India Private Equity Report 2025

A new horizon: PE-VC investments find balance after a two-year descent.

BAIN & COMPANY

IVCA
IVC ASSOCIATION
PROMOTING ALTERNATE CAPITAL ECOSYSTEM

About the authors

Arpan Sheth is a partner in Bain & Company's Washington, DC office. He is the head of the firm's global Innovation and Design practice and leads the India Private Equity and Alternative Investors practice.

Sriwatsan Krishnan is a partner in Bain & Company's Mumbai office. He co-leads the India Private Equity and Alternative Investors practice.

Aditya Shukla is a partner in Bain & Company's Mumbai office. He is a leader in the India Private Equity and Alternative Investors practice.

Prabhav Kashyap is a Partner in Bain & Company's New Delhi office. He is a leader in the India Private Equity and Alternative Investors practice.

Ashish Kumar is an associate partner in Bain & Company's Bengaluru office. He is a leader in the India Private Equity and Alternative Investors practice.

Arjita Sharma is an associate partner in Bain & Company's New Delhi office. She is a leader in the India Private Equity and Alternative Investors practice.

Key contacts

Arpan Sheth in Mumbai and Washington, DC *(arpan.sheth@bain.com)*

Sriwatsan Krishnan in Mumbai *(sriwatsan.k@bain.com)*

Aditya Shukla in Mumbai *(aditya.shukla@bain.com)*

Prabhav Kashyap in New Delhi *(a.prabhavkashyap@bain.com)*

Ashish Kumar in Bengaluru *(ashish.kumar@bain.com)*

Arjita Sharma in New Delhi *(arjita.sharma@bain.com)*

For media queries:

Sitara Achreja *(sitara.achreja@bain.com)*

Acknowledgements

We deeply thank the Bain India team, including Mohit Mundhra, Tanushka Lahiri, Ishita Singh, and Chirag S., for their notable contributions, in-depth research, and analytical rigor. We also wish to thank the Bain Capability Network team, including Munish Basrar, Varun Chugh, Akshit Jain, Arsheya Srivastava, Priyanshi Agrawal, Mitashi Sinha, Arjun Sachdeva, and Ayan Bindra, and the editorial team, including Shelza Khan and Emily Gref, for their support.

Table of Contents

1 How 2024 unfolded

Executive summary

After two years of contraction, private equity and venture capital (PE-VC) investments in India recovered in 2024, rebounding ~9% year over year to reach ~$43 billion. This resurgence was driven primarily by VC and growth investments, while PE dealmaking held steady.

VC and growth investments surged ~40% to ~$14 billion, fueled by a sharp rise in deal volumes. The number of VC deals increased from 880 in 2023 to 1,270 in 2024, alongside about a two-times jump in consumer tech funding to ~$6 billion. In contrast, PE investments remained steady at ~$29 billion, as funds contended with rich valuations driven by buoyant public markets.

India strengthened its position as the Asia-Pacific region's second-largest PE-VC destination with a ~20% share of total investment, reflecting growing investor confidence in the country's macroeconomic stability. Buyouts gained prominence, accounting for 51% of total PE deal value, up from 37% in 2022. Funds increasingly focused on acquiring high-quality assets across sectors to drive broader value creation and deploy capital at scale.

Traditional sectors continued to attract substantial capital. Real estate and infrastructure emerged as the largest investment sector, claiming ~16% of total PE-VC investment. Deal value surged 70%, led by the American Tower Corporation (ATC) megadeal and strong momentum in road infrastructure and residential real estate projects. Financial services investments grew ~25%, driven by renewed interest in affordable housing finance, loan against property (LAP) solutions, and lending to micro, small, and medium-enterprises (MSMEs). Healthcare deal volumes rose ~80%, fueled by large medtech transactions, increased investments in pharma contract development and manufacturing organizations (CDMOs), and continued growth in single-specialty and regional provider chains. IT and IT-enabled services (ITeS) investments surged ~300%, driven by major deals (e.g., Perficient and Altimetrik) and multiple revenue cycle management (RCM) investments (e.g., GeBBS, Vee, Infinx).

India experienced a record year in domestic fundraising. Kedaara closed its largest-ever fund at ~$1.7 billion in 2024, while ChrysCapital secured ~$2.1 billion in 2025 for the country's largest-ever domestic fund. Likewise, a growing number of global funds and government-linked investors are ramping up capital commitments to India, reinforcing its position as a premier investment destination within the Asia-Pacific region.

Exit activity surged in 2024, reaching ~$33 billion and growing 16% year over year as investors capitalized on richly valued public markets to monetize assets. Public market exits gained prominence, increasing from ~51% of total exit value in 2023 to ~59% in 2024, driven by a rise in IPO activity and block trades.

The financial services, healthcare, and consumer/retail sectors led the exit landscape. Large public market sales dominated financial services and consumer exits, while healthcare exits were more diversified across sponsor-to-sponsor, strategic, and public market transactions. Exits are expected to accelerate in 2025 as funds look to offload aging assets, though recent corrections in public markets could temper momentum.

India's PE-VC investment outlook remains cautiously optimistic, supported by robust GDP growth, cooling inflation, and favorable policy measures, including interest rate cuts and tax rebates aimed at stimulating private consumption. Strong investor interest is expected to persist in the financial services, healthcare, and real estate sectors, while consumer/retail is poised for recovery as consumption trends improve. However, global trade tensions introduce uncertainties.

As limited partners (LPs) such as sovereign wealth funds and public pension funds increasingly prioritize direct investments and co-investment structures, funds must demonstrate strong operational value creation to secure commitments in a competitive capital-raising environment. Heightened scrutiny of fund performance and track records will further influence investment dynamics. With India's PE-VC market on a steady growth path, 2025 offers a mix of opportunities and challenges, requiring market participants to adopt a disciplined yet adaptive approach.

Source: Bain & Company

Key themes (1/2): India PE-VC investments grew ~9% to ~$43 billion in 2024, marking a rebound after two years of contraction

Investments/dealmaking

Fund-raising

India PE-VC investments grew ~9% to ~$43 billion in 2024

- **Deal activity bounced back after two years of contraction,** led by VC funding, while PE investments held steady.
- **VC/growth funding rose 1.4x** to ~$14 billion over 2023–24, driven by a surge in VC deal volumes (880 deals in 2023 vs. 1,270 in 2024) and in consumer tech funding (~2x to ~$6 billion).
- **PE investments held steady at ~$29 billion,** amidst a subdued year for deal closures due to a mismatch between valuation asks and sponsors' willingness to pay.

~9%

growth in PE/VC deal value over 2023–24

Funds increasingly gravitating toward control/buyout deals

- **Salience of buyouts in overall PE funding surged from ~37% to ~51%** over 2022–24.
- **Funds are acquiring controlling stakes** in high-quality assets across sectors, deploying capital at scale.
  - e.g., Perficient, Altimetrik in IT; Healthium Medtech, Appasamy in healthcare; Ebco, Dairy Day in consumer; Manjushree in advanced manufacturing

~50%

Salience of buyout deal value in 2024

RE/infra, IT/ITeS, fin. services, healthcare led PE investments

- **RE/infra investments** accounted for largest share of PE-VC funding (~16%) in 2024, primarily driven by ~5x surge in PE infrastructure funding.
  - Infra funding led by ATC megadeal ($2.2 billion) and investments in road infra projects (~$1.8 billion)
- **IT/ITeS investments surged ~4x,** led by large ticket deals (e.g., Perficient, Altimetrik) and RCM investments (e.g., GeBBS, Vee Healthtek, Infinx).
- **Financial services investments grew by 25%**, driven by funding in affordable housing finance/LAP.
- **Healthcare funding momentum continued,** driven by large medtech deals and continued interest in providers, pharma.

~70%

surge in RE/infra deal value over 2023–24

India remains an attractive destination for fund-raising

- **Global funds are accelerating capital deployment into India,** reflecting heightened investor confidence and strategic prioritization.
  - Blackstone aims to double its assets under management (AUM) in India, from $50 billion currently to $100 billion over the next few years.
  - Temasek plans to grow its portfolio of ~$40 billion in India by an additional $10 billion over the next three years.
- **India has matured into a leading investment destination**, with 87% of top 30 global GPs[1] active in India.
- **Domestic funds continue to raise record capital for India,** amidst a challenging environment for PE fund-raising globally.
  - Kedaara raised its biggest fund at ~$1.7 billion.
  - ChrysCap secured ~$2.1 billion for its latest fund in 2025, marking the biggest capital raise by an Indian fund.

Notes: (1) Top GPs (general partners) by AUM; PE = private equity; VC = venture capital; RE = real estate; LAP = loan against property; RCM= revenue cycle management | Source: Bain & Company

Key themes (2/2): India PE-VC investments grew ~9% to ~$43 billion in 2024, marking a rebound after two years of contraction

Exits

Outlook

Marquee year for exits, growing ~16% to ~$33 billion

- **Exits jumped ~16% to ~$33 billion in 2024, with record 360 exit volumes**, as investors increasingly looked to buoyant public markets to exit maturing positions.
- **India exits surpassed all other markets in Asia-Pacific**, accounting for a record ~33% of total exit value.

Public market exits took spotlight

- **Public market exits gained prominence, rising** from ~51% to ~59% of total exit value over 2023 to 2024.
  - Attractive valuations and buoyant public markets led promoters/sponsors to prefer exits via IPO and public market sales.
  - IPO exits value surged ~2.2x to ~$4 billion in 2024.

Aging assets likely to expedite deal closures

- **Holding period of investments** has increased over the years, with only 36% of greater than $100 million PE buyouts in 2018 to 2019 vintage exited within five years vs. 50% exited for 2012–13 vintage.
- **Increasingly aging assets** with funds likely to expedite exits and deal activity going forward.

Cautious optimism driven by green shoots in India macro

- **Funds are likely to deploy capital with cautious optimism** as consumption recovers, and public market valuations undergo correction.
  - Pro-growth measures, including income tax rebates, RBI's first repo rate cut in five years, and easing inflation, are expected to revive consumption following a slowdown in 2023–24
  - Public market valuations have corrected since September 2024, with NIFTY P/E reducing from a high of ~24 in September 2024 to ~20 in February 2025.
- **Global uncertainty, fueled by US tariffs, persists** and is likely to translate to cautious deployment of capital.

360

Highest ever number of PE-VC exits in India

~60%

salience of public market exits in total exit value in 2024

50% → 36%

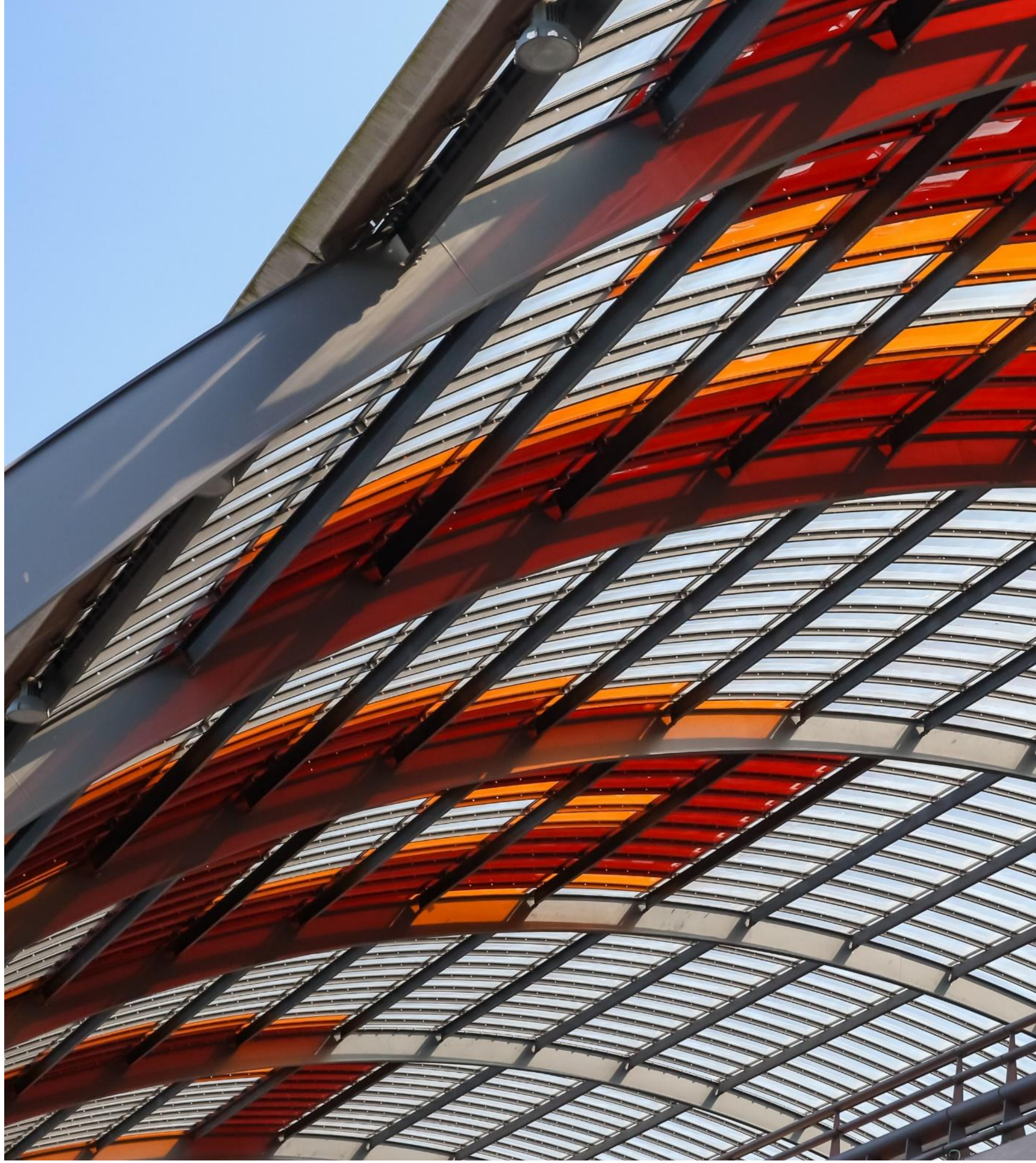
of investments exited within five years from 2012–13 to 2018–19

Notes: IPO = initial public offering; RBI = Reserve Bank of India; P/E = price by earnings ratio | Source: Bain & Company

2 Dealmaking: PE held steady as VC bounced back

Dealmaking: Private equity held steady as venture capital bounced back

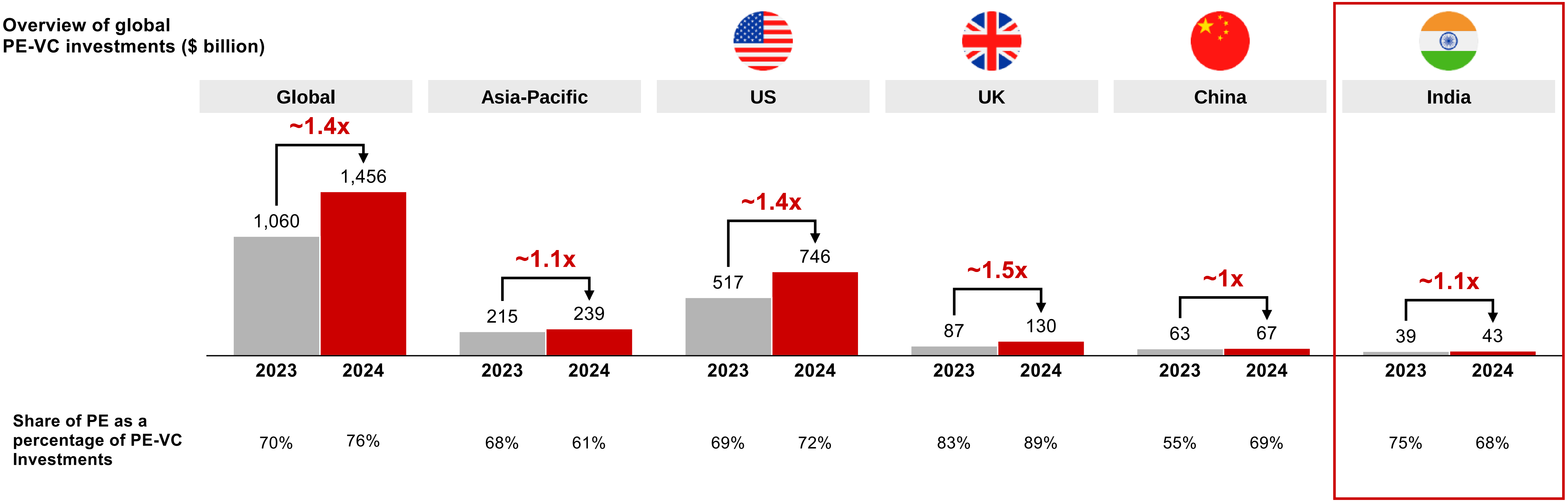
- **India's PE-VC investments grew ~9% year over year, reaching ~$43 billion in 2024.** This increase was primarily driven by VC and growth investments, which rose ~40% from 2023 to 2024. PE investments were steady at ~$29 billion.
  - VC and growth investments were fueled by a surge in deal volume (from 880 in 2023 to 1,270 in 2024) and increased consumer tech funding.
  - High public market valuations influenced PE transactions, making deal closures more challenging.
- **India solidified its position** as the Asia-Pacific region's second-largest funding destination, accounting for ~20% of regional investments.
- **Buyout deals gained traction** as funds increasingly acquired controlling stakes to unlock value creation opportunities and deploy capital at scale. The share of buyout and majority deals in overall PE deal value rose steadily from 37% in 2022 to 51% in 2024.



Source: Bain & Company

Dealmaking: India PE-VC investments grew ~9% to ~$43 billion, in line with Asia-Pacific but slower than global levels

Overview of global PE-VC investments ($ billion)



India investments overview

PE-VC investments in India grew by ~9% to ~$43 billion, marking a rebound after two years of contraction, driven entirely by VC and growth deal activity (~40% growth over 2023–24) while PE held steady at ~$29 billion.

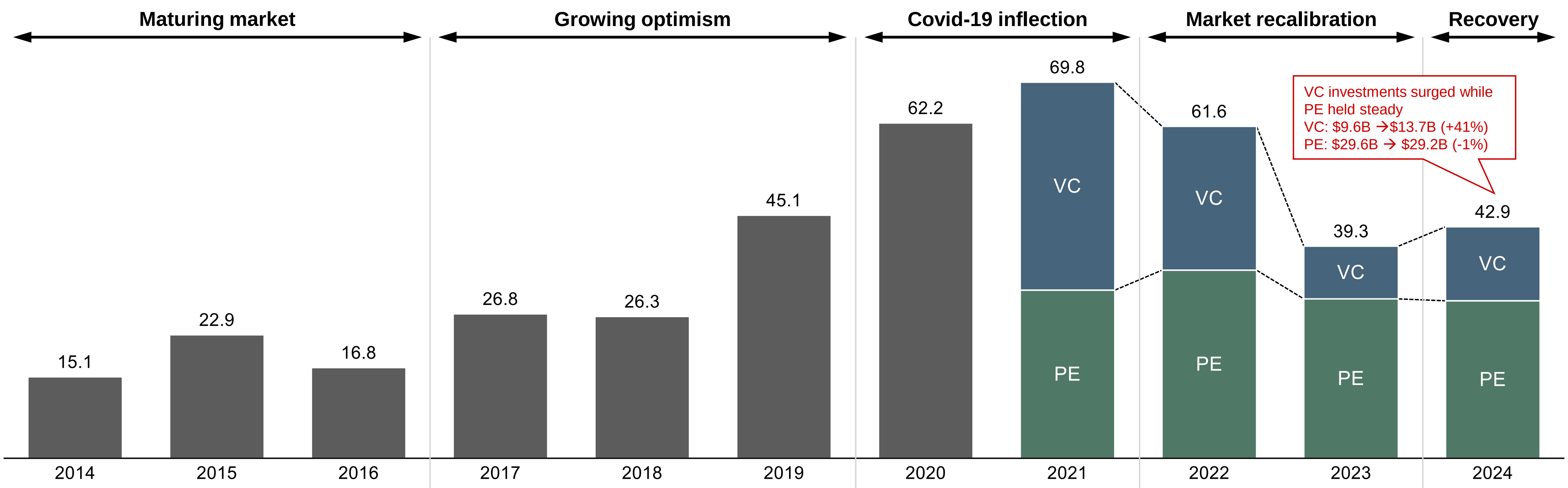
India continued to solidify its position as Asia-Pacific's second-largest funding destination, accounting for ~20% share in overall Asia-Pacific investments.

In contrast to Asia-Pacific and India funding, global PE-VC investments surged by ~40% as interest rate cuts in the US, Euro zone, UK boosted investor confidence, despite potential policy and geo-political risks.

