An Initiative by
PANTOMATH™
Capital Advisors (P) Ltd

Re-CAP
A weekly mailer encapsulating capital market news
July 20th - July 25th, 2015

SKOCH BSE AWARD FOR ASPIRING INDIA ORDER OF MERIT
BSE Amongst BSE's Top Five Performers in Merchant Bankers 2013-14
PANTOMATH SMEX-30
25 Most Promising FINANCIAL CONSULTANTS

DRAFT SEEKS TO REMOVE RBI GUV'S VETO POWER

CODE PROPOSES DOMINANT GOVT PRESENCE IN MONETARY POLICY PANEL TO DECIDE ON RATES

The government has proposed to have a dominant say in deciding how interest rates are set in the revised draft Indian Financial Code, which was unveiled on Thursday and also seeks to remove the proposed veto power of the Reserve Bank of India (RBI) governor.

Currently, the RBI is the sole agency responsible for fixing interest rates and the governor only consults the finance minister.

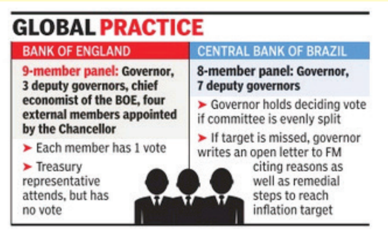
When the Financial Sector Legislative Reforms Commission (FSLRC) suggested setting up of a seven-member monetary policy committee (MPC), it had proposed that the governor would have powers to override the panel but would need to issue a detailed public statement.

Subsequently, the RBI set up a panel which suggested that the committee be headed by the governor with two other senior officials from the central bank and two external members selected by the governor and the deputy governor. The proposal virtually shut the government out of the entire scheme of things. But the second draft of the Indian Financial Code, released for public comment, has suggested a completely different formulation and taken away the proposed veto powers from the governor in what appears to be setting the stage for a resh battle between Mint Road and North Block.

Just two months ago, the government decided to drop plans to set up an independent debt management office after the RBI protested against the proposal put forward in the budget. Five years ago, the central bank had also not taken kindly to the establishment of he Financial Sector Development Council headed by the finance minister.

A former senior RBI official lammed the move. "It is not desirable", he said, adding that there has to be an entity which is responsible for strong decision in the event of any financial contagion. But D Swarup, a key member of the FSLRC, said that the proposals should not be seen as diluting the power of the central bank.

"We should not see it as four versus three", Swarup said, adding that the stringent selection process for the government nominees would ensure that eminent people are selected". They would not be doing the government's bidding", he said.



TIMES VIEW:

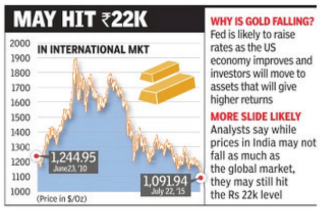
The government's plan to have a bigger say in deciding interest rates may end up undermining the RBI's independence. The RBI has served the country well and has established its credentials over decades. There is often a line of tension between government and regulators, and not just in India; but to try and bend independent agencies and authorities, which are answerable to Parliament, to the will of government defeats the principle of arm's length distance. At the same time, the RBI needs to be more sensitive to the larger needs of the economy, particularly the need for growth, and not fixate on inflation.

Source: The Times of India
July 24, 2015

GLOBAL SLIDE TAKES GOLD BELOW RS 25K TO 4-YR LOW

FALLS UNDER $1, 100OZ FOR FIRST TIME IN 5 YRS

Strong selling by investors in China and other large institutional players like exchange-traded funds (ETFs) pushed the price of gold below the $1,100 per ounce mark for the first time in five years, which in turn forced domestic prices to below the psychologically important Rs 25,000 per 10g mark, a four-year low in the Mumbai market on Wednesday. With international analysts predicting global gold prices to fall below the $1,000 level, domestic gold buyers could expect a price of Rs 22,000 later in the year, according to market players.



