
Residential projects of Prestige in prominent locations across four cities	ADIA, Kotak AIF	Real estate	Growth	240	NA
MFAR Developers' 1.1 million sq. ft information technology park in Bengaluru (MFAR Manyata Techpark )	Edelweiss Alternatives	Real estate	Growth	180	NA
Indiabulls Real Estate Limited	Blackstone	Real estate	PIPE	148	12
Ricardo Constructions Private Limited	Asia Pragati (PAG)	Real estate	Growth	60	NA
2 Housing Projects of Aliens Developers (Aliens HUB and Aliens Space Station)	SWAMIH, Nisus Finance	Real estate	Credit investment	56	NA

# Key trends

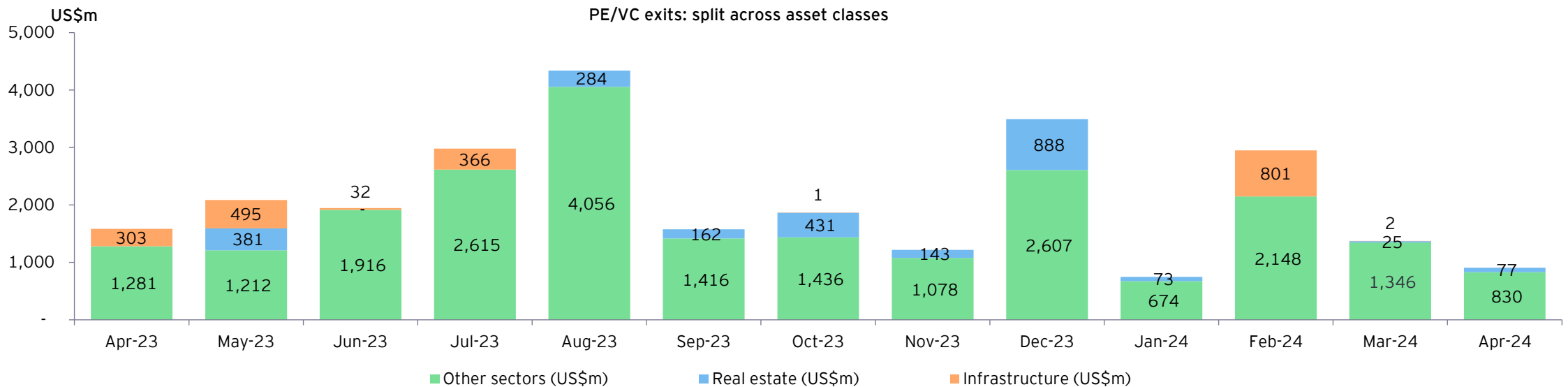
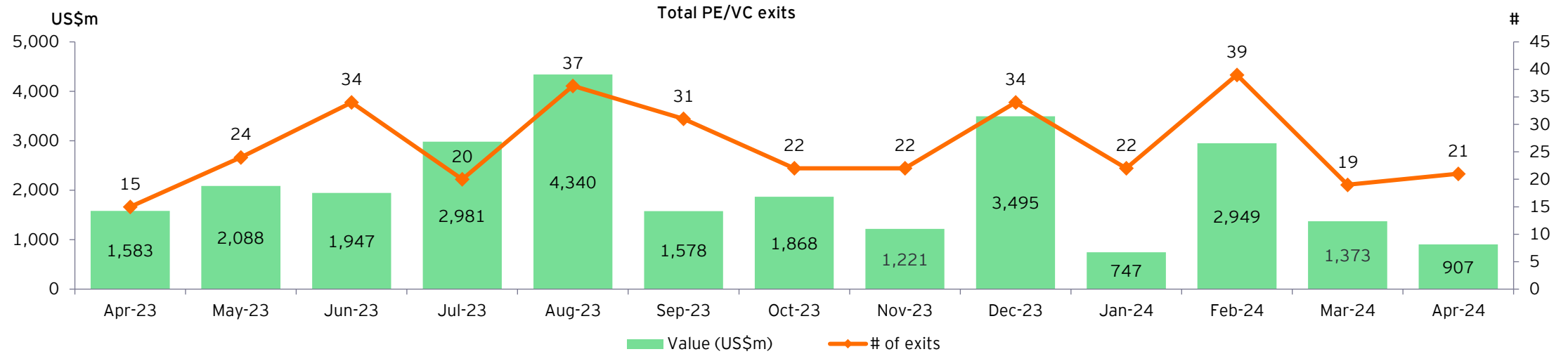


