

# The SatSure Newsletter



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# FOREWORD

**A**fter bidding farewell to 2021, we are now working to tap into the opportunities that 2022 has to offer. The ecosystem continues to make unique opportunities and solutions for our new normal characterised by digitisation on the startup front. The technology players, especially the deeptech ecosystem, are playing a critical role in adopting the latest solutions.

As the world realises the potential of deep technologies such as remote sensing, satellite image, and data, among others, investors are also placing their bets on the players and their futuristic solutions.

This edition of 'The SatSure Newsletter' or TSNL focuses on sharing investors' perspectives on the deeptech sector and thoughts from the ecosystem leaders about the future of the sector.

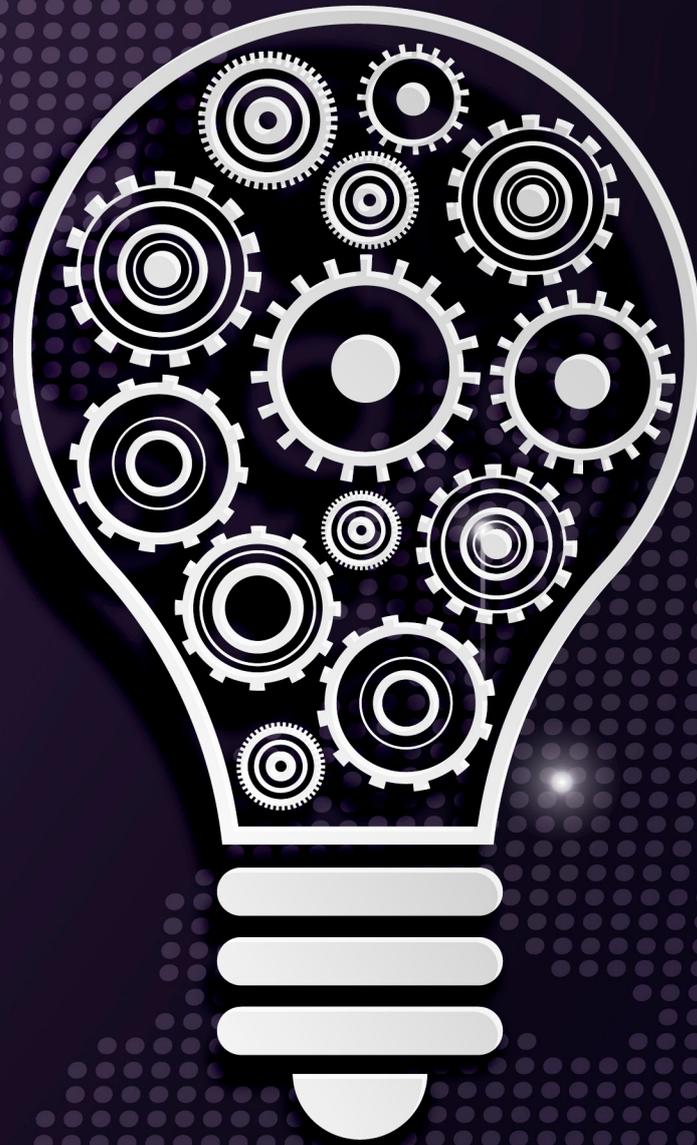
The first article by Arul Mehra, Partner at Baring Private Equity India, talks about private equity investing in Indian deeptech startups and Baring's focus this year.

In our second TSNL article, Anjani Bansal, Partner at Global Bain Corporation, sheds light on the current barriers in the technology sector, solutions and how players can expand into foreign markets.

Our concluding article by Shriya Vij, Strategy Manager at SatSure, is an extension of SatSure's partnership with Climate Action for COP26. We have highlighted our participation in the summit and promoted the application of Earth Observation (EO) satellites and Geospatial data-based insights for supporting climate action, especially in the agriculture sector.

**Rashmit Singh Sukhmani**  
Co-founder and CTO,  
SatSure





# Investing in Deep Tech Sector: A Private Equity Perspective



**Arul Mehra**, *Partner at Baring Private Equity India*

Arul Mehra is Partner at Baring Private Equity India. Since 2010, Arul has worked with Baring on diverse investment portfolios along with investments in several prominent startups such as Lohum and Toch.ai among others. He brings in over 19+ years of combined experience in investing and has been an integral part of the investment and finance teams at Citigroup and Global Special Situations Group (GSSG) before joining Baring.



**Baring Private Equity Partners India is one of the earliest PE Funds in India,**

**with more than 22 years of investment experience across sectors. How has your investment strategy evolved over the years, and which sectors excite you as an investor?**

Baring India Investment strategy has consistently targetted the best available risk-adjusted returns in the Indian markets. We like companies serving large markets with significant entry barriers through brand, technology or distribution. Good management teams and governance is basic hygiene.

