The PEriodical

The Quarterly Private Equity Newsletter

Q2CY2022

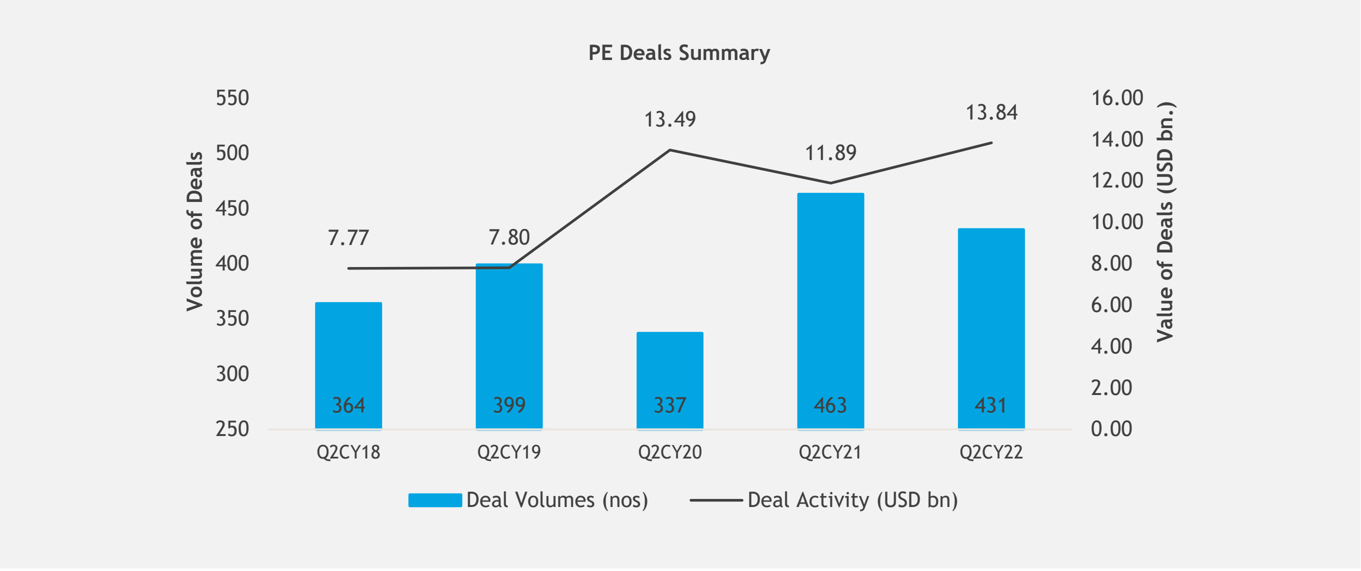
Presented by BDO in India

BDO

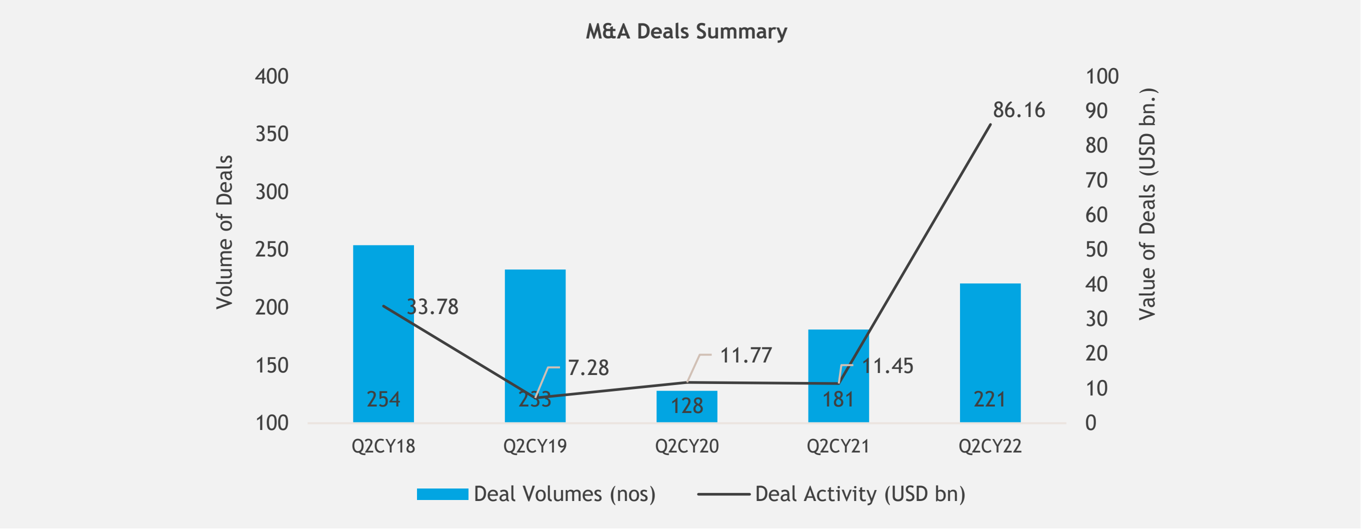
1. PE QUARTER BACK

Executive summary

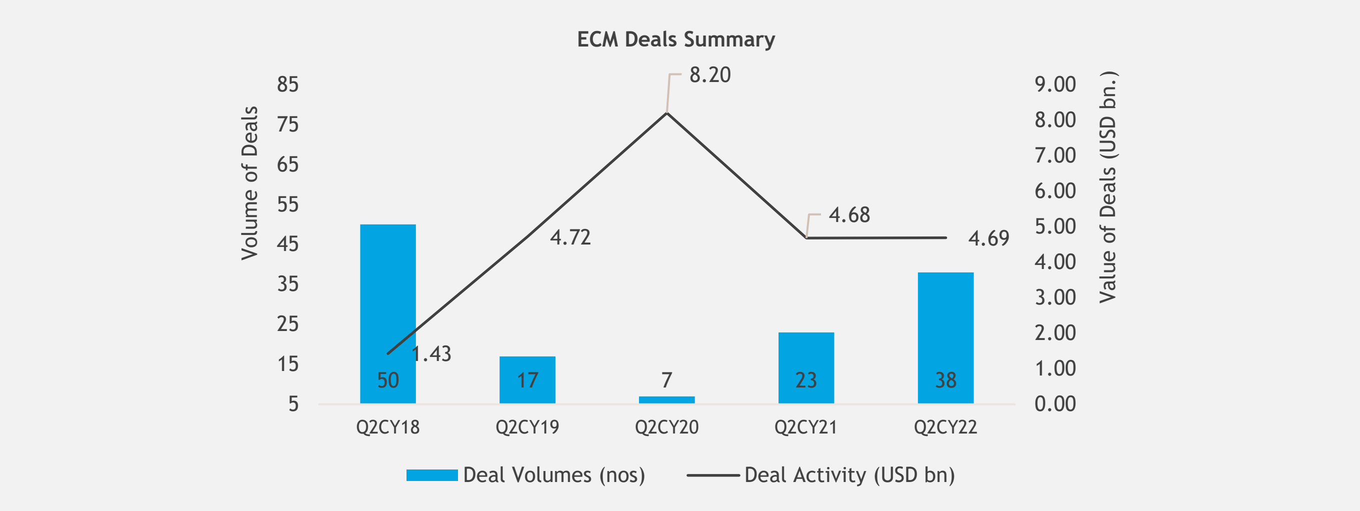
The overall PE/VC transactions reduced during Q2 2022, compared to the previous quarter and the VC funding declined by more than 30%. Also, compared to the same period last year, the overall PE/ VC deal activity in volume and value declined by 7% and 16% respectively. This is largely because of the increased concern for various stakeholders around valuations and future fund raises amid increased geopolitical tensions, global inflation/hawkish stance of central banks taking away the easy money that was available in the last few quarters.



- While the headline M&A numbers show Q2 2022 being the best quarter since 2018 with deals worth USD 86bn, it is largely due to the USD 64bn merger between HDFC Bank and HDFC Limited, the biggest ever deal in India's corporate history.



- ECM Deals volume witnessed a rise of 65%, whereas, in value terms, there is no significant variation compared to the same period last year, which could primarily be because the Capital Markets had taken a beating on account of the global scenario.



- Q2 2022 witnessed a higher number of **small ticket deals** (under USD 50mn), while the deals in category USD 100mn and above saw the maximum value.

- **Top 3 Sectors** – Information Technology, Consumer Discretionary and Healthcare contributed 83% to total deal value and 79% of deal volume for Q2 2022.

- **Angel/Seed** investment outperformed the deals activity in terms of volume (55%) and Venture Capital and Private Equity together dominated in terms of value (96%). However, it should be noted that there has been a significant drop in value and volumes of Angel/ Seed and Venture capital deals in the current quarter as compared to Q1 2022. The impact of the hawkish stance taken by central banks across the globe and cautionary messages given by some reputed VC firms is clearly reflected in the deal numbers.