Notes: All investment figures include real estate and infrastructure deals; VC = venture capital; PE = private equity
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

Dealmaking: Overall Indian PE-VC deal flow amounted to ~$43 billion, growing ~9% vs. 2023, driven entirely by VC deal activity, while PE held steady

Annual PE-VC investments in India ($ billion)

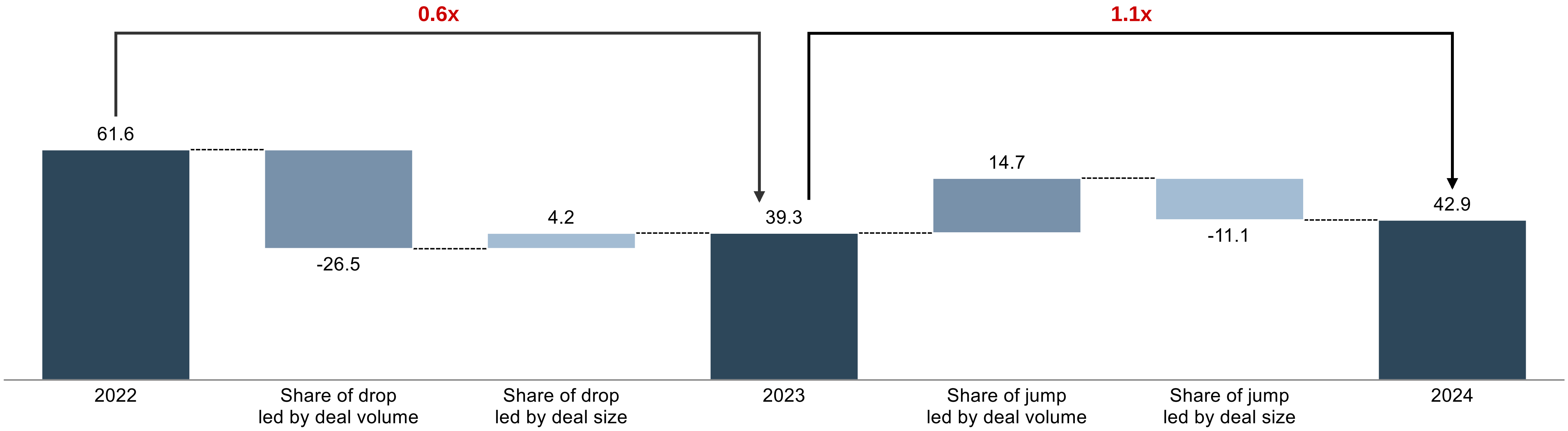


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of deals (PE-VC)	810	1,433	976	700	785	1,051	1,106	2,067	2,046	1,208	1,583
Avg. deal size ($ million)	19.0	20.5	17.0	39.2	37.7	48.3	37.2	40.4	34.4	38.5	30.4

Note: Deals with undisclosed values are included in the count of deals but excluded from average deal size
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge

Dealmaking by type: Surging deal volumes drove growth in India's PE-VC landscape, which was offset by a contraction in deal sizes

Annual PE-VC investments in India ($ billion)



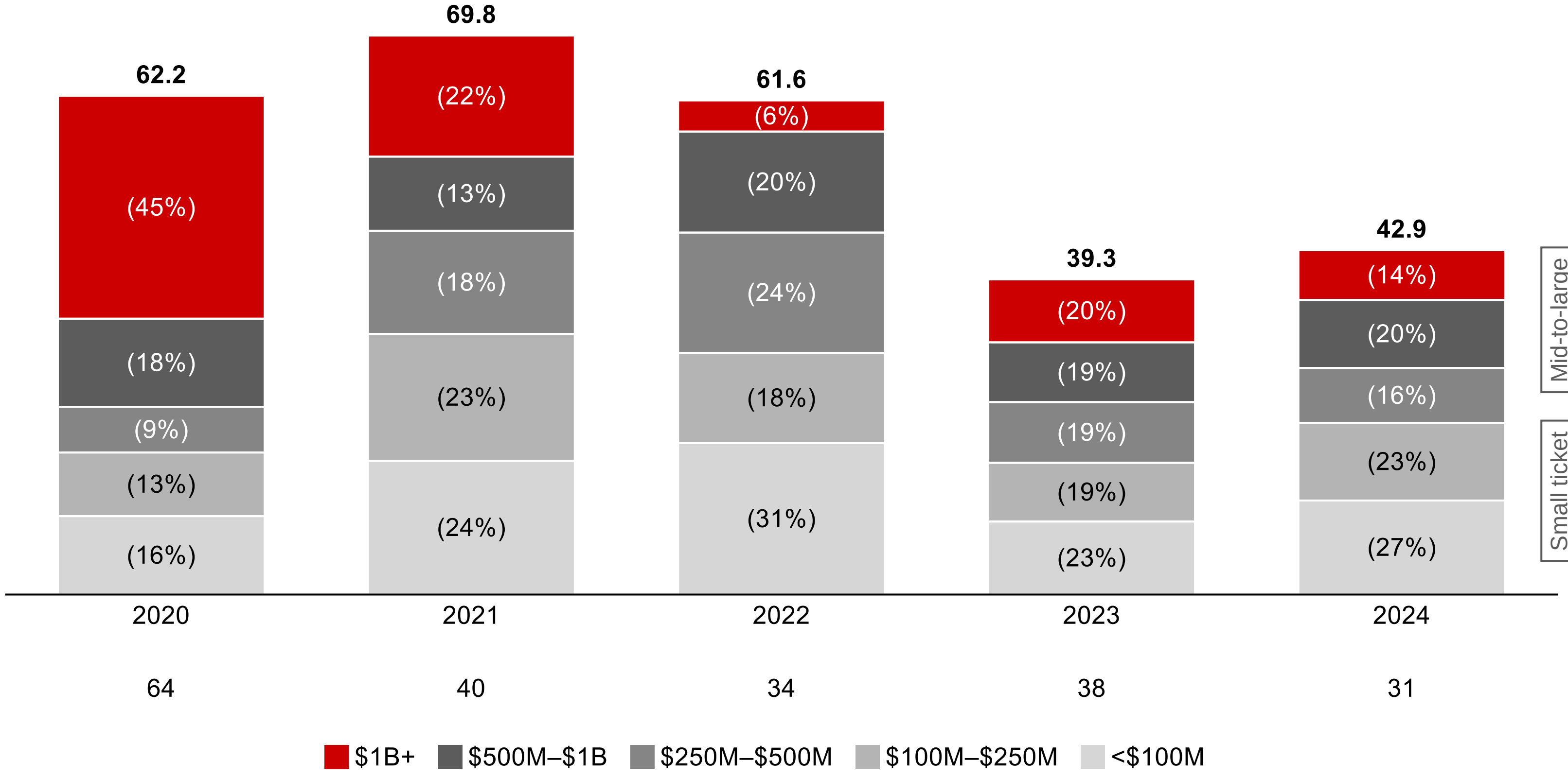
	2022		2023		2024
Number of deals	2,046	0.6x →	1,208	1.3x →	1,583
Average deal value	$34.4M	1.1x →	$38.5M	0.8x →	$30.4M

~20% decline in average deal size driven by higher share of VC deals (~32% in 2024 vs. ~25% in 2023)

Note: Number of deals includes deals with undisclosed values; however, only disclosed deals considered for average deal value calculation
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge

Dealmaking by scale: Momentum in deal volume was driven by expansion in small ticket-size deals, while mid-to-large ticket deals dropped marginally

Annual PE-VC investments by deal size in India ($ billion)



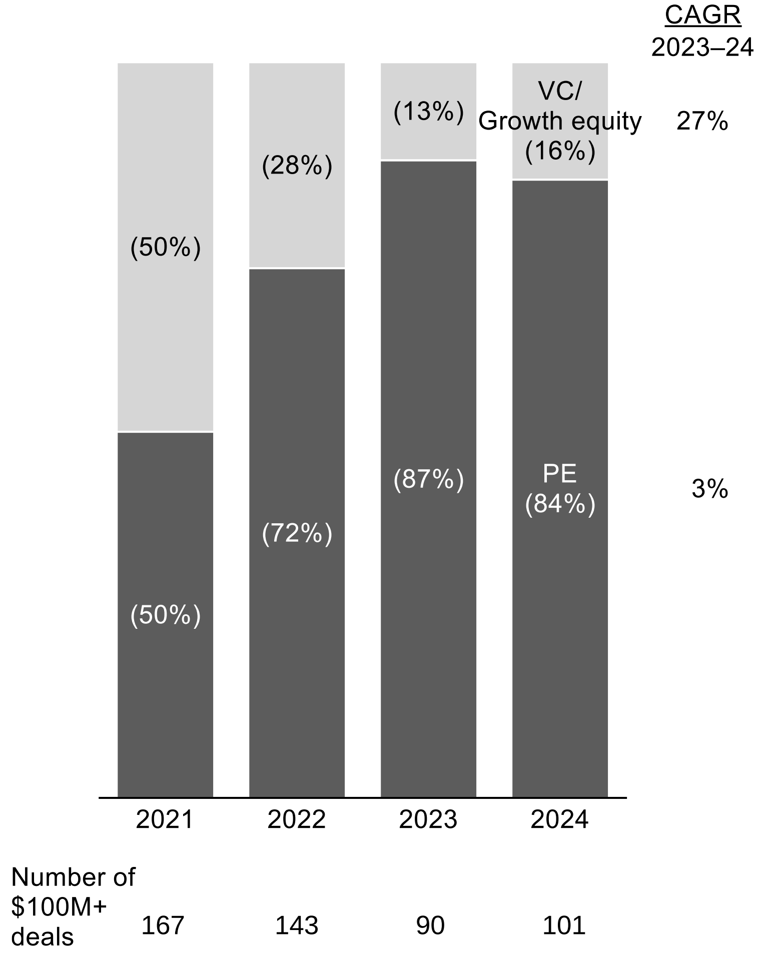
	2020	2021	2022	2023	2024
Average deal size ($ million)	64	40	34	38	31

	Number of deals (2023)	Number of deals (2024)	Deal volume trend (2024 deal volume as a multiple of 2023)
	1,021	**1,409**	**1.4x**
Mid-to-large ticket deals	6	3	**0.5x**
	12	12	**1x**
	24	21	**0.9x**
Small ticket deals	48	65	**1.4x**
	931	1308	**1.4x**

Notes: 2020 includes Jio and Reliance Retail megadeals; number of deals includes only deals with publicly disclosed values
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge

Top deals: Salience of PE investments in deals over $100 million remained steady in 2024 after growing for three years

Split of $100M+ deals (by deal type)



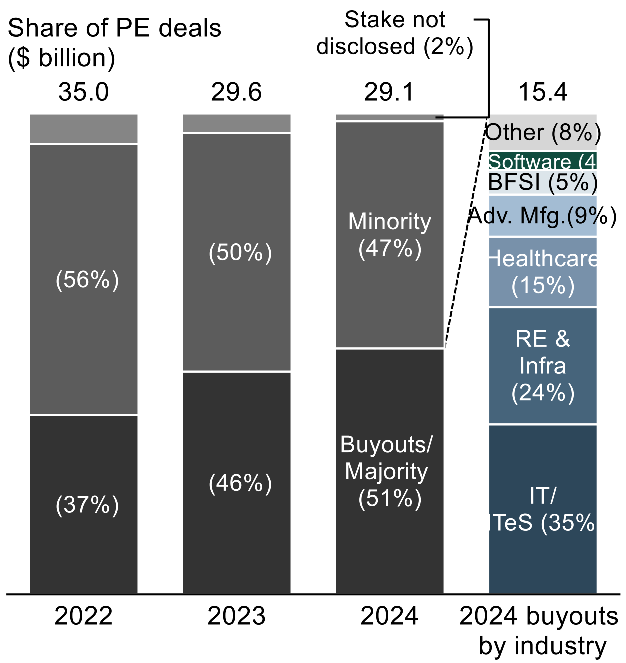
Overview of top 15 deals in 2024

Company	Lead Investor(s)	Sector	Quarter[1] (2024)	Deal type	Deal value[2] ($M)
Perficient	EQT	IT and ITeS	Q2	PE	3,000
ATC India	Brookfield, British Columbia Investment Management Corporation, GIC	RE and infra	Q1	PE	2,200
Zepto	Motilal Oswal Private Wealth, General Catalyst, LightSpeed VP and 17 others	Consumer tech	Q2–Q4	VC	1,355
Manjushree	Pacific Alliance Group (PAG)	Advanced manufacturing	Q4	PE	1,000
VFS Global	Temasek Holdings	Business services	Q4	PE	950
Altimetrik	TPG Capital	IT and ITeS	Q2	PE	900
GeBBS	EQT	IT and ITeS	Q3	PE	865
Healthium	KKR	Healthcare	Q2	PE	840
Airtel	GQG Partners	Telecom	Q1	PE	711
NSE	ChrysCapital	Financial services	Q2	PE	700
WS02	EQT	Software & SaaS	Q2	PE	700
JSW Energy	ADIA, BlackRock	Energy	Q2	PE	600
Shriram	Warburg Pincus	Financial services	Q3	PE	557
Sterlite Power	GIC, Enam Holdings, GEP Capital	Energy	Q1, Q4	PE	585
Reliance Power	Varde Partners	Energy	Q4	PE	500

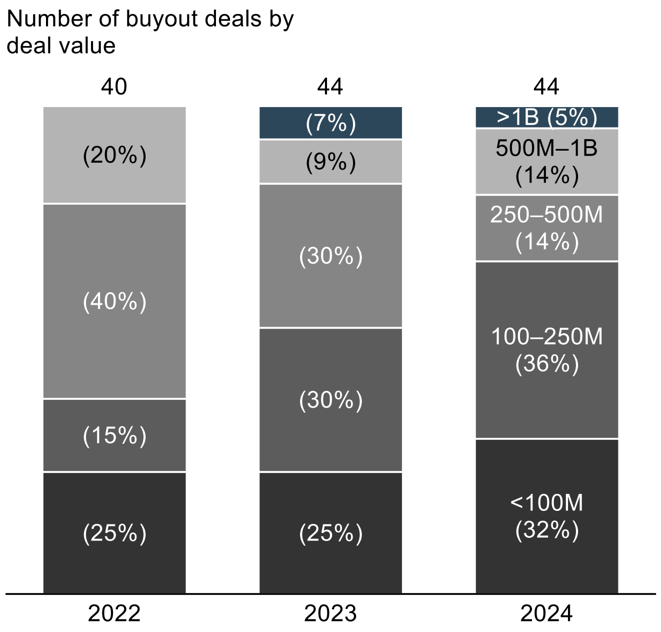
Notes: (1) Quarter is assigned per timeline of announcement of deal; (2) Deal value indicates equity value of the deal, exclusive of debt
Sources: Venture Intelligence; VCCEdge; AVCJ; Bain & Company

Investor perspective: Funds are increasingly gravitating toward buyout deals, acquiring controlling stakes to drive wider value creation opportunities

Formal credit affordable housing market expected to grow at ~15%



Small buyouts ($250 million or less) continued to gain share, making up 68% of buyouts in 2024



Top funds increasingly focusing on buyout deals

Percentage of buyout deals in total deals (number of buyout deals)	2022	2023	2024
Global PE fund 1	75% *(N=3)*	100% *(N=2)*	100% *(N=4)*
Global PE fund 2	0% *(N=0)*	67% *(N=2)*	100% *(N=3)*
Global PE fund 3	0% *(N=0)*	75% *(N=3)*	67% *(N=2)*
Global RE and infra-focused fund	40% *(N=2)*	75% *(N=3)*	100% *(N=2)*
Global PE and RE fund	50% *(N=1)*	100% *(N=4)*	100% *(N=2)*
Sovereign wealth fund	30% *(N=13)*	67% *(N=4)*	33% *(N=2)*

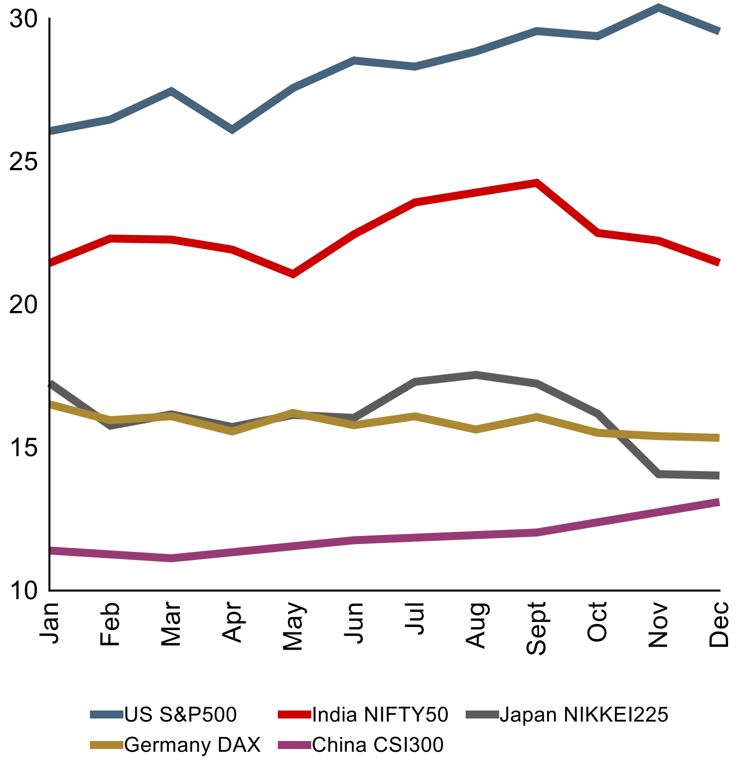
- **PE investors have shown a strong preference for buyouts, with the share of buyouts in overall PE deal value increasing to ~51% in 2024 from ~37% in 2022**. This trend reflects a strategic focus on acquiring controlling stakes in high-quality assets across sectors driven in part by accumulating dry powder
- **IT/ITeS, RE and infrastructure, and healthcare** account for highest share of buyout deals
  - Key buyouts across these sectors: IT/ITeS (Perficient $3 billion, Altimetrik $0.9 billion), healthcare (Healthium Medtech $0.8 billion, Appasamy $0.3 billion), and infrastructure (ATC India $2.2 billion)

Notes: Buyout deals include all majority stake deals with disclosed stake information; other industries includes telecom, media and entertainment, engineering and construction, shipping and logistics, space tech, sports franchising, education; RE = real estate
Source: Bain & Company

Investor perspective: Rich valuations in public markets trickled into private market deals, leading to drawn out deal processes and difficulty in closures

Higher public market valuations in India vs. other key geographies

P/E ratio of indices (2024)

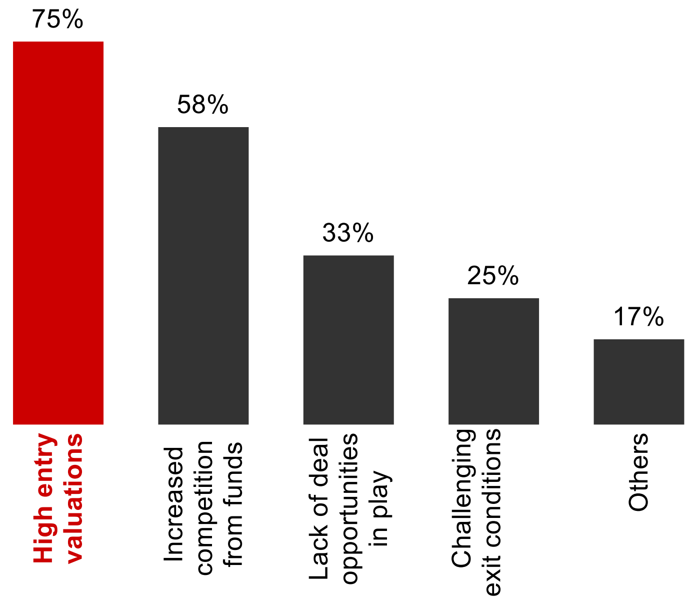


Public market valuations surged across key sectors

EV/EBITDA by sector[1]	2022	2023	2024	2024 vs. 2022
Healthcare	19	19	23	**1.2x**
IT/ITeS	17	17	20	**1.2x**
Consumer retail	32	34	37	**1.2x**
Infrastructure	12	17	18	**1.5x**
Real estate	27	30	43	**1.7x**

Funds in India indicate high valuation

What are the key challenges/concerns you have amid current market situations in India? (percentage of respondents)

