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MoneyTree™ India Report

Q4 2017

Data provided by Venture Intelligence

Technology Institute
This special report provides summary results of Q4 '16, Q3 '17, and Q4 '17.

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1 Overview

2017 was a record-breaking year for private equity (PE) activity in India. This year witnessed investments worth 26.6 billion USD across 679 deals, with a 52% increase in value and a 19% decline in volume as compared to 2016 (17.5 billion USD invested across 834 deals). The year also surpassed 2015's record by 35% in terms of value.

From a sector standpoint, the Technology space (including eCommerce) retained its top position, accounting for over 40% of the investment value in 2017. Despite a 22% decline in terms of volume, the sector garnered 11.2 billion USD worth of investments; this was more than double the investment value in 2016. The Financial Services space followed with 5.7 billion USD invested across 78 deals—a 72% increase in value over the previous year. This could be attributed to the continued interest in non-banking financial companies (NBFCs) and micro finance institutions (MFIs). The Energy sector recorded investments worth 1.8 billion USD mainly on the back of increased interest in the renewables space. This was closely followed by the Healthcare and Logistics sectors, which witnessed investments worth 1.6 billion USD and 1.4 billion USD respectively.

In terms of stage of funding, late-stage investments accounted for around 43% of the total investment value in 2017. Growth-stage investments recorded a 10% increase in terms of value over 2016 with investments worth 5.1 billion USD, while buyout deals witnessed a nearly 20% decline in value. Early-stage investments continued to decline, accounting for only 4% of the investment value in 2017.

2017 also witnessed the highest PE exit activity, recording 280 exits worth 13.5 billion USD. In terms of value, this was a 55% increase over 2016 and a 36% increase over the previous landmark year for exits—that is, 2015. The exit activity was also led by the Technology space, which accounted for 45% of the exit value in 2017. This was followed by the Financial Services (2.4 billion USD), Healthcare (1.3 billion USD) and Energy (0.9 billion USD) sectors.

Public market sales and secondary sales together accounted for nearly 70% of the exit activity. PE-backed IPOs alone amounted to around 1.2 billion USD, a significant increase over previous years, this is expected to continue with IPOs becoming a preferred exit route for investors.

Despite an 8% increase in deal volume, the investment value in Q4 '17 declined by 14% as compared to the previous quarter, aggregating 5.7 billion USD across 153 investments. Financial Services accounted for nearly a third of the investment value, recording 1.8 billion USD across 16 investments. This could be attributed to Axis Bank's proposed capital raise of 1 billion USD from Bain. The technology space followed closely with investments worth 1.2 billion USD. The Agriculture space and Engineering and Construction sector witnessed a spike in activity, witnessing investments worth 0.6 billion USD and 0.4 billion USD respectively. The Energy sector continued to attract investors' interest with 0.4 billion USD invested across three deals. The last quarter of 2017 also recorded the highest exit value, recording 68 exits worth 4.2 billion USD and with the Technology sector alone accounting for around 70% of the value.

Investor confidence in India was evident in 2017 and is expected to continue to grow. Sovereign wealth funds (SWFs) and pension funds were at the forefront of investment activity this year and are expected to be increasingly active in 2018. Advancements in artificial intelligence (AI), robotics and fintech are likely to spur activity in the Technology space. The government-sponsored National Investment and Infrastructure Fund (NIIF), which has already attracted significant investor interest, is also likely to boost activity across infrastructure verticals.

Macroeconomic triggers, including the Insolvency and Bankruptcy Code (IBC), dismantling of the Foreign Investment Promotion Board (FIPB), introduction of the Goods and Services Tax (GST), introduction of the national IPR policy and India's ranking on the Ease of Doing Business Index, contributed significantly towards the momentum in 2017 and will also boost investor sentiments in the year ahead.

With steadily rising oil prices coupled with the impact of inflation, we expect some amount of volatility going forward. Rupee appreciation is another factor likely to impact a few segments, specifically export-oriented sectors such as technology, pharmaceuticals, auto and textiles.

The Indian PE landscape has matured notably over the last 10 years, apparent from the increasing number of big-ticket transactions and growing overall investment value. India continues to be one of the fastest growing economies, presenting a slew of opportunities for investors.

Sanjeev Krishan
Leader, Private Equity and Deals
PwC India

2 Analysis of PE investments

Total equity investments in PE-backed companies

Private equity (PE) investments in the final quarter of 2017 hit a year low with investments worth at 5.7 billion USD in 153 deals. As compared to Q3 '17 (where investments stood at 6.6 billion USD in 142 deals), the value of deals this quarter fell by 14% and the volume increased by 8%. Further, in comparison to the same period last year (where PE investments stood at around 5.6 billion USD in 244 deals), the value of deals increased by a mere 1% while the volume of deals fell by 37%. The average deal size for Q4 '17 was around 38 million USD.

The banking, financial services and insurance (BFSI) sector took the top spot in Q4 '17, moving ahead of the Information technology & IT-enabled services (IT & ITeS) sector, with a total investment inflow of around 1.8 billion USD in 16 deals. In comparison to the previous quarter, this represented a 42% increase in value terms and a 45% jump in deal volume.

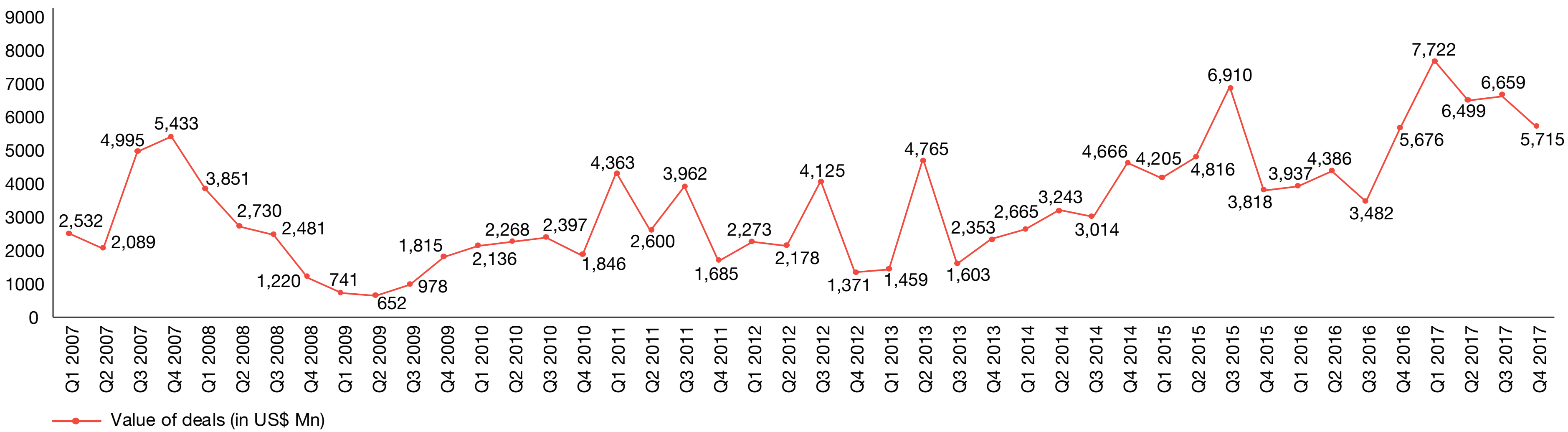
Sectors such as Manufacturing, Media & Entertainment, Agri-business and Engg. & Construction saw a sharp rise in PE investments in comparison to last quarter.

The Engg. & Construction sector saw the highest growth in PE investments, attracting 415 million USD across four deals.

This quarter, growth-stage investments were the most popular route for PE investors—with a total of 42 deals worth approximately 2.2 billion USD. The second most preferred route—PIPE—saw a staggering 242% rise in deal value compared to the previous quarter, with investments worth around 1.2 billion USD in 10 deals. Late-stage investments recorded an 85% and 53% decline compared to the previous quarter and year-ago period, respectively.

