



Industry Wise Performance of Private Equity Funds in India

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ABSTRACT

India has been witnessing dramatic shift in the size and composition of foreign investment flows over the years. Institutional investors in developed countries, for their portfolio diversification, are continuously seeking new destinations and innovative and alternative asset class. Private equity is one such investment avenue which is broadly defined which involved investment in equity linked to an asset that is not listed and therefore not publicly traded in the stock markets. At present private equity firms have invested even in listed companies, though the buyout negotiation with controlling interest. With increasing number of deals the subject has become an important aspect of Indian economy as this could lead the Indian economy in either direction. The Bull Run by different foreign companies in the private equity market has begun. The market position has revealed that there were entry barriers in this particular field because of the red tape restrictions on the ownership and many other such factors that have made the entry of foreign players to enter in to Indian market a cumbersome process. The present market scenario is transforming, as doors have been widened for foreign players to enter. Private equity investment in India first chased IT and ITES outsourcing during the boom period, but now the opportunities are expanding 20-30% annually drawing some big names to the industry. This situation demands a study to be conducted to figure out the success path for the firms entering and presently working in the industry and how these firms are finding and creating new economy to earn huge profits. The role of private equity is an alternative investment from investors point of view and a source of finance to enterprises who are in need of finance.

Besides, the performance of Private Equity is to be examining from the perspectives of its contribution to exchequer, impact on the GDP and overall, the growth of the Indian economy.

This paper is presented on a modest attempt to dwell on the growth and impact of Private Equity on the performance of Indian economy in terms of economic growth, and GDP.

KEYWORDS

The present market scenario is that, the doors have been widened for foreign players to enter. The performance of Private Equity firms, impact on GDP and over all the growth of the Indian economy.

INTRODUCTION

Private equity is a source of funding to start-up firms, firms in financial distress and public firms seeking buyout financing. It is that equity capital which is not quoted on the public exchange. It also finances non-public companies based on as per their needs, novelty in the business proposal and creative ideas of entrepreneurs. These investments typically involve a high level of risk but, potential a high level of returns. The majority of private equity funding is originates from institutions like pension funds, endowments, foundations and affluent individuals. Private equity funds are mostly known as Venture Capital Funds, Growth Capital Funds, Leveraged buyout Funds, Mezzanine Capital, etc. they are generally structured as limited partnerships or limited liability companies. The principal managers of the Private equity firms are known as general partners (GPs) and the outside investors as limited partners (LPs). By investing through partnerships rather than directly in issuing firms, investors delegate the responsibilities of selecting, structuring, managing and eventually liquidating private equity investments to the general partners.

By and large accordingly the nature

The main objective of private equity investors can be understood as a successful investment schemes that would be attracted by the best and brightest performers or entrepreneurs having greater and sound knowledge in business and technology as well as capital gap.

NEED FOR THE STUDY

It is due to private equity impact there is industrial growth in Indian economy. Despite of an overall slowdown, financial services, insurance, real estate and business services as well as community, social and personnel services, continued to grow at a rate in excess of 6%.The overall volume of deals in India

increased across sectors, growing by 26% overall, predominantly fuelled by the IT and ITES (information technology enabled services), healthcare and BFSI (banking, financial services and insurance) sectors. The top 25 deals comprised a higher share of total investments in 2013, standing at 55%, compared with 44 % in 2012. The largest deal was about \$1.26 billion PIPE into Bharti Airtel by Qatar Foundation Endowment. Investments in early- and growth- stage deals continued to surge in 2013 and comprised more than 70% of total deals made up from 66% in 2012. The average size of PE deals, excluding real estate and venture capital (VC) deals, increased significantly. Thus, the Indian PE market continues to be dominated by minority investments, but the mix is slowly and steadily moving towards buyouts.

Though there is immense interest associated with the results of the general elections in April, GPs are cautiously optimistic about the prospects of the Indian PE and VC industry, with more than 35% have seen the growth of 10% to 25% in 2014 in terms of the investments made. Such a way the PE Funds role is getting higher day-by-day. So the study on evaluation of performance of PE funds is an attractive area for researchers.

