

IvyScope

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from IvyCap Ventures



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Approval from GOI to raise INR 2000 mn!



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THE LAST QUARTER was another eventful one for our Fund. You will be happy to note that the progress on a quarter-to-quarter basis on the back of a strong network of investors and mentors has been overall positive. And, the target to complete our final closing of the Fund is well within sight.

The fact that we have been in the right direction is reinforced by the approval accorded by the government of India to raise up to INR 2000 million from the Non-Resident Indian (NRI) investors through normal banking channels. This is a rare approval for a SEBI-registered Venture Capital Fund out of India. Not only does this lend immense credibility to our Fund, but also opens up new vistas for the Fund in the international markets. Our team has already started leveraging the benefit of this opportunity offered by the Government but initiating efforts to approach NRI investors in the US, Singapore and the Middle East.

Another historic achievement for our Fund is the formal announcement of our investment in Reuters Market Light (RML). We believe that this investment has proven the strength of our network, appetite for impactful deals and the deal-making ability given that this deal came through our trusted network and had a very high degree of complexity. It also gave us the opportunity to structure it in an innovative manner that not only provides high potential for returns to our Fund but also solidifies our branding in this market place.

On the Fund raising side, the foundation has been laid for further fund raising prospects.

Your support as a stakeholder has enabled IvyCap Ventures Trust – Fund 1 to reach a size of INR 1350 million in commitments besides attracting further investments from individual and institutional investors in India and abroad. Importantly, INR 950 million of the funds, raised, so far, have come from eight institutional investors, including public sector banks and the Government of India. While we are working with a few more FIIs, we are expecting a positive response as we are due to receive the final approvals from some of them. Increasingly a lot of interest is being seen from the international investors. Thanks to the alumni networks associated with our Fund the world over, our eco-system has been expanding tremendously.

On the investment side, the Fund is consolidating itself by currently evaluating attractive investment opportunities in the sphere of healthcare and life sciences, education, technology and cyber-security. IvyCap's ability to leverage the global IIT alumni network has triggered several exciting investment opportunities in new and emerging areas. Some of the deals that the Fund is now looking at are unique and proprietary in nature. Over 50 additional investment opportunities, identified by the Fund in the last quarter, are all at various stages of analysis and due diligence process.

Following the next Board meeting scheduled on April 27 in Mumbai, the core team is looking forward to sharing much more exciting information that will keep you more actively engaged with us in every which way! **Till the next edition, let's stay connected...** 🌱



Good, right, BIG equally important!

*An idea on an A4 page whose time has come. Well, that is how the story of Reuters Market Light (RML) unfolded, as the IvyScope editorial team caught up with the busy, award-winning young leader and CEO-Founder **Amit Mehra** in a free-wheeling chat on Thursday, March 28, 2013.*



Amit Mehra
Managing Director,
RML Information Services
Pvt. Ltd.

“From a technology perspective, the IvyCap network will add tremendous value to the next phase of growth of RML.”

A trip from London to India and a less than 3 months time spent interacting with people from the farming community, industry, NGOs and operators in the space that RML is currently in, was all it took for Amit to take the plunge. The seed of his entrepreneurial venture was sown after the initial phase of scepticism wore off as he was able to see the big picture – **the social impact and a profitable business, as he decided to pursue it in right earnest.**

“The farming community was underserved compared to the urban market and identification of the dire need were the causes that triggered the spark in me to conceptualize the business,” Amit says, as he passionately explains the nuances of RML’s ‘personalised technology service provider’ concept that serves a network of 1600-plus agrarian markets in India. At a yearly subscription of INR 999, the ryots can access customised market intelligence that is imperative for any successful venture given the current global market dynamics.

So, be it weather forecast, choice of market, advisory inputs and any other personalised information that will impact a farmer’s income from his fields, everything is available through the service offered by RML. “It does take 2-3 crop cycles to assess the influence our service can make in a farmer’s life. Interestingly, it was a late evening conversation between a farmer and his wife that gave me the conviction that there is clearly a need for such a service” an enthused Amit says as he goes on to narrate the experience he had while he was test marketing his ‘product’ to a farmer in Meerut. When Amit met this progressive farmer at his home and was explaining the advantages of using his services through mobile, the farmer immediately turned to his wife and urged her to park a portion of their daily income for this purpose, as he was able to perceive the growth in his earnings that would ultimately raise their standard of living. From a ‘nice-to-have’ service, RML’s challenge is to transform it into a ‘must-have’ category of services for a farmer and it is making concerted efforts to

create the demand. “We do find distribution and access as two key challenges as establishing the need is one thing and converting it into demand is another”, he rationalises.

