IvyCap Ventures | IvyCamp

# IVYSCOPE

Your Monthly Updates from IvyCap Ventures

February 2023

IvyCap Ventures

## Key takeaways for Start-up and Investment Community

### Highlights for the Ecosystem

- The government has allocated INR 160 Crs for the Startup India Seed Fund Scheme (SISFS) and INR 1470 Crs for its Fund-of-Fund for Startups (FFS) to advance the thriving milieu of entrepreneurial ventures in India, to catalyze their proliferation and success.
- Proposed to extend the date of incorporation for tax benefits for start-ups to March 31, 2024, and extend carry forward of losses on change of shareholding from 7 to 10 years to foster future Unicorns.
- Extending the application of the angel tax provision to foreign and non-resident Indians. This could result in a higher tax burden on startups and impact their valuations and funding.

### Start-up ecosystem can strike gold with the national budget; it's a pot of resources waiting to be mined!

#### AgriTech

- The government's Fund-of-Fund strategy has proven successful and will be extended to agri-startups through the creation of an Agriculture Accelerator Fund for young entrepreneurs in rural areas.
- Allocation INR 500 Cr for Agiculture Infrastructure Fund to provide financial support for agri-startups to improve agriculture infrastructure.
- Build an open source, open standard, and interoperable digital public infrastructure for agriculture to provide farmer-centric information services, improved access to resources, and support for the agri-tech industry and startups.
- The duty on key inputs for domestic shrimp feed manufacture is being reduced to enhance the export competitiveness of marine products, especially shrimps.

#### CleanTech

- The import of machinery and capital goods for making lithium-ion batteries for EVs will have duty-free customs to boost green mobility.
- Increase in customs duty for vehicles in semi-knocked down and completely built units (CIF less than $40K) and allotted INR 5,172 Crs for FAME Scheme to encourage domestic manufacturing.
- Proposal to exempt excise duty on blended CNG and GST-paid compressed biogas.
- Under GOBARdhan scheme, 200 compressed biogas (CBG) plants and 300 community-based plants will be established for promoting circular economy. 5% CBG mandate will be introduced for all organizations marketing natural and bio gas.

- 100% mechanical desludging of septic tanks and sewers to transform to machine-hole mode.
- Green Credit Programme, Green Hydrogen Mission, Viability Gap Funding for Battery Energy Storage Systems are some of the many initiatives that would incentivize environmentally sustainable actions.

### FinTech

- A national financial registry to centralize financial information will be established to improve credit flow, financial inclusion and stability.
- Fintech growth in India is supported by digital infrastructure like Aadhaar, Video KYC and UPI. Expanding DigiLocker document range to enhance Fintech advancement.
- Simplifying the KYC process with a risk-based approach, and urging regulators to have a flexible KYC system for Digital India.
- Income from life insurance policies (excluding ULIP) with an aggregate premium over ` 5 lakhs issued after 1st April 2023 will not be tax-exempt (Not applicable on death benefits); this will adversely affect the topline of insurance players
- Withdrawing TDS exemption on interest payment on listed debentures will be a cause of worry for bond investors.

### InfraTech & LogisticsTech

- 100 critical transport infrastructure projects to improve last and first mile connectivity in the ports, coal, steel, fertilizer, and food grains sectors.
- 50 additional airports, heliports, water aerodromes, and landing grounds being revived for improved regional air connectivity.
- Coastal shipping will be promoted as the energy efficient and lower cost mode of transport, through PPP mode with viability gap funding.
- Capital outlay of INR 2.40 lakh Cr to elevate rail infrastructure and INR 79,000 Cr being allocated PM Awas Yojana to boost affordable housing segment.
- To rationalize deductions, capital gains from proceeds of such gains in residential property are capped INR 10 Cr; this would have unfavorable consequence on premium property buliders.

### Gaming

- TDS without a threshold limit on net winnings for online games, with a continued TDS threshold of 10,000 for lottery, crossword, and puzzle games.

### HealthTech

- Make facilities in ICMR Labs accessible for research by faculty and private sector R&D teams for encouraging collaborative research and innovation.
- Promote research and innovation in pharmaceuticals & encourage industry to invest in R&D.
- Support for dedicated multidisciplinary courses in existing institutions to provide skilled manpower for future medical technologies, high-end manufacturing, and reresearch.

