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Re-CAP
A weekly mailer encapsulating capital market news
October 12th - October 17th, 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

FIIS SOLD ₹5, 000 CR OF PSU STOCKS IN Q2

Foreign institutional investors (FIIs) sold equity shares worth nearly ₹5, 000 crore in public sector undertakings (PSUs), including banks, in the July–September quarter.

Shareholding pattern data filed by 47 PSUs with stock exchanges reveal FIIs offloaded a net ₹4,886 crore in equities during the quarter, second (Q2) of the financial year. They sold shares worth ₹8,375 crore of 31 companies and bought shares amounting to ₹3,489 crore.

The calculation is based on a company's average market price in Q2, as the exact date of share transaction by these investors could not be ascertained. The S&P BSE Sensex had slipped six per cent during the quarter, its sharpest quarterly decline since December 2011.

Oil and Natural Gas Corporation (ONGC), State Bank of India (SBI), GAIL, NTPC and Container Corporation of India were some of the frontline stocks sold. However, the FIIs bought equity shares of Bharat Petroleum Corporation, Bharat Electronics and Indian Oil Corporation.

ONGC, State Bank of India, Gail (India), NTPC and Container Corporation of India are some of the frontline stocks that FIIs sold

"Any fund manager will be negative on these stocks. A fall in the price of crude oil has seen investors dump ONGC. On the other hand, there has not been a significant drop in the non-performing assets of Bank of Baroda, Punjab National Bank and SBI. That's why investors have exited these counters. GAIL has its own set of problems with the LNG (liquefied natural gas) business segment. So, any fund manager after looking at the fundamentals will try and rebalance the portfolio by exiting these stocks and buying those where there is earnings growth visibility", says G. Chokkalingam, managing director, Equinomics Research & Advisory.

Adding: "I think over the next one year, oil marketing companies (OMCs) will emerge as a theme, as oil prices are likely to remain subdued. Despite automobile sales remaining subdued, fuel sales are showing no signs of slowing. Once auto sales also pick up, fuel sales will gather more momentum, which will benefit OMCs".

LOSING CONFIDENCE?

Company	FIIs stake in % Jun,2015	FIIs stake in % Sep,2015	Shares sold/bought* in mn	Shares sold/bought* ₹ crore
ONGC	7.23	6.43	-67.6	-1,764.1
SBI	11.54	10.37	-68.2	-1,754.3
GAIL (India)	18.62	16.40	-28.1	-925.8
NTPC	9.98	9.19	-65.2	-835.7
Container Corpn.	29.84	28.31	-3.0	-469.6
BPCL	18.13	19.67	11.1	995.4
IOC	2.44	3.27	20.1	829.9
Bharat Electronics	3.89	3.97	6.4	757.7
HPCL	18.86	19.84	3.0	254.8
Union Bank	7.86	8.89	11.1	196.5

*Shares sold/bought in Jul–Sept 2015 quarter; Note: These are top 5 buys and sells among the 40 PSUs in Q2FY16 that have filed their shareholding pattern till date; Negative sign denotes offloading Source: Shareholding pattern, CapitalinePlus

Domestic institutional investors were net buyers of ₹27, 259 crore during the quarter. They bought the majority of shares from FIIs.

Coal India

That apart, FIIs, financial institutions, banks and insurance companies collectively sold equity shares aggregating ₹1, 312 crore in Coal India during Q2. Their holding at the end of September was 16.24 per cent, down from 16.77 per cent at the end of June.

"Coal India has underperformed the indices. We believe the sharp fall was not only due to change in investor sentiment but also due to a combination of concerns like overhang on the proposed stake dilution by the government and weakness seen in the e-auction segment", says Kalmesh Bagmar of Prabhudas Lilladher in a recent report.

"We believe the stake dilution would remain an overhang in the immediate period, though we do not think the government would divest the stake at the current depressed valuations, especially when significant improvements are seen in the company's operational performance and efforts are in place to achieve around 900 million tonnes off take target in 2020. We upgrade our rating to 'buy' from 'accumulate', with a target price of ₹405", he adds.