- ▶ April 2024 recorded 21 exits worth US\$907 million, compared to US\$1.6 billion in April 2023 across 15 deals.
- ▶ Open market exits were the highest in April 2024 at US\$716 million across nine deals, followed by secondary exits worth US\$107 million.
- ▶ The largest exit in April 2024 was Bain Capital selling a 1.08% stake in Axis Bank for US\$428 million.

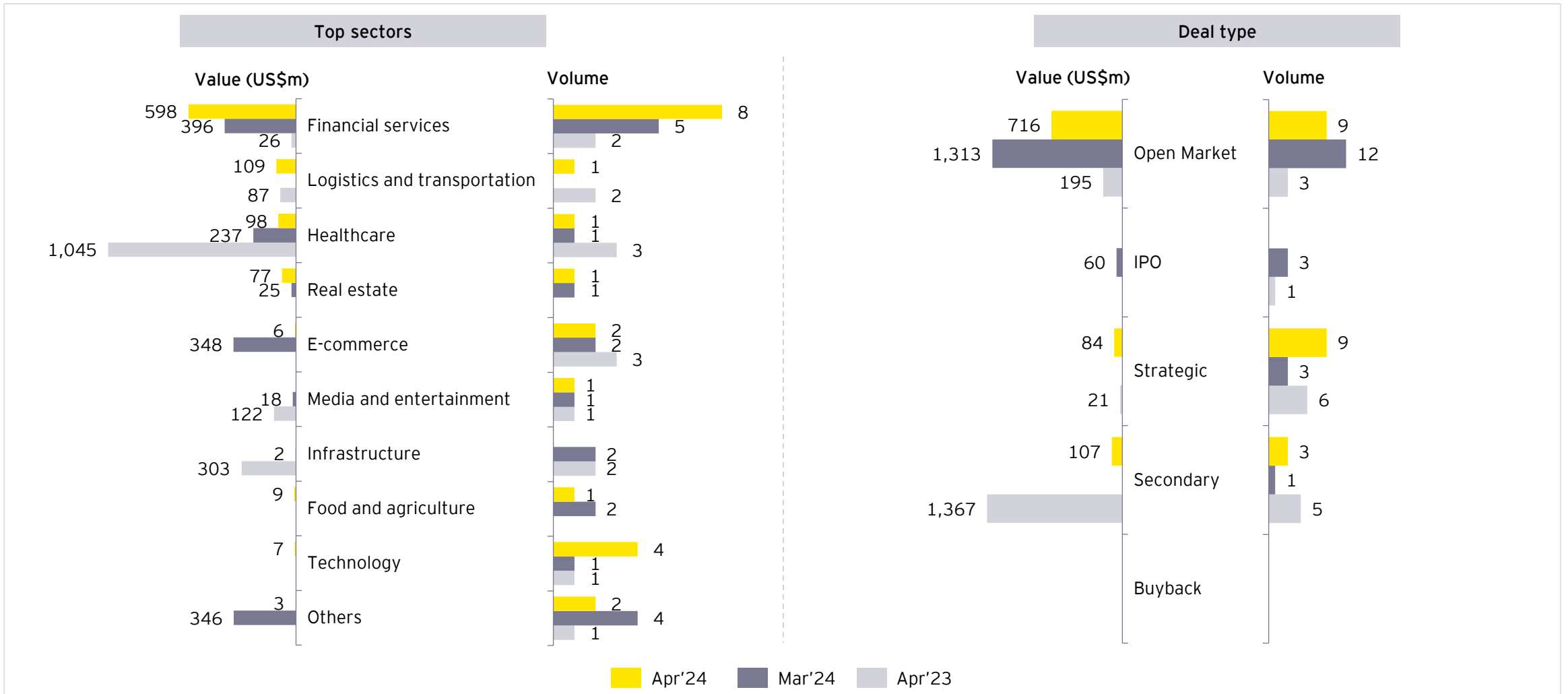


- ▶ April 2024 recorded total fundraise of US\$1.9 billion, compared to US\$194 million raised in April 2023.
- ▶ US\$1.7 billion raised by Kedaara was the largest fundraise in April 2024.