REVIEW OF LITERATURE

John j.moon, Metal Mark (2006) suggested that the cost of Private Equity must be greater than other means. In their study focusing on public Vs Private equity. In Journal of Applied corporate finance. Robert M.Conroy and Robert S. Harries (2007) found that successful investors in Private Equity must have both the ability to identify as well as access to supervise Private Equity firms and their funds.

Roger Leeds and Jullie Sunderland in 2015 in their study "Pri-

vate equity in emerging market” found that the stakeholders would strengthen future of Private Equity in emerging Markets. Which can be true?

Steve Kalpan and Antoinette Scholar (2005) in there Journal of finance on Private Equity Performance, persistence and Capital flows. Found that the highlight the needs for future work that aims to better understanding of the organizational structure of the Private Equity Industries.

Tomosz Sosnowli (2007) “Comparative analysis of Private Equity market in Poland and other central and eastern European Countries” has found that it states the potentiality and creating new productivity processing, services and other capacities by name of material investment of firms through Private Equity.

From above study we found that when the PE investor takes supervision and also control over the organization. There see that the performance of organization is reaching to maximum level.

OBJECTIVES OF THE STUDY

The tentative objectives of the study are,

1. To analyze the Industry wise performance of private equity funds in India. In terms of Deal volume, and Deal value.

2. To analyze the exits structure of private equity funds in India.
3. To examine and the Return multiple of private equity funds in India.

HYPOTHESES

In order to ascertain the objectives the following hypotheses are framed and tested.

Null Hypothesis Ho1: There is no significant difference in the Deal values and Deal volume. Over a period of 10 yrs

Alternative Hypothesis H1: There is a significant difference in the Deal values and Deal volume. Over a period of 10 yrs.

DATA SOURCES AND METHODOLOGY

The present study is analytical, descriptive and conclusive one. The study uses largely secondary data that could be collected through journals, research works, venture intelligence and Annual Reports of select Private Equity Funds.

Data Analysis is proposed to be done through Returns on Investments, Airthematic Mean, and Return Multiples

SAMPLE SIZE AND SELECTION

The sample size of the study is India dedicated private equity funds over a period of 10 yrs from 2006 to 2015. Performance of private equity funds in India

Table 1.1: Industry wise number of deal of India dedicated private equity funds.

INDUSTRY	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	DEAL	DEAL	DEAL	DEAL	DEAL	DEAL	DEAL	DEAL	DEAL	DEAL
Adv & Mkng	0	1	1	0	0	1	2	0	2	2
Agri-buss	2	6	3	5	5	6	12	11	7	12
BFSI	11	19	15	11	19	30	24	33	23	20
Diversified	1	0	2	0	0	0	0	0	1	0
Education	3	7	7	5	20	14	20	11	10	9
Energy	18	11	20	12	20	25	12	9	9	12
Engg & constr	20	19	22	14	17	23	14	8	5	6
FMCG	3	2	1	0	1	4	5	5	6	3
Food & Bev	4	6	3	5	8	12	8	11	9	21
Gems & jew	0	1	0	0	0	0	0	0	0	1
Heal & LS	24	28	21	23	34	27	43	36	43	41
Hotels & rest	4	6	9	8	4	6	1	3	2	0
IT & ITES	45	79	67	52	64	95	114	115	169	260
Mnfg	25	34	26	13	21	29	33	21	18	21
Media & Ent	8	8	18	5	6	4	7	9	5	8
Min& Minrls	0	3	2	0	1	2	0	0	0	0
Other ser	5	4	10	4	8	9	10	9	7	13
Retail	7	11	8	4	5	4	1	4	4	2
Shipp& log	11	12	5	6	7	9	6	7	13	12
Sports & Fitness	1	1	1	1	0	1	1	0	1	4
Telecom	1	3	9	4	5	4	0	0	0	4
Tex & Gar	9	3	6	8	1	7	7	6	11	3
Trvl & Trnpt	2	5	2	5	3	2	1	0	1	7
TOTAL	204	269	258	185	249	314	321	298	346	461

Table 1.2: Based on number of deals ranking various Industries.