Regionally, Mumbai regained its top position from Bengaluru this quarter with total investments worth around 3.3 billion USD in 34 deals. NCR came in second with a 40% rise in PE investment value as compared to the last quarter and Bengaluru slipped to the third position with investments worth around 662 million USD across 48 deals.

Total private equity investments



Data provided by Venture Intelligence

Investments by industry

Q4 '16, Q3 '17 and Q4 '17

The BFSI sector emerged as the winner in the last quarter of 2017 with 16 deals worth approximately 1.8 billion USD. This was partly due to Axis Bank's proposed capital raise of around 1 billion USD from Bain.

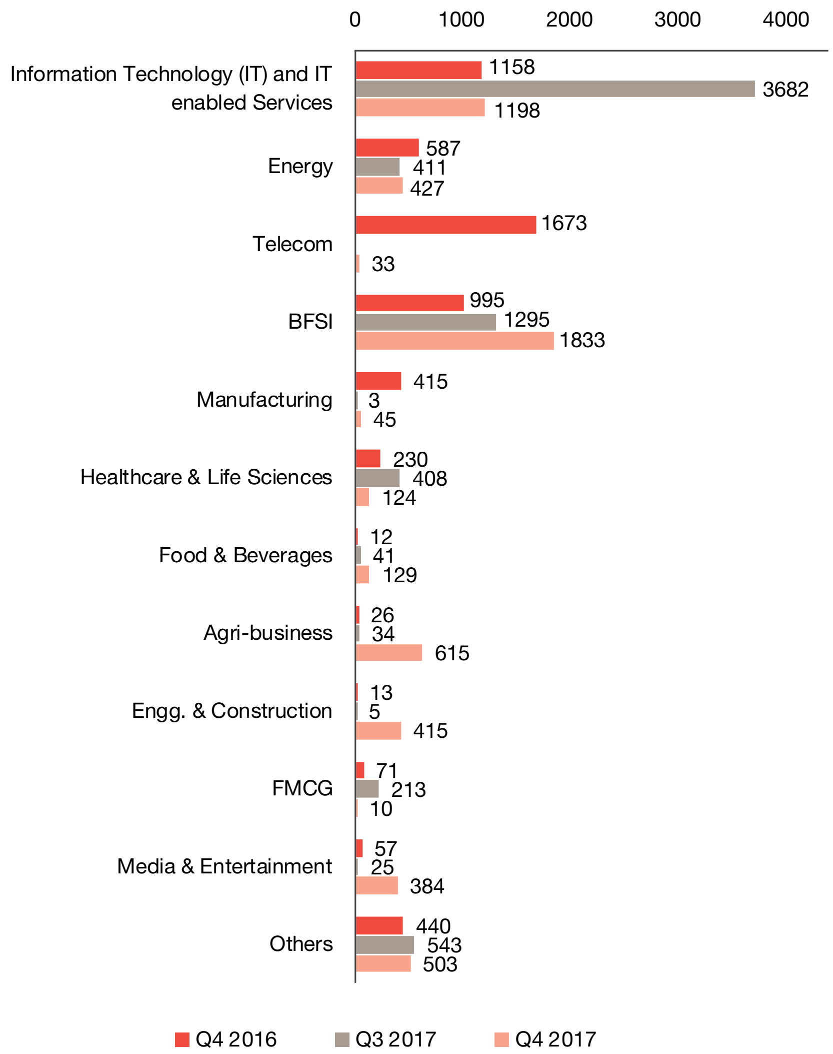
The IT & ITeS sector experienced a slowdown in deal activity and dropped to the second position in Q4 '17, attracting 1.2 billion USD in 94 deals. This marked a 67% decline in value as compared to the previous quarter even though volume grew by 11%.

The Engg. & Construction sector, which received investments worth merely 5 million USD in Q3 '17, attracted a remarkable 415 million USD this quarter. Abu Dhabi Investment Authority's investment of 300 million USD in Cube Highways accounted for a majority share of this PE inflow.

Finally, the Agri-business sector saw a sharp rise in PE investments in the final quarter of 2017.

Note: Others include Education, Shipping & logistics, Textiles & garments, Advertising & marketing, Travel & transport, Other services, Retail, gems & jewelry, Sports & fitness, Hotels & resorts.

Investments by industry (in US$ mn)



Data provided by Venture Intelligence

‘2017 was a landmark year for PE activity in the Technology sector as investments reached an all-time high of 11.2 billion USD. A large part of the deal activity took place in the Internet and mobile payments sector. Budget 2018 introduced a number of positive changes that will spur demand for digital services, thereby transforming India into a global digital economy. The government’s intentions to promote next generation technologies like AI, machine learning, the Internet of things (IoT), blockchain and big data will create incremental opportunities for companies in the technology space, especially start-ups. This could in turn help create more jobs in the country.’

Sandeep Ladda

Global TMT Tax Leader and Technology Sector Leader, PwC India

‘BFSI continues to attract a lot of interest against the backdrop of some definitive structural measures such as demonetisation, the introduction of the Insolvency and Bankruptcy Code, recapitalisation of banks, increase in/’FDI limits in insurance and the steady flow of recurring subscriptions in the domestic asset and wealth management business. BFSI players, along with fintech disruptors, are set to broaden the distribution of financial products and expand market share.’

Sreedhar Vegesna
FS Advisory Leader, PwC India

‘In 2017, India witnessed the highest investment in almost a decade from private equity in real estate (PERE). The differentiating factor this year has been the dominance of the commercial office and warehousing segment as compared to residential, which had been attracting the lion’s share of investments till last year. GIC’s investment in DLF Assets and CPPIB’s joint venture with Indostar for its warehousing platform were the marquee deals that defined the PERE landscape last year. Next year, the key segments to look out for would be office, warehousing and affordable housing, as far as PERE is concerned. As the demand for good quality commercial office space continues to grow, institutional capital would continue to build its portfolio of leased assets. GST is already bringing changes in logistics/supply chains through the consolidation of warehousing/logistics facilities, thereby creating enough scale to attract PE investments. The policy boost towards affordable housing is likely to bring significant PE interest as institutions like IFC and HDFC have a dedicated large corpus for this segment. With the current supply overhang in the mid- to high-income residential segment slowly paring down in the coming years, PE shall be sought for these projects, given that RERA has disincentivised funding through customer advances.’

Manish Agarwal

Capital Projects and Infrastructure Sector Leader, PwC India

Investments by stage of development
Q4 ’16, Q3 ’17 and Q4 ’17

Growth-stage investments were the top source of PE inflow in the fourth quarter of the year, with around 2.2 billion USD in 42 deals. This was a massive 93% increase in deal value compared to both the last quarter as well as the year-ago period.

