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PricewaterhouseCoopers India Pvt Ltd

# *MoneyTree™ India Report* *Q4 2015*

Data provided by Venture Intelligence

*Technology Institute*

*This special report  
provides summary results of  
Q4 '14, Q3 '15 and Q4 '15.*



**pwc**

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# 1. Overview

## ***A big year for Indian private equity!***

The year 2015 was the best year ever for private equity (PE) investing in India, with record investments as well as exits. It saw investments worth 19.5 billion USD in 730 deals and exits worth 8.7 billion USD in 230 deals.

Around 40% of the total investments were contributed by the technology sector (IT & ITeS), with total investments in that sector amounting to 7.6 billion USD. The surge in the tech sector was largely due to the increased interest in e-commerce, which saw deals worth approximately 5.4 billion USD. Other sectors that contributed substantially to this investment surge are financial services (2.4 billion USD), healthcare (1.6 billion USD) and energy (1.5 billion USD).

Early-stage deals and growth capital continued to contribute significant deal volumes; however, a substantial amount of investments—9.2 billion USD across 143 deals—were late-stage growth/buyouts. This includes investments in some e-commerce businesses which have evolved sufficiently.

The year saw exits worth 8.7 billion USD, which was more than double the exits in the previous year (4 billion USD) and over 50% higher than 2010, which was the best exit year prior to 2015 (2010 saw 6.3 billion USD in exits). It must also be noted that almost a quarter of the exits came by way of secondary sales, which were mostly early/growth investments bought by late-stage investors.

The last quarter of the year witnessed investments of 3.94 billion USD in 159 deals. The major contributor here was again the technology sector, attracting 1.26 billion USD in 93 deals. Interestingly, e-commerce did not play a big part in the last quarter.

Considering the levels of PE activity in 2015, it may be natural to assume that the momentum will continue in 2016. However, e-commerce fundraising slowed down at the tail end of the year and this will test the depth of the market in 2016. While financial services, technology and healthcare continue to see sustained activity (which could lead them to even better their 2015 numbers), the same cannot be said for consumer, industrials and infrastructure.

The Indian government's focus on making it easier for foreign investors to do business in India will help from a perception standpoint and needs to be backed by real reform. India's macros are looking good, with the current account and fiscal deficit at acceptable levels, a relatively stable rupee, inflation at below 5% and, most importantly, a declining interest rate regime. This should encourage private investment as demand picks up.

All in all, 2015 was a good year for PE investing in India, and the momentum seems to be extending into 2016. An enabling regulatory regime and a facilitating business environment will help both the seekers and providers of capital and the government is keen to provide a platform. This will spur investments in India in a bigger way than 2015 and, hopefully, result in another record year for 2016.

### **Sanjeev Krishan**

*Leader, Private Equity and Transaction Services*  
PwC India

## 2. Analysis of PE investments

### Total equity investments in PE-backed companies

The last quarter of 2015 provided a strong finish to the year, making it the best year for Indian private equity (PE) in history. The fourth quarter of 2015 saw investments worth 3.9 billion USD, a 40% drop as compared to the previous quarter and a 12% drop as compared to the year-ago period. Despite the drop, the stellar performance throughout the whole year helped 2015 to become the best year ever, with a total of 19.5 billion USD worth of PE inflow.

Q4 saw 159 deals, while Q3 '15 witnessed 203 deals (6.6 billion USD). As compared to this, the last quarter of 2014 had 146 deals worth 4.5 billion USD.

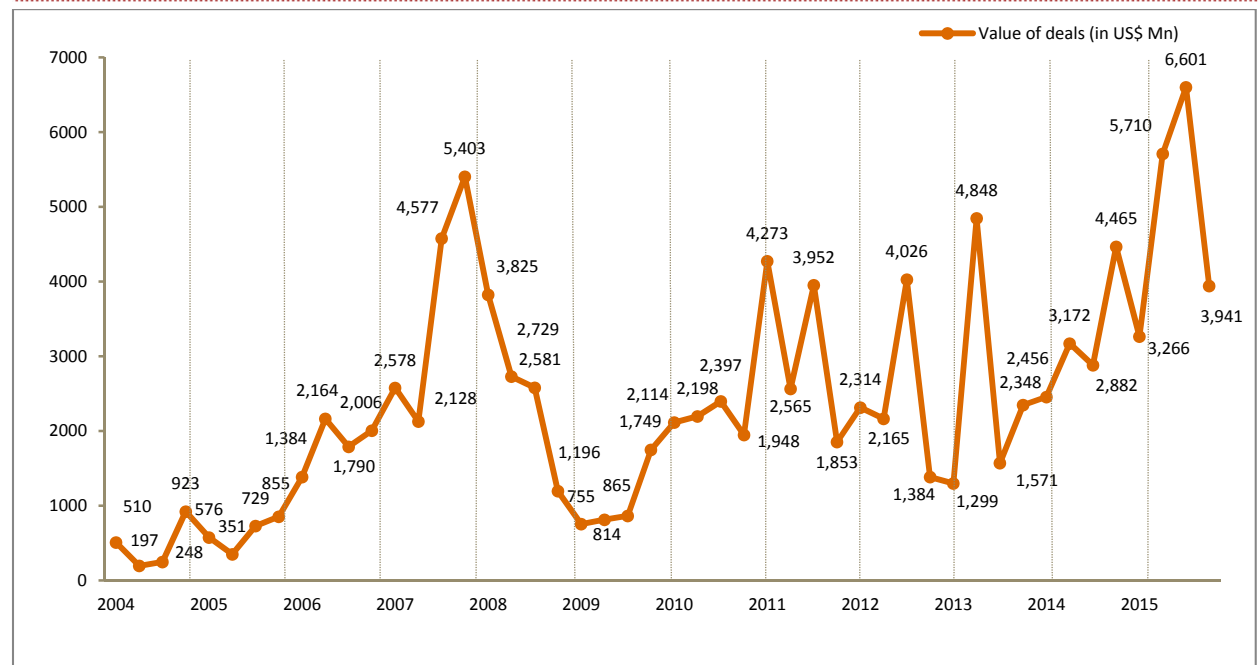
The information technology & IT-enabled services (IT & ITeS) sector continued to be the biggest sector, though its performance was comparatively low compared to the previous quarter. IT & ITeS attracted 1.3 billion USD in 93 deals, which is down 52% compared to the year-ago period and down 67% compared to the previous quarter.

The banking, financial services & insurance (BFSI) sector attracted 910 million USD in 10 deals. But the media & entertainment sector was a surprise, attracting investments worth 414 million USD.

Late-stage investments have continued their outstanding performance with 1.7 billion USD, while growth stage deals attracted 1.2 billion USD.

Regionally, Mumbai attracted 1.9 billion USD, while Bangalore was a distant second with investments worth 733 million USD.

### Total private equity investments



| Quarters        | Q1  | Q2  | Q3  | Q4  |
|-----------------|-----|-----|-----|-----|
| Number of deals | 21  | 23  | 22  | 40  |
|                 | 44  | 42  | 47  | 64  |
|                 | 101 | 89  | 108 | 99  |
|                 | 118 | 96  | 140 | 179 |
|                 | 167 | 109 | 135 | 86  |
|                 | 81  | 50  | 72  | 103 |
|                 | 100 | 93  | 128 | 106 |
|                 | 135 | 138 | 152 | 135 |
|                 | 147 | 133 | 143 | 122 |
|                 | 120 | 127 | 125 | 111 |
|                 | 56  | 135 | 136 | 146 |
|                 | 203 | 165 | 203 | 159 |

Data provided by Venture Intelligence

## Analysis of private equity investments

### Investments by industry Q4 '14, Q3 '15 and Q4 '15

The IT & ITeS sector continued its outstanding performance and retained its top spot as the favorite sector for PE players. The sector attracted 1.3 billion USD in 93 deals, a 67% drop as compared to the previous quarter and a 52% drop as compared to the year-ago period. In Q3 '15, the sector attracted 3.8 billion USD, whereas in the year-ago period, it was 2.6 billion USD.

