



ORIGINAL RESEARCH PAPER

Management

A Paper on Sources of fund and Stage wise performance Of Private Equity Fund in India

KEY WORDS: The present market scenario, the doors have been widened for foreign players to enter. How the different source of fund to PE and its stage wise investment in India.

Khudsiya zeeshan (Research scholar)

T. Satyanarayana chary Dean, Faculty of business management, Telangana University.

ABSTRACT

India has been witnessing dramatic shift in the size and composition of foreign investment blows over the couple of years. Private equity is one such investment avenue which is broadly defined as 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 funds have invested even in listed companies, though the buyout negotiation with controlling interest. With increasing Deal volume and Deal values the subject has become an important aspect of Indian economy as this could lead the Indian economy in either direction. The Bull Run by foreign companies in the private equity market has begun. The market position has exposed that there were doorway barriers in this particular field because of the red tape restrictions on the ownership and other such factors that have made the entry of foreign players in the Indian market a cumbersome process. Private equity investment in India first chased IT and 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. Besides, the performance of Private Equity is to be examining from the perspectives of its contribution to exchequer, impact on GDP and overall, the growth of the economy. The present paper is 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.

1.1 INTRODUCTION

Private equity is a source of funding to start-up firms, firms in financial distress and public firms seeking buyout financing. It also finances non-public companies based on the need, novelty in the business proposal and creative ideas of entrepreneurs. The principal managers of the Private equity firms are the 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.

During the year PE firms had invested \$8.4 billion in India between January and September, as against \$7.8 billion in 2013. In terms of volume of deals, 2014 has seen a 38% growth compared with the previous year. However, activity from the big three PE firms has picked up in recent months. Warburg Pincus, put their hands in three deals in October, in Kalyan Jewellers, Laurus Labs Pvt. Ltd and Cartrade.com.

More recently, Temasek acquired 10.16% in privately held Ahmadabad-based company Intas Pharmaceuticals Ltd from its existing PE shareholder Chrys Capital Management Co. to the extent of at Rs.880 crore. Thus, many funds tend to hold investments for a period of four to five years but volatility in public markets and poor economic conditions have made it tough to funds to exit at appropriate valuations. This has now changed with the markets picking up and hopes of a rebound in the economy which grew below 5% for two consecutive fiscal years till fiscal 2014. Hence, the ups and downs of performance of PE Funds attract all the time to do a rigorous research on the subject.

1.2 REVIEW OF LITERATURE

Robert, M. Conroy & Robert S. Harr (2007), stated in their work "How good are private equity returns Argue". The findings suggest that successful investors in private equity must have both the ability to identify as well as access to superior private equity firms and their funds.

Roger Leeds & Julie Sunderland. (2003), pointed out in their Research work "Private Equity in Emerging Markets "The findings are stakeholders would strengthen the future of Private Equity in emerging markets.

John, J. Moon & Metalmark (2006), argued that "Public vs. Private Equity argue that" Private Equity as "expensive" capital while viewing public equity as a relatively "cheap" source of funds. Since returns on private equity have been higher than the returns earned by public equity investors, so the theory goes, the cost of private equity must be greater.

Tomasz Sosnowski.(2007), in a research work on "Comparative Analysis of Private Equity Market in Poland and Other Central and Eastern European Countries". Clearly stated that the private equity market in Poland and its comparison with similar markets in other countries of central and Eastern Europe. It states that the potentiality and creating new productivity, processing, service and other capacities by means of material investment in firms through private equity.

Kaplan and Schoar. (2005), studied on "The returns to private equity and venture capital funds". They compared that how much an investor (or limited partner) in a private equity fund can earn net of fees to what the investor would have earned in an equivalent investment in the Standard and Poor's 500 index. They find that private equity fund investors earn slightly less than the Standard and Poor's 500 index gross of fees (that is, when fees are added back). Those returns, therefore, are consistent with private equity investors adding value (over and above the premium paid to selling shareholders).

1.3 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 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. 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.

framed and tested.

1.4 OBJECTIVES OF THE STUDY

Ho1: PE Funds stage wise investment performance in terms of Number of Deals is consistent, over the study period.

The objectives of the study are,

Ho2: PE Funds stage wise investment performance in terms of Deal value is consistent, over the study period.

- 1) To examine the sources of Private Equity funds in India.
- 2) To study the performance of Private Equity funds in India, in terms of Deal values and volume and Stage wise investment.