While the basic philosophy remains the same, the sectoral themes keep changing as the purchasing power, consumer behaviour, and technologies evolve. Though the initial funds got the best returns from IT Services, Pharma, Consumer and Financial Services, the last fund had its best performers from Saas, Fintech and Electric Vehicle ecosystem.



Further, we try to side step the most crowded segments in the market by focusing on

spaces with less competition from other investors.



**As more than 50% of the essential climate variables are**

**measurable only from space, do you see space technologies having a big play in the climate tech sector?**

Space technologies can bring a lot of relevant data around ice and vegetation cover to track the real-time impact of climate change. Availability of hyperspectral data will further enhance the ability to track active wildlife, aquatic life, water tables and a mix of nutrients in oceans. These technologies will have a prominent role in assessing climate change impact and any corrective actions.



**Can you elaborate a bit on the difference between PE and**

**VC investments?**

Private Equity investments are made in relatively larger companies with a lower risk-return

profile. In western markets, there is usually a component of leverage (loans) in such transactions to juice up returns.

Meanwhile, venture capital investments are usually made in disruptive high growth ideas where potential payoffs are much higher, but there is a higher risk of mortality as well.



**Do you see the investment appetite evolving for deep technology**

**and IP driven companies in India, despite most of the media limelight being either on FinTech or delivery companies? Can you provide insights on some key trends here?**

We do see much higher interest in the space including our own investment focus. We see a lot of interest in areas like AI/ML in various industries, Space technologies both upstream and downstream, Electric vehicle component ecosystem and Biotechnology.



Media might usually chase large funding announcements, likely in sectors such as financial services, fintech and delivery operations that consume a lot of cash, which necessitates large frequent funding rounds.

When deep tech companies succeed, they have a natural moat through technology giving them sufficient pricing power to grow through internal accruals. They get discovered by the main street much later at the time of IPO.



**You led the recently concluded round of SatSure. What**

**made you venture into spacetechnology and deeptech, and what were the key reasons for backing SatSure?**

SatSure has all the characteristics of a deep tech company i.e. significant investment in R&D, limited competition, and great pricing power due to its impact on customers business. What makes it extremely attractive as an investment is the large market size for its financial services and agriculture products. This was further



validated by contracts from the best names in the market.



Their product requires a team that excels in three domains simultaneously i.e. spacetechnology, financial services and AI/ML. This will be a key driver of their moat initially as there is limited talent in both spacetechnology and AI/ML in the market.



**PE investing at an early stage of a company's journey is not very common,**

**but Baring has lately done some 'VC styled' deals, including, Acko, Lohum Cleantech, Toch. ai - What factors are leading to such evolution in the investment strategy?**

We strive to find the best risk-adjusted opportunities for our investors. Over the last few years, we have found great value in themes relating to digital, electric vehicles and artificial intelligence technologies. These areas do not have mature higher growth companies so we decided to engage in the early part of the ecosystem and invest in future leaders.



**While 2021 seemed to be quite the golden year for venture deal-making**

**in India, do you think 2022 can be even better?**

Fundraising by VCs is a leading indicator of activity, and fundraising has been robust for most players in the VC ecosystem. This would indicate a strong 2022 and 2023 as well.

There could be public market corrections due to rate hikes, or some sectors that have got overfunded may not live up to the hype. However, this will only impact valuations and themes that get funded. When there is sufficient dry powder in the market, there will be deployment pressure to find the best ideas.



**The Indian space tech startup ecosystem has been gaining investor**

**attention as the government announced the new space tech reforms. According to you,**

**what and when would Indian space tech companies be interesting for PE players, both in India and internationally?**

Currently, most space companies are at the design stage of the products. Private Equity players would start looking at the space after the product risk is mitigated.

Once there are a few successful launches, the Private Equity Investors would be very keen to look at the space ecosystem. However, for downstream companies such as SatSure, there is already a significant investor interest.

specific than whether the company was in deep tech. Fortunately, our technology-oriented companies operated in the areas of SaaS and electric vehicles (EVs) both of which grew very well over the last couple of years.

The EV companies did face some operating challenges due to manufacturing disruptions as WFH is not possible, but the subsequent shifts in consumer preference for EVs and resulting demand, more than made up for it.



**Please share a few pieces of advice for aspiring entrepreneurs**

**who are now starting up or scaling up?**

If you come across a genuine problem to be solved, this is the best time to start up as substantial liquidity and support is available from the angel and venture capital ecosystem.