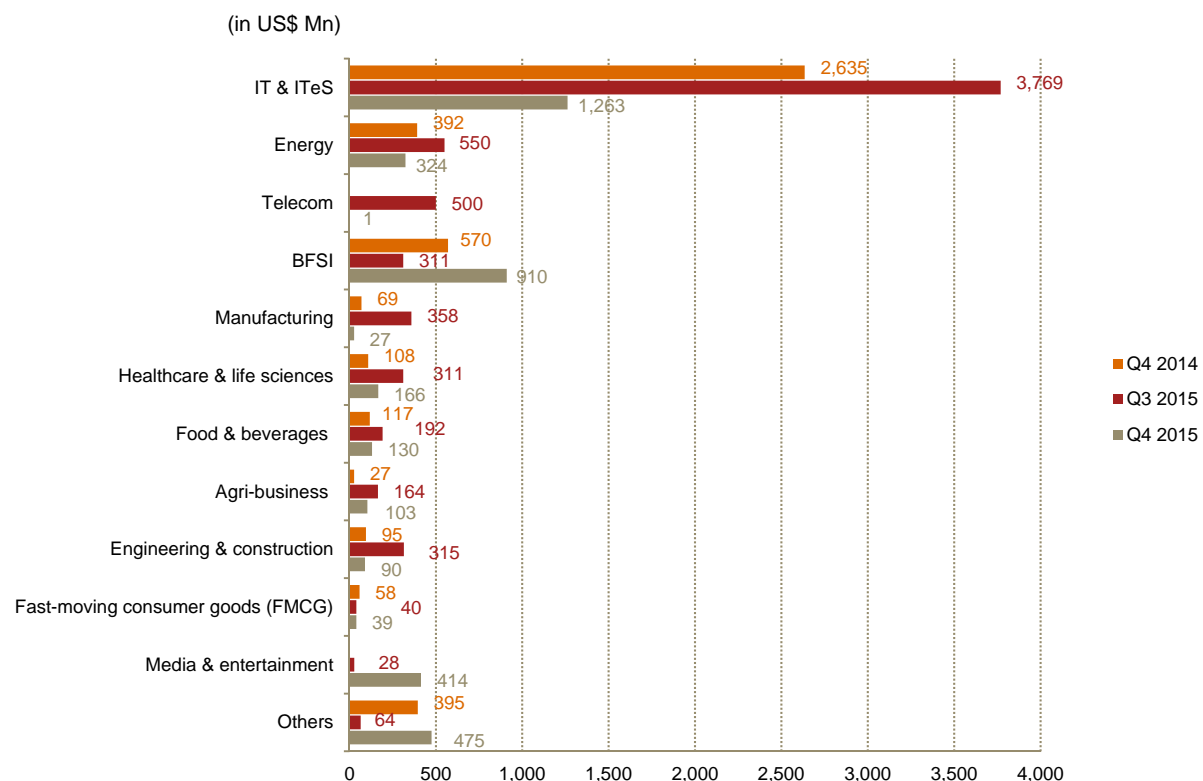
The major deals in the sector included an investment of 325 million USD in QuEST Global by Bain and GIC, Blackstone's 170 million USD investment in IBS, and Apax Partners' 133-million deal with Zensar Technologies.

BFSI attracted 910 million USD in 10 deals, which is almost three times higher than the previous quarter (311 million USD in 8 deals) and 60% higher than the year-ago period (570 million USD in 12 deals). A 295-million-USD investment in ICICI Prudential by Temasek and PremjiInvest, and Fairbridge's 201-million-USD investment and GA's 173-million-USD investment in India Infoline powered the sector during Q4 '15.

Media & entertainment surprised everyone with investments worth 414 million USD, one of the highest in recent years, across just five deals. It saw just 28 million USD in the previous quarter, while there were no investments in Q4 '14. This was mainly boosted by 350-million-USD investment in

two deals by KKR (300 million USD in Emerald Media and a 50-million-USD investment in CA Media).

Shipping & logistics is another sector that surprised in this quarter with 403 million USD in investments, mainly aided by a 175-million-USD investment in Embassy Industrial Park by Warburg Pincus. The energy sector has attracted 324 million USD, while healthcare and manufacturing underperformed (166 million USD and 27 million USD, respectively).



Data provided by Venture Intelligence

*Note: Others include other services, hotels & resorts, sports & fitness, agribusiness and retail.*

## Analysis of private equity investments



### **Bharti Gupta Ramola**

#### **Leader, Financial Services Industry, PwC India**

'With the government's and the Reserve Bank of India's focus on banking for the unbanked, and possibilities created by technology and mobility, there is tremendous potential for products and services that can target specific segments and improve access to financial services across the board. The insurance sector has also seen considerable activity after the government allowed foreign companies to increase their stake to 49%. Investors are bullish on the Indian growth story and opportunities to provide services and products in this exciting market.'

### **Sandeep Ladda**

#### **Leader, Technology Industry, PwC India**

'The IT sector continued its strong performance and emerged as the leader both in terms of investment volume and value; however, the performance of the sector declined as compared to previous quarters. A majority of the deals were in the growth and late stages, and Bengaluru continued to lead the pack regionally. Traditional IT & ITeS segment companies like QuEST Global, IBS Software Services and Zensar Technologies dominated the quarter as opposed to the usual headliners, e-commerce and online services. The e-commerce and online services segments, which had been flush with cash since late 2014, saw selective investments flowing in lately and e-commerce companies themselves have started focussing on profitability by controlling costs and marketing spends. With several companies shutting shop and significant lay-offs across the industry, e-commerce and online companies have started functioning rationally as funding is expected to get tougher in 2016.'

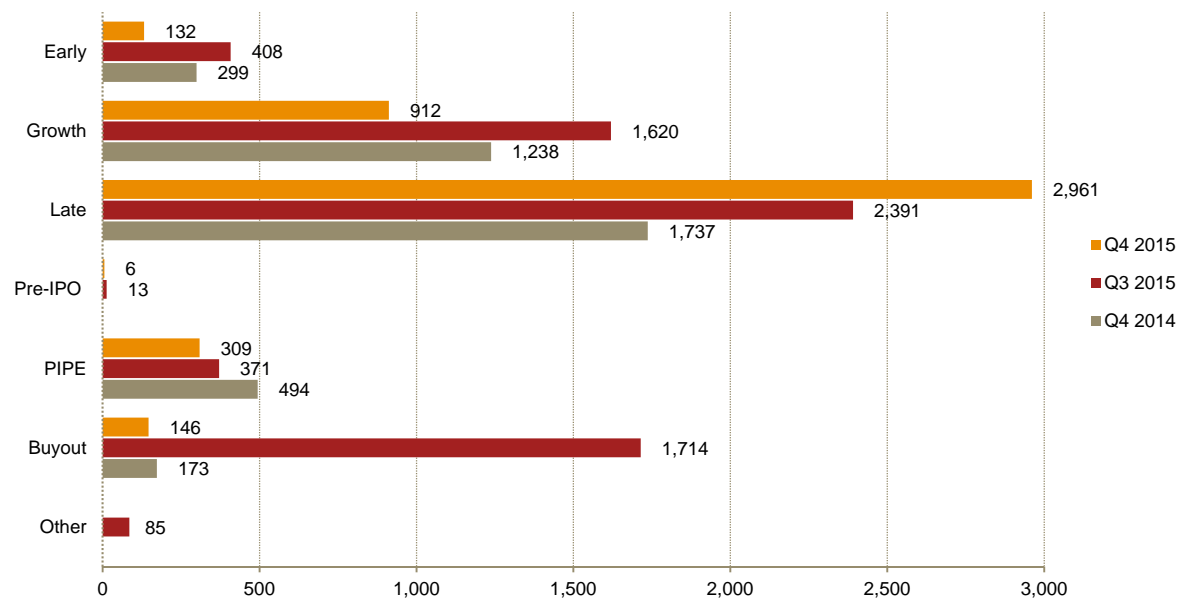
## Analysis of private equity investments

### Investments by stage of development Q4 '14, Q3 '15 and Q4 '15

In the last quarter of 2015 late-stage investments continued to outgrow other types of investment routes, aggregating 1.7 billion USD in 23 deals. Growth-stage deals attracted 1.2 billion USD in 34 deals. Interestingly, buyouts dropped to the fifth position, with investments worth only 173 million USD, below public market deals (494 million USD) and early-stage deals (299 million USD).