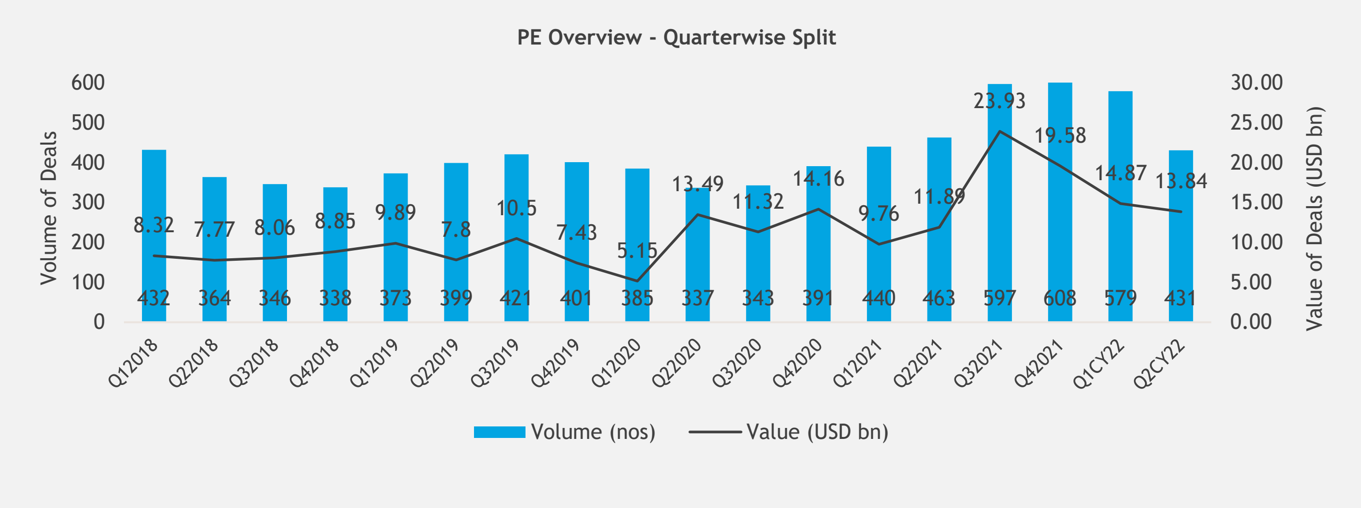
- **Fund Launches**: Q2 2022 saw only 13 fund launches, which is the lowest in the last 5 years.

- **Fund Raises**: Q2 2022 witnessed 8 funds raising USD 0.28bn in total. In comparison to Q2 2021, the number of funds raised saw a decline of 27%, while in value terms, it saw a decline of 63%. Further, the fundraising (in volume terms) has been seeing a declining graph since Q3 2021.

- **Fund Exits**: Q2 2022 observed 49 exit deals for USD 4.33bn, a rise of 17% in terms of volume and 25% in terms of value compared to Q2 2021 which had 42 deals for USD 3.46bn.

DEAL REVIEW

Deal activity in Q2 2022 slowed down further compared to the preceding quarter i.e. Q1 2022. In terms of the number of deals, Q2 2022 recorded 431 deals (as against 579), a dip of 26% and in value terms, Q2 2022 recorded USD 13.84bn (as against USD 14.87bn) in the preceding quarter, a decline by 7%. However, on a Y-o-Y basis, though the volume has gone down by 7%, the value of deals is up by 16%. Global inflation/hawkish stance of central banks is one of the major factors for the decline in PE investments.



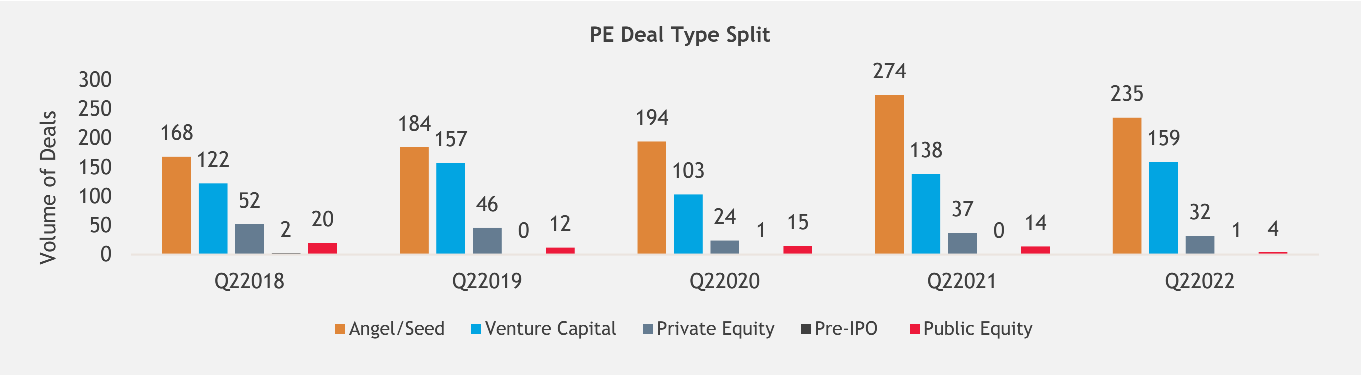
Angel/Seed and Venture Capital remain on the top

Angel/Seed and Venture Capital deals continued with their lions share of the investment activity. While Angel/Seed transactions accounted for 55% of the total transactions by volume with 235 deals, Venture Capital investment garnered almost 50% of the total value of deals at USD 6.86bn. In terms of volume, after Angel/Seed, Venture Capital followed second with 159 deals accounting for 36% of the total number of transactions. However, there is a significant drop in value and volumes of Angel/ Seed and Venture capital deals in the current quarter as compared to Q1 2022. The impact of the hawkish stance taken by central banks across the globe and cautionary messages given by some of the reputed VC firms is clearly visible in deal numbers.

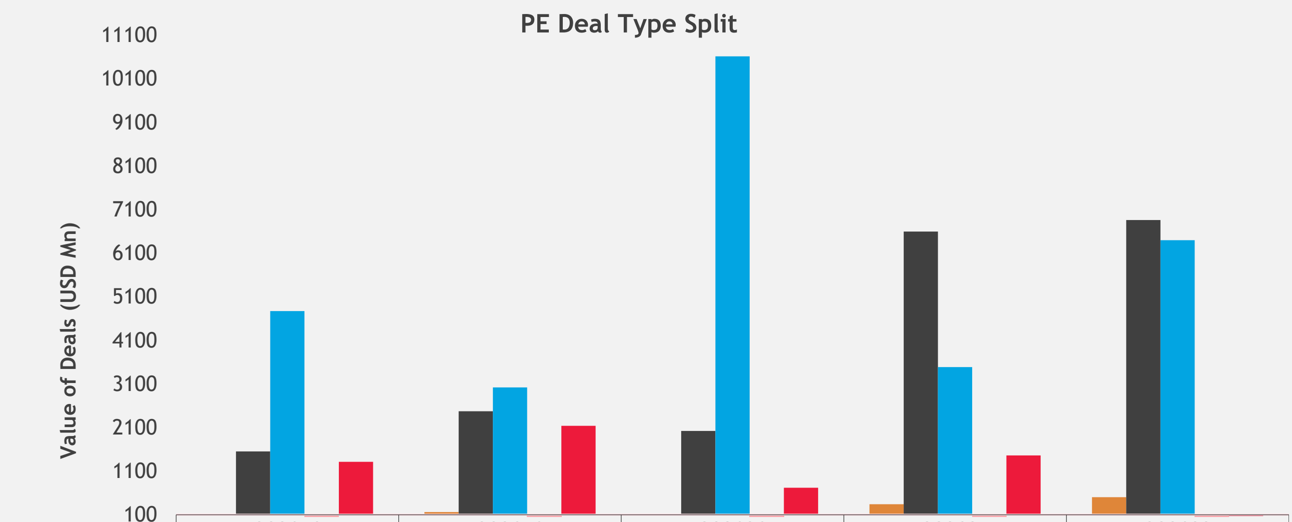
Talking of PE investment, the number of deals decreased by 13.5% in Q2 2022 (32 deals) as against 37 deals in Q2 2021. However, in value terms, it saw an 83% rise. Further, in Q2 2022, PE accounted for 46% of the total value of deals at USD 6.39bn.

Both, the Public Equity and the Pre-IPO segment witnessed a downward trend with only 4 deals and 1 deal respectively, for a very insignificant amount of investment.