International players have turned bearish on gold on the prospect of a rise in rate of interest in the US, which will lead to strengthening of the dollar. And gold being a safe haven asset, a rise in US rate of interest would mean that the threat of a recession in the world's largest economy was almost nil, which in turn would prompt large global investors to move to US assets from gold.

"With all indications pointing downwards, $1,000 looks to be a certainty...it's an easy number", said Jayant Manglik, president, retail distribution, Religare Securities. "In case the US Fed raises rates before 2015 ends, as is expected, then money will move from gold to US dollar denominated assets and also interest bearing assets (due to higher interest rates)", Manglik said.

In India, however, the fall in the price of gold may be gradual. This is because if dollar strengthens, that would mean weakness of the rupee. And gold being a dollar-denominated asset, it could mean some slide in the domestic price of the yellow metal but not as sharp as in the international market, Manglik said.

A 10% crash in prices from current levels could take the domestic prices in the Rs 22,000 region, a slide of about 40% from the record high prices of Rs 35,000 just two years back, when the rupee had depreciated sharply to an all-time low of almost Rs 69 to a dollar. A poor monsoon may impact gold prices further as rural demand could dry up.

On Wednesday, the price of gold in Mumbai slid below the Rs 25k mark and was trading at around the Rs 24,800 level in late evening trades. In Mumbai's bullion market, as gold prices fell below the Rs 25k mark, some retail buying was witnessed.

Meanwhile, the BSE sensex rallied 323 points to a three month high of 28,505 as RIL rallied and on value-buying in beaten-down stocks like Sun Pharma.

Govt against fresh import curbs on gold

New Delhi: The government has ruled out an immediate increase in import duty on steel, arguing that a further hike in levy on the key input may not be in the interest of user industries and could stoke inflation. Amid falling gold prices, sources indicated that further curbs on the import of yellow metal may not be imposed as it could result in a spike in smuggling. Gold prices have declined to around Rs 25,000 per 10 grams. A fresh round of purchase by households is expected since gold is considered as a safe investment bet. Government officials acknowledged that appetite for the precious metal remained high and even the proposed gold monetization scheme could have a limited impact. They are, however, drawing comfort from the high foreign exchange reserves, estimated at a record $354 billion. TNN

Source: The Times of India
July 24, 2015

An Initiative by
PANTOMATH Capital Advisors (P) Ltd

Re-CAP
A weekly mailer encapsulating capital market news
July 20th - July 25th, 2015

SKOCH BSE AWARD FOR ASPIRING INDIA ORDER OF MERIT
BSE Amongst BSE's Top Five Performers in Merchant Bankers 2013-14
PANTOMATH SMEX-30
25 Most Promising FINANCIAL CONSULTANTS

CITI PENALIZED $700M OVER CARD PRACTICES

Citigroup's consumer bank has been ordered to pay $700 million in relief to borrowers for illegal credit card practices, the US Consumer Financial Protection Bureau said. The consumer finance watchdog said on Tuesday that about 7 million customer accounts were affected by Citibank's "deceptive marketing"practices, which included misrepresenting costs and fees and charging customers for services they did not receive.

The CFPB, set up under the 2010 Dodd-Frank Act aimed at reforming Wall Street practices, said a Citibank unit also "deceptively" charged expedited payment fees to nearly 1.8 million consumer accounts during collection calls. Citibank and its subsidiaries will also pay $35 million in civil penalties to the CFPB, the regulator said.

Citigroup is not the only big US bank whose credit card practices are under scrutiny. US authorities, including the CFPB, said earlier this month that JPMorgan Chase & Co would pay $136 million and reform its credit card debt collection practices.

Source: The Times of India
July 22, 2015

SEBI, RBI WORK ON SMOOTH ROLLOUT OF E-IPO SYSTEM

Market regulator Sebi is working with the Reserve Bank of India (RBI) for a smooth rollout of the proposed e-IPO process. This will reduce paperwork in public offerings to nearly zero, halve the timeline for listing a company to just six days and also reduce costs of listing sub stantially. Several banks are currently working to roll out the ASBA (Applications Supported by Blocked Amount system through all the branches, which is crucial for launching the e-IPO process. Sebi has set January 1, 2016 as the date for launch of this paperless public offering system.