1.6 SOURCES OF FUNDS

It is beyond doubt that the success of PE Funds duly depends on the sources of funds that they get. In table 4.1 the data pertaining to the same is analyzed and presented.

1.5 HYPOTHESES

In order to ascertain the objectives the following hypotheses are

Table 1.1 SOURCES OF FUNDS of India dedicated PE Funds

S No	Private Equity Funds	Sources of funds
1	Aavishkaar	Bakkers Pension Funds, Blue Orchard, CEP Investment Trust Fund, Deutsche Bank, Dreilinden gGmbH, FMO, George Avenue CV, IFC, NABARD, Oasis Fund, SIDBI, The David Weekley Family Foundation, The Rockefeller Foundation, CORDAID, ENAM Capital and Lesing Nominees
2	Aavishkaar Goodwell	IFC, FMO, Deutsche Bank, Goodwell Investments
3	Acumen Fund	Aman Foundation, Dell Foundation, Niehaus Foundation, Sapling Foundation, Three Dogs Foundation, Alexander Family Foundation, Blood Family Foundation, d.o.b Foundation, Google, LF Foundation, Mahvash & Jahangir Siddiqui Foundation, Partridge Foundation, Peter & Devon Briger Foundation, Skoll Foundation, Others
4	Aditya Birla PE	Aditya Birla Group (20%)
5	Ambit Pragma	CDC, IDFC, Unilver Corporate Ventures
6	Ascent Capital	SVG Advisers, Guggenheim Capital Management, CDC Group, Evolve Capital
7	Avigo Capital	IFC, Squadron Capital, CDC Group, Aria Pension Fund, Export Development Canada, Siguler Guff(US), Prudential Portfolio Managers (UK), Australian Reward Investment Alliance, World Bank, Asian Development Bank, Swiss Re, Asia Alternatives
8	BanyanTree Growth Capital	FMO, DEG
9	Baring India	Swedfund (\$13.89 mn in BPEP II), Siguler Guff, CDC Group; 57 Stars, Evolve India Fund, Grove Street Advisors, Rumson Consulting Group, Swed Fund, Pennsylvania State Employees Retirement System,
10	Blue River Capital	Asian Development Bank
11	Canbank Ventures	Canara Bank, Allahabad Bank, Corporation Bank, Indian Overseas Bank, Oriental Bank of Commerce, Vijaya Bank, Andhra Bank and Small Industries Development Bank of India (SIDBI)
12	ChrysCapital	AlpInvest Partners, EMAlternatives, CITIC Private Equity, Gordon and Betty Moore Foundation, IDI Emerging Markets, John D. & Catherine T. MacArthur Foundation, K1 Ventures, Partners Group, Rho Capital Partners, Richmond Management, The James Irvine Foundation, The Rockefeller Foundation, University of Michigan, Lion Cao Asset Management, University of Washington
13	CX Partners	Goldman Sachs, Asia Alternatives, Emerald Hill Capital Partners, Adams Street Partners, Morgan Creek Capital, JP Morgan, China Development Industrial Bank, Auda Asia II, Church Pension Fund, AlpInvest Partners
14	EQ India	Asian Development Bank, CDC group
15	Everstone	Goldman Sachs, Verinvest, Morgan Creek Capital, Sofina
16	Gaja Capital	Electra Partners, SVG Advisers
17	ICICI Venture	Markaz, Ares Capital, CDC Group
18	IDFC Foundation	IDFC
19	India Financial Inclusion Fund	Norwegian Microfinance Initiative, CDC, Global Microfinance Equity Fund, FMO, Omidyar-Tufts, Gray Ghost, Triodos Microcredit Fund, responsAbility Global Microfinance Fund (\$172,000), responsAbility Mikrofinanz-Fonds (\$76,200), OPIC
20	India Innovation Fund	SIDBI, TCS, Airtel, ICICI (IKP), DST (Depart of Science and Technology)
21	India Quotient	Unilazer
22	India Value Fund	CDC Group, ATP Private Equity Partners, EMAlternatives, 57 Stars, Common Fund, AlpInvest, Partners Group Asia Pacific, Gary Wendt, Housing Development Finance Corporation, Ambit Corporate Finance, Gaurav Dalmia, Tokio Marine Asset Management, Rumson Consulting Group, LIC, IDBI, IDI Emerging Markets, Evolve Capital, Grove Street Advisors, shaPE Capital AG, Cppib
23	Kaizen PE	HDFC, India Value Fund, Wilbur Ross, IFC, SIFEM, Bertelsmann
24	Kotak Realty Fund	CDC Group
25	Lok Capital	Accion, CDC Group, D@veloppement International Desjardins, FMO, IFC, KfW Development Bank, responsAbility Global Microfinance Funds
26	Motilal Oswal	Flag-Squadron Asia
27	Multiples PE	India Overseas Bank, Andhra Bank, LIC, PNB, SIDBI, CDC (\$30M), Canada Pension Plan Investment Board(\$100M), Public Institution for Social Security (\$70M), Sofina, Cppib
28	Peepul Capital	IFC, True Bridge Capital, Guggenheim Partners, IDI emerging Markets, The Rockefeller Foundation, Siguler Gruff, Commonfund Capital Interanational Partners, CDC (Fund III=GBP13M)
29	Phi Advisors	NA
30	Pragati Fund	CDC group