### ConsumerTech

- Proposal to reduce basic customs duty on seeds used in the manufacture of Lab Grown Diamonds (LGD) to encourage indigenous production, increase employment potential, and reduce import dependency.
- Relief in customs duty on import of certain parts and inputs like camera lens, open cells of TV panels, electric kitchen chimney, heat coils to promote domestic manufacturers for brands.
- Facilitating e-commerce for micro-enterprises by enabling unregistered suppliers and composition taxpayers to make an intra-state supply of goods through E-Commerce Operators.

## Key announcements made to promote entrepreneurship

### Innovation, Research and Skilling

- The National Data Governance Policy aimed to promote data-driven governance and foster innovation by providing access to anonymized public data for research and innovation by start-ups and academia.
- 100 5G application development labs will be established to explore new opportunities, business models, and employment potential in areas such as smart classrooms, precision farming, intelligent transport systems, and health care applications.
- Three AI Centers of Excellence will be established with industry partners to drive interdisciplinary research in agriculture, health, and sustainable cities, fostering a strong AI ecosystem and skilled professionals.
- Pradhan Mantri Kaushal Vikas Yojana 4.0 will provide on-job training over coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills

### Governance

- PAN to serves as a common identifier for government agencies' digital systems for ease of doing business
- Set up a Unified Filing Process to streamline information submissions to government agencies by using a common portal for simplified forms.
- Entity DigiLocker will be established for businesses to securely store and share documents online with authorities, regulators, banks, and other entities as needed.

### Ease of Doing Business

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- Enhanced presumptive taxation limits for Micro enterprises and certain professionals to INR 3 Cr and INR 75 lakh respectively.

### To Boost Spending and Growth

Following fiscal measures taken to increase the disposable income and move to credit and spending-lead economy:

- Changing slab rates to rationalized direct income tax,
- Enhancing income tax rebate for income up to INR 7 Lakhs
- Introducing standard deduction under the new scheme
- Reduction in the highest income tax surcharge to 25%;

## Reactions from IvyCap Ventures Ecosystem

UNION BUDGET 2023

## Leadership Team

"Budget 2023 rightly strikes a reasonable balance between responsibility and inclusivity. It is a growth-focused budget with emphasis on key pillars of inclusive development, innovation, and laying the path for a robust economy with huge capex being laid out for infrastructure from a long-term perspective which will lead to a multiplier effect. The collective impact of the focus on infrastructure, Agriculture Accelerators, Centers of Excellence for Artificial Intelligence, substantial relief in personal taxes, increased focus on Tourism, and targeted emphasis on green technologies and sustainability will define the direction of a new wave of startups in India. However, from a VC perspective, we were optimistic about rationalization in capital gains tax to boost capital flows. Some of the areas like tax parity in base rates for unlisted shares, additional tax on foreign angel investments, etc. should be dealt with as tax rules continue to evolve."

**Vikram Gupta**
Founder and Managing Partner
IvyCap Ventures

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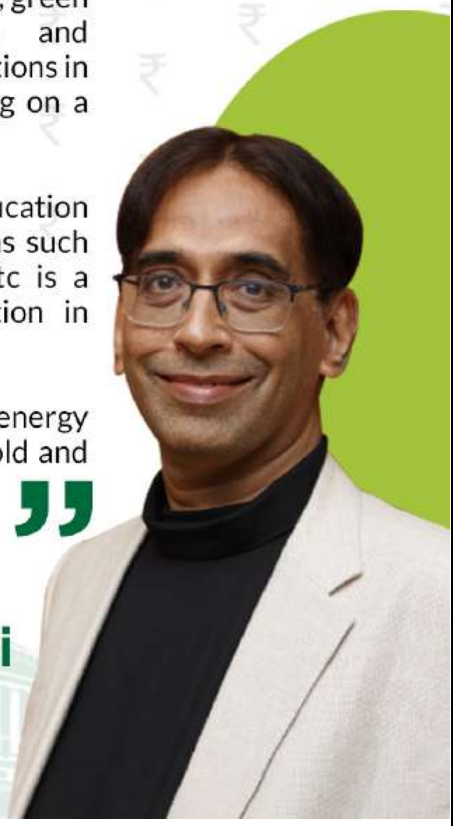
Union Budget 2023 has done a fine job of balancing capacity building in agritech, green economy, technology, healthcare and infrastructure with political considerations in an election year and while continuing on a path of fiscal consolidation.