SHORT CUT

- The e-IPO process will do away with nearly all paperwork connected to public offerings
- It will cut the time needed for a co to get listed to 6 days, besides making it far cheaper
- Banks are working to roll out the ASBA system at all branches to support e-IPOs

"We are working with RB for further expansion of ASBA's coverage",said a senior Sebi official. "Several bank staff are being trained so that ASBA could be offered through all branches", the official added. ASBA is a process for applying in IPOs under which funds equivalent to an investor's IPO application money is blocked till the shares are allotted. In case of partial allocation of shares in the IPO, an amount equal to the allotment is debited from his account and the balance is unblocked.

For e-IPOs to succeed, it is important for seamless and speedy transfer of money from investors to company's IPO account and, in this, the ASBA process plays a very crucial role.

According to a recent Sebi analysis of IPO applications, more than 99.5% came from centres where ASBA facility was available and ASBA applications accounted for 99.9% of the total bid amount received from all investors.

"Considering the reach and advantages of ASBA, it shall now be mandatory for all investors to make ASBA applications. Amongst many other significant advantages, ASBA enables investors to give the mandate for payment of application money in the application form itself without suffering loss of interest for the intervening period. It also obviates the hassle of refund of money by the issuer as per the difference in application amount and the amount for which shares are finally allotted", a recent Sebi release noted.

In the run-up to the Sebi decisions, brokers had petitioned Sebi to allow them to take money from their customers who wanted to apply through the e- IPO process and subsequently the brokers will apply in the public offering on their behalf. However, Sebi found that allowing such a process will be a risky proposition for investors and so the regulator declined the brokers' request, the official said.

Source: The Times of India
July 21, 2015

YOU MAY SOON GET TO TRANSFER FUNDS VIA MOBILE WALLETS

People using mobile wallets of different service providers may soon get to send and receive money from each other as the Reserve Bank of India is considering a proposal to this effect.

National Payments Corporation of India (NPCI), the government-backed payments gateway, has proposed to the central bank that inter-operability between mobile wallet providers, or prepaid payment issuers (PPIs), would benefit customers and give boost to cashless transactions, AP Hota, MD and CEO of NPCI, indicated on Thursday.

Close to 45 PPIs authorised by RBI stand to benefit once wallet-to-wallet transfer is allowed

Mobile wallet, or m-wallet, allows users to park money in a virtual wallet just like in a saving account and use it for making easy payments to merchants who have tie-ups with the wallet service provider. In India, several banks-for example, ICICI Bank's `Pocket' -and PPIs such as Paytm and MobiKwik offer this service.

As of now, a user can use m-wallet for making payments such as utility bills, recharge mobile phone and shop online. However, he/she cannot withdraw money from m wallet or transfer money to m-wallets of other banks or PPIs.

Close to 45 PPIs authorised by RBI stand to benefit once wallet to-wallet transfer is allowed.

Hota indicated that RBI's concern may be centred around money laundering since m-wallets do not have to follow know your customer norms while opening accounts with them.

NPCI on Thurs day announced RS Software as its back-end technology partner for the Unified Payments Interface (UPI), which will allow instant fund transfer between customers of different banks through smart phones.

Although the RBI is yet to give a formal approval for UPI, Hota said that 18 banks, including State Bank of India, HDFC Bank, ICICI Bank and Axis Bank, have agreed to join the interface.

The service will allow users to send and receive money electronically without requiring bank account information.

A user will require only a single identifier such as Aadhaar number or a mobile number or a short payment address like an email address. However, a customer using UPI for fund transfer will need to have a smart phone and a bank account.