# PE/VC monthly headline trends: exits



# PE/VC monthly headline trends: exits



Note: Deal value not available for eight exits in April 2024, five exits in March 2024 and seven exits in April 2023

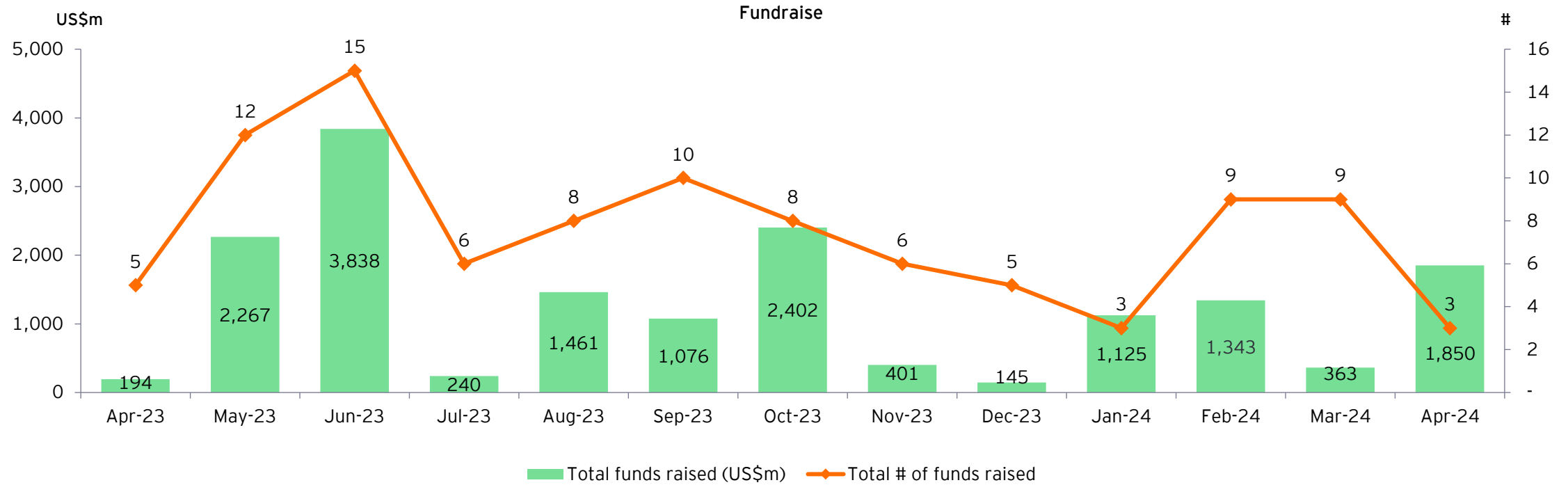


# Top exits

## Top exits in April 2024

Company	Sector	Seller	Stage	US\$m	Stake (%)
Axis Bank Limited	Financial services	Bain Capital	Open market	428	1
Delhivery Limited	Logistics and transportation	CPPIB	Open market	109	3
Cygnus Medicare Private Limited	Healthcare	Eight Roads, Somerset and Evolve	Secondary	98	51
Sky Forest Projects Private Limited	Real estate	Blackstone	Strategic	77	100
SBFC Finance Limited	Financial services	Arpwood	Open market	59	4

# PE/VC monthly headline trends: fundraise



# Fundraise

## Top fundraise in April 2024

Status	Fund	PE/VC GP	US\$m	Strategy
Raised	Kedaara Fund 4	Kedaara	1,730	Banking, healthcare, consumer and software
Announced	PMF-II	NIIF	1,000	Private equity and venture capital funds
Announced	Cornerstone Ventures Fund 2	Cornerstone Ventures	200	Software platforms and marketplaces operating in sectors, such as financial services and insurance, retail, consumer goods and ecommerce, distribution and supply chain, and healthcare products and services
Announced	Synapses IIT Delhi Fund	Synapses	125	Climate-tech and health-tech
Raised	Filter Capital India Fund I	Filter Capital	100	Leading and co-leading Series B and C rounds in the range of \$15 million to \$20 million and Software services-linked businesses