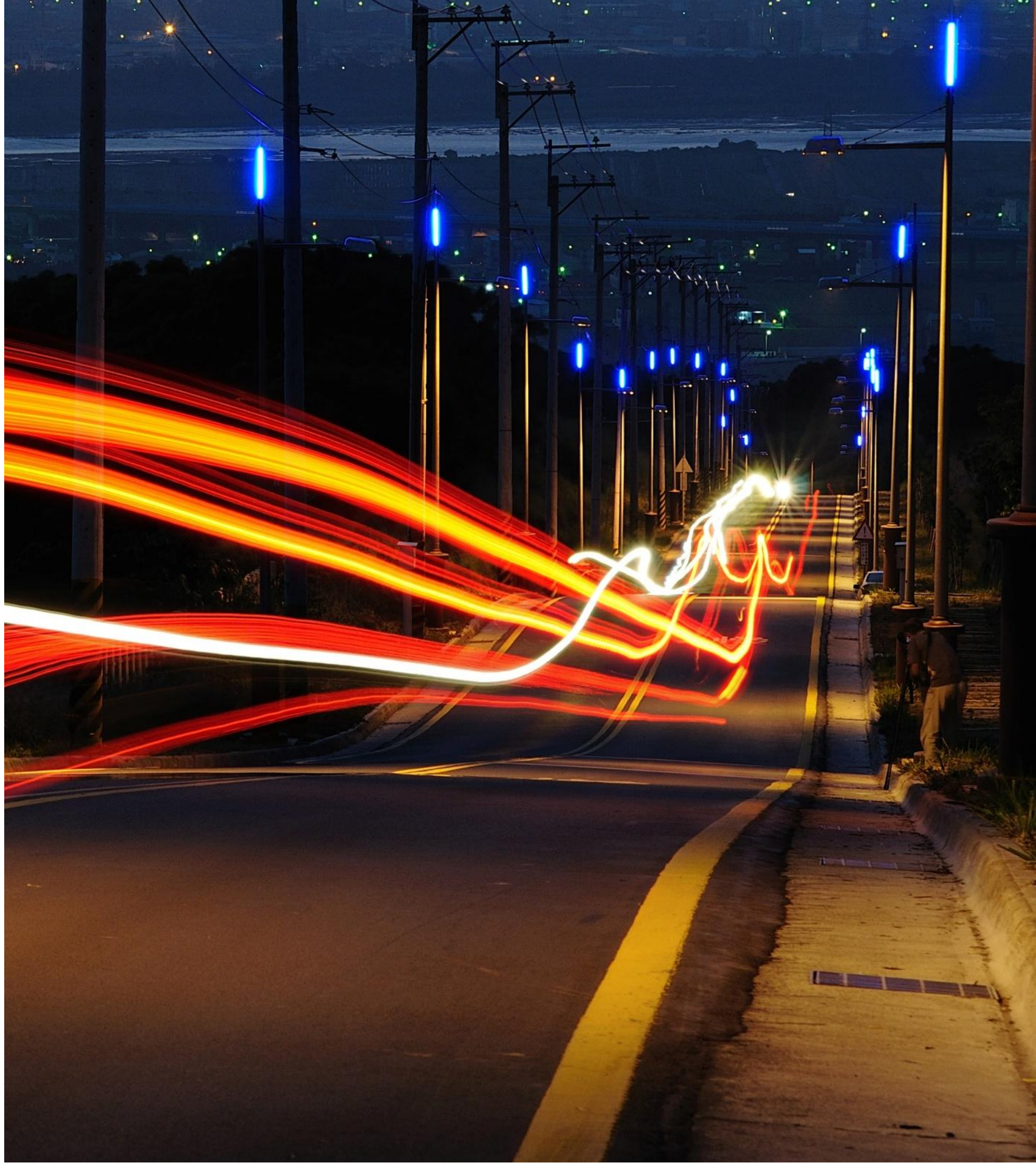


Notes: (1) Analysis based on top 20 publicly listed companies by revenue in each sector; EV for each company taken as average of four quarters as of quarter-end in the calendar year; (2) Companies shown are illustrative, not exhaustive; (3) Other includes challenging macro conditions, unpredictable government policy, lack of debt availability, difficulty in recruiting; P/E = price by earnings ratio
Sources: S&P Capital IQ; Bain & Company; Bain Asia-Pacific PE survey (n=110)

3 Sectors in focus: financial services, IT, healthcare, real estate/infra

Sectors in focus: Financial services, IT, healthcare, real estate and infrastructure

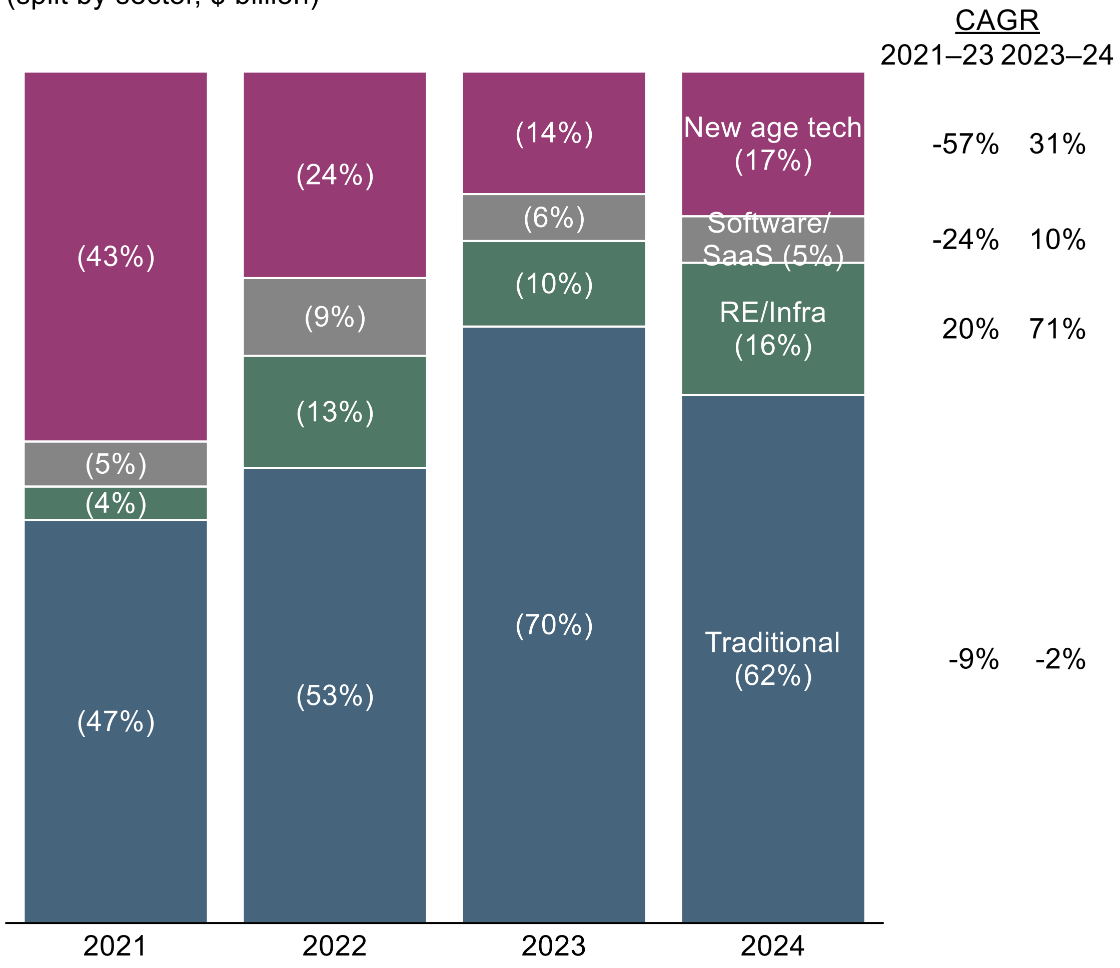
- **Real estate and infrastructure, IT and ITeS, financial services, and healthcare** led PE funding. Activity in other sectors was subdued.
  - **Financial services investments grew ~25%** driven by a resurgence in deals involving (NBFCs). Attractive, high-yield, high-return on assets secured businesses, such as affordable housing finance, micro-LAP, and MSME lending, also fueled growth (e.g., Shriram Housing Finance, Aavas Financiers, Vastu Housing Finance, DMI Finance, Svatantra Microfin).
  - **IT and ITeS investments surged ~4x,** primarily led by a few big-ticket deals. Perficient, Altimetrik, and GeBBS accounted for ~80% of deal value. The sector also saw multiple RCM investments (e.g., Vee, GeBBS, Infinx).
  - **Healthcare deal volumes surged ~80%,** driven by large medtech transactions, increased investments in pharma CDMOs, and continued momentum in provider deals involving regional chains and single-specialty hospitals.
  - **Real estate and infrastructure funding grew by ~70%,** accounting for the largest share of PE-VC investments in 2024. Growth in infrastructure funding was led by the $2.2 billion ATC megadeal and significant investments in road infrastructure projects. Real estate deal activity was primarily driven by investments in residential developers and projects.
- **Strong deal activity is expected to continue in the financial services, healthcare, and real estate and infrastructure sectors.** The consumer/retail sector is also projected to rebound in 2025, driven by recovering consumption and strong government and regulatory support, such as income tax rebates and interest rate cuts.



Notes: NBFCs = non-banking financial companies; RCM = revenue cycle management; CDMOs = contract development and manufacturing organizations | Source: Bain & Company

Sector overview: Real estate and infrastructure and new age tech led the rebound in PE-VC investments in 2024

Annual PE-VC investment in India
(split by sector, $ billion)



Investment trends

New age tech[1]

- **New age tech sectors grew by ~30% from 2023 to 2024**, driven by a rebound in VC-led consumer tech funding as investors backed high-quality businesses that have achieved significant scale, tested value propositions, and continued their focus on profitability improvements (e.g., Zepto, Meesho, Lenskart).

Software and SaaS

- **Software and SaaS funding rose 10% to $2.4 billion**, fueled by sustained business model appeal due to recurring revenue models, customer spending on development and testing tools, mature international GTM strategies, and availability of quality scaled assets (e.g., WS02 ~$600 million buyout).

RE and infra

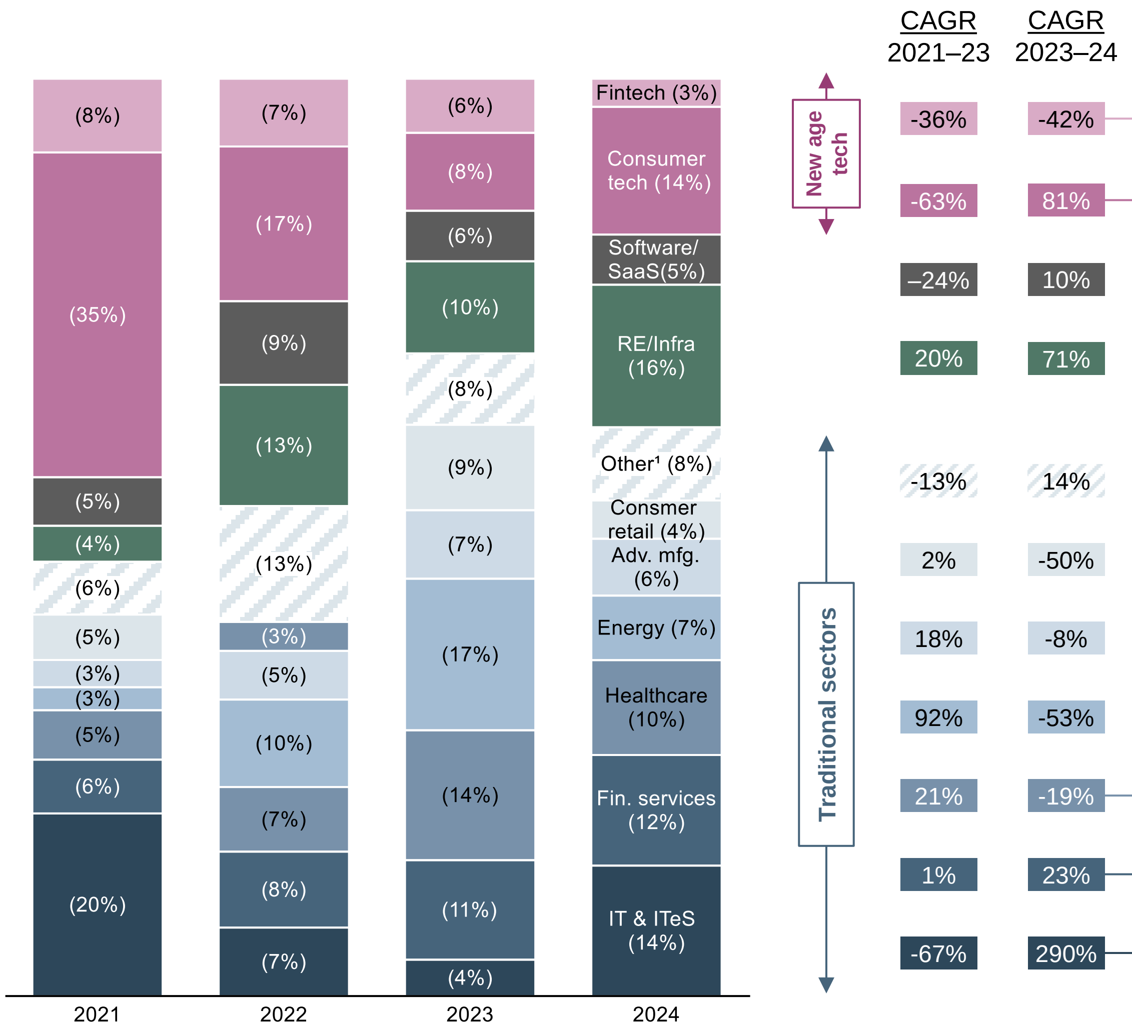
- **Infrastructure funding surged ~5x**, led by $2.2 billion ATC megadeal and investments in road infrastructure projects driven by government impetus and success of PPP model.
- **Real estate deal activity** was driven by strong traction in residential segment, surging ~4x to $1.1 billion in 2024 driven by post-Covid resurgence and growing share of luxury housing (16% in 2018 vs. 34% in 2023 in top 8 cities).

Traditional[2]

- **Funding in traditional sectors eased** after growing for two years, with a subdued year for deal closures amidst high valuations driven by public markets and increased competition.
- **Healthcare stayed resilient,** led by large medtech investments and continued momentum in pharma and providers, while **financial services investments grew** by ~25% fueled by NBFC resurgence in affordable housing finance.

Notes: (1) New age tech includes consumer tech and fintech; (2) Traditional includes energy, healthcare, financial services, consumer/retail, manufacturing, shipping and logistics, IT/ITeS; GTM = go-to-market; PPP = public-private partnership; NBFC = non-banking financial company | Source: Bain & Company

Focus sectors: Real estate and infrastructure, IT/ITeS, financial services, healthcare led PE funding while other traditional sectors remained subdued



New age tech surged, driven by a rebound in large consumer tech deals

- **Fintech funding saw continued decline** driven by regulatory uncertainty, rising NPAs in small tickets loans, BNPL, and unclear path to profitability.
- **Consumer tech funding grew ~2x in 2024, driven by a surge in $100M+ megadeals** (16 vs. 4 in 2023). Investors continued to back rapidly scaling businesses with continued focus on profitability improvement (e.g., Zepto, Meesho, Rapido).

Healthcare, financial services, IT/ITeS stayed resilient

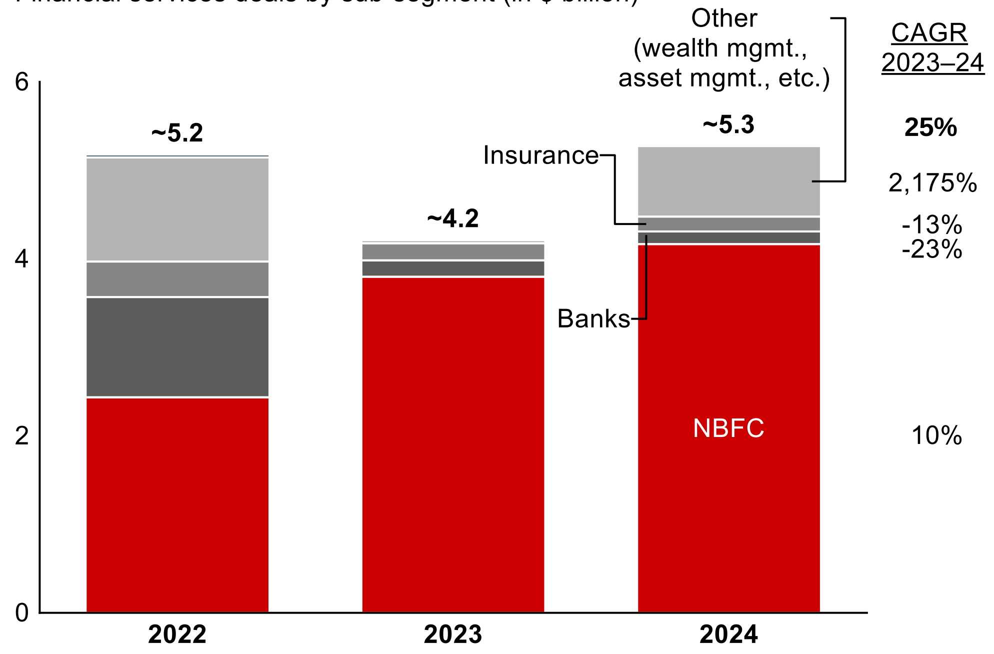
- **Healthcare funding stayed resilient, with ~80% growth in deal volumes**, on the back of large medtech investments (Healthium, Appasamy) and continued momentum in pharma deals driven by investments in specialty and branded formulations players (e.g., Cipla, Inventia, Wockhardt) and in CDMOs such as Maiva, Orbicular.
- **Financial services investments grew by ~25%**, fueled by resurgence in NBFC deals in affordable housing finance and MSMEs on account of 1) move away from unsecured retail loans to high-yield, high-RoA secured businesses like affordable housing finance and micro-LAP (e.g., Shriram Housing Finance, Vastu Housing Finance), 2) strong MSME fundamentals, expected to improve further with revised MSME classification[2] and enhanced credit guarantee cover in 2025 budget.
- **IT/ITeS investments surged ~4x, primarily** led by select large ticket deals (Perficient, Altimetrik, GeBBS accounted for ~80% of deal value) and investments in quality RCM assets (e.g., Vee, GeBBS, Infinx).

Notes: Manufacturing reclassified as advanced manufacturing vs. earlier years to include EV deals; (1) Other industries includes telecom, media and entertainment, engineering and construction, shipping and logistics, space tech, sports franchising, education, travel; (2) Revised MSME classification, as announced in Union Budget 2025–26, increased investment limits by 2.5x and turnover limits by 2x for MSMEs; MSME = Micro, small, and medium Enterprises; CDMO = contract development and manufacturing organization; NBFC = non-banking financial company; RoA = return on assets; LAP = loan against property; RCM = revenue cycle management | Sources: Secondary research; Bain & Company

Sector deep dive—financial services: 25% growth in sector deal value over 2023 to 2024, driven by affordable housing finance/LAP, wealth/asset management firms

Financial services deals grew at ~25%, exits surged ~50% over 2023–24

Financial services deals by sub-segment (in $ billion)



	2022	2023	2024
Exits ($ billion)	~5	~4.8	~7.3

Top FS Deals (2024)	NSE	Shriram Housing	Vastu Housing	Aavas Financiers	DMI Finance
Deal Value	$700M	$557M	$500M	$408M	$334M

Key drivers of deal activity in 2024

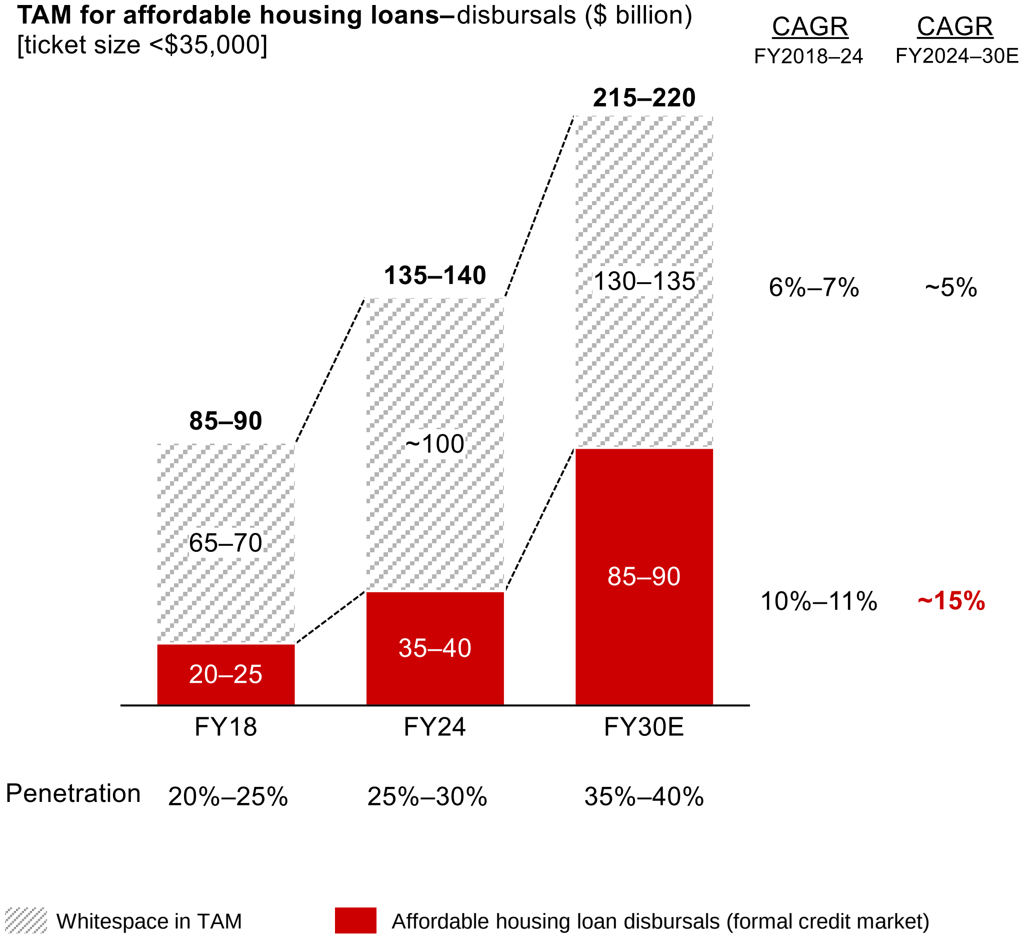
	Drivers for 2024 deal activity	2025 Outlook	Scale assets[1]
NBFC	• Deal activity in NBFCs segment primarily fueled by affordable housing finance and LAP assets – Fourteen deals (seven $100M+ deals) in affordable housing finance/LAP NBFCs (e.g., Shriram Housing Finance [~$550M], Aavas [~$408M], Indostar [~$210M]) – Key drivers include steady growth in urbanization and nuclearization, especially in traditionally credit-constrained low-income segments and geographies (Tier 2+), favorable government policies and growing investments in real estate.	Strong deal activity expected in affordable housing/LAP NBFCs	Motilal Oswal Home Manappuram Home Finance Home First
Wealth/ asset mgmt.	• Demonstrated track record of high returns, penetration in newer cities beyond Tier 1, and increasing risk appetite of investors for diversified investments drove deal activity in wealth and asset management companies – Top deals in 2024 include NSE (~$700M), Neo Wealth Management (~$50M).	Driven by investors diversifying asset allocation, growing risk appetite and penetration beyond Tier 1 cities	Sanctum Wealth Avendus Wealth Neo White Oak
Banking	• Private banking witnessed muted deal activity over last two years, primarily driven by muted growth, high interest rates, and consumption slowdown.	Moderate outlook driven by limited attractive assets	
Insurance	• Insurance deal volume increased ~2x in 2024, with resurgent interest in this segment driven by easing regulations enabling PE funds to directly invest in insurance companies, increasing digitization of policies, and low insurance penetration (~4% in India vs. ~7% globally).	Moderate to strong outlook driven by easing regulations for PE funds to invest directly	Shriram General

