

PE firms invest \$2-B in Indian Cos. in Q1 '10

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Chennai, Tamil Nadu, April 6, 2010 /[India PRwire](#)/ -- Private Equity firms invested about US\$2,000 million across 56 deals during the quarter ended March 2010, according to a study by Venture Intelligence (<http://www.ventureintelligence.in>), a research service focused on Private Equity and M&A transaction activity in India. The amount invested during the latest quarter was the highest in the last six quarters. The figure was significantly higher than that during the same period last year (which witnessed \$620 million being invested across 58 deals) and also the immediate previous quarter (\$1,681million across 102 deals).

The largest investment during the quarter was the \$425 million investment into power generation firm Asian Genco by General Atlantic, Morgan Stanley, Norwest, Goldman Sachs and Everstone. Other top investments reported during Q1'10 included Quadrangle Capital Partners' \$300 million investment into telecom tower infrastructure company TowerVision India; StanChart PE, KKR and New Silk Route's \$217 million investment into Coffee Day Resorts and TPG Growth's \$115 million investment into Clean Tech firm Greenko Group.

"The key trend on the PE investments front during Q1'10 was the re-emergence of appetite for large ticket deals," remarked Mr. Arun Natarajan, MD & CEO of Venture Intelligence. "For the first time since Q3'08, the latest quarter witnessed as many as five investments over \$100 million," he pointed out.

Led by Actis' \$50 million investment into BPO company Integreon Managed Solutions, the IT & ITES industry registered 13 deals worth \$193 million during Q1'10. IT & ITES was followed by BSFI (9 deals worth \$94 million).

Venture Capital and Late Stage investments accounted for 16 and 18 deals respectively during Q1 '10. "Instead of rushing after listed company and pre-IPO deals, investors showed special preference in Q1 '10 for slightly younger companies with median sizes of about \$11 million," Mr. Natarajan said.

Private Equity firms obtained exit routes for their investments in 32 Indian companies during Q1 '10, including six via IPOs. This compares to 16 exits (none via IPOs) in the same period in 2009 and 20 exits (including 4 IPOs) in the immediate previous quarter. "PE and VC investors are continuing to take advantage of the buoyant capital markets in India to exit some of their 3-5 year old investments at healthy multiples. This should stand them in good stead when it comes to raising newer funds," Mr. Natarajan remarked.

The largest PE-backed IPO during Q1'10 was toll road operator IL&FS Transportation Networks' (ITNL) \$155 million March IPO. Trinity Capital, which had invested \$9.3 million in December 2006, sold its entire holding as part of the offering. Other PE investors in ITNL included Goldman Sachs; SCI Asia (Standard Chartered-IL&FS Asian Infrastructure Fund) and Bessemer.

The total value of M&A transactions providing exits to PE-investors during Q1'10 was around \$858 million. These included 13 sales via public markets, 7 strategic sales, 1 secondary sale and 5 buybacks (by either the company or its promoters). The largest M&A exit announced in Q1'10 was the secondary offering by NYSE-listed BPO firm Genpact through which PE firms General Atlantic, Oak Hill Capital Partners along with General Electric and Wells Fargo will sell stock worth about \$504 million. General Atlantic and Oak Hill Capital Partners each own 24% of Genpact.

Notes to Editor

Venture Intelligence, a division of Chennai, India-based TSJ Media Pvt. Ltd., is the leading source of information on private equity and M&A transactions in India. For more information, please visit <http://www.ventureintelligence.in>

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