# Q2

## Spotlight: PE/VC investment trends in the technology sector (services and software)



# Foreword and outlook

## Services



**Shivani Nagpaul**

Partner

Technology Investment Banking,  
EY India

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The IT services sector has grappled with a series of seismic shifts over the last few years including sharp rise in digital transformation spend post pandemic to subsequent demand slump, geopolitical aberrations shaking global delivery models, heightened competition from insourcing (GCCs), and impact from new technologies like GenAI. Indian-heritage companies have demonstrated remarkable resilience amid these market dislocations to capture market share and grow faster. In the current macroeconomic environment, next generation of companies would displace incumbents by leveraging and sharing efficiency gains from GenAI, building deep specialization in high demand digital and cloud technologies, and developing domain expertise through sharp focus on strategic verticals.

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Digital native mid-market players operating in hotspots of AI/ML, data & cloud engineering, digital product engineering, and cybersecurity continue to demonstrate top quartile growth even as discretionary spending slows. Players that reach critical scale (US\$50 million - US\$200 million) have attracted both buyout and growth investments, underwritten by buy-and-build playbook as the platform leverages tuck-in acquisitions to fill white spaces and augment organic growth.

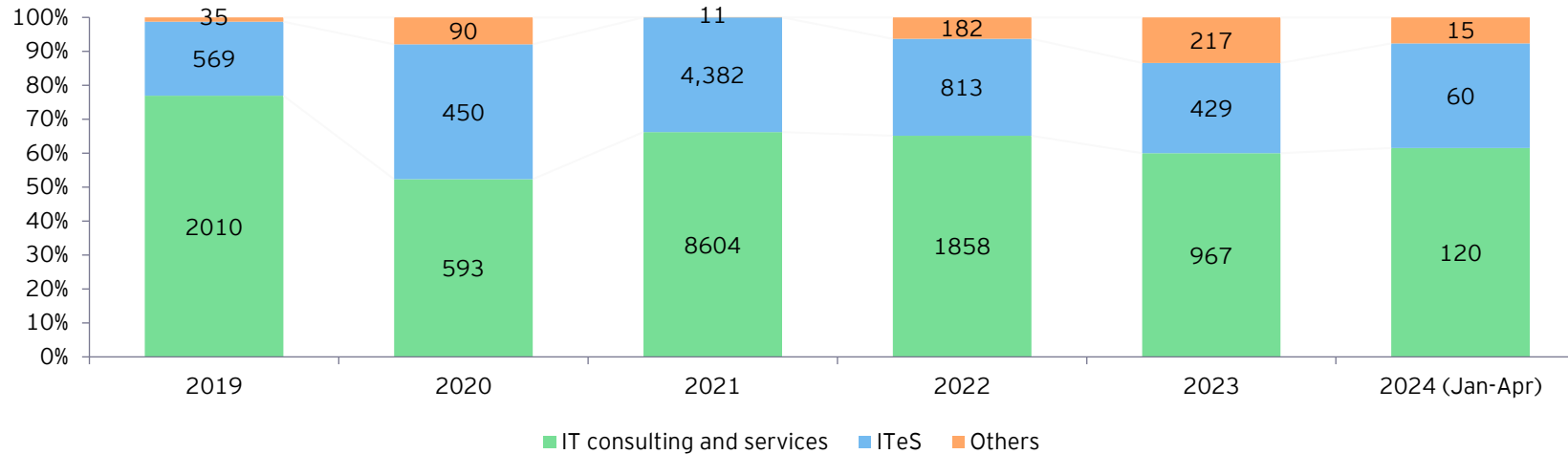
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While large deals have slowed notably in 2023, momentum is emerging in 2024 as several scaled assets reach the end of their holding cycle. The segment would also be supported by a deep and mature public market. Both large and mid/small cap Indian IT companies now trade at a material premium to their global counterparts and could not only prompt some of the largest IPOs in the sector in near term but also catalyse other buyouts/take privates.