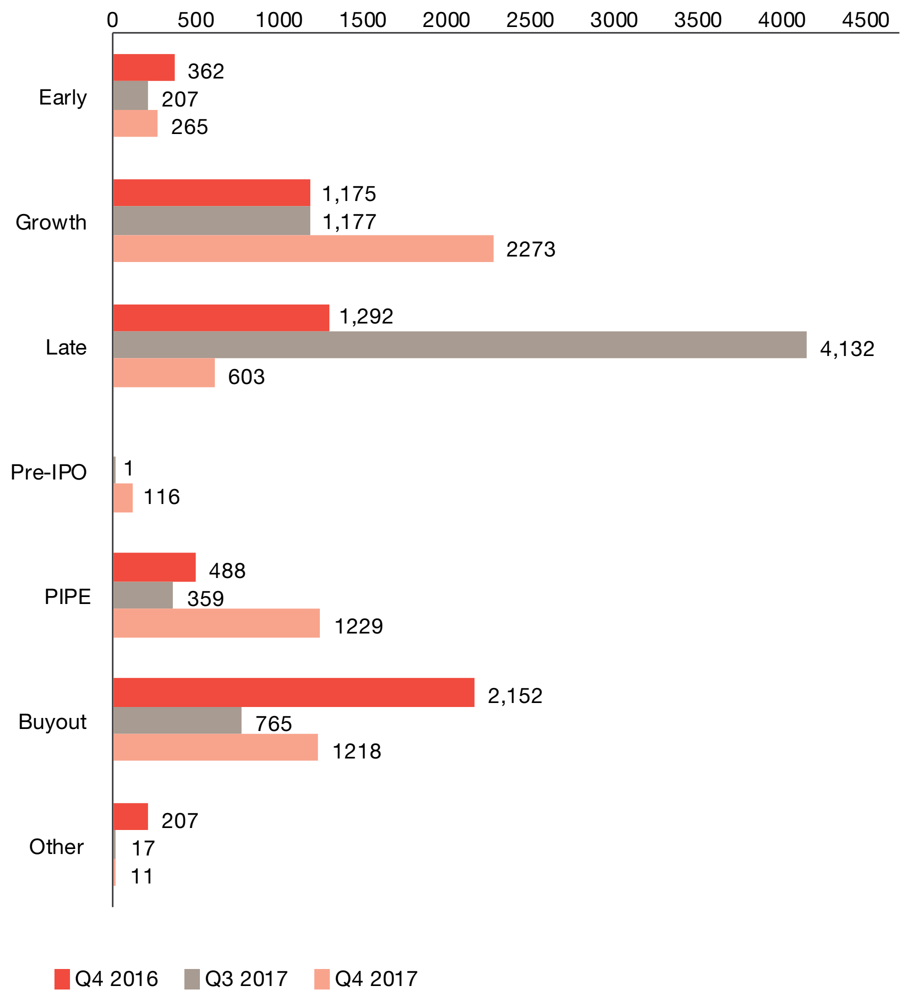
PIPE investments came in second, with 1.22 billion USD in 10 deals. Coming in at a close third position, buyout-stage investments attracted 1.21 billion USD in 11 deals, showing a 59% rise in terms of value over the previous quarter. The top three accounted for 82% and 42% of the total deals by value and volume in Q4 ’17, respectively.

Though early-stage deals accounted for approximately 51% of all the activity by number of deals in the quarter, it lagged behind PIPE and buyout-stage investments by a huge margin in terms of deal value.

Pre-IPO deals registered a major rise from 1 million USD in Q3 ’17 to 116 million in Q4 ’17 across three deals.

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.

Investments by stage development (in US$ mn)



Data provided by Venture Intelligence

Investments by region
Q4 ’16, Q3 ’17 and Q4 ’17

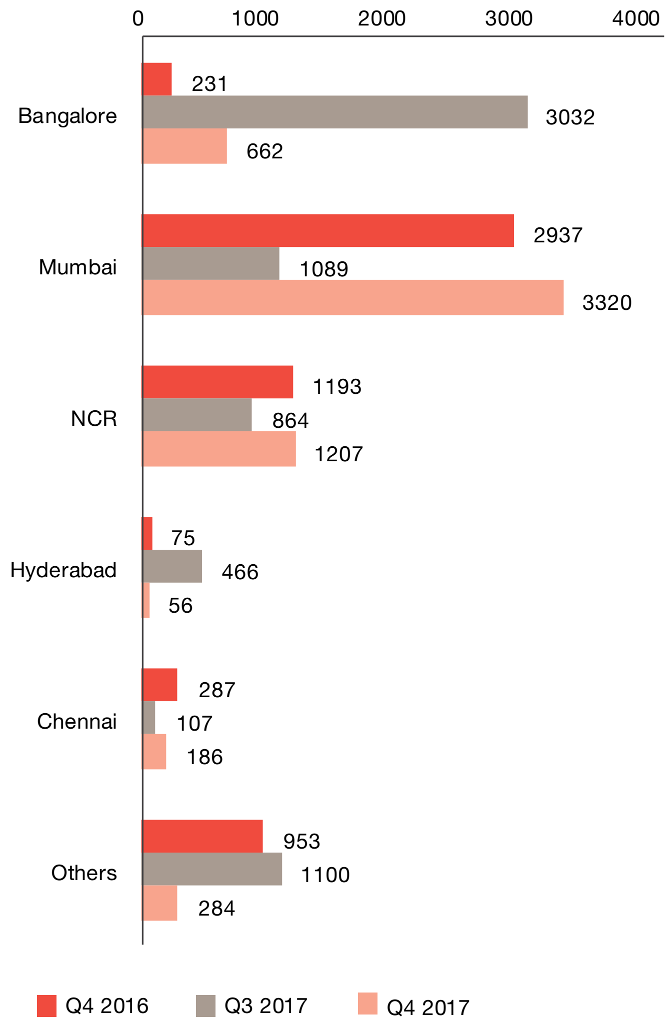
Regionally, Mumbai outpaced other cities by a large margin and stood as the top destination for PE investments in the country. With around 3.3 billion USD in 34 deals, the city enjoyed a remarkable 205% jump in investment value over the previous quarter. Coming in at second place, NCR received 1.2 billion USD in 38 deals.

With a 78% decrease in PE investment value, Bengaluru dropped to the third spot this quarter, attracting only 662 million USD in 48 deals.

Notably, Chennai saw a rise in PE investments, recording a 74% and 50% increase in deal value and volume respectively, compared to Q3 ’17, with an inflow of 186 million USD across nine deals.

Note: NCR includes Delhi, Gurgaon and Noida.

Investments by region (in US$ mn)



Data provided by Venture Intelligence

Top 20 PE deals

Q4 ’17

The top 20 deals comprised 81% of the total deal value in Q4 ’17. The top five deals together accounted for nearly 49% of the total deal value. The average deal size for this quarter was around 38 million USD.

Top 20 PE deals in Q4 2017

Company	Industry	Investors	Amount (US$M)
Axis Bank	BFSI	BainCapital	1067
Ruchi Soya Industries	Agri-business	Devonshire Capital	615
LOGOS India	Shipping & Logistics	CDPQ, Others	400
ReNew Wind Power	Energy	CPPIB	350
Bharti Telemedia	Media & Entertainment	Warburg Pincus	350
Cube Highways	Engg. & Construction	ADIA	300
BigBasket	IT & ITES	IFC, Abraaj Group, Sands Capital, Alibaba	286
InterGlobe Technology Quotient	IT & ITES	Capital International	200
Karvy Finance	BFSI	Richard Chandler Corp, Arpwood Partners, Others	200
Profectus Capital	BFSI	Actis	200
KKR India Financial Services	BFSI	ADIA	150
PolicyBazaar	IT & ITES	Burman Family Office, Info Edge, Wellington Management, Temasek, Tiger Global, True North, IDG Ventures India, PremjiInvest, Inventus Capital Partners, Others	77
Visionary RCM	IT & ITES	Carlyle	65
Salem Tollways	Engg. & Construction	IFC, I Squared Capital	60
Yoho Manipal	Other Services	Goldman Sachs	54
Kumarapalayam Tollways	Engg. & Construction	IFC, I Squared Capital	54
PNB Housing Finance	BFSI	General Atlantic	52
Nazara Technologies	IT & ITES	IIFL VC	51
Impresario Entertainment & Hospitality	Food & Beverages	L Capital Asia	51
NestAway	IT & ITES	TigerGlobal, IDG Ventures India, UC-RNTFund	50