Legend: Strong outlook | Moderate outlook | Negative outlook

Notes: (1) Select examples (not exhaustive); LAP = loan against property; NBFC = non-banking financial company | Source: Bain & Company

Financial services deep dive—affordable housing: Investment growth driven by growing urbanization, RE investments, and government initiatives

Formal credit affordable housing market expected to grow at ~15%



Future outlook: Key drivers

Urbanization	• **Steady urbanization and "nuclearization"** are driving higher demand for urban residential units; share of urban population to increase from ~33% to ~40% over 2016–30. • **Lower-middle income households in India are set to rise over the next five years** as more than 15 million households are expected to get added in this segment. • **Tier 2+ markets have been urbanizing** at the same rate as metro/Tier 1 geographies; 65% urban households are in Tier 2+ markets. • Historically **credit-constrained segments like low-income groups are boosting demand for AHF** (~95% housing shortfall in urban geographies affecting low-income groups).
Government initiatives	• **Government schemes like PMAY, CLSS, tax subsidies have boosted affordable housing demand** with ~$24 billion funds committed under PMAY-Urban scheme until July 2024. • **Supply-side measures, including tax relief and state schemes,** helped bridge the housing shortfall (e.g., ~100% tax subsidy on profit earned from sale of affordable housing).
Growing RE investments	• **Post-pandemic, Indian households are investing more in RE** due to lower loan rates and rising returns; share of RE in household savings in India increasing from ~53% to ~77% over 2016–23. • **Growing propensity for mortgages in India with trend likely to continue**, given significant headroom vs. other economies

Scale AHF/LAP assets[1]

Motilal Oswal Home	**Manappuram Home Finance**	**Aadhar Housing Finance**	**Centrum Housing Finance**	**Five Star Business Finance**	**Home First Finance**

Notes: (1) Select examples (not exhaustive); AHF = affordable housing finance; PMAY = Pradhan Mantri Awas Yojana; CLSS = credit-linked subsidy scheme; LAP = loan against property; TAM = total addressable market; RE = real estate | Sources: Experian; RBI; PRICE surveys; Market participant interviews; Secondary research; Bain & Company

Financial services deep dive—affordable housing finance: There are multiple levers that high-performing AHFCs use to unlock further value

NON-EXHAUSTIVE

RoA improvement levers

1 Loan yield optimization
Where to play *(to keep credit costs under control)*

a Refining customer and industry mix
- Salaried vs. self-employed
- Existing to credit vs. new to credit
- Low-income vs. middle-income
- Agrarian vs. merchants

b Branch location strategy
- Tier 3 vs. Tier 1 and Tier 2
- Region mix—North, South, East, West
- District and sub district selection

c Diversifying product mix
- Secured: micro-LAP
- Unsecured products cross-sell
- Other cross-sell
- Optimizing ATS across products and segments

2 Operating leverage enhancement
How to win *(enhancing sales force and branch level productivity while controlling operating expenses)*

a Improving salesforce productivity
- Improving sales funnel conversion
- Refining channel mix: direct sales vs. connectors vs. digital marketing
- Controlling employee attrition and improving productivity

b Branch level productivity enhancement
- Branch structure—number of employees across functions, branch targets
- Branch location strategy (micro markets)

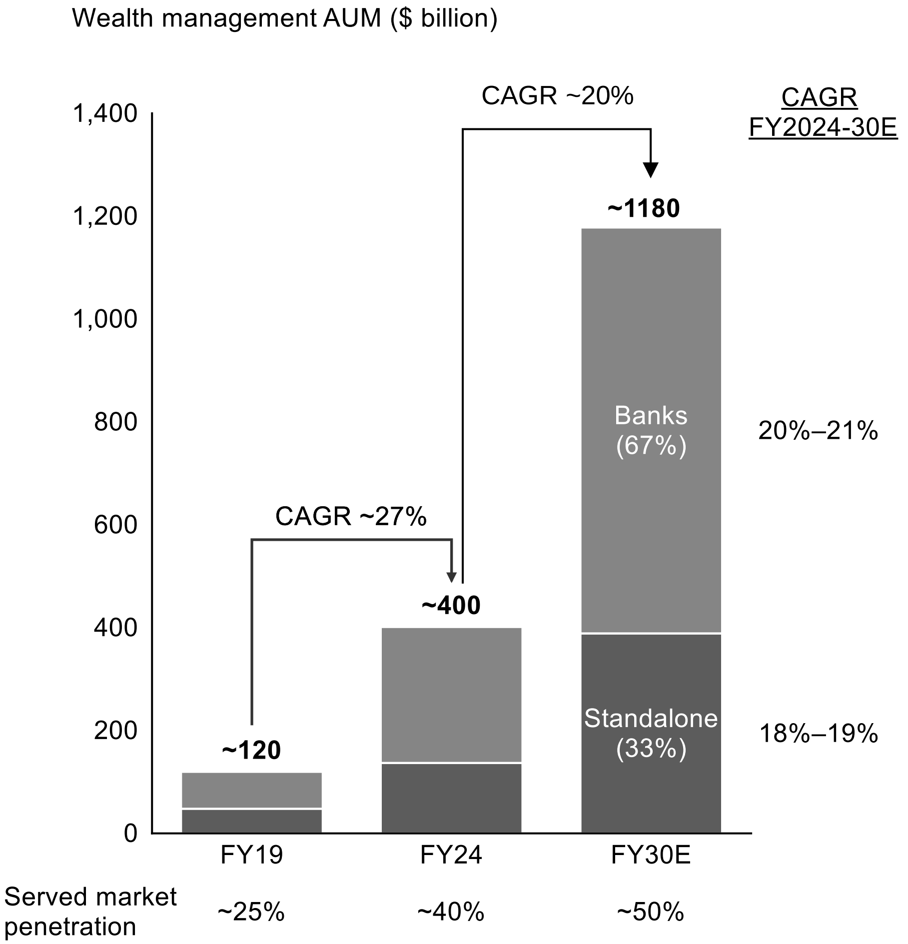
c Right operating model
- Process and policy benchmarking across sales, credit and collections
- Refining sales operating rhythm

d Technology and Analytics
- Productivity tools for sales, credit and collections
- AI/ML models for credit and collections

Notes: RoA = return on assets; ATS = average ticket size; LAP = loan against property; ML = machine learning
Source: Bain & Company

Financial services deep dive—wealth and asset management: Dedicated wealth/asset management firms drove deal activity

Strong growth trend expected in wealth management



Future outlook: Key drivers

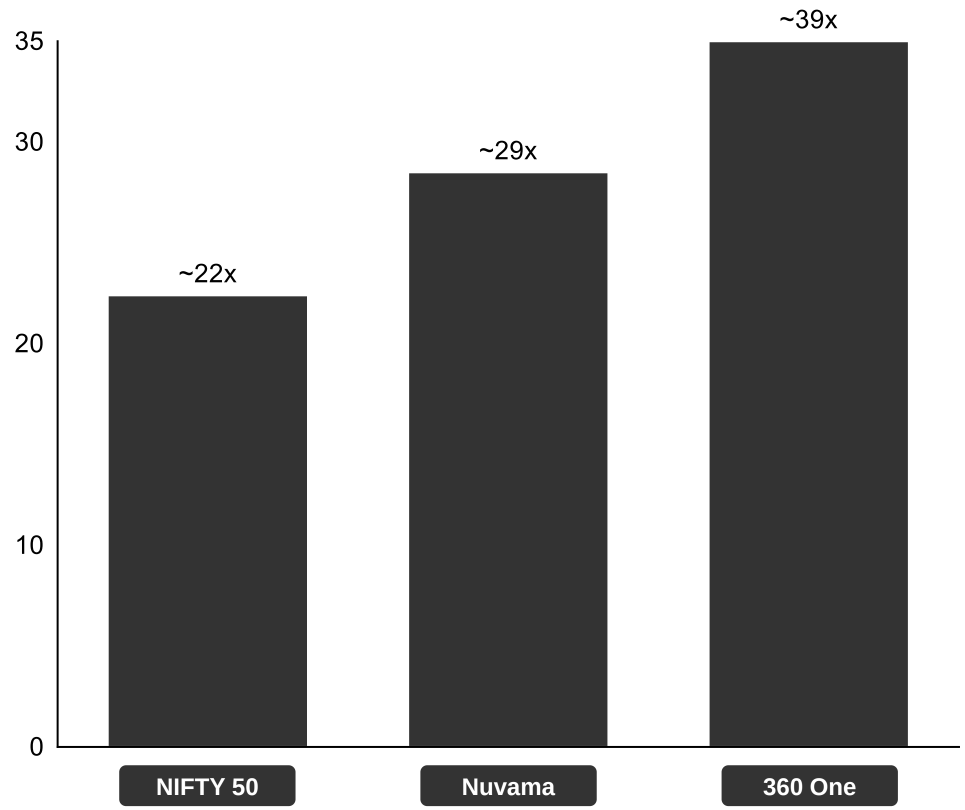
Segment	Description	Key drivers	Scale assets[1]
Banks	• Wealth management services offered to top-tier existing customers • Primarily serve mass market consumers	• Convenience of one-stop solution for all financial services (e.g., deposits, loans, securities) for existing customers • Banks can tap customers early in their evolution from affluent to HNWs basis access to TRV	
Standalone	• Includes non-bank broking entities and players focused exclusively on offering wealth and asset management services • Primarily focused on serving HNW/UHNW segment	• Exclusive access to niche products for in-house wealth customers (e.g., 360 One Asset offers exclusive products to its 360 Wealth customers) • Higher product margins and faster product innovation driven by synergies from wealth management relationship (nuanced understanding of priorities for HNW/UHNW clients) • Cater to UHNI client preference for one-stop solution for estate planning, tax optimization, investment strategy, and advisory service	Motilal Oswal Anand Rathi Nuvama Neo, ASK White Oak Sanctum Wealth Avendus Wealth
Overall wealth mgmt.	• Growing risk appetite driving demand for diversified investments and wealth planning, in-line with mature markets (75%–80% HNW/UHNW penetration in markets like US, UK) • Increasing wealth management penetration beyond Tier 1 cities: ~20% UHNW growth in top eight cities vs. ~30% in cities beyond, with players expanding offices beyond top cities (e.g., 360 One planning to expand presence from ~30 cities currently to 42 cities over next few years)		

Notes: (1) Select examples (not exhaustive); AUM = assets under management, does not include custody and held-away assets, non-revenue generating assets for wealth management; TRV = total relationship value; HNW = high net-worth; UHNW: ultra-high net- worth; UNHI: ultra-high net-worth individual | Sources: Analyst reports; Annual reports; SEBI; CAMS; Market participant interviews; Bain & Company

Fin. services deep dive—wealth and asset mgmt.: High valuations in wealth mgmt. are driven by recurring revenues, high customer stickiness, and low regulatory risk

Wealth management players such as 360 One and Nuvama trade at 1.3–1.8x higher multiple vs. the NIFTY

P/E (TTM)



Recurring revenue model, high stickiness, and lower tech/regulatory risks drive stable earnings and higher multiples for WM firms

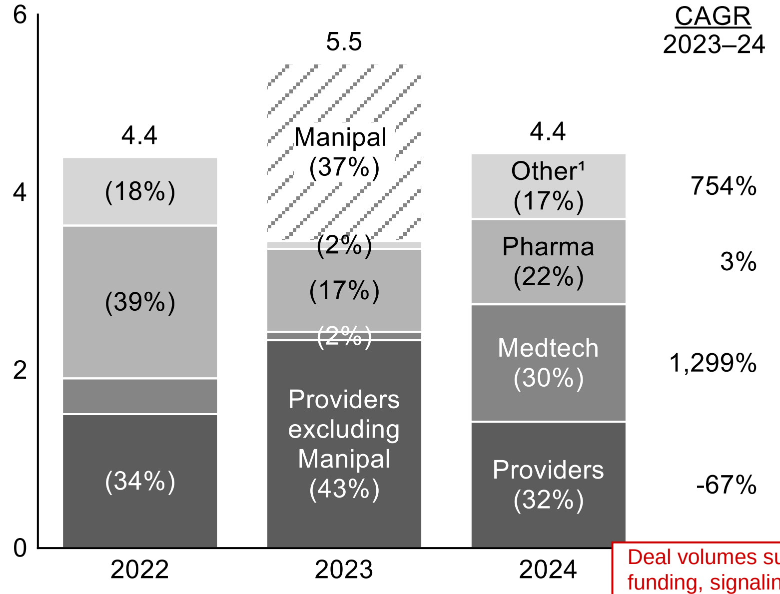
Lever	Drivers
Recurring revenue model *(not linked to market cycles)*	• Wealth management firms typically enjoy recurring and predictable income stream vs. transaction-based commissions for brokers, which are more volatile and subject to fluctuations in trading volumes and market cycles. • WM firms have moved to trail-based model (earning recurring revenue on AUM) vs. upfront commission model resulting in better earnings visibility (share of ARR increased to 50%–60% of revenue vs. 20%–30% earlier). – e.g., share of ARR for 360 One increased from ~63%1 in FY21 to ~72% in FY24[1]
High customer stickiness	• Wealth management clients (esp. HNIs and UHNIs) have higher stickiness given need for personalization and product complexity vs. brokerage firms with higher share of price sensitive clients.
Lower tech disruption risk	• Wealth management industry has lower risk of technological disruptions given need for human expertise and personal relationships vs. technology and transaction-based offerings by brokerage firms (esp. discount brokers).
Lower regulatory impact	• Wealth management firms have been relatively insulated vs. regulatory actions compared to brokerage firms (despite many regulatory actions, wealth management firms have grown topline and earnings at 20%+ L5Y).

Notes: PE ratios reflect median values based on trailing 12 months ending March 2025; (1) ARR includes fee and credit ARR; WM = wealth management; AUM = assets under management; ARR = accounting rate of return; HNI: high net-worth individual; UHNI: ultra-high net-worth individual
Sources: Analyst reports; Secondary research; Bain analysis

Sector deep dive—healthcare: Investments across medtech, providers, and pharma fueled healthcare deal activity in 2024

Healthcare deal volumes grew ~1.8x in 2024

Healthcare PE-VC investments in India (split by subsectors, $ billion)



	2022	2023	2024
Healthcare deal volume	124	65	116

Deal volumes surged as more small assets raised funding, signaling a deeper healthcare PE market.

83% provider deals in 2024 were in <500 crore assets vs. 57% in 2023; 67% pharma deals in 2024 were in <500 crore assets vs. 56% in 2023

Top healthcare deals (2024)	Healthium	Manipal	Appasamy	Baby Memorial Hospital	Apollo 247
Deal Value	$840M	$384M	$300M	$300M	$297M

	Drivers for 2024 deal activity	2025 Outlook	Scale assets[2]
Pharma	• Pharma deal activity fueled by funding in domestic formulations players (e.g., Cipla, Inventia, Wockhardt) and in CDMOs such as Maiva, Orbicular – Domestic formulations growth driven by strong Indian pharmaceutical market and increasing exports to RoW – CDMO driven by India's increasing prowess in innovator work with strong development and manufacturing capabilities	Strong outlook for domestic formulation players and CDMOs across injectables, topicals	Gland Encube Sagent Zenex OmniActive
Medtech	• Growth fueled by medtech companies across consumables and higher-end devices like cardio opening exports markets, thereby driving bigger addressable market, and potential for platform play • Strong government and regulatory support (e.g., PLI 2.0 scheme for in vitro diagnostics) driving shift toward domestic manufacturing	To be driven by cardiology, POCT within IVD consumables	Relisys SMT Meril Transasia
Providers	• Within providers, single-specialty hospitals deal momentum continued (100% growth in deal volumes) while regional chains also witnessed increased investor interest. – Single spec: Emergence of scale assets across under penetrated categories such as eyecare, oncology, IVF, and attractive business profiles fueled deal activity. – Regional chains leveraging expertise in Tier 1 to serve secondary/tertiary centers in Tier 2/Tier 3, especially for clinically less complex cases; further, significant supply-demand gaps in non-metro cities driving attractiveness of regional hospitals operating in these cities	To be driven by regional players and small mother and childcare hospitals	Sahyadri Birla Fertility and IVF Surya

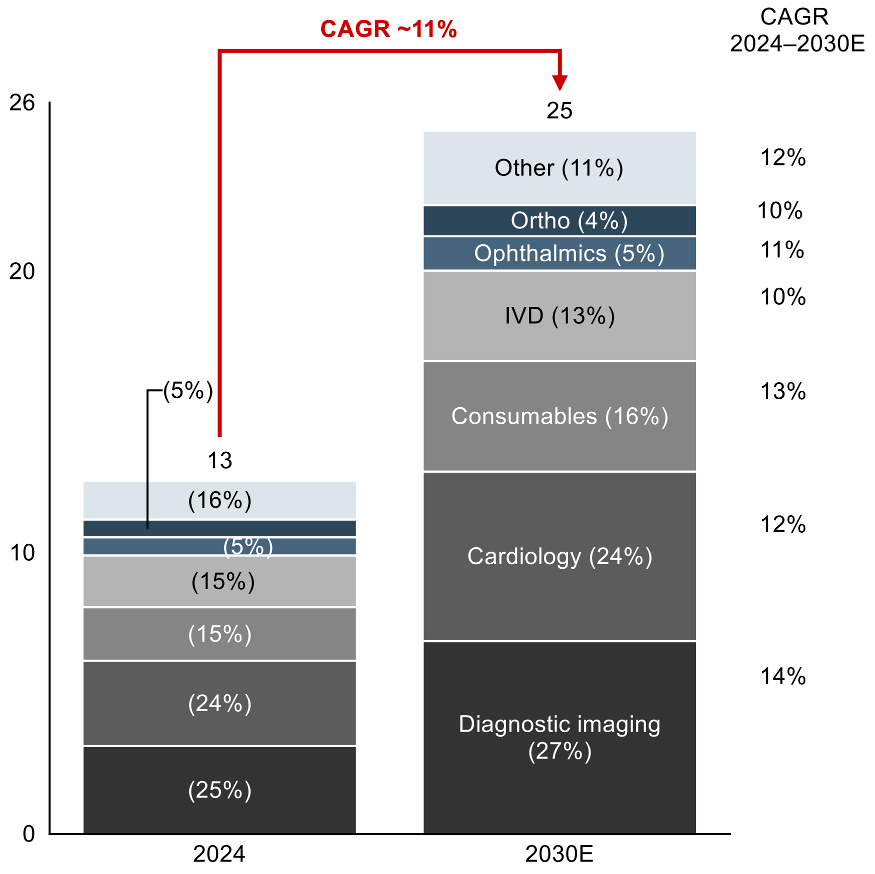
Legend: Strong outlook Moderate outlook Negative outlook

Notes: (1) Other includes out-of-hospital formats, health tech firms, pharmacy retailers; (2) Select examples (non-exhaustive); RoW = rest of world; CDMO = contract development and manufacturing organization; POCT = point-of-care testing; PLI = production-linked incentive | Source: Bain & Company

Healthcare deep dive—medtech: Growth to be primarily driven by diagnostic imaging, cardiology, and consumables segments

Market outlook

India medtech consumption market ($ billion)



