

# IVYSCOPE

January 2024

**YOUR MONTHLY  
UPDATES FROM  
IVYCAP VENTURES**



## 'A Year of Growth and Impact- Our Remarkable Journey in 2023



**Vikram Gupta**

Founder and Managing Partner  
IvyCap Ventures

In the aftermath of IvyCap Ventures' momentous 12th anniversary on March 16, 2023, the year unfolded as a chapter marked by unprecedented growth, strategic investments, and dynamic engagement across diverse industry sectors.

The pinnacle of recognition was attained with an esteemed acknowledgment from the Honorable President of India, back to 2019, recognizing IvyCap Ventures for its instrumental role in establishing India's inaugural Endowment Fund at IIT Delhi—a resounding testament to the firm's unwavering commitment to educational empowerment.



Over the past 12 years, our unwavering commitment to continuous evolution has been the cornerstone of our journey. We are dedicated to nurturing startups poised to make a meaningful impact, solve challenges, and redefine industries. Simultaneously, our focus on keeping our investor partners at the forefront ensures that the anticipated returns on their investments are not just met but exceeded. Our guiding principles revolve around identifying startups as value creators while maintaining a steadfast commitment to capital efficiency.



**WISHING YOU A  
HAPPY NEW YEAR**

brimming with innovation, entrepreneurial zeal,  
and boundless growth



As we approach the conclusion of 2023, it is opportune to reflect on a year that unfolded more positively than anyone could have anticipated. Despite its inherent challenges, this year underscored the resilience and strength of our company, showcasing our capacity to navigate even the most formidable circumstances.

**Diverse Investments Fuelling Innovation:** The year commenced with a strategic investment in Eggoz Nutrition, illustrating IvyCap's dedication to fostering indigenous brands. Subsequent investments in Celcius, ZestIoT, Agraga, and GradRight underscored IvyCap's commitment to supporting innovative ventures spanning agri-tech, ed-tech, and beyond. The culmination of the year saw a strategic investment in Snitch, a pioneering entity in the fast fashion domain.



**Recognition-** It was an absolute honour to be felicitated by the Hon. President of India amongst some of the best names who have made substantial contributions to the Education Sector in India during the Visitor's conference this week at the Rashtrapati Bhawan.



**Triumph of IvyCap Day 2023:** The resounding success of IvyCap Day 2023 marked a zenith in our journey, resonating with enthusiasm and enlightenment. This flagship event brought together influential luminaries from diverse industries, facilitating focused dialogues on investment landscapes and the dynamic panorama of India. IvyCap Day not only imparted profound insights but also embodied our mission of knowledge sharing and innovation, empowering attendees with actionable strategies for navigating the ever-evolving realms of investment and entrepreneurship.

**Media Presence and Thought Leadership:** IvyCap Ventures actively participated in media stories, securing features in leading publications such as Forbes India, The Economic Times, YourStory, and BW Businessworld. Engagements like the India-focused podcast with Narayan Shroff from Barclays exemplified our commitment to sharing insights on private equity and venture capital, delving into critical topics like funding dynamics and valuation trends.

**A Year of Noteworthy Industry Engagements:** IvyCap Ventures left an indelible mark on various industry events, including the PANIIT Europe Inaugural Conference, Rendezvous 2023 at IIT Delhi, Techsparks2023, TiECon Delhi, Influential Leaders of India, FIIT Delhi Innovation Summit, TiECon Chandigarh, TiECon Mumbai 2023, TiECon Vadodara, FinXcelerator Launch Day, India D2C Summits & Awards, AsiaBerlin Summit, The Economic Times India Leadership Council, IVCA #WhatsNext LinkedIn Live Event, and Startup Conclave 2023, among others.





**Commitment to Education and Innovation:** Proudly serving as the Lead Funding Partner for TiEcon Vadodara, IvyCap Ventures emphasized its dedication to fostering entrepreneurial excellence. Our active participation in events like Startup Conclave 2023 showcased our commitment to cultivating an investment ecosystem within startups, fostering knowledge exchange, and promoting innovation.

**Looking Ahead:** As IvyCap Ventures reflects on the milestones achieved in 2023, it stands as a beacon of commitment to growth, innovation, and active participation in shaping India's investment landscape. With an unwavering focus on sustainability, corporate governance, and larger-scale participations, IvyCap Ventures remains poised to contribute meaningfully to the dynamic landscape of investment and entrepreneurship in the coming years. The firm remains resolute in its pursuit of collaborative growth and innovation on a larger, more impactful scale.

