

# Private Equity In India – Challenges and Opportunities

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IDFC Alternatives

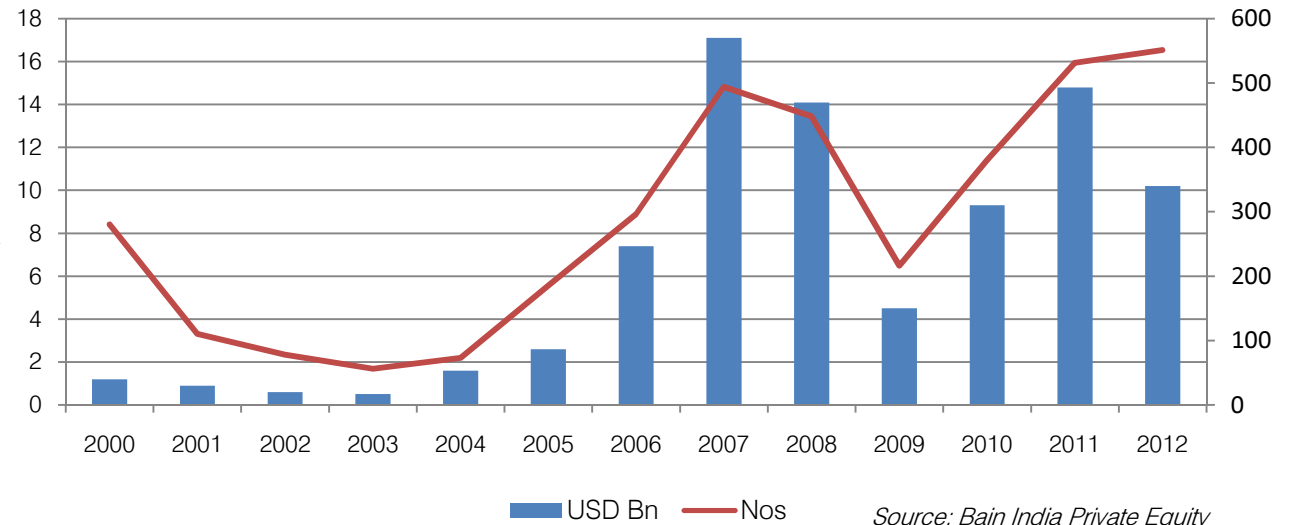
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- ‘An asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange’.
- Investment strategies in private equity include:
  - Growth Capital
  - Venture Capital
  - Angel Investment
  - Mezzanine capital
  - Distress Investments
  - Leveraged buyouts
  - Secondaries

**Significant capital infusion into the economy**

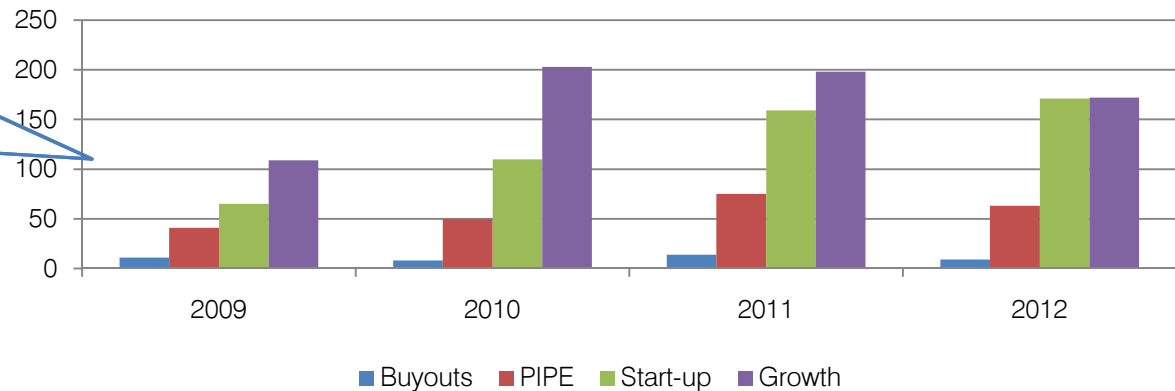
PE / VC Investments in India



Source: Bain India Private Equity Report, 2013

**Significant growth in early stage investments reflecting contribution and support to growing set of new entrepreneurs and businesses**

No of Investments by Stage



Source: ENY India Private Equity Roundup 2012

**Multiplier effect on growth, employment and wealth creation**

- Promoter Quality
  - Governance practice
  - Transparency
  - Willingness to invite a well meaning critic/contributor on board
- Tough competitive environment
- Regulatory Uncertainties
- Awareness and desire to upgrade ESG framework
- Unreasonable and auctioned entry valuations
- Challenges to exit
- Poor track record of capital return and investor returns
- Economic headwinds
- Relative absence of domestic pools of capital

- Infrastructure
  - Operating assets
  - Social infrastructure
- Domestic Consumption based themes
  - Food & Agriculture
  - Retail
- Financial Services
  - Banks / NBFC
  - Insurance
- IT & ITES
- Healthcare & Pharma

**THANK YOU**

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