

# Morgan Stanley MF marks down Flipkart's valuation

This is the fourth time company's valuation has been lowered this year

## OUR BUREAU

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The valuation of India's e-commerce poster boy, Flipkart, is on a downward spiral. For the fourth time in a year, the company has witnessed a marked-down valuation from its investors.

Morgan Stanley Mutual Fund Trust, a mutual fund investor in Flipkart Ltd, has further devalued the Bengaluru-based firm's shares by 15.5 per cent thus bringing the valuation down to \$9 billion.

Morgan Stanley valued its shares in Flipkart at \$87.9 per share in March from \$103.97 a share in December 2015. The fund had valued the e-tailer's shares at \$142.24 per share in June 2015.

In February, Morgan Stanley had marked down its stake in the Indian e-commerce company to \$11 billion from \$15.2 billion. In April, other investors, including Fidelity and T Rowe Price, had marked down the shares marginally.

In May, minority investor

Valic had also dropped valuations citing that the company had failed to achieve the growth targets, for both sales and profits, for 2015.

## 'No impact on growth'

The company's founders Sachin and Binny Bansal have been reiterating that marking down of valuations is a regular feature for any company and does not impact growth.

Meanwhile, experts believe that more markdowns could be coming Flipkart's way and that it could come down to \$5-6 billion-levels as the market is set for a correction.

A number of foreign investors, including Alibaba, have been eyeing a bigger stake in the Indian e-commerce segment and the declining valuations could give them an opportunity.

However, Sanjay Mehta, an angel investor and entrepreneur, said: "The compression in the Flipkart valuation hasn't impacted valuations in early venture rounds. Early stage start-up numbers are growing faster than ever, which is an enticing attribute for angel investors and higher growth rates help to discover more investment opportunities."