Source: Business Standard
17 October, 2015

GOVT MAKES FRESH ATTEMPT AT `MAKEOVER' OF FACTORIES ACT

The Narendra Modi-led government is making a fresh attempt at pushing labour law reforms, starting with a `complete makeover' of the 1948 Factories Act to bring it in sync with the government's plan to boost manufacturing and job creation.

In the process, the government has indicated that it is not likely to pursue the passage of amendments to the same law that it had introduced in Parliament last August and were reviewed by a parliamentary panel that submitted its report in December 2014.

On Tuesday, Labour Secretary Shankar Agarwal met employee representatives to make a pitch for a new factories law that would take all units with less than 40 workers out of its purview, running into severe criticism from trade union leaders over some of its new provisions.

The labour ministry would soon hold tripartite consultations (with both industry and employee representatives), said an official, adding that the government has had a rethink on the Factories Bill of 2014.

"We had met trade unions in February to discuss the 2014 Bill, but it has since been felt that the law needs a complete makeover as provisions were introduced many decades ago while the concept of a factory has changed, "a ministry official said.

Labour ministry officials told trade union leaders that the focus of the new law is to make it easy to create more factories to cope with the "huge backlog of unemployed and under employed youth".

ET VIEW

Regular Disclosure Will Do Wonders

We need forward-looking labour reforms to boost production and exports. For example, in garments, where demand is highly seasonal, a flexible labour market would hugely increase skilled jobs and overall employment. In complying with the various provisions of the Act, an inspector raj is eminently avoidable.

Instead, we need regular disclosure and transparency so that all stakeholders benefit. The Act itself needs to be updated. We can now drop the provision for storing drinking water in earthen pots, and also do away with spittoons, which should have no place in the modern factory.

Source: The Economic Times
17 October, 2015

EXPORTS FALL FOR 10TH STRAIGHT MONTH, DOWN 24% IN SEPT

IMPORTS DECLINE 25.4% TO $32.32 BILLION; TRADE DEFICIT AT $10.48 BILLION

India's merchandise exports fell for the 10th consecutive month in September this year. During the 2008-09 global financial meltdowns, the decline was for nine months in a row.

Exports contracted 24.3 per cent, the steepest in 75 months, to $21.84 billion in September, against $28.86 billion in September 2014, according to data released by the commerce department on Thursday.

Besides a global slowdown, the severe fall is attributed to a decline in global commodity prices. Exports had last recorded growth in November 2014, rising 7.27 per cent year-on-year.

Among high-value export items, refined petroleum products plummeted over 60 per cent in September year-on-year, engineering goods almost 23 per cent and electronic goods over 16 per cent. According to exporters body Federation of Indian Export Organisations (FIEO), just six items out of 30 for which data is available showed growth in September, against seven in August. For September, imports declined 25.4 per cent to $32.32 billion, compared to $43.34 billion in the year-ago period.

As such, the trade deficit for September stood at $10.48 billion, lower than the deficit of $14.25 billion in September last year. For August this year, the deficit stood at $12.48 billion.

For the first half of this financial year, exports stood at $132.09 billion, while imports were worth $200.9 billion, a trade deficit of $68 billion. Exports were down 17.6 per cent during the period year-on-year, while imports over 14 per cent.

India's oil imports stood at $6.62 billion in September this year, 54.53 per cent lower than $14.57 billion a year ago. For the April-September period, oil imports stood at $48.12 billion, 41.58 per cent lower than the oil imports of $82.37 billion in the year-ago period. Non-oil imports in September were estimated at $25.69 billion, 10.68 per cent lower than $28.76 billion in September 2014. This is attributed to the slow growth in the domestic industrial sector.

For April-September, nonoil imports stood at $15.28 billion, a 0.72 per cent rise compared with $151.71 billion in the year-ago period.

After a huge rise in previous months, gold imports declined 45.62 per cent to $2 billion in September from $3.8 billion a year ago. Non-oil non-gold imports declined 5.2 per cent to $23.7 billion from $25 billion. This category of imports is taken as a broad proxy for demand of imported industrial products in the economy. This meant the demand refused to perk up, posing a question mark over sustainability of industrial growth, which rose to a near three-year high of 6.4 per cent in August. Meanwhile, the government is yet to restore three per cent interest subvention for exporters, which expired in March 31.