Angel/Seed dominates the deals activity in Volume terms



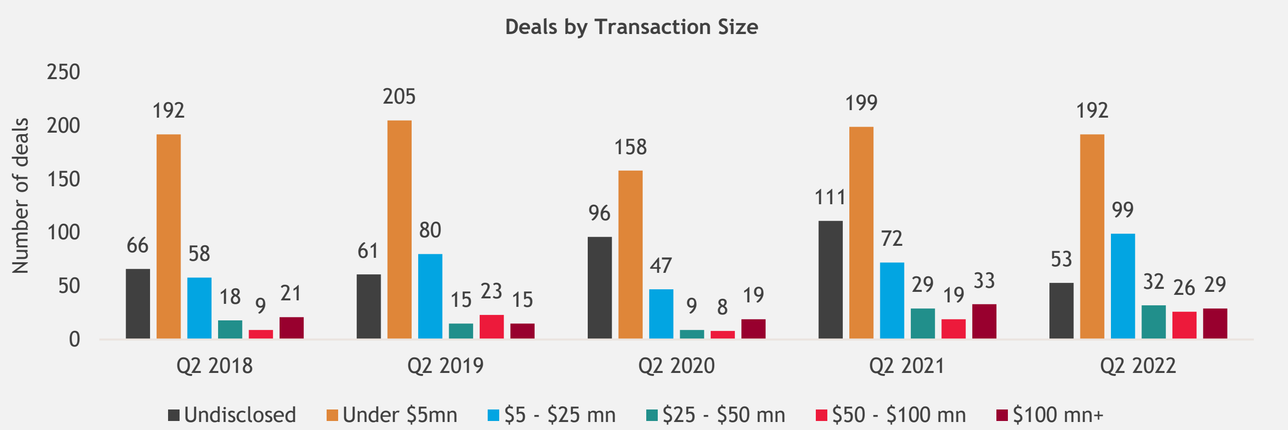
Venture Capital & Private Eqity together held a major share in value terms



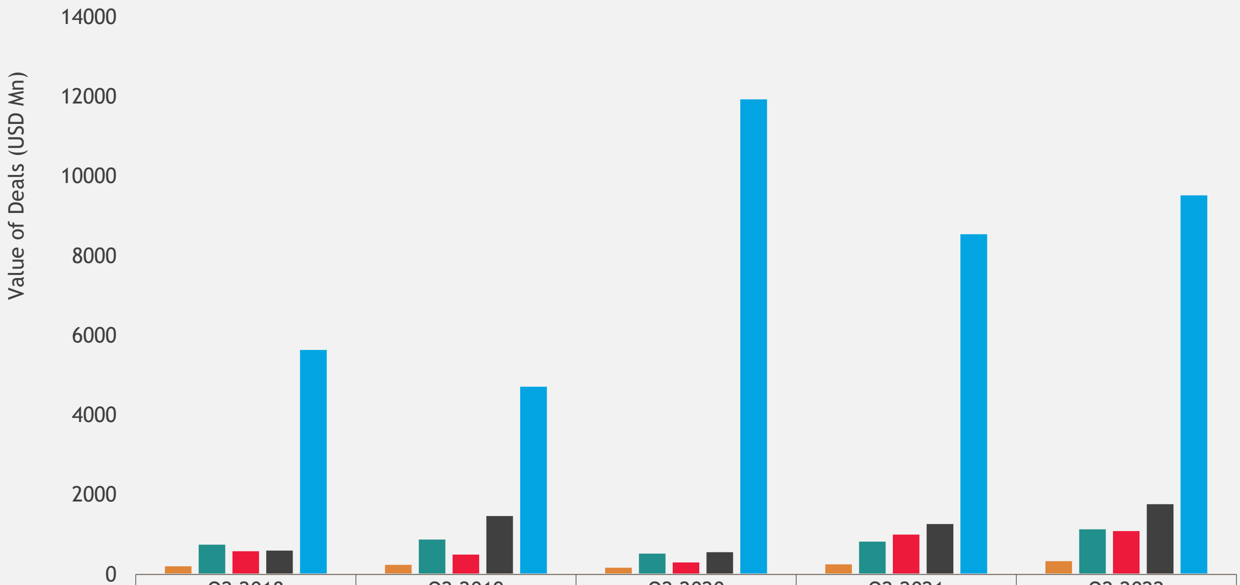
	Q22018	Q22019	Q22020	Q22021	Q22022
Angel/Seed	112	163	106	340	504
Venture Capital	1553.71	2474.24	2022.84	6597.32	6862.57
Private Equity	4773.96	3021.09	10617.4	3488.97	6399.02
Pre-IPO	22	0.00	20	0.00	10
Public Equity	1313.15	2140.62	720.04	1462.25	69.2

Deals by Transaction Size

In terms of many deals, small ticket deals i.e., the category under USD 5mn and between USD 5mn to USD 25mn, accounted for 45% and 23% respectively. In value terms, big-ticket deals of USD 100mn and above, recorded over USD 9.52bn investment in Q2 2022 accounting for 69% of the total value, the highest amongst all the categories.



Deals by Transaction Size



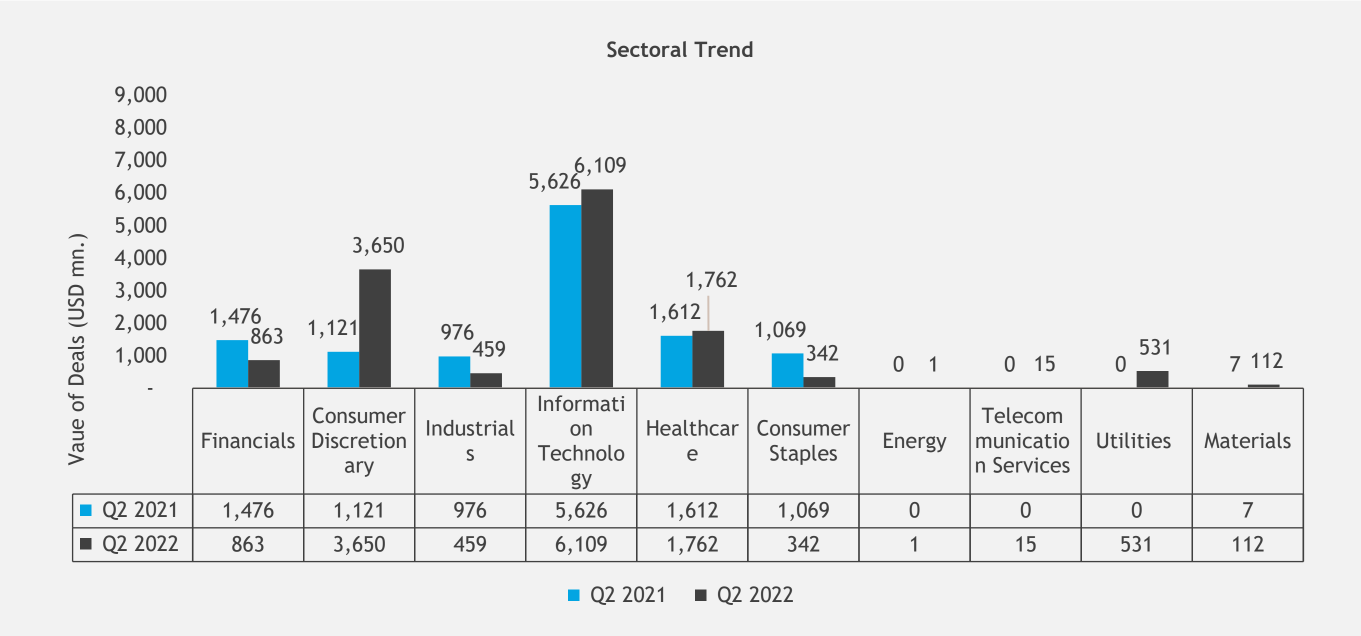
	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022
Under $5mn	205.16	242.77	170.67	252.82	334.88
$5 - $25 mn	746.55	877.74	521.18	824.86	1132.5
$25 - $50 mn	583.88	498.11	302.1	999.63	1090.14
$50 - $100 mn	597.45	1467.61	559.62	1266.51	1764.09
$100 mn+	5640.9	4713.14	11932.97	8544.23	9523.22

Under $5mn $5 - $25 mn $25 - $50 mn $50 - $100 mn $100 mn+

DEAL REVIEW
SECTORAL TRENDS

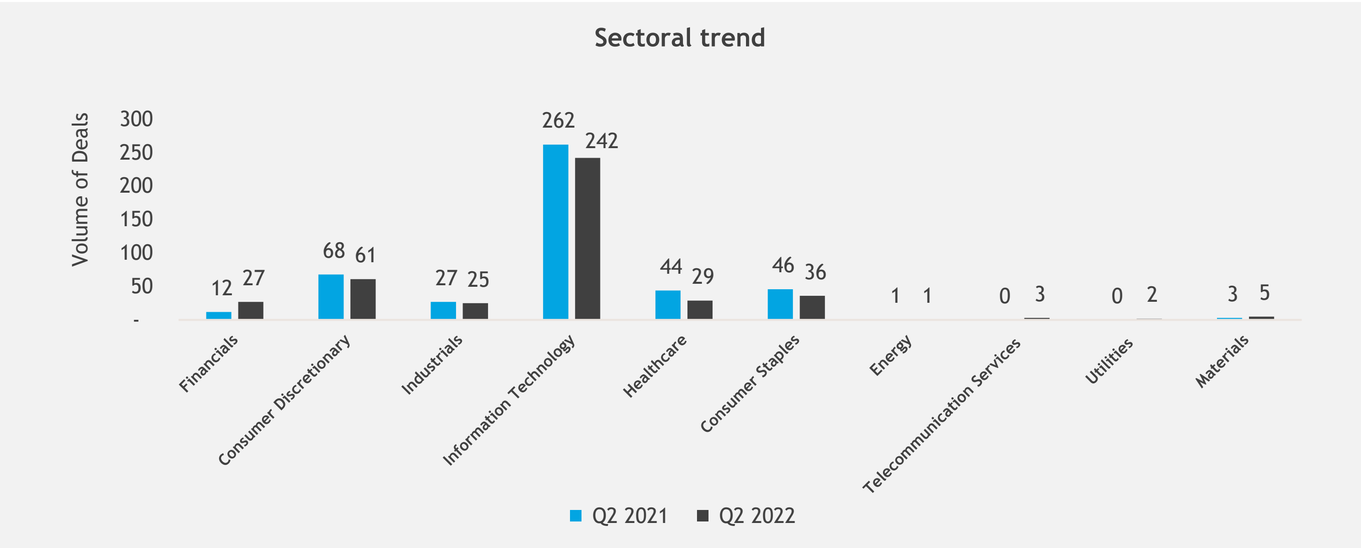
Top 3 Sectors – Information Technology, Consumer Discretionary and Healthcare contributed 83% of total deal value and 79% of deal volume. Of all, the Information Technology sector alone contributed to more than 56% of deal activity and 44% of deal value.

