

Business Standard

IvyCap plans to invest Rs 2,100 cr in Indian startups in next 12 years

The Fund plans to invest in about 25 companies at Series A with an average starting investment amount of Rs 30-50 crore

Press Trust of India | New Delhi



Illustration: Binay Sinha

Venture Capital firm IvyCap Ventures has raised Rs 2,100 crore through its Fund III, with 90 per cent of the corpus coming from domestic investors.

Fund III had a basic corpus of Rs 1,500 crore and a provision to raise an additional Rs 600 crore as greenshoe option.

"We have raised Rs 2,100 crore. Majority of the fund has come from our existing investors and 90 per cent is domestic capital," IvyCap Ventures Founder and Managing Partner Vikram Gupta told PTI.

"Despite challenges in domestic capital flow, we have stuck to our theory that there is enough domestic capital which will continue to grow. With Fund III we have proved it," he said.

The Fund III is almost 4 times the size of Fund II, IvyCap said, adding that it plans to invest in Indian startups over a period of 12 years.

The Fund plans to invest in about 25 companies at Series A with an average starting investment amount of Rs 30–50 crore.

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"We are sector agnostic fund. We have already committed around 40 per cent of the fund. We made fresh investments in seven companies. A total of 20 per cent (of the Fund amount) will go in follow-on investments in our existing portfolio companies," Gupta said.

Investment of another Rs 300 crore is in the pipeline for deployment, he said.

AI, IoT, machine learning, etc, are becoming very interesting, Gupta said.

Currently, around 40 per cent of the Fund III corpus has already been invested in various companies, including Celcius, Agraga, Eggoz, ZestIoT, Snitch, GradRight, Flexifyme, Beatoven.ai, and Dhruva Space, he said.

Moreover, the Fund has made follow-on investments from its previous fund in companies like LendBox, Miko, Biryani By Kilo, BlueStone, and others.

Gupta said IvyCap sees a lot of opportunity in consumer, health, fintech, B2B software-as-a-service, space, and climate tech start-ups.

With the closing of Fund III, the total assets under management (AUM) of IvyCap Ventures has grown to Rs 5,000 crore.

Gupta said IvyCap Ventures will act as a co-investor when its portfolio companies are raising their next rounds and will not provide secondary funding to their previous Funds.

Additionally, Rs 100 crore has been earmarked for investment in seed-stage companies.

The company's first fund, Fund I has a corpus of Rs 240 crore. Gupta said IvyCap has returned 3 times of the capital amount raised to investors of Fund I and 40 per cent to Fund II investors.

"Fund II is expected to give higher return than Fund I. We had a dragon in Fund I, Purple, which gave us 22-fold return. On investment of Rs 15 crore, it gave us Rs 330 crore exit. In Fund II, we expect to see three dragons -- entities that give multifold return," Gupta added.

The VC firm is one of the initial investors in BlueStone Jewellery and expects significant return when the company goes for listing.

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First Published: Apr 30 2024 | 4:34 PM IST

Page URL :https://www.business-standard.com/companies/start-ups/ivycap-plans-to-invest-rs-2-100-cr-in-indian-startups-in-next-12-years-124043000696__1.html