

# Startup Watch

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## STARTUP POLICIES

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

<https://economictimes.indiatimes.com/tech/startups/indias-aim-is-to-become-worlds-largest-startup-destination-piyush>

**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.

According to the Minister, 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, northeastern 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, the Minister 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.

### India will have over 250 unicorns by 2025, says Iron Pillar report

<https://www.ibef.org/news/india-will-have-over-250-unicorns-by-2025-says-iron-pillar-report>

By 2025, India will have around 250 unicorns, according to Iron Pillar, a venture growth investor, who made this prediction based on its unique data analysis in its Tech Unicorns Market Landscape Report IV.

In 2011, InMobi became India's first unicorn. Since then, 129 companies have been added to the list of unicorns, with 100 of them added

since January 2019, for a total value of US\$ 535 billion. The total number of unicorns in India more than doubled, from 62 to 130, in the last 15 months.

Unicorns built in India included 58 global cloud companies, 59 B2C (business to consumer) companies, and 13 B2B (business to business) companies. When compared to B2C companies, companies producing cloud products for the world from India are incredibly capital efficient, reaching unicorn status with 42% less capital. They also outperform on the number of exits and the value created per unit of capital raised. Global cloud unicorns have fewer financing rounds on average than B2C and B2B unicorns. Entrepreneurs are growing their businesses at a faster rate, with half of the 130 companies reaching unicorn status within five years of their first institutional funding. The public listing of 12 unicorns is another sign of the Indian IT ecosystem's maturation.

## STARTUP STORIES

### Microsoft to empower Indian startups from idea to unicorn with new platform

Source: <https://www.ibef.org/news/microsoft-to-empower-indian-startups-from-idea-to-unicorn-with-new-platform>

'Microsoft for Startups Founders Hub' has opened its doors in India a new digital inclusive platform for Indian business founders. The goal is to empower entrepreneurs' vision and ignite innovation in order to propel India's and the world's economic and societal advancement. The platform provides over US\$ 300,000 in perks and credits to businesses, allowing them to get free access to the technology, tools, and resources they need to start and grow their firm. Beyond technology, it will help entrepreneurs develop and expand by connecting them with mentors who will provide industry, business, and technical support as they navigate their next business milestones.

Microsoft is also teaming with cutting-edge firms like OpenAI, a global leader in AI research and implementation that creates AI systems like GPT-3 and Codex, to provide entrepreneurs exceptional benefits and savings. Founders will also get access to Microsoft Learn for personal-

ised startup-centric training, as well as a number of startup and unicorn programmes to help them interact with customers and industry professionals and drive their growth.

India, being the world's third-largest startup environment, offers significant prospects for emerging enterprises in a variety of industries. Through specifically tailored activities, Microsoft says it continues to demonstrate its continued commitment to India's startup ecosystem and founders. Microsoft AI Innovate was introduced last year as a programme for developing and expanding entrepreneurs that use artificial intelligence (AI). The programme assists Indian startups that are employing AI technologies in scaling their operations, driving innovation, and developing industry expertise.

## STARTUP FUNDING

Source: INC42

- 506 startup funding deals were recorded in Q1 2022 in the Indian startup ecosystem, thus, marking the highest number of funding deals in the last few years on a YoY basis. Over \$11.8 Bn was raised by Indian startups in this quarter, 186% higher than the funds raised in Q1 2021.
- The Indian startup ecosystem raised over \$954 Mn across 33 deals in the first week of April — a week-on-week growth of 54%
- Leading this week's funding was Dailyhunt and Josh's parent VerSe Innovation's \$805 Mn mammoth round — the highest fundraise amount in CY22 so far
- Visual robotic platform CynLr raises \$4.5 million in funding led by Speciale Invest, growX Ventures
- Firstcry records Rs 216 crore profit for FY21
- PlayVerse raises \$1.5 million in a funding round from Japan's Akatsuki
- Alia Bhatt-backed Phool.co raises \$8 million in funding from Sixth Sense Ventures
- Citigroup Initiates 'Buy' Rating On Paytm, Raises Target Price To INR 910 Per Share
- Healthtech Startup Loop Health Secures \$25 Mn To Drive Sales & Acquire Talent
- Dyte Raises \$11.6 Mn Funding To Help Businesses Develop Better Video Calls.