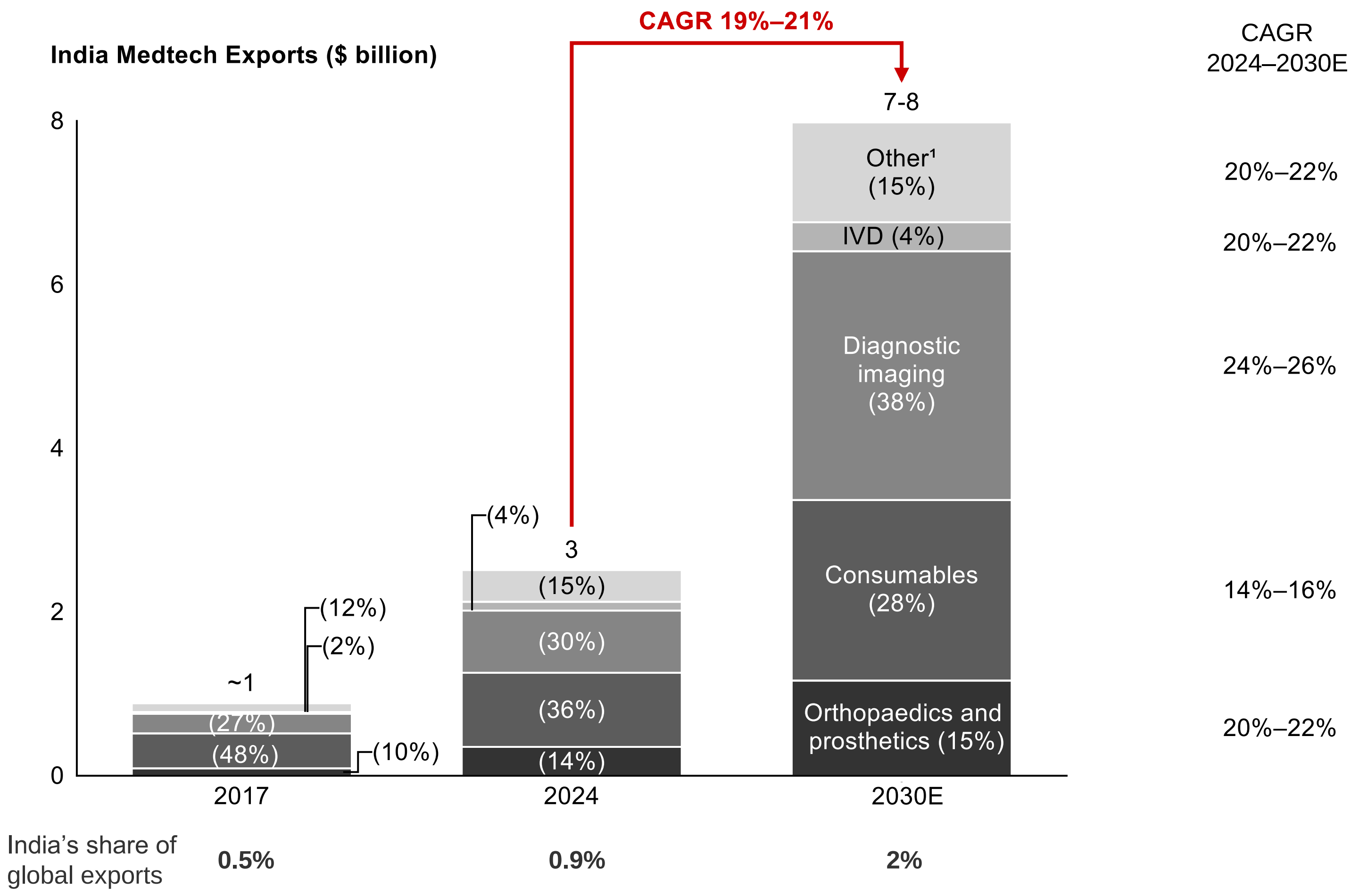
Future outlook: Key drivers

	Key growth drivers	Scale assets[1]
Diagnostic imaging	• Strong growth outlook driven by a) increased incidence of chronic conditions in geriatric populations (e.g., osteoporosis) and b) tech evolution (e.g., hybrid imaging techniques for tumor characterization)	Allengers Trivitron
Cardiology	• **Increasing innovation** including development of customized implants, minimally invasive techniques (e.g., players like SMT specifically manufacture minimally invasive cardiovascular implants), and biocompatible materials	SMT Meril Relisys
Consum-ables	• Low per capita spending with high growth potential driven by a) rising disposable incomes and b) increasing awareness of more advanced products such as absorbable sutures, user-friendly smart syringes	HMD Narang
In vitro diagnostics	• Increasing shift toward point-of-care testing (POCT) bringing diagnostic testing closer to the patient, offering faster and more efficient healthcare delivery • Indian players to outpace MNCs amid rising demand for smaller labs, as they produce tailored equipment with low-throughput solutions and flexible rental models	Transasia Agappe
Ophthalmic	• Increase in eye disorders (e.g., diabatic retinopathy, cataracts), greater affordability and insurance penetration, technological developments (e.g., less invasive surgeries), and regulatory support (e.g., three-year plan to clear cataract backlog)	Aeon Omni
Orthopedics	• High growth in ortho implants, braces, mobility aids, etc., to be driven by increasing population and sedentary lifestyle, greater affordability and insurance penetration, increasing demand for surgeries especially by returning NRIs, and growing technological developments (e.g., smoother implants, less invasive surgeries)	OrMed EndoLife

Notes: (1) Select examples (non-exhaustive); IVD = in vitro diagnostics; NRI = non-resident Indian; MNC = multinational company
Sources: Fitch; WHO; Secondary research; Bain & Company

Healthcare deep dive—medtech exports: $7–$8B medtech export opportunity by 2030 driven by strong government impetus and increasing localization by top MNCs

India's medtech exports expected to grow at ~20% to reach 2% of global exports



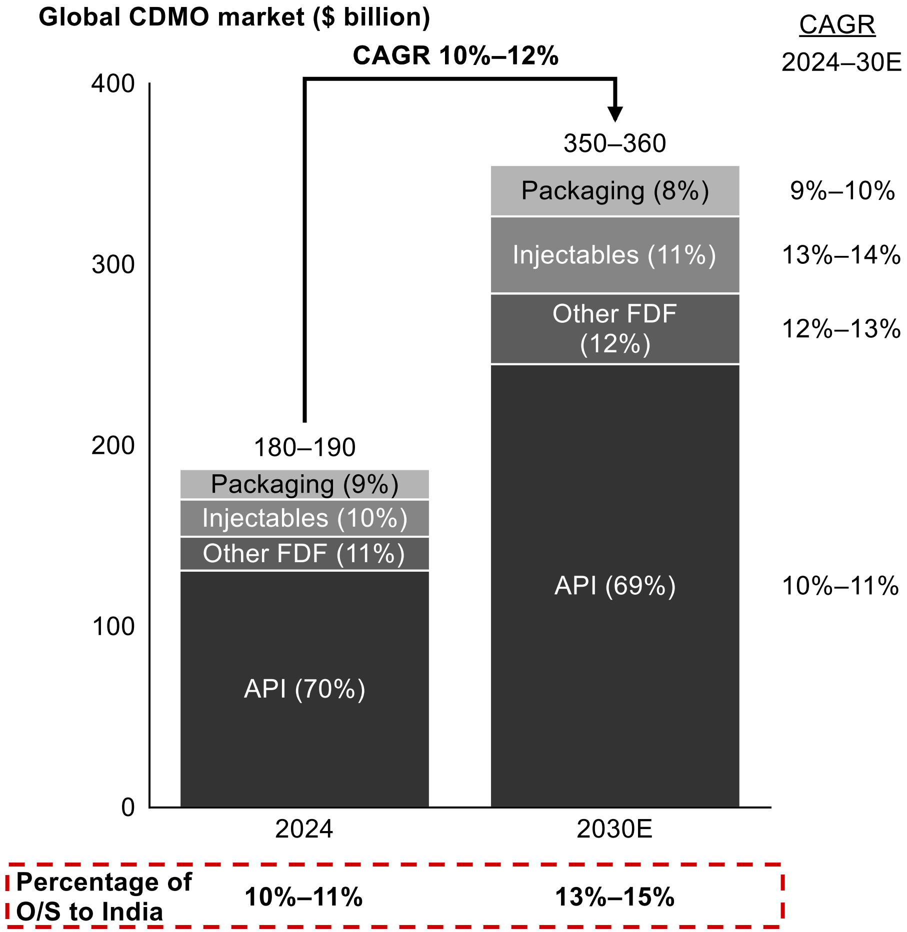
Exports growth to be driven by diagnostic imaging, consumables, orthopedics, and IVD

- **Strong medtech export growth** to be driven by increasing demand due to:
  - Healthcare penetration in emerging markets such as Southeast Asia, Africa, and Latin American regions
  - Increasing acceptance of Indian medical devices in Europe driven by improved quality standardization and pricing pressures
- **Accelerated 24%–26% growth in diagnostic imaging** to driven by MNC capacity expansion and production-linked incentives
- **Pricing pressure to stagnate consumables growth** to 14%–16%; orthopedics to experience organic growth 20%–22%
- **New segments in cardiology** (wearables) and **in vitro diagnostics** (home testing kits) to ensure steady growth of 20%–22%

Notes: (1) Others includes cardiology, dental, and ophthalmic; IVD = in vitro diagnostics
Sources: Trademap; Secondary research; Market participant interviews; Bain & Company

Healthcare deep dive—CDMO: Robust growth in global CDMO market with India expected to continue gaining share

Market outlook



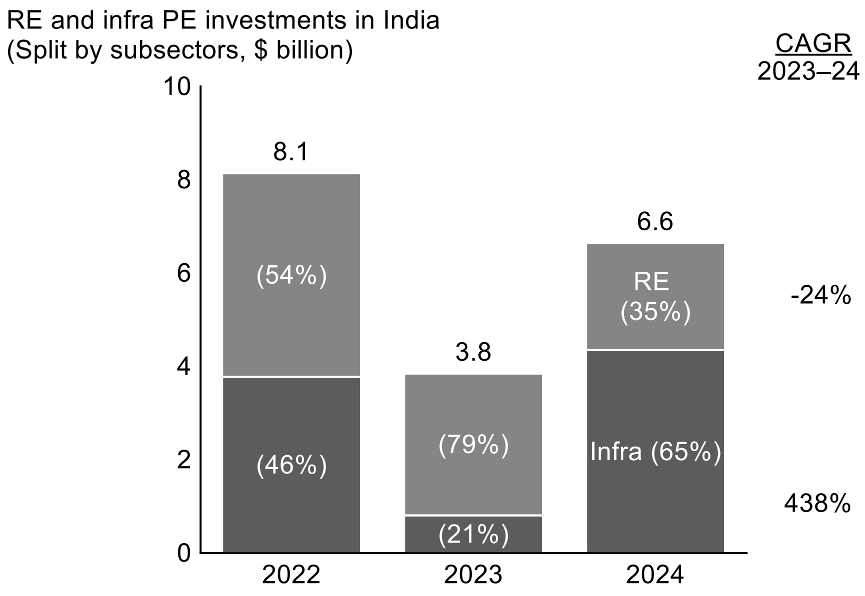
Future outlook: Key drivers

Segment	Key growth drivers	Scale assets[1]
Injectables	• **Injectables share in CDMO expected to increase given:** – High demand growth for injectables (due to higher number of patent expiries, new product development) – Higher outsourcing given demand outpacing supply due to need for high capex and advanced tech, especially for complex drugs, capacity constraints for existing players, rise of virtual pharma companies – Higher margins for injectables vs. other drug types creating suitable opportunity for CDMO players	Gland Pharma Steriscience Nitin Lifesciences
Other FDF (Topicals, Ophthalmic, Solids, etc.)	• **FDF CDMO other than injectables expected to grow at 12%–13% p.a.** over 2024–30 globally driven by increasing complexity of drug formulations amidst rise of topicals and ophthalmic, and higher adoption of self-administrated drugs. • **Topicals outsourcing to CDMOs** is expected to remain strong, driven by: – Need to optimize costs by outsourcing high-volume production vs. investing in in-house capabilities – Access to specialized formulation expertise, particularly for complex emulsions, suspensions – Growing prevalence of chronic skin conditions (e.g., eczema, psoriasis, acne) and musculoskeletal disorders leading to increased demand – Consumer shift toward non-invasive, patient-friendly therapies increasing demand for transdermal and extended-release formulations	Encube Ethicals OneSource[2]
API	• **API CDMO growth to be driven by:** – Several drugs going off-patent by 2028 (e.g., Keytruda, Xarelto, Ibrance) – Regulatory actions (e.g., Inflation Reduction Act in the US) exerting downward pressure on healthcare costs, driving increased API manufacturing outsourcing to CDMOs	Divis Sai Lifesciences

Notes: Market size includes Clinical Research Organizations (CROs); (1) Select examples (non-exhaustive); (2) Previously called Stelis Biopharma; FDF = final dosage form; API = active pharmaceutical ingredient; CDMO = contract development and manufacturing organization; O/S = outsourced | Sources: Market participant interviews; Mordor Intelligence; Bain & Company

Sector deep dive—Real estate and infrastructure investments surged by ~70%, led by ATC megadeal, and strong deal activity in residential RE and roads infra

RE and infra funding grew by ~70%



RE and infra PE deal volume	37	15	32

Top deals RE & infra (2024)	ATC India	Reliance Infra	Highways Infra	Lodha	Ashoka Buildcon
Deal value	$2.2B	$452M	$438M	$398M	$272M

Key drivers of deal activity in 2024

Segment	Drivers	2025 Outlook	Scale assets[1]
Real Estate	• RE deal volumes grew ~2x (21 in 2024 vs. 10 in 2023), led by surge in residential deals (10 in 2024 vs. 1 in 2023). • Residential deal activity driven by post-Covid boom, strong traction in the premium segment (e.g., Prestige Estates Project, DB Realty) and increasing demand for bigger spaces	Moderate outlook in residential, strong outlook in warehousing and commercial real estate	South City Projects RMZ Welspun One Kolte Patil
Infrastructure	• Infrastructure deal value grew ~5x over 2023–24, led by $2.2 billion funding in ATC and strong deal activity in roads infrastructure projects. – ATC sold its Indian operations to DIT (Brookfield affiliate) to streamline its portfolio and reduce debt. DIT's acquisition of 76,000 towers expanded its footprint to 257,000 sites, making it India's largest telecom infra provider. – Continued government focus on transforming India's roadways via expansion of national highway network (~60% growth in 10 years over 2014–24) and 500% increase in road transport and highway budget allocation along with success of PPP model has fueled deal activity in roads infrastructure	Moderate to strong outlook driven by government initiatives	

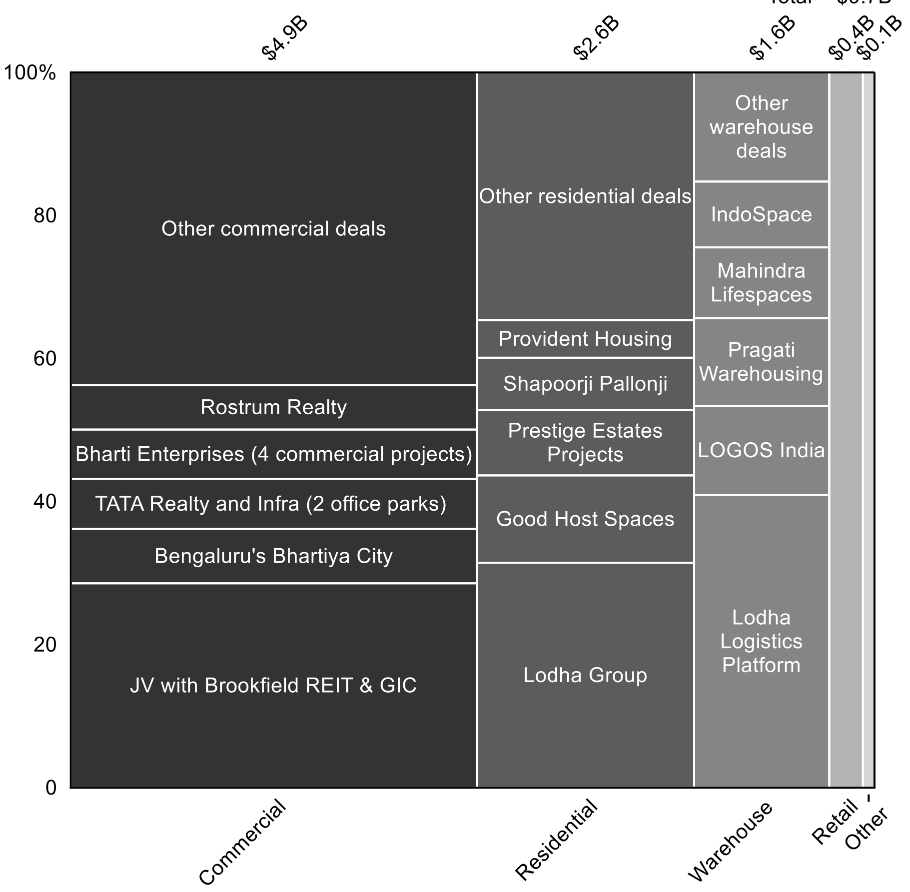
Legend: Strong outlook · Moderate outlook · Negative outlook

Notes: (1) Select examples (non-exhaustive); PPP = public-private partnership; RE = real estate
Source: Bain & Company

Real estate deep dive: Continued momentum in commercial, residential, warehousing sectors, and cheaper capital driven by interest rate cuts to drive RE deal activity

Commercial segment accounted for ~50% of real estate funding over 2022 to 2024

Real estate deal value by segments and top deals (2022–24)



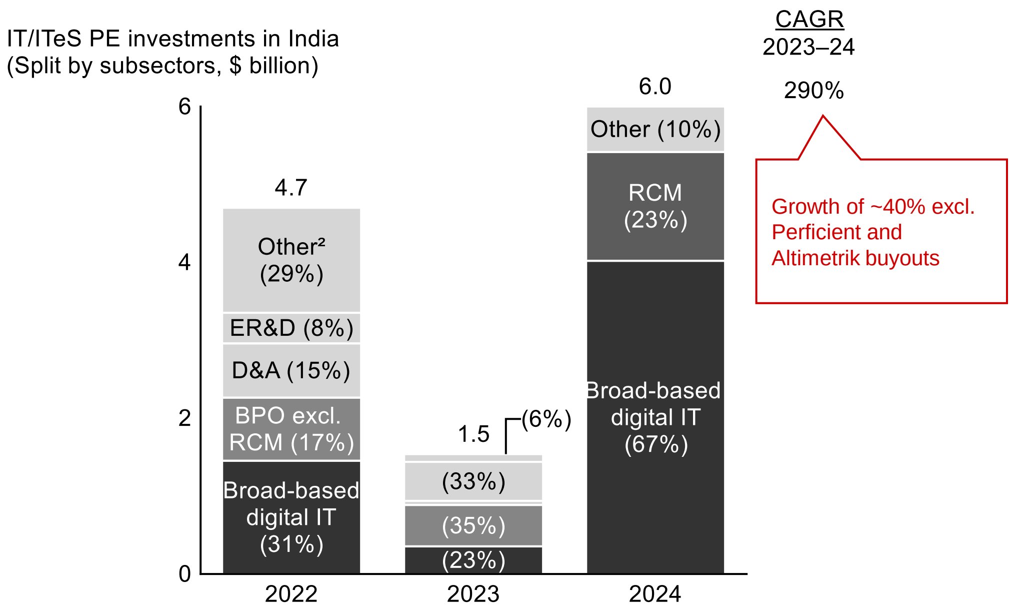
Future outlook: Key drivers

Segments	Deals (2024)	Key growth drivers	Scale assets[1]
Commercial	~$0.3B (N=4)	• Lucrative segment for investment due to availability of attractive assets, stable cash flows for funds post takeover from developers, and positive demand outlook • Continued demand for office spaces from tenants across global capability centers (GCCs), start-ups, and Indian MNCs and emerging demand from data centers to accelerate growth – Number of GCCs increased from ~1,750 to ~1,950 over 2019–24; expected to increase to ~2,550 by 2030 – Data center demand driven by increasing adoption of cloud computing, expansion of AI, big data, etc.; data center stock expected to grow at 21% CAGR to 3400 MW IT by 2030	Candor TechSpace Global Tech Park RMZ
Residential	~$1.2B (N=10)	• Residential sector saw resurgence post-Covid driven by higher income levels, need for bigger spaces and growing share of luxury housing (INR 10M+) in overall residential sales (16% in 2018 vs. 34% in 2023 in top 8 cities)	MyHome Kolte Patil
Warehouse	~$0.3B (N=2)	• High growth potential (area under warehousing expected to grow at 7%–8% CAGR going forward) driven by: – Rising demand from 3PL2 services with initiatives like PLIs, National Logistics Policy, Bharatmala – Rise of QCom, driving development of strategically located warehouses – Movement of global manufacturers' production to India (e.g., Apple, Samsung, Foxconn) – Attractive return profile (gross IRR of 15%–17% in $ for select cities) and scale players (e.g., Lodha, Hiranandani) entering warehouse space due to rising demand and traction – Limited approval and construction risk exposure given assets are typically in outskirts of cities	Embassy Industrial Parks Lodha Industrial and Logistics Welspun One
Retail	~$0.3B (N=2)	• Restricted growth in transactions in the retail sector (1–2 deals each year since 2022) driven by uncertainty regarding demand from end-use segments (e.g., F&B, shopping) in the face of rise in Ecom and Qcom, looming fear of "ghost malls," high vacancy rates, lack of infrastructure and connectivity to facilitate development, and limited grade-A assets	Inorbit South City Projects

