

Will help few good start-ups become large companies, says Nandan Nilekani

Alnoor Peermohamed/ 30 Mar 18 | 02:35 AM



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Former UIDAI chairman and Infosys co-founder Nandan Nilekani

Fundamentum, the investment firm set up by former UIDAI chairman and Infosys co-founder Nandan Nilekani, and Helion Venture Partners' co-founder Sanjeev Aggarwal last year, received \$20 million from Canadian pension fund CDPQ on Thursday. The firm has started looking out for potential investments in the growing start-up space in India. Nilekani tells Alnoor Peermohamed that while there are enough venture funds available in the market, Fundamentum has a clear differentiation as it will invest in companies looking to scale up by leveraging experiences of building large companies. Edited excerpts:

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How is Fundamentum going to be different from other funds?

We set up this fund to build the next generation of big Indian companies. Setting up a company is one thing, scaling up requires a whole lot of experience — in terms of strategy, technology, getting the right people, leadership, quality, sales, distribution and many other things. So we want to invest selectively in a handful of firms and advise them and help them grow.

Is this fund going to invest only in tech companies?

No, it is going to invest in companies in different sectors. We have identified a few, such as travel, vertical retail, logistics and so on. But obviously everything has to be technology enabled. We are exploring few opportunities though nothing has been closed yet.

Will e-commerce be a focus area of investment?

Yes it will be, but not horizontal e-commerce. It will invest in vertical e-commerce firms.

What is the size of the investment the fund will make in start-ups?

We will be investing \$8-15 million. The fund size currently is around \$100 million and the latest commitment is from CDPQ of \$20 million. But CDPQ's investment is not just one transaction, it is a relationship.

You also invest in start-ups though your family office. Will you continue to make those investments?

I'm not making any more direct investments in firms. But the existing firms where I have invested, I will do follow-on investments in some of those personally. This fund can separately evaluate any company in which I have an investment, or in which Helion has an investment, and I will not be a part of that decision.

Other than you and Aggarwal, are there others contributing to this fund?

We are the two founding partners, co-founders and we are on the investment committee. We have Ashish Kumar as a partner and a couple of other people working for the fund.

What sort of round will you be looking to get into? Will it be Series B and beyond?

Something like that. I don't know which round exactly it will be. But one thing is sure that we're not a start-up fund; we're a scale up fund. We're going to invest in companies that have a proven business model.

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