3 *Analysis of PE exits*

Total PE exits

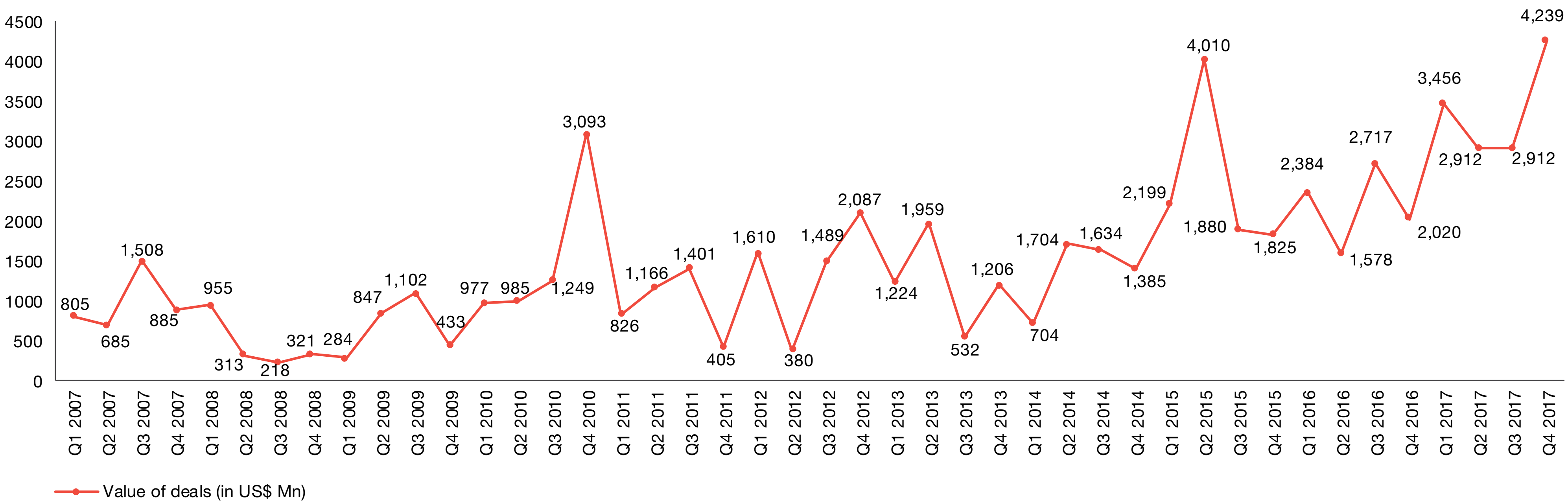
Q4 ’17

Compared to the previous quarter, PE exits in the fourth quarter of 2017 were 46% and 24% higher in terms of value and volume respectively. In all, there were 68 deals worth around 4.2 billion USD in comparison to 55 deals worth around 2.9 billion USD in the previous quarter.

With 18 exit deals worth 2.9 billion USD, the IT & ITeS sector continued to occupy the top spot, followed by Energy with 252 million USD in two deals. BFSI, which was second in Q3 ’17, slipped to the third position with 238 million USD in nine deals, registering a 62% fall in deal value.

Strategic sales emerged as the preferred exit route this quarter and witnessed a remarkable 491% rise in deal value compared to Q3 ’17, with 2.3 billion USD in 17 deals. Public market and secondary sales were the second and third most preferred route respectively. The latter witnessed a fall of 50% in exit value, from 1 billion USD across 10 deals in Q3 ’17 to 510 million USD across 11 deals in Q4 ’17.

Total PE exits (in US$ mn)



Data provided by Venture Intelligence

Exits by industry

Q4 ’16, Q3 ’17 and Q4 ’17

The IT & ITeS sector led exits by industry, with 18 deals worth about 2.9 billion USD in Q4 ’17. This was a 134% increase in exit value compared to the last quarter (where exits stood at 1.2 billion USD in 14 deals) and an 839% increase compared to the year-ago period (around 315 million USD in 17 deals), with large exits from Aricent, Genpact and InterGlobe Technology Quotient.

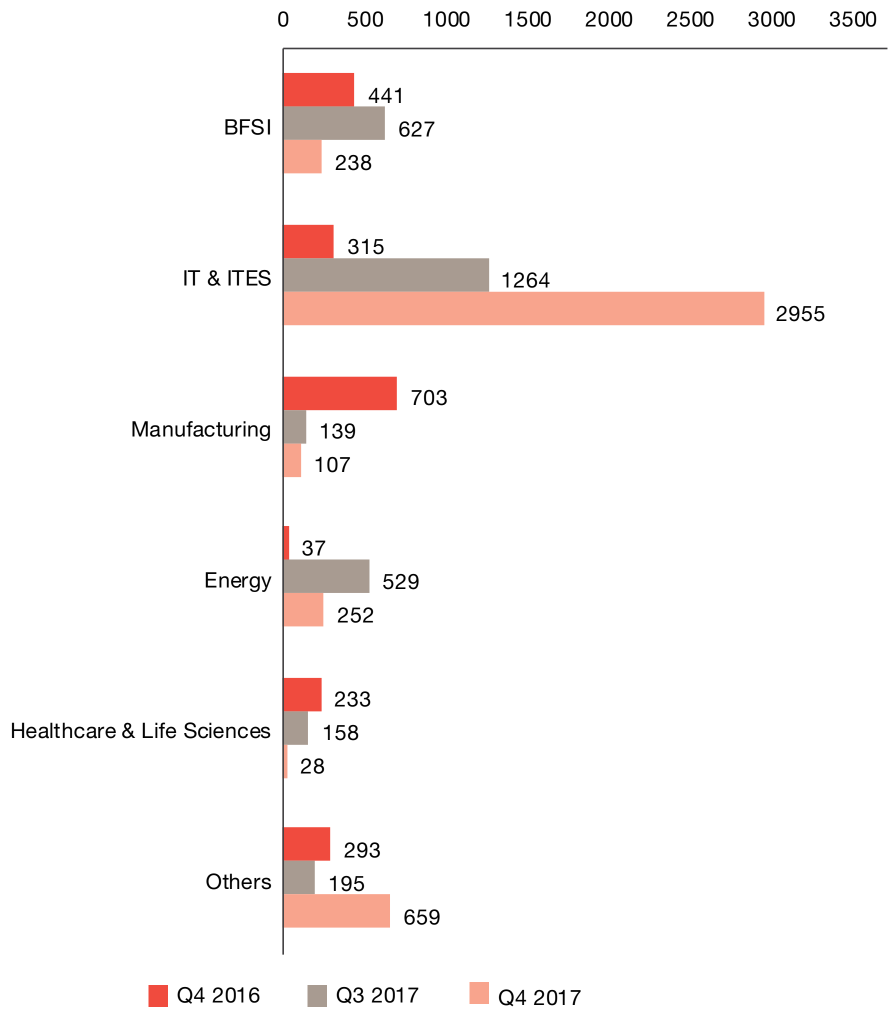
Despite a 52% decrease in value compared to the previous quarter, the Energy sector was the second largest sector for exits, with two exits worth around 252 million USD.

The BFSI sector completed the top three spots in terms of exits, closing with deal value worth 238 million USD in nine deals. This constituted a huge fall in exit value compared to both the previous quarter and the year-ago period.

Notably, the Shipping & Logistics sector saw exit activity increase by three times in terms of value over the previous quarter, with two exits worth 164 million USD.

Note: Others include Education, Shipping & logistics, Textiles & garments, Advertising & marketing, Travel & transport, Other services, Retail, gems & jewelry, Sports & fitness, Hotels & resorts.