"Overall, we expect exports to remain weak in the coming months on account of a subdued global demand scenario", said Richa Gupta, senior director, Deloitte in India.

Source: Business Standard
16 October, 2015

SEBI MOVES SC AGAINST DLF'S PLAN TO RAISE MONEY SEEKS STAY ON REALTOR'S PLAN TO SELL RENTAL ASSETS FOR ₹12, 000 CRORE

The Securities and Exchange Board of India (Sebi) has moved the Supreme Court, seeking a restraint order on the plans of realty major DLF to monetise its rental properties. The court has admitted the application and listed it for hearing on October 30.

Last week, debt-laden DLF had said some promoter group entities planned to sell about 40 per cent stake in DLF Cyber City Developers, the company holding its rental assets, to third-party investors. The transaction was to raise ₹12, 000-14,000 crore. Soon after the announcement, the DLF stock jumped to a month's high of ₹142.9 on the National Stock Exchange on Friday, up 18 per cent from its mid-September low of ₹121.15. Since then, the stock has pared the gains, closing at ₹134.6 on Thursday.

In its application, Sebi has said, "The proposed action of persons, including the respondent, would not have been possible if the whole-time member (WTM)'s order was in force. In fact, subsequent to such transactions, if this court were to restore the WTM's order, the proposed transactions would be in the teeth of the order".

In an e-mail, a DLF spokesperson said: "Sebi has already appealed against the SAT (Securities Appellate Tribunal) order of March 13, 2015, before the Supreme Court. It has been admitted. We would like to reiterate there is no bar on the company or any of its directors accessing the capital markets at present".

The regulator said the proposed transactions were also in the teeth of its pending application for interim relief. Sebi appealed to the court that DLF be restrained from dealing with any securities, directly or indirectly, until its appeal was heard and disposed of. It also sought directions barring the realtor from further proceeding with the proposed transactions in relation to the rental assets in any manner.

"In the alternative, direct that any dealing in any manner whatsoever by the respondent shall be subject to the outcome of the present appeal", the petition added.

In an order dated October 10, 2014, Sebi had restrained DLF and six of its senior executives from accessing the securities market for three years. The individual entities named in the Sebi order included Rajiv Singh (vice-chairman), T C Goyal (managing director), Pia Singh (whole-time director), Kameshwar Swarup (executive director, legal), G S Talwar (director) and Ramesh Sanka (chief financial officer).

In March, SAT quashed the Sebi order, saying the case was one of over-regulation by the capital markets regulator. Of the three member SAT bench, Jog Singh and A S Lamba favoured quashing the ban, while presiding officer J P Devadhar was in favour of a six-month ban. In April, Sebi moved the Supreme Court. In the appeal, the regulator contested several grounds of the SAT order, including SAT's observation that the Sebi board's clearance wasn't taken before initiating the investigation proceedings. Sebi's argued being a quasi-judicial body, it had powers to act on its own accord. The case relates to non-disclosure of certain information by the company during its initial public offering in 2007, which had garnered about ₹9, 000 crore.

FRESH TROUBLES: Sebi passes final order against DLF, barring the company and key executives for irregularities in IPO disclosures Nov 5, 2014: SAT allows DLF to access ₹1,800 crore in mutual fund money Feb 26, 2015: The capital market regulator imposes ₹86-crore penalty on DLF, related entities Mar 13, 2015: SAT upholds DLF appeal, overturns ban Apr 2015: Sebi moves SC against DLF Jul 2015: Sebi moves Supreme Court against DLF directors October 2015: DLF says plans to sell stake in rental assets for ₹12,000 crore October 2015: Sebi moves SC seeking stay on stake sell.

Source: Business Standard
15 October, 2015

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INDIA BAGS NO. 3 SPOT IN WORLD'S STARTUP ECOSYSTEM

Fuelled by $100 million flowing into the country's startups every week, the number of startups founded in the country has grown by 40% in 2015 over the previous year, said Nasscom's latest report on the Indian startup ecosystem.

