

## Patient Capital in an Impatient World

*Bertelsmann India Investments's Pankaj Makkar and Rohit Sood on building **sectoral champions**, staying the course, and why **Bharat** is their next big bet.*

Pankaj Makkar offers a rare degree of transparency when speaking about his investment philosophy. *"I have always believed investing in a company is pretty similar to getting married,"* says the seasoned investor. *"Being **early-growth, long-term** investors is basically becoming professional spouses to founders,"* explains the veteran who has been leading Bertelsmann India Investments (BII) since its inception in 2012.

What distinguishes a transient venture from a market leader? Often, it's the presence of a patient investor who prioritizes sustainable growth over short-term returns.

Unlike most Series B investors who typically exit within 5–7 years, BII maintains a holding period of 10–15 years. *"We come in early, we stay for the long haul, and we help businesses prepare for rapid expansion and long-term success,"* Makkar explains.

## Investing with Intent: A Decade-spanning Playbook

Since establishing BII in 2012, Makkar has steered the fund toward a patient-capital, long-term investment philosophy—one that has delivered notable outcomes. Under Bertelsmann's Boost 25 strategy, BII has deployed over \$500 million in India, backing category-defining ventures such as unicorns Eruditus, Shiprocket, and Licious. With approximately **\$1 billion in assets under management**, BII has established itself as a significant player in India's investment landscape, providing both the capital depth and tactical guidance needed for long-term business building.

## Designing for India, Not Silicon Valley

*"From day one, we've built the fund for India, not by retrofitting a US venture model,"* says Makkar. This localized approach marks a clear departure from conventional VC playbooks and defines BII's distinct position in the ecosystem.

One key differentiator is how BII approaches follow-on capital. *"We usually reserve three to four times our first check for follow-ons. Most funds cap that at one-to-one,"* Makkar says.



Why? Because building in India takes time. *“You can’t rush it. The early years aren’t enough—companies need capital support well beyond year three,”* he adds.

That long view also shapes BII’s exit strategy. *“We’re fine exiting in five to eight years if it makes sense,”* Makkar explains. *“But if the business is growing and the founder wants us in, we can stay 10 to 15 years. We’re built for that.”*

*“In India, big outcomes take time—and we’re here to help founders build for the long haul.”*



*From left to right: Jayesh Bavle-CFO, Pankaj Makkar-MD & Rohit Sood-Partner at Bertelsmann India Investments*

**More Than Capital: A Long-Term Partner and Sounding Board**



At BII, investing is as much about relationships as it is about capital. *“We’re balance sheet investors—we back ideas that solve real, complex problems,”* says Makkar. *“As long as there’s vision and a committed team, we’re in it for the long haul.”*

That philosophy has shaped a portfolio that’s raised over \$2 billion in follow-on capital and includes breakout leaders like Shiprocket, Eruditus, and Licious. BII’s approach— anchored in patient capital and long-term thinking—prioritizes building enduring companies over chasing quick exits.

*“Our strength lies in founder alignment,”* Makkar says. *“We don’t make short-term decisions that jeopardize long-term outcomes. And we stay involved—not just as investors, but as sounding boards.”*

That’s a view echoed by the founders themselves.

*“The feedback you gave us was very valid and constructive, which is why we came back for a second meeting,”* says Ashwin Damera, CEO and Co-founder of Eruditus.

*“Even beyond capital, what we’ve learned from Bertelsmann in our journey of going online and global has been tremendous.” “*

*“Bertelsmann allowed us to find our path, instead of boxing us into a predefined mould,”* says Saahil Goel, CEO and Co-founder of Shiprocket.

*“They pushed us to ask hard questions—about network effects, scale, and strategy— exactly when it mattered.”*

Makkar sums it up best: *“We play games, share meals, argue sometimes—but like any strong partnership, we show up when it counts. That’s what builds real companies.”*

## **Strategic Global Expansion: Insights from the Financial Front**

Jayesh Bavle, CFO at Bertelsmann India Investments, emphasised the importance of prioritisation when considering global expansion. He advised founders to assess whether they have the bandwidth and capital to scale internationally.

*“It’s not just about launching the same product in a different country—there’s localisation, planning, and strategy involved,”* he said. Bavle also highlighted that companies should look for



adjacent markets—either in terms of product fit or operational capabilities—to ease the expansion process.

## **Betting on Bharat: Building for the Next Billion**

Where is BII looking next? Makkar and Sood point to **Bharat**—India’s Tier 2 and Tier 3 cities—as the next frontier.

*“These regions contribute over half of India’s GDP, but remain massively underserved,”* Makkar says. *“The next wave of category leaders will come from here—solving uniquely Indian problems, for Indian consumers.”*

One theme that stands out: rural India. *“It’s not a 2–3 year story. It’ll take a decade to mature—and that’s exactly why it needs patient capital,”* he adds.

Healthcare is another sector on their radar. *“These businesses take time to build, but once they do, the outcomes are large and sustainable,”* Makkar notes. *“It’s a natural fit for India—and for the kind of long-term capital we bring.”*

## **Built for India. Backed for the Long Haul**

In a world of fast exits and fleeting trends, BII is doing things differently—by staying close to founders, thinking long-term, and betting big on businesses that take time but endure.

*“As investors, we’re not just writing cheques,”* Makkar says. *“We’re walking the journey— with founders, through ups and downs, with real skin in the game.”* With approximately \$1 billion in assets under management, over \$500 million already deployed in India, and a global network through **Bertelsmann Investments**, BII is poised to keep backing the next generation of Indian startup champions—built in India, for India, and for the long term.