#### Investments by stage of development

(in US\$ Mn)



Data provided by Venture Intelligence

*Note: Definitions for the stage of development categories can be found in the 'definitions' section of this report.*

*Growth stage in the above graph includes both growth and growth-PE stages.*

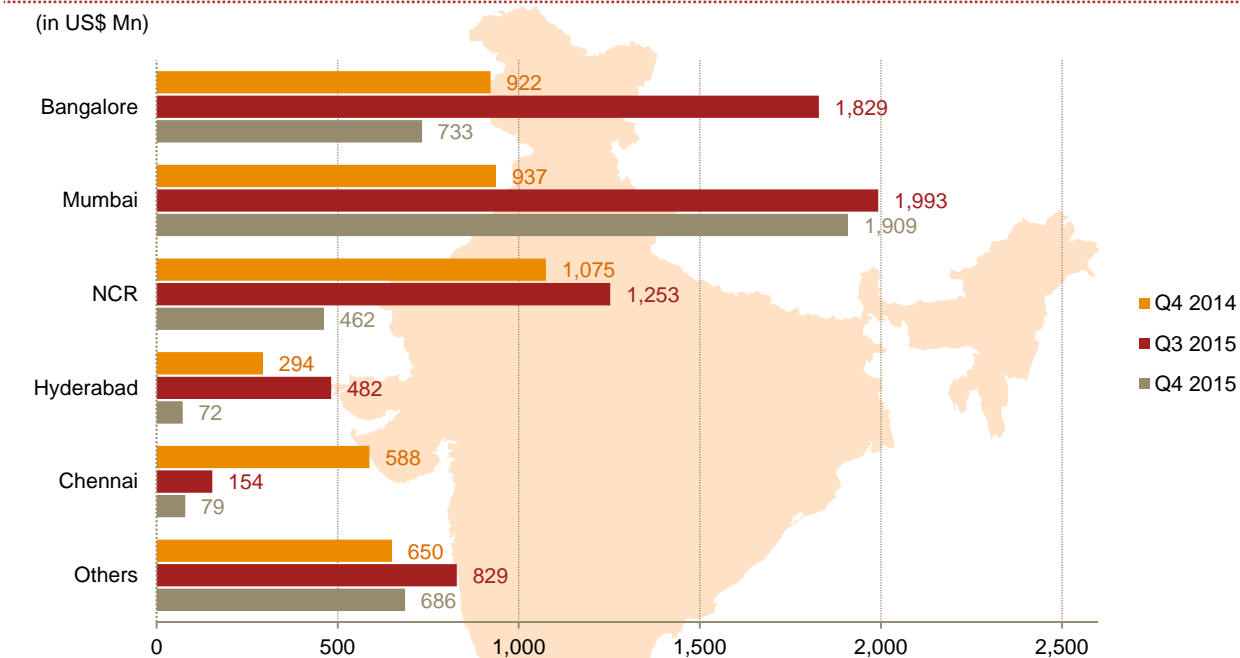
## Analysis of private equity investments

### Investments by region

Q4 '14, Q3 '15 and Q4 '15

Mumbai attracted the highest investment in terms of geography, with aggregated investments worth 1.9 billion USD in 46 deals. Bangalore slipped to the second spot by a big margin—733 million USD in 31 deals. NCR saw investments worth 462 million in 37 deals. Other cities such as Pune (222 million USD), Jalgaon (103 million USD) and Thiruvananthapuram (170 million USD) have also attracted substantial PE interest in this quarter.

#### Investments by region



Note: NCR includes Delhi, Gurgaon and Noida.

Data provided by Venture Intelligence



## Analysis of private equity investments

### Top 20 PE deals Q4 '15

The top 20 deals comprised 72% of the total deal value in Q4 '15. This quarter is notable for the absence of any deals above 400 million USD. The top five deals together accounted for just 35% of the total deal value. The average deal value for this quarter was 24.8 million USD.



#### Top 20 PE deals in Q4 2015

| Company                             | Industry                   | Investors                                     | Amount (US\$ Mn) |
|-------------------------------------|----------------------------|---|------------------|
| QuEST Global                        | IT & ITeS                  | Bain Capital, GIC                             | 325              |
| Emerald Group                       | Media & entertainment      | KKR   | 300              |
| ICICI Prudential Life               | BFSI                       | Temasek, PremjiInvest                         | 295              |
| ReNew Wind Power                    | Energy                     | Global Environment Fund, Goldman Sachs, ADIA  | 265              |
| India Infoline                      | BFSI                       | Fairbridge Capital                            | 201              |
| Embassy Industrial Parks            | Shipping & logistics       | Warburg Pincus                                | 175              |
| India Infoline Wealth               | BFSI                       | General Atlantic                              | 173              |
| IBS Software Services               | IT & ITeS                  | Blackstone                                    | 170              |
| Zensar Technologies                 | IT & ITeS                  | Apax Partners                                 | 133              |
| Grofers                             | Shipping & logistics       | Sequoia Capital India, SoftBank, Tiger Global | 120              |
| Aventus Capital                     | BFSI                       | KKR   | 115              |
| Varun Beverages International       | Food & beverages           | AION Capital                                  | 93               |
| Ratnakar Bank                       | BFSI                       | CDC Group, ADB                                | 77               |
| Cloud Nine                          | Healthcare & life sciences | India Value Fund                              | 61               |
| Continental Warehousing Nhava Sheva | Shipping & logistics       | IFC   | 60               |
| Jain Farm Fresh Foods               | Agri-business              | Mandala Capital                               | 60               |
| Naaptol.com                         | IT & ITeS                  | Mitsui PE                                     | 52               |
| Dewas-Bhopal Corridor               | Engg. & construction       | IDFC Alternatives                             | 52               |
| CA Media                            | Media & entertainment      | KKR   | 50               |
| Netmeds                             | IT & ITeS                  | OrbiMed                                       | 50               |