INDUSTRIES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	RANK	RANK	RANK	RANK	RANK	RANK	RANK	RANK	RANK	RANK
Adv & Mkng	NA	20	20	NA	NA	21	15	NA	16	18
Agri-Buss	16	11	15	10	12	12	7	5	10	7
BFSI	6	4	7	6	6	2	4	3	3	5
Diversified	18	NA	17	NA	NA	NA	NA	NA	18	NA
Education	14	10	12	10	4	7	5	5	7	10
Energy	5	7	5	5	4	5	7	8	8	7
Engg & cons	4	4	3	3	7	6	6	11	13	13
FMCG	14	19	20	NA	17	14	14	14	12	16
Food and Bvera	12	11	15	10	8	8	10	5	8	3
Gems & Jewel	NA	20	NA	NA	NA	NA	NA	NA	NA	20
Health &LS	3	3	4	2	2	4	2	2	2	2
Hotels and Res	12	11	9	7	15	12	16	16	16	NA
IT &ITES	1	1	1	1	1	1	1	1	1	1
Mngf	2	2	2	4	3	3	3	4	4	3
Media & ent	9	9	6	10	11	14	11	8	13	11
Min & minr	NA	16	17	NA	17	7	NA	NA	NA	NA
Other ser	11	15	8	15	8	9	9	8	10	6
Retail	10	7	11	15	12	14	16	15	15	18
Shipp&log	6	6	14	9	10	9	13	12	5	7
Sport& fitt	18	20	20	18	NA	20	16	NA	18	14
Telecom	18	16	9	15	12	14	NA	NA	NA	14
Tex &gar	8	16	13	7	17	11	11	13	6	17
Trvl& trans	16	14	17	10	16	18	16	NA	18	12

Table 1.3: Industry wise deal Values of India dedicated private equity funds.

INDUSTRY	2006	2007	2008	2009	2010
	Deal Amt \$ (M)	Deal Amt \$ (M)	Deal Amt \$ (M)	Deal Amt \$ (M)	Deal Amt \$ (M)
Adv & Mkng	0	10	1	0	0
Agri-buss	14.1	38.91	20.3	31.8	42.45
BFSI	139.25	243.46	255.6	56.95	286.92
Diversified	40		3.62	0	0
Education	5.27	27.82	37.99	74.84	197.74
Energy	81.41	302.83	612.75	230.37	310.89
Engg & constr	226.54	368.79	392.66	193.97	257.15
FMCG	45.22	12.5	2		11.5
Food & Bev	32.5	35.98	71.07	21.49	48.12

Gems & jew	0	0	0	0	0
Heal & LS	152.01	301.53	206.34	120.13	278.27
Hotels & rest	93.8	65.28	214.17	73.7	137.66
IT & ITES	320.53	530.78	590.29	194.4	195.23
Mnfg	849.52	464.56	370.24	58.48	194.1
Media & Ent	102.7	99.89	105.65	20.12	60.97
Min& Minrls	0	63	11.24		27.35
Other ser	9.73	23.39	125.59	21.24	41.75
Retail	27.92	101.77	128.03	15.88	51.44
Shipp& log	178.5	253.7	96.85	217.79	100.27
Sports & Fitness		1	0.15	0.85	
Telecom	3	147	109.27	9.68	311.55
Tex & Gar	65.26	9.66	33.33	23.73	1.5
Trvl & Trnpt	28.74	42.27	19.16	85.4	28.82
TOTAL	2416	3144.12	3407.3	1450.82	2583.68

Table 1.4: Industry wise deal Values of India dedicated private equity funds.

INDUSTRY	2011	2012	2013	2014	2015
	Deal Amt \$ (M)	Deal Amt \$ (M)	Deal Amt \$ (M)	Deal Amt \$ (M)	Deal Amt \$ (M)
Adv & Mknng	0.5	23.5	0	0.16	7.5
Agri-buss	57.94	109.85	101.19	38.06	294.28
BFSI	193.83	263.22	373.41	225.96	176.92
Diversified	0	0	0	75	0
Education	115.75	164.48	48.63	190.7	35.31
Energy	423.78	95.09	32.55	15.9	259.51
Engg & constr	446.9	331.13	201.84	1.53	59.71
FMCG	77.3	83.63	97.92	24.52	73.2
Food & Bev	122.11	84.49	67.12	109.4	196.31
Gems & jew	0	0	0	0	32.5
Heal & LS	232.48	575.38	303.97	400.54	365.15
Hotels & rest	254.15	0.9	1.75	3.6	
IT & ITES	524.91	253.52	267.77	972.2	878.07
Mnfg	139.37	144.3	58.69	150.96	233.11
Media & Ent	6.66	23.08	84.97	16.4	74.1
Min& Minrls	200				
Other ser	60.03	95.09	13.49	48.85	99.36
Retail	21.24		25.73	28.9	13.1
Shipp& log	96.87	97.85	110.37	32.04	62.59
Sports & Fitness	1	1.72	0	0	12.3
Telecom	36.36	0	0	0	36.55
Tex & Gar	44.71	83.03	2.59	70.98	13.2
Trvl & Trnpt	208	4.35	0	8	62.06
TOTAL	3263.89	2434.61	1791.99	2413.7	2984.83