Exits by industry (in US$ mn)



Data provided by Venture Intelligence

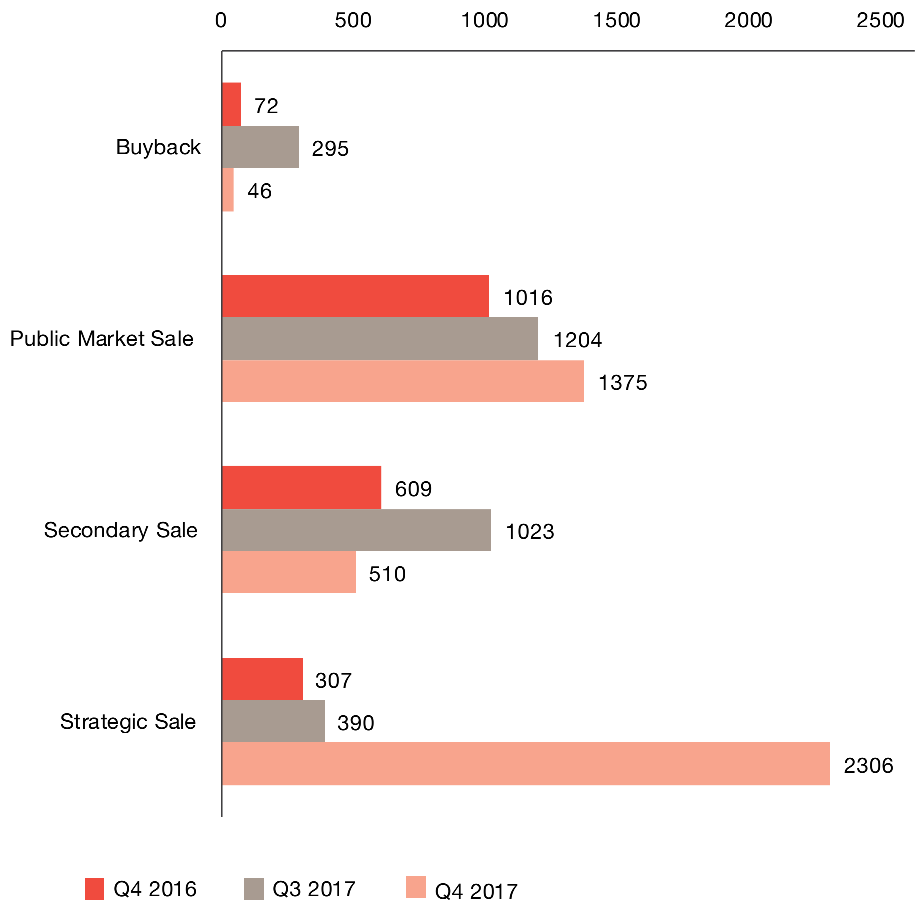
Exits by type

Q4 ’16, Q3 ’17 and Q4 ’17

Strategic sales was the top exit route for PE investors in Q4 ‘17, with a total exit value of around 2.3 billion USD in 17 deals. This marked a massive 491% rise in exit value when compared to Q3 ’17 (around 390 million USD in nine deals). Public market sales, which came in first in Q3 ’17, slipped to second position even though the exit value rose from 1.2 billion USD in Q3 ’17 to 1.3 billion USD in Q4 ’17.

There was a notable shift in secondary sale deals, with a 50% drop in the value of deals from 1 billion USD in Q3 ’17 to 510 million USD in Q4 ‘17.

Exits by type (in US$ mn)



Data provided by Venture Intelligence

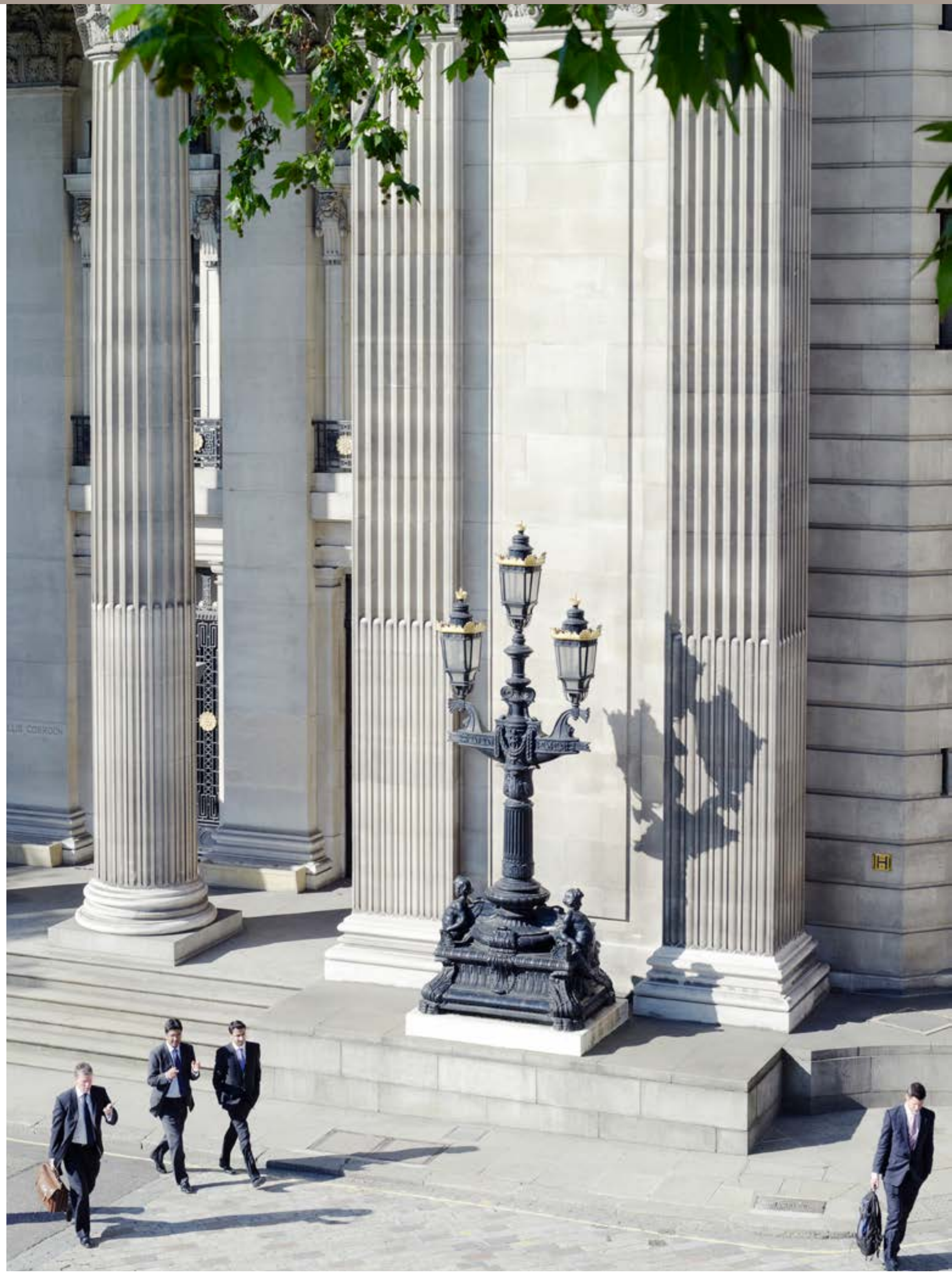
Top five PE exits
Q4 '17

The top five exits comprised nearly 65% of the total exit value in Q4 '17.