Data provided by Venture Intelligence

### 3. Analysis of PE exits

#### Total PE exits

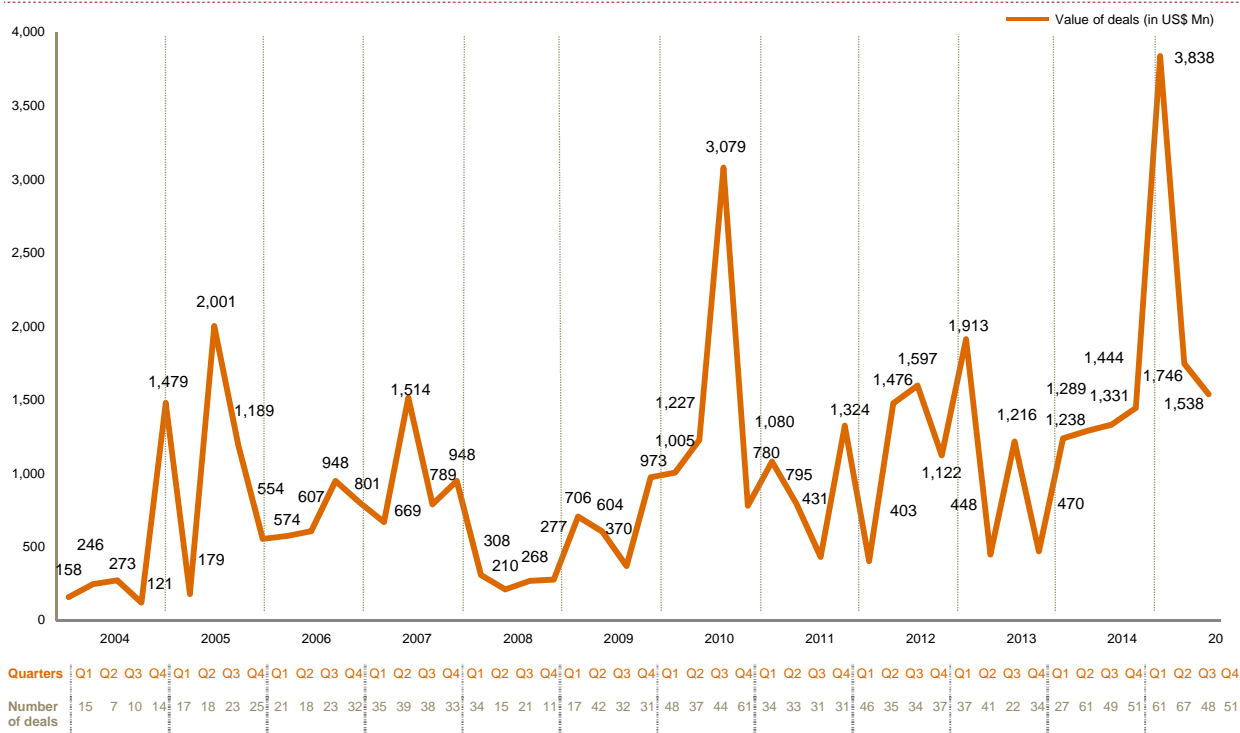
Along with investments, 2015 was a strong year for exits too. Over all four quarters, there was a record exit of 8.6 billion USD in 230 deals. This is an all-time record, surpassing the exits worth 6.3 billion USD in 2010.

The fourth quarter of the year saw exits worth 1.5 billion USD in 51 deals, a 12% drop from the previous quarter (1.8 billion USD in 51 deals), but recorded a 16% surge as compared to the year-ago period (1.3 billion USD in 54 deals).

IT & ITeS emerged as the top sector in terms of exit value, with investments worth 598 million USD in 13 deals. The manufacturing sector saw exits worth 257 million USD, while telecom, with a single deal worth 250 million USD, secured the third spot.

Once again, secondary sales picked up the top position as the preferred exit route, with 696 million USD in nine deals. Further, public market sales saw 22 deals worth 539 million USD.

#### Total PE exits



Data provided by Venture Intelligence

## Analysis of PE exits

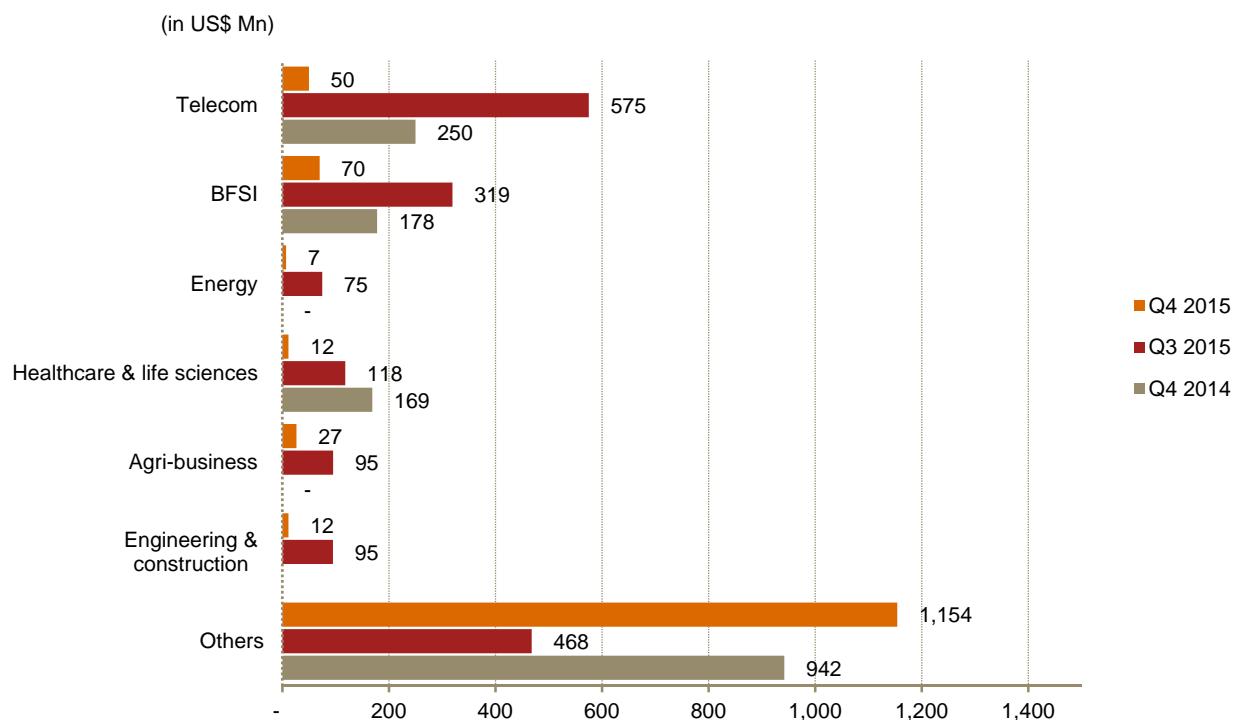
### Exits by industry Q4 '14, Q3 '15 and Q4 '15

The IT & ITeS sector has done substantially well in terms of exits, attracting exits worth 598 million USD across 13 deals. This is six times higher compared to the previous quarter (98 million USD across nine deals) and 34% higher compared with the year-ago period (448 million USD across 15 deals). Manufacturing has secured the second position with deals worth 257 million USD across nine deals, which is over five times higher than the previous quarter (48 million USD across six deals), but reported a 44% drop compared to the same quarter last year (459 million USD across nine deals).

With a single deal, telecom witnessed an exit worth 250 million USD. BFSI secured deals worth 178 million USD (five deals) while exits in healthcare were worth 169 million USD in eight deals.

*Note: Others includes shipping & logistics, other services, retail, food & beverages and hotels & resorts.*