Table 1.5: Based on deal values ranking various Industries.

Industries	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	RANK	RANK	RANK	RANK	RANK	RANK	RANK	RANK	RANK	RANK
Adv & Mknng	NA	20	20	NA	NA	20	15	NA	16	18
Agri-buss	16	11	15	10	12	12	7	5	10	7
BFSI	6	4	7	6	6	2	4	3	3	5
Diversified	18	NA	17	NA	NA	NA	NA	NA	18	NA
Education	14	10	12	10	4	7	5	5	7	10
Energy	5	7	5	5	4	5	7	8	8	7
Engg & constr	4	4	3	3	7	6	6	11	13	13
FMCG	14	19	20	NA	17	14	14	14	12	16
Food & bev	12	11	15	10	8	8	10	5	8	3
Gems & jew	NA	20	NA	NA	NA	NA	NA	NA	NA	20
Heal & LS	3	3	4	2	2	4	2	2	2	2
Hotels & rest	12	11	9	7	15	12	16	16	16	NA
IT & ITES	1	1	1	1	1	1	1	1	1	1
Mnfg	2	2	2	4	3	3	3	4	4	3
Media & Ent	9	9	6	10	11	14	11	8	13	11
Min & Minrls	NA	16	17	NA	17	18	NA	NA	NA	NA
Other ser	11	15	8	15	8	9	9	8	10	6
Retail	10	7	11	15	12	14	16	15	15	18
Shipp & log	6	6	14	9	10	9	13	12	5	7
Sports & Fitness	18	20	20	18	NA	20	16	NA	18	14
Telecom	18	16	9	15	12	14	NA	NA	NA	14
Tex & Gar	8	16	13	7	17	11	11	13	6	16
Trvl & Trnpt	16	14	17	10	16	18	16	NA	18	12

Table: 1.6 correlations between deal values and volumes

years	correlation between deal value and volume
2006	0.737
2007	0.843
2008	0.835
2009	0.535
2010	0.512
2011	0.726
2012	0.55
2013	0.616
2014	0.973
2015	0.915

Source : ven int

The Null Hypothesis should be accepted because the deal values and deal volume are positively correlated from the above table 1.6.

To study the directional movement of deal values and volumes, correlation has been used. It can be inferred from the table that the deal values and volumes are positively correlated. The highest positive correlation is 0.973 in the year 2014 and lowest is 0.512 in the year 2010.

Best performing industry based on raking analysis is IT and ITES in terms of both number of deal and deal volume.

Table 2.1: Exits of India dedicated Private Equity funds in India.

YEAR	NO OF EXITS	AMOUNT REALIZED (US \$ M)
2006	25	192.83
2007	44	348.95
2008	20	133.02
2009	21	156.37
2010	55	486.13
2011	36	302.81
2012	61	470.37
2013	44	637.85
2014	43	387.06
2015	53	1678.78

Sources: ven int

Table 2.2: Structure wise Exits of India dedicated Private Equity funds in India.