## Embracing Optimism: The Indian VC Ecosystem in 2024 – A Year of Promise



**Ashish Wadhwani**  
Co-Founder and Managing Partner  
IvyCap Ventures

In 2023, the venture-backed startup scene in India experienced a period of moderation. Funding and deal-making saw a significant decline, especially in the growth and late-stage segments. Some investor categories stayed away from the deal space due to the disappearance of leveraging, increased capital costs, and stress on existing portfolios seeking follow-on capital. Deals that did happen occurred at suppressed valuations and multiples. Consequently, the focus on startup performance shifted from "Valuation-driven growth at any cost" to "sustainable growth with profitability" and capital conservation. This downturn prompted companies with flawed business models, poor unit economics, and reliance on constant capital infusion for growth to make substantial corrections or even shut down. In this challenging period, companies with proven business models and products featuring good unit economics had to implement cost-cutting measures while reducing growth, often resorting to internal funding rounds.

This downturn served as a lesson for many investors, emphasizing that last-round valuations and impressive PR alone did not determine success. Instead, the key factors were attractive value propositions for customers, differentiated businesses, good unit economics, a strong return on sales and marketing spending, lean overheads, and capital efficiency – classic business principles that proved decisive. For those who weathered the 2023 "funding winter" and utilized the time to fortify their businesses, the road ahead looks more manageable, with an increased probability of success.



## What's on the horizon for the Indian VC community and the startup ecosystem in 2024 and beyond?

We see 2024 as a promising year for investing in India's VC-backed startup ecosystem in India. Two key factors driving this optimism are the expected easing of interest rates and the anticipation of robust, multi-sectoral, and decade-long growth in India. With recent state elections indicating political stability and policy continuity, these factors are likely to shape the following trends:

1. **Improvement in exit environment** – Indian stock markets will continue to be robust and will attract large and sustained flows, both from domestic and international sources. India is now the 5th largest stock market in the world and is expected to improve its ranking in the next few years. In addition, start-up listings have gone through a learning curve which will make future start-up listings attractive for investors. The robustness and growing maturity of the domestic stock market in the last 5 to 6 years is one of the most defining factors of why the Indian startup ecosystem remains attractive and has grown in attractiveness compared to its equivalent in S.E Asia. M&A activity will also improve with improvements in stock markets.
2. **A more liberal funding environment** – The mid and late-stage ecosystem has been sitting on plenty of dry powder. As the interest rate environment eases, and as more and more start-ups demonstrate their ability to deliver profitable growth, we expect investors to start investing again and deal-making activity to pick up in the latter half of the year. In addition, some categories of investors who have stayed away in the last year are likely to re-enter the market.
3. **Companies are fitter and valuations are more attractive** – As we emerge from an environment, where companies have become more financially sound and have made adjustments to their business model, investors are likely to see more deals with better financial and operating metrics. Valuation metrics too have become more attractive and many companies with bloated valuations have grown into them over the last 18-24 months. For the nimble investors, this means attractive companies available at reasonable valuations – an investor's dream.
4. **New and emerging themes in the economy** – The Indian startup ecosystem is mirroring the multi-sector growth trajectory of the Indian economy. While B2C and D2C will continue to be attractive on the back of consumer spending and SaaS and Enterprise tech continue to grow, a large number of new spaces are emerging for new-age entrepreneurs and VCs. Growth in Several new technologies will continue to drive innovation for well over a decade. These include AI, IoT, and Cyber Security will continue to be a secular driver for technology innovation for a long time, India is well placed to tap opportunities arising out of these technologies. New industries such as space, defense, semi-conductors, and Alternate energy where India is focused on building a domestic industry off new opportunities. Industries such as EV, climate tech, and biotech will continue to offer new growth opportunities for budding entrepreneurs. In short, the Indian VC space, already the 3<sup>rd</sup> largest in the world, will continue to deepen and widen in terms of opportunity and size. As more and more global investors resist investing in China, as a result of its policy somersault, India will become the default choice outside for many, outside of the US.

Like in the previous downturns during COVID, and the B2C bust in 2015, for IvyCap Ventures and its portfolio, 2023 is a vindication of our investment strategy. We once again noticed the resilience of our founders and their agility to adapt to the environment and to focus on business fundamentals. We are excited about the prospects of our existing portfolio but also about new opportunities that we are seeing emerge in India.