Sectoral Trend Based On Value



	Financials	Consumer Discretionary	Industrials	Information Technology	Healthcare	Consumer Staples	Energy	Telecommunication Services	Utilities	Materials
Q2 2021	1,476	1,121	976	5,626	1,612	1,069	0	0	0	7
Q2 2022	863	3,650	459	6,109	1,762	342	1	15	531	112

Sectoral Trend Based On Volume



Key PE deals for Q2 2022

Date	Target	Buyer	Deal Type	Deal Value (USD mn)	Sector
April 2022	Viacom18 Media Pvt. Ltd.	Reliance Projects and Property Management Services Ltd., Bodhi Tree System	Private Equity	1,764.45	Consumer Discretionary
May 2022	CitiusTech Healthcare Technology Pvt. Ltd.	Bain Capital LLC	Private Equity	960.00	Health Care*
May 2022	IGT Solutions Pvt. Ltd.	Baring Private Equity Asia	Private Equity	810.00	Information Technology
April 2022	VerSe Innovation Pvt. Ltd.	Sofina SA,Baillie Gifford and Company,Luxor Capital Group, LP, CPP Investment Board, Sumeru Ventures, Ontario Teachers Pension Plan	Venture Capital	805.00	Information Technology
May 2022	Allen Education and Management Services Pvt. Ltd.	Bodhi Tree System	Private Equity	600.00	Consumer Discretionary
April 2022	Tata Power Renewable Energy Ltd.	BlackRock, Inc.,Mubadala Investment Co.	Private Equity	526.60	Utilities
April 2022	Biofourmis Singapore Pte. Ltd	Sequoia Capital India Advisors Pvt. Ltd., MassMutual Ventures LLC, EDBI Pte. Ltd., Openspace Ventures Pte. Ltd., SoftBank Vision Fund 2, General Atlantic Service Co. L.P., CVS Health Ventures	Venture Capital	300.00	Health Care
June 2022	IIFL Home Finance Ltd.	Abu Dhabi Investment Authority	Private Equity	282.92	Financials
May 2022	Aditya Birla Fashion and Retail Ltd.	GIC Pvt. Ltd	Private Equity	281.84	Consumer Discretionary
April 2022	Sun King	Arch Emerging Markets Partners Ltd., BeyondNetZero	Venture Capital	260.00	Industrials

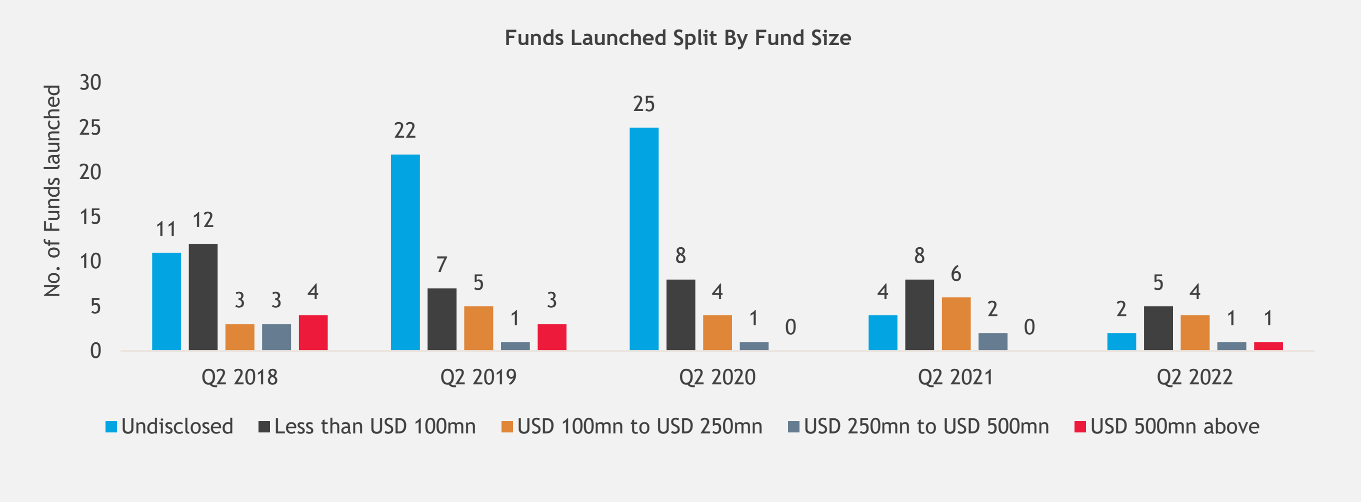
*Sector classification of healthcare (instead of Information Technology) is basis Vccedge database

DEAL REVIEW
FUND RAISES AND EXITS

Fund Launches

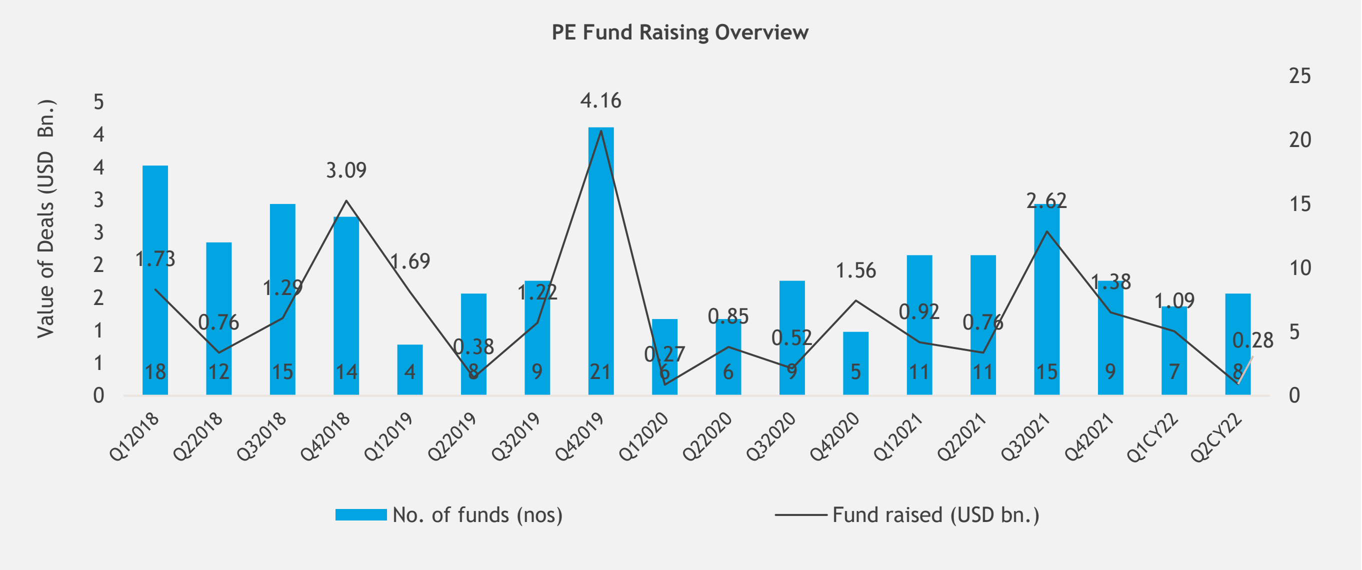
Fund launching took a serious hit and Q2 2022 witnessed only 13 fund launches, the lowest in the last 5 years. Amongst all, the segment less than USD 100mn saw 5 fund launches, which is the maximum for any category in this quarter. The segment USD 250mn to USD 500mn and USD 500mn and above witnessed 1 launch each. Compared to Q2 2021, all segments, except USD 500mn and above, saw a decline.

Number of Funds Launched



PE Fund Raise Overview

Q2 2022 witnessed only 8 funds having raised capital of about USD 0.28bn. The amount so raised is the lowest since Q2 2020. Compared to the previous quarter, the value of fundraises hit a serious dent of 74%. Further, on a Y-O-Y basis, both the volume and value took a hit by 27% and 63% respectively.