Company	Industry	Investor	Deal Amount (US$ M)
Aricent	IT & ITES	KKR, Delta Partners, WestBridge	2,000
GENPACT	IT & ITES	GIC, Bain Capital	303
InterGlobe Technology Quotient	IT & ITES	Credit Suisse, StanChart PE, Others	181
ReNew Wind Power	Energy	ADB	150
Indian Energy Exchange	Energy	Lightspeed Ventures, Global Environment Fund, Aditya Birla PE, Madison India, Multiples PE	102

Top 5 PE exits in Q4 2017

Data provided by Venture Intelligence



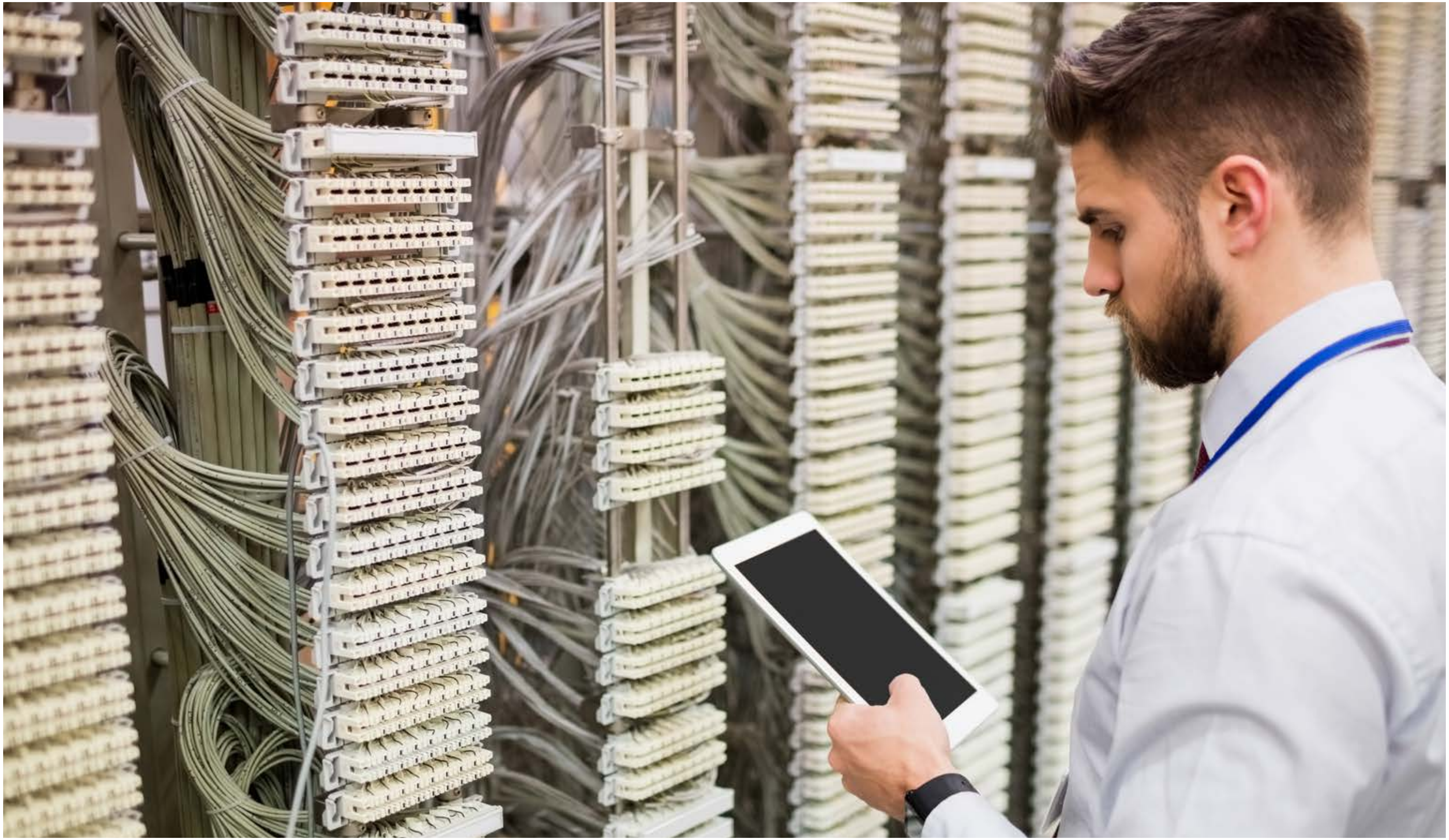
4 Active PE firms

In Q4 '17, Accel India and IDG Ventures India topped the charts with eight deals each. A select group of other active PE investors this quarter is listed below.

Q4 2017	
Investors	No. of deals
Accel India	8
IDG Ventures India	8
Matrix Partners India	7
Blume Ventures	6
3ONE4 Capital	5
DSG Consumer Partners	4
VH Capital	4
IFC	4
Saama Capital	3
RB Investments	3
Tiger Global	3
Das Capital	3
Ventureast	3
Rebright Partners	3
Sequoia Capital India	3
NB Ventures	3

* 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.

5 Sector focus – IT & ITeS sector



The year 2017 was a year of disruption for the Indian technology sector that faced multiple headwinds in the form of increased visa scrutiny, rise in cyberthreats and technology-led disruptions due to advances in IoT, robotics, analytics and AI. As cost and productivity pressures became acute during the year, many companies were compelled to adopt these technologies in order to stay relevant in the market.

In addition, progressive government reforms such as Digital India, Make in India, the Jan Dhan-Aadhaar-Mobile trinity and other supportive FDI policies provided fresh impetus to the industry. Such reforms also brought about intangible benefits in terms of changing the mindset of foreign investors towards India. The country is also gaining prominence in terms of being an intellectual IT hub, with several global MNCs setting up their global in-house centres (GICs) or innovation hubs in India.

In this year's budget as well, the government has taken steps towards not only achieving the Digital India vision but also building an ecosystem around the latest technologies. The increase in allocation to the Digital India programme to 480 million USD (3,073 crore INR) in 2018–19 will give further encouragement to the development of emerging technologies such as robotics, AI, blockchain and IoT. The government's efforts in forming regulations for machine-to-machine (M2M) communication and building legal frameworks for cyber security and data protection will drive the nation further in terms of its digital competitiveness. The increase in customs duty on certain electronic products will boost the government's Make in India programme and domestic electronics and hardware manufacturers are likely to benefit from this change.

Some big-ticket funding deals, failed mergers and senior-level exits dominated the headlines in the Indian eCommerce sector over the past year. However, 2018 promises to be better as the Indian government's ambitious projects around building a digital economy and recent tax changes in Budget 2018 would motivate the start-up community and promote innovation, increase employment and drive growth for the economy. Higher financial inclusion through mobile, increasing connectivity and drop in data costs will only add to the attractiveness of India as a potentially large market for global technology companies and investors in the years to come.

Sandeep Ladda
Global TMT Tax Leader and India Technology Sector Leader
PwC India

Total PE investments

PE investments in the IT & ITeS sector witnessed a 67% drop in Q4 ’17, with a total of 94 deals worth 1.2 billion USD. In comparison, there were 85 deals worth around 3.6 billion USD in Q3 ’17 and 142 deals worth 1.1 billion USD in the year-ago period.

