

# Startup Watch

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Last year India created 42 Unicorns; I firmly believe that the golden period of startups is just beginning



**PM Narendra Modi Interacts with Startups**



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## STARTUP POLICIES

### Number Of Recognised Startups Now Increased To 65,861: Govt

Source: <https://inc42.com/buzz/>

There has been an increase in the number of recognized startups in India from 726 in FY 2016-17 to 65,861 as on March 14 in FY 2020-21.

The government launched 'Startup Initiative' on January 16, 2016 to drive economic growth, support entrepreneurship and enable job creation.

In Rajya Sabha, Piyush Goyal, Commerce and Industry Minister, said, "The recognised startups are spread across over 640 districts and have reported a creation of more than seven lakh jobs with an average of 11 jobs being created by them. These startups are spread across 56 diversified sectors such as IT services, finance technology, technology hardware, enterprise software, artificial intelligence, and nano-technology."

"The Startup India Seed Fund Scheme (SISFS) aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization...INR 945 Cr has been allocated under the scheme for a period of four years starting from 2021-22," Som Prakash, Minister of State for Commerce and Industry, said.

In 2020, there were 38,815 active startups and 51 unicorns in India. Then, the fintech sector was deemed one of the top sectors in the coun-

try. In 2021, an aggregate of 42 unicorns were produced in India. Then, India was placed as the country top three unicorn producers across the globe. This huge figure was achieved due to the massive fundraise, embracing new technology, and increased investors' confidence.

With the onset of 2022, 12 unicorns including Fractal, LEAD, Darwinbox, DealShare, ElasticRun, LivSpace, Xpressbees, Uniphore, Hasura, CredAvenue, Amagi and Oxyzo have emerged in the first three months. India now has a total of 98 startups that have joined the unicorn club to date. This year, new-age tech startups have remained an edge over other startups owing to shifting consumers' reliance on technology, pandemic-led norms, and increasing competition. It is believed that in the coming days India will easily cross the 100 mark producing the highest number of startups in a short span of time

### India's aim is to become world's largest startup destination: Piyush Goyal

<https://economictimes.indiatimes.com/tech/>

India aspires to become the largest startup ecosystem in the world, Commerce and Industry Minister Piyush Goyal said.

Addressing a session on "Gateway to Growth - Roundtable on Indian Startup Ecosystem" in Abu Dhabi, he said: "Today we are the third largest startup ecosystem, but our aspiration is to be

the world's number one startup destination," as per an official statement.

"The startup bug has caught India's imagination. The entire innovation ecosystem that the startup industry represents is giving a new direction, new momentum to India," he said, as per the Commerce and Industry Ministry statement.

According to Goyal, India offers one of the best ecosystems for startups with a special 'jugalbandi', or blend between investors and entrepreneurs to get a balanced outcome and achieve a win-win solution for all.

"I have seen tremendous response from the Dubai Expo where our startups have got the opportunity to raise finances, sign MoUs and get angel investments. All these aspects will help strengthen India's strong bond of friendship with the UAE."

The Minister also said that startup need to experiment, fail and learn from their experiences.

"I would urge all of you from the startup world to go extra mile and take the startup story to all the remote places, villages, small towns, north-eastern India and other regions," he added.

On the government's role in promoting startups, he said that India aims to provide a level playing field and the best business ecosystem.

"We have recently finalised the Comprehensive Economic Partnership Agreement (CEPA) with the UAE, which is expected to further enhance bilateral trade, B2B engagement and explore attractive investment opportunities.

I can assure you that we will take this partnership to newer heights in the areas of sustainability, aerospace, space technology, connectivity, AI, data analytics, 5G, Metaverse, etc. We look forward to leveraging each other's offerings and expertise," he said.

In addition, Goyal said that the UAE-India partnership is destined to play an important role in the global economy and in ensuring a better future for billions of people around the world. "This will be a defining partnership for the 21st century."

## Govt encourages startups, pvt segment to participate in Gaganyaan programme

*SOURCE: <https://www.siliconindia.com/news/startups/govt-encourages-startups-pvt-segment-to-participate-in-gaganyaan-programme-nid>*

The Centre is encouraging the private segment and startups for realisation of India's ambitious human space mission, said Science and Technology Minister Jitendra Singh.

To a question raised in the Lok Sabha on the status of India's human space mission -- Gaganyaan -- Singh stated: 'The government is encouraging the private sector and startups for various Gaganyaan activities such as hardware realisation, components supply, health monitoring devices, Virtual reality simulators, etc.'