#### Exits by industry



Data provided by Venture Intelligence

## Analysis of PE exits

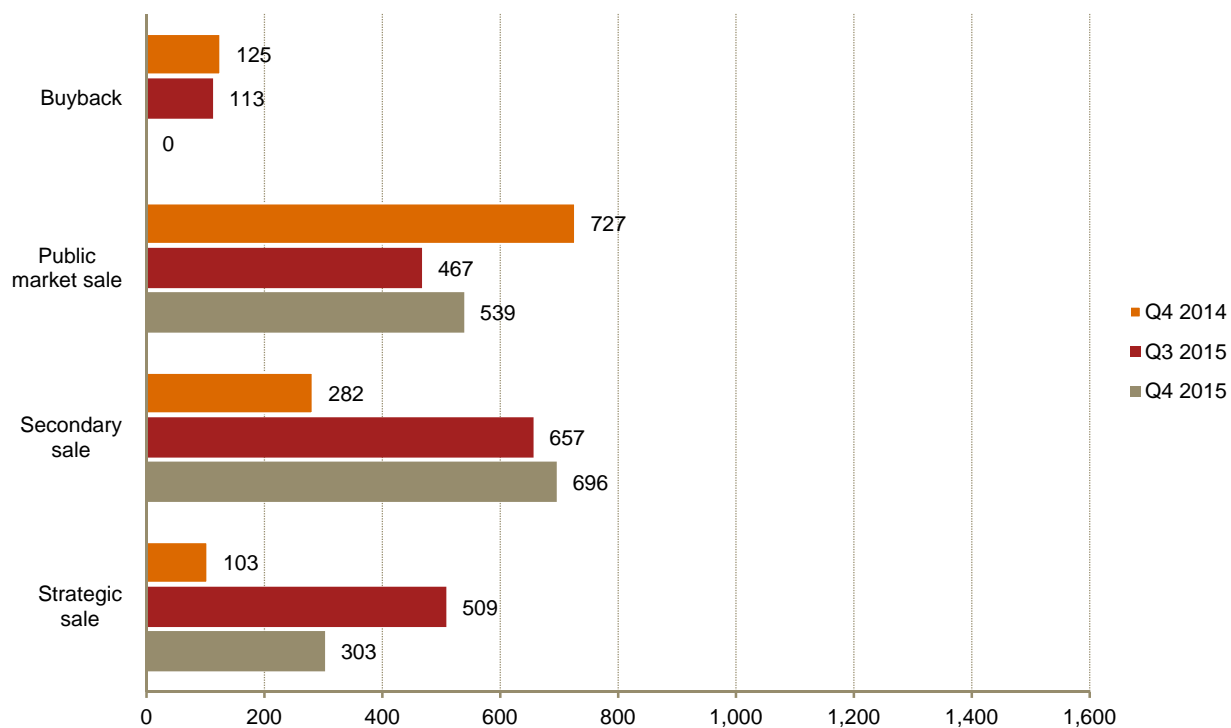
### Exits by type

Q3 '14, Q2 '15 and Q3 '15

The pick-up in secondary sales is a good sign for Indian PE investing. In this quarter, secondary sales were the preferred exit route for PEs with nine deals worth 696 million USD. Public market sales witnessed 22 deals worth 539 million USD. Strategic sales saw 19 deals worth 303 million USD and there was one buy-back deal in Q4 '15.

#### Exits by type

(in US\$ Mn)



Data provided by Venture Intelligence

## Analysis of PE exits

### Top five PE exits Q4 '15

The top five exits comprised 60% of the total exit value in Q4 '15.

#### Top five PE exits in Q4 2015

| Company               | Industry      | Investors   | Deal amount (US\$ Mn) |
|-----------------------|---------------|---|-----------------------|
| QuEST Global          | IT & ITeS     | Warburg Pincus  | 250                   |
| Viom Networks         | Telecom       | IDFC PE, GIC, Oman Investment Fund, DB Zwirn, SBI-Macquarie | 250                   |
| IBS Software Services | IT & ITeS     | General Atlantic  | 170                   |
| Zensar Technologies   | IT & ITeS     | Electra Partners  | 133                   |
| Hero MotoCorp         | Manufacturing | Bain Capital  | 116                   |

Data provided by Venture Intelligence



## 4. Active PE firms

Based on the volume of deals, Sequoia Capital was the most active investor of this quarter, with 12 deals. Accel secured nine deals. Ratan Tata made four investments in this quarter.

### The most active PE investors in Q4 '15 are listed below.

| Investors               | No. of deals* | Investors              | No. of deals* |
|-------------------------|---------------|------------------------|---------------|
| Sequoia Capital India   | 12            | KKR                    | 2             |
| Accel India             | 9             | Lightspeed Ventures    | 2             |
| Ratan Tata              | 4             | Micromax               | 2             |
| Kalaari Capital         | 4             | Nalanda Capital        | 2             |
| SAIF                    | 4             | Nexus Venture Partners | 2             |
| Flipkart                | 3             | Qualcomm Ventures      | 2             |
| Paytm                   | 3             | Ru-Net Holdings        | 2             |
| Trifecta Capital        | 3             | Tiger Global           | 2             |
| ChrysCapital            | 3             | Bessemer               | 2             |
| Fairbridge Capital      | 3             | Kae Capital            | 2             |
| I Squared Capital       | 3             | M&S Partners           | 2             |
| IDG Ventures India      | 3             | Mandala Capital        | 2             |
| IFC                     | 3             | Matrix Partners India  | 2             |
| Apoletto                | 2             | NEA                    | 2             |
| Beenos Partners         | 2             | Parampara Capital      | 2             |
| Flipkart                | 2             | RoundGlass Partners    | 2             |
| Foxconn                 | 2             | YourNest               | 2             |
| Infosys Innovation Fund | 2             | YouWeCan Ventures      | 2             |
| InnoVen Capital         | 2             |                        |               |

\* Number of deals includes both single and co-investments by PE firms. Cases where two or more firms have invested in a single deal are accounted for as one deal for each firm.

Data provided by Venture Intelligence

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## 5. Sector focus

### **Technology sector analysis**

The Indian IT & ITeS industry contribution is expected to touch 9.3% of the country's GDP in FY 2016, having exhibited a consistent CAGR of 13.9% from FY 2009 to FY 2015.

E-commerce is driving the rapid growth of the domestic IT & ITeS industry, attracting unprecedented levels of global interest and funding. Along with mobile apps, e-commerce is expected to grow by more than 30% annually. Digital transformation is creating new imperatives for India's growth, with many companies adopting digital technologies (analytics, cloud, mobility, social media, Internet of Things (IoT)) into their business models. The Indian technology and services industry is expected to reach revenues of 350 billion USD by 2025, with 80% of the technology expenditure driven by digital technologies.

In 2015, sectors such as banking, insurance and telecom saw the stabilization of their business and opened up their technology spend over the year, thereby driving the growth of the Indian IT & ITeS industry. The government revealed some new technology-centric initiatives last year—namely Digital India and Start Up India—to accelerate India's plunge into the connected digital world.

The Start Up India initiative, launched in January 2016, aims to boost entrepreneurship in India and provides a wide range of incentives to start-ups.\* India ranks third in technology start-ups and fifth across all start-ups globally. Over the last few years, the start-up industry has witnessed huge growth in the country. Start-ups are the centers of innovation and India needs to address the critical needs of the country in areas like affordable healthcare, education and financial inclusion by supporting these start-ups and providing incentives.

Incentives include minimum compliance, self-certification, ease of registering a business, bankruptcy, tax exemptions, a three-year tax holiday on profits and discounts on registering intellectual property (IP). Apart from boosting the prospects of emerging companies, there is a lack of seed-stage risk financing in India and venture debt has been missing in the ecosystem, with Indian start-ups only using equity as a source of capital. Indian companies are over-reliant on foreign venture capital and the government needs to offset this imbalance. The industry is looking forward to the implementation of the new tax framework for start-ups and to seeing how regulations will be relaxed to help further smooth operations.

Internet-driven start-ups dominate the entrepreneurial ecosystem today, leading to disruptive solutions and business models. The government's aim of making India a digital economy serves as a great opportunity for the industry to develop innovative technology solutions.

**Sandeep Ladda**  
*Technology Leader*  
PwC India

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\* *Tech Start-ups in India: A Bright Future, Nasscom®, 2015.*

