



10th Annual Summit INDIA INVESTMENT CONFERENCE

Thursday, 19th April, 2018 New Delhi

Last year has been the biggest year for venture capital and private equity (PE/VC) investments in the past decade – Financial Express

Risk capital investors have infused a record \$23.34 billion through 537 deals in 2017



An ASSOCHAM Initiative



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Private Equity - India Background

2017 was the biggest year for venture capital and private equity (PE/VC) investments in the past decade. Risk capital investors have infused a record \$23.34 billion through 537 deals in 2017 according to research firm Venture Intelligence. Market participants said the increase in fund sizes, some big-ticket deals and successful exits in the primary markets for PE players have helped fuel the boom.

The momentum last year could be largely attributed to the increased attention India got from the Sovereign Wealth Funds (SWFs) and Pension Funds. They were at the frontline of the PE activity for the year, accounting for a little under a third of the aggregate investment value. Last year also witnessed some of the largest PE deals India has seen in the Technology, Banking, Agriculture, Renewable Energy and Logistics sectors.

The Technology (including E-commerce) sector retained its dominant position with USD 11 billion invested across 346 deals, accounting for 45% of the investment value last year; the sector witnessed three of the largest deals this year with Softbank and Tencent being at the forefront. This was followed by the Financial Services sector with USD 5.2 billion invested across 74 deals, a 75% increase in value over 2016. This was partly due to Axis Bank's proposed capital raise of around USD 1 billion from Bain, which would be the largest PE deal in the banking sector as well as a continued interest in Non-Banking Financial Companies/ Micro Finance Institutions.

2017 has seen a fair number of big-ticket transactions. E-commerce leader Flipkart received \$2,500 million from SoftBank Corp and another \$1,400 million from Tencent and others. One97 Communications, which owns mobile payments service provider Paytm, received \$1,400 million from SoftBank Corp. Online cab aggregator Ola received \$1,100 million from Tencent, SoftBank Corp and other investors. Among the old economy businesses, Axis Bank received \$1,049 million from Bain Capital, while Bharti Infratel, Ruchi Soya, Global Logic and IndoSpace Core received \$500 million or more each.

Source : <http://www.financialexpress.com/market/private-equity-in-2017-deals-in-india-scale-record-highs/978280/>

The Energy sector steered by the renewables space garnered USD 1.5 billion invested across 21 deals, recording the largest PE investment in the renewables space i.e. CPPIB's commitment to invest USD 0.4 billion USD in Renew Power Ventures. The Logistics space followed closely with USD 1.4 billion invested across 17 deals, over a threefold increase from the USD 0.4 billion invested in 2016. This was mainly attributable to few Canadian investors. The Healthcare & Life Science space also witnessed significant activity last year, garnering investments worth USD 1.5 billion, driven mainly by the Hospitals / Clinics space. Interestingly the Agriculture space witnessed a spike in activity this year attracting investments worth USD 0.7 billion.

2017 was also a landmark year for PE exits. 2017 recorded 259 exits valued at USD 12.5 billion*, which exceeded the previous best year for exits i.e. 2015 by nearly 40% in terms of value.

*Figures as on December 15, 2017 and excludes Real Estate deals

Source: Venture Intelligence

Private Equity and Venture Capital Association of India an ASSOCHAM initiative, along with the Ministry of Corporate Affairs, Ministry of Finance, Government of India, Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the other important stakeholders is organizing the One Day Annual Conference “INDIA INVESTMENT CONFERENCE” on 19th April, 2018 at Hotel Leela Palace, Chanakyapuri, New Delhi from 09:00 a.m. to 04:00 p.m. Key Issues for Discussion are: The Annual Budget 2018-19: Impact on Private Equity; Angel Tax: Affecting the Growth of New Startups; Ease of the Process of Accessing Funds and Self Regulatory Body: Mechanism for Private Equity Industry.

ASSOCHAM writes to Hon'ble Finance Minister, RBI Governor over Private Equity Investment

In a bid to resolve the vexed issue of ‘assured return’ on private equity investment, industry body ASSOCHAM wrote to Finance Minister Arun Jaitley, in November 2017 urging a meeting between his officials and the global private equity funds so that investments worth several thousand crores of rupees stuck in litigation can be freed.

“Pre-agreed price rights and fixed ROE (Return on Equity) clauses have become an integral part of most private equity (PE) deals all over the world. Similarly, India witnessed an increasing trend where companies entered into such covenants and committed fixed ROE conversions either directly or indirectly.

However these agreements have run into regulatory hurdles,” the letter noted.