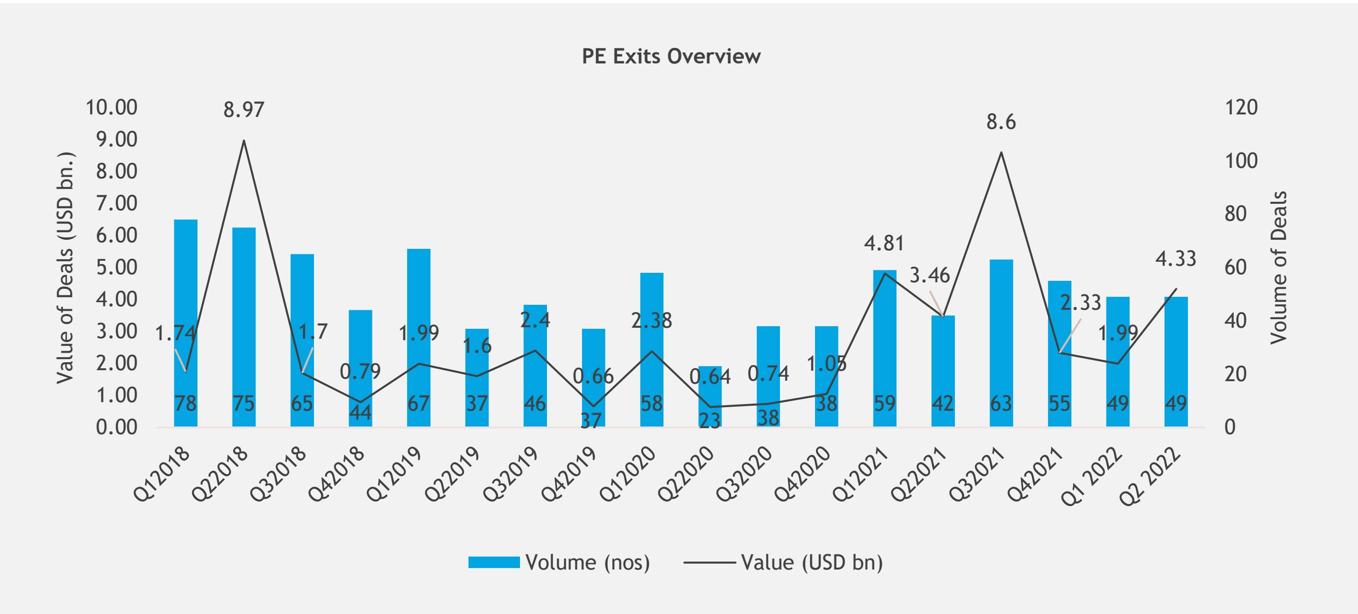


List Of Key PE Funds Raised

Fund Name	Fund Status	Fund Size (USD mn)	Amount Raised (USD mn)	Asset Manager	Year Launched
Aavishkaar India Fund VI	First Close	200.00	130.00	Aavishkaar Venture Management Services Pvt. Ltd.	April 2021
Speciale Invest Fund II	Final Close	13.40	37.91	Speciale Incept Advisors LLP	April 2021
Beams Fintech Fund	First Close	100.00	36.00	Venture Catalysts Pvt. Ltd.	December 2021
LC Nueva Alternative Investment Fund	First Close	40.00	30.00	LC Nueva Investment Partners LLP	February 2021
India Inflection Opportunity Trust	First Close	72.12	18.03	Pantomath Pi Square Asset Management LLP	May 2019
BLinC Fund II	Final Close	12.91	12.91	BLinC Investment Management Pvt. Ltd	April 2021
Gemba Capital Fund	First Close	10.00	9.63	Gemba Capital Investment Advisors LLP	September 2021
Fluid Ventures Fund	Final Close	10.70	6.55	Fluid Ventures	March 2020

Overview of PE Exits:

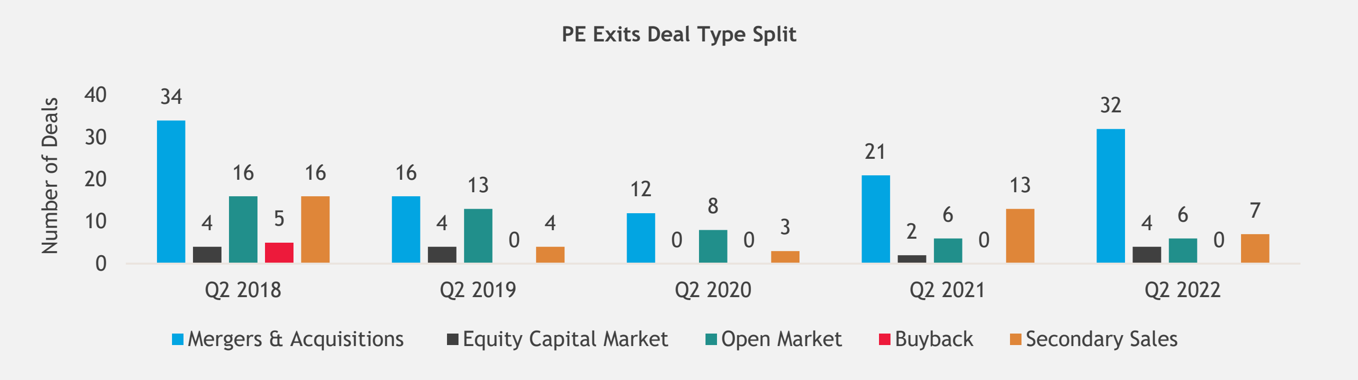
PE Exits in terms of volume and value stood at 49 deals worth USD 4.33bn. When compared to Q2 2021 i.e. on Y-o-Y basis in which PE exits recorded 42 deals for USD 3.46bn, the exits in Q2 2022 showed a rise of 17% in terms of volume and 25% in terms of value. When compared with Q1 2022 i.e. on Q-o-Q basis, volume remained the same while the value witnessed a rise of 118%.



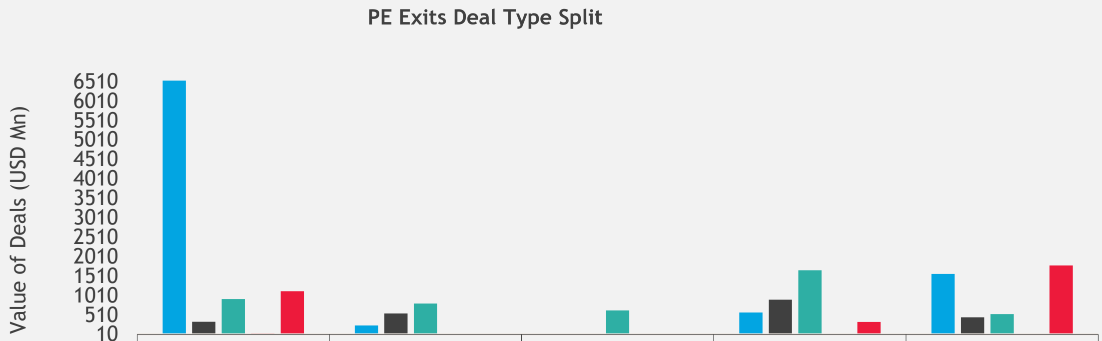
In Q2 2022, the M&A road was the preferred exit choice of investors. In terms of deal volume, 32 deals were completed through the M&A route representing 65% of the total 49 exit deals, followed by the Secondary Sales and Open Market route which accounted for 14% and 12% respectively. No exit activity took place through the buy-back route.

Regarding deal values, Secondary Sales captured a maximum share of 41% of total exit value (USD 1.8bn) followed by the M&A route which captured 36% (USD 1.6bn). The remaining 23% share was captured by Open Market and Equity Capital Market together (USD 0.98 bn).

PE Exit routes by volume



PE Exit routes by Value

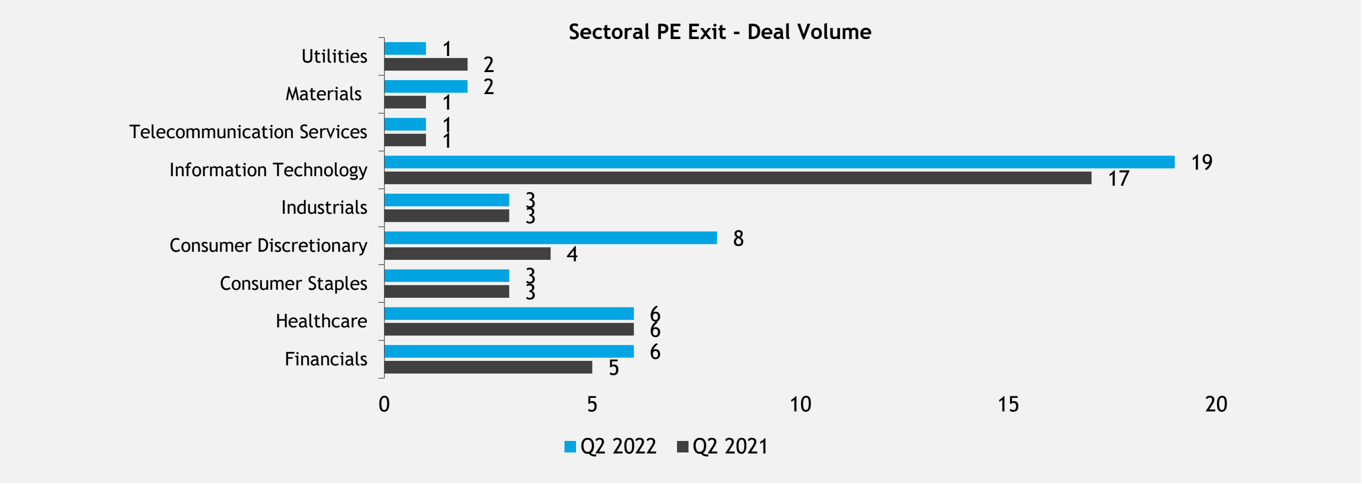


	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022
Merger and Acquisition	6533.0	242.0	2.0	573.0	1565.0
Equity Capital Market	336.0	549.0	0.0	904.0	448.0
Open Market	918.15	805.5	625.76	1657.9	531.5
Buyback	41.0	0.0	0.0	0.0	0.0
Secondary Sales	1119.0	6.0	16.0	330.0	1782.0