India is the third biggest startup ecosystem with more than 4,200 founded and it is expected that the country will receive $6.5 billion in funding in 2015. The largest startup ecosystems are the US (47,000-48,000 startups) and UK (4,500-5,000). Israel and China follow India.

India saw 1,200 startups being born in 2015. Currently, three-four startups are born each day. The number of startups is projected to grow to around 12,000 by 2020. The startups now employ around 85,000 people directly.

The report, launched in partnership with consulting firm Zinnov and

ROCKETING AWAY

NUMBER OF STARTUPS

US	47,000-48,000
UK	4,500-5,000
India	4,200-4,400
Israel	3900-4,100
China	3,300-3,500

Google, finds that 72% of the founders are less than 35 years old. The number of female entrepreneurs still constitutes only 9% of the entrepreneurs in the country, but the absolute number grew by 50% over the past year.

R Chandrashekhar, president, Nasscom, said, "The emergence of unicorns (startups with a valuation of $1 billion or more) and the big exits have created a lot of confidence in the ecosystem. Startups are now creating innovative technology solutions that are addressing social problems".

Source: The economic times
14 October, 2015

BIG-NAME MARKET DEBUTS AT ODDS WITH THIN IPO PIPELINE

Two high-profile market debuts in India this month could raise up to $500 million, the biggest since Bharti Airtel floated its telecoms tower arm in 2012, masking a thin pipeline in a market that is struggling to attract high-profile listings.

Bankers say volatile global markets and a tepid performance at home are scaring off potential candidates. Worse, few obvious big names remain after a wave of listings in 2010, when Indian markets were riding high.

"September filings are likely to get pushed to February.

There are no big tickets in sight", one investment banker said. The operator of the popular Cafe Coffee Day chain started receiving orders on Wednesday for it's up to ₹1, 150 crore ($176.7 million) listing. But even for this keenly awaited offer have been lukewarm: just three percent of its book was covered by the early afternoon.

Books will close on Friday, with the listing due on November 2.

That is expected to be followed by the launch of an up to $400 million listing from Interglobe, the owner of India's biggest airline IndiGo, later this month.

Among likely candidates after Cafe Coffee Day and IndiGo, bankers point only to drug maker Alkem Labs and software firm L&T Infotech, both of which could be delayed to next year.

"Apart from L&T Infotech and Alkem, the pipeline doesn't have something that will rival Interglobe or Coffee Day in size for the remaining year", said a second Mumbai-based banker.

India's economy has been more resilient than some of its neighbours, but a slower than expected recovery has still weighed.

Source: Business Standard
15 October, 2015

ACQUISITION PICTURE HAZY AFTER NEW DUE-DILIGENCE NORMS

The new insider trading norms have confused potential acquirers. Players are asking for clarity over a clause, which requires price-sensitive information obtained during due diligence to be made public.

The requirement gets trickier for transactions such as private equity investments, where an open offer doesn't get triggered.

(In an open offer, a shareholder is given the opportunity to buy stock at a price that is lower than the current market price. The purpose of the offer is to raise cash for the company.) "These regulations only provide for situations when after diligence, the acquirer actually acquires the company. What is not clear is a situation when he does not proceed with the acquisition after conducting the diligence. Sometimes, on the basis of unfavourable findings in the diligence, the acquirers do not proceed further with the acquisition; so in this situation, the question arises what happens to the "unpublished price-sensitive information" that has been shared with the potential acquirer in the case of an aborted transaction", said Lalit Kumar, partner, J Sagar Associates.

The regulations, which came into effect in May, have specific guidelines for disclosure of due-diligence for deals that do not trigger an open offer. The regulations state companies would need to disclose due-diligence two trading days before the completion of deal. However, the regulations are silent on disclosures of due-diligence if the deal is not completed.

There is a concern among private equity and venture capital entities, where deal sizes are lower and often don't trigger the 26 per cent open offer. The concern is

CONFUSION

- The new insider trading norms have confused potential acquirers
- Players are asking for clarity over a clause, which requires price-sensitive data, obtained during due-diligence, to be made public

on the due-diligence disclosure requirement, as not all potential deals are completed.