31	Samara Capital	IFC, CDIB Capital, CVC, Celox S.A, Vostok Nafta Investment
32	Small is Beautiful	IDBI bank, Power Finance Corporation, Rural Electrification Corporation, LIC, Andhra Bank, SIDBI, Punjab National Bank, BOB, Oriental Bank of Commerce, Syndicate bank, UCO Bank, UBI, IOB, Bank OF Maharashtra, General Insurance Corporation, KSK Energy Corporation, The Oriental Insurance Company, The New India Assurance Company, United Bank of India, United India Insurance Company, Canara Bank, National Insurance Corporation
33	YourNest	SIDBI's India Opportunity Fund, IIFL Seed Ventures and Northgate Capital
34	Zephyr Peacock	Zephyr Management, IFC
35	ADM Capital	IFC, EBRD, University of Michigan, EIF European Investment Fund, The Netherlands Development Finance Company, ADB, Kazyna Capital Management, Black Sea Trade and Development Bank
36	Blume Ventures	Unilazer, SIDBI
37	GVFL	The World Bank, Commonwealth Development Corporation (CDC-UK), Gujarat Industrial Investment Corporation (GIIC), Industrial Development Bank of India (IDBI), ICICI State Corporations like GSFC, GNFC Private Companies like Arvind Mills, Asian Paints, Hero Cycles, HDFC and several others SIDBI, State Corporations Private Companies like Gujarat Gas (British Gas Co.), Torrent, Cadila, Essar, Aptech, Lloyds Finance & several others, Gujarat Informatics Limited.
38	JP Morgan	Cppib
39	Nirvana Ventures	Bertelsmann
40	Ojas Ventures	Nadathur Holdings
41	Omnivore Partners	Godrej Agrovet
42	Orios VP	SIDBI
43	SEAF	Life Insurance Corporation of India, Omidyar Network Fund, Inc., Sarona Asset Management, Small Industries Development Bank of India, Syndicate Bank, Unigrain, Union Bank of India, SEAF
44	SIDBI VC	SIDBI, DFID - UK (Samridhi Fund), IDBI (INR 20-Cr in NSFIT), Ministry of Information Technology (Government of India; INR 30-Cr in NSFIT)
45	TPG Capital	Cppib
46	Warburg Pincus	AlpInvest Partners
47	eIndia Ventures	Comcraft
48	Forum Synergies	CK Ranganathan (Founder, CavinKare); Farrokh Kavarana (Director, Tata Sons); Arun Kumar (Founder, Strides Arcolab)
49	IDFC PE	Guggenheim Partners, Asian Development Bank, CDC Group, Evolve Capital, Partners Group Asia Pacific, SIDBI Ventures, International Finance Corporation,
50	IDFC Project Equity	International Finance Corporation, Export Development Canada,
51	Ventureast	APIDC, Andhra Bank, GIC of India, LIC of India, NABARD, Oriental Insurance, IFC, CDC Group (VenturEast Life Fund III = GBP10M), NORFUND, Oxford Biosciences, SEDCO
52	3i IIF	Alberta Investment Management Corporation, Capital Dynamics, Partners Group
53	Accel India	Rumson Consulting Group, State of Delaware Pension Fund
54	Amazon	NA
55	Apax Partners	AlpInvest Partners, Cppib
56	Aspada Investments	Soros Economic Development Fund, the Omidyar Network, Google
57	Capvent	Unilever Corporate Ventures
58	Helion Ventures	Sutter Hill Ventures, GIC Special Investments, Princeton University, Stanford University, Bertelsmann
59	Inventus Capital Partners	AT&T Pension Fund
60	IvyCap Ventures	SIDBI
61	Kae Capital	Sequoia Capital, SAIF Partners, Omidyar Network, Axiom, Squadron Capital and Morgan Creek Capital Management, Manisg Kejriwal (Kedaara Capital), Deep Kalra (Makemytrip), Naveen Tewar (InMobi)
62	Kalaari Capital	Thomas Weisel International, AMAT, Asia Alternatives Management, Credit Suisse
63	Nexus Venture Partners	Asia Alternatives Management, Montagu Newhall Associates, Rumson Consulting Group and The James Irvine Foundation, Austin Ventures, Lightspeed Venture Partners, Northgate Global Emerging Markets, Alfred I. duPont Testamentary Trust, Yale University
64	Rabo Equity	IFC, FMO, DEG, Rabo Bank, Capvent, CDC, RWB
65	SAIF	AlpInvest Partners
66	Seedfund	Fund I: Motorola Ventures, Reliance ADA Group, SVB, Sierra Ventures, Mayfield Fund, Edelweiss Capital, Shea Ventures and NRIs (like Kanwal Rekhi, KB Chandrashekhar, B V Jagadeesh and Sridar Iyengar.)
67	Sequoia Capital India	Goldman Sachs, Sun Technology, Capital Z Investments, Merrill Lynch, Reuters, Tibco, Fidelity, Raj Judge of Wilson Sonsini, Suhas Patil of Sirus Logic, Arjun Malhotra of TechSpan, B V Jagdeesh of Exodus, Rajat Gupta and Lakshmi Mittal, The William and Flora Hewlett Foundation, Morgan Stanley, Abu Dhabi Investment Authority, Princeton University, University of Chicago, Sofina
68	Tano Capital	Franklin Templeton Capital, Asia Alternatives, Auda Private Equity, Christopher R. Redlich, Jr. Rev. Trust