Source: : The Economic Times
July 24, 2015

MAHA GOVT PLANS TO INVEST 10-15% IN IPOS OF TOP SMES

In a first, the Maharashtra government plans to invest in initial public offerings (IPOs) of small & medium enterprises (SMEs) in order to boost investment in industries in the state.

The state government is talking to the National Stock Exchange (NSE) to create a special fund which would be used to invest in IPOs of such enterprises.

A top state government official said that while the proposal was in its early stages, they are looking to invest "between 10 and 15% in IPOs of established SMEs". "The move would be a win-win for SMEs as well as for us; for SMEs, a state investing in their IPOs would be the best endorsement for the company. It would work well for us too, as companies would have an added incentive to set up shop in Maharashtra", said a state government official on the condition of anonymity.

He added that the state's purpose for creating the fund was not to make money, but to encourage industries to set up shop in the state. He added that the money would be invested through Small Industries Development Bank of India.

The NSE has prepared the groundwork and has started an outreach programme to create awareness among SMEs for listing on the NSE. The bourse has got in touch with the District Industrial Commissioners and has begun programmmes from this month.

In July, for instance, it is conducting such programmes in Aurangabad and Ahmednagar. The programmes that would go on till October will see NSE targeting SMEs in Nagpur, Chandrapur, Gadchiroli, Jalgaon, Dhule, Jalna, Nashik, Pune and Sangli.

NSE has also sent a similar proposal to two other states-Gujarat and Goa. While the Gujarat government is also planning to go the Maharashtra way and invest in SMEs, Goa is also considering a similar plan.

Source: : The Economic Times
July 24, 2015

SEBI NEEDS TO GO BEYOND THE RECENT GUIDELINES TO GIVE MORE FILLIP TO STARTUPS

Companies listing on the new platform may require diluting at least 25 per cent of its pre-issue capital to qualified institutional buyers. Institutions and HNIs are permitted to invest in issuances listed on the new platform. Every equity issuance on the new ITP platform may require a minimum of 200 allottees with a minimum application size of Rs 10 lakh each.

The regulator may also impose a few lock-in clauses for investors in companies listed on the new platform.

"The striking features of the new platform include no requirement of profit track record, the relaxed pricing disclosure norms, and fund raising for general corporate purposes", says Lunawat.

However, not everybody is kicked about the new platform. "We will be back to square one in three years", says a promoter of a wallet company. "Besides, in the wider ecosystem of investors there's brutal following for profitability. There is little understanding that an app can be a large company".

"Sebi realises there's a market out there in the startups revolution. And it doesn't want the Indian Amazons to go overseas", says Harish of Grant Thornton India. But the regulator will need to do more to ensure this outcome.

Source: The economic times
16 July, 2015

ALTERNATIVE INVESTMENT

SEBI ASKS AIFS TO GIVE FULL DISCLOSURE ON `ASSOCIATES' FUNDS IN A FIX –

WANTS THEM TO PROVIDE HISTORY OF ACTIONS TAKEN AGAINST `ASSOCIATES', EVEN IF THEY ARE ABROAD

Alternative investment funds (AIFs), having foreign entities as "associates", are rattled by the latest Securities and Exchange Board of India (Sebi) directive to disclose the entire disciplinary history of sponsors, managers, directors, partners, promoters and associates in their placement memorandum.

In a recent informal guidance released by the market regulator, it has asked Peninsula Brookfield India Real Estate Fund (PBIREF) -a Sebi-registered Alternative Investment Fund -to disclose the entire history of various regulatory actions against its associates, even if they are located outside India, in the placement memorandum.

Brookfield, which manages over $200 billion of assets with 24,000 odd employees in over 100 offices in 20 different countries, now has to provide the disciplinary history of its sponsors, managers, directors, partners, promoters and associates to Sebi due to the global asset management company's tie-up with Peninsula for the Peninsula Brookfield India Real Estate Fund in India.

Securities lawyers feel that Sebi is casting the net far too wide.