The attempt to integrate higher education institutes with requirements for areas such as in AI , 5G, artificial diamonds etc is a welcoming push to further innovation in India.

The infrastructure, agriculture, green energy and skill development push is very bold and progressive.



**Ashish Wadhwani**
Managing Partner
IvyCap Ventures

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The Union Budget 2023 that was presented today is progressive and holds a lot of promise for the ecosystem. It encompasses inclusive development, reaching the last mile, infra and investment, unleashing the potential of start-ups, green growth, and financial stability as the primary aspects. All these together will definitely strengthen India's ambition to be the no 1 start-up hub of the world.

This year's budget attempts to place India on the path of economic growth so that it can create an environment for doing great business in India. The budget also focuses on different sectors of the industry and society. It provides a big relief to the middle class with an increased income tax slab. The establishment of DigiLocker as a one-stop solution for reconciliation and identity management is a game-changer for the fintech industry. This will simplify the process and further enhance the digital economy.

We at IvyCap look forward to keep investing in the most innovative companies and adding to the India growth story.

**Tej Kapoor**

Managing Partner
IvyCap Ventures

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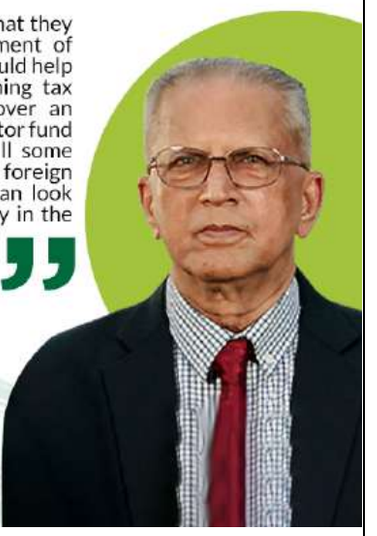
## Board Members

"Union Budget 2023 is a good budget. It is in line with the trend of previous budgets focusing on fiscal prudence, capital investment and making sure that the fiscal deficit is kept within control.

The government has put investments in the right places in terms of the capital investment, but there are three sectors which still require greater attention- Like Health, Education and R&D. There is a shortfall of -6% if we look at the revised estimates from 2020 to 2023 in Healthcare investments. Similar outlays are not sufficient in the education sector. Lastly, I believe adequate budget allocation in the homegrown R&D are not made. We need a minimum investment of over 10,000 Crores investment this year and the government should look at scaling up the investment exponentially in this sector over the next few year.

Overall, industries and start-up by and large are happy that they haven't got any shock in this budget. The announcement of making the PAN number as a universal Business index would help in ease of doing business. Extension for the for claiming tax holidays and carrying forward the offset of losses over an extended ten year period, setting up Agricultural accelerator fund are some positive developments. However, there is still some confusion over the proposal to tax investments from foreign investors. With Capital investments taking place, we can look forward to atleast a 10% growth in the start up industry in the coming year."



**G.K. Pillai, IAS Retd.**

Chairman, IvyCap Ventures

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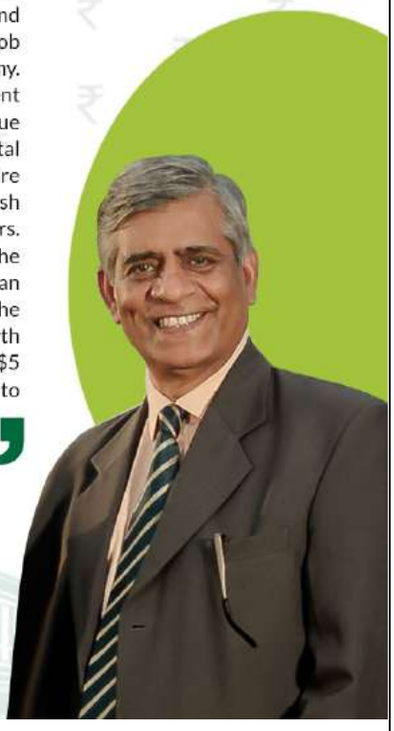
"The Union Budget presented by the Indian Government for 2023 defines several roadmaps that the Government is going to follow. Increase in the capital expenditure on infrastructure investment from 2.5L Cr to 10L Crore in the last 4 years (3.3 percent of GDP) which is a steep jump and I believe this will significantly create novel job opportunities, thereby boosting the Indian economy. According to me, this is a positive sign that the government is focussing on capital expenditure instead of revenue expenditure. Further, with an underlying focus on Digital India, this year's Budget emphasis was on the Agriculture and Education industries. We can expect some fresh opportunities to emerge for startups in these sectors. While there was a slowdown owing to the pandemic, the Economic Survey definitely puts the situation in an optimistic perspective with a 6% to 6.8% growth in the current year and the projection of the targeted 7% growth in the next year. I think we may not be able to achieve $5 trillion immediately in the next year but can project to achieve this number in another two years or so."