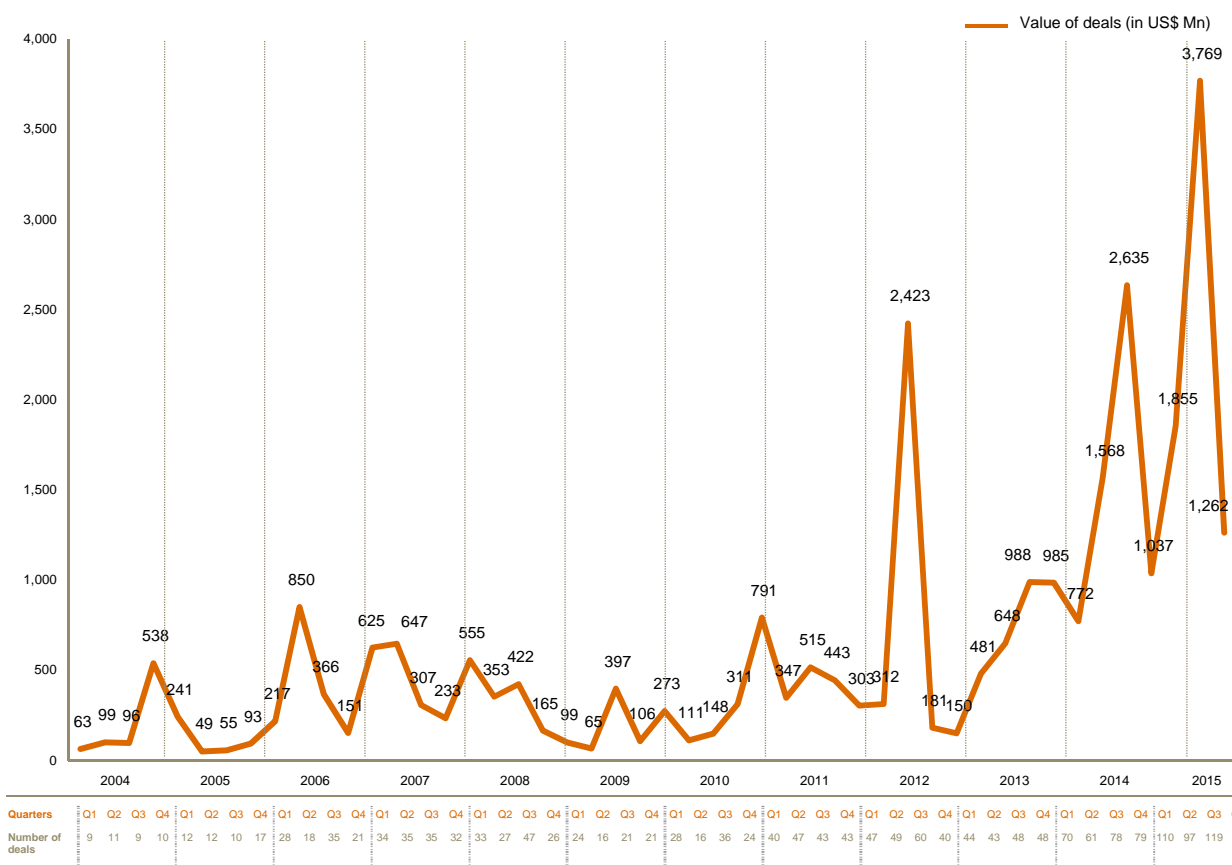
**Total PE investments**

Technology continues to be the most attractive sector for investors, with investments worth 1.26 billion USD across 93 deals. This is a 67% decline compared to the previous quarter and a 52% decline compared to the year-ago period. In Q3 '15, the sector attracted investments worth 3.8 billion USD and 2.6 billion USD during the same period in the previous year.

The major deals in this sector included an investment of 325 million USD in QuEST Global by Bain Capital and GIC, Blackstone's 170 million USD investment in IBS, and Apax Partners' 133 million deal with Zensar Technologies.

The overall average deal size has fallen to 13.6 million USD compared to 31.67 million USD in the previous quarter. In addition, the average deal size of early-stage deals dipped to 3.4 million USD in this quarter.

**Value of PE investments in IT & ITeS sector**

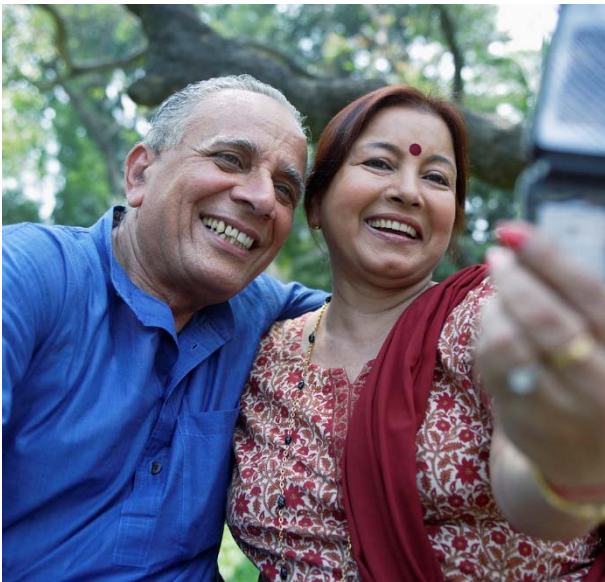


Data provided by Venture Intelligence

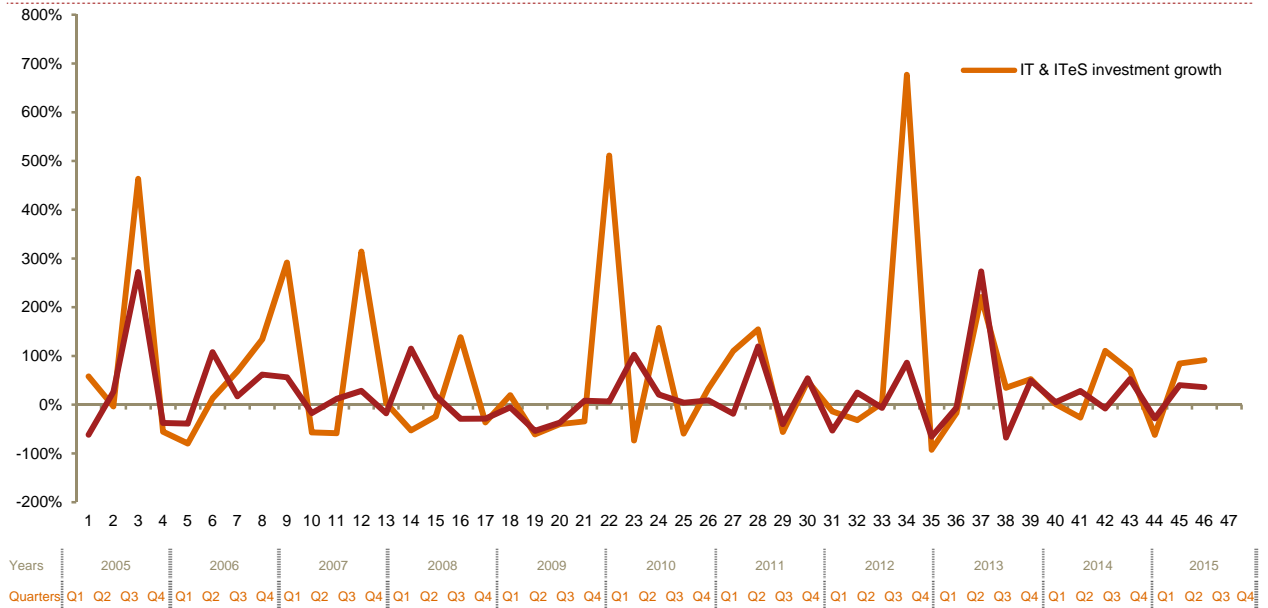


## Sector focus: IT & ITeS

A comparison between the quarter-on-quarter growth rates of the IT & ITeS PE investments against the total PE investments during the last decade shows that funding for this sector is higher than the total PE funding in most quarters. But this quarter was different as both total PE investment and tech investments witnessed a decline of 40% and 67%, respectively. Given the huge surge in investment in the previous quarter, this is not very surprising.