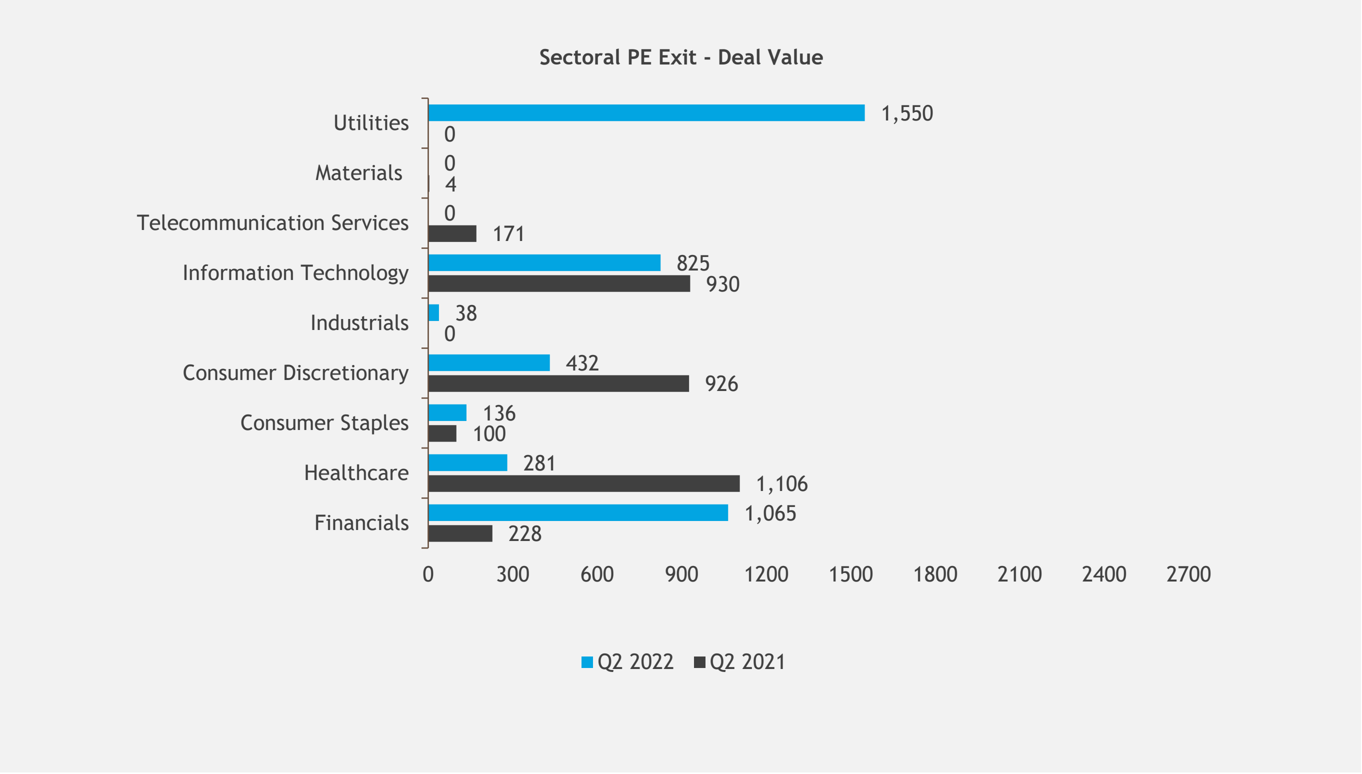
Merger and Acquisition   Equity Capital Market   Open Market   Buyback   Secondary Sales

Exit by Sectors

In terms of exit by sectors, out of a total of 49 deals, Information Technology saw 19 deals (contributing to 39%), Consumer Discretionary sector saw 8 deals (contributing to 16%). The Financial and Healthcare sector saw 6 deals each (contributing to 11%).



In Value terms, two sectors that contributed to the maximum of the total value (60%) are Utilities and Financials with the value of USD 1.5bn and USD 1.06bn respectively, followed by the Information Technology sector with USD 825mn accounting for 19%.



List Of Key PE Funds Exits

Date	Target	Seller	Exit Type	Deal Value (USD mn)	Sector
April 2022	Solenergi Power Pvt. Ltd.	Actis LLP	M&A	1550	Utilities
May 2022	CitiusTech Healthcare Technology Pvt. Ltd	Baring Private Equity Asia	Secondary Sales	960	Healthcare
May 2022	IGT Solutions Pvt. Ltd.	AION India Investment Advisors Pvt. Ltd.	Secondary Sales	810	Information Technology
April 2022	SBI Cards and Payment Services Ltd.	Carlyle Asia Partners IV L.P.	Open Market	293.9	Financials
April 2022	Campus Activewear Ltd.	QRG Enterprises Ltd.,TPG Growth Equity III LP	IPO	136.51	Consumer Discretionary
May 2022	Delhivery Ltd.	Times Internet Ltd., Carlyle Asia Partners IV L.P., Fosun International Ltd., SoftBank Vision Fund LP	IPO	135.72	Industrials
May 2022	Rainbow Children	CDC Group Plc	IPO	105.16	Healthcare
April 2022	Barbeque Nation Hospitality Ltd.	CX Capital Management Ltd.	Open Market	94.96	Consumer Discretionary
May 2022	Prudent Corporate Advisory Services Ltd.	TA Associates Advisory Pvt. Ltd	IPO	70.11	Financials
June 2022	IIFL Finance Ltd.	CDC Group Plc	Open Market	67.82	Financials

2. SECTOR IN FOCUS

ESG CONSCIOUS INVESTING – WHAT IT MEANS FOR THE PE SECTOR

Responsible investing involves the integration of Environmental, Social and Governance (ESG) factors into investment and decision-making. The term ESG was coined in 2004 by former UN Secretary-General Kofi Annan, which was followed by the 2005 publication of "Who Cares Wins", developed jointly with the world's largest institutional investors and banks. The report delineates how to integrate ESG issues into the functioning of financial institutions.

With the growing demand for ESG conscious investing, it is very important for the Private Equity (PE) sector to cater to their partners. As a result of the increased focus on ESG aspects, the requirements of Limited Partners (LPs) and their General Partners (GPs) have also evolved and are getting aligned to the principles of responsible investment around ESG issues. Fund Managers/GPs increasingly must make sure they consider a wide range of ESG issues and think about how to apply these to their product offerings. The LPs, primarily comprising of investors such as pension funds, insurance companies, foundations, HNIs, etc. are increasingly becoming conscious of the risks and returns related to ESG dimensions of an asset and are keen on long-term and stable income streams. A robust ESG framework is associated with both business excellence and long-term business continuity, which the LPs are progressively looking at.

Evolving landscape:

In the past, ESG efforts were primarily viewed as good propaganda to receive favourable press, please socially conscious employees and manage risk. Today, ESG considerations are increasingly viewed through the lens of value creation, though perspectives differ by geography. Although challenges remain to accurately monitor and measure ESG, a thoughtful approach to ESG integration is becoming a must-have for LPs — so much so that future deals and investments could be jeopardised if such considerations are absent. The PE sector can take advantage of a growing number of tools and options as they plan concrete strategies, set priorities, balance environmental and social initiatives and conduct ongoing evaluations to monitor ESG progress.

Keeping the above in mind, various initiatives are getting introduced to address the growing importance of ESG in PE and funds. To cite in Europe, Sustainable Finance Disclosure Regulation (SFDR) has been introduced in the European Union (EU) (in March 2021) to regulate the integration of ESG into investment and financial advisory processes. The rules of SFDR help in ensuring rightful usage of the sustainable funds making the sustainability profile of funds more comparable and better understood by end

investors. This will focus on pre-defined metrics for assessing the ESG outcomes of the investment process. The SFDR works along with the EU Taxonomy Regulations (July 2020) which helps classify the system for environmentally sustainable economic activities, towards the prevention of 'greenwashing' - a situation in which financial products are marketed as being sustainable without meeting sustainability criteria.