Notes: (1) Select examples (non-exhaustive); (2) Third-party logistics; PLI = production-linked incentive
Sources: Market participant interviews; Mordor Intelligence; Bain & Company

Sector deep dive—IT/ITeS investments grew with large buyouts in digital IT, RCM

IT/ITeS deal values grew by ~4x vs. 2023



	2022	2023	2024
IT/ITeS PE deal volume	445	37	143

Top deals IT/ITeS (2024)	Perficient	Altimetrik	GeBBS	Vee Healthtek	IBus
Deal value	$3B	$900M	$865M	$250M	$200M

Key drivers of deal activity in 2024

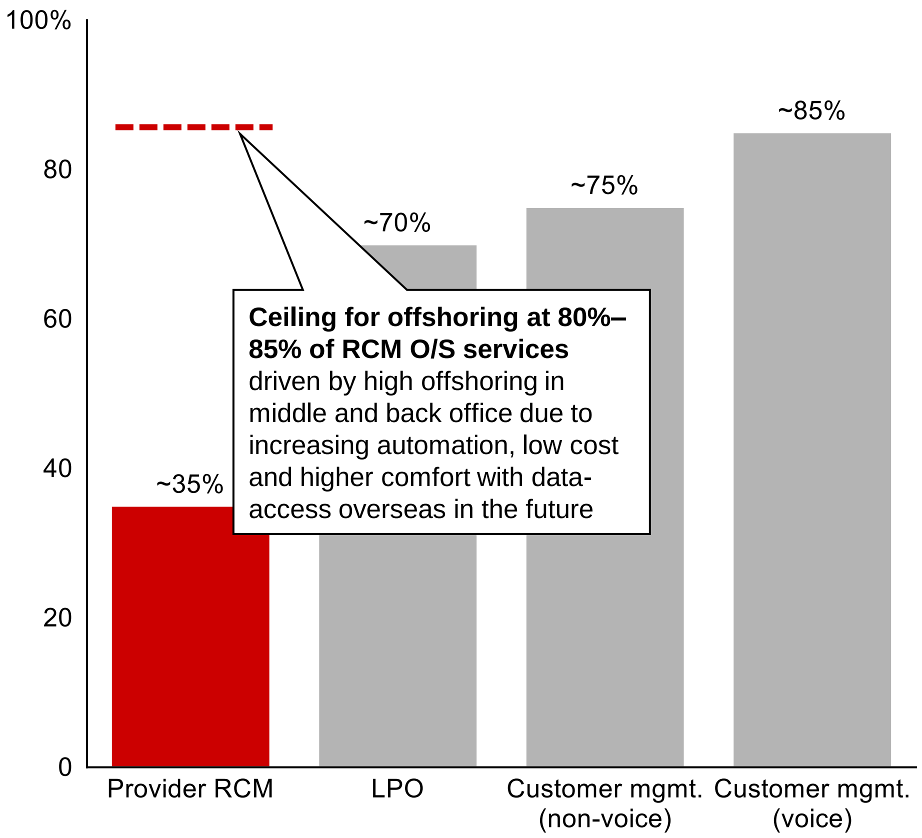
Segment	Drivers
Broad-based digital IT	• Deal value growth in broad-based digital IT driven by large deals for Perficient (~$3 billion) and Altimetrik (~$900 million) • Deal activity underpinned by large global market witnessing strong growth in key service lines like digital product engineering, data and analytics, and cloud migration
RCM BPOs	• Revenue cycle management (RCM) witnessed multiple investments in 2024 with large deals[1] for GeBBs (~$865 million), Vee (~$250 million), and Infinx (~$150 million) given large and fast-growing outsourcing and offshoring opportunity. • Impact of generative AI moderated by underlying complexities in the RCM value chain that require continued manual intervention
BPOs excluding RCM	• No large BPO deals in 2024 given potential generative AI disruptions creating uncertainty about future growth outlook for businesses

Notes: (1) Large deals defined as >$100 million; (2) Other includes traditional IT, infra IT services, IT consulting; BPO = business process outsourcing; ER&D = engineering research and development; D&A = data and analytics
Source: Bain & Company

IT/ITeS deep dive—provider RCM: Indian RCM players to benefit from significant headroom for growth in offshoring

RCM offshoring has significant headroom

Global offshoring penetration by BPO service line (percentage)



Offshoring to further increase in India due to high quality of services and staff

Lever	Drivers
Drivers for outsourcing	• Outsourcing in RCM is used to capitalize on cost savings from scale, gain access to external expertise, and maintain flexibility to scale operations with demand. RCM O/S is expected to grow driven by: – Low ability of providers to source talent, further impacted by domestic labor shortages, wage inflation and growing acceptance of working from home – Preference to use third-party vendors for expertise given complex nature of RCM operations and the advantage of outsourced capabilities, enabling them to concentrate on core healthcare services
Drivers for offshoring	• Offshoring is used to leverage cost advantage and skilled talent; however, lower offshoring in RCM services vs. most other service lines (~35% vs. 65%–85% for others) due to: – Data security and privacy concerns of providers—RCM services deal with sensitive patient information that require compliance with regulations – Process complexity such as medical billing, coding, patient collections that require specialized knowledge of the healthcare industry
Preference for India	• India is one of the most preferred locations for offshoring driven by: – Best in class quality for RCM services (e.g., coding quality is seen as superior to onshore, other offshore destinations) – Deep pool of medical graduates in Tier 2/3 cities where there is a further labor cost advantage
Future growth outlook	• RCM services offshoring is expected to grow in the future driven by: – Increasing onshore sales and marketing investments by offshore-focused RCM BPO vendors to drive higher percentage of direct – Increasing familiarity and comfort of providers with offshore providers, based on exposure to offshore vendors through billing companies/MSPs, growing pressure on margins and offshore vendors' reputation for faster ramp-up, responsive account teams

Notes: LPO = legal process outsourcing; MSP = managed service providers; RCM = revenue cycle management; BPO = business process outsourcing
Sources: Market participant interviews; Secondary research; Bain analysis

4 Fund-raising: India remains center stage within Asia-Pacific

Fund-raising: India remains center stage within Asia-Pacific

- **India remains a priority market for PE and VC fund-raising**, with domestic and global investors accelerating capital commitments.
- **However, intensifying competition**, marked by a 60%–65% increase in funds active in India since 2016, **and heightened LP expectations** for performance will require funds to demonstrate strong track records to secure commitments.
- **Looking ahead, India is expected to maintain its position as a key investment destination.** Robust GDP growth, macroeconomic stability, and policy continuity drive sustained capital flows, as evidenced by ~87% of the top 30 global funds being active investors in India.

Source: Bain & Company

Fund-raising: Domestic GPs are closing record fund-raises while global funds are increasing capital allocation to India

Domestic GPs are raising record funds

$2,100M[1]
ChrysCapital Fund
India's largest ever domestic PE fund-raise

$1,730M
Kedaara Capital Fund IV
Kedaara's largest ever fund-raise

$964M
Edelweiss Infrastructure Yield Plus Fund II
One of the largest infra-focused fund-raise

$700M
ChrysCapital Continuation Fund
India's largest ever continuation fund

Global funds are accelerating capital deployment in India

Blackstone aims to double its assets under management (AUM) in India, from $50 billion currently to $100 billion in the future.

—*CNBCTV18, Mar* 2025

KKR has deployed ~$11 billion in India over almost two decades … the firm will deploy its next $10 billion in the country at a faster clip than before.

—*Bloomberg News*, Apr 2024

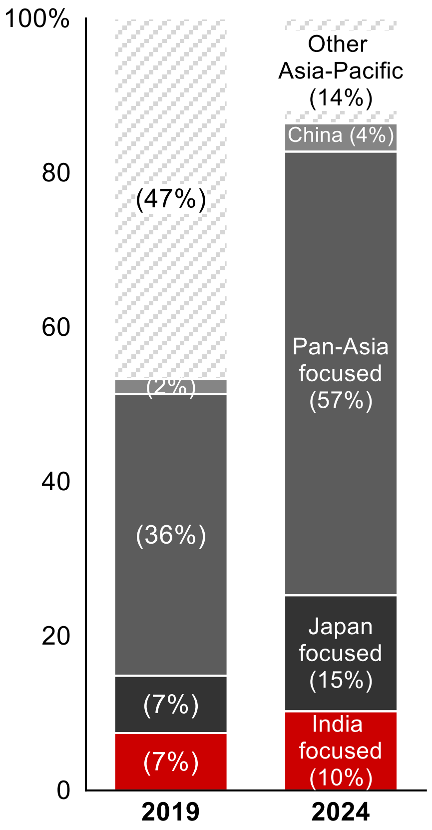
Temasek is keen on growing its portfolio of ~$40 billion [in India] by an additional $10 billion over the next three years.

—*The Economic Times*, Jan 2025

The Qatar Investment Authority (QIA) plans to invest $10 billion in India and has decided to open an office here.

—*News18*, Feb 2025

Asia-Pacific-focused PE capital raised, by final close year ($ billion)

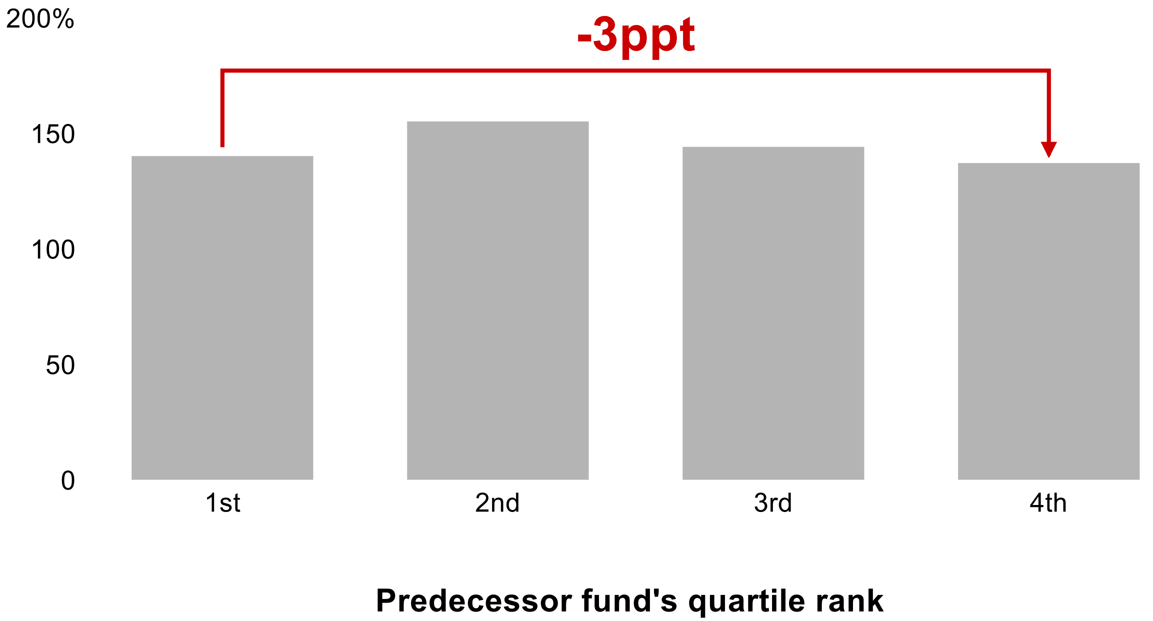


Note: (1) Closed in 2025
Sources: Preqin; Secondary research; Bain & Company

Fund-raising: However, fund-raising is becoming increasingly competitive, with LPs prioritizing past performance as one of the key drivers for investment

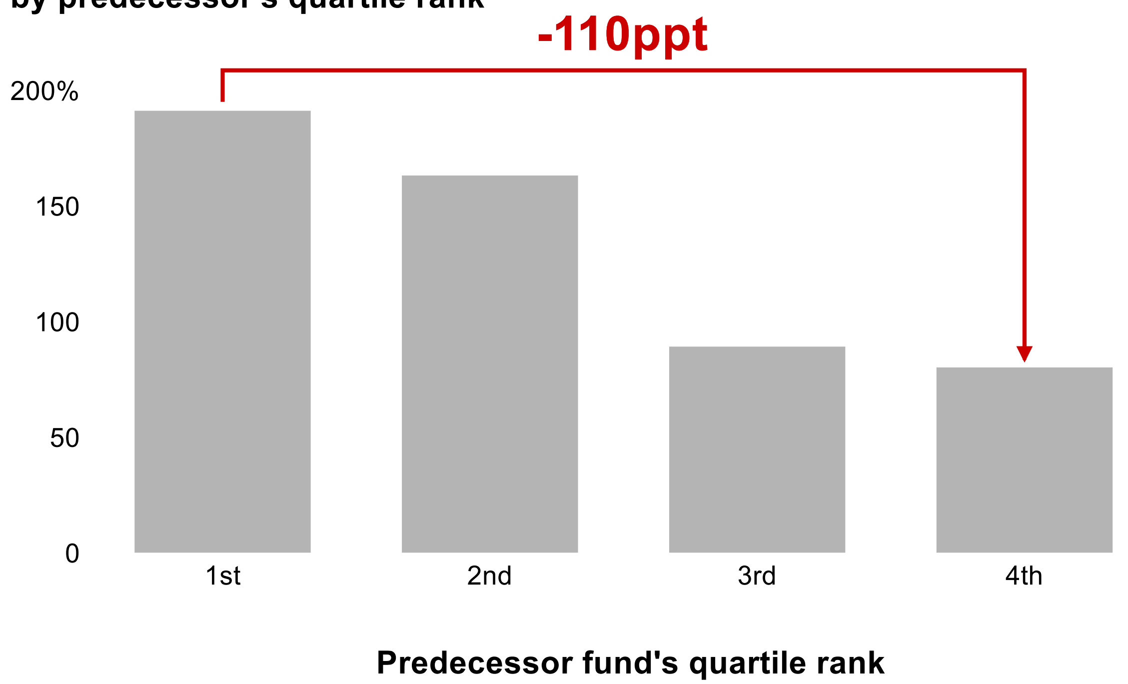
2015–19: Successor fund-raises remained independent of predecessor fund performance

Successor buyout fund size as percentage of predecessor fund size, by predecessor's quartile rank



Post-2019: Successor fund-raises of ~190% (as percentage of predecessor) for 1st quartile vs. ~80% for 4th quartile funds

Successor buyout fund size as percentage of predecessor fund size, by predecessor's quartile rank

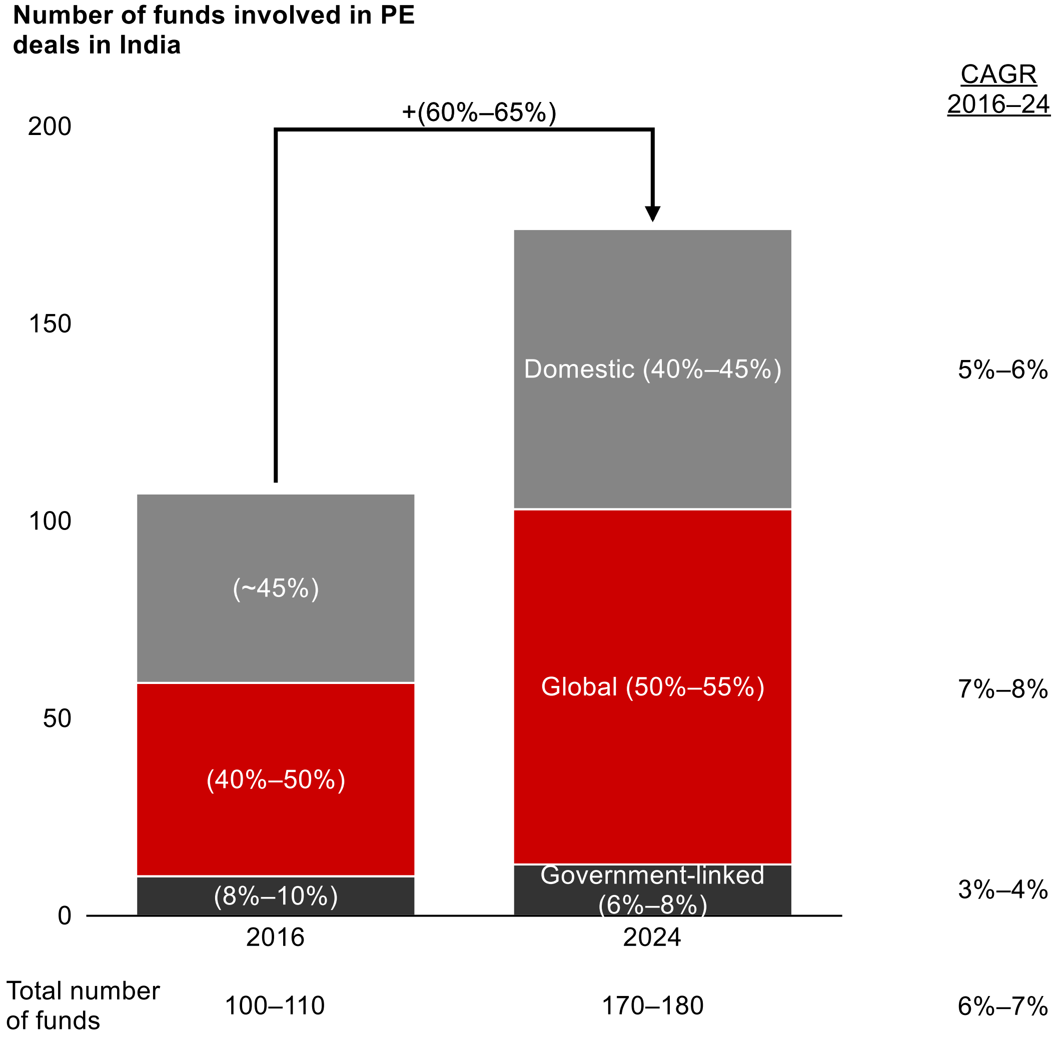


56%

of funds surveyed in India indicate LPs now demand a stronger track record, making past performance a critical factor in securing follow-on funding

Notes: Data includes India-focused funds and Asia-Pacific-focused funds with India exposure; year represents the year of final close; LP = limited partner
Sources: Preqin; Bain & Company; Bain Asia-Pacific PE survey (n=110)

Competitive landscape: The number of funds in the Indian market has increased by 60%–65% over the last eight years, led by large global and domestic funds



- The number of funds participating in India's PE ecosystem has increased by 60%–65% between 2016 and 2024, implying greater competitive intensity in the market.
- India continues to attract strong interest from global investors as a) ~90% of the top 30 funds[1] maintain an active presence; and b) salience of global funds in India's PE deals (by volume) has continued to increase over the years.
  - Business climate has been strengthened over the last 7–8 years through structural reforms such as GST (2017), Insolvency and Bankruptcy Code (2016), and Real Estate Regulation Act (2016).
  - Sectoral access for global funds has been expanded via FDI liberalization (multiple policy changes across defense, retail, insurance), attracting greater participation by global megafunds such as CDPQ, KKR, and Blackstone.
  - Accelerated digital transformation (JAM trinity, Digital India, 4G and 5G rollout) has unlocked high-growth opportunities for investors in fintech, e-commerce, and SaaS.

