

May Newsletter 2024

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 VentureSoul Partners

VentureSoul is in the process of setting up a New Economy Credit Fund (AIF Category – II Fund) (SEBI License No_IN/AIF2/24-25/1490). The firm intends to raise a Rs. 600Cr fund from various investors – Rs 300 cr + 300 cr Greenshoe.



For any further enquiry, please reach out to your contacts at VentureSoul Partners

JUNE 2024

About The Partners



Anurag Tripathi
(ex HSBC, SCB, ICICI)

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



Ashish Gala
(ex HSBC, Credit Suisse, CLSA)

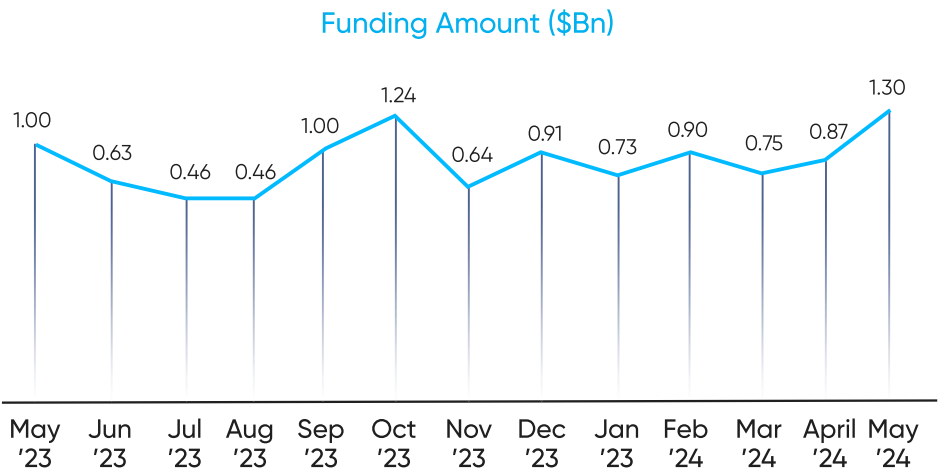
- 22+ years in Structured Finance, Pvt Credit, Leverage Finance
- Buy side fund management – private credit and structured debt investments on Pan-Asia basis
- Active engagement with VC/PE



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.

KEY TRENDS



Source: : Entrackr Reports on Monthly Funding published



Indian startups raised \$1.30 Bn in May 2024, highest funding in 2024 so far, showing the sector is experiencing a healthy turnaround and signals strong confidence from various Investors



The prevailing theme has been select few large investments in Late Stage startups with secondary activity by marquee investors.



M&A among the startup ecosystem continues to be extremely active in May month as well.



Public market activity back in focus with listing of Digit, Awfis & travel tech platform company TBO.



Domicile flips gaining traction - Pine Labs joins the likes of Groww and PhonePe. Several firms such as Razorpay, Meesho, Zepto, and others planning to go that route.

Events: IPO, M&A, Strategic Activity

M&A activity was strong in May 24 month with as many as 8 deals being concluded



Acquisition of US Based SaaS company - Device42 by Freshworks in a \$230 million deal was one of the largest M&A deals in 2024



IndiaMart, a B2B marketplace, has acquired c.10.0% stake in Baldor Technologies, a fraud detection start-up for \$10.7mn



NBFC Firm UGRO Capital acquired Fintech startup MyShubhLife in a \$5.3mn deal.



Mamaearth, a D2C cosmetics brand has acquired CosmoGenesis Labs, a cosmetic formulation company, for \$0.5mn to strengthen its R&D capabilities

IPO Activity: Markets are showing favourable intent for IPO, VCs looking for partial exits, investors eyeing IPO-bound firms push up secondary deals



Ixigo, a travel tech firm re-filed its draft red herring prospectus (DRHP) with SEBI for an IPO as the firm proposed to raise Rs 120 Cr



Travel tech platform TBO, co-working space provider Awfis and general insurance company Digit got listed on the stock exchanges in May month



Oyo withdraws draft IPO papers, to refile after refinancing \$450 million loan

Marquee Funding Deals



Month of May has been active with listings, discussions on large fund raise rounds by late stage startups and multiple rounds by various Seed to Late Stage startups.



May 24 has seen a c\$1.30Bn fund raise by various Indian startups and a strong pipeline of investments are getting ready to be deployed over the next 2-3 months.