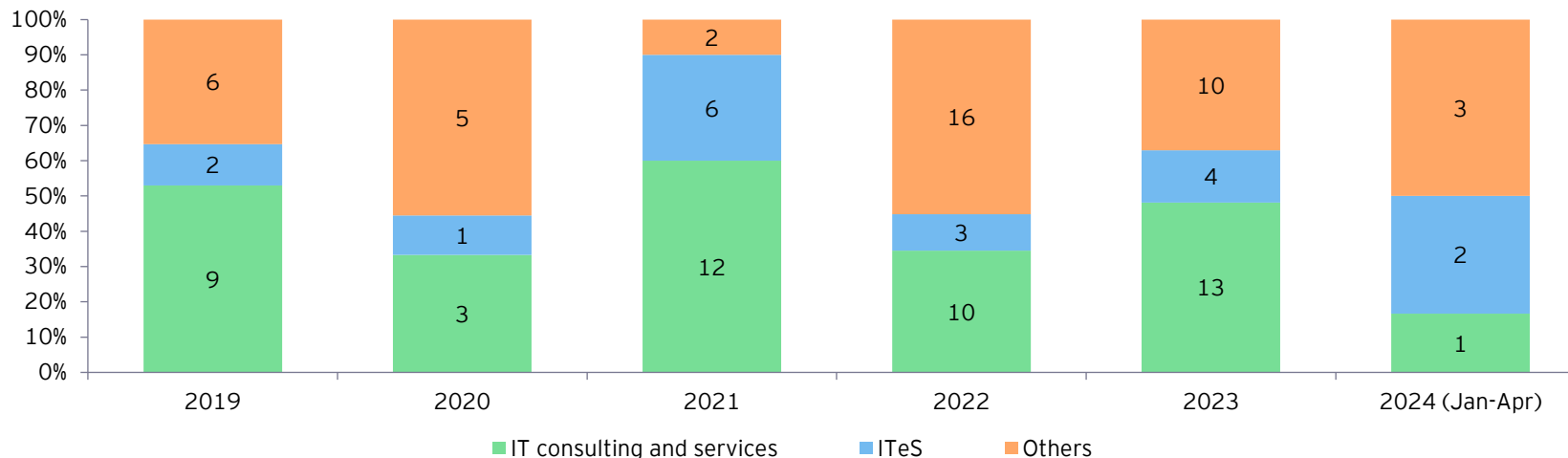
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# Spotlight: PE/VC investment trends in services

Technology sector PE/VC investments - services (value in US\$m)



Technology sector PE/VC investments - services (number of deals)



- ▶ **IT consulting and services** sector recorded an investment of US\$14 billion across 48 deals (Jan 19 - Apr 24). While 2021 recorded 3 US\$1+ billion buyout deals, mid-market growth and buyouts have been more prominent in the last 12-18 months.
- ▶ Mid-market activity has been centred around players addressing digital transformation agenda globally with deep specialisations in cloud platforms and digital technologies.
- ▶ Proven value creation strategies in the segment, such as transformation play and specialized category creation, along with buoyant domestic public market will continue catalysing investments in 2024.
- ▶ **ITeS** recorded an investment of \$7 billion across 18 deals (including 2 US\$1+ billion deals in 2021 in the BPO segment). Potential disruption from GenAI may act as headwind for deal activity. However, players serving attractive end-markets like healthcare would garner interest.