"Several AIFs registered with Sebi having "associates" outside India may be concerned as this information was neither sought by Sebi at the time of registration nor did the AIF Regulations explicitly state that this information is to be made available to the investors in the placement memorandum", said Yogesh Chande, partner at Shardul Amarchand Mangaldas. "Neither did the clarification circular issued by Sebi in June 2014 expressly ask for disclosure of "associates"outside India".

AIFs are funds established or incorporated in India for the purpose of pooling in capital from Indian and foreign investors for investing as per the investment norms prescribed in the AIF Regulations. There were around 135 AIFs registered with Sebi as on March 31, 2015.

As per Regulation 2(1)(c) of AIF Regulations, "associate" means a company, LLP or a body corporate in which a director or trustee or partner or sponsor or manager of the AIF or a director or a partner of the manager or sponsor holds, either individually or collectively, more than 15% of its paid-up equity share capital or partnership interest.

PR RAMESH
Senior Consultant, Economic Law Practice
Though Sebi's new compliance requirements may be burdensome in terms of paper work, it will improve the transparency in the system. It's the right of investors to know the details

"AIFs which have partners from outside India may find it challenging and cumbersome to comply with the regulatory stance taken by the Sebi", said a senior official from a registered AIF.

Some, however, say this could improve corporate governance". Though Sebi's new compliance requirements may be burdensome in terms of paper work, it will improve the transparency in the system", said PR Ramesh, senior consultant, Economic Law Practice. "It's the right of investors to know the details of managers who are managing their fund".

Source: : The Economic Times
July 21, 2015

SEBI MULLS NEW ALGO NORMS IN TWO MONTHS

WE ARE EXAMINING A NUMBER OF OPTIONS TO BRING DOWN THE RISK ASSOCIATED WITH SUCH TRADE, SAID SEBI CHAIRMAN U K SINHA

BS REPORTER Kolkata, 23 July The Securities and Exchange Board of India (Sebi) plans to introduce within two months new norms to regulate algorithmic trading.

"Algorithm-based trade or high frequency trades are prone to high risks. We are examining a number of options to bring down these risks", said Sebi Chairman U K Sinha on Thursday.

These are trading systems that utilise advanced mathematical models for transaction decisions in financial markets. As of May, 15.1 per cent of the BSE turnover came through the algo route. These trades account for 19.8 per cent of the total on the National Stock Exchange, with an additional 24.3 per cent of volumes coming through co-located servers.

The Reserve Bank of India had recently cautioned against these trades. "The increased complexities of algo coding and reduction in latency due to faster communication platforms need focused monitoring, as they may pose risks in the form of increased possibilities of error trades and market manipulation", it had said in June. Separately, Sinha said fund raising through the primary market had risen substantially. A total of ₹9,750 crore was raised from the primary market last year and this had been crossed in this financial year's first quarter, at ₹9,800 crore, he disclosed.

As many as 24 issuers, he said, had filed their Draft Red Herring Prospectus, to raise combined capital of ₹1,00,000 crore. Sinha added many newage companies earlier thinking of listing abroad were now planning to do so here.

He said the steps the regulatory body had taken in this regard, already reported. These include relaxing many of the earlier norms to encourage start-ups to list in the country. To keep retail investors away from the soon to-launch trading platform for start-ups, Sebi has prescribed a high trading lot size of ₹10 lakh. However, it has included mutual funds in the definition of qualified institutional buyers, enabling indirect entry of non-wealthy individuals in the trading segment.

Source: Business Standard
24 July, 2015

DISINVESTMENT IN UNLISTED PSUS SEBI SUGGESTS INSTITUTIONAL TRADING PLATFORM

USEFUL FOR PRICE DISCOVERY DURING STRATEGIC DISINVESTMENT; UNION BUDGET SET ₹ 28,500 CRORE AS STRATEGIC SALE TARGET

The Securities and Exchange Board of India (Sebi) has suggested the newly introduced institutional trading platform (ITP) be used by the central government for its disinvestment programme in unlisted public sector undertakings (PSUs), sources have said.