**Pradeep Gupta**

Chairman & MD, Cyber Media Group

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"Union Budget 2023 is a well-balanced one with a major focus on growth. The 30% increase in Capital investment outlay is certainly the right direction for this. Focus on Digital is well evident through some of the initiatives like setting up three centers of excellence for artificial intelligence in top educational institutions, 100 labs in engineering institutions for developing applications using 5G services, E-courts and Digital Public infrastructure are commendable. We as a nation are aiming to achieve a target of 7 trillion by 2030, given our present track record, we need Technology and Research-oriented industries to grow fast. This won't happen unless we invest more aggressively in higher education and Research. Beyond this, addressing all the startup-related issues around taxation and ease of doing business is necessary. Another area that I would strongly think of would be to be more aggressive in terms divestment targets . So those are the few things that I would think are required beyond many other good things that are done in the budget. Overall, the Finance Minister and her team have done an excellent job in terms of working around constraints. And to that extent, I would put this budget much ahead in terms of overall performance."

**Ashank Desai**

Founder, Vice Chairman & MD

Mastek Ltd

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## Portfolio Founders

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I think it's a well-balanced budget especially with regards to education. We are seeing higher spending, setup of International skill centres (IICs), a good focus to build the upskilling ecosystem by both skill programs/courses & loans, AI centres of excellence, teachers recruitment to support schools .The announcement of carry forward of losses from 7 years to 10 years is a welcome move for the startup ecosystem. Further, the National Data Governance Policy with access to anonymized data will lead to innovation. Thus, to sum up given we are in a regime of high inflation & interest rates, it's a good budget.

## Gaurav Perti

Founder and CEO
PurpleTutor

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"The latest Union Budget presented by the Indian government for 2023 is progressive and sets the country for the next level of growth and development with a major focus on Make in India, and make ai in India initiatives. The government's Fund-of-Fund strategy has proven successful and will be extended to agri-startups through the creation of an Agriculture Accelerator Fund for young entrepreneurs in rural areas. While there is some clarity required pertaining to the allocation of INR 500 Cr for the Agriculture Infrastructure Fund to provide financial support for agri-startups to improve agriculture infrastructure, announcements like building an open source, open standard, and interoperable digital public infrastructure for agriculture to provide farmer-centric information services, improved access to resources, and support for the agri-tech industry and startups are some of the positive steps that are going to support the mission to double farmers' income. This will help in fostering a congenial environment for the agritech startups and thereby bringing overall transparency and quality of food."

## Abhishek Negi

Co-Founder, Eggoz

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# PORTFOLIO UPDATES

The company has launched a radio campaign in Delhi-NCR with engagements driven by various top RJs in Delhi-NCR. Also, Eggoz participated in and distributed samples at 5+ society events, school functions, and gym events. Expanding the marketing and branding outreach, the company installed lift branding, dealer boards in different societies, etc.