**Since you have a few deep tech companies in your portfolio, would you**

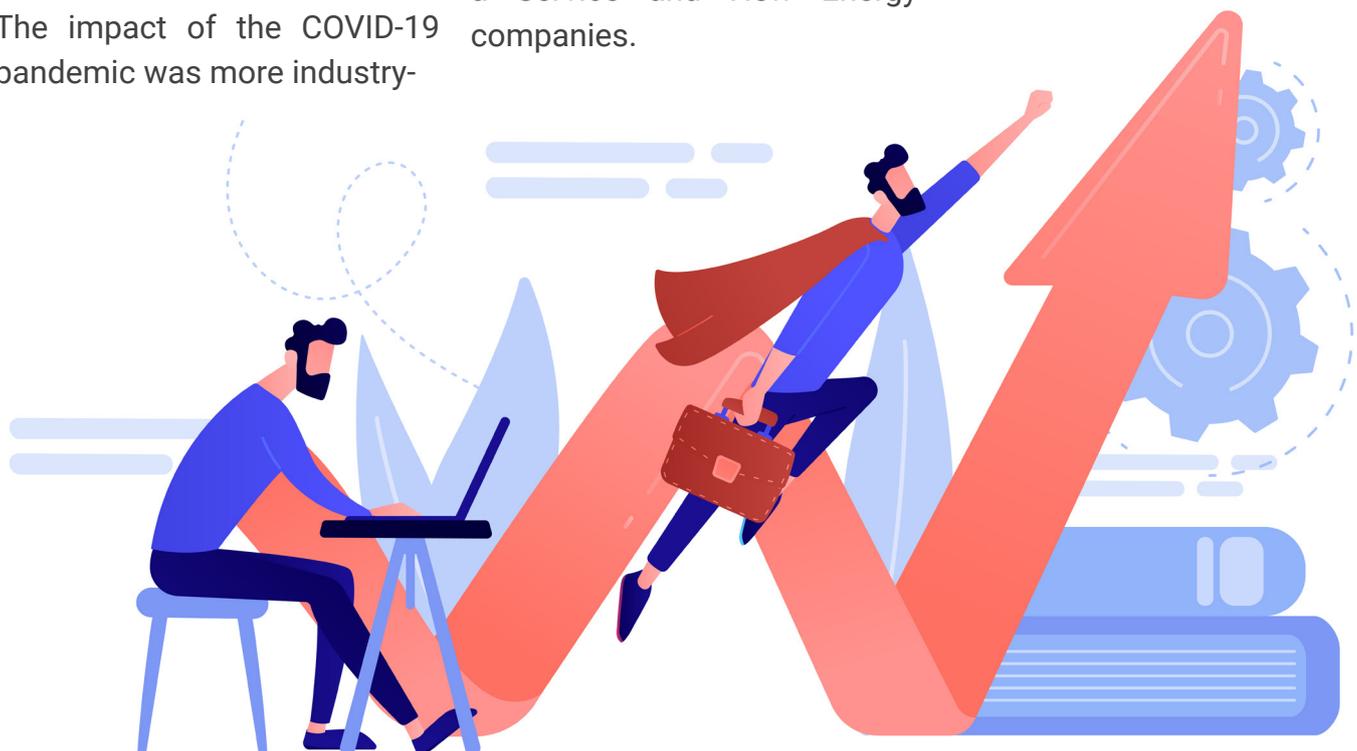
**be able to comment on the COVID-19 pandemic impact on the sector?**