"Currently, there is no real way for actual price discovery of unlisted companies. Therefore, the ITP platform can be used for divesting stake in these", said a source.

Introduced in 2013, the ITP is a mechanism for listing of companies without an initial public offering (IPO) or fund raising.

The Budget this year had set an ambitious target for divestment at ₹41,000 crore and strategic sales at ₹28,500 crore.

Sebi says the ITP platform could be used by strategic investors such as private equity or venture capital funds to take stake in unlisted companies. The Centre has been seeking help from Sebi in removing irritants in the share sale process. The department of disinvestment had asked Sebi to allow suspension in trading in a company on the day of its Offer for Sale (OFS), the mechanism used to divest promoter holding. It had also asked Sebi to relax the two-day notice period to an exchange for an OFS.

These proposals were aimed to reduce volatility and a downward pressure on share prices. Sebi is yet to approve the requests. An analysis by it has apparently shown little correlation between share price volatility and an OFS announcement.

In the past, Sebi has experimented with a one-day notice period. According to the analysis, after August 2014, when the notice period had been two days (T-2) the prices of PSUs in which OFS was conducted were in a range of 0.5 per cent and 4.4 per cent. Between May 2013 and August 2014, when the notice period was one day, a price drop of as much as 11 per cent was seen.

According to Sebi, some price correction in PSUs is inevitable during divestment". Disinvestment through OFS results in significant increase in PSUs' floating stock. Some correction in the price is natural when the floating stock increases by such large numbers", the regulator stated in a board meeting note. Some PSUs have little free float and, hence, the increase in floating stock was substantial. For instance, in Steel Authority of India, the float increased by 40 per cent after its latest disinvestment. In Coal India, the rise was almost 100 per cent.

"The final correction in price depends on the market appetite and the overall size of the OFS vis-à-vis floating stock", the regulator concluded. Another proposal to the regulator was to hold an OFS on Saturday. Sebi didn't agree, saying it would only postpone the volatility. What it did accept was that the government could make public an OFS plan on Saturday, a market holiday, and conduct the share sale on Monday.

Source: Business Standard
24 July, 2015

An Initiative by
PANTOMATH™
Capital Advisors (P) Ltd

Re-CAP
A weekly mailer encapsulating capital market news
July 20th - July 25th, 2015

SKOCH BSE AWARD FOR ASPIRING INDIA ORDER OF MERIT
BSE Amongst BSE's Top Five Performers in Merchant Bankers 2013-14
PANTOMATH SMEX-30
25 Most Promising FINANCIAL CONSULTANTS

VC-BACKED COS RAISE $2.3BN IN APR-JUNE

KINNEVIK, FALCON, COATUE PARTICIPATE IN SECONDARY ROUND

Online classifieds major Quikr is close to joining the elite group of tech companies valued at a billion dollars, also called unicorns, after it recently completed a $60-million secondary round. Existing Swedish investor Kinnevik and two new investors -hedge fund Falcon Edge and Coatue Management -participated

in the latest round, valuing Quikr at $900 million.

Early investors in Quikr -including Matrix Venture Partners, Nokia Growth Partners, Norwest Venture Partners, Warburg Pincus and Omidyar Network -have part sold shares fetching them handsome returns, sources close to the development said. A secondary sale is when an existing investor sells shares to a new one or the promoter at the company's current valuation. The money does not come into the company's coffers.