For all mergers and acquisitions, the exercise of due-diligence is conducted by the potential acquirer to determine the health of the company and to arrive at an acquisition price.

This confusion has led to some deals getting delayed as the companies fear they could be violating the regulations.

According to Tejesh Chitlangi of IC Legal, clarity from the Securities and Exchange Board of India is required.

"To address such confusion, a clarification may be issued by Sebi and till then the parties should rely on general exemption by showcasing that the communication of information was in furtherance of legitimate purposes and for performance of duties", said Chitlangi.

"It appears that although the regulations are silent, it cannot be the intention that such diligence will not be permitted just because the transaction is aborted after the diligence", said Kumar.

Source: Business Standard
15 October, 2015

NOW, BAGGAGE DROP KIOSKS AT INDIAN AIRPORTS

Air transport information technology solutions provider SITA is looking to implement self-service baggage drop kiosks at airports across India.

While there are already self service check-in kiosks that allow passengers to get boarding passes, the baggage drop kiosks will let passengers print their own tags and drop the bags. The bags would be carried for loading and passengers would not be required to carry them to check-in counters. "We will be carrying out a pilot project at Mumbai and Bengaluru airports", said Maneesh Jaikrishna, SITA vice-president, India.

The Airports Authority of India (AAI) is also keen to introduce the system and has issued a request for proposal for major airports such as Chennai and Kolkata. A team of AAI officials visited Melbourne and Singapore to check the processes followed in airports there.

"These kiosks will reduce the work load of check-in staff and allow for better use of infrastructure and space", Jaikrishna added.

On Tuesday, SITA also announced that AAI has selected its baggage management system for Chennai and Kolkata airports. The system will give real-time information on the status of passengers' baggage, which will help reduce mishandling and solves baggage issues.

In 2014, mishandled bags cost the global air transport sector a total of $2.4 billion, according to SITA.

Around 100 hand-held devices have been issued to workers at the two airports, which will allow them to scan baggage tags anywhere and provide information on the location of each and every bag. SITA's system will help AAI determine which passengers have boarded and which bags have been loaded. It will also help produce reports to highlight mismatches, if any.

Source: Business Standard
14 October, 2015

LIST BY DECEMBER: SEBI TO START-UPS

ASKS EXCHANGES TO SPEED UP EFFORTS IN ATTRACTING NEW-AGE COMPANIES

The Securities and Exchange Board of India (Sebi) is keen on having companies list under the new start-up regulations before the end of the calendar year. The market regulator has asked stock exchanges to speed up their efforts in attracting new-age companies to the stock markets for their funding requirements.

Exchanges have also been tasked to spread awareness and get market feedback on the new regulations. Given the regulatory push, the exchanges have already started their drive.

BSE has already launched an institutional trading platform (ITP) — BSE Hi-Tech for start-up listings. The exchange, which had achieved considerable success in SME listings, has set up an office in Bengaluru, where most of the technology start-ups are based.

"We have announced a hitech platform for start-ups. Tomorrow (on Wednesday), we are opening our branch office in Bengaluru. We already have offices in Chennai, Hyderabad and Delhi, where most start-ups are based. We are trying to get these companies on board", said Ashishkumar Chauhan, managing director & CEO, BSE.

WELCOME TO THE BOURSES

- BSE has already launched an institutional trading platform (ITP), BSE Hi-Tech, for start-up listings
- The market regulator cleared the regulations for listing of technology, data analytics and e-commerce companies on the ITP in August
- The companies will have an option to list without an initial public offering, with a minimum disclosure requirement
- To protect investors, Sebi has kept the entry threshold high at application size of ₹10 lakh
- A start-up offering needs at least 200 investors, which the market players believe needs to be reduced to ensure successful IPOs

India's oldest stock exchange is also in talks with e-commerce companies to list.

Meanwhile, the National Stock Exchange (NSE) has said it was awaiting regulatory clarity before they firmed up their plans.

