

## VC&PE Exits in 2006

The calendar year 2006 saw a total of 29 exits made by the VC/PE community in the Indian marketplace. The Information Technology sector saw the maximum number of exits made and also the maximum amount generated through the exits, witnessing 10 exits worth US\$ 380.84 million. In terms of the number of exits made, the Infrastructure sector followed the IT sector with 6 exits worth US\$ 193.79 million. Pharmaceutical and Healthcare sector followed the IT sector in terms of the amount generated through exits. This sector saw US\$ 349.5 million being generated through 5 exits.

The year's biggest exit was by TPG Newbridge (formerly known as Newbridge Capital) from Matrix Laboratories worth US\$ 270 million, generating a return of 107.7%. TPG sold off its 26% stake in Matrix Laboratories, in a strategic deal, to Mylan Laboratories, a US based pharmaceutical company. TPG Newbridge had initially bought the 26% stake in Matrix Laboratories for US\$ 130 million in 2004.

The other noteworthy exit was made by ChrysCapital LLC from Gammon India. The private equity investor had invested US\$ 20 million in November 2004 for a 12% stake in the company.

In October, 2005 ChrysCapital did a similar exit by selling 4% stake in Gammon India for Rs. 380 per share, bringing down its stake from 12% to 8%. Moreover, its shareholding diluted to around 7% subsequent to the construction major's GDR issue in the first quarter of 2006. The private equity firm finally sold its remaining 7% stake, in block deals, to a FII at around Rs. 525 per share in the secondary market. With its initial outlay of US\$ 20 million, ChrysCapital generated a sale of US\$ 95.55 million, a return of 4.75 times in just 15 months.

IL&FS Investment Managers Limited (IIML) holds the distinction for making the maximum number of exits in the calendar 2006. IIML, one of the premier private equity firms in India, made no less than 8 exits across a vast gamut of sectors such as retail, IT, infrastructure, hospitality and lifesciences.

The most preferred route of exit adopted by the VC&PE firms was sale to third party investors. This route was implemented in 9 of the 29 exits taken place in the calendar year 2006.

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Disclaimer: The exit table has been prepared on the basis of the data present in public domain and on confirmation from the firms involved in the transaction. The undisclosed section of the table includes those transactions whose exit value were not disclosed.

## Top VC/PE Exits in India in 2006 (Disclosed)

Date of Exit	VC/PE	Investee	Sector	Amt in US\$ Mn	Exit Strategy	Buyer	% Stake Sold	Year of Investment
Aug	TPG NewBridge (NewBridge Capital)	Matrix Laboratories	Pharma and Healthcare	27,000	Strategic Deal	Mylan Labs	26.00	2004
Jun	Bairings Private Equity Partners	Mphasis BFL Software	Information Technology	19,003	Open offer/ Open market	EDS	25.20	1998
Oct	CVC International	Suzlon Energy	Energy	178.39	Strategic Deal	Capital International	N.D	2004
Mar	Citigroup (Citicorp Intl. Finance Ltd.)	Progeon	Information Technology	140.00	Buy Back	Infosys Technologies	23.00	2002
Feb	ChrysCapital, LLC	Gammon India	Construction	95.55	Strategic Deal	N.D	7.00	2004
Oct	Actis	Glenmark Pharmaceuticals	Pharma and Healthcare	67.70	Strategic Deal	HSBC Global Investment Fund	6.70	2002
Dec	ChrysCapital III, LLC	Simplex Infrastructures Holding	Infrastructure	58.00	Strategic Deal	N.D	14.99	2005
Mar	IDFC Private Equity Co. Ltd.	Hotel Leela Ventures	Hospitality	47.00	Open Market Sale	FII	8.14	2005
July	Warburg Pincus LLC	WNS Global Services	Information Technology	30.00	IPO	-	11.10	2002
Mar	IDFC Private Equity Co. Ltd.	GMR Infrastructure Ltd.	Airports/ Power/Roads	22.00	Post IPO	GMR Holdings Pvt Ltd.	1.44	2004
Mar	IDFC Private Equity Co. Ltd.	Gujarat State Petronet Limited	Oil and Gas/Energy	20.00	Post IPO	FII	4.45	2005
June	Bairings Private Equity Partners	SlashSupport Inc.	Infrastructure	18.24	Buy Back	-	38.00	1999
Nov	ICICI Venture Fund Mgmt. Ltd.	Info Edge	Information Technology	17.77	Strategic Deal	Fidelity International	5.00	2000
Jan	ICICI Venture Fund Mgmt. Ltd.	Intas Pharma	Pharma and Healthcare	11.80	Trade Sale	ChrysCapital, LLC	12.47	1996
Jan	IL&FS Investment Managers Ltd.	Shoppers Stop	Retail	8.59	Block Deal	N.D	2.27	2000
Aug - Nov	IL&FS Investment Managers Ltd.	Hotel Leela Venture	Hospitality	5.66	Block Deal	N.D	N.D	2005
Jan	Bairings Private Equity Partners	Cybernet Software Solutions	Information Technology	3.04	Buy Back	-	17.00	1999

## Other VC/PE Exits in India in 2006 (Not Disclosed)

April	IL&FS Investment Managers Ltd.	Secova e-Services	Information Technology	N.D	N.D	N.D	N.D	2003
April	GVFL Ltd.	Saraf Foods	Agriculture Products	N.D	Strategic Deal	N.D	49.00	1991
July	IL&FS Investment Managers Ltd.	Triesta Lifescience	Pharma and Healthcare	N.D	N.D	N.D	N.D	N.D
Aug	Temasek Holdings	Matrix Laboratories	Pharma and Healthcare	N.D	Strategic Deal	Mylan Labs	N.D	2004
Aug	GVFL Ltd.	Parsec Technology	Information Technology	N.D	Trade Sale	Baring Private Equity Partners	25-30	1998
Sep	IL&FS Investment Managers Ltd.	Rewas Port Development	Infrastructure	N.D	N.D	N.D	N.D	2004
Nov	India Private Equity Fund Mauritius	DGP Hinoday Industries Ltd (Hinoday)	Manufacturing	N.D	M&A	Mahindra & Mahindra Ltd.	N.D	N.D
Dec	GVFL Ltd.	Scicom Technologies	Information Technology	N.D	Bought by Employees	N.D	N.D	2000
Dec	India Value Fund	Trinethra Super Retail	Retail	N.D	Strategic Deal	Aditya Birla Group	90.00	2004
Dec	IL&FS Investment Managers Ltd.	Tejas Networks	Information Technology	N.D	N.D	N.D	N.D	2002
Dec	IL&FS Investment Managers Ltd.	Pipavav Railway Corporation	Infrastructure	N.D	N.D	N.D	N.D	2005
Dec - Jan	IL&FS Investment Managers Ltd.	Sasken Communications	Information Technology	N.D	N.D	N.D	N.D	N.D
Dec	Jina Ventures	Lok Housing & Construction	Construction	N.D	N.D	N.D	N.D	2006

N.D.: Not Disclosed

Source: IVCJ Research