On the present status of the Gaganyaan project he said an astronaut training facility has been commissioned in Bengaluru. Training activities are progressing well there.

The design of all systems and subsystems for Gaganyaan has been accomplished. Realisation of the same is in different stages of progress.

Long duration qualification test of the human rated cryogenic engine and first phase testing of human rated VIKAS Engine have been completed. The first phase of the demonstration tests for Gaganyaan service module propulsion system has also been completed, Singh said. As per his knowledge, the proof of concept demonstration for a ground network with service providers has been completed. The construction of an integration facility for Orbital module preparation is nearing completion. 'The MoU (Memorandum of Understanding), Contracts and Implementation Arrangements (IA) related activities with both national and international agencies are progressing well. The design of various human centric products has been completed and various prototypes are under realisation,' he stated. Further the receipt of Gaganyaan deliverables against contracts with Glavkosmos, Russia and CNES, France have commenced. The roles and responsibility for crew recovery operations and rehearsals finalised. Detailed operational requirements for nominal missions scenarios are worked out. 'The activities related to development of microgravity experiments have commenced. The conceptual

design for experiments is under review,' Singh stated.

## **Procurement from start-ups gets a green signal from Defence Acquisition Council**

*SOURCE: <https://www.siliconindia.com/>*

For the first time, the Defence Acquisition Council has cleared the procurement of 14 items worth Rs 380.43 crore from Innovations for Defence Excellence (iDEX) start-ups. These items will be procured by the Indian Army, Navy and Air Force.

In a meeting presided by Defence minister Rajnath Singh Tuesday, the DAC also approved a new, simplified procedure to fast-track procurement from iDEX startups and MSMEs.

"The procurement cycle.... will be around 22 weeks as per the new procedure. Suitable incorporation will be made in the Defence Acquisition Procedure 2022. The DAC also approved the simplified procedure for Make-II category projects on similar lines of iDEX procedure and would considerably bring down the time taken from prototype development to Contract signing in Make-II projects," said a statement from the Ministry Tuesday.

Launched by Prime Minister Narendra Modi in 2018, the iDEX programme was incepted to foster innovation and incorporate cutting-edge technology in the Armed Forces within a swift time-frame.

It is expected that around 25-40 items, after the successful prototyping by the iDEX start-ups, will be ready for procurement by the year's end. On Tuesday, the DAC also accorded Acceptance of Necessity (AoN) for Capital Acquisition proposals for the Armed Forces amounting to Rs 8,357 crore. The DAC said modernisation requirements of the defence forces are to be indigenously sourced and import should be resorted to only as an exception.

## **TANSIM to create startup database, strengthen investor community**

*SOURCE: <https://www.thetimesoftruth.com/tansim-to-create-startup-database-strengthen-investor-community>*

The Tamil Nadu Startup and Innovation Mission (TANSIM) is engaged on making a startup data-

base, strengthening the investor ecosystem, forming a mentor community and a revised startup coverage. "There's a notion that Tamil Nadu is lagging behind when in comparison with different states in terms of the startup ecosystem. And that is primarily based on the startup rankings that is launched by numerous associations and analysis companies. However we are literally doing effectively and the rankings are low as a result of we do not have correct knowledge to point out numerous metrics," TANSIM CEO Sivarajah Ramanathan stated. "So we are actually engaged on collating knowledge to point out the place precisely we stand," he added. A few of key features that TANSIM is is knowledge on what number of startups are there in every district, what number of companies have gotten funded, what number of incubation cells are energetic and what sort of work are they doing amongst others. "These are the issues we need to examine and doc," Mr. Ramanathan stated.

TANSIM can also be establishing hubs for startup actions in tier 2 and tier 3 cities. Within the just lately concluded state funds for 2022-23 Finance Minister Palanivel Thiaga Rajan stated, "The Tamil Nadu Startup and Innovation Mission (TANSIM) will arrange Regional Startup Hubs in Erode, Madurai and Tirunelveli to make sure the event of startup eco-system in all areas throughout Tamil Nadu."

"We can have assembly halls and workstations one thing like a co working area the place startup lovers can come," TANSIM CEO stated. TANSIM will kind a neighborhood governing physique, contain native stakeholders in those areas, collate with investor networks and collate with faculties in these areas. "Why we're doing that is.... within the subsequent 3 to 4 years we purpose to create 10,000 new startups within the state," Mr. Ramanathan stated.