YEAR	Strategic sale		Secondary sale		Buyout		Others	
	DEALS	Amt US \$ (M)	DEALS	Amt US \$ (M)	DEALS	Amt US \$ (M)	DEALS	Amt US \$ (M)
2006	10	166.85	2	23.87	10	64.11	3	3.43
2007	19	256.32	9	69.44	9	4.93	7	18.26
2008	2	0.5	8	120.74	6	10.82	4	0.96
2009	8	77.14	5	72.72	7	4.71	1	0
2010	22	245.42	16	140.33	12	75.14	5	25.24
2011	13	63.88	11	222.12	9	2.28	3	14.53
2012	13	102	25	284.28	19	72.9	4	12
2013	17	218.7	16	351.18	11	67.97	0	0
2014	20	151.64	13	232.74	7	12.86	3	0
2015	30	377.37	16	1265.66	5	33	2	3

Sources: ven int

Table 3.1 Calculation of Return multiple for the year 2006 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Comat Technologies	KITVEN	2004	Dec-06	1.50x
CSS Group	Baring India	1999 and 2001	Feb-06	3.00x
Firstsource	ICICI Venture	Mar-03	Dec-06	2.04x
Omnitech Infosolutions	Canbank Ventures	Jul-02	Jul-06	1.40x
Pioneer Genco	Small is Beautiful	Mar-05	Jul-06	1.35x
Saraf Foods	GVFL	Jun-05	Apr-06	1.60x
Scicom Technologies	GVFL	Jun-00	Dec-06	3.00x
Secova	IIML	Sep-03	Apr-06	1.39x
Thomson Press	NYLIM Jacob Ballas Funds	Dec-01	Nov-06	1.87x
Trinethra	India Value Fund	Nov-04	Dec-06	4.47x

Table 3.2: Calculation of Return multiple for the year 2007 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
24X7 Learning	KITVEN	Jan-06	Nov-07	1.62x
Ace Refractories	ICICI Venture	5-Jul	Sep-07	4.30x
Arasmeta Captive Power Plant	Small is Beautiful	Apr-05	Mar-07	1.30x
Bhrigus Software (India)	SIDBI VC	Oct-04	Feb-07	1.21x
Global Vantage	ChrysCapital	apr 2002 and feb 2003	Feb-07	1.73x
Godrej Beverages and Foods	IIML	Mar-06	Mar-07	1.72x
Hikal	New Vernon	Nov-05	May-07	1.00x
Home Store	SIDBI VC, Rajasthan VC	On Mar 2006	Jun-07	SIDBI VC, 1.54x; Rajasthan VC, 1.54x
Hurix Systems	Kotak PE	Oct-00	Jun-07	2.08x
IBN 7	New Vernon	5-Jan	Dec-07	0.70x
inTarvo Technologies	SIDBI VC, Canbank Ventures	Jun-03	Apr-07	SIDBI VC, 2.81x; Canbank Ventures, 2.81x
Manthan Systems	SIDBI VC	June 2005	Jun-07	1.70x
Neilsoft	GVFL	Apr-00	Oct-07	5.50x
Ocean Sparkle	Ventureast	data insufficient	Jun-07	43.22x
Sai Regency Power	Small is Beautiful	Oct-05	Mar-07	1.23x
Siro Clinpharm	Baring India	Mar-06	Feb-07	4.20x
TTK Healthcare Services	India Value Fund	Dec-04	Feb-07	3.11x

Table 3.3: Calculation of Return multiple for the year 2008 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Brickworks India	KITVEN	Mar-06	Jun-08	1.46x
elInfochips	GVFL	2000	Apr-08	6.00x
Excel-soft Technologies	UTI Ventures	Jun-01	Apr-08	50.00x
Mistral Solutions	eTEC Ventures	Mar-01	Jan-08	1.17x
Oyster & Pearl Hospitals	Sabre Capital	Sep-08	Sep-08	1.63x
Polygel Technologies	Canbank Ventures	Sep-06	Jun-08	3.66x
Proteans Software Solutions	KITVEN	Aug-06	Oct-08	1.69x
Subhiksha Trading Services	ICICI Venture	unavailable	Sep-08	7.87x
TeliBrahma Convergent Communications	KITVEN	Jun-06	Aug-08	1.83x
Updater Services	New Vernon	aug 2007, feb 2006	Feb-08	2.79x

Table 3.4: Calculation of Return multiple for the year 2009 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Anabond	SIDBI VC		Jun-09	1.07x
Cicada Resorts	Premjilinvest		Jun-09	0.53x
Ecron AcuNova	IIML		Dec-09	1.32x
Gala Precision Technology	India Value Fund		Jul-09	2.03x
IL&FS Education and Technology Services	IIML		Nov-09	18.87x
Manthan Systems	SIDBI VC		Nov-09	5.20x
MapMyIndia	Aquarius		Feb-09	3.84x
MCX	IIML		Sep-09	1.23x
Shalivahana Green Energy	Small is Beautiful		May-09	1.44x
Transafe Services	ICICI Venture		Sep-09	2.20x
Unitherm Engineers	Canbank Ventures		Oct-09	1.25x