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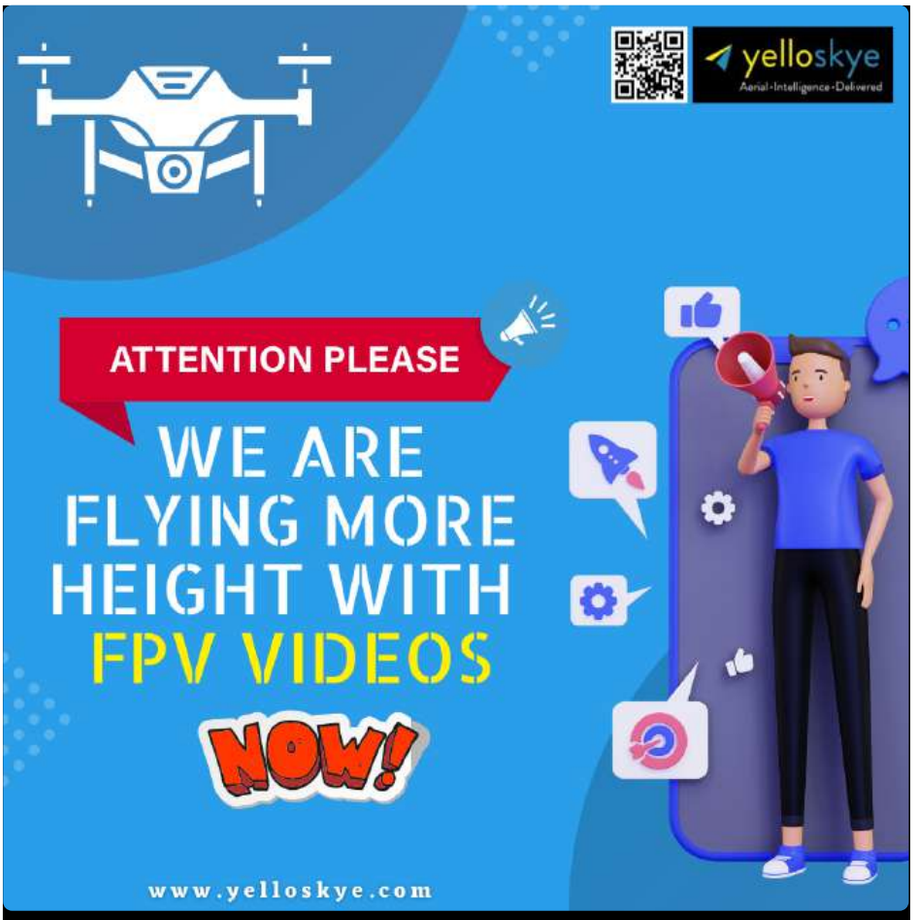


The company had an exciting month and quarter with record no of missions and revenue. YelloSKYE also launched a First Person View (FPV) style video which is essentially a single-take extreme close-up of the drone camera delivering unparalleled shots of the area of interest. The company believes that it is the only commercial application of its kind in India. In addition, YelloSKYE also started getting its first clients for its virtual tours of interiors which is a compelling selling artefact for residential developers.

When it comes to achieving your weight goals, it's about 30% of exercise and 70% of diet. To make clean & healthy eating easy and accessible for fitness enthusiasts, Deep Rooted recently partnered with Cult.Fit--one of India's leading fitness brands. Through this partnership, Deep Rooted also launched a brand new category: Ready-to-Eat Salad Combos. Co-created with top nutritionists, these salad combos are tailor-made for one's health goals. From post-workout recharge to immunity booster, and more--each combo has a unique mix of fruits and vegetables that one can eat as it is, or with a dressing. While the brand new category began with and for Cult.Fit members, it's now available for everyone online on the Deep Rooted app as well as the website.

Read More

Bidgely continues to build innovative AI-powered solutions to accelerate the clean energy future. This month, Bidgely launched a key enhancement in its award-winning EV solution with the introduction of EV Active Managed Charging for utilities and energy retailers worldwide. Now, utilities can achieve over 300 percent ROI for load shifting with Bidgely's comprehensive EV Solution.