Having built a service and an operating model that consistently delivers value to the farmers, RML has been experimenting with its business model. For this, it has been closely working with institutions, academicians, progressive farmers, local shopkeepers, elder statesmen, people in position of authority (teachers, doctors, panchayat heads) and even the trading community as Amit believes that these influencers have the power of bringing a huge change in farming.

“Our objective is to lay the foundation and impart agro information to the community that will directly impact the farmer and create wealth and a sector itself. Process, product innovation and pioneering the concept is only one side of the success achieved so far. RML’s commercial journey has just begun” says the London Business School graduate, who recently bagged the **‘Young Global Leader’ honour at the World Economic Forum.**

“While we have been very good at creating value, by pioneering and helping create this sector, we are still building the business model as we are yet to appropriate significant value” he goes on to add.

“Having the right Board and investment from IvyCap Ventures provides the right “start-up” framework, that is needed to build a scalable model in a very new sector. The two visible things that gave us the confidence in IvyCap were the feel-good factor when we met the team and the added advantage of the access to the large and wholesome IIT-network in India. From a technology perspective, the IvyCap network will add tremendous value to the next phase of growth of RML,” Amit said.

Ask him to define himself given the fact that he left a plush career to pursue his entrepreneurial dream, Amit is humility personified as he says he would see himself as a ‘doer’!

Hope you enjoyed this interview with one of India’s bright, talented, promising and accolades-winning young entrepreneur, who has invested his intellectual capital, time, energy and effort to make a contribution to the changing landscape of the country’s unique businesses that IvyCap Ventures seeks to identify. (www.reutersmarketlight.com)



A link that Matters!

THIS YEAR, it was the colourful festival that got the lady, with a specialization in catastrophe modelling, in an upbeat and vibrant mood. For Stanford graduate Anju Gupta, celebrating Holi, the festival of colours, in true Indian style, was something to cherish! If her decision was to be back in India for good, then the Delhiite, who has an innate connection and love for Bangalore, having being born here, has chosen to pitch her residential tent in her favourite garden city with her husband and twin children. Quiz her on her choice and she is quick to highlight the complete flavour that the city offers – the good-natured people, the cool climate and its techno-commercial aspect. Never mind the snarling traffic and the bursting infrastructure, which Anju laughingly overlooks as she is more than at ease with India's very own silicon valley! The splash of colours and the comfort of her environs in Bangalore have added a dash of excitement in her life as she is turbo-charged to meet entrepreneurs and share her bandwidth. Anju, an IIT-civil engineer, chose to pursue a PhD in the US, where her advisor sparked her interest in the insurance field and ended up jump-starting her with a career in calamity risk and insurance. From designing buildings work that is typically associated with civil engineers, her entry into the US-based Risk Management Solutions (RMS) gave her a foot-hold into a niche area. Anju, a key diversity component on the IvyCap Ventures Board of Mentors, is a senior director at RMS.

Assessing risk and putting the insurance business to good use especially during a catastrophe or its aftermath are not easy tasks. But research and in-depth specialization in catastrophic modelling for over 15 years now has made Anju gain a 360 degree exposure in the catastrophe risk management arena. "It is a niche industry. Being at RMS has meant the need to constantly look for innovative solutions. Quakes and such natural catastrophes offer actual data and assessing loss means an opportunity to do product development work even as we keep evaluating various modelling techniques," she said to the editorial team on Friday.

But ask her the relevance of such techniques in an Indian context she is quick to point out that crop insurance is one field that has been evolving and the modelling techniques can be and have started being replicated in this sphere too.

Catastrophe insurance and more recently crop-insurance have a strong foothold in the US and Europe, and, a noticeable trend is that these businesses are now moving to Asia and especially countries like China and India. One of the main reasons: volume, as companies see the value proposition in the 'more of less' kind of business models.

