

Private equity venture Multiples to invest \$150 million in fintechs

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Renuka Ramanath, MD and CEO, Multiples

Investments in the nascent sector have increased almost four-fold in 2015

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‘Multiples’, a private equity venture spearheaded by Renuka Ramnath, is planning to invest \$150 million in the nascent financial tech sector and digital companies in India.

As banks globally struggle to tackle technology-related issues, investments in fintech ventures are on the rise.

Talking to *BusinessLine*, Ramnath, Founder, MD and CEO of Multiples, said the firm is looking to invest in fintech actively. Further, she added that investments in traditional technology companies can migrate to digital opportunities around digital and cloud-computing segments.

All these investments will be part of the second fund that Multiples has lined up. “I have a target of \$500 million in the second fund, in addition to \$150 million, which will go into these kinds of ventures,” she said.

Multiples, a few years back, came up with its first fund, — \$400 million, out of which 70 per cent was invested by HNIs; other investors have been paid back. The company launched its first fund with a total corpus of \$400 million that was invested in ventures as varied as water purifiers and mobile adtech ventures.

In demand

According to a recent report by Accenture, investments in fintech across Asia-Pacific have increased almost four-fold in 2015 — from ₹5,828 crore in 2014 to ₹23,150 crore in just the first nine months of last year.

In India, fintech is seeing a host of start-ups — from mobile payments to social media collaborations for banks. It has also drawn the attention of global investors such as Vinod Khosla of Khosla Ventures, which has invested in Novopay, a payment technology provider.

Industry watchers point out that the sector is bound to see long-term investments due to a couple of factors.

“PEs see immediate returns and exit opportunities with consumer-facing segments such as mobile payments, and this coupled with fintech firms selling their technologies that can replace legacy systems in banks and traditional financial services firms, make it a very lucrative proposition,” said Devie Mohan, a fintech strategist.

The financial sector has kick-started initiatives that bring in start-ups and banks together. Citibank has such an initiative.

According to Kartik Kaushik, Country Business Manager, Consumer Banking, Citibank India, a large number of people

in India have their first touch-point with technology through their phones — to access services such as banking— which requires getting technology companies and start-ups on the same table to figure out newer ways to reach out to unbanked people.

Some in the industry, such as Vikas Sekhri, Founder, CashCare Technologies, point out that while investments are expected to pour in, PEs are taking their time to understand regulatory challenges in the space.

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