Sources: venture intelligence

It is evident from the table 1.1 that there are almost 68 Indian PE Funds with sources of fund, but operating in India 216 PE. It is found that IFC provides the funds to PE investors such as Aavishkaar, Aavishkaar Goodwell ,Avigo Capital, Kaizen PE, Lok Capital, Peepul Capital, Samara Capital ,Zephyr Peacock ,ADM Capital ,Ventureast, & Rabo Equity. JP Morgan itself is a PE fund but it became a potential source of fund to CX Partners. With this probably they became a co-investor. TCS Capital is one of the PE investor funded to India Innovation Fund this also become co-investor. Sequoia Capital itself is a PE fund that invested in Kae Capital. Deutsche Bank is a source of fund to PE such as Aavishkaar and Aavishkaar Goodwell. FMO is proving funds to Aavishkaar, Aavishkaar Goodwell, BanyanTree Growth Capital, India Financial Inclusion Fund Lok Capital, and Rabo Equity Private Equity funds. They are few PE funds which are having more than 10 sources of funds such as Aavishkaar, Accumen Fund, Avigo Capital, Baring India, Canbank Ventures, ChrysCapital, CX Partners, India Financial Inclusion Fund,India value Fund, Multiples Private Equity, Peepuls capital, Small is Beautiful, GVFL,Venture east, kae capital, Nexus Venture Partners, Seedfund, and Sequoia Capital

1.7 NUMBER OF DEALS OF PE FUNDS IN INDIA.

PE Deal origination is a process by which PE Funds find the Investment sources that are prospective in nature. PE funds performance in terms of Number of Deals is essential to understand that how the enterprises are promoted and what is the contribution of PE at all. Data collected in this regards is analyzed and presented through table 1.2

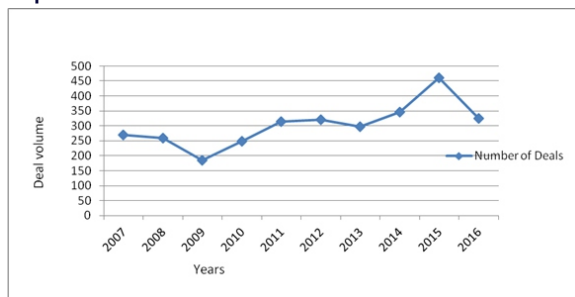
Table 1.2 Number of Deals of PE Funds in India

Years	Number of Deals
2007	269
2008	259 (-3.7)
2009	185 (-28.5)
2010	249 (34.5)
2011	314 (26.1)
2012	321 (2.2)
2013	298 (-7.1)
2014	346 (16.1)
2015	461 (33.2)
2016	325 (-29.5)
Total	3231

Source: Venture intelligence

*The figures shown in () represent the growth rates.