### Value of PE investments in the IT & ITeS sector

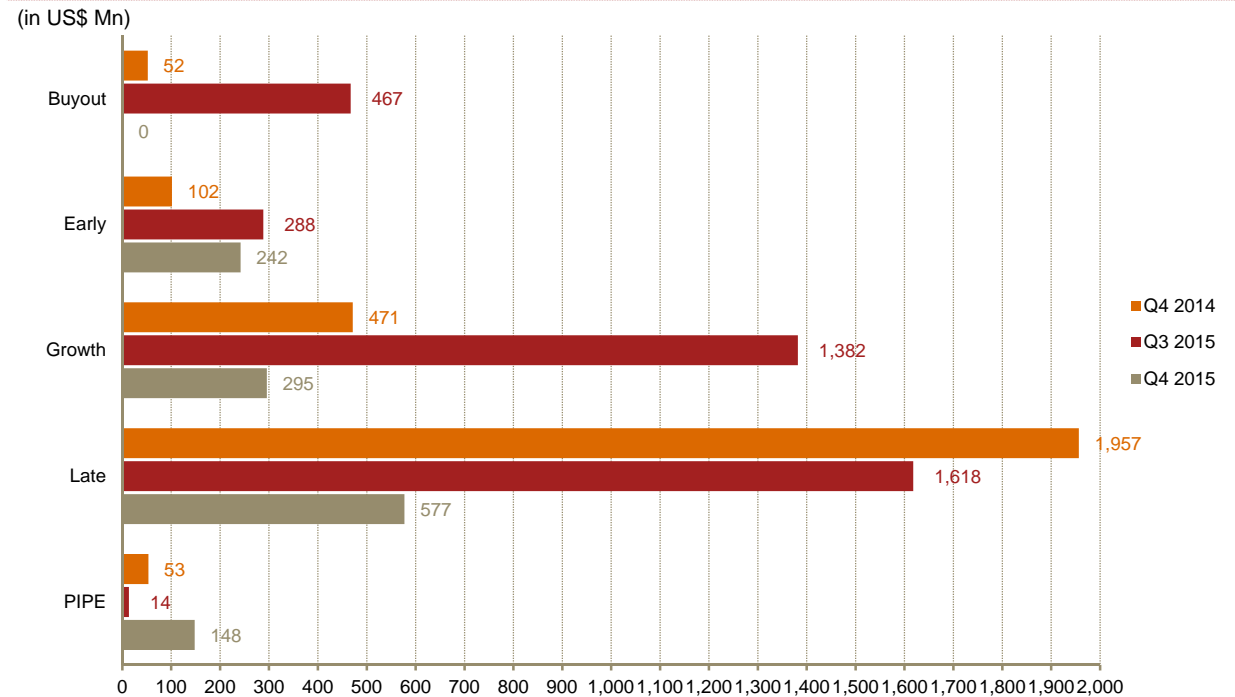


Data provided by Venture Intelligence

**Investments by stage of development**  
Q4 '14, Q3 '15 and Q4 '15

As with overall investments, late-stage investors continued their dominance in the IT & ITeS sector, with investments worth 577 million USD in five deals. This, however, represents a 64% drop from the previous quarter and a 70% drop compared to the year-ago period. The growth stage has seen investments worth 295 million USD in 15 deals, while early-stage investors bet on 71 investments worth 242 million USD.

**IT & ITeS investments by stage of development**

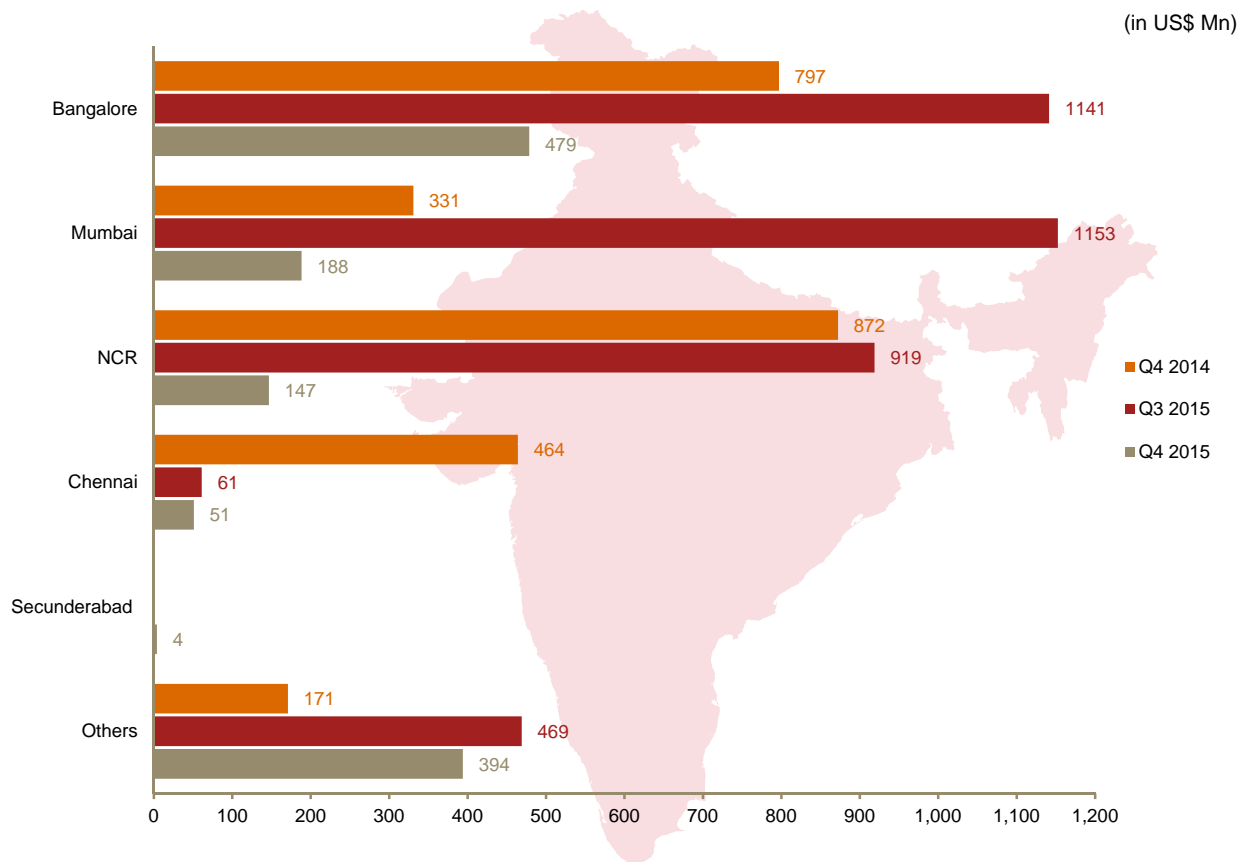


Data provided by Venture Intelligence

## Investments by region Q4 '14, Q3 '15 and Q4 '15

Bengaluru retained its top spot as the favorite technology investment destination, attracting 24 deals worth 479 million USD. Mumbai ranked second with 188 million USD in 18 deals. Thiruvananthapuram attracted investments worth 170 million USD in a single deal.

