

## PE/VC investments in Jan-Nov totals \$27 bn, surpass high of \$26 bn in 2017

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The Private Equity/Venture Capital investments hit a high of \$27 billion during January to November, this year, compared to the year-end high of \$26.1 billion posted during the year 2017, even as the month of November recorded \$1.6 billion investments, 33 per cent lower compared to the same month last year and 49 per cent lower compared to October this year, according to EY's Private Equity Monthly Deal Tracker.

The decline was mainly on account of fewer large deals of value greater than \$100 million with November, this year, recording only five large deals aggregating \$950 million compared to nine large deals worth \$1.8 billion in November 2017 and six deals worth \$2.5 billion in October 2018.

Vivek Soni, partner and national leader, Private Equity Services, EY said, "Though November 2018 has been a relatively weaker month for PE/VC investments and exits, the momentum in India continues to be strong. As we had forecasted at the start of the year, 2018 has emerged as the best year for PE/VC investments, with \$27 billion in PE/VC investments till date, and we still have one more month to go. The exit activity also continues to be supported by strong secondary and strategic deal activity while open market and IPO markets are relatively soft."

In the short-term, investors are expected to continue with their cautious approach and await directional clarity to emerge from global and local geo-political factors like Brexit, resolution of tariff wars between US and China, and results of ongoing state elections as well as the upcoming 2019 general elections, added Soni.

The largest deal during the month saw Temasek buyout SP Infocity IT Park from CPPIB and Shapoorji Pallonji for \$353 million. The other large deals include GIC and TFL Pension Fund's \$159 million investment in Kotak Mahindra Bank and India Resurgent Fund's \$156 million investment in Archean Chemical Industries Pvt. Ltd. In infrastructure and real estate investments, **Assetz Property Group saw investment of \$141 million through credit investment from Altico Capital, HDFC Bank and Aditya Birla Finance.**

Baya Weaver, Noida Realty project has raised \$141 million from IIFL India Pvt Equity fund as credit investment, said EY data.

Considering the type of investments, credit investments of \$455 million and buyouts of \$399 million were highest in terms of value. Growth investments of \$265 million and start-up investment of \$286 million recorded over 60 per cent decline in value compared to November 2017.

Till the end of November 2018, buyouts have recorded \$7.4 billion in investments across 37 deals, which is more than the value of buyouts in the previous two years combined - \$3 billion in 2017 and \$3.9 billion in 2016. Start-up investments have also recorded a strong rebound in 2018, with \$4.1 billion investments made till the end of November, 17 per cent higher than the value recorded in entire 2017.

Real Estate with \$723 million across five deals was the top sector followed by Financial Services \$249 million across nine deals, it said.

Exits decline

Exits in November this year, has seen a decline to \$394 million compared to \$2.7 billion in the same month of 2017 and \$1.4 billion recorded in October 2018, mainly on account of fewer large exits. The largest exit during the month saw CPPIB exit its 80 per cent stake in SP Infocity IT Park for \$283 million compared to large \$ 1 billion plus exits recorded in November 2017 and October 2018. There was no PE-backed IPO in November 2018, it added. Real Estate recorded highest value of exits on account of the SP Infocity exit by CPPIB.

Investors raised around \$398 million in November, this year, compared to \$675 million in November 2017. The total fund raise plans announced during the month is around \$ 1 billion.

Link: [https://www.business-standard.com/article/specials/pe-vc-investments-in-jan-nov-totals-27-bn-surpass-high-of-26-bn-in-2017-118120600820\\_1.html](https://www.business-standard.com/article/specials/pe-vc-investments-in-jan-nov-totals-27-bn-surpass-high-of-26-bn-in-2017-118120600820_1.html)