Graph 1.1 Number of Deals of PE Funds in India



Source: venture intelligence

It is evident from table 1.2 that the number of deals of PE Funds in India declined by 3.7 percent in 2008, this trend was continued by 28.57 percent in 2009. Similar type of trend again appeared in 2013 and 2016 by -7.16 percent and -29.5 percent respectively. But the declinment in 2012 was marginal. On the other hand, the PE funds in terms of deals increased enormously in 2007, 2010, 2011, 2014 and 2015 significantly, the eventful year is 2010 as the growth in number of Deals is very significant by 34.59 percent. Hence, it is very clear from the analysis that the growth of number of deals declined significantly during the period of Global financial crises. And the situation started to revive from 2010. It can be

inferred that the trend of deals of PE Funds in India found in tandem with the Global trend. In the year 2016 the growth rate was again declined. Hence, in 2015 the number of deals was highest when compared to the rest of the years in the study period.

1.8 DEAL VALUES.

The deal values are all about an aggregate amount of investment done by the PE funds in the individual 10 consecutive years. PE Funds performance in terms of deal values in INR (Million), is analyzed and presented through the table 1.3

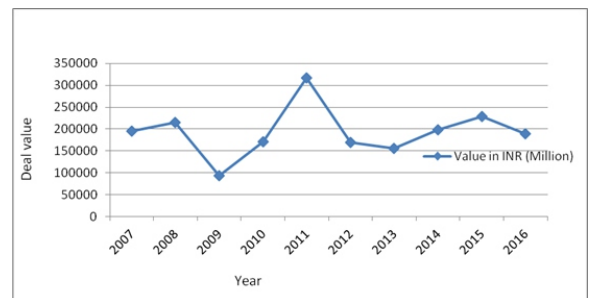
Table 1.3 Deal Values of PE Funds in India

Years	Value in INR (M)
2007	195507.34
2008	215807 (10.3)
2009	93170.2 (-56.8)
2010	171344.46 (83.9)
2011	317673.13 (85.4)
2012	170200.77 (-46.4)
2013	155536.48 (-8.61)
2014	198885.48 (27.8)
2015	228283.74 (14.7)
2016	189409 (-17.0)
Total	1935818

Source: venture intelligence

The figures in () represent the growth rates.

Graph 1.2 Deal value PE Fund in India



Source: venture intelligence

From the table 1.3 it can be elucidated that the growth rate of deal values declined drastically in 2009, which is a maximum by negative value over the study period. Whereas in the next two subsequent years, 2010 and 2011, there was a remarkable increase in the growth rate by 83.9 percent and 85.4 percent. These two years can be considered as years of optimism. Hence, in the years 2012 and 2013 the growth in values had significantly declined due to global financial crises, the PE funds deal values increased enormously in the year 2014 and 2015. Hence, it has slowed down marginally in the 2016 by -17 percent.

1.9 STAGE WISE INVESTMENT PERFORMANCE OF PE FUNDS.

There are different stages in the investment process of PE funds, they are:

- (i) Buyout
- (ii) Leveraged Buy-outs
- (iii) Early stage
- (iv) Growth stage
- (v) Later stage
- (vi) PIPE
- (vii) Pre Ipo

1.10 STAGE WISE INVESTMENT OF PE FUNDS IN INDIA IN TERMS OF NUMBER OF DEALS.

Number of Deal of Stage wise investment of performance of PE Funds in India investment can be done in 9 different stages. PE is to help more businesses in achieving their aspiration for growth by providing them with finance, strategic advice and information at