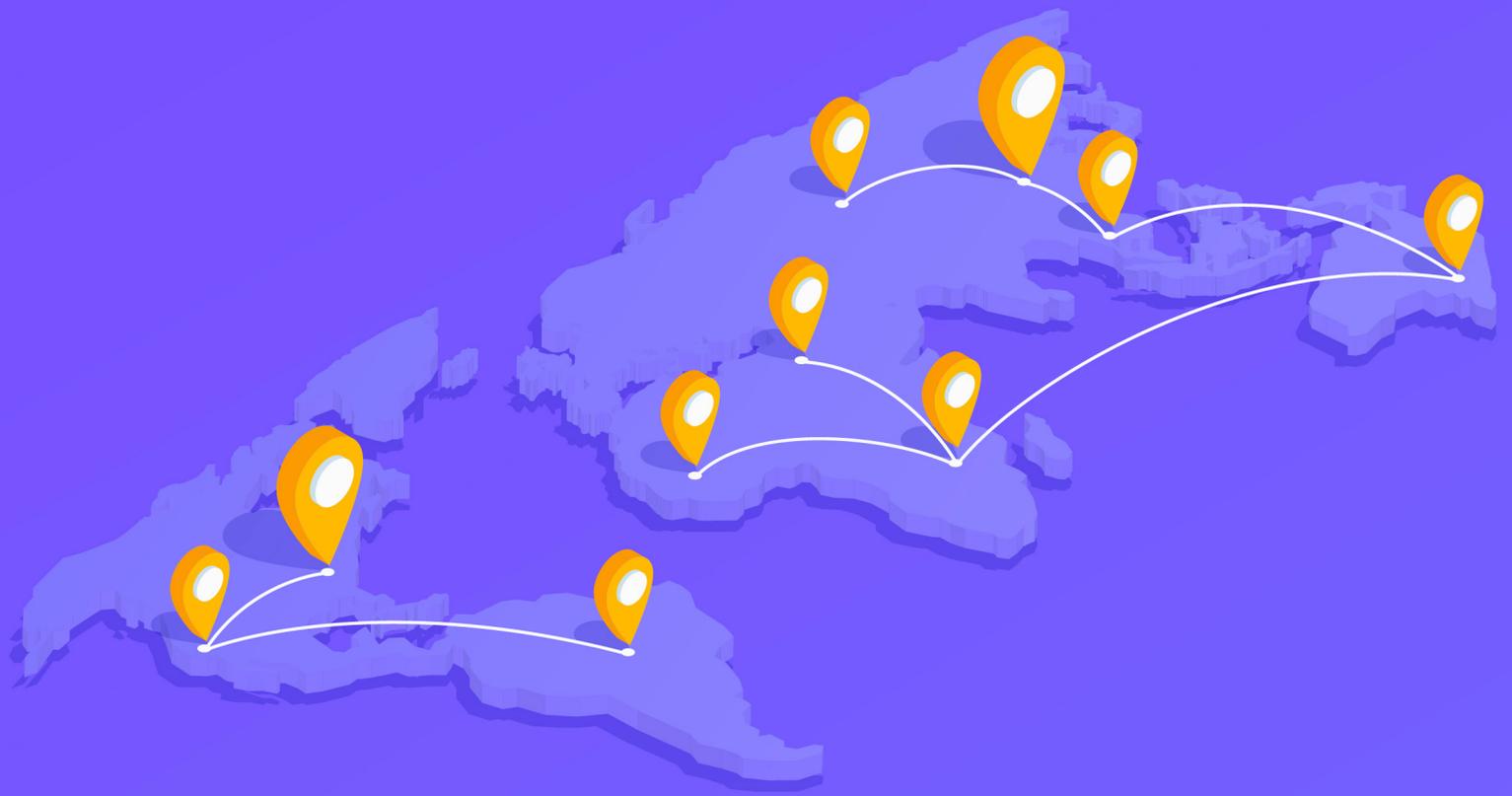
The impact of the COVID-19 pandemic was more industry-



**What would be some of the focus sectors for Baring in India this year?**

We will continue to focus on Consumer, Healthcare technologies, Financial technologies, Software as a Service and New Energy companies.





## How Can Startups Enter New Markets: An Interview with Anjani Bansal



**Anjani Bansal**, *Partner at Global Bain Corporation*

Anjani Bansal is the Partner at Global Bain Corporation. Anjani, former Country Lead -Private Sector Partnerships at Bill & Melinda Gates Foundation, worked with the foundation for close to a decade. He also founded Flowstate - an angel investment fund focusing on agricultural technology.

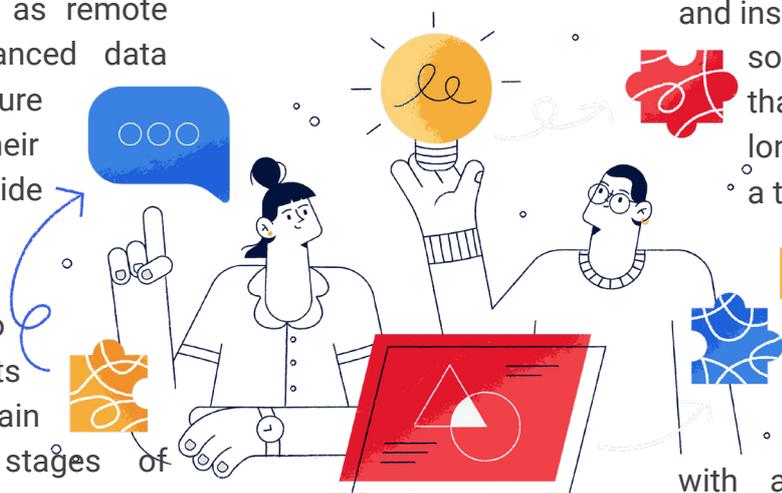
**You have seen stories of satellites, agriculture and finance from several places within and outside India, some successes and some failures. According to you, what is leading to execution complexities? Are there real technology barriers that people didn't think about earlier or is it about team building or luck?**

Applications of certain technologies such as remote sensing and advanced data analytics in agriculture are still evolving. Their use cases that provide a clear value proposition and economic benefit to different participants across the value chain are in varying stages of maturity. So there isn't actually one big success story yet that you can point out as the gold standard. Also, there used to be a big technology barrier maybe three to four years ago. However, now I would place these technologies at the lower end of the technology risk spectrum.