## 2024 is poised to be the year of responsible expansion



**Tej Kapoor**  
Managing Partner,  
IvyCap Ventures

For the startup community, 2021 heralded a year of euphoria, while 2022 marked a correctional phase, and 2023 witnessed a period of contraction, acceptance, and eventual profitability. Looking ahead to 2024, it is poised to be the year of responsible expansion. I anticipate that numerous companies, having attained profitability, will pivot toward sustainable growth while vigilantly safeguarding their profitability. **Sectors such as AI, deeptech, and logistics are poised to attract a heightened level of investments from both domestic and foreign investors. India's macroeconomic indicators appear robust, fostering a favourable investment environment.**

With inflation stabilizing in the USA and potential interest rate cuts by the Fed on the horizon, liquidity is anticipated to improve in India, benefiting promising startups. Additionally, there might be a surge in startups pursuing listings on NSE. On the whole, I am exceedingly optimistic about the prospects of 2024.



## New Investment

### Snitch, an innovator in the fast fashion domain, Secures Rs. 110 Crore in Series A Funding, Co-led by SWC Global and IvyCap Ventures

Snitch, an innovator in the fast fashion domain, Secures Rs. 110 Crore in Series A Funding, Co-led by SWC Global and IvyCap Ventures In a remarkable achievement amid the current global economic climate, Snitch, a pioneering innovator in the fast fashion domain, has successfully closed a Series A funding round of Rs. 110 crore Co-led by SWC Global and IvyCap Ventures, this funding round stands out, especially at a time when many late-stage D2C brands struggle to secure capital. The investment, supported by key angel investors, will catalyze Snitch's expansion in talent, technology, and an offline retail strategy, building upon its already impressive market performance.

Snitch, known for its agility and trend-forward approach, has consistently set high industry standards. The brand's first store in Bangalore demonstrates its robust retail strategy and strong customer appeal. Along with a significant digital presence marked by over 2 million app downloads, Snitch has served a vast array of pin codes across India, underlining its wide reach and commitment to quality and innovation. A majority of Snitch's sales are generated through its website and app complemented by a growing offline presence and partnerships with major online marketplaces.



## Top Media Coverage



Business Line

Business Standard



Entrepreneur  
INDIA

moneycontrol

ENTRACKR

Inc42

TECHINASIA

Deal  
street  
Asia

BW BUSINESSWORLD

VCCIRCLE



## Freshly Brewed - Our Portfolio making headlines

### How Vishal Jindal is building disruptive Biryani By Kilo into a favoured national brand



Biryani By Kilo, reckon marketing and branding experts, is not the first to build a brand out of biryani, but it is definitely a trailblazer when it comes to building a national brand.

[Click here to know more](#)

### IDC MarketScape Names Bidgely a Leader in Worldwide Digital Customer Engagement Solutions for Utilities 2023-2024 Vendor Assessment



- Bidgely has been named as a “Leader” in the IDC MarketScape: Worldwide Digital Customer Engagement Solutions for Utilities 2023-2024 Vendor Assessment focused on the increased need for utilities to support newly developed consumer desires for energy efficiency and cost savings with end-to-end, omni-channel customer engagement tools. The report evaluated 10 vendors based on strategies and capabilities.

[Click here to know more](#)



## Portfolio Update

### YelloSkye: Paving the way for success

At CII West Tech Summit 2023. YelloSKYE Co-founder, Mr Kush Agarwal, shared invaluable insights on leveraging technology, AI, and contextual data as indispensable catalysts for business expansion. Further, he took flight at the Institute of Sustainability and Development Studies (ISDS) in Pune, empowering students with insights into drone industry careers. Joining forces with MKSSS Institute of Sustainability and Development Studies (ISDS) and India Flying Labs, YelloSKYE played a pivotal role in the 'Fly for the Future' initiative. In addition, leading the way in infrastructure innovation, YelloSKYE is thrilled to be a part of Andhra Pradesh's ambitious vision for a new Greenfield Airport in Visakhapatnam. Spanning a vast 5,000 acres, this flagship project will redefine connectivity and economic opportunities for the region. YelloSKYE is proud to contribute by providing crucial baseline data and cutting-edge 3D digital twins, laying the foundation for a transformative aviation hub.



[Know more about CII West Tech Summit 2023](#)

[Know more about the collaboration with ISDS](#)

## Our Industry-Event Participation

### Bharat Fintech Summit'24



7-8 February 2024 | JW Marriott-Sahar, Mumbai

Digitization | Innovation | Globalization | Inclusion

### SPEAKER AT BFS 2024

**VIKRAM GUPTA**

Founder and Managing Partner

IvyCap Ventures Advisors Private Limited



[BharatFintechSummit.com](http://BharatFintechSummit.com)

We are delighted to announce that Mr. Vikram Gupta, our Founder and Managing Partner, will grace the stage at Bharat Fintech Summit'24 on February 7-8, 2024. His insightful discourse will shed light on the transformative realms of digitization and innovation, offering invaluable perspectives on navigating the evolving landscape of financial technology. Attendees can experience enlightening session enriched by Mr. Gupta's expertise and vision in shaping the future of the fintech industry.