# Spotlight: PE/VC investment trends in services

## Top technology focused PE/VC investments - Services (2019 - Apr 2024)

Company	PE investors	Sector	Stage	Year	US\$m	Stake (%)
Hexaware Technologies Limited	Carlyle	IT consulting	Buyout	2021	3000	100
Mphasis Limited	Blackstone, ADIA, UC Invest, GIC	IT consulting	Buyout	2021	2800	~75
VFS Global Services Private Limited	Blackstone	ITeS	Buyout	2021	1870	75
Encora	Advent	IT consulting	Buyout	2021	1500	80
Hinduja Global Solutions Limited, Healthcare Services Business	Baring PE Asia	ITeS	Buyout	2021	1200	100
CitiusTech IT Solutions Private Limited	Bain Capital	IT consulting	Growth	2022	960	40
Straive (SPI Global)	Baring PE Asia	ITeS	Buyout	2021	900	100
IGT Solutions Private Limited	Baring PE Asia	ITeS	Buyout	2022	800	100
Infogain Co.	Apax Partners	IT consulting	Buyout	2021	800	100
CitiusTech Healthcare Technology Private Limited	Baring PE Asia	IT consulting	Buyout	2019	800	80

# Foreword and outlook

## Software



**Karthik H.**

Partner

Technology Investment Banking,  
EY India

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“Funding in the Indian software sector, which experienced a surge in venture funding from 2019 to mid-2022 due to pandemic-driven digitalization, has slowed since, impacted by geopolitical conflicts, economic instability, and interest rate hikes. Despite these challenges, India's position as a leader in the B2B software market remains strong and promising. Indian SaaS businesses have demonstrated financial discipline with lower burn rates, fueled by abundant homegrown R&D, and strong operations. The post-pandemic correction saw these firms adapt by focusing on efficiency, remote work solutions, and robust functionality, showcasing an excellent "India for the World" track record.

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“The Indian SaaS landscape has matured significantly, with the number of early-stage startups scaling to \$10 million increasing from 20-30 companies five years ago to over 100 today. Additionally, there are now more than 10 Indian SaaS Centaurs, each with an ARR exceeding US\$100 million.

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“Despite facing challenges in the last 18-24 months, software valuations are positioned for a resurgence. The public market valuations, compressed since 2022 from their pandemic-era highs, have demonstrated substantial recovery since.

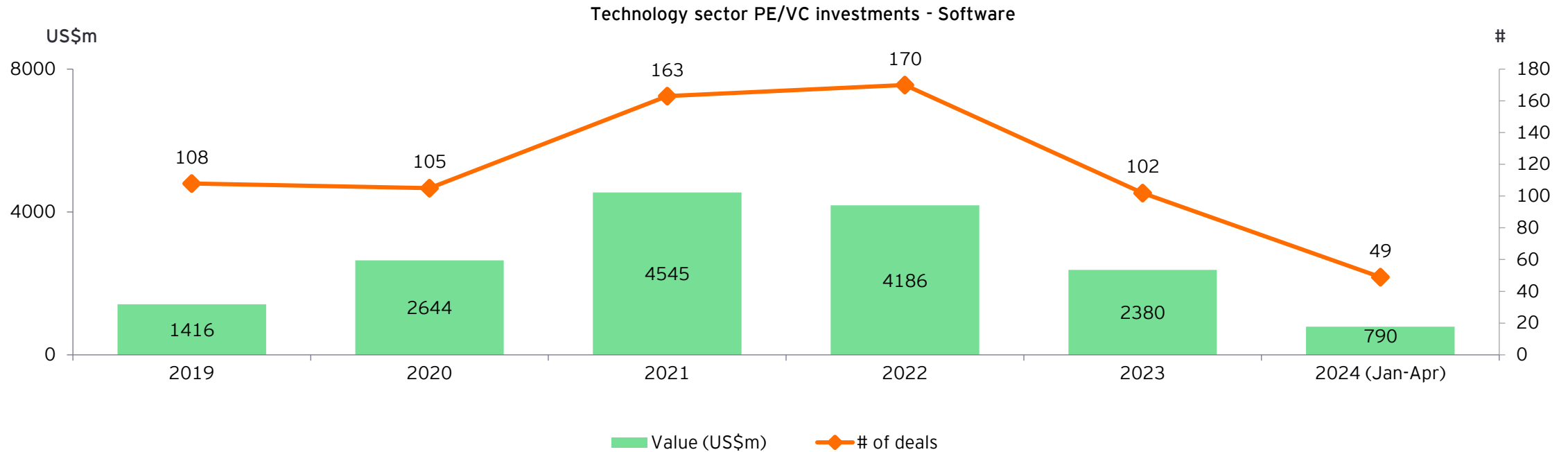
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“From a segment standpoint, cybersecurity and vertical-specific SaaS are attracting significant investor interest. Technologically, there's a rapid adoption of tools for optimizing enterprise workflows through Low-Code/No-Code platforms and the integration of Gen AI to enhance workforce efficiency. The existence of siloed systems and applications has also highlighted the growing importance of API integrations and marketplaces, which are crucial for unifying the corporate tech stack and creating a cohesive ecosystem. We expect a surge in such inbound M&A activity going forward, where well-funded, larger global startups are beginning to explore M&A options for enhancing their product capabilities and acquisition of low-cost R&D centres in India.