One other focus space for TANSIM is to strengthen the investor ecosystem. "Many startups are transferring out of Chennai and Tamil Nadu due to lack of funding ecosystem. We are going to come out with an aggregator platform – Tanfund. We are going to speak to VC funds from different components of India

and the globe and interact with them to in companies right here,” Mr. Ramanathan stated. Through the funds the Finance Minister additionally introduced {that a} corpus of Rs.30 crore shall be supplied to TANSIM to assist startups by Scheduled Caste and Scheduled Tribe entrepreneurs. Within the coming days TANSIM will chalk out plans and see how this programme could be doled out throughout the state.

## STARTUP FUNDING

- Early-stage venture capital (VC) fund 8i Ventures launched 8i Fund II — with a corpus of \$50 Mn at the heels of \$13 Mn 8i Fund I. According to reports, the VC, operated by GaragePrenuers Internet, will mark the first close of the second fund by April 2022.
- Clean-tech startup EdgeGrid raises \$6 million funding led by Lightrock
- Spacetech startup Pixxel raises \$25 million from Radical Ventures, others
- SaaS startup Zocket raises \$3M led by Kalaari Capital
- DeFi protocol firm Struct Finance raises \$3.9M in a Seed round
- Aquaculture startup Aquaconnect raises \$8M in funding led by Trifecta Capital
- Retail ecommerce management platform CommercIQ turns unicorn after \$115M fundraise
- Inflection Point Ventures to launch a \$50M VC fund
- Reliance Retail acquires 89% stake in lingerie brand Clovia
- Ayurveda D2C Brand TAC Raises Funds; Eyes INR 100 Cr Turnover By Mid-2023
- Cypher Capital Announces \$100 Mn Blockchain Fund; Sets Aside \$40 Mn For Indian Startups
- Coliving Startup Stanza Living Bags \$ 57 Mn In Debt Funding From Kotak Mahindra & RBL Bank
- OfBusiness lending platform Oxyzo turns Unicorn after raising \$200M in a Series A round
- Reliance Retail Acquires Majority Stake In D2C Lingerie Brand Clovia For INR 950 Cr

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Ankit Kedia’s early-stage VC fund Capital A has announced the launch of ‘Evolve’, a \$10 Mn (INR 75 Cr) cleantech fund aimed at furthering the electric vehicles (EV) ecosystem. The VC will back EV, EV batteries, battery technology, battery-as-a-service and battery charging startups.

*Source: Inc42*

## Temasek joining Mohalla funding round at US\$5b value

*Source: <https://www.businesstimes.com.sg/garage/temasek-joining-mohalla-funding-round-at-us5b-value>*

The Bangalore-based firm is in advanced talks with Singapore state investor Temasek Holdings and Indian digital media group Times Internet for the series H round, said the people, who asked not to be identified as the information is private. The company could raise at least US\$200 million, the people said.

Alphabet’s Google is also weighing participating in the fundraising, the people said. Both ShareChat and Moj specialise in content in over a dozen Indian languages, offering differentiation from other platforms appealing to India’s increasingly saturated English-speaking user base.

Deliberations are ongoing and details such as funding size may change, the people said. Representatives for Alphabet, Mohalla Tech and Temasek declined to comment, while a representative for Times Internet didn’t immediately respond to requests for comment.

The funding would mark a rapid increase in Mohalla Tech’s valuation. The firm raised US\$266 million at a valuation of US\$3.7 billion in December, the company said. The investment was led by Alkeon Capital with participation from firms including Temasek.

The startup, which was founded in 2015, also counts Lightspeed Ventures, Snap, Tiger Global and Twitter among its backers.

Mohalla Tech agreed last month to acquire short- video platform MX TakaTak from the Times Internet-backed MX Media.

The combined Moj and MX TakaTak platform will have 100 million creators, over 300 million monthly active users and nearly 250 billion monthly video views, according to a press release.