"Compensating employees without affecting cash flows through Employee Stock Ownership Plans (ESOPs) becomes a powerful tool to attract and retain talent", states BSE's presentation to start-ups.

The market regulator cleared the regulations for listing of technology, data analytics, e-commerce companies on the ITP in August. The companies will have an option to list without an initial public offering with a minimum disclosure requirement.

However, to protect investors, Sebi has kept the entry threshold high at application size of ₹10 lakh. Although the regulations have been welcomed by most market participants, Sebi has also received feedback to tweak the framework. Sebi Chairman U K Sinha at a recent event said the market regulator would be open to making changes to the regulations.

A start-up offering needs at least 200 investors, which the market players believe, needs to be reduced to ensure successful IPOs.

Also, Sebi has set the maximum threshold of 25 per cent promoter holding for companies wanting to tap the new start-up platform. Industry players want promoter holding threshold should be raised.

Sebi is said to be considering the market feedback on these two critical issues. The market regulator, however, isn't willing to reduce the minimum investment and lot size to enable retail entry.

"Start-ups by design is risky companies. There may be good returns but there can also be loss. This is not true just for India but all over world", said Sinha this week, explaining the rationale for higher entry barrier.

Source: Business Standard
14 October, 2015

SEBI TO END WORDY AGONY OF IPOS

PLANS TO PRUNE OFFER DOCUMENTS TO 10 PAGES

The Securities and Exchange Board of India (Sebi) has indicated it will not allow wordy or incomprehensible Initial Public Offering (IPO) documents. (IPO is the act of offering the stock of a company on a public stock exchange for the first time.)

"Very soon, we will come out with (rules for an) abridged prospectus... It will be really understandable for investors. Whatever (information) is required to take well informed decisions will be available in 10 pages", said P K Nagpal, executive director, Sebi.

The 10 pages would have details about the promoters, litigation, and important subsidiaries

He was speaking at an event here, organised by the PHD Chamber of Commerce and Industry.

As a rule, IPO documents run into hundreds of pages and investors often find it difficult to comprehend the key information. What Sebi appears to be planning is to have a rule that the entire offer document only be available on a soft copy format on the websites of Sebi, the company in question and the investment bankers to an IPO. The 10-page abridgement would have details about the company's promoters, pertinent litigation and materially important subsidiaries, said people in the know.

"Retail investors are generally not inclined to read the many-page document and sometimes miss the important bit in the overload of information. An abridged version would ensure they have the relevant information and also reduce the burden on companies (in printing and distributing the entire thing, among others)", said V Jayasankar, head of equity capital markets, Kotak Investment Banking.

Prithvi Haldea, chairman, Prime Database, says a shortened version of the offer document with all the relevant information will help investors. "The abridged prospectus would ensure that investors have all the material information to make an informed decision. Where investors need more details, they can always access the entire document", he said.

Nagpal recounted some recent steps by Sebi on related matters. Recently, for instance, it had approved 'electronic' IPOs, to help cut the interval till listing time to only seven days. Also, the regulator has quickened the clearance process, and allowed more companies tap the fast-track route for a rights issue and follow-on offers.

ABRIDGED EDITION

- The Securities and Exchange Board of India has indicated it plans to not allow wordy or incomprehensible Initial Public Offering (IPO) documents
- IPO is the act of offering the stock of a company on a public stock exchange for the first time
- IPO documents usually run into hundreds of pages

Sebi had earlier reshuffled its corporate finance division to ensure smoothening of the process. It is also said to be working on a 'system-driven disclosure regime' for listed companies, to help improve monitoring of insider trading and any lapse in corporate governance. The idea is that the proposed system use technology for automatic gathering and integration of information.

Source: Business Standard
14 October, 2015

WITH NO TIME TO STAND & STARE, I-BANKERS NOW LOOK TO START UP

EXECS ARE LEAVING LEADING FINANCIAL INSTITUTIONS IN SEARCH OF WORK-LIFE BALANCE, NEW CHALLENGES

Investment banking has traditionally been the dream destination for management graduates but the challenges are persuading many to hop onto the startup bandwagon. The high burnout rates and long working hours are pushing some to leave high-paying, prestigious jobs at leading financial institutions to join startups or set up their own ventures, marking a major shift in their career track and leaving investment banks scrambling for top talent. At least six investment bankers from top firms, including Bank of America Merrill Lynch, Kotak and Macquarie, have joined startups or become their own bosses in the last few months.