While technology risk has declined, applications at scale embedded within the business models of large agri-businesses and financial institutions are the next frontier. This will take

time but I see tailwinds driving capability and mindset in several players to make this happen. In fact, I believe that's an area where SatSure is taking big strides and paving the way for others to follow.

There is a clear recognition of the value proposition in the current and changing context of food and agriculture in the country.



**Please share your advice on how to select the right partners for startups as they explore new and emerging markets such as Africa.**

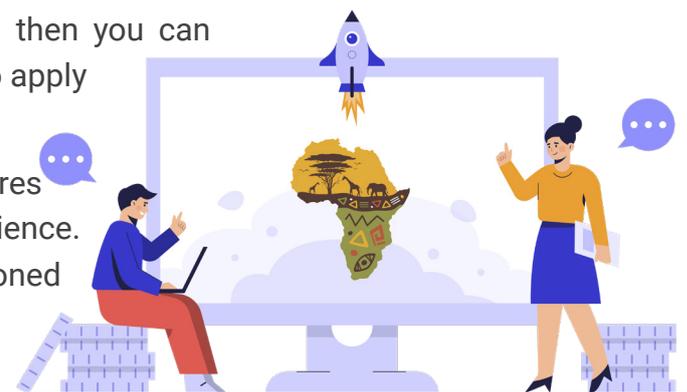
Maybe just to share a few experiences and then you can figure out how to apply those.

▶ It often requires time and patience. Since you mentioned Africa, there is a

popular African saying that *"if you want to go fast, go alone and if you want to go far, go together"*. I have seen this play, time and again in the African context. The underlying idea is that you have to spend time in the country with the people, build relationships at a personal level and gradually work towards achieving something substantial. Build deep contextual knowledge and insights about a country

so people have confidence that you are in it for the long-term and can become a trusted partner.

▶ Engaging with people with deep experience and leaders in those countries is the key. Approach them with a learning or growth mindset and build relationships. Leverage those relationships as a channel for relevant introductions, facilitators of negotiations, and sounding boards for your decisions. Make sure you don't over



index on one or two people as we all have our biases.

▶ Finally, collaborations with other startup founders in these countries could create opportunities. I have seen other founders who are also grappling with similar questions you are asking. So engaging with them and trying to figure out how they have solved some of these issues also gives you new ideas to work with.

One more point that I would like to highlight is that

when it comes to governance, continue to maintain the highest standards. Do not compromise at all because sometimes I have seen some people try and take shortcuts, which in the long run is mostly harmful. It is better to deal with these challenges thoughtfully and be patient rather than trying to be a cowboy.

**While pursuing opportunities in the international market, how can startups leverage relationships with organisations like World Economic Forum or the Gates Foundation on UNCDF to get stronger and easier inroads into these markets.**

You may need certain partners such as financial institutions, agriculture businesses or infrastructure companies to enter new markets. Organisations like global philanthropies, DFIs or Multilaterals usually have on the ground teams in several countries in Africa and would be a really good starting point for a startup to build relationships with people. One can be fairly confident that the people working for you in such organisations are people you can trust, in the kind of information they provide you and the connections

that they are making for you. It can give a startup an entry point into some of these countries that the startup might not be familiar with and thus, it can leverage those relationships to then have those initial introductions with some of the large organisations that can become your operating partner, such as banks. One advantage of several African countries is that they are relatively small. So if one has a connection in one of the industry associations, there are fewer degrees of separation from the industry association to some of the major companies in the case of African countries. Similarly, such Organisations are often organising startup oriented events and activities. So participation in these events provides a platform to showcase your startup and product, which then generates inbound queries.



Often when I operate in Africa, I hear from our counterparts is that people who want to engage in the country, don't demonstrate sufficient nuance about the African context and therefore, the other side is not really sure whether these people are the right partners or not. For example, if you are going to Nigeria, which is a large country with a large population and has different socio-economic and political challenges happening in the north and south, you need a nuanced strategy of geographical regions/provinces and population segments that you want to reach. If you can demonstrate that level of specificity, you will significantly increase your chances of finding the right partners and also be able to differentiate yourself. However, do not underestimate the work required. It is not easy to do this in India, then imagine what will it take to do it well in a different country.



competition. Marketing and communication are powerful tools, and most good entrepreneurs recognise that early. The spray and pray mode of showing up at every possible event will distract you from more important goals.