Some of the typical examples of ESG issues relevant to the PE sector are - Climate Change, Supply Chain Environmental Issues, Energy, Water, Wastes and Emissions under the category 'Environment', Diversity, Inclusivity, Human Rights, etc. under the category 'Social', and Tax Transparency, ESG Disclosure and Audit Protocols, Ethics and Anti-corruption, Data Privacy, Board Diversity, etc. under the category 'Governance.' Amongst all, Climate Change and Diversity & Inclusion are the two commonly regarded important topics to cover under ESG by both LPs and GPs, so much so that PEs have taken up to address Climate Change through science-based target guidance for the PE Sector.

Challenges:

In the strive to be ESG-responsive, there can be various challenges faced by PEs. A thorough understanding of ESG issues and their integration into the investment process, along with robust documentation and reporting, are imperative for GPs. Some ESG-mature LPs even deploy ESG evaluation tools to assess the investment processes including processes applied by GPs to identify ESG materiality. Not enough commitment from the GP on ESG matters is perceived as high risk by the LPs. Another challenge in integrating ESG into processes in the sector is understanding the data requirement for gaining the requisite disclosures, particularly from the mid and small sectors. For larger companies, it may be easier as mostly being listed they will be adhering to the prevalent standards and directives that make disclosure mandatory in some form or the other. Generally, the ESG data is collected either through self-disclosures by investee companies, which may then be validated through a review/audit, or it may be collected through third-party reports on ESG performance. However, the biggest challenge to successful implementation remains 'greenwashing' as earlier mentioned.

Way forward:

To approach ESG, PEs must define what it means for it, based on its nature of operations and portfolio, using global frameworks (like UN Principles for Responsible Investment, International Finance Corporation, World Federation of Exchanges, Task Force on Climate-Related Financial Disclosures, etc.). Understanding the areas of ESG to focus on and the impact that it can create is important. Thereafter, to set an agenda for measuring the progress by establishing Key Performance Indicators. Following this, it is essential to collect data and disclosures in a standardised format. While conducting the above tasks one should keep in mind that it is equally important to identify the ESG risks and ensure that these risks are addressed while developing risk mitigation strategies.

It is indeed extremely critical for a PE to take ESG seriously and integrate an ESG framework into its systems and processes. It should not only be as a reactive response, to prioritise in catering to the developing consciousness and demands of investors. It must be rooted in the realisation, that the sector plays a key role as changemakers and catalysts, who would be able to influence a positive change across the PE value chain.

The trends are positive and sustainable ESG-cognizant responsible financing is something the PE sector should drive towards in a holistic manner and make it a norm and business-as-usual scenario rather than any exceptional challenge to address.

INDRA GUHA
Partner/ Sustainability & ESG
Business Advisory Services

3. ACROSS THE TABLE WITH…
ELEVAR EQUITY: THE ELEVAR METHOD, IMPACT INVESTING AND ESG IMPLEMENTATION

JYOTSNA KRISHNAN : Managing Partner, Elevar Equity

Elevar's impact investing journey has been about connecting traditional capital markets with enterprises that build businesses focused on underserved customers. We invest early-growth capital in scalable business models that democratise access and formalise essential services for millions of customers that currently depend on informal markets. So far in its 15-year journey, the Elevar Method of investing has impacted 45mn underserved households and catalysed billions of dollars of capital into 40+ companies across India and Latin America through five funds that have focused on market returns through this strategy.

Since our investment thesis is premised on breaking barriers of access and inequity for these customers, ESG is already at the core of what we do - as ESG is about building enduring socially conscious organsations. While much of the world is waking up to ESG, particularly in the context of climate change and sustainability, our lens of looking at it is through this population of a few billion customers, that still exists at the margins as far as the mainstream markets are concerned.

15 years of investing in these markets have helped us shape the principles around which enduring organisations are built. Customer centricity, profitable business models and backing entrepreneurs who understand this customer segment are at the core of the Elevar Method of investing. In this context, true impact needs massive scale, and a profitable customer-centric scale translates into an enduring organisation.

We follow two frameworks at Elevar to ensure adherence to the core pillars mentioned above - the first our social impact framework and the second, a framework for building enduring companies.

The Social Impact Measurement Framework leading to ESG Implementation:

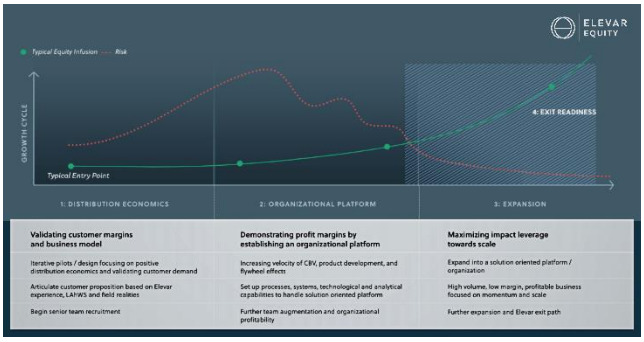
This framework has three aspects and is meant to ensure that we are being authentic when it comes to underserved communities and the scale of impact we are achieving:

- **Community**: Demonstrates the degree to which a company is focused on a target Elevar client segment and contributes to the authentic pursuit of our mission
- **Business Model**: Demonstrates the effectiveness and stickiness of a product or service, reflecting how the company's business model successfully and continuously addresses the discerning needs of the target client segment identified in the community
- **Scale**: Measures a company's progress as captured by its ability to scale and cater to a large, unmet, or underserved customer demand

ESG addresses a broader context and broader stakeholders. We feel that it is important to take an authentic approach to implement ESG in organisations, which needs to take entrepreneur alignment and organisational maturity into account. It should not be about 'ticking the boxes' but instead, focus on integration into the core DNA of organisations. We are frequently the first institutional equity investor for our portfolio companies and our engagement with any given company can last around 5+ years, the combination of these factors provides us with reasonable influence over a company's potential growth trajectory, including its approach on ESG.

ESG Integration through the 4 Stage Investment and Company Building Lifecycle

Elevar has a four Stage investment lifecycle for building enduring organisations that seek to increase the value of their investments by curating an environment for entrepreneurial success.



Some of the main areas include governance, strategy concerning customer centricity and value, capital raising, recruitment and organisational development, and identifying key operating and financial metrics that Elevar believes help scale a customer-centric organisation. While Elevar's role at each stage of company evolution is defined by the four-step journey in the table above, our ESG engagement also evolves during these stages.

Phase 1 - Distribution economics: In a phase where the company is establishing its distribution economics when it comes to underserved customers (validating customer margins), we also provide support to our portfolio companies as they start to think through their ESG risks and opportunities (particularly S and G). The first phase of this integration is (a) putting into place high-quality governance practices and (b) starting to look at end-customer centricity. The former is largely built into the investment agreements and is driven to ensure high-quality governance and regulatory compliance, the latter is about impact, driving customer value, impact measurement, and employee satisfaction.

Phase 2 - Organisational platform: In a phase where the company is establishing an organisational platform to enable scale, ESG integration moves into prioritising, building and enhancing (internal) social factors. This is often a phase where the DNA evolves beyond the founder, and formalising policies and explicit principles around diversity, inclusion, fair practices at work, etc. becomes critical. At this stage, the company has usually established a distribution channel, arrived at margins and prepared for scale. Elevar's role is to engage with entrepreneurs on a company-by-company basis in building key internal systems, processes, systems, and talent, in order to ensure business model resilience.

Phase 3 & 4 - Expansion & Exit Readiness: At this stage, in addition to governance and social factors, Elevar supports the company in its engagement with stakeholders (and third parties) who can help the company place appropriate ecological and environmental policies to place. We have found this to be the most appropriate phase to engage in environmental considerations - before this phase, the scale of the organisation in terms of people or operations is not material enough and the focus is on ensuring the stabilisation of its core business model. Environmental policies become critical through the expansion phase as the company scales and raise multiple rounds of funding.

In keeping with an aligned investing approach, continuous stakeholder engagement and collaboration, and identification of exit opportunities that arise because of robust business performance, we do believe that strong ESG practices embedded in key processes are important to ensure that the DNA continues post-exit. The company's ethos and operating style should continue to abide by best global practices irrespective of the exit path whether to a financial investor, a strategic buyer or if the company remains independent through an IPO.

In Conclusion

Given that Elevar engages with its portfolio companies early and stays engaged through the scaling journey, our approach towards ESG implementation is consistent with that journey - implementation that evolves over time as the company grows. Elevar's framework allows the investment team to consider which ESG factors are most relevant given the stage of a company's growth.