Notes: (1) Top 30 by assets under management; FDI = foreign direct investment
Sources: Preqin; Bain & Company

5 Exits: Public markets continue to shine

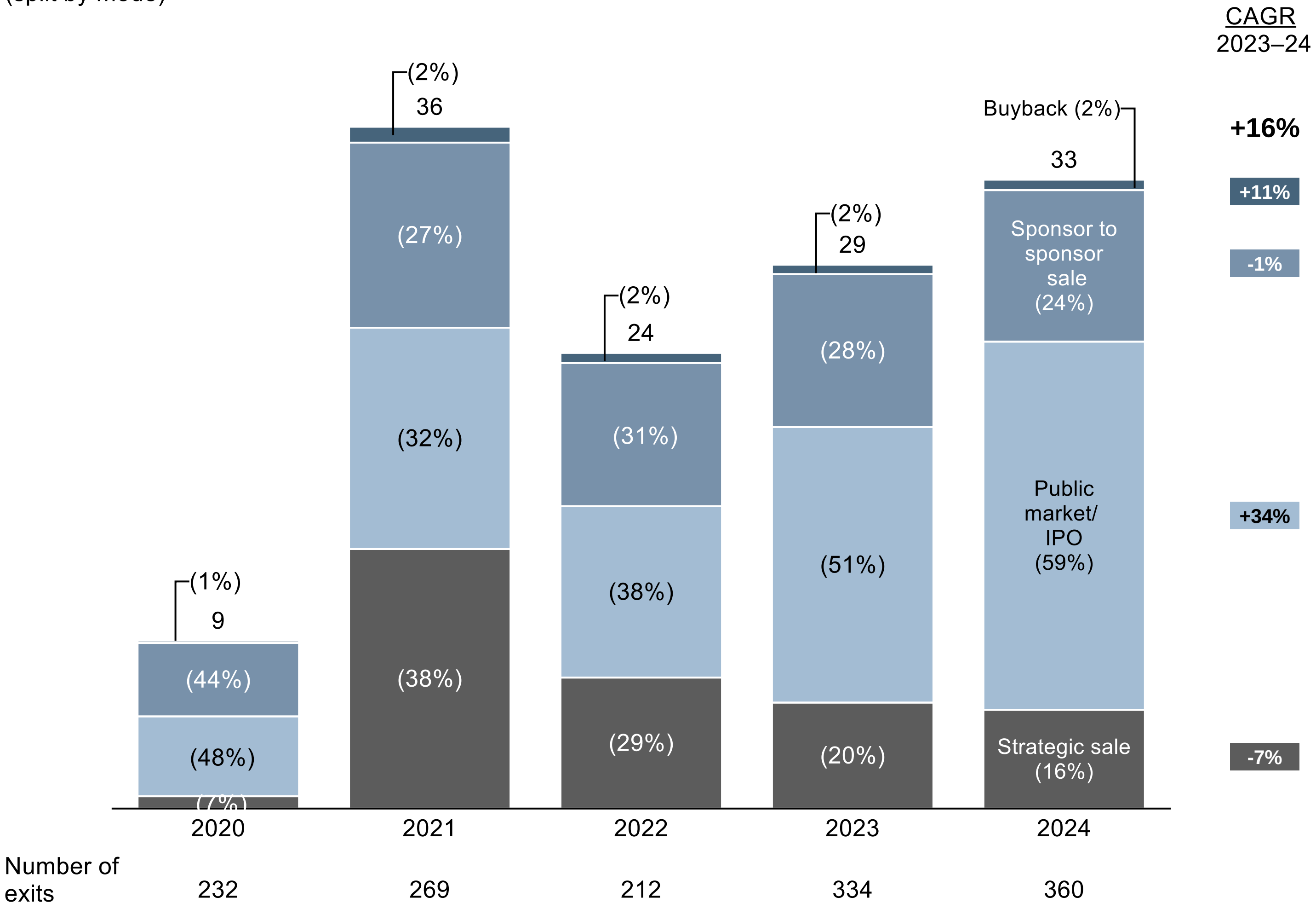
Exits: Public markets continue to shine

- **PE-VC exits jumped ~16% to ~$33 billion in 2024**, as investors increasingly turned to public markets to monetize mature positions.
- **Public market exits rose from ~51% to ~59% of total exit value,** supported by buoyant stock markets and a surge in public trades and IPO exits, which increased ~2.2x to ~$4 billion in 2024.
- **Sponsor-to-sponsor sales remained steady from 2023 to 2024,** as relatively high public market valuations had a ripple effect on private transactions.
- **The financial services, healthcare, and consumer/retail sectors led the exit landscape.** Large public market exits dominated financial services and consumer/retail, while healthcare exits were more evenly distributed across sponsor-to-sponsor, strategic, and public market sales.
- **Several major IPOs are in the pipeline** as funds look to exit aging assets and return capital to LPs. However, corrections in Indian public markets since Q4 2024 could potentially temper the IPO exit momentum.

Source: Bain & Company

Exits overview: Exits surged from $29 to $33 billion with number of exits reaching a record 360, driven by jump in public market sales ($15 to $20 billion)

PE-VC exit value in India ($ billion)
(split by mode)



Exit trends

Overall trends

Continued momentum in PE-VC exits, with ~16% growth over 2023–24 to reach $33 billion, as investors seized the opportunity to exit maturing positions with recovery in public markets

Public market sales

Public market exits continued to grow in 2024, reaching a record high of ~$20 billion, fueled by attractive public market valuations and strong domestic inflows even as foreign institutional investors pulled back

- IPO exits surged ~2.2x in value to ~$4 billion in 2024
- Non-IPO public market exits[1] grew 20% to ~$15 billion, with top exits including Trent (~$1.4 billion) by Xander and PNB Housing (~$1.3 billion) by Carlyle, General Atlantic, and others
- 100% of funds surveyed by Bain[2] in India indicated that healthier IPO and public market performance was the key driver behind successful exits in 2024

Sponsor-to-sponsor sales

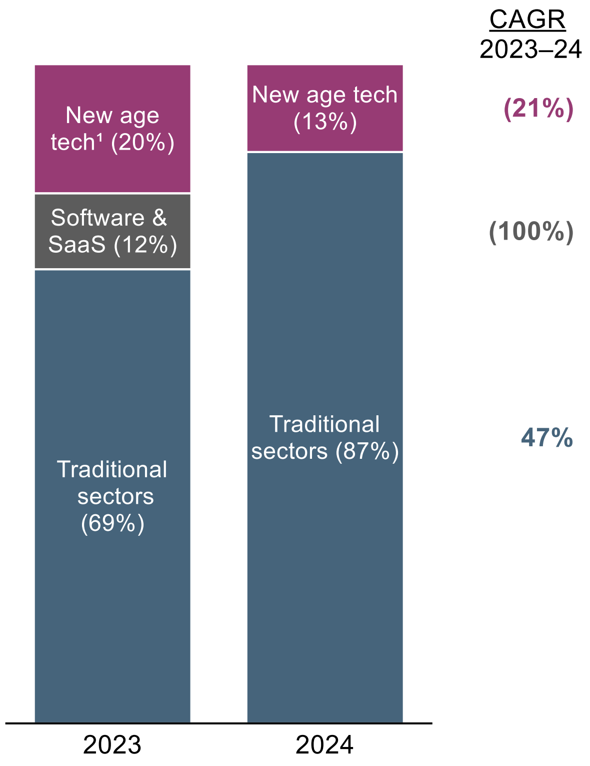
Sponsor-to-sponsor sales contracted in H1 2024 vs. H1 2023, as relatively high valuations in public markets had a knock-on effect on private transactions

Notes: Includes real estate and infrastructure exits; number of exits includes exits with undisclosed value; (1) Non-IPO public market exits include block/bulk trades; (2) Asia-Pacific PE Fund Survey; IPO = initial public offering
Sources: Bain & Company; Bain Asia-Pacific PE survey (n=110)

Exits by sector archetypes: Exits in traditional sectors soared, driven by megaexits ($1B+) such as BSV, Trent, PNB Housing, Manjushree, Vishal Mega Mart

High-value exits

Sector split of $100M+ exits



	2023	2024
$100M+ exit count	**62**	**80**

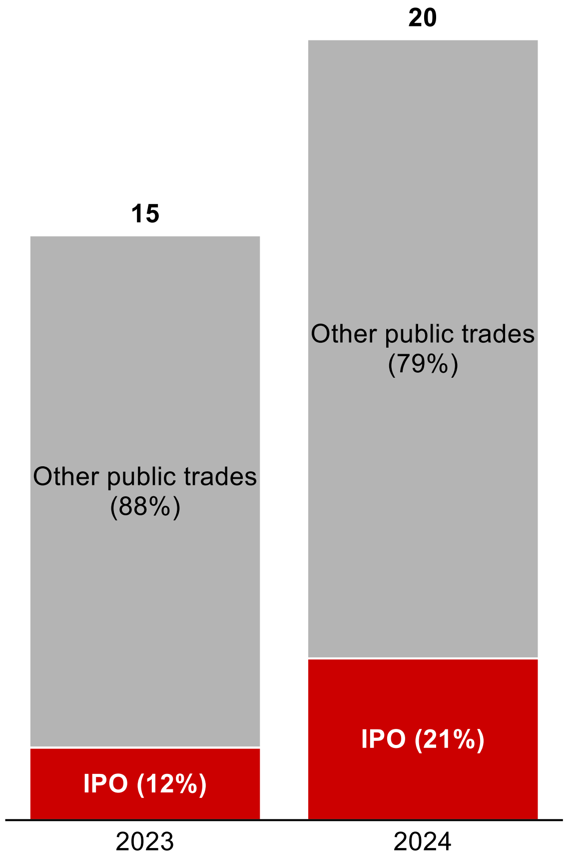
Overview of top 15 exits in 2023

Company	Sector	Lead exiting fund	Exit value	Quarter	Mode of exit (buyer)
Bharat Serum Vaccines	Healthcare	Advent International	$1.6B	Q3	Strategic sale (Mankind)
Trent	Consumer/retail	Xander Group	$1.4B	Q3, Q4	Block/bulk trade
PNB Housing	Financial services	Carlyle, General Atlantic, Asia Opp. V	$1.3B	Q1–Q4	Block/bulk trade
Manjushree	Advanced mfg.	Advent International	$1.0B	Q4	Sponsor-to-sponsor sale (PAG)
Vishal Mega Mart	Consumer/retail	Partners, Kedaara	$960M	Q4	IPO
VFS	Others	Blackstone	$950M	Q4	Sponsor-to-sponsor sale (Temasek)
Kalyan Jewellers	Consumer/retail	Warburg Pincus	$938M	Q1, Q3	Block/bulk trade, buyback
Zomato	Consumer tech.	Alibaba	$909M	Q1, Q3	Block/bulk trade
2.2 GW portfolio of green energy assets	Energy	Brookfield	$900M	Q4	Strategic sale (Gentari)
GeBBS	IT/ITeS	ChrysCapital	$865M	Q3	Sponsor-to-sponsor sale (EQT)
Healthium Medtech	Healthcare	Apax Partners	$840M	Q2	Sponsor-to-sponsor sale (KKR)
Mphasis	IT/ITeS	Blackstone	$808M	Q2	Block/bulk trade
Swiggy	Consumer tech.	Naspers	$792M	Q4	IPO
National Stock Exchange	Financial services	ChrysCapital	$700M	Q2	Sponsor-to-sponsor sale (ChrysCapital continuation fund)
SMFG India Credit	Financial services	Temasek	$700M	Q1	Strategic sale (Sumitomo Mitsui)

Notes: Excludes real estate and infrastructure exits; (1) New age tech includes consumer tech and fintech
Sources: VCCircle; Business Standard; Financial Express; The Hindu Business Line; Bain & Company

Public market exits: IPO activity gained momentum fueled by stock market recovery and regulatory reforms—the year saw 33 IPOs (vs. 23 in 2023)

Total public market exits
($ billion, split by mode of exit)



$100M+ IPO exits in 2024[1]

Company	Sector	Exit value
Vishal Mega Mart	Consumer/retail	$960M
Swiggy	Consumer tech	$792M
International Gemological Institute	Other industries	$330M
Sagility India	IT/ITeS	$250M
Aadhar Housing Finance	Financial services	$239M
FirstCry	Consumer tech	$227M
Premier Energies	Energy	$145M
Niva Bupa Health Insurance	Financial services	$126M
Akums Drugs	Healthcare	$116M

Key insights

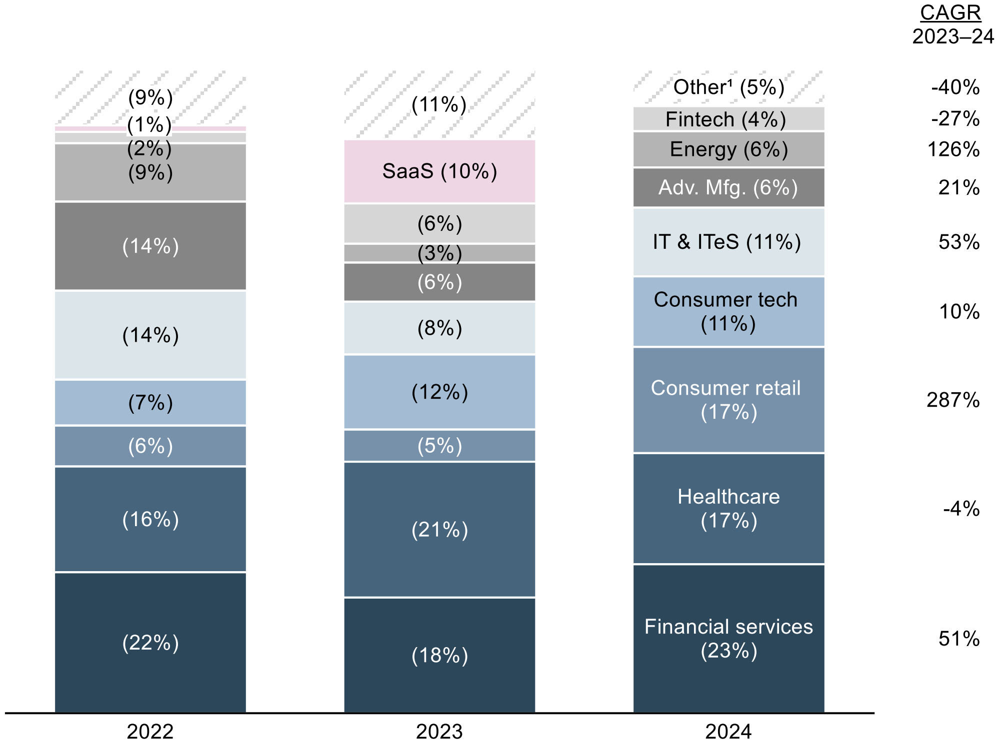
- Salience of IPOs grew from ~12% to ~20% of public market exits (2023–24), driven by improved investor confidence.
  - Increased liquidity from retail investors and mutual fund inflows, regulatory reforms (like T+3 listings, reduced lock-in under IGP), controlled inflation, and deferred IPOs from 2022–23 supported growth.
- Consumer-focused sectors (consumer tech, consumer/retail) comprised ~55% of total IPO value, followed by financial services (~11%) and healthcare (~9%).
- Several major IPOs are in the pipeline (e.g., Zetwerk, Dr. Agarwal's Healthcare, Urban Company, Avanse Financial Services), though recent public market corrections may temper IPO exits, as evidenced by reduced listings in Jan–Feb 2025 (11) vs. Nov–Dec 2024 (24).

Notes: (1) Only IPOs with PE-VC exits considered for the analysis, public market sales with PE-VC participation include those where the seller/exiting investor is a PE-VC; examples above are illustrative and not exhaustive; IGP = Innovators Growth Platform; IPO = initial public offering
Sources: Venture Intelligence; AVCJ; VCCEdge; Preqin; National Stock Exchange; Bombay Stock Exchange; PitchBook; Bain & Company

Exits by sector: Exits in financial services and consumer/retail soared, led by high value public market sales

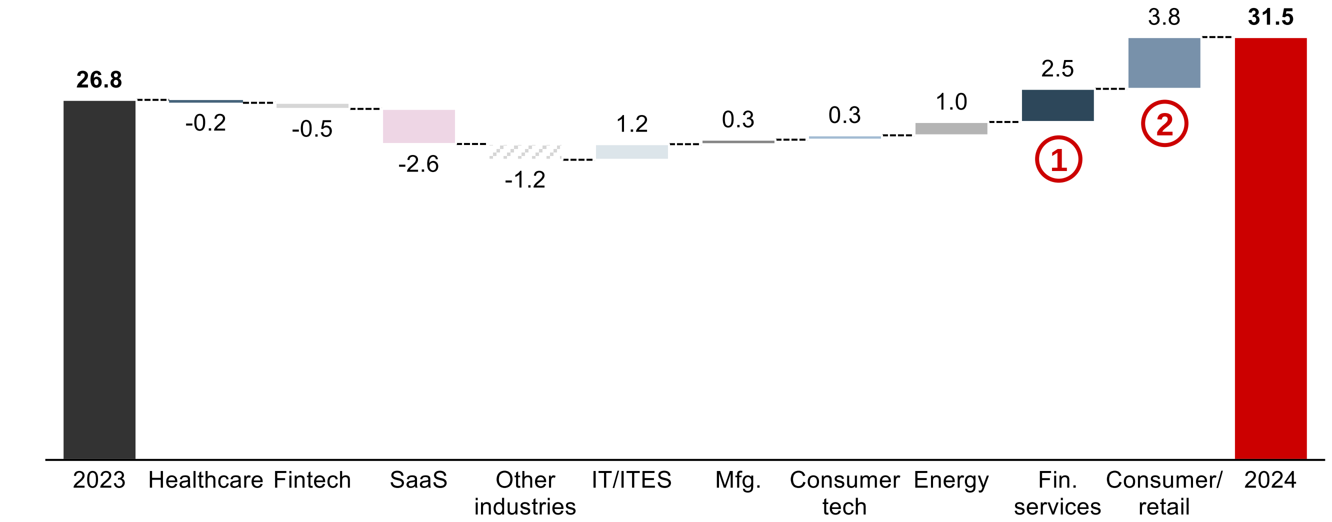
Exits value by sector

Share of exits by sector ($ billion)



Exits bridge (2023–24) by sector

Change in exit value by sector ($ billion)



1

Surge in financial services exits led by public market exits in NBFC segment, supported by 1) strong MSME fundamentals; 2) high-yield, high-return on assets secured businesses like affordable housing finance and micro-LAP; 3) shift from unsecured retail loans to MSMEs and more secured businesses; and 4) supportive government policies like PMAY and CLSS

2

Increase in consumer/retail exits led by large public market exits in value segment assets such as Trent ($1.4 billion), Vishal Mega Mart ($960 million)

Notes: Excludes real estate and infrastructure exits; (1) Others includes shipping and logistics, media and entertainment, engineering and construction, telecom, other industries; PMAY = Pradhan Mantri Awas Yojana; CLSS = credit-linked Ssubsidy scheme; NBFC = non-banking financial company; LAP = loan against property | Sources: Venture Intelligence; AVCJ; VCCEdge; Preqin; National Stock Exchange; Bombay Stock Exchange; PitchBook; Bain & Company

6 Outlook on 2025

Outlook on 2025

- **India's PE-VC investment outlook remains cautiously optimistic for 2025**, supported by a favorable macroenvironment including robust GDP growth, cooling inflation, recovering consumption, and easing interest rates. However, global trade wars and continued rupee depreciation introduce uncertainty and risks.
- **The financial services, healthcare, and real estate sectors** are expected to witness continued dealmaking momentum.
- **A consumption recovery is anticipated**, signaled by volume growth in fast-moving consumer goods and real private final consumption expenditure. Additional tailwinds, such as income tax rebates, are expected to boost investments in the consumer/retail sector in 2025.
- **LPs, such as sovereign wealth funds and public pension funds, are expected to continue co-investments** and direct investments, driven by their need to gain greater control over investments and create opportunities to enhance returns.

Source: Bain & Company

PE-VC funding outlook in 2025 looks cautiously optimistic, driven by macro improvements, and public market corrections likely to drive expedited deal closures

INVESTOR LANDSCAPE

1 **India's PE-VC funding outlook for 2025 is cautiously optimistic,** supported by a favorable macroeconomic environment marked by cooling inflation, easing interest rates, and a potential consumption recovery. Corrections in public market valuations are also expected to accelerate deal closures.

2 **The healthcare, financial services, consumer/retail, and real estate sectors are likely to lead private equity funding in 2025.** Growth will be driven by consumption recovery, India's expanding expertise in medtech and CDMOs, a resurgence in NBFC funding for affordable housing and LAP assets, and continued momentum in commercial and warehousing real estate.

3 **Buyouts are likely to remain the cornerstone of private equity dealmaking** as funds deploy uninvested capital in assets with broader value creation opportunities.

4 **Multiple LPs, particularly sovereign wealth funds and pension funds, are expected to enhance their direct investing capabilities** and accelerate capital deployment. Meanwhile, some LPs may adopt a more cautious approach to deploying capital in India.

5 **Private equity funds are anticipated to continue scaling their operating teams** to drive value creation across portfolio companies. Funds may adopt diverse operating models, including sectoral expert-led models; functional expert-led models featuring professionals with expertise in tech, finance, or sales; or advisor-led models where senior industry leaders provide strategic guidance.

6 **Exit momentum is projected to remain strong,** driven by a rise in sponsor-to-sponsor deals as funds offload aging assets amid corrections in public market valuations. IPO activity is also expected to see continued growth.

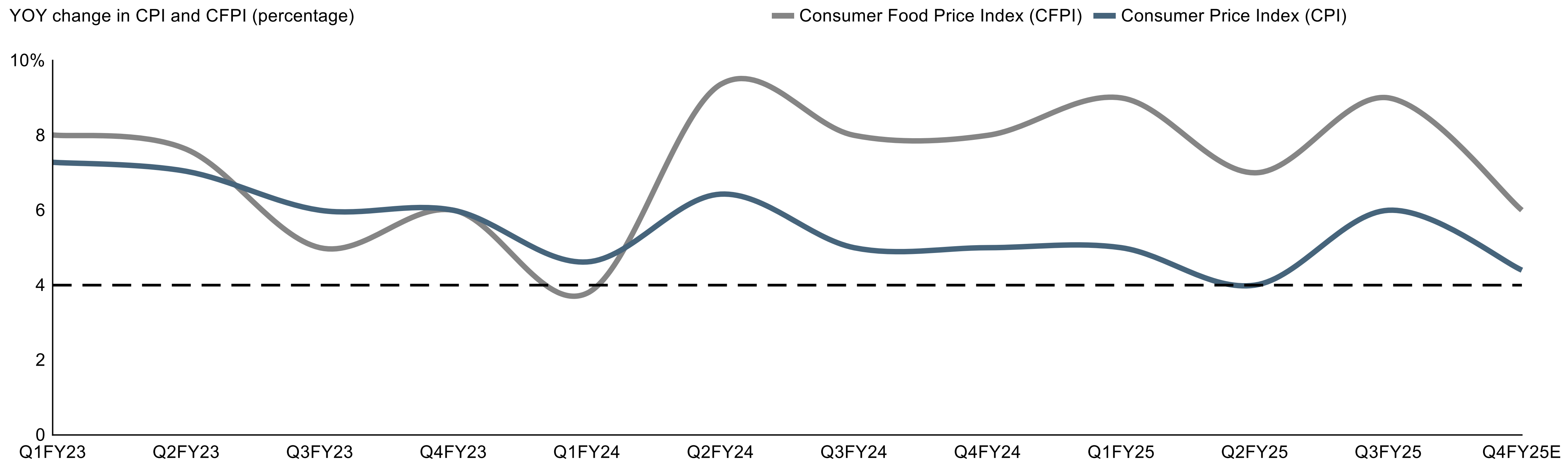
MACRO-ENVIRONMENT

7 **The macroeconomic environment is expected to remain favorable for private equity investments in 2025**, supported by an easing interest rate environment and income tax exemptions in the FY 2026 Union Budget. Consumption is also projected to recover, as reflected in recent FMCG volume growth and real PFCE growth.

