

“Courage is the most important of all the virtues because without courage, you can’t practice any other virtue consistently ” – Maya Angelou

BLUME VENTURES FUND I ~ QUARTERLY INVESTOR LETTER

Investment Scheme: Multi-Sector Seed Capital Fund
Report Period: Jan 1 to Mar 31, 2014

Preamble

This Quarter’s Investor letter comprises of A) Fund Update, B) Portfolio Companies’ Update and C) Investment Details

Schedule for 2014 Quarterly Reports

- I. Feb 15 – H2 2013 Report (ending Dec 31, 2013)*
- II. May 15 – Q1 2014 Report (ending Mar 31, 2014)***
- III. Aug 15 – H1 2014 Report (ending Jun 30, 2014)*
- IV. Nov 15 – Q3 2014 Report (ending Sep 30, 2014)*

Half-yearly reports will layout a more detailed state of the Fund (part of which is purposed for controlled wider circulation) while Quarterly reports will focus on financial performance of the Fund and Mark-to-Market (MTM) etc. (meant for the Fund’s investors Only)

A) Fund Update

B) Portfolio Company–level Business Updates

C) Portfolio – Investment Details

Investment data: Fund’s deployment of capital into each of the portfolio companies, including bridge / follow-on rounds

Section C) is strictly confidential and meant for Investors ONLY.

Note: We appreciate and respect investors’ feedback and continue to work towards incorporating it gradually into the reporting process, to enhance the quality and quantity of information for all Investors.

Dear Investors,

It has been a very busy first quarter in 2014, and it has spilt over to this quarter. In the midst of elections and record levels of fund-raising by the e-com biggies (Flipkart, Snapdeal, Myntra (pre-Flipkart merger)), your portfolio has been progressing well.

Various circumstances led to a dozen Blume companies (largely aided by 8 of them being selected in Nasscom's 25 co list, for a "Innotrek") being in Silicon Valley. Some of the Blume team was there to assist in connects on the business development front as well through the better part of May 2014. Also, March and April saw 5 term sheet discussions in the Blume portfolio (3 more Series A's and 2 more Series B's), of which 2 have now closed in the current quarter – Grey Orange Robotics and Taxiforsure (and announced in the press). This is in addition to the first Series A closure of the year – Covacsis – the news of which was just released – Reliance NextGen Fund and Cisco Ventures shared the lead. As always, Blume Ventures, as per its stated position of following on reserves into the "winners" in our seed portfolio, participated in the follow-on round, as we will in the other Series A rounds too.

SECTION A: FUND UPDATE

List of companies where a material positive event has occurred (all financial implications will be covered in the financial section of the Report).

Company Name	Event	Investor(s)
Series A's & more		
Hotelogix	Series A*	Accel
Mettl	Series A*	Kalaari
Zipdial	Series A*	Jungle + Unilazer + 500Startups + Times
Mobstac	Series A* / Series B*	Accel / Accel + Cisco
Reviews42	Series A*	Nirvana
Taxiforsure	Series A*	Accel + Helion
Covacsis	Series A*	Reliance GenNext Ventures + Cisco Ventures
M&A / Exits		
Qubecell	Acquisition (for cash)	Boku
Adepto	Acquisition (asset for stock)	Kuliza

* indicates that Blume participated in the round, **text in BLUE** indicates a new event in the current reporting period

Last Batch of Investments made into the Fund (Committed H2, 2013, concluded in Q1, 2014)

Intellocut / Enterprise Software / Manufacturing / Apparel / B'lore + Delhi NCR
Manasij and Mausmi , www.intellocut.com
Co-investors: Angel investors (all from the Garment industry) + Rajan A

Greytip / Internet & Mobile / SaaS / HR Admin / B'lore
Girish and , www.greythr.com, www.gretyip.in
Co-investors: Angel investor

Snapbizz / Internet & Mobile / SaaS + Retail Solutions / Retail / B'lore
Prem and Yash, Site/Product to be Launched soon
Co-investors: Qualcomm, Jungle, Taurus (S'pore)

SECTION B: Portfolio-Company Level Business Updates

Notes to Section

BLUME ALPHA Group

We added Intellocut (based in B'lore and Noida) and Greytip (B'lore) to the Alpha Group

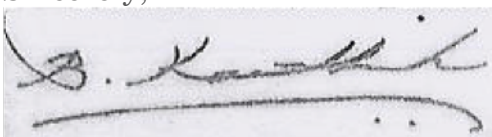
BLUME BETA Group

We added Snapbizz (B'lore) to the Beta Group

C) Portfolio – Investment Details

[Attached as a separate file]

Sincerely,



Karthik Reddy and Sanjay Nath

Co-Founders and Managing Partners
Blume Venture Advisors Pvt Ltd.