Below highlighted are the large value deals which saw equity investments

COMPANY	SECTOR	FUNDING STAGE	DEAL VALUE (\$Mn)	KEY INVESTORS
 Flipkart	Consumer Internet	-	350	Google
 atlan	SaaS	Series C	105	GIC, Meritech Capital, Salesforce Ventures, Peak XV
 GreenCell™ mobility	EV	Debt	36	Sumitomo Mitsui Banking Corporation
 INFRA.MARKET	B2B Marketplace	Late Stage	50	MARS Unicorn Fund
 SEDEMAC	Deeptech	-	100	Xponentia Capital Partners, A91 Partners and 360 ONE Asset
 ANNA PURNA FINANCE	Fintech	Series B	75	Piramal Alternatives
 Battery Smart	EV	Series B	45	Acacia Inclusion Limited, MUFG Bank, Blume Ventures, The Ecosystem Integrity Fund, and British International Investment
 KINARA CAPITAL	Fintech	Debt	25	Impact Investment Exchange, BlueOrchard Microfinance Fund
 propelld	Fintech	Debt	25	Credit Saison India, AU Small Finance Bank, InCred Financial Services, Northern Arc Capital
 K2	Edtech	Series C	27	Venturi Partners
 navi FINSERV	Fintech	Debt	18	Retail Investors
 stanza living	Consumer Internet	-	12	Alpha Wave, Matrix Partners, Accel India, Peak XV Partners
 PORTEA HEAL AT HOME	Healthtech	Pre-IPO	20	360 ONE Asset Management

Other Important News



RBI has created a Fintech repository to enable access to information operating in the Indian fintech sector and start-ups



RBI is considering the establishment of a public register of whitelisted lending apps to combat illegal lending practices. The central bank aims to create the Digital India Trust Agency (DIGITA).



Sauce.vc, a VC fund focussed on D2C consumer brands, has launched its third VC fund with a target corpus of \$30 mn.



Zoho is reportedly planning to enter the semiconductor market and has applied for approval under the Centre's Production Linked Incentive (PLI) scheme. The bootstrapped SaaS unicorn estimates a \$700 million investment for the chip fabrication plant



E-commerce major Flipkart plans to shift its domicile from Singapore to India, following the trend of several late-stage companies. This move is linked to Flipkart's upcoming initial public offering (IPO).

Disclaimer

- This is a confidential document with restrictions on any further unauthorized distribution. Neither this document nor any part hereof may be forwarded, copied, reproduced or otherwise circulated in any manner without the prior written confirmation from the VentureSoul group.
- This presentation is a general purpose document for information purposes only. It does not purport to contain all the information that a prospective reader may require. It does not constitute an offer, solicitation or an invitation to any person to invest in a AIF to be formed ("Proposed AIF") of VentureSoul group. The AIF formation is subject to receipt of regulatory approval from SEBI and the receipt of approval is not guaranteed.
- The information and data contained in this presentation is has been prepared and collated by VentureSoul team in their best judgement basis information and data in public and private domain. We do not represent or make any claim express or implied that any information, including any third- party information, is accurate or complete and it should not be relied upon without proper due diligence on the part of the prospective readers.
- We also do not represent or undertake to update any of the information contained herein or nor we shall be able to advise you of any changes or correct inaccuracies, if any. The information mentioned in here may not updated to the date of perusal by yourselves. VentureSoul group or any of its affiliates do not guarantee the accuracy or completeness of the information/facts/interpretations / representations contained or implied in this presentation.
- All readers must read the investment related documents carefully before deciding to invest including an offering memorandum including the risk factors mentioned therein and related subscription materials of the proposed AIF, which will contain additional information about the terms of an investment in the proposed AIF. Nothing in this document or any future documents is to be construed as an investment advice or any advice relating to matters of law, tax, securities act or otherwise.
- An investment will be subject to a variety of risks (which will described in the offering memorandum and other documents) and there is no assurance that the any indicative returns will be achieved. All returns stated are merely for illustrative purposes only. The investment objectives of the Proposed AIF may not be met and the Proposed AIF could incur losses including loss of principal. The actual results may vary significantly compared to any projections provided. Investments in the proposed AIF are not bank deposits and are not covered by any federal or state guarantee/ insurance / protections.
- An investment in the proposed AIF II involves moderate to high risks. Accordingly, before deciding to invest, prospective investors should carefully study the specific risks described in the offering documents and should seek independent legal, financial and tax advice. Any decision to invest must be based solely upon the information set forth in the offering documents to be provided in due course. In case of any conflict or discrepancies, the offering documents will prevail over any other information that may have been otherwise provided, including this presentation.
- We shall not be liable to any person for any claim or demand for damages or otherwise in relation to this opinion or its , any express or implied representation or warranty with respect to this presentation.
- The distribution of this document is restricted in certain jurisdictions and should not be forwarded under any circumstances. The information herein is for general guidance only, and any person forwarding it may carry the risk/ liabilities associated with the laws (including taxation laws of that jurisdiction).