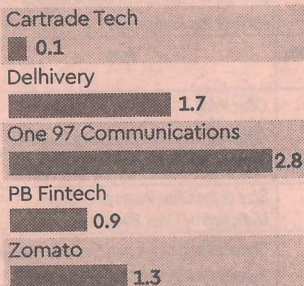


FDI: EASY COME, EASY GO

India continues to witness strong FDI inflows on a gross basis, but unimpressive on a net basis. Outflows have been strong in recent years, with gross FDI outflows for overseas entities at \$14 billion in the first half of the current fiscal, compared with \$29 billion in FY22 and \$18 billion in FY21, according to a report by **Kotak Institutional Equities**. PE/VC firms have continued with their sizeable exits through secondary markets, even as market conditions have limited exits from primary markets. Despite a steady change in the texture of FDI from services to manufacturing, PE-driven services investments dominate FDI, whose duration of investment may not be long term in nature. PE investors still have a large holding in listed equities, which they may exit in coming months.



Value of stakes of PE/VC firms in major listed internet companies, March 2023 (\$ mn)



12 largest FDI exits so far in FY23

Company	Date	Seller	Deal size (\$ mn)
Max Healthcare	Aug '22	KKR	1,153
Bharti Airtel	Sep '22	Singtel	908
Bharti Airtel	Sep '22	Singtel	825
Sona Comstar	Mar '23	Blackstone	617
Blink Commerce	Jun '22	Softbank, Tiger Global	568
Sona Comstar	Aug '22	Blackstone	509
Axis Bank	Nov '22	Bain Capital	410
Zomato	Aug '22	Uber BV	385
Interglobe Aviation	Feb '23	Gangwal family	356
Embassy REIT	Sep '22	Blackstone	326
SBI Cards*	Apr '22	Carlyle	296
Coforge	Feb '23	BPEA	295

Source: Venture Intelligence, Prime Database, companies, media articles, Kotak Institutional Equities; *SBI Cards and Payment Services