The startup wave has been attracting talent from sectors such as consumer goods and telecom & traditional banking

"There is no work-life balance in investment banking," said Sumit Agarwal, 30, who quit as VP at Bank of America Merrill Lynch in April to become the CEO of his own firm."I used to work 14-15 hours a day, cancelling all family plans. I have seen my seniors do that".

Agarwal, who started his career with the US Bank in 2008 after graduating from the Indian Institute of Management, Bengaluru, said he loved his job, exhausting as it was. But "I couldn't do this for the next 15 years. I have the energy to run around for 7-8 years and not more".

I-bankers Head for Startups

Name	Designation	Startup
Shailesh Rathi, 33	Associate Director, Kotak Investment Banking	Joined Easy Tech
Sumit Dhingra, 32	Vice-president, Kotak Investment Banking	Cofounded ServiceBob.com
Gaurav Gupta, 39	Executive Director, Kotak Investment Banking	Cofounded myloancare.in
Anand Dalmia, 35	Senior Vice-president, Macquarie	To start tech-based fin services firm
Sumit Agarwal, 30	Senior Vice-president, Bank of America Merrill Lynch	Founded his own firm
Ashneer Grover	Kotak Investment Banking	Joined Grofers

The startup wave has been attracting talent from sectors such as consumer goods and telecom and even traditional banking. Deal makers joining this exodus is a reflection of global trends, with investment banking acting as a springboard for their new careers. Human resource specialists said the shift will continue.

"The year 2009 saw several bankers being laid off, a forced move that saw many taking up alternate careers like joining corporates. This time around, in 2015, even when banks are selectively hiring, bankers have made a conscious decision to resign and take up a challenging role of setting up firms," said Ajit Premkumar, director, EAL Search, a top recruitment services firm."We have seen vibrant support to young smart entrepreneurs who have an idea and can deliver. This clearly has attracted a pool of high quality individuals from banking".

To be sure, startups don't necessarily offer the most relaxed work environment. On the other hand, they do allow people to set their own rules. Gaurav Gupta, 39, echoed the sentiment expressed by Agarwal. "Investment banking is not as cushy as it looks from outside", he said. "There's a lot of hard work involved".

After 10 years of service, Gupta quit Kotak Investment Banking in March 2014 to start Myloancare.in with his batch mate from engineering college. "It's hard to say bye to a well-paying job. There's a fear factor, "said Gupta "We bankers advise companies and entrepreneurs how to go about with their ventures. There came a point in my life when I asked myself how would I go about if I were to start my own venture. If others can take the entrepreneurial plunge, I too can". Gupta's home loan rate comparison site was born out of a bad experience with getting his own mortgage. Former colleague Sumit Dhingra has also taken the entrepreneurial path.Dhingra, 32, who interned with Kotak during his MBA and subsequently joined the investment bank, left some months ago to cofound ServiceBob.com, a facilities management business. He said dealing with entrepreneurs from the technology and internet sectors had a rub-off effect, motivating him to become an entrepreneur.

Likewise with Anand Dalmia, who was covering tech for Macquarie. "Investment banking is one of the best professions. Anything better than I-banking is being an entrepreneur and I want to try it", said Dalmia, who will be launching his own technology-based financial services firm next month.

Not all mergers and acquisitions specialists are starting out on their own, some are joining start-ups. "Unlike earlier, today joining a startup is not considered a taboo. In fact, now the startup experience is considered valuable by prospective employers, "said Shailesh Rathi, who switched to Easy Tech Services, operator of EasyRewardz, a digital loyalty platform, from Kotak Investment Banking last week.Rathi, an IIM-Ahmedabad alumnus, started his career with the domestic investment bank and was with the firm for a decade.

Source: The Economic Times
12 October, 2015