

## India witnesses \$4 bn PE investment in Q1 of 2008: Report

Source : *The Economic Times*

News Date 22 April, 2008

The country witnessed private equity investments to the tune of four billion dollars in the first three months of this year, with real estate and infrastructure sectors accounting for a majority share, says a report.

Moreover, the PE investments in India surpassed that of neighbouring China, which stood at \$570 million during the same period.

The report prepared by IndusView, an India-focused cross-border advisory firm, the Indian real estate and infrastructure sectors contributed 28 per cent to the total PE investment in the first quarter of 2008, with \$1.12 billion.

It was followed by power sector which received about 13 per cent of the pie with \$520 million, while banking & finance and telecom sectors chipped in with 8.7 per cent of the deals at more than \$340 million each.

With the economic downturn in developed economies intensifying and the application of capital becoming dearer and pressurising the expected Return on Investments (ROIs); PE firms are finding their way in to safer investment heavens, that is, emerging markets which have decoupled from the developed markets. IndusView's chairman Bundeep Singh Rangar said in a statement.

The report noted that Indian government had announced that 9 per cent of the country's GDP would be spent on infrastructure by 2012 and the move would create "an unprecedented investment opportunity."

India continues to enjoy a favourable investment flavour among investors due to liberal economic initiatives on the part of the government when compared to China which is much regulated," Rangar added.