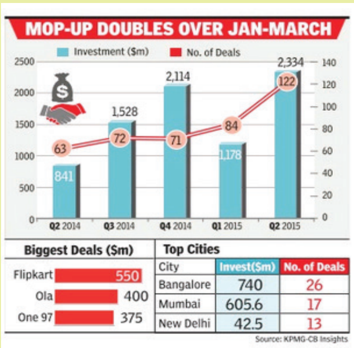
The unicorn club in India includes the likes of e-commerce biggies Flipkart and Snapdeal, taxi aggregator Ola, Paytm, data cruncher Mu Sigma and mobile ad network InMobi. When contacted by TOI, Quikr founder Pranay Chulet, an IIT-Delhi and IIM Calcutta alumnus, did not offer any comments on the secondary round in the company. However, private equity firm Kinnevik said in a statement while announcing its quarterly results that it had invested $20 million as a secondary share purchase in Quikr, making it the largest shareholder in the company. It has so far invested about $84 million controlling an 18% stake in the company. The secondary share transactions in July valued Quikr at $900 million, according to Kinnevik.

Amid all the cash burn and eye-popping valuations, early investors in India's bur geoning e-commerce sector are beginning to book profits. TOI had reported last year about secondaries, which were done at both Snapdeal and Flipkart, earning big returns to their early investors. Exits of early investors via secondary transactions is a healthy trend considering most VCs have found very few exits in India.

In April this year, Kinnevik had invested $40 million, which was part of the $150-million funding led by Tiger Global. All told, Quikr has raised $350 million in capital (excluding the latest secondary round), and competes directly with OLX, which is backed by the South African internet and media giant Naspers. Financing in venture capital-backed companies in India soared to a total of $2.3 billion in the second quarter of this year, doubling from the January-March period, as early-to-late stage investors continued to pour top dollar in the country's fast growing emerging businesses. In this period, as many as 122 companies raised new financing rounds with the big hitting hedge funds and other crossover investors propping up valuations in a heated tech market.

Bangalore-based companies raised $740 million across 26 deals, largely anchored by Flipkart's $550-million financing round, while Mumbai was second raising $605.6 million across 17 deals, including Ola's $400 million round led by DST Global, said a report by New York-based VC tracker CB Insights in partnership with KPMG.

"This is a banner quarter in India for both deals and dollars. Deals were up 94% and total investment was up 178% versus the same quarter a year prior. Tech made up almost 80% of all the VC backed activity in India, including 9 of the 10 largest deals. Moving forward, we expect similar ranges for India. Funding will most certainly stay above $1 billion per quarter; however, mega rounds like those seen in the past three months (four deals of $100 million and more) will dictate if quarterly funding reaches $2 billion or more", said CB Insights' Michael



Dempsey . "We also expect to see the most active investors in Asia continue to invest heavily in India. A mix of traditional VC money , along with hedge funds, private equity investors and corporates like Tencent and Alibaba, helped funding shore up in Asia and India".

In the three months ended June, Asian VC-backed companies, led by the likes of Flipkart, Ola and Korea's Coupang, collectively raised $10.1 billion across 313 deals, highlighting the fund-raising prowess of these Asian startups. Sequoia Capital India along with SAIF Partners topped as the two most active venture capital funds in all of Asia in the second quarter, according to the report.

"Up until a year ago, most of the large-scale funding was done by the bigger horizontal e-commerce players. But now we are seeing hyper growth in several segments like on-demand services in travel, food, real estate, classifieds and payments. This second wave of funding interest beyond e-commerce in different sectors shows the depth of the ecosystem", Google India managing director Rajan Anandan told TOI. The internet user base is expected to explode over the next 3-4 years from 300 million to 500 million and with the number of transacting internet users set to grow from 45 million to 150 million, the country is going to see sustained boom in venture funding, he said.

Asia, largely on the back of China and India, pulled ahead of Europe in deal count, but remained second to the US, with the top six deals accounting for $4.2 billion or 28% of all funding in the region.

"The adoption of internet on mobile for the first time has created several new business models around hyper local delivery and food", said Aakash Goel, VP at Bessemer Venture Partners, India. However, Goel said that the market is on the over-heated side and the valuations are high so VCs have to pick their bets carefully. "India is where China was 4-5 years back; with Brazil's internet penetration saturating, India is the big growing market", he said.

Source: The Times of India
July 23, 2015