8 **Global uncertainty stemming from US tariff threats,** trade war tensions, and continued rupee depreciation remains a key risk factor for PE-VC investments in India.

Notes: CDMO = contract development and manufacturing organization; NBFC = non-banking financial company; LAP = loan against property; FMCG = fast-moving consumer goods; PFCE = private final consumption expenditure
Source: Bain & Company

In the historical near term, consumption slowed down driven by high food inflation impacting discretionary spend, especially in middle-low-income groups

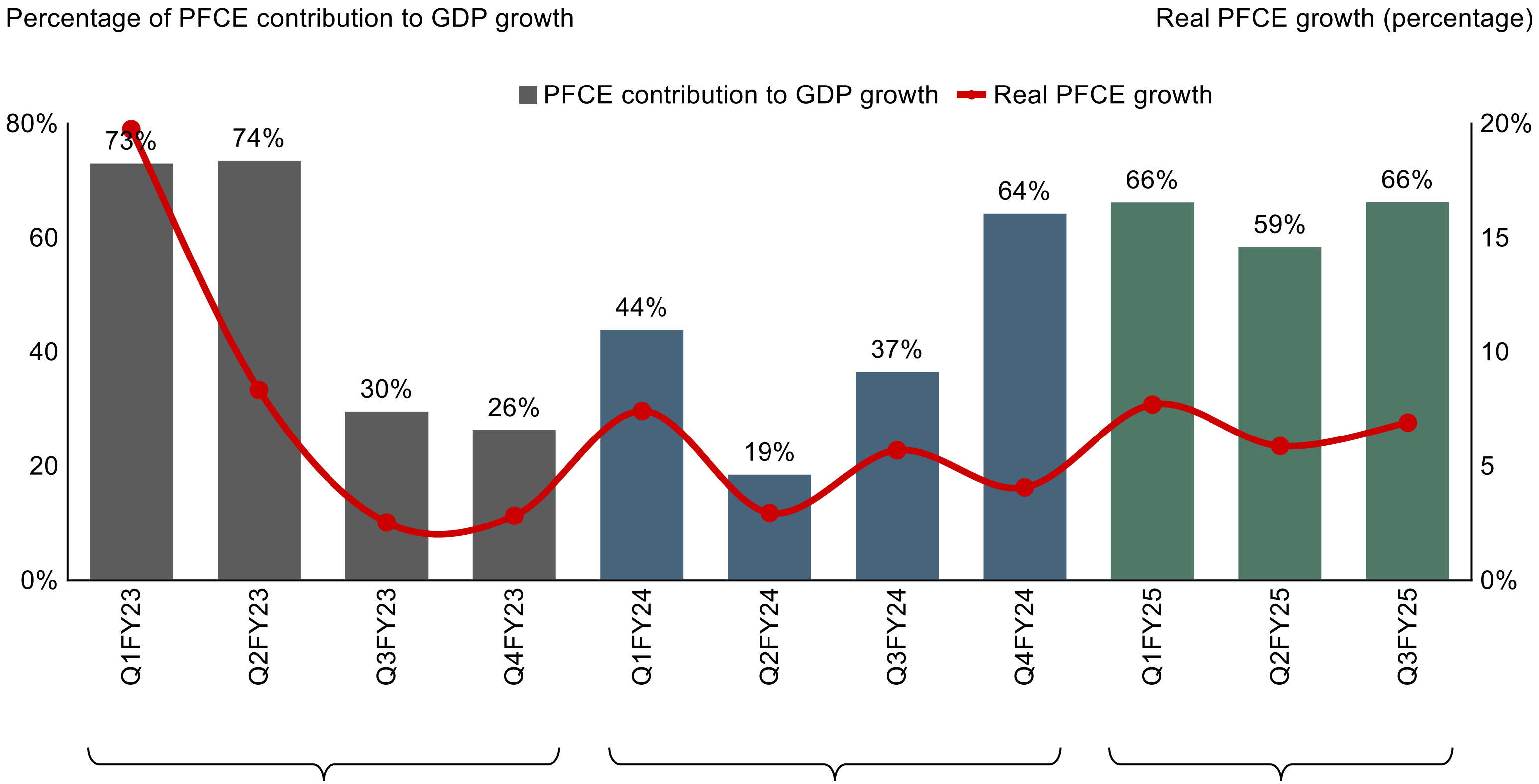


- ► Consumption slowdown witnessed in 2023–24 as Indians cut back on nonessential spending on the back of high inflation, fueled by sharp rise in food prices.
  - – Vegetable prices surged, with ~20%–30% YOY increase in each of the four quarters ending Q3FY25, while prices of pulses increased by ~15%–20% in each of the three quarters ending Q2FY25.
  - – Consumers reduced nonessential spending in areas such as apparel (e.g., ABFRL's revenue growth slowed to 3% in Q3FY25) and quick-service restaurants (e.g., Domino's posted negative same-store sales growth across FY24, even during festive periods).
- ► However, inflation is expected to moderate to 4.4% in Q4FY25 and further to 4.2% in FY26, driven by softening of food prices due to improvement in rabi sowing,[1] favorable weather conditions, and above-normal monsoons, signaling a potential recovery in consumption.

Note: (1) Rabi sowing in India starts in winter and is key to crops like wheat, mustard, and pulses
Source: MoSPI; Secondary research; Bain & Company

However, signs of recovery in consumption expenditure and its contribution to GDP growth in recent quarters signal a positive investment climate in 2025

Private consumption expenditure growth witnessed a recovery in FY25



Overall contribution to growth

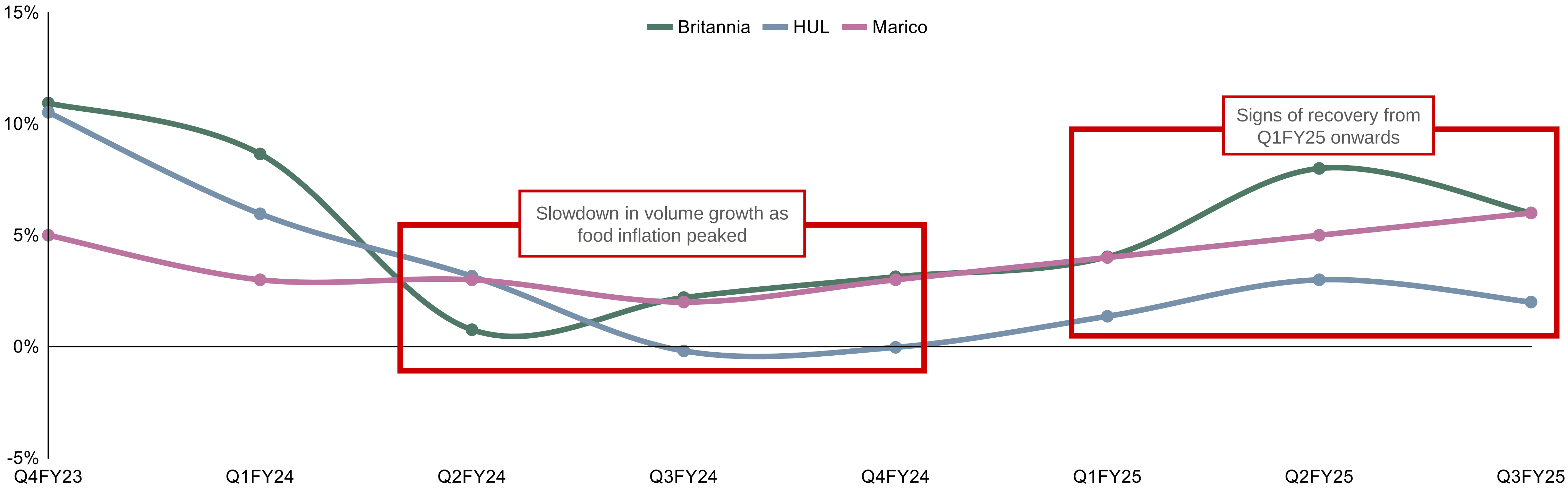
~56% (FY23)	~37% (FY24)	~64% (9 months of FY25)

- Green shoots in consumption recovery are showing due to private consumption growth of ~7% during nine months of FY25 vs. ~5% in FY24 driven by:
  - **Strong monsoon** (~8% excess in FY25 vs. long-term average)
  - **Robust rural demand**—faster growth in rural vs. urban demand (~9.2% growth in rural spending vs. 8.3% in urban over Aug 2023–Jul 2024)
- Consumption growth likely to be sustained in 2025 driven by government policies such as:
  - Increased income tax exemption, enhanced credit facilities for agriculture sector in 2025 budget
  - Interest rate cuts by the RBI for first time in five years

Note: PFCE = private final consumption expenditure
Sources: MoSPI; Secondary research; Bain & Company

Green shoots visible with top FMCG companies witnessing recovery in volume growth during nine months of FY25 vs. FY24

Quarterly volume growth of top FMCG companies (YOY, percentage)



Over the past two years, market recovery has been slower than expected due to high inflation and erratic weather, but we are now seeing early signs of rural demand recovery.
—CEO and Managing Director, HUL, Jul 2024

We expect to see more manageable inflation now, around 4%–5%, much lower than 22% we faced in past 18 months. While growth has slowed, this suggests a more stable path and early signs of recovery.
—Managing Director, Britannia, Aug 2024

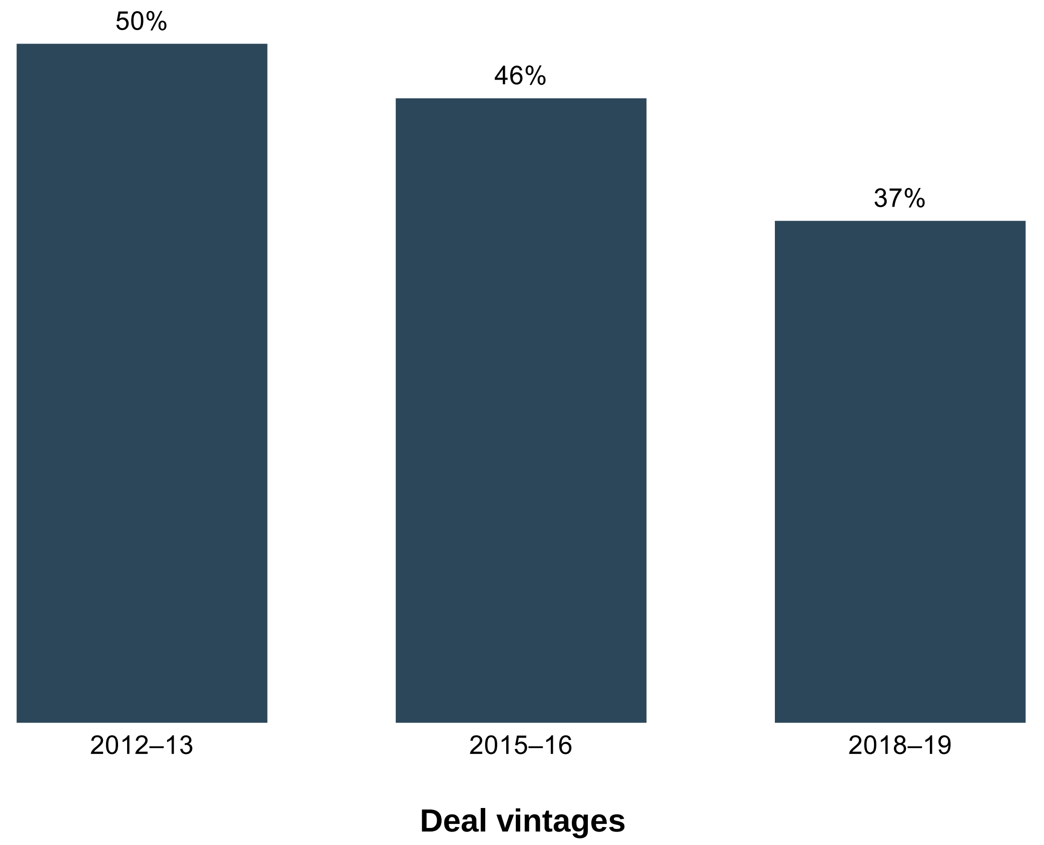
FMCG sector exhibited reasonably steady demand during the quarter. Rural demand continued to witness improvement, growing at 2x that of urban demand … Continued government schemes, rise in MSPs, and a favorable crop season bode well for recovery.
—MD and CEO, Marico, Dec 2024 Quarter

Note: FMCG = fast-moving consumer goods
Sources: Analyst reports; Secondary research; Bain & Company

Aging assets are expected to accelerate deal making in 2025, with deal closures being expedited

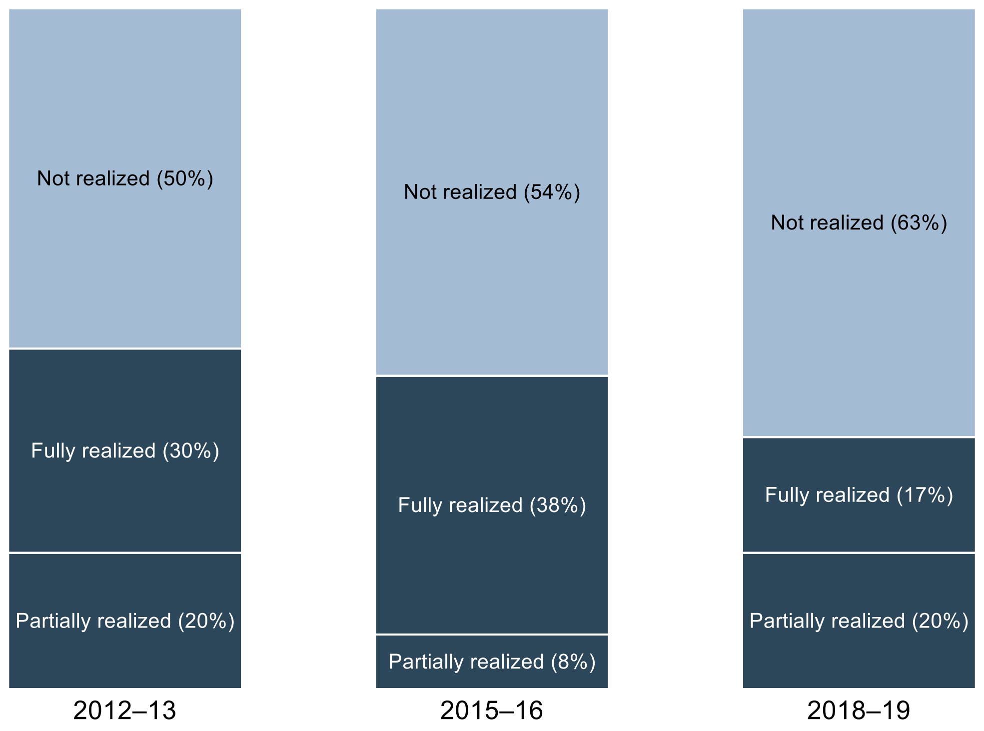
Buyout deals in India exited within five years have seen a marked decline over time

Share of $100M+ buyout deals in India exited in five years



Funds increasingly resorting to partial exits to realize returns from assets

Realization status for $100M+ buyouts in India at the end of five years (percentage)



Notes: Buyout deals over $100 million with only one investor considered for this analysis; excludes real estate/infra deals; “Fully realized” exits are those where PE fund has fully divested its stake; “Partially realized” are those with only some portion of stake divested
Sources: Preqin; Bain & Company

Looking ahead to 2025, sectors/themes such as consumer, financial services, healthcare, and real estate are expected to be focus areas for funds

Outlook: Attractive sectors/themes

Consumer

- Positive outlook for consumer-focused sectors driven by recovering consumption likely to be bolstered by measures such as income tax exemption and interest rate cut, and structural tailwinds such as large demand base (65+ cities with 1M+ population), a growing affluent class (high-income households rising from ~4% to ~6% over FY23–28), and untapped potential in non-metro cities
- Strong deal activity expected in consumer retail/tech in companies selling premium offerings, Direct to Consumer (D2C) brands witnessing accelerated growth driven by quick commerce, and those with continued focus on profitability

Financial services

- Robust sector outlook driven by move away from unsecured retail loans to high yield, high RoA secured businesses like affordable housing finance and loan against property, and growing preference and penetration of professionally managed wealth and asset management services
- Strong deal activity expected in scale affordable housing finance NBFCs, and in wealth/asset management companies driven by demonstrated track record of high returns, penetration in newer cities beyond Tier 1, and increasing risk appetite for diversified investments

Healthcare

- Positive growth outlook driven by growing exports opportunity in medtech, rising demand in specialized care such as oncology, fertility, mother and child in providers, and continued momentum in domestic formulations/CDMOs catering to exports markets
- Deal activity expected in medtech driven by growing exports opportunity across point-of-care testing devices and in vitro diagnostics, in CDMO/domestic formulations driven by India increasingly entering innovator work with strong development and manufacturing capabilities, and in regional chains/single specialty providers especially in smaller mother and child hospitals

Real estate

- Moderate-to-strong outlook for real estate sector driven by easing interest rate environment, recovering consumption, and rising demand across warehousing and commercial real estate segments
- Strong deal activity expected in warehousing driven by rising demand from third-party logistics services, attractive return profile, scale players (e.g., Lodha, Hiranandani) entering this segment, global manufacturers moving production to India (e.g., Apple, Samsung, Foxconn), and in commercial segment driven by continued demand momentum for office spaces due to growing number of global capability centers, start-ups, and Indian MNCs

Notes: RoA = return on assets; NBFC = non-banking financial company; CDMO = contract development and manufacturing organization | Sources: Based on PE fund conversations; Bain & Company

Glossary

Definition: Classing of private equity (PE) and venture capital (VC) investments

PE-VC deal classification

1. Geography

Headquartered in India

OR

Majority workforce in India

2. Deal type

PE deal: Deal where a PE fund is among the lead investors, in a non-tech domain

VC deal: Deal in which a VC fund is among the lead investors OR in which the target firm is in tech domains

Source: Bain & Company

BAIN & COMPANY

Bold ideas. Bold teams. Extraordinary results.

IVCA
IVC ASSOCIATION
PROMOTING ALTERNATE CAPITAL ECOSYSTEM

Bain & Company is a global consultancy that helps the world's most ambitious change makers define the future.

Across 65 cities in 40 countries, we work alongside our clients as one team with a shared ambition to achieve extraordinary results, outperform the competition, and redefine industries. We complement our tailored, integrated expertise with a vibrant ecosystem of digital innovators to deliver better, faster, and more enduring outcomes. Our 10-year commitment to invest more than US$1 billion in pro bono services brings our talent, expertise, and insight to organizations tackling today's urgent challenges in education, racial equity, social justice, economic development, and the environment. Since our founding in 1973, we have measured our success by the success of our clients, and we proudly maintain the highest level of client advocacy in the industry.

For more information, visit **www.bain.com**

Amsterdam • Athens • Atlanta • Austin • Bangkok • Beijing • Bengaluru • Berlin • Bogotá • Boston • Brussels • Buenos Aires • Chicago Copenhagen • Dallas • Denver • Doha • Dubai • Düsseldorf • Frankfurt • Helsinki • Ho Chi Minh City • Hong Kong • Houston • Istanbul • Jakarta Johannesburg • Kuala Lumpur • Kyiv • Lisbon • London • Los Angeles • Madrid • Manila • Melbourne • Mexico City • Milan • Minneapolis Monterrey • Mumbai • Munich • New Delhi • New York • Oslo • Palo Alto • Paris • Perth • Rio de Janeiro • Riyadh • Rome • San Francisco Santiago • São Paulo • Seattle • Seoul • Shanghai • Singapore • Stockholm • Sydney • Tokyo • Toronto • Vienna • Warsaw • Washington, DC • Zurich

The Indian Venture and Alternate Capital Association (IVCA), founded in 1993, is a not-for-profit, apex industry body promoting the alternate capital industry and fostering a vibrant investing environment in India. IVCA is committed to supporting the ecosystem by championing regulatory interventions; facilitating advocacy discussions with the Government of India, policymakers, and regulators, resulting in the rise of entrepreneurial activity, innovation, and job creation; and contributing towards the development of India as a leading fund management hub.

IVCA represents 430+ funds with a combined India AUM of over US$ 350 billion. Our members are the most active domestic and global VCs, PEs, infrastructure, real estate, and credit funds, limited partners, investment companies, family offices, corporate VCs, hedge funds, and knowledge partners.

For more information, visit **www.ivca.in**

BAIN & COMPANY