Number of deals											
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Buyout	16	8 (-50)	11 (37.5)	8 (-27.3)	9 (12.5)	12 (33.3)	8 (-33.3)	16 (100)	19 (18.75)	12 (-36)	119
Buyout large	0	1 (100)	0 (0)	0 (0)	2 (200)	0 (0)	0 (0)	3 (300)	9 (200)	2 (-77)	17
Early	63	74 (17.46)	50 (-32.4)	74 (48)	108 (45.94)	142 (31.5)	142 (0)	229 (61.26)	448 (95.63)	251 (-44)	1581
Growth	52	25 (-51.9)	34 (36)	33 (-2.94)	36 (9.09)	35 (-2.8)	46 (31.42)	107 (132.61)	92 (-14.01)	42 (-54)	502
Growth-PE	7	14 (100)	3 (-78.6)	13 (333.3)	14 (7.69)	9 (-36)	16 (77.77)	58 (262.5)	81 (39.65)	20 (-75)	235
Late	82	87 (6.09)	55 (-36.8)	75 (36.36)	69 (-8)	66 (-4.4)	43 (-34.84)	117 (172.09)	138 (17.9)	38 (72)	770
Other	6	7 (16.67)	10 (42.86)	5 (-50)	8 (60)	3 (-62)	1 (-66.66)	15 (1400)	21 (40)	11 (-47)	87
PIPE	32	38 (18.75)	19 (-50)	34 (78.95)	65 (91.17)	56 (-14)	48 (-14.28)	71 (47.91)	45 (-36.62)	25 (-44)	433
Pre-IPO	11	4 (-63.6)	3 (-25)	7 (133.3)	5 (-28.57)	2 (-60)	2 (0)	2 (0)	0 (-100)	1 (100)	37

critical stages of their development. From the below table 4.6 it can be observed that PE invest not only in the seeding firms but also in already existing businesses.

Table 1.4 Stage wise investment performance of PE funds in India in terms of Number of deals.

Source: venture intelligence
The figures in () represent the growth rates.

It is evident From above the table 1.4 that PE is more persistent on the later stage of investment. More number of deals was done under this stage during last 10 years over the study period. The growth was not found increasing consistently, but, numbers of deals each year are more when compared to that of other stages. The highest growth rate is found in the year 2014. The major reason for investing in later stage is caused by immediate returns. The subsequent stage to later stage is Early stage, in which the growth rate is endlessly increasing with a slim decrease in the by -32 percent and -54 percent in the years 2009 and 2016 respectively. An average performance was in PIPE and Growth stage found with a less number of deals. Hence, a deprived performance was shown under buyout large stage.

TEST OF HYPOTHESIS I

Ho1: PE Funds Stage wise investment in terms of Number of Deals is consistent, over the study period.

Table 1.5 Test of Hypotheses

ANOVA							
Source of Variation	Sum of Square	Degre es of freedo m	Mean Square	Calcula ted F-value	P-value	Critic al valu e	Decisio n
Between Groups	41756.54	9	4639.616	1.15805	0.33	1.99	Accept ed
Within Groups	320512.4	80	4006.406				
Total	362269	89					

It is evident from the table that PE Funds stage wise investment in terms of Number of Deals is consistent the calculated F-value is less than Critical value and therefore the hypothesis is accepted.

1.11 STAGE WISE INVESTMENT OF PE FUNDS IN INDIA IN TERMS OF DEAL VALUES.

PE funds deal values of stage wise investment, until now it is clear that before doing investment the PE fund anticipate the returns. Based on this it take a firm decision in selection of stages for investment. The table 1.6 presents the deal values in terms of INR (million) with regards to nine different stages through which PE funds make investments.

Table 1.6 Stage wise investment performance of PE funds in India in terms of Number of deals.