Table 3.5: Calculation of Return multiple for the year 2010 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Asianet	Americorp	5-Mar	Sep-10	25.45x
Bharat Serums & Vaccines	IIML	Oct-00	Mar-10	IIML,3.41x
Capital Foods	Everstone	Apr-06	Feb-10	2.42x
DB Hospitality	Trinity Capital	Dec 06 & Jan 08	Jun-10	1.17x
Dr. Lal PathLabs	Sequoia Capital India	Jun-05 and Oct-07	Aug-10	6.51x
Eastern Condiments	New Vernon	Sep-06	Nov-10	2.16x
Equitas Holdings	Kalpathi Investments	12/1/2007 and Nov 2008	Jan-10	12.61x
Equitas Holdings	Aavishkaar Goodwell	Mar-08	Jul-10	8.12x
Fourcee Infrastructure Equipments	SIDBI VC	Dec-09	Oct-10	1.60x
Future Lifestyle Fashions	Kotak PE, ICICI Venture	Nov-06	Aug-10	1.66x
i-mint	ICICI Venture	Mar-07	May-10	5.64x
Inbiopro Solutions	Accel India	7-Nov	Dec-10	3.71x
Intas Biopharmaceuticals	Kotak PE, Tata Capital	Aug-07	Nov-10	Kotak PE,2.00x; Tata Capital,1.15x
International Recreation Parks	IIML, IDFC PE	May-06	Aug-10	IIML,1.48x; IDFC PE,1.70x
JKAR Energy Ventures	Small is Beautiful	Apr-07	Apr-10	1.75x
Limbavali Power	Small is Beautiful	Dec-06	Aug-10	1.82x
Liquid eLearning	Rajasthan VC	Apr-06	Oct-10	1.83x
Luminous Teleinfra	IFCI Ventures	8-Oct	May-10	1.38x

MetaHelix	Kotak PE, Nadathur Holdings	Dec-00	Dec-10	Kotak PE,2.72x; Nadathur Holdings,3.85x
Metropolis Healthcare	ICICI Venture	June 2006	Jun-10	3.28x
Ocean Sparkle	Ventureast		Jan-10	35.92x
PL Shipping & Logistics	Paracor Capital	Jul-05	Aug-10	3.20x
Ravin Cables	Tano Capital, Reliance India Power Fund	Oct-06	Jan-10	Tano Capital,1.66x; Reliance India Power Fund,1.66x
Servals Automation	Aavishkaar	Nov 2002,	Aug-10	19.14x
Shalivahana Green Energy	IIML		Dec-10	1.15x
Shriram Foundry	SIDBI VC	Jan-08	Dec-10	1.40x
Sical Logistics	IDFC PE	7-Mar	Nov-10	0.42x
Skelta Software	SIDBI VC	Oct-06	Apr-10	1.35x
Spandana Sphoorty Financial	Lok Capital	Jul-07	Mar-10	4.52x
Stovekraft	SIDBI VC	2008	Mar-10	1.75x
Sula Vineyards	GEM India	Sep 27, 2005	Nov-10	4.39x
Unifi Wealth Management	Peepul Capital	Jan-02	Feb-10	6.00x
Venture Infotek	Kubera Partners	November 2007	Aug-10	2.70x

Table 3.6: Calculation of Return multiple for the year 2011 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Arth Microfinance	Dia Vikas Capital	9-Mar	Mar-11	1.14x
Baroda Rayon	Halcyon Group	Sep-06	Jan-11	1.90x
Bumi Geo Engineering	Gaja Capital	Mar-08	Oct-11	2.02x
Chamoli Hydro Power	Small is Beautiful	Nov-06	Oct-11	2.27x
Dhama Innovations	Reliance Ventures	9-Jun	Mar-11	2.00x
HealthCare Global	IDFC PE	Jul-06	Jan-11	2.00x
Hightemp Furnaces	Axis Holdings	Jun-10	Jul-11	1.97x
K-12 Techno Services	Song Advisors	May 2010	Oct-11	1.84x
MedPlus Health Services	Kalaari Capital, Peepul Capital, Arcapita	Feb-07	Mar-11	Kalaari Capital,2.16x; Peepul Capital,4.91x; Arcapita,2.12x
NDR Warehousing	Kotak Realty Fund	Sep-07	Jan-11	1.53x
RG Stone Urological Research Institute	ICICI Venture	Nov-07	Jan-11	1.75x
SFO Technologies	India Value Fund	(Aug 2006	May-11	2.38x
Vishwa Infrastructures	Axis PE	(Aug 2006	Sep-11	5.39x

