

ABOUT VentureSoul:

VentureSoul is in the process of setting up a New Economy Credit Fund (AIF Category – II Fund) (SEBI Approval pending).

The firm intends to raise a Rs. 600Cr fund from various investors - Rs 300 cr + 300 cr Greenshoe.

ABOUT THE NEWSLETTER:

This newsletter intends to capture some of the key updates and trends in the New Economy ecosystem in India.

This newsletter should be treated as a knowledge sharing memo and not as any investment solicitation.

ABOUT THE PARTNERS:



Kunal Wadhwa (ex HSBC, Citi, ABN Amro)

- 21+years of banking experience with more than 6 years in the startup ecosystem
- Founding member of HSBC Startup Lending Fund
- Deep engagement with start-up ecosystem/ VC/ intermediaries



Ashish Gala (ex HSBC, Credit Suisse, CLSA)

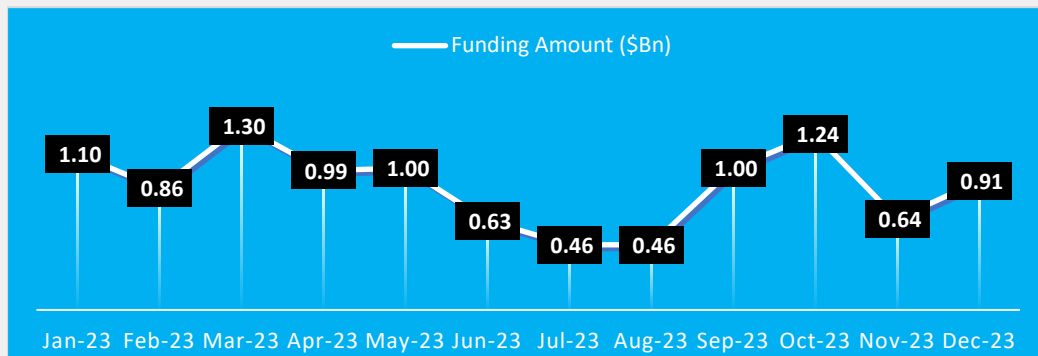
- 22+ years in Structured Finance, Pvt Credit, Leverage Finance
- Buy side fund management – private credit and structured debt investments on Pan-Asia basis
- Active engagement with VC/PE



Anurag Tripathi (ex HSBC, SCB, ICICI)

- 23+ years in MSME Lending, Risk Management, Corporate Banking
- Supply Chain financing
- Portfolio management/ tech-based analytics

KEY TRENDS



Source: Enttrackr Reports on Monthly Funding published

- December 2023 witnessed a revival in deal funding with c \$1bn money raised. The deal activity has slowly improved post Sep 23 with more than \$2Bn being deployed in the last quarter; M&A activity also picking up in 2023.
- The industry has with more than \$20bn equity dry powder waiting for right valuations and environment to improve further.
- Debt/structured solutions found acceptance by founders with various Venture Debt providers active in this space.

EVENTS: IPO, M&A, STRATEGIC ACTIVITY



M&A activity led by various stronger players using this as an opportunity. Strategic Investments from corporate houses also increasing.

- Fintech startup M2P acquired big data analytics - Goals101 for \$30 Mn
- Allen Career acquired stressed Edtech Doubtnut for an undisclosed amount
- Noise has bagged a strategic investment from global consumer electronics and audio giant Bose as part of its Series A round.
- Zomato’s offer reportedly values the SaaS logistics platform Shiprocket at about \$2 Bn but a final decision has not been made.

IPO Activity: Markets are showing favourable intent for various companies with an aim of stable government in 2024 and buoyed by positive sentiment



- D2C Startup Mamaearth got listed on Nov 7 with a valuation of INR 104Bn. The shares have gone up by 31% since listing
- eCommerce Startup – FirstCry is preparing to file IPO aiming to raise \$500mn
- EV Startup – Ola Electric files DRHP with SEBI to raise \$663Mn
- Co-working space Awfis has filed for an IPO of INR 160Cr.

MARQUEE FUNDING DEALS

- Month of Dec has turned out to be positive as VC activity has been strong ahead of upcoming holiday season
- Dec 23 is expected to see a c.\$1bn fund raise by various Indian startups
- While 2023 was a challenging year for Late-Stage companies, Dec 2023 saw a welcome change in Late-Stage funding rounds
- Below highlighted are the large value deals which saw equity investments



Cloud Kitchen - Kitchens@ raised \$65Mn (Series C) from Finnest, Swiggy

Robotics Firm - Greyorange raised \$135Mn (Series D) from Anthelion Capital & existing investors - Mithril, 3State Ventures and Blume Ventures



B2B Unicorn - Udaan raised \$340Mn (Series E) from UK Based M&G and existing backers like Lightspeed Venture Partners and DST Global

Agritech – Vegrow raised \$46Mn (Series C) from GIC and existing investors Prosus Ventures, Matrix Partners India, Elevation Capital and Lightspeed



SaaS Startup SarvamAI raising \$41Mn (Series A) from Lightspeed, PeakXV

AI-powered video editing platform VideoVerse raised \$45Mn from Bluestone Equity Partners



OTHER IMPORTANT NEWS



- RBI granted Payment Aggregator (PA) licenses to several entities, including Razorpay, Cashfree Payments, neobank-Open and EnKash
- In order to curb investments by Banks/NBFCs aimed at evergreening of doubtful corporate loans, RBI has issued guidelines to all regulated entities including banks and NBFCs to not make investments in any AIFs that have lent to or invested in a borrower of Regulated Entity

- Social media platform ShareChat, which has been on a cost-cutting spree, under discussion to raise \$60 Mn convertible note from its existing investors - Google, Lightspeed and Temasek
- Fintech lending startup ZestMoney announced a shutdown of its operations back of changes in the BNPL business model