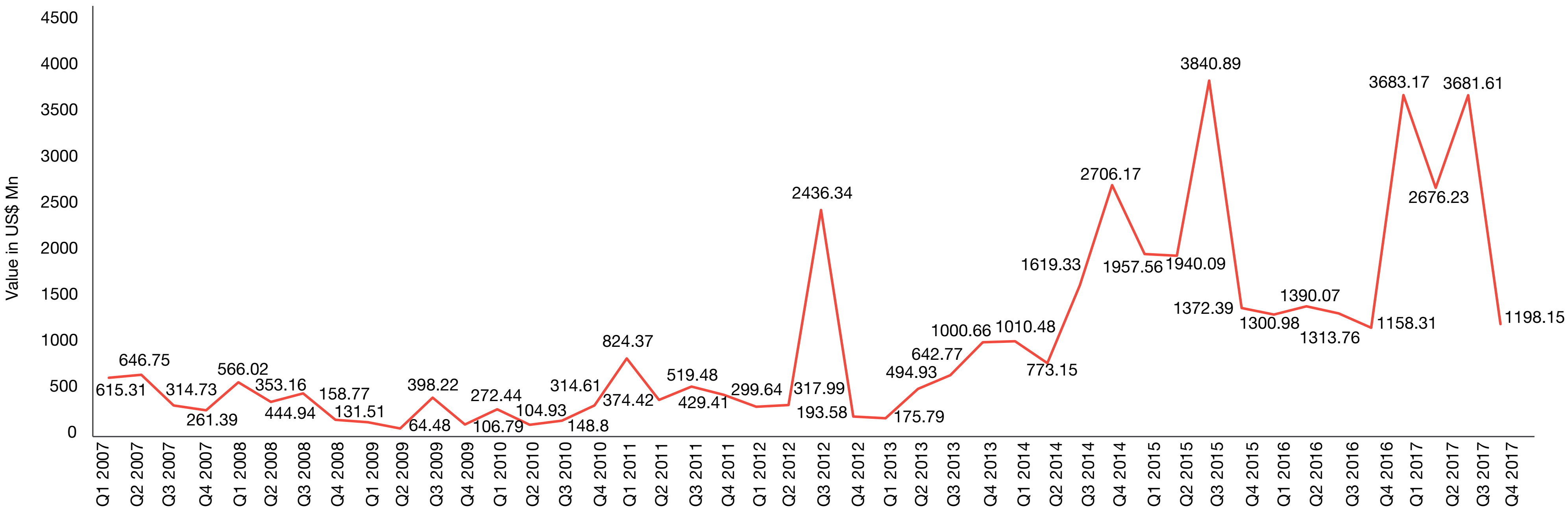
Growth-stage deals were the preferred route for PE investments in the IT & ITeS sector this quarter, with 23 deals worth around 640 million USD. Early-stage deals and late-stage deals came in second and third with around 203 million USD in 64 deals and around 200 million USD in one deal, respectively.

In terms of region, Bengaluru retained its grip on the top spot this quarter, with investments worth approximately 517 million USD in 38 deals. NCR and Mumbai came in second and third with investments worth 313 million USD in 21 deals and 125 million USD in 14 deals, respectively.

Online services overtook the other subsegments, recording the highest investment of 634 million USD in 39 deals. Further, Mobile VAS witnessed a major decline in investments—from around 486 million USD in Q3 ’17 to 130 million USD in Q4 ’17.

The average deal size this quarter fell by nearly 70% to around 13 million USD compared to about 45 million USD in the last quarter.

Value of PE Investments in IT & ITeS sector (in US$ mn)



Data provided by Venture Intelligence

Investments by stage of development

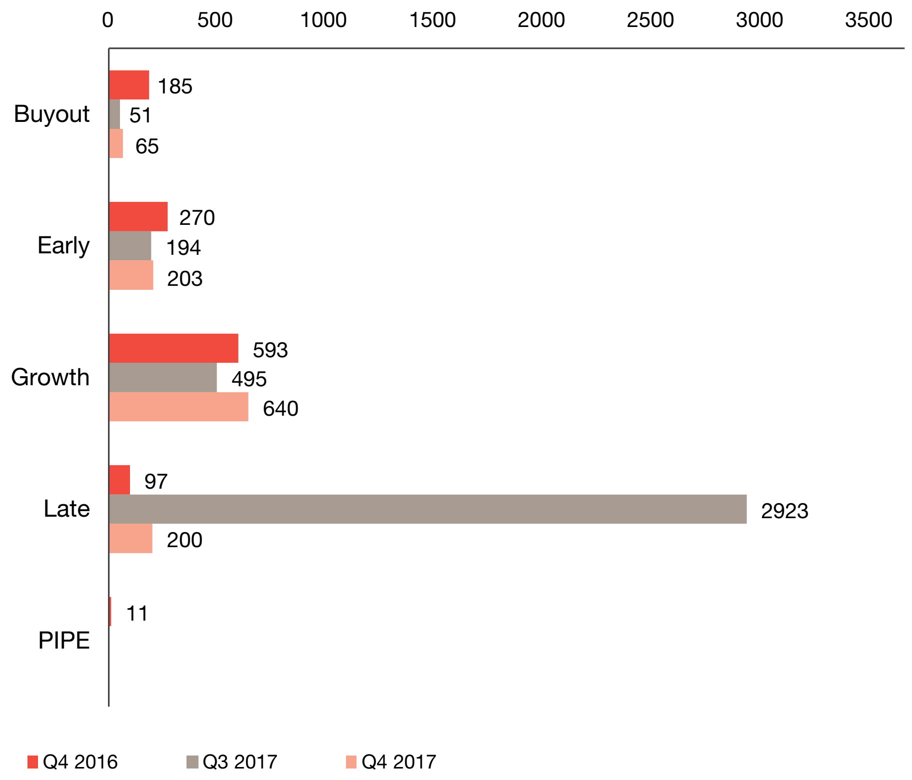
Q4 ’16, Q3 ’17 and Q4 ’17

In Q4 ’17, growth-stage deals were the preferred mode of entry into the IT & ITeS sector. This route saw a 29% rise in deal value, with investments worth 640 million USD in 23 deals.

Early-stage deals, which followed, accounted for investments worth around 203 million USD in 64 deals. This was a mere 5% increase in investments in comparison to the last quarter. Late-stage deals rounded off the top three, with investments worth around 200 million USD in one deal.

Lastly, the buyout stage had one deal worth approximately 65 million USD. Similar to the last quarter, the PIPE route saw no deal activity in this quarter too.

Investments by stage of development (in US$ mn)



Data provided by Venture Intelligence

Investments by region

Q4 ’16, Q3 ’17 and Q4 ’17

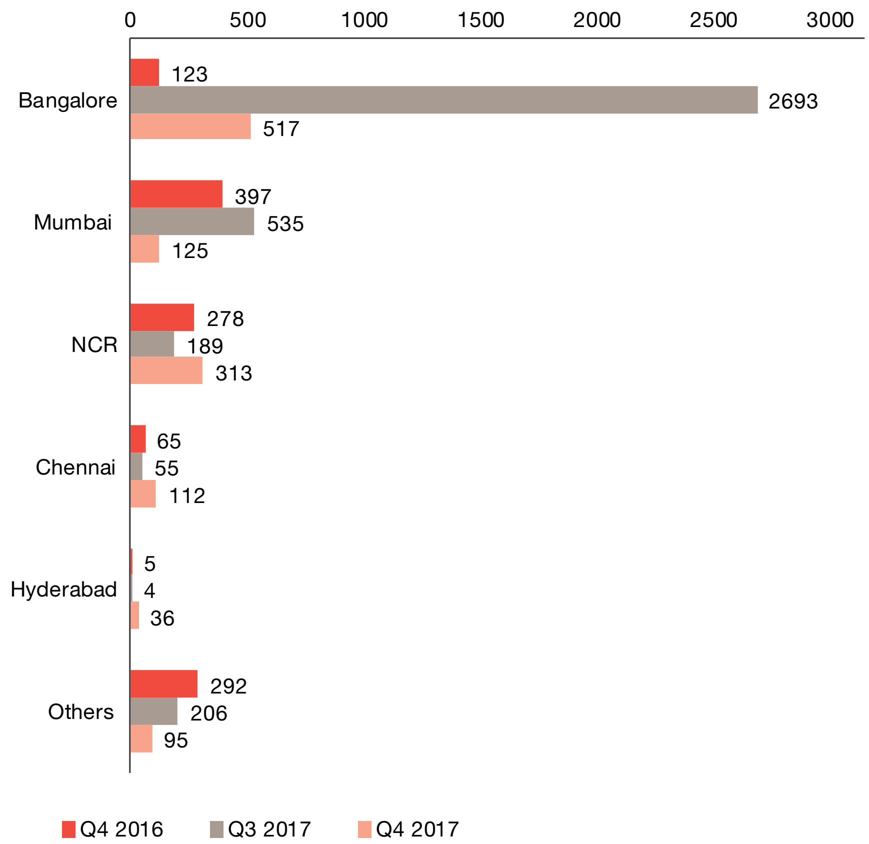
With investments worth around 517 million USD in 38 deals, Bengaluru continued to overshadow the other cities in Q4 ’17. However, this was an 81% decrease from the previous quarter (2.6 billion USD in 29 deals).