Year/ Amt INR (Million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Buyout	19272.6	11946.1 (-38.01)	10624.2 (-11.06)	7393.45 (-30.40)	8312.69 (12.43)	11111 (33.66)	15477.67 (39.29)	5452.5 (-64.7)	24317.7 (45.9)	12331 (-49)	126238.9
Buyout large	0	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	17420 (1742000)	8442 (-51.5)	30150 (257)	56012
Early	8616.2	11278.8 (30.90)	3661.55 (-67.53)	9318.36 (54.5)	13278.7 (42.50)	17054 (28.43)	14294.45 (-16.18)	17247 (20.65)	50093.2 (90.4)	35434 (-93)	180276.3
Growth	15950.7	7347.22 (-1.17)	10779 (0.3)	14220.8 (.24)	14715.9 (0.033)	15975 (0.078)	22505.97 (0.29)	22938 (0.02)	17904.4 (0.25)	13941 (-22)	156278
Growth-PE	7791.43	27691.1 (255.4)	5936.2 (-78.5)	17835.4 (00.4)	52300.9 (193.2)	15681 (-70.02)	32994.82 (110.4)	18669 (-43.4)	36306.6 (4.4)	37504 (3.3)	252710.5
Late	97203.6	84076.3 (-13.5)	44589.8 (-46.96)	80089.8 (9.61)	154105 (92.41)	58221 (-62.2)	33301.01 (-42.80)	80749 (142.5)	70538.9 (-12.64)	53982 (-92)	756856.4
Other	8616.2	23718 (175.272)	9115.35 (61.5)	9570.95 (.996)	22847 (138.7)	19296 (-15.54)	0 (-100)	5025 (502500)	1876 (-62.66)	9023.56 (-544)	109088.1
PIPE	27161.8	46636 (71.7)	6884.25 (-85.23)	26443.6 (84.1)	48026.3 (81.61)	32616 (-32.09)	36902.26 (13.14)	31094 (-15.7)	18804.9 (-39.5)	16315 (-91)	290884.1
Pre-IPO	10894.9	3113.49 (-71.42)	1579.86 (-49.25)	6476.22 (09.9)	4087 (-36.89)	265.32 (-93.51)	60.3 (-77.27)	290.78 (382.2)	0 (-100)	10894.9 (1089490)	37662.77

Sources: Venture Intelligence
The figures in () represent the growth rates.

Through the table 1.6 it can be inferred that in the growth stage, almost every year, the deal value was more than 10,000(million), except in the year 2008 where a slim fall by -1.7 percent was found due to global financial crisis and the trend was also found in 2015 and 2016. The researcher states that there is a marvelous increase in the growth rate under Growth PE stage from 2007 to 2008 by 255.4 percent, but instantaneously, decreases in the investments growth rate is found in the year 2009. Nevertheless, there was volatility considerable at this stage. Thus, a small amount of investment was made by PE fund here at the stages namely, Buyout-large and Pre-IPO. Hence, high priority was given to stages such as Late, Growth PE and Growth stage.

Therefore it can be concluded that PE investments under various stages was uniformly divided based on economic performance of the nation.

TEST OF HYPOTHESIS II

Ho2: PE Funds Stage wise investment in terms deal values is consistent, over the study period.

Table 1.7 Test of Hypotheses

ANOVA							
Source of Variation	Sum of Square	Degree of freedom	Mean Square	Calculate F-value	P-value	Critical value	Decision
Between Groups	3364816962	9	373868551.3	0.569	0.81	1.99	Accepted
Within Groups	52544757470	80	656809468.4				
Total	55909574432	89					

It is evident from the table that PE Funds stage wise investment in terms of deal values is consistent, the calculated F-value is less than Critical value and therefore the hypothesis is accepted.

1.12 Findings

- 1) Over the study period, near about 3100 companies received infusion of PE capital roughly half were companies with annual revenue of less than \$2 million, and other 30 percent were companies with annual revenue of \$2 million and \$125 million a year. That there are almost 216 India dedicated PE Funds operating in India. It is found that IFC provides the funds to many PE investors. The deal volume of Private Equity fund declinment in 2012 was marginal despite the enormous increase in 2007, 2010, 2011and 2014. 2010 is an eventful year as far as number of deals is concerned, as the growth of the deals was found at 34.59%. Hence, it is very vivid from the analysis that the decline in the growth of Number of Deals was considerable during the period of global financial crises. Hence, such situation started reviving from 2010. It can be inferred that the trend of Deals of Private Equity firms in India found in tandem with the Global trend.
- 2) The growth of Deal value of PE funds in India reported a decline drastically in the year 2009 at a significant negative value over the study period. Whereas in two subsequent years, 2010 and 2011, there was a remarkable increase in the growth rate, by 83.9 % and 85.4% respectively. It was the year of rising optimism, expectations and aspiration for Indian economy. However in the year 2012 and 13 the growth was significantly declined due to global financial crisis as cited and hurt the PE investments in India.
- 3) PE is more persistent on late stage of investment. More number of deals were found under this stage during the study period. The major reason for investing in late stage is the immediate returns that are very considerable. Similarly, a very less number of deals were found under Buyout, Pre-IPO, Growth-PE and other stages.
- 4) It is found that PE investments stage - wise was uniformly

divided based on economic performance of the nation. At growth stage, every year the deal value was found at 10000(Million), except in the year 2008 where a slim fall of -1.7% was observed due to global economic crisis

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