

Startup Watch

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STARTUP POLICIES

Government commits Rs. 7,385 crore (US\$ 904.73 million) under Fund of Funds for Startup India Investment for 88 Alternative Investment Funds (AIFs); 720 startups supported by AIFs

Press Information Bureau

As of September 24, 2022, the Fund of Funds for Startups (FFS), which was established under the Startup India programme in 2016 by Prime Minister Mr. Narendra Modi, has contributed Rs. 7,385 crore (US\$ 904.73 million) to 88 Alternative Investment Funds (AIFs). In turn, these AIFs contributed Rs. 11,206 crore (US\$ 1.37 billion) to 720 startups. When it comes to raising domestic financing for the Indian startup sector, FFS has been essential.

FFS was announced with a Rs. 10,000 crore (US\$ 1.22 billion) corpus. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, will provide budgetary assistance for the corpus' development for the course of the 14th and 15th Finance Commission Cycles (FY 2016-2020 and FY 2021-2025). Support is provided under FFS to Alternative Investment Funds (AIFs), which are registered with SEBI and invest in startup companies.

FFS has not only provided funding for entrepreneurs in their early, seed, and growth stages, but it has also acted as a catalyst for

domestic capital raising, reduced reliance on foreign capital, and the development of new venture capital funds. Since the introduction of the Scheme, the amount committed under FFS has increased significantly, achieving a CAGR of over 21%.

'Make in India' completes eight years, annual FDI nearly doubles to US\$ 83 billion

India Brand Equity Foundation

As "Make in India," the government's flagship programme to encourage investment and innovation, reached its eighth year, annual Foreign Direct Investment (FDI) nearly doubled to US\$ 83 billion in 2021-22.

The Ministry of Commerce and Industry reports that US\$ 45.15 billion in FDI entered the country in 2014-2015. With US\$ 83.6 billion, the year 2021-22 saw the biggest FDI intake ever. This FDI has been made in 57 sectors, 31 states and UTs, and come from 101 different nations.

The majority of sectors are open to FDI via the automatic route, the Ministry claims, as part of the government's liberal and open policy to encourage international capital. It stated that the Production Linked Incentive (PLI) scheme, which spans 14 important manufacturing sectors, was introduced in 2020-2021, giving the Make in India drive a major boost.

The government has started a US\$ 10 billion incentive programme to develop an ecosystem for semiconductor, display, and design in India in recognition of the significance of semiconductors in the global economy.

STARTUP STORIES

GitHub Opens Its Developer Platform For Startups In India

<https://inc42.com>

- The open-source software development platform GitHub has made its developer platform for startups available in the country.
- Eligible startups will receive up to 20 seats of GitHub Enterprise free for one year
- Moreover, the startups will also be provided with support and guidance from GitHub technical experts
- Globally, GitHub has 83 MN+ developers, while in India it has over 7.2 Mn developers

Startups Are Bringing Transformation In Spacetech Sector: ISRO Chief

<https://inc42.com>

- The commercial spacetech market is expected to grow to \$77 Bn by 2030
- India will soon launch a four-pronged mission focused solely on quantum technologies: Principal Scientific Advisor

Airtel IQ Hackathon Launched For Startups To Build New-Age Business Solutions On WhatsApp

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- Telecom giant Bharti Airtel has launched “Airtel IQ” hackathon in partnership with Meta-owned WhatsApp to identify and build new-age business solutions using WhatsApp Business Platform.
- As part of the hackathon, the winners will get prizes worth INR 1 Cr and busi-

ness mentorship from WhatsApp and Airtel across product, engineering, and business

- The telco has identified five key sectors – ecommerce, edtech, banking and financial services (BFSI), travel and tourism, and contact centre operations – for the program

CRED, upGrad, Groww claim top spots in LinkedIn's Indian startups ranking

India Brand Equity Foundation

On September 28, 2022, the online professional network LinkedIn published a list of the top 25 startups in India that have sustained amid a shaky economic climate and are planning to innovate in 2022.

CRED, a unified payments interface, comes in first place this year. This young start-up, valued at US\$ 6.4 billion, kept its top rank on LinkedIn's list of top startups, climbing from third place in 2021 to first place in 2022.

UpGrad, one of India's major online higher education companies that curates a wide range of upskilling options for professionals and college students, holds the second spot on the list, with Groww coming in third.

New entrants to the list this year include the fourth-ranked e-grocery company Zepto, the seventh-ranked full-stack car-buying platform Spinny, and the twelve-ranked insurtech start-up Ditto Insurance. These online platforms are making financial, mobility, and essentials more accessible for consumers in India today.

STARTUP FUNDING

DotPe raises US\$ 58 million in series B, plans entry into financial services

India Brand Equity Foundation

Temasek sponsored a US\$ 58 million Series B fundraising round for DotPe, a tech-enabled multi-channel e-commerce platform for large and medium-sized retailers. Existing investors PayU, Prosus, and InfoEdge Ventures participated in the round. Mitsubishi and Naya Capital were among the newcomers. The company al-

ready serves over 7.5 million brands such as McDonald's, 24 Seven, and Taco Bell, and it plans to expand into financial services. DotPe offers merchants an ecosystem of commerce tools, marketing software, and financial services to help them run, manage, and expand their businesses across several channels. According to the organisation, the platform is a one-stop shop that services all types and sizes of business owners, from SMBs to Fortune 500 firms.

