

This vc firm aims to
fund companies that
serve the big-middle
category in india



While there are many VCs that have heavily invested in e-commerce and technology-enabled startups, very often you come across firms that invest in companies that specifically invest in products which cater into a certain group of people.

In a conversation with Entrepreneur India, Sahil Kini, Principal at the early-stage VC Aspada Investments, spoke about what he really values as an investor and gave his perspective about other industry aspects.

Who forms the “big-middle?”

“The markets what we like serving are essentially what we call the “middle-middle”. If you divide India into per capita house hold income, there are those who fall below 2 lacs per annum, they are essentially poor. Then there is a top layer of \$70 million people that earn more than 10 lacs, in the middle lies half a billion people who earn between 2 lac and 10 lac per annum. That’s the segment that we are really investing!” he says

According to Sahil a lot of VC firms in India are significantly influenced by American firms that majorly serve the “10 lac per annum” category and also have the tendency to invest in models that have been proven successful elsewhere.

More about the portfolio

Aspada’s India portfolio consists of startups like LEAF - an end-to-end fresh fruit and vegetable supply chain company, INI Farms, exporter of pomegranates, EM3 Agri Services -which provides farm mechanization

services from land preparation to crop harvesting on a pay-per-acre basis,

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Reverie Language Technologies – which provides an end-to-end Language-as-a-Service (LaaS) platform and others.

“ We are interested in serving the big middle and this category’s behaviour is different! If you want to serve them, then you’ll have to build businesses where they spend money,” Sahil said.

Healthcare, education and agriculture are some of the categories he believes the big-middle section spends.

Sahil was previously, Founder & CEO of MagnetWorks, a startup which built Industrial IoT systems.

Agriculture – a big sector

A lot many of the portfolio’s startups cater into the agritech space. Sahil said that India still is an agrarian economy and therefore you cannot ignore agriculture if you need to build a fund that caters to this section of the society.

Talking about how he selects startups in that domain, Sahil said that when you talk about sectors like farming and healthcare, you need to have some amount of experience in that field and disciplined regarding operations.

Entrepreneurs; read this before you approach Aspada for funds!

Sahil said that any entrepreneur approaching them, irrespective of their sector, should firstly understand what the fund’s main focus is. “ I think every sector in India has a particular thesis. But every investor also has his

own thesis. I think it's very important before you approach any investor, to understand what their thesis is. What do they look for in their investments? That answer varies from fund to fund, and sometime from one fund manager to another fund manager," he adds.

In Aspada's case, an entrepreneur should have a sense of purpose, serve the big-middle category with basic services, which others take for granted. Since the firm signs Series A cheques, it also looks for a stable team prior to funding.