"More and more Indians are coming back and everyone is keen to see how they can apply their knowledge and experience. The effort is to find out methods of modelling crop insurance based on these two factors," Anju says, as she cites that markets in the US or elsewhere give to the importance to collating data.

Today, be it retail, commercial, infrastructure or any other field, collection of data is critical as it provides the ideal platform to plan out the risk and de-risking strategies from a business perspective. "We can spell out what has worked and what has not. Better data means we can trust our models more. Using this learning experience, the go-to-market and what-to-market strategy can be planned," she said.

Giving the example of the powerful Northridge earthquake in Los Angeles, while she was still a researcher at Stanford, Anju says they (three of them) were research students traveling there to see what damage the quake had done. They saw a collapsed quake-hit apartment building in LA, with FEMA (the Federal Emergency Management Agency), seeking volunteers to go in and help the families who lived there, pick out anything and everything valuable they wanted in the allotted five minutes before they designated the building unsafe for entry. "It was both amazing and a heart-breaking sight. If a professor picked an English literature book, a grandmother of someone picked a



Anju Gupta
Mentor,
IvyCap Ventures

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grandchild's photo. The attitude and how people react in a disaster are amazing to view, especially from a volunteer's perspective," Anju said, lamenting that the social awareness for the 'value of life' was far superior in the US than in a country like India.

Anju is clear that like her decision to join the IvyCap Board of Mentors inspired by the give-back concept that has been the fund's hallmark, she will use it to promote awareness among various stakeholders on the value of life. "Entrepreneurs have time

and again mentioned that they see challenges in networking. World-wide, the respect for IITians is immense and the contribution of technology to society through such give-back programs augurs well.

The quality of information and data available in this kind of a platform is of immense value to those associated with IvyCap Ventures," says the quake engineer, who is ever ready to impart all that she has gained through her mentor and personal-professional experience by knowledge-sharing sessions.



A good springboard for portfolio firms...

IVYSCOPE: How do you see your role in IvyCap Ventures? What are your expectations from the Fund?

RISHI: The fund is a unique opportunity for industry personnel like us to work with young companies and help them in the execution of their business plans. I expect the fund to invest in interesting and scalable business ideas which create value to the society and business.

I expect and foresee my role to be more involved with the new JVs that the fund will enter into providing hands-on experience and working with the management teams to help them achieve the target goals. I also see myself helping the team in fund raising as needs and getting more involved in newer deals.

What were the key attractions for you to join the IvyCap Board of Mentors?

Opportunity to work with newer ideas, opportunity to interact with a highly-skilled team and the 'will to stretch' to help the team!

How do you see mentors in the context of portfolio companies? What, according to you, is the differentiator for IvyCap Ventures?

The mentors should continue to be actively involved in the portfolio companies both in a formal and informal way providing guidance on planning and execution. IvyCap's key differentiator, in my mind, is the extensive knowledge base in terms of the personnel associated with the fund in different capacities (fund managers, advisors and mentors). The unique link with premier institutes of the country provides a good springboard for portfolio companies in terms of the ability and accessibility of the highly resourceful alumni network. 🌱



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IvyCap Ventures Advisors Private Limited (IVAPL) is guided by an entrepreneur-centric investment approach. It has been set up as a Venture Capital (VC) Fund Management Company with an approach to focus on high-quality professional entrepreneurs from the premier education institutions of the country. IVAPL focuses on investing in early and growth stage companies across sectors such as Healthcare, Education, Energy, Agriculture / Rural, Technology and other innovation oriented businesses. Our mentors bring the requisite skills, industry experience and passion to support creation of distinct value in our portfolio companies.

In addition, IVAPL is also working towards building a strong entrepreneurial ecosystem across educational institutions of the country. Towards this goal, IVAPL has created a unique "Give Back" program to share part of its own profits with the educational system of the country, primarily to encourage further entrepreneurship.

Editorial : Hemamalini Venkatraman



Rishi Shrivastava
Mentor,
IvyCap Ventures

“IvyCap's key differentiator, in my mind, is the extensive knowledge base in terms of the personnel associated with the fund in different capacities (fund managers, advisors and mentors).”