

## INFOSYS CEO VISHAL SIKKA PLEDGES TO INVEST RS 1,500 CRORE IN INDIAN START-UPS

The Economic Times, 15<sup>th</sup> January 2015

<http://economictimes.indiatimes.com/news/politics-and-nation/infosys-ceo-vishal-sikka-pledges-to-invest-rs-1500-crore-in-indian-start-ups/articleshow/45885173.cms>

Infosys has pledged to invest \$250 million (Rs 1,500 crore) in Indian start-ups in the first such commitment by a cash-rich software services company. Chief Executive Vishal Sikka, a founder of two start-ups himself, made the promise on Wednesday to Narendra Modi, thereby burnishing his company's patriotic credentials when the 'Make in India' theme dear to the prime minister is all the rage.

"Start-ups represent the vision, the hope and the persevering entrepreneurial spirit taking root in India," Sikka was quoted as saying in a statement. "With the 'Innovate in India' fund, Infosys will invest in great Indian start-ups, help amplify their engineering and operations, as well as help bring their innovations to market at scale."

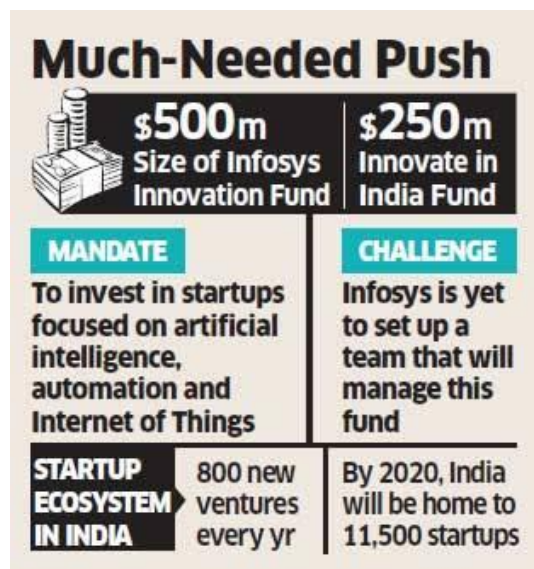
Infosys' announcement was greeted in the start-up community with a mixture of excitement and scepticism — the former because such a pledge to acquire start-ups is unprecedented and the latter because India's second-largest software company has done little with a \$100-million 'innovation fund' announced by SD Shibulal in April 2013 when he was CEO.

### Many former bosses of Infosys backing start-ups:

Under Sikka, the big development so far has been a five-fold increase in the size of the fund. Half of this is now being set aside for investment in Indian start-ups.

Over the last few years, the vibrant start-up sector in the country has seen a flood of money from investors across the globe. Last year alone, over \$2 billion was invested in start-ups and companies such as Flipkart, Snapdeal and Olacabs have become posterboys of Indian entrepreneurship. About 800 new ventures are set up every year, estimates trade body Nasscom, which projects that by the year 2020 the country will be home to 11,500 start-ups, employing over 2.5 lakh people. "Let the party begin," said Infosys former finance head V Balakrishnan, who along with another company veteran, Mohandas Pai, runs a technology investment fund Exfinity that backs start-ups and raised Rs 125 crore in August.

"I believe the cake is large enough for everyone to have a piece of it." Many former Infosys bosses are currently backing start-ups. Cofounders SD Shibulal and Kris Gopalakrishnan have a venture fund, Axilor Ventures, which aims to invest up to \$1 million in early-stage funding. Founder and former chairman NR Narayana Murthy's family office runs Catamaran Ventures which has backed companies such as Hector Beverages and Wellspring Healthcare.



Another company cofounder NS Raghavan has a technology investment firm Ojas Ventures which has backed start-ups like internet marketing company Vizury and interactive technology developer TELiBrahma. Infosys, set up by NR Narayana Murthy along with six friends in 1981, is considered by many as the country's true entrepreneurial software company, and for this reason some believe Sikka's desire to back technology-focused start-ups is a good move.

"I do believe this is a catalytic move for the industry and worth emulating by others," said Sudhir Sethi, founder-chairman and managing director IDG Ventures India. Nonetheless, Sethi said that key to the success will be how Infosys executes this plan. "This is the second such attempt (by Infosys)," said Jens Butler of London-based IT research firm Ovum, referring to Infosys first setting up an innovation fund in 2013.