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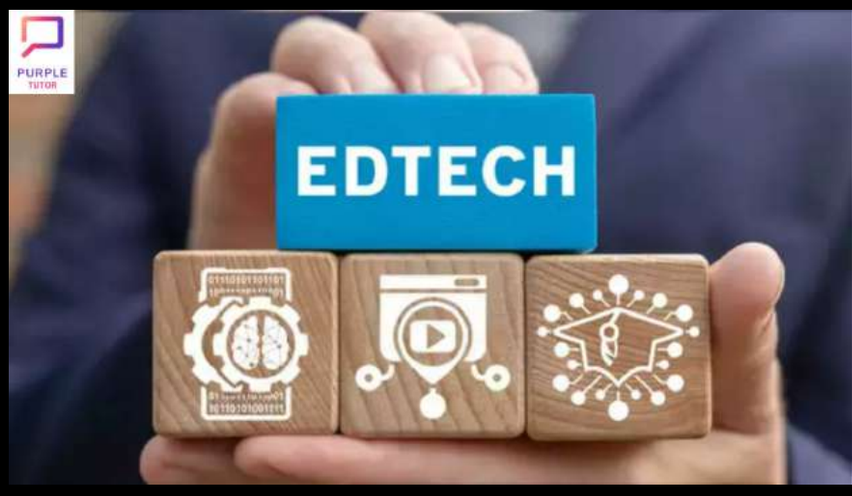
## Freshly Brewed

**Credit and finance for MSMEs:** With financial and digital inclusion ranking high on the government's agenda of economic growth, the role of fintechs in that vision can't be emphasized enough.

**Click Here**




The India Edtech space was the darling of investors in 2020 and 2021. However, market conditions have changed globally and Edtech (globally and in India) is going through a rough patch.

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Biryani has once again become the undisputed king as far as India's most ordered dish is concerned. The mixed rice dish, a preferred food item for its ease of eating, has taken the place of on-the-go meals, be it an after-party craving or a meal to accompany binge-watching

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Leading health authorities and medical experts from around the world have been raising concern about the impact of COVID-19 on the world's mental health. A report released by the World Health Organization (WHO) estimated a massive 25 per cent increase in the global prevalence of anxiety and depression in the first year of the pandemic.

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IvyCamp

# Alumni Engagement

### *IvyConnect Programs*

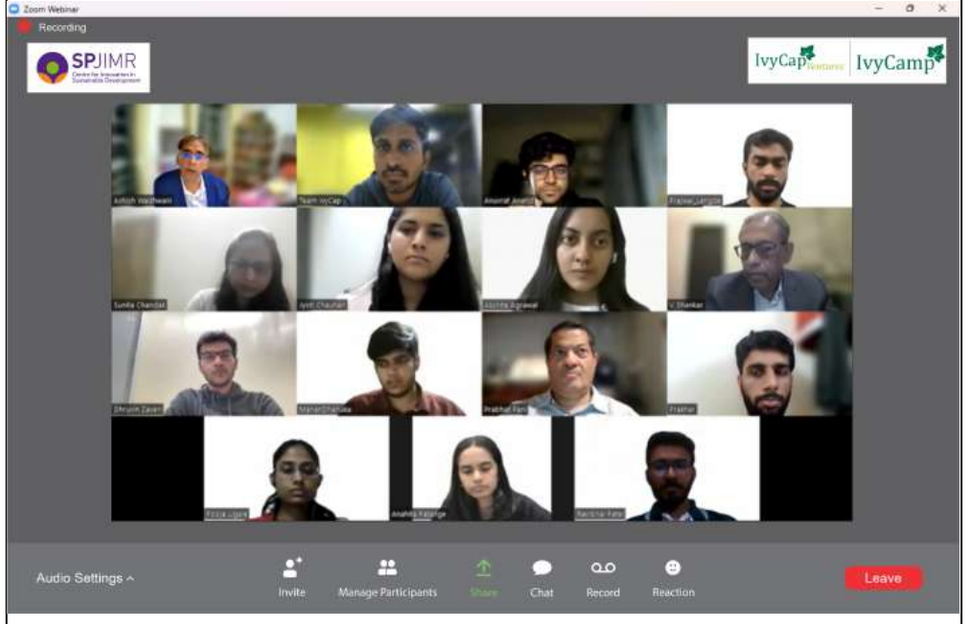
***IvyConnect*** *is a series of interactive engagements with* ***IIT/IIM*** *and other premium institutes'* ***Alumni Founders****. These engagements provide early-stage startup founders, and student entrepreneurs at* ***IIT/IIMs*** *an opportunity to network, get live feedback and gain insights from successful* ***Alumni founders and Investors****.*

# Our Alumni Engagements

*We partnered with several E-Cells for their flagship startup events by connecting **IIT/IIM Alumni** from the **IvyCamp mentor pool** for judging/mentorship and promoting the event through the IvyCamp network. Here are our recent associations:*