## STARTUP ACQUISITIONS

- Fitness unicorn Cult.fit has announced acquiring a majority stake in F2 Fun & Fitness India, which owns the Indian franchise of international gym chain Gold's Gym.
- Debt marketplace startup CredAvenue has acquired about 75% stake in digital collections startup Spocto for around INR 400 Cr. This marks the startup's first acquisition.
- Tech-enabled logistics and fulfilment startup Shiprocket has acquired a majority stake in supply chain management startup Glaucus.
- D2C startup Mamaearth's parent company, has acquired hair colour brand, BBLUNT, from Godrej Consumers. The deal has been pegged at around INR 134 Cr.
- The Nestery, a vertical marketplace for Indian parents has acquired Toy Academy for an undisclosed amount.
- Ecommerce aggregator SustainKart has announced acquisition of FromVedas
- M2P Fintech, has signed definitive agreement to acquire BSG ITSOFT, a provider of Core banking solutions
- CollegeDekho, a college admissions and higher education services platform, has acquired GetMyUni in an all cash deal.

Source: Inc42

## SaaS-led fintech startup Clear acquires Xpedize, forays into SME credit and B2B payments space

source:<https://www.cnbctv18.com/startup/saas-led-fintech-startup-clear-acquires-xpedize-forays-into-sme-credit-and-b2b-payments-space>

Software as a Service (SaaS)-led fintech

startup Clear, earlier known as ClearTax, has acquired supply chain financing technology firm Xpedize for an undisclosed amount. This is Clear's second acquisition after taking over the B2B payments platform Ybanq in July 2021. With this acquisition, the firm has marked its foray into the SME credit and B2B payments segment.

It will also help Clear scale faster in the invoice discounting space, by offering technology-led supply chain financing to its network of enterprise customers.

Post the deal, Xpedize, which will be rebranded as Clear Invoice Discounting, will provide capital and liquidity to suppliers.

## phonepe-acquires-micro-entrepreneur-platform-gigindia-for-undisclosed-amount

Source:<https://www.livemint.com/companies/>

Digital payments platform PhonePe has acquired freelance micro-entrepreneur platform GigIndia for an undisclosed amount, according to an official statement. As part of the acquisition, GigIndia, which has 1.5 million entrepreneurs and over 100 enterprises as customers, will integrate with PhonePe, the company said in a statement. PhonePe said it will also leverage GigIndia's network of freelance micro-entrepreneurs to help corporates and enterprises acquire more customers and scale up their distribution channels.

The acquisition will also strengthen PhonePe's offerings and value proposition to its corporate and enterprise partners. According to some estimates, India's freelance community space is projected to grow to \$20-30 billion by 2025.

"We are excited to welcome GigIndia's team to PhonePe and leverage their domain expertise to offer value added services to our enterprise partners, helping them scale, expand and grow their businesses," said Vivek Lohcheb, Head of Offline Business at PhonePe. Sahil Sharma, CEO at GigIndia, said PhonePe is a leader in the digital payments space, and added "we are delighted to be joining forces with them".

"GigIndia has been a trusted partner for fast-growing enterprises across India and in PhonePe we have found a like-minded partner, who supports our vision," he added.

**STARTUP EVENTS >> UPCOMING****National Startup Awards 2022**

In line with Azadi Ka Amrit Mahotsav, National Startup Awards 2022 will acknowledge startups and enablers who have been instrumental in revolutionising the development story of India and hold within them the power and potential to enable Prime Minister Modi's vision of activating India 2.0, fueled by the spirit of Atmanirbhar Bharat. The awards identify

and celebrate Innovations across 17 sectors, 50 sub-sectors and 7 special categories.

**STARTUPS**

Cash prize of INR 5 lakhs shall be awarded to one winning startup in each of the sub-sectors Pitching opportunities to winners and finalists for presenting to relevant public authorities and corporates for potential pilot projects and work orders. Priority to winners and finalists for participation in DPIIT sponsored events (national and international)

**INCUBATOR**

Cash prize of INR 15 lakhs shall be awarded to one winning incubator

**ACCELERATORS**

Cash prize of INR 15 lakhs shall be awarded to one winning Accelerator

For further details please visit : <https://www.startupindia.gov.in/content/sih/en/nsa2022.html>

**STARTUP FAQs****Who can apply to SISFS?**

Startup India Seed Fund Scheme (SISFS) provides financial assistance to startups for proof of concept, prototype development, product trials, market-entry, and commercialization. Eligible startups can apply for the scheme on the Startup India portal. The Seed Fund will be disbursed to selected startups through eligible incubators across India. A startup, recognized by DPIIT, incorporated not more than 2 years ago at the time of application is invited to apply for the scheme. Detailed eligibility criteria can be found at <https://seedfund.startupindia.gov.in/about>.

To get DPIIT-recognized, please visit <https://www.startupindia.gov.in/content/sih/en/startupgov/startup-recognition-page.html>

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