“This has led to a precarious situation of uncertainty over the exit of the PE investors from the deals and has affected the overall the market sentiments which has directly affected the fund raising ability of the Indian firms,” it said in identical letters written to the Finance Minister and Reserve Bank of India Governor Dr Urjit Patel.

It argued that while the government wants to earnestly address the issue of assured return for the PE investors for the future, it is equally important to address this issue with regard to earlier investments struck up at various stages of litigation (like Arbitration, Courts).

In last two years, investments worth more than Rs. 3,200 crore have landed in courts. Therefore, to send right signals to attract the FDI into the country, ASSOCHAM has suggested that the Ministry of Finance and RBI can invite the affected PE investors and discuss with them about the acceptable assured return as one time solution to resolve the pending issues which will help PE investors besides making India a much more attractive destination for FDI.”

While there seems to be a certain degree of choice in pricing for convertible securities, this is still subject to the overarching principle that foreign investor should not be entitled to any “assured exit price”.

(This story has not been edited by Business Standard staff and is auto-generated from a syndicated feed.)

Source-http://www.business-standard.com/article/news-ani/assocham-writes-to-jaitley-rbi-governor-over-private-equity-investment-matter-117112400376_1.html

ANI | New Delhi [India] Last Updated at November 24, 2017 13:40 IST

KEY DEVELOPMENTS IN THE PRIVATE EQUITY INDUSTRY IN 2017

- The Central Board of Direct Taxes (CBDT) issues final guidelines for determination of Place of Effective Management (POEM).
- SEBI Introduced Online System for Portfolio Managers and Venture Capital Funds
- Online Registration Mechanism for Securities Market Intermediaries
- CBDT relaxes conditions for exemption from constituting ‘business connection’ in India for investment
- CBDT issued clarification related to guidelines for establishing ‘Place of Effective Management’ in India
- Amendment to SEBI (Foreign Portfolio Investor) Regulations, 2014
- CBDT Notifies Transactions Not Qualifying for Long Term Capital Exemption on Sale of Listed Equity Shares
- Amended Safe Harbor rules on transfer pricing for international transactions issued
- SEBI to initiate action against non-compliant companies which are exclusively listed on Dissemination Board
- Online Filing System for Alternative Investment Funds.
- Acquisition of ‘control’ under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- Funds set-up by Category I or FPIs II
- Actions taken by SEBI for the non-compliance in relation to issuance of securities
- Investments by FPIs in corporate debt securities
- FPI to trade in derivatives on equity shares.
- Acceptance of e-PAN card for KYC purpose
- Amendment to Investor Grievance Redressal System and Arbitration Mechanism
- The FDI Policy, 2017
- Action against Exclusively Listed Companies and its Promoters/Directors pending Exit Offer to the Shareholders

Source: <http://www.aralaw.com/wp-content/uploads/2018/01/India-Private-Equity-and-Venture-Capital-2017.pdf>

PARTNERSHIP BENEFITS

Categories	Partnership Amount (₹)	Speaker Slot in Inaugural Session	Corporate Literature on the Head Table	Corporate Video Presentation during Breaks	Standee at Lunch Area	Advertisement in Newspaper	Standee at Venue	Logo in Back Drop	Complementary Delegate Passes
Presenting Partner	₹ 5,00,000/-	√	√	√	√	√	5	√	10
Gold Partner	₹ 3,00,000/-		√	√	√	√	4	√	7
Silver Partner	₹ 2,00,000/-					√	2	√	7
Logo Partner	₹ 1,00,000/-					√	1	√	4

Delegate Registration Fee: ₹ 4,000/- per Delegate

Key Issues

Annual Budget 2018-19: Impact on Private Equity.

Angel Tax: Affecting the Growth of New Startups.

Ease of the Process of Accessing Funds.

Self Regulatory Body: Mechanism for Private Equity Industry.

TEAM PEVCAI



Ajay Sharma

Senior Director, ASSOCHAM &
Executive Secretary, PEVCAI

For Partnership/Sponsorship please contact or log on www.assochem.org

Pankaj Sharma

Senior Executive, ASSOCHAM
M: 8851121035; E: pankaj.s@assochem.com

Pulkit Mishra

Executive, ASSOCHAM
M: 9971757450; E: Pulkit.mishra@assochem.com

PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION OF INDIA

Corporate Office: 5, Sardar Patel Marg, Chanakyapuri, New Delhi – 110 021
T: 011-46550555 (Hunting Line) • F: 011-23017008, 23017009

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