Table 3.7: Calculation of Return multiple for the year 2012 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Allcargo	New Vernon		Jul-12	1.47x
Amanta Healthcare	IFCI Ventures		Dec-12	1.77x
Aster DM Healthcare	India Value Fund		Jan-12	6.36x
AU Financiers	Motilal Oswal		Feb-12	5.41x
Bajaj Motors	NYLIM Jacob Ballas Funds		May-12	1.13x
Bill Forge	Monsoon Capital		Jul-12	0.56x
Blue Dart Aviation	Lumis Partners		Oct-12	1.96x
Bookmyshow	Capital18		Aug-12	10.76x
Cotton County Retail	Sequoia Capital India		Aug-12	0.34x
Fourcee Infrastructure Equipments	Mayfield		Jan-12	6.72x
Indo Schottle Auto Parts	Tata Capital		May-12	1.84x
Kalkitech	Kerala Venture Capital Fund		May-12	2.10x

MAS Financial Services	ICICI Venture		Aug-12	1.25x
Merchem	Canbank Ventures		May-12	2.46x
Octamec Engineering	EQ India		Feb-12	2.20x
Sahyadri Hospitals	ICICI Venture		Feb-12	2.03x
Shalivahana Green Energy	Axis PE		Jun-12	1.52x
Trimax IT Infrastructure	BanyanTree Growth Capital		Apr-12	4.64x
TVS Logistics Services	TVS Capital		Apr-12	2.29x
Your Kids R Our Kids	India Venture Partners		Jun-12	1.12x

Table 3.8: Calculation of Return multiple for the year 2013 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Amber Enterprises India	IFCI Ventures	In Jul 2011	Nov-13	1.47x
AND Designs	Future Ventures	Nov-08	Nov-13	25.28x
AU Financiers	Motilal Oswal	Feb-08	Feb-13	5.60x
Aurangabad Electricals	Blue River Capital	Sep 23, 2011	Aug-13	1.01x
Biba Apparels	Future Ventures	March 2007, September 2010 and April 2011	Nov-13	5.47x
Century MetalRecycling	IFCI Ventures	Jun-11	Nov-13	1.48x
Dr. LalPathLabs	Sequoia Capital India	Jun-05 and Oct-07	Feb-13	8.47x
DTDC Courier & Cargo	Reliance Capital	Jan 2006	Jan-13	2.77x
Grameen Koota	Aavishkaar Goodwell	4/8/2016, Oct-09	Mar-13	1.72x
HHV Solar	SIDBI VC	Jun-08	Jan-13	0.33x
Ikya Human Capital Solutions	India Equity Partners	Jan-08	Feb-13	3.06x
Interactive Avenues	Sequoia Capital India	Mar-07	Mar-13	2.81x
Landmark	TVS Capital	9-Nov	Feb-13	1.29x
Neev Technologies	Basil Partners	Jan-10	Apr-13	2.39x
Precision Camshafts	Tata Capital	Aug-08	Jun-13	1.82x
Redbus	Helion Ventures, Seedfund, Inventus Capital Partners	Jul-2007	Jun-13	Helion Ventures, 5.86x; Seedfund, 13.87x; Inventus Capital Partners, 13.09x
Sansera Engineering	Monsoon Capital	un available	Jul-13	0.86x
Satin Creditcare Network	Lok Capital	un available	Mar-13	1.92x
Strand Life Sciences	UTI Ventures, Sequoia Capital India	Nov 2001, sequia india Sep 2002	Feb-13	UTI Ventures, 1.63x; Sequoia Capital India, 1.62x