BigBasket to raise US\$ 200 million at a valuation of US\$ 3.5 billion: Report

India Brand Equity Foundation

- BigBasket, a grocery retailer owned by Tata Digital, is expected to raise US\$ 200 million at a US\$ 3-3.5 billion valuation. Tata Digital and other shareholders are likely to provide the funding for the round.
- The company plans to use the additional funding to extend its core services in order to compete with competitors like Dunzo, Zepto, Swiggy Instamart, and others.
- BigBasket is only the second company of its kind in the country to have sales over US\$ 1 billion in 2021.

Insurtech platform Zopper raises US\$ 75 million; plans global expansion

India Brand Equity Foundation

- Zopper, an insurtech platform, has raised US\$ 75 million in its Series C funding round led by Creaegis, with participation from ICICI Venture and Bessemer Venture Partners.
- Zopper was established in 2011 and is active in more than 1,200 cities. It has more than 150 ecosystem partners, including Amazon, Ola, Xiaomi, Croma, Hitachi, Equitas Small Finance Bank, Chaitanya, and others.

Supply Chain Visibility Startup FourKites Raises \$10 Mn From Mitsui & Co

<https://inc42.com>

Chicago and Chennai-based supply chain visibility startup FourKites has received a \$10 Mn investment from Mitsui & Co., Ltd., a Japanese conglomerate.

The investment comes as part of an ongoing strategic relationship between the two companies

Meesho Gets \$192 Mn From Parent Entity

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- Social commerce startup Meesho has received \$192 Mn from its parent entity, Meesho Inc.
- Meesho's board passed a special resolution to issue 65,12,342 equity shares to Meesho Inc at an issue price of INR 2,408 per share

Saveo Raises \$4.5 Mn To Streamline B2B Pharma Supply Chain

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- In a statement, Saveo said that it has raised \$4.5 Mn in a venture round co-led by Matrix Partners, Gunosy Capital, and 4point0 Health Ventures.

STARTUP ACQUISITION

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Aarav Solutions Acquires AI Startup Froot Research For \$4 Mn

Ahmedabad-based IT company Aarav Solutions has acquired AI startup Froot Research for \$4 Mn. With this acquisition, Aarav will expand in the AI space and also launch AI-related products and platforms.

HCL Acquires Majority Stake In Vernacular Edtech Platform GUVI

IT giant HCL Group on September 29 said it has acquired a majority stake in vernacular edtech platform GUVI.

Axis Bank To Acquire Up To 9.94% Stake In Go Digit Life Insurance

Axis Bank has entered into "an indicative and non-binding term sheet" with Go Digit Life Insurance and would invest INR 49.90 Cr to INR 69.90 Cr in the latter

STARTUP EVENTS >> UPCOMING

Event : ASEAN-India Start-Up Festival-2022

Date: 27-30 October, Indonesia

Registration link: <http://s.id/RegistrationFormIASF2022>

About : In the series of events to commemorate 30 years' of ASEAN-India Friendship, Department of Science & Technology in collaboration with Start-up Incubation and Innovation Centre (SIIC), IIT Kanpur and BRIN (National Innovation and Research Agency of Indonesia) is organising ASEAN-India Start-Up Festival-2022 from 27-30 October, 2022 in Indonesia. The Last date for registration of entities is 26th September, 2022. The event would take place at ICC Building, Cibinong Science Center/ Kawasan Sains Teknologi Soekarno, Jalan Raya Jakarta, Cibinong, Bogor, West Java, Indonesia.

Eligibility: The Start Ups that are legally less than three years old, have focus on technology and the environment and have a positive impact on the SDG's are eligible to participate.

Expected Participation:

- ⇒ Government institutions and policy makers across ASEAN-India
- ⇒ Intermediary body (i.e. incubator) and financial organizations
- ⇒ Start-Up Fair component will be part of the Exhibition section of "Indonesia Research and Innovation Expo 2022", held at ICC Building. One special zonation will be reserved for ASEAN-India Start-Up Festival.
- ⇒ Projected number of visitors is 6,000 consisting of researchers, start-ups, inventors, G-20 delegations, and general public

STARTUP FAQs

How to investors add value to the startups?

- ⇒ Investors particularly venture capitalists (VCs) add value to startups in a lot of ways:
- ⇒ Stakeholder Management: Investors manage the company board and leadership to facilitate smooth operations of the startup. In addition, their functional experience and domain knowledge of working and investing with startups imparts vision and direction to the company.
- ⇒ Raising Funds: Investors are best guides for the startup to raise subsequent rounds of funding on the basis of stage, maturity, sector focus etc. and aid in networking and connection for the founders to pitch their business to other investors.
- ⇒ Recruiting Talent: Sourcing high-quality and best-fit human capital is critical for startups, especially when it comes to recruiting senior executives to manage and drive business goals. VCs, with their extensive network can help bridge the talent gap by recruiting the right set of people at the right time.

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