1. ***E-Summit'23, ECell IIM Udaipur:*** *Associated as Ecosystem Partner.*
2. ***Ashwamedha, ECell IIM Trichy:*** *Attended the startup pitching competition as judges*
3. ***UpStart'22 Nationals, ECell IIT Kanpur:*** *Participated as jury members for finals in Hyderabad and Delhi*
4. ***Start-O-Sphere, ECell IIM Kozhikode:*** *Attended their annual startup investor meet*
5. ***Empresario, ECell IIT Kharagpur:*** *Attended as judges for the Empresario finals in Kolkata*

## *Investment Project with students of SP Jain Institute of Management and Research*




We partnered with **SP Jain Institute of Management and Research (SPJIMR)** to provide students with exposure to evaluating startups for investment in the **agritech** space. The engagement involves activities including an interactive session to discuss investment criteria, evaluation of startups in the agritech space, and discussions with agritech startup founders to understand factors that affect technology-related decisions in the agritech space.

### *Corporate Innovation Programs*

**HDFC Life Futurance:** We recently closed the **5th Phase** of the HDFC Life Futurance Program. We received more than 50 startup applications for use cases ranging from alternate & augmented data, medical/health tech, the innovative sales tech, and AI-based vision & voice.

**HDFC Ltd Finnovation:** We closed the call for applications for the HDFC Ltd Finnovation **2nd Phase**. More than 50 startups applied for the program for the use cases in AI/ML fraud detection and metaverse applications.

## New in our Team

***Glad to announce that Meera has joined IvyCamp as a Senior Program Manager***

**Meera** has over 10 years of work experience in the Indian startup ecosystem. She holds a degree in Electrical and Electronics Engineering from Mahatma Gandhi University in Kerala. Post which she was offered a role in Startup Village (now Kerala Startup Mission) after her internship. Meera has conducted various startup programs, conferences and coordinated events with startups, mentors, investors, and corporates to ensure smooth execution.

Meera conducted workshops in over 30 colleges across Kerala and received 1200 applications for one of the flagship programs by the Kerala govt, where they sent 5 student entrepreneurs to Silicon Valley in 2013.

As part of corporate innovation programs, she has had the opportunity to work with Rolls-Royce, Shell, Novo Nordisk and Honeywell to plan and execute their innovation programs during her tenure at Link Innovations.

## In the News

YOURSTORY

### AI will play a very big role in India's tech story'–25 quotes on India business opportunities

Read the full article here

BW DISRUPT ENTREPRENEURS' DISRUPT

BW BUSINESSWORLD

### A Larger Domestic Capital Pool Is What India Needs

Read the full article here

THE ECONOMIC TIMES

**FM Sitharaman announces a slew of measures to boost start-ups in India**

Read the full article here

## Our Industry-Event Participations

### National Startup Day: Panel Discussion on India's Startup Growth Story

**BGIIES** recently hosted **National Startup Day** by launching an investor and startup-centric networking event on January 15-16, 2023. The event brought together **20+ startups**, **10+ investors**, **BITS Pilani Goa students, ecosystem enablers, vendors, mentors, and Goa's IT Minister - Hon. Shri. Rohan Khaunte**, shared his support for the startups. The event had 5 startup-focused takeaways - Fundraising, Mentor Connect, Business Networking, various launches, and the Startup Yatra vehicle launch that aims to help in spreading awareness in Goa. **Our Founder and Managing Partner, Vikram Gupta**, participated in the investors' panel discussion which deliberated on topics - What do investors get along with them other than money, Angel vs VC funding, When and how much to raise, Unit economics and commercialization, Relevance of Advisory Board and Mentors, Building brand, capabilities and ecosystems and much more.

