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THE ECONOMIC TIMES

Singapore fund Mercatus invests in Lucid Software

12 Dec 2008, 22:13 hrs IST, Chandra Ranganathan, ET Bureau

CHENNAI: Mercatus Capital, a Singapore-headquartered angel fund, has closed its second investment in India by investing in Lucid Software, a company founded by an IIT alumnus with a presence in US and Singapore. Mercatus hasn't disclosed the quantum of investment.

Lucid develops software to test physical products focussed on four verticals- nuclear power, aerospace, oil & gas and civil engineering infrastructure. Suppose the company has to test the rotor blade of a helicopter without causing any physical damage what Lucid would do is to build simulation software, where you have in-built parameters to test the strength and efficiency of the rotor blade.

"Lucid has a sound business already in place- a niche area with great growth prospects. But, overall, we invested because of the quality of their work and the people behind the company's patented products. We see potential with them expanding into testing of solar cell," said Rajesh Sukumaran, investment manager for Mercatus Capital's India operations. IIT Roorkee alumnus Krishna Mohan Reddy founded the company in 2000.

Lucid Software first pitched its plans to Venture Capitalists at Proto.in, an event for startups last July. The company will use the funds to open a new facility at the IIT Madras research park and also to strengthen its marketing muscle.

"Similarly, the software could help rectify the faults in a bridge even while its being constructed," said Lucid Software sales and marketing head CP Madhusudan, about the software's application in the civil engineering space. The company tests dams, aircraft wings and nuclear installations for structural defects.

So far, its clients are mostly based in Europe, but the company is also betting on domestic projects, particularly from government agencies. "We are in discussions with ISRO and HAL for the same," Mr Madhusudan added.

Apart from pure funds, Mercatus would partner with Lucid and help it get more business. "We have got them engaged with the Singapore govt for a very large project dealing with testing integrity of roads and tunnels in Singapore," Mr Sukumaran added.

Mercatus is positioning itself as a pure-play angel investment firm, because it hasn't raised money from any endowment or pension fund, but funds pooled in by a number of high net worth individuals. The prominent and structured angel funds currently operating in India include Indian Angel Network, Mumbai Angels and the TiE Chennai Fund.

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