Table 3.9: Calculation of Return multiple for the year 2014 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
Aster Teleservices	New Silk Route, NYLIM Jacob Ballas Funds	Aug 007	Sep-14	New Silk Route, 0.23x; NYLIM Jacob Ballas Funds, 0.23x
Equitas Holdings	Bellwether, Kalpathi Investments	12/15/2007, Aug 23, 2008	May-14	Bellwether, 2.40x; Kalpathi Investments, 1.280x
Express Clinics	Somerset Indus Capital Partners	Aug 2012	Oct-14	2.65x
Grameen Koota	Aavishkaar Goodwell, Incofin	Apr-08, Oct-09	Mar-14	Aavishkaar Goodwell, 2.34x; Incofin, 1.77x
HealthcareMagic.com	Accel India	feb 2009, Dec-12	May-14	2.53x
Jeeves	Seedfund	Jun 2012	Oct-14	3.00x
KIMS Hospital	Milestone Religare	11/1/2009 and May 2012	Jun-14	2.07x
Maharashtra Natural Gas	IIML, IDFC PE	Apr-09	Aug-14	IIML, 3.80x; IDFC PE, 3.80x
Net Systems Informatics	Aavishkaar	Mar-05	Nov-14	3.00x
NovaLead Pharma	Kotak PE	27-Jul-09	Aug-14	3.00x

Table 3.10: Calculation of Return multiple for the year 2015 of Private equity funds in India.

Portfolio Company	PE Firm(s)	Date of investment	Date of exit	Return multiple
ACT Broadband	India Value Fund	Apr-08	Jul-15	6.55x
Cloud Nine	Matrix Partners India	May 2011, Oct 2013, Sep 2015	Dec-15	5.00x
Ecom Express	Peepul Capital	Aug-14	Jun-15	3.61x
Flipkart	Helion Ventures	2012	Apr-15	16.74x
Global Hospitals	Everstone	6/1/2007, Dec 2009	Aug-15	2.50x
GVK Biosciences	Sequoia Capital India	Nov 2007	Dec-15	1.45x
Inditrade Capital	Baring India	Jul-07	Sep-15	0.81x
Insta Health Solutions	Inventus Capital Partners, Tholons Capital	Apr-09, Feb-10	Sep-15	Inventus Capital Partners, 4.21x; Tholons Capital, 4.21x
Karvy Stock Broking	ICICI Venture	Nov-07	May-15	Total Investment Amount: INR 176 Cr Total Realized Amount: INR 101.60 Cr
Mankind Pharma	ChryCapital	Apr-07	May-15	13.13x
Promptec Renewables	Blume Ventures	May-11	May-15	2.65x
Super Religare Laboratories	Sabre Capital	May 2011	Sep-15	2.10x
Technology Frontiers	Avigo Capital	Jul-10	Nov-15	2.77x

LIMITATIONS OF THE STUDY

Though the study is very comprehensive in nature, it has certain limitations as mentioned below:

1. The Private equity funds in India are the part of Private equity firms India.
2. The Secondary data collected May not cover all the aspects with regard to performance of private equity Funds in India.
3. Venture capital funds and Private equity funds often overlaps in practice, so the distinction. Is frequently confusing to practitioners, too.

Undisclosed and confidential data will limit the accuracy of results of the findings.

FINDINGS AND SUGGESTIONS

From the above study we can conclude that initially the performance of private equity funds in India is not so good but from the year 2007 it has grown but again because of global recession in the year 2012 and 2013 it has declined but since from 2014 there was a continuous increased in the performance of private equity funds in India. We can suggest that as there is an increase in investment in the private equity fund in India there will be economic growth to our country. From the above we can also conclude that IT and ITES sector is the one which is very performing very good both in Deal values and Deal volume. And the Deal value and Deal volume are perfectly correlated every year since from 2006 to 2015.

From the table 2.2 we analyse that exit was more through secondary and strategic sales.

When we see the last objective the Return multiple. We understood that majority of private equity firms was having return multiple more than 2x. That means approx more than 200 %.

The performance of Private Equity, impact on GDP and over all the growth of the economy.

Not only will this we can conclude that the return multiple will always be more than 200%. For Private Equity investors.

From the analysis we have also understood that Private Equity investment is very important for the growth of economy. The present market scenario, sys that doors have been widened for foreign players to enter.

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