4. PEtreats

INVESTMENTS

- PAG Capital, an Asia-Pacific focussed investment firm, is picking up a controlling stake in Hyderabad based Optimus Drugs Private Limited. PAG Capital along with consortium partners CX Partners and Samara Capital has reached an agreement to invest USD 253mn in Optimus drugs
- Global private equity major KKR & Co. has signed a definitive agreement to acquire a 9.99% stake in Shriram General Insurance for a consideration of nearly USD 238mn, taking forward the Shriram Group's plan to spin its insurance business into a separate entity
- Greaves Electric Mobility, manufacturing two and three-wheelers, the e-mobility subsidiary of diversified engineering company Greaves Cotton, has allotted a 35.80% stake to global investor Abdul Latif Jameel for his USD 150mn capital infusion in the company, by way of preferential allotment through private placement basis
- Higher education company – UpGrad Education Pvt. Ltd. raised USD 225mn from James Murdoch's Lupa Systems, Educational Testing Service, and existing investor Temasek Holdings Pte. Limited, for 10% stake
- Quick commerce start-up – KiranaKart Technologies Pvt. Ltd. (Zepto), raised USD 200mn in a Series D round led by the Y Combinator Continuity Fund. While US-based Kaiser Permanente Ventures joined as a new investor, existing investors, including Nexus Venture Partners, Glade Brook Capital Partners and Lachy Groom, increased their investment in Zepto

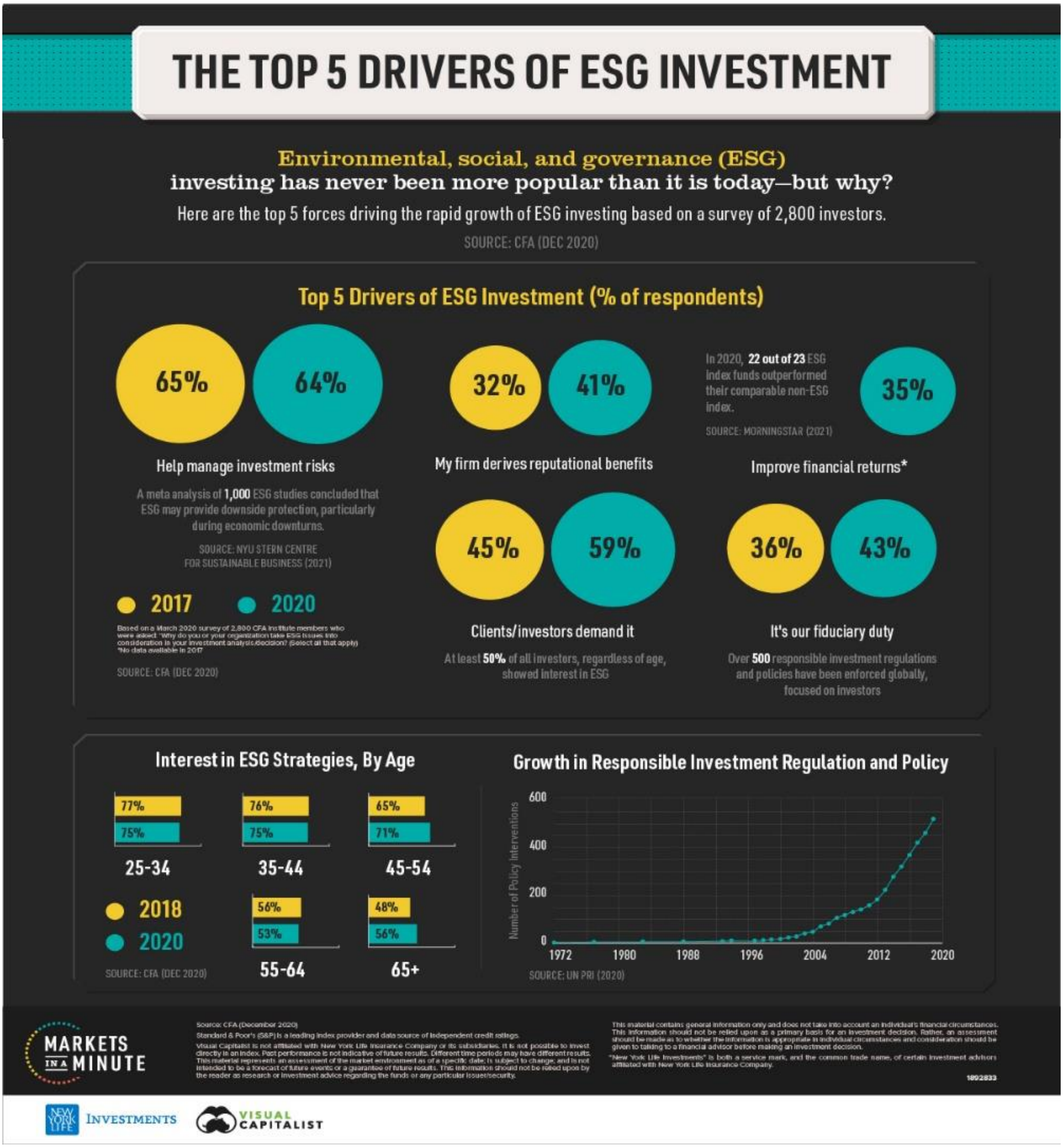
DEVELOPMENTS AT UNICORNS / SOONICORNS

- 5 start-ups were added to the list of Unicorns in Q2 2022, compared to 11 start-ups in the previous quarter i.e., Q1 2022 and 14 start-ups in the same quarter of the previous year i.e., Q2 2021
- Fintech firm Open Financial Technologies raised USD 50mn from Mumbai-based IIFL Finance in a Series D funding round at a valuation of USD 1bn and became the first Unicorn in Q2 2022
- Edtech platform 'Physics Wallah' raised USD 100mn in its maiden funding round at a valuation of USD 1.1bn and joined the Unicorn club
- Online beauty and personal care products retailer 'Purplle' raised USD 33mn from Paramark Ventures to reach a valuation of USD 1.1bn. Purplle is India's this quarter's third Unicorn
- Sales automation SaaS platform 'LeadSquared' joined the Unicorn club after securing an investment of USD 153mn from WestBridge Capital in its series C round
- Credit card start-up 'OneCard' through its parent entity has raised USD 100mn making it the latest entrant into the much-coveted Unicorn club
- **Soonicorns:** Some start-ups that are expected to become Unicorns this year are Khatabook, Freshtohome, Rapido (Bike Taxi), Cleartax, Rupeek and many more

M&A

- Adani Enterprises Limited to acquire Switzerland-based Holcim Limited's entire stake in two of India's leading cement companies i.e., Ambuja Cements Limited (63.19%) and ACC Limited (54.53%). The value for the Holcim stake and open offer consideration for Ambuja Cements and ACC is USD 10.5bn, which makes this the largest ever acquisition by Adani and India's largest ever M&A transaction in the infrastructure and materials space
- Food delivery giant Swiggy signed an agreement/deal with Times Internet to acquire 100% in Dineout, a popular dining out and restaurant tech platform which is valued at about USD 200mn
- Wipro Ltd has agreed to acquire Rizing Intermediate Holdings, Inc., a global SAP consulting firm, for USD 540mn, to bolster its SAP cloud practice

5. PE CHARTBUSTERS


THE TOP 5 DRIVERS OF ESG INVESTMENT
Environmental, social, and governance (ESG)
investing has never been more popular than it is today—but why?
Here are the top 5 forces driving the rapid growth of ESG investing based on a survey of 2,800 investors.
SOURCE: CFA (DEC 2020)
Top 5 Drivers of ESG Investment (% of respondents)
65%
64%
Help manage investment risks
A meta analysis of 1,000 ESG studies concluded that ESG may provide downside protection, particularly during economic downturns.
SOURCE: NYU STERN CENTRE FOR SUSTAINABLE BUSINESS (2021)
32%
41%
My firm derives reputational benefits
In 2020, 22 out of 23 ESG index funds outperformed their comparable non-ESG index.
SOURCE: MORNINGSTAR (2021)
35%
Improve financial returns*
45%
59%
Clients/investors demand it
At least 50% of all investors, regardless of age, showed interest in ESG
36%
43%
It's our fiduciary duty
Over 500 responsible investment regulations and policies have been enforced globally, focused on investors
2017
2020
Based on a March 2020 survey of 2,800 CFA Institute members who were asked: "Why do you or your organization take ESG issues into consideration in your investment analysis/decision? (Select all that apply)
*No data available in 2017
SOURCE: CFA (DEC 2020)
Interest in ESG Strategies, By Age
77%
75%
25-34
76%
75%
35-44
65%
71%
45-54
56%
53%
55-64
48%
56%
65+
2018
2020
SOURCE: CFA (DEC 2020)
Growth in Responsible Investment Regulation and Policy
Number of Policy Interventions
600
400
200
0
1972
1980
1988
1996
2004
2012
2020
SOURCE: UN PRI (2020)
MARKETS IN A MINUTE
Source: CFA (December 2020)
Standard & Poor's (S&P) is a leading index provider and data source of independent credit ratings.
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ANTICIPATING CLIENT NEEDS	CLEAR COMMUNICATION	MEETING OUR COMMITMENTS	ENCOURAGING OUR PEOPLE	DELIVERING VALUE
*anticipating **client needs** and being forthright in our views to ensure the best outcome for them*	*being clear, open & swift in our **communication***	*agreeing to and meeting our **commitments**: we deliver what we promise, everyday, for every client*	*providing the right environment for our **people** and the right people for our clients*	*creating **value** through giving clients up to date ideas and valuable insight and advice that they can trust*

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Hyderabad | Kochi | Kolkata | Mumbai | New Delhi | Pune

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