Not everyone is good at everything. Identify who is the best spokesperson for your company, doesn't necessarily have to be the founder. Leverage your team's strength to represent your company at marketing events.

conferences that would add the most value in terms of reaching out to the key audience, which could include customers, future employees, investors, etc. Don't ignore such platforms but think through which ones will provide you best return for investing your time and how you would want to engage, be it speaker, sponsor, participant to have side meetings, etc.

Try to have consistent messaging about your company so over time you get associated with a certain product category or technology, and you are the ones people cite as an example. Don't cede ground to the

### Should a startup hire people locally in the foreign markets with the current tough times?

There are a couple of ways to go about it. As a start-up, one would want to efficiently utilise the capital. Therefore, while hiring locally is something I would suggest, you have to think about it in terms of where do you see your greatest ROR (Return on Revenue). For

example, I don't think you would want to hire a person in 10 African countries. It will become

### How effective have you found the marketing platforms in establishing successful local partnerships? How does one make use of it?

I think it's important to take a strategic approach to identify marketing events and



an HR nightmare to deal with labour laws of 10 countries. So you have to figure out which are your highest priority markets and then think about how you can hire them locally. This also addresses the issues of not being able to travel in the current situation. I think a few strong employees are better than a large number of average performers, and this becomes even more important when hiring internationally. Look for people who can operate under ambiguity rather than specialists because you are likely to face different situations in new countries with only a few people. Also, you want to minimise your time spent on hands-on management.

Another approach we have tried is to work with some local advisory companies. These organisations could work as your extended arms to identify markets, engage with potential customers, develop proposals, provide country context into your strategy. Quality of team is very important so its useful to test one or two such companies.



It gives you the flexibility to find your feet in a country before hiring employees.

**For a new technology, customer education becomes important. SatSure has gone through the customer education part in India. When we are going to new geographies such as Africa, do we have to go through that cycle again?**

I think product-market fit in India does have value in African countries. There is a similarity in context and customers' needs at least in certain sectors such as agriculture and financial services. So demonstrating a clear value proposition for customers in India is useful for engaging with potential customers in Africa. The key is to make it sharp and clear and weave in your knowledge of local context to explain how you will customize your product. I think it's powerful to show that you already have significant traction with similar customers such as banks in India, and you have the capability to customize

understand what those customizations could be. Preempt the need for clear case studies, real product demos with some customizations.

Particularly in Africa, there is a lot of philanthropic or development aid money that flows into the economy and biases the decisions made by potential customers. You must accept this reality and engage with development organisations as well to educate them of your product as they might influence the final decision of your potential customers in some cases.

Also, there is some degree of familiarity between African and Indian industries. So demonstrating your value proposition and traction with Indian customers does help you gain better receptivity with potential customers in Africa. You could even try to leverage the African presence of your Indian customers to make warm introductions.





# SatSure for Sustainability: A Collective Fight Against Climate Change At COP26



**Shriya Vij**, *Strategy and Marketing Manager at SatSure*

Shriya is working towards creating product pricing and financial models along with supporting marketing and corporate growth initiatives. Prior to this, she interned at multiple organisations such as NTPC and IFFCO Ltd. Academically, Shriya has a PGDM with dual specialisation in Finance and Marketing and also is an Economics Honours graduate.

Did you know that the major causes of climate change are also the reason behind pandemics?

Climate change, indeed, is the thorniest problem that we endure, and it is real. The pandemic is just a teaser for the cascading effects of climate change that are yet to happen, adversely impacting us on a personal level. However, the difference between the pandemic and climate change is that the latter is not unanticipated. We are already aware of it; whether we will face its disastrous effects is in our own hands. We can fight climate change, but the most crucial element required for that is cooperation, and nothing unites people or nations like a common enemy.

Conference of Parties is one such effort to bring together all the member nations for assessing progress in combating climate change. For instance, the famous Kyoto

Protocol was adopted in 1997 (COP3) & came into force in 2005 (COP11) to set the individual targets for industrialised nations and economies in transition to limit and reduce greenhouse gas emissions. Then was the historical outcome of COP21; the Paris Agreement - the first legally binding international treaty on climate change which united 196 parties to achieve the goal of limiting global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. The 26th Conference of Parties (COP26), held from October 31, 2021, to November 13, 2021, served as the third meeting of the parties to the Paris Agreement (where the

nations reached a mutual consensus and completed the Paris rulebook- the operational details for the practical implementation of the Paris Agreement) and the 16th meeting of the parties to the Kyoto Protocol.