### IT & ITeS investments by region



Data provided by Venture Intelligence

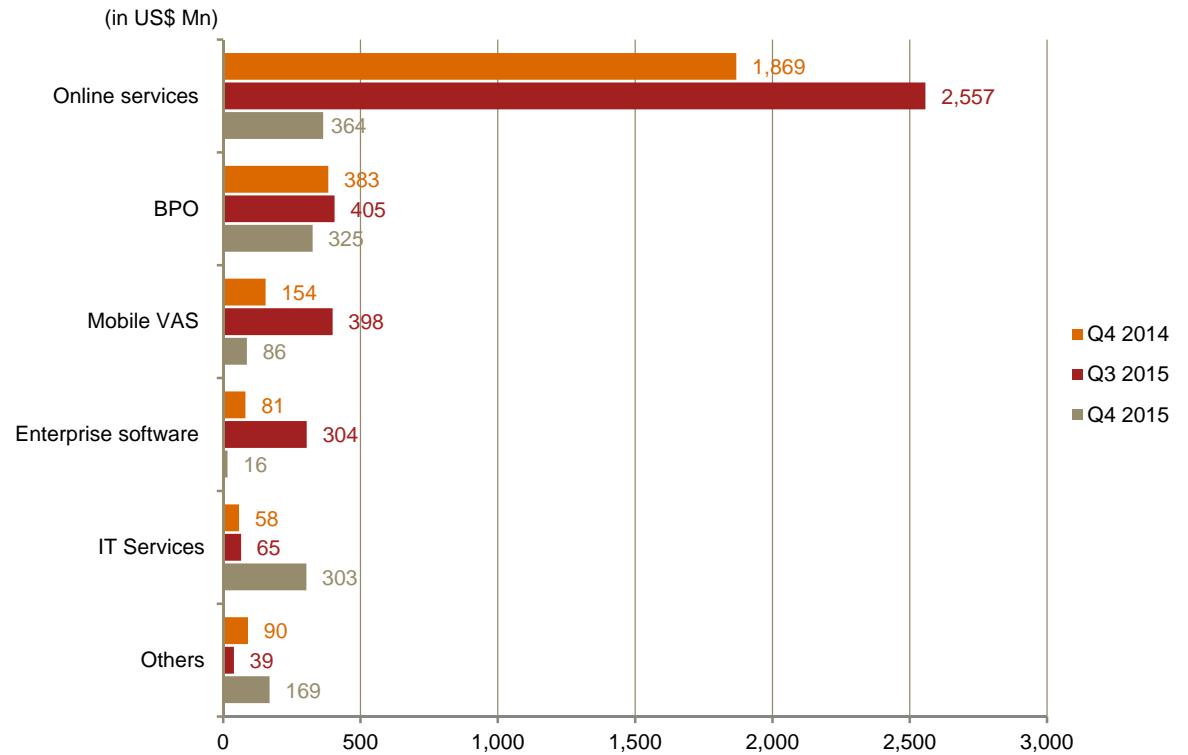
## Sector focus: IT & ITeS

### Investments by subsector Q3 '14, Q2 '15 and Q3 '15

The online services subsector retained the top slot, with investments worth 364 million USD across 41 deals, followed by BPO services with 325 million USD across two deals. IT services attracted 303 million USD across two deals.



#### IT & ITeS investments by subsector

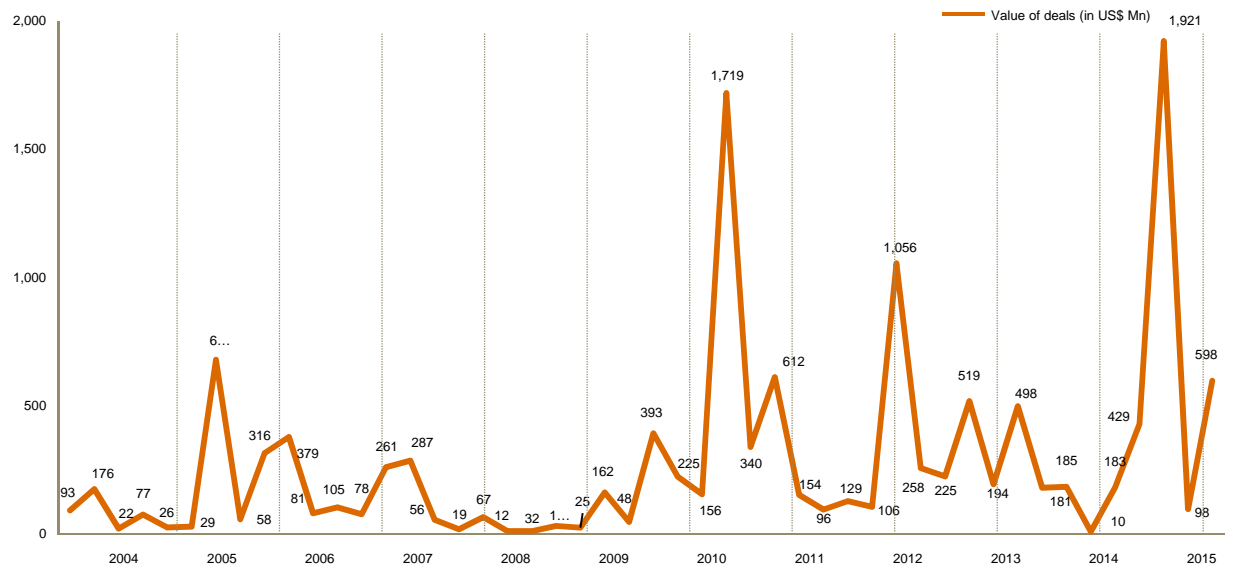


Data provided by Venture Intelligence

**PE exits in the sector**  
Q4 '14, Q3 '15 and Q4 '15

The IT & ITeS sector witnessed a huge surge in exit value, six times higher compared to the previous quarter and 34% higher than the year-ago period. The sector saw exits worth 598 million USD across 13 deals. There were three secondary sales worth 553 million USD. In the subsectors, IT services saw two exits worth 303 million USD, while IT products witnessed a single deal worth 250 million USD.

**Total IT & ITeS exits**



| Quarters        | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |    |    |   |    |   |   |   |   |    |   |   |   |   |    |   |   |   |    |   |    |    |    |   |    |
|-----------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|---|----|---|---|---|---|----|---|---|---|---|----|---|---|---|----|---|----|----|----|---|----|
| Number of deals | 8  | 4  | 3  | 12 | 5  | 6  | 8  | 8  | 7  | 6  | 11 | 12 | 9  | 16 | 7  | 8  | 9  | 5  | 4  | 3  | 5  | 4  | 8  | 8  | 14 | 11 | 4 | 13 | 9 | 8 | 4 | 9 | 11 | 9 | 8 | 9 | 5 | 10 | 9 | 7 | 9 | 14 | 6 | 15 | 16 | 13 | 9 | 13 |

Data provided by Venture Intelligence

## 6. Definitions

### *Stages of development*

**Early stage:** This refers to the first or second round of institutional investments in companies that adhere to the following:

- Less than 5 years old
- Not part of a larger business group
- Investment is less than 20 million USD

**Growth stage:** This refers to investments of less than 20 million USD. Also, investments meeting the following criteria are considered to be in the growth stage:

- Third or fourth round funding of institutional investments
- First or second round of institutional investments in companies that are more than 5 years old and less than 10 years old or spin-outs from larger businesses

**Growth stage PE:** This includes the following:

- First or second round of investments worth 20 million USD or more

- Third or fourth round funding in companies that are more than 5 years old and less than 10 years old, or subsidiaries or spin-outs from larger businesses
- Fifth or sixth round of institutional investments

**Late stage:** This comprises the following:

- Investment in companies that are a decade old
- Seventh or later round of institutional investments

**PIPEs:** The following constitute PIPEs:

- PE investments in publicly listed companies via preferential allotments or private placements
- Acquisition of shares by PE firms via the secondary market

**Buyout:** This is an acquisition of controlling stake via purchase of stakes of existing shareholders.

**Buyout – large:** This includes buyout deals of 100 million USD or more in value.

**Other:** This includes PE investments in special purpose vehicles (SPV) or project-level investments.

### *Types of PE exits*

**Buy-back:** This includes the purchase of PE or VC investors' equity stakes by either the investee company or its founders or promoters.

**Strategic sale:** This includes the sale of PE or VC investors' equity stakes (or the entire investee company itself) to a third-party company (which is typically a larger company in the same sector).

**Secondary sale:** Any purchase of PE or VC investors' equity stakes by another PE or VC investors constitutes secondary sale.

**Public market sale:** This includes the sale of PE or VC investors' equity stakes **in a listed company** through the public market.

**Initial public offering (IPO):** This includes the sale of PE or VC investors' equity stake **in an unlisted company** through its first public offering of stock.

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### **Contacts**

#### **Sanjeev Krishan**

Leader, Private Equity and Transaction Services  
PwC India

[sanjeev.krishan@in.pwc.com](mailto:sanjeev.krishan@in.pwc.com)

#### **Sandeep Ladda**

Leader, Technology  
PwC India

[sandeep.ladda@in.pwc.com](mailto:sandeep.ladda@in.pwc.com)

**This report was researched and written  
by the following:**

#### **Pradyumna Sahu**

Director, Technology  
PwC India

[pradyumna.sahu@in.pwc.com](mailto:pradyumna.sahu@in.pwc.com)

#### **Sibi Sathyan**

Knowledge Manager, Private Equity  
PwC India

[sibi.sathyan@in.pwc.com](mailto:sibi.sathyan@in.pwc.com)

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