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# Spotlight: PE/VC investment trends in software



- ▶ Software sector has attracted significant investment of US\$16 billion, from Jan 2019 to Apr 2024, recording 697 deals in total, securing 49 large deals (each valued over US\$100 million).
- ▶ Funding has notably slowed since mid-2022 and the market has shifted away from "growth at all costs". Start-ups with proven profitability or a clear path to it have garnered significant interest.
- ▶ Large funding deals have dwindled, with only one new unicorn since 2023 compared to the record nine in 2022. Well-funded companies are weathering the downturn while only 6 category leading SaaS products have raised US\$100mn+ since Jan 2023. However, rising public market valuations and accumulation of considerable dry power with investors point towards a potential resurgence of large funding deals in 2024 and beyond.

# Spotlight: PE/VC investment trends in software

## Top technology focused PE/VC investments (2019 - Apr 2024)

Company	PE investors	Sector	Stage	Year	US\$m	Stake (%)
Majesco Limited	Thoma Bravo	Software	Buyout	2020	729	100
IBS Software Pte. Limited	Apax	Software	Growth	2023	450	30
Uniphore Software Systems Private Limited	March Capital, Sorenson Capital, NEA and others	Software	Growth	2022	400	16
Builder.ai	Iconiq Capital, Insight Venture, Jungle Ventures, QIA	Software	Growth	2023	250	NA
Chargebee Inc.	Insight Partners, Sapphire, Steadview, Tiger Global, Sequoia	Software	Growth	2022	250	7
Zeta	SoftBank	Software	Startup	2021	250	17
Gupshup Technology India Private Limited	FMR, Harbor Spring Capital, Malabar Investment, Think Investments, Tiger Global, White Oak Capital	Software	Growth	2021	240	17
Perfios Software Solutions Private Limited	Kedaara	Software	Growth	2023	229	NA
Postdot Technologies Private Limited (Postman)	Battery Ventures, Nexus Ventures, Insight Venture, Bond Capital, Coatue and others	Software	Startup	2021	225	4
Eightfold.ai	SoftBank Vision Fund, General Catalyst, Foundation Capital, IVP, Lightspeed, Capital One Ventures	Software	Startup	2021	220	10

The background features a dark blue field with various data visualization elements. On the left, there is a vertical yellow bar. The central and right portions contain a network of light blue lines and nodes, some of which are highlighted in orange. There are also several bar charts and circular patterns scattered throughout the scene, creating a complex, technical aesthetic.