The outcome of COP26 was the Glasgow Climate Pact. It consisted of an agreement to re-visit emission reduction plans in 2022 to keep the 1.5 °C Paris Agreement target achievable, commitment to phase down unabated coal power and inefficient subsidies for fossil fuels, and fulfilment of the pledge to provide 100 billion dollars annually from developed to developing countries.



- 01 Net-zero by 2070
- 02 500GW of non-fossil fuels by 2030
- 03 Reduce projected carbon emissions by 1 billion tonnes between 2021 and 2030
- 04 Reducing carbon intensity by 45% by 2030
- 05 Climate Finance to meet commitments

India's Five-Point Climate Action Plan at Cop26

## SatSure at COP26: A Strategic Partnership to Fight Climate Change

The deliberations to form the Glasgow Climate Pact wasn't the only highlight of COP26. There were various other summits and events held across different zones during the two-week conference. One such event was the Agri-Food Transition Summit at the Innovation Zone presented by Climate Action with the technical collaboration with the Food and Agriculture Organization (FAO). It aimed at connecting the global agri value chain from farm to fork, driving the momentum towards real change to deliver the UN's SDGs.

SatSure, having rich experience in helping financial institutions, AgTech, and ClimateTech firms to contribute to the SDGs, found this summit as the perfect platform to promote the application of Earth Observation (EO) satellites and Geospatial data-based insights for supporting climate action, especially in the agriculture sector.

Being the Strategic Partner at the Agri-Food Transition Summit, SatSure promoted the following applications of its insights/solutions driven by EO satellites & Geospatial data to support climate action:

### 1 Risk Monitoring

The effects of climate change can be understood using near real-time geospatial data-based insights. These insights will support appropriate

policymaking and accurate risk estimation for insurance & lending, leading to enhanced capability of the financial institutions for designing & offering improved financial products.

### 2 Mapping the Emissions

Remote monitoring of the Areas of Interest (AOI) to map the emissions is the most scalable and affordable solution.

### 3 Managing the Methane Pledge

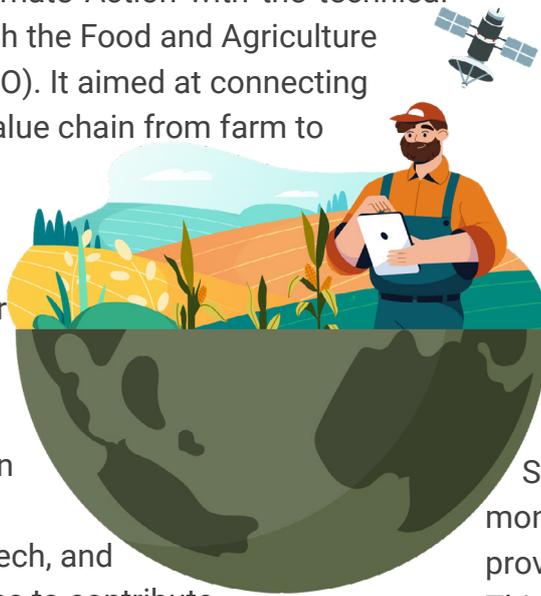
Satellite data has the potential to accelerate the implementation of the methane pledge.

### 4 Climate Adaptation

Satellites can be an important contributor for monitoring and controlling climate adaptation by providing global, accurate and repeatable data. This method is particularly essential in countries where ground-based monitoring networks are not scalable & expensive.

### 5 Carbon Sequestration by Forests & Agriculture

Forests and agricultural activities are the major carbon sinks if sustainable practices are adopted. Remote monitoring of the adoption of these sustainable practices through carbon sequestration measurement in forests and agricultural fields is an affordable & faster way. This approach can open avenues of income generation for foresters & farmers as they could sell carbon credits earned through carbon sequestration.



## SatSure In Action: How Are We Aligning?



SatSure is already contributing towards the four goals of COP26.



### Mitigation

SatSure's product suites – Sage and Skies – enable the BFSI and Infrastructure sectors to digitally transform their processes, helping them cut emissions indirectly. The emission reduction happens due to:

- (1) Digitally transformed enterprises using fewer resources which also increases efficiency, and
- (2) Savings on the bottom line can potentially be invested to adopt sustainable practices and comply with Environmental, Social, and Governance (ESG) norms.



### Adaptation

SatSure is conducting impact studies for prime organisations in the forestry sector, helping them assess parameters such as carbon sequestration, standing forest biomass, carbon maps, deforestation and land use/land cover.