NCR and Mumbai finished second and third respectively. In comparison to Q3 ’17, the latter experienced a drop of 77% and 69% in investment value over the previous quarter and year-ago period, respectively.

While Hyderabad recorded only two investments worth 4 million USD the last quarter, the city witnessed a rise in investments worth 36 million USD in five deals this quarter. This was a massive 800% rise in investments.

Finally, even though Chennai saw the same number of deals as the last quarter, deal value saw a 104% and 74% increase in Q3 ’17 and the year-ago period, respectively.

Investments by region (in US$ mn)



Data provided by Venture Intelligence

Investments by subsector

Q4 ’16, Q3 ’17 and Q4 ’17

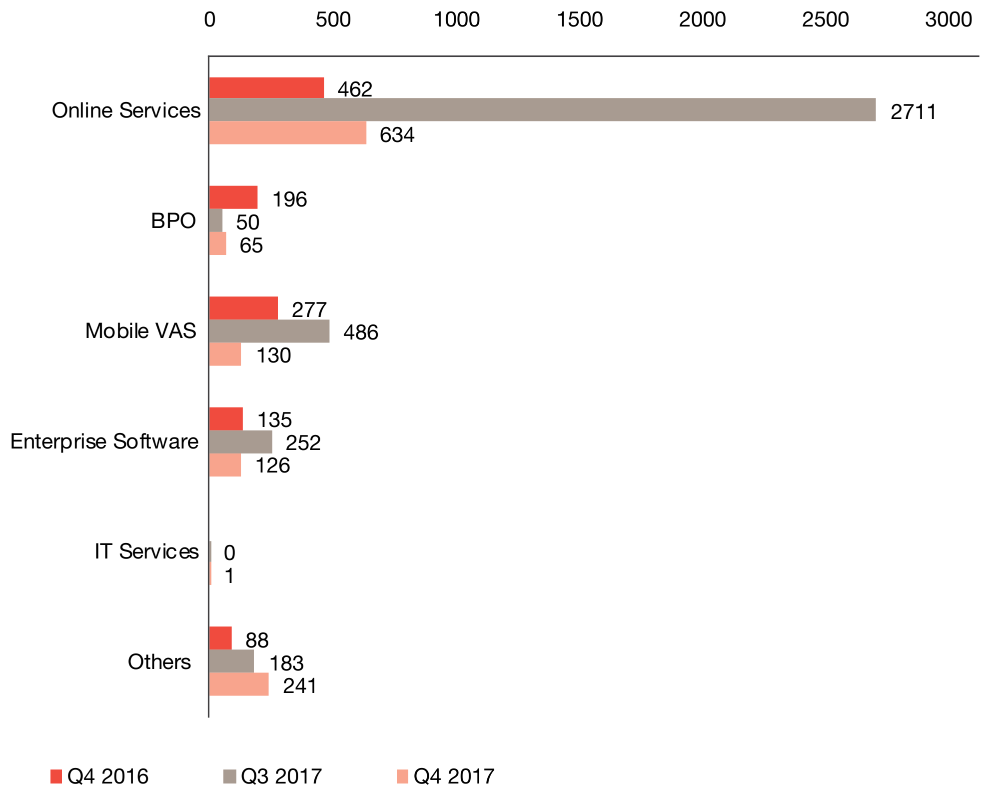
Online services emerged as the clear winner, recording the highest amount of investments by subsector, with around 634 million USD in 39 deals. With 2.7 billion USD in 31 deals in the last quarter, the sector experienced a 77% decline in investments in Q4 ’17.

Mobile VAS came in at number two with 130 million USD in 14 deals, and enterprise software was a close third with 126 million USD in 26 deals.

BPO and IT services were far behind in terms of investments, with 65 million USD and 1 million USD, respectively across one deal each in the quarter.

Finally, IT products attracted investments worth 208 million USD, registering a 500% increase in deal value over the previous quarter.

Investments by subsector (in US$ mn)



Data provided by Venture Intelligence

PE exits in the sector

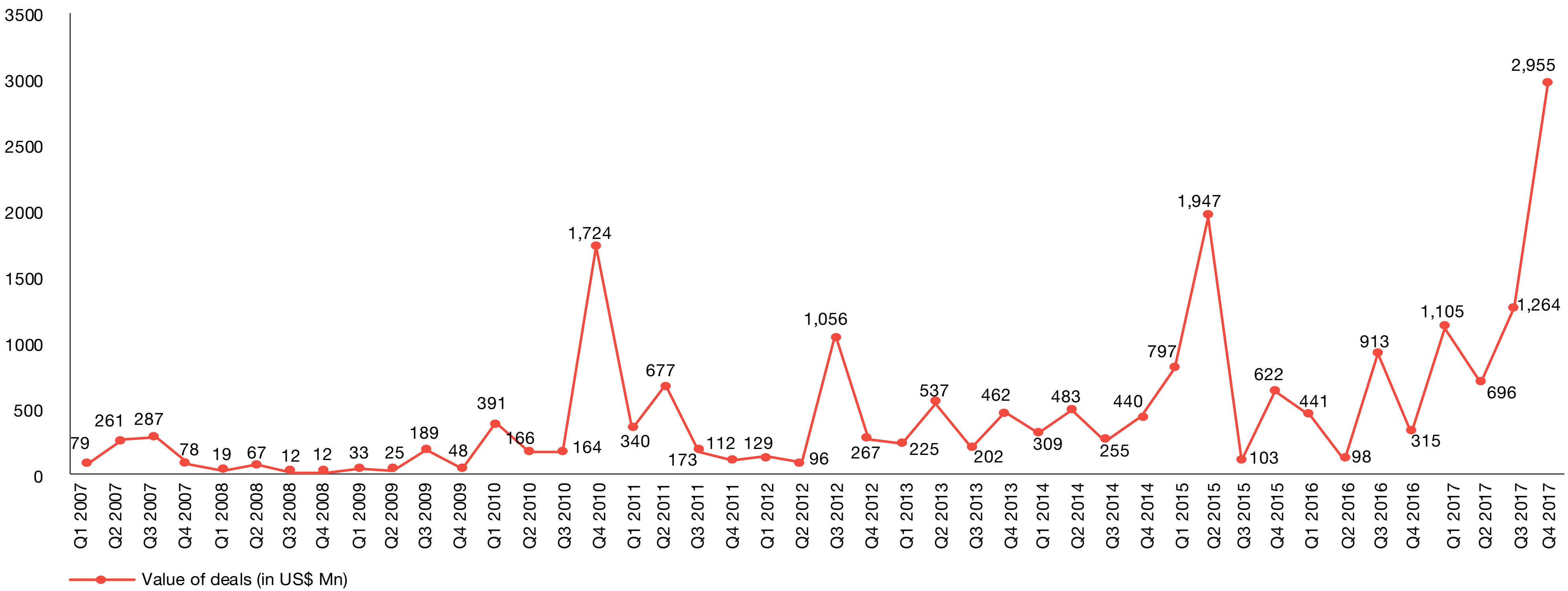
Q4 ’16, Q3 ’17 and Q4 ’17

As compared to Q3 ’17, Q4 ’17 saw a 134% increase in exit value in the IT & ITeS sector, with 18 deals worth approximately 2.9 billion USD. This was also an 839% rise in exit value in comparison to the year-ago period, which saw 17 deals worth 315 million USD.

Strategic sales was the preferred exit route this quarter, with exits worth 2.1 billion USD in 10 deals.

With exits worth 2.1 billion USD in four deals, IT services saw a massive 3,420% increase in deal value in comparison to the previous quarter.

Total IT & ITeS exits



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 five 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 vehicle (SPV) or project-level investments.

Types of PE exits

Buyback: 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 i**n 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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