About

# EY Private Equity Services

# About EY's Private Equity Services Practice

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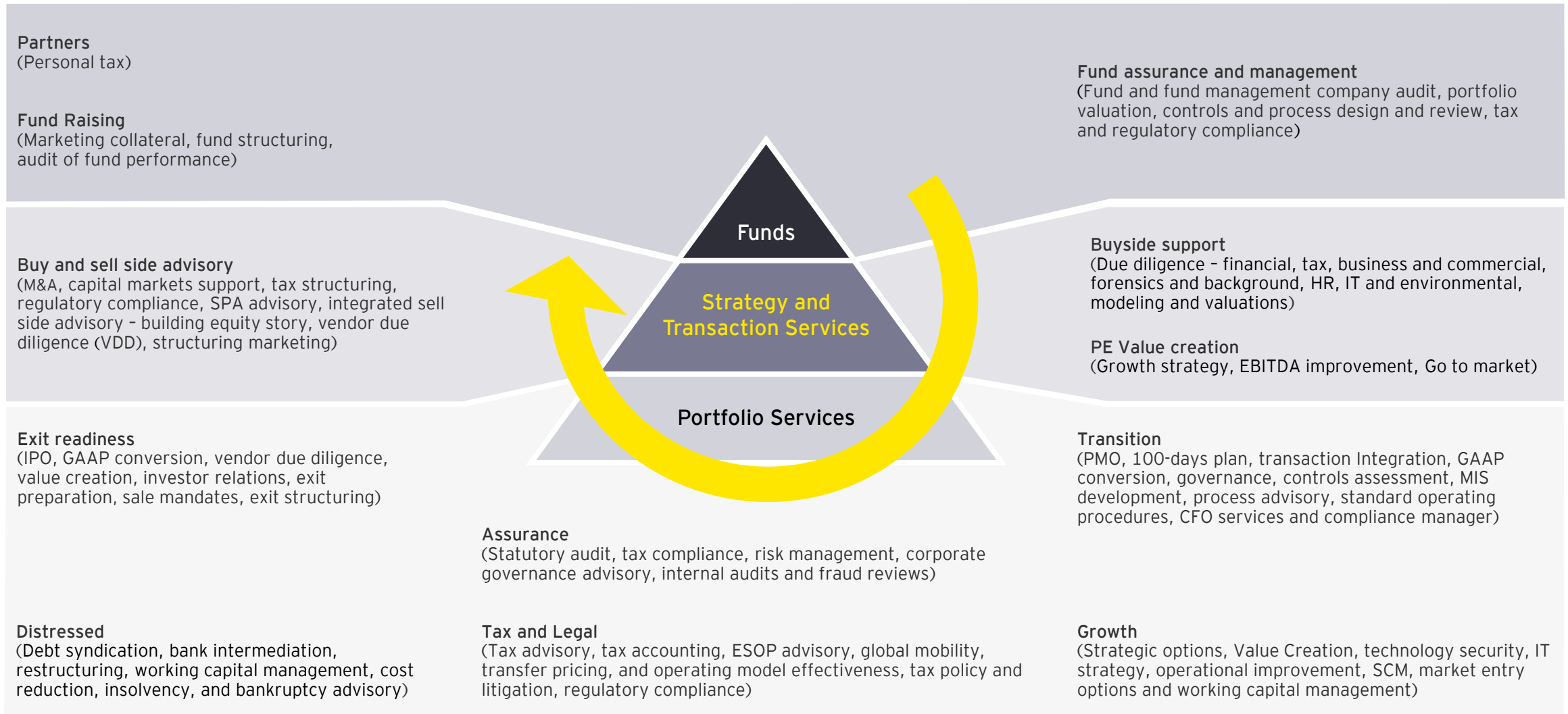
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- ▶ EY's India Private Equity Services Practice has been among the top advisors for private equity deals over the past ten years. EY has been awarded the "Most Active Transaction Advisor" award by Venture Intelligence for 2009-2013 and the "Investment 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

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## Contacts

### Private Equity Services

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

**Varun Kaila**  
Director  
E: [Varun.Kaila@in.ey.com](mailto:Varun.Kaila@in.ey.com)

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

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

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

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

### Strategy and Transactions (SaT)

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

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

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

### Advisory

**Sardul Seth**  
Partner, Business Consulting  
E: [sardul.seth@in.ey.com](mailto:sardul.seth@in.ey.com)

### Research and Insights

**Shantanu Kulkarni**  
Manager  
E: [Shantanu.Kulkarni@in.ey.com](mailto:Shantanu.Kulkarni@in.ey.com)

### Brand, Marketing and Communications

**Bhavisha Jogi**  
Vice President  
E: [Bhavisha.Jogi@in.ey.com](mailto:Bhavisha.Jogi@in.ey.com)

**Harshpreet Singh**  
Associate  
E: [Harshpreet.Singh@in.ey.com](mailto: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.

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

## Contacts

### Rajat Tandon

President, IVCA

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

### Aakriti Bamniyal

Senior Vice President, IVCA

E: [aakriti@ivca.in](mailto:aakriti@ivca.in)