### Finance

Our focus on ESG, sustainability & climate action continues to attract investors. We are also helping in mobilising finance in the form of credit & insurance to farmers through our solutions

for the financial institutions.



### Collaboration

We often collaborate in the form of strategic partnerships & associations to promote sustainability. Our recent collaborations include:

- Partnering with an organisation to promote sustainable agriculture and digital economy in West African markets.
- Joining the Integrity Council for Voluntary Carbon Markets (IC-VCM) as a consultation group member.

Moreover, we also encourage open innovation through our platform, Sparta, where AgTech and ClimateTech stakeholders can leverage the platform to develop innovative solutions.

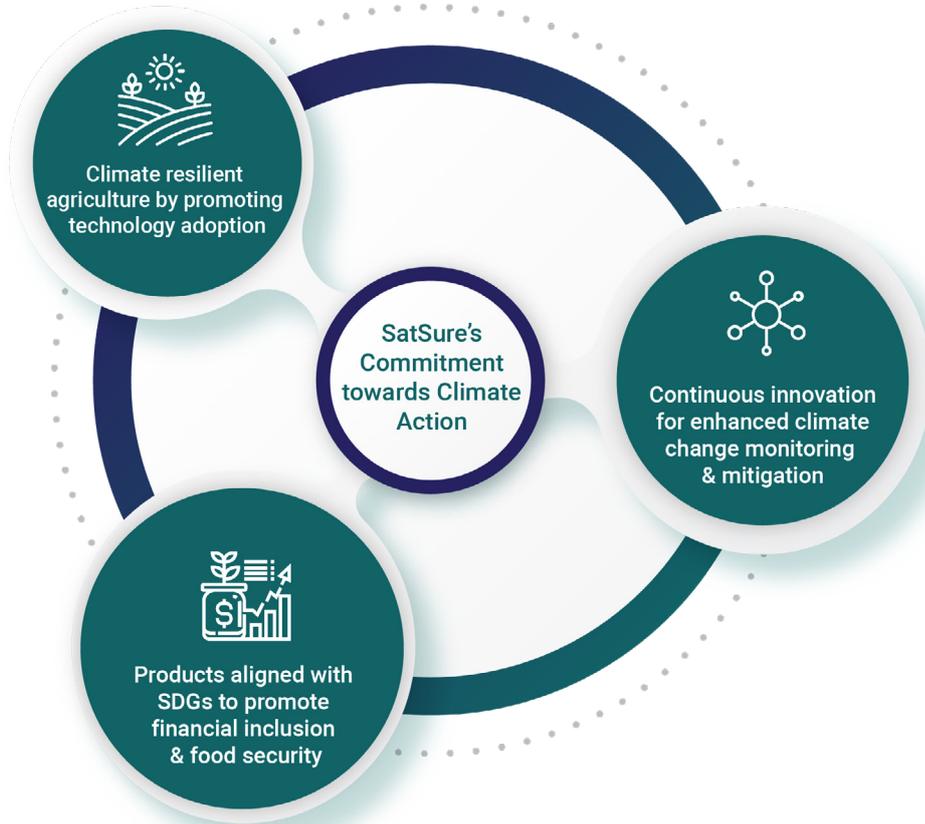
## Promoting SDGs



Our ambition is to help enterprises fight climate change and contribute to SDGs. Currently, we have an engagement with some of the prominent firms and institutions as the provider of insights in the forestry domain. Our accurate, near real-time insights, are time and cost-effective, helping clients reduce operational and business loss, and take decisions towards adopting/monitoring sustainable actions.

We plan to leverage our platform - SatSure Sparta - to build tools for measuring the regenerative carbon potential of agricultural lands, forests and, conduct impact studies to validate our clients' sustainable solution/technology.

Our solution addresses the challenge of transparency for buyers and value creation for carbon credit marketplace by providing high



SatSure's Commitment towards Climate Action

accuracy insights and building operating models (through partnerships). This approach will empower farmers and foresters to adopt sustainable practices by investing the additional income generated through the sale of carbon credits.

The sponsoring of the Agri-Food Transition Summit as the Strategic Partner was an enriching experience for SatSure. Our participation was an opportunity to come across mind-blowing

innovations demonstrated by various stakeholders, identify potential collaborations, and get inspired to use our decision intelligence from space for developing new solutions to combat climate change. We are already working with our clients and partners to enable the adoption of sustainable practices and look forward to more collaborations to expand in the climate action & sustainability segment.

# SUSTAINABLE DEVELOPMENT GOALS



SatSure Supported SDGs

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