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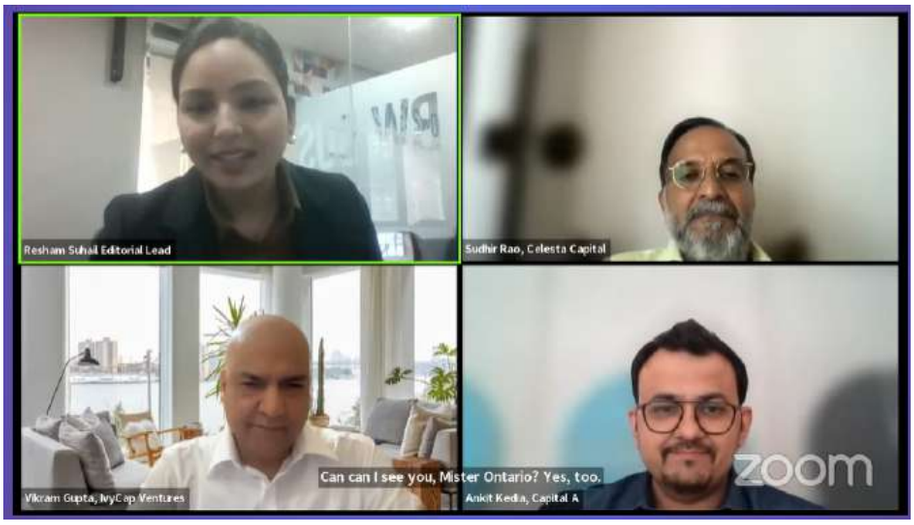
## BW Disrupt National Startup Day




Celebrating the entrepreneurial spirit on **National Start-up Day**, our **Founder and Managing Partner Vikram Gupta** joined other industry eminent speakers Dr. Apoorva Ranjan Sharma, Venture Catalysts, Sudhir Rao, Celestial Capital, Ankit Kedia, Capital A for a thought-provoking panel discussion on '**Indian Startups' growth Story- Past, Present and Future**' hosted by BW Businessworld.

Watch the Full Session Here

## BW Disrupt Young Enterprise & Entrepreneur Awards 2022

We are happy to announce that our **Founder and Managing Partner, Vikram Gupta** is part of the jury panel for **BW Disrupt Young Enterprise & Entrepreneur Awards 2022**. The last date for filing nominations is **March 15, 2023**. The annual event aims to recognize India's young entrepreneurs and the startups of 2022 who transformed the Indian ecosystem.

**Click Here To File Your Nominations**

## PMS AID WORLD "Crystal Gazing 4.0" India: Resurgence of the Golden Bird

We are delighted to announce that our **Founder and Managing Partner, Vikram Gupta** is a panelist for the discussion on "**Art & Science of spotting multi-baggers amongst mid-stage unlisted businesses with high-risk of failures**" to be held on February 10, 2023. While we are all aware and understand that listed businesses provide a wide scope of earning good returns, given the bandwidth of a sea of publicly available data. However, spotting these businesses early has its own challenges. Tune in to the discussion to know more.

**Click Here to Register**

## SaaStr APAC 2023

With **1,000+ SaaS founders, executives, VCs, 100 mentors, and 25 top speakers** SaaStr is coming to Singapore this time. We are happy to announce that our **Managing Partner, Ashish Wadhwani**, will be highlighting his points in the session titled, "**Successful Scaling Across Markets, Lessons in Marketing & Building GTM**". The event is scheduled to be held on February 22-23, 2023 at Suntec Singapore Convention & Exhibition Centre

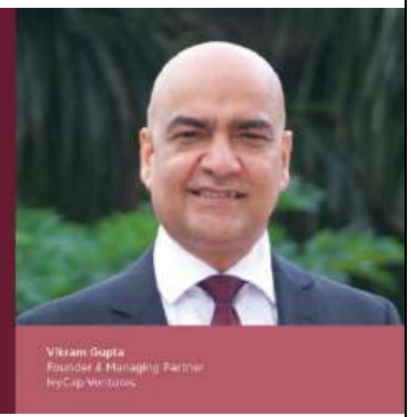
**Click Here For More Details**

## Bharat Fintech Summit

Fintech has been on a growth path since 2016 and witnessed massive movement between 2019-21. Keeping in tandem with the same, the event was held at Grand Hyatt on February 7-8, 2023. Our **Founder and Managing Partner, Vikram Gupta**, participated in the same. Another panelist of the session was Anuradha Ramachandran, Managing Partner at TVS Capital Funds. The session on '**Indian Fintech Ecosystem: Investment Trends**' was moderated by Hero Choudhary, Managing Partner at BEENEXT. They discussed the emerging areas for investment in the industry and the future ahead. They also shared learnings from their vast experience with the audience.

Click Here For More Details

## Participated in other events

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