## Updates from IvyCamp

Industry-Event Participations

### Google for Startups



Google for startups recently hosted a Graduation Day event for Women founders in Bangalore. Our President and Co-founder, Anju Gupta, participated as a panelist in the Roundtable discussion titled "Discover India's Future in AI." During the discussion, she shared insights into the challenges confronted by women entrepreneurs in India, highlighted potential investment opportunities, and discussed how the VC/Investor Ecosystem can offer support to startups founded by women. Anju was joined by fellow panelists Sophiya Jagannathan and Laina Emmanuel, with moderation by Nicole Yap.

### Internet Commerce Summit



Internet Commerce Summit recently hosted e-Utsav, as a part of which a panel discussion was organized on "D2C Funding: From Start-Up to Scale-Up" with panelists Arjun Vaidya, Divya Anand, Prayag Mohanty, Shreyans Gangwal, and Zueb Ali Khan, moderated by our President and Co-founder, Anju Gupta.

During the discussion, the panel shared insights on a number of topics related to scaling up of D2C startups, including changing consumer trends, challenges of scaling up, sources of funding, how to scale up teams, common mistakes made while scaling up and much more.

### Institute and alumni engagement

As a part of our institute and alumni engagement, IvyCamp recently partnered with [E-Cell IIT BHU](#) for their Venture Capital Bootcamp as their Knowledge Partner.

Aashish Vanigota, VP of Investments led an engaging session on "Career Opportunities in Venture Capital." To break into VC, he emphasized the significance of staying informed, understanding financials, macroeconomics, and valuation knowledge along with a genuine curiosity toward the startup and venture capital ecosystem.

[Watch the full video here](#)

Tej Kapoor, Managing Partner at IvyCap Ventures, delivered profound insights on Portfolio Management and Exit Strategies during the VC Bootcamp. He delved into the significance of diversification, risk mitigation, IPO concepts, and the impact of M&A on exit plans. From managing risks to ensuring smooth transitions, this session covered the best practices for navigating the dynamic landscape of VC firms.

[Watch the full video here](#)



## IvyCap Ventures In the News

**ET THE ECONOMIC TIMES**

**Startup story set for better script in new year after unicorns, funds fall in 2023**



[Read the full article here](#)



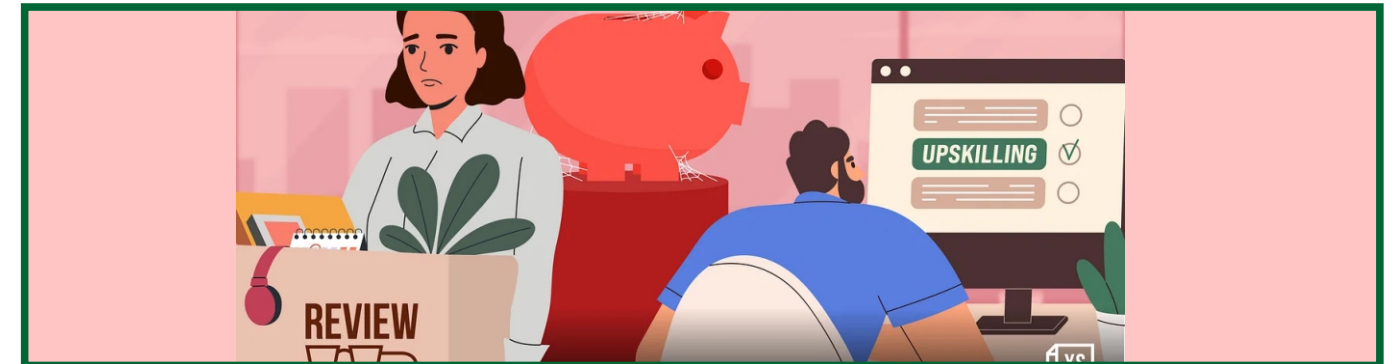
**Startups In India- Compared to 2022, if funding has decreased by 75%, what might the atmosphere be like in 2024?**



[Watch the full video here](#)

## YOURSTORY

**Edtech's roller-coaster year: The Byju's Conundrum and Industry Realities**



[Read the full article here](#)



**Venture Capital Firm Ivycap Ventures Seeks to Deploy Rs 1,500 Crore Over The Next Six Months**



[Watch the full video here](#)





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