- Doceree raises \$11 Mn via Series A funding
- EnKash, a fintech sector start up raises \$20 Mn funding in Series B funding
- Real estate consultant Anarock acquired a 75% stake in flexible workspace providing startup myHQ, in a cash and stock deal of INR 125 Cr
- MakeMyTrip's fintech arm TripMoney acquired a majority stake in BookMyForex for an undisclosed amount
- Gupshup acquired Active.Ai, a conversational AI startup used by banks and fintech firms in an all-cash deal
- Raise Financial Services is set to acquire online learning startup Valuationary, in a cash and stock deal

## Startups raised over \$10 bn for third straight quarter in Jan-Mar: Report

*IBEF, April 12, 2022*

According to a report by PwC India, Indian entrepreneurs have raised more than US\$ 10 billion for three consecutive quarters, with the world's third-largest startup ecosystem raising US\$ 10.8 billion in the first quarter of calendar 2022. The US\$ 10.8 billion in capital was spread across 334 deals between January and March, according to the research titled 'Startup Deals Tracker - Q1 CY22,' with software-as-a-service (SaaS) companies receiving the largest portion of US\$ 3.5 billion.

Moreover, throughout the quarter, investors spawned as many as 14 unicorns, or firms valued at over \$1 billion, bringing the total number of privately held startup unicorns in the country to 82 as of March 31, 2022, according to the research. According to the research, five of the newly minted 14 unicorns were software startups. Growth-stage and late-stage agreements accounted for 89% of fundraising activity in the first quarter of 2022 in terms of value, while they accounted for 44% of overall deal volume, according to the research. According to the research, fintech, SaaS, edtech, logitech and autotech, and e-commerce business-to-consumer (B2C) were the top five sectors in the last several quarters, accounting for approximately 60% of total funding activity.

## STARTUP ACQUISITION

*Source: INC42*

- Edtech unicorn upGrad completed the acquisition of higher education startup Talentedge which was announced in December 2021
- Rebel Foods acquired a majority stake in luxury chocolate brand SMOOR, eyeing to grow its revenue by 3X in FY23

## Startup Agrostar acquires INI Farms; eyes combined turnover of over Rs 1,000 cr in next fiscal

<https://economictimes.indiatimes.com/tech/startups/startup-agrostar-acquires-ini-farms-eyes-combined-turnover-of-over-rs-1000-cr-in-next-fiscal>

Agritech startup AgroStar, a farm advisory, and input platform, said it has acquired INI Farms Pvt Ltd to expand the business. The startup is targeting to grow its revenue to more than Rs 1,000 crore in the next fiscal year.

Mumbai-based INI Farms is one of the leading exporters of fruits and vegetables, and markets products under 'Kimaye' brand. INI Farms, which was founded in 2009 by Pankaj and Purnima Khandelwal, handles over 50,000 tonnes of fruits, annually

"We have acquired INI Farms through a combination of cash and stock," said Shardul Sheth, co-founder and chief executive officer (CEO) of AgroStar. The company did not disclose the value of the deal.

Through this acquisition, AgroStar will help farmers in marketing their products in the domestic market as well as overseas. "Kimaye is now a well-known global consumer brand out of India, synonymous with great quality and safety. This acquisition will enable us to rapidly scale our business into the domestic and international food supply chains," Shardul said. Asked about the impact on revenue after this acquisition, Sheth said, the combined turnover will be more than Rs 1,000 crore in the



next fiscal, a three-fold jump from AgroStar's revenue in the current fiscal.

Founded in 2013, AgroStar's omnichannel platform provides end-to-end solutions for farmers helping them grow better, reduce their cost of cultivation and increase their yield. It serves farmers across five Indian states -- Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, and Uttar Pradesh.

## STARTUP IPOs

Source: INC42

- Content optimisation startup Instoried secured a \$200 Mn capital commitment from alternative investment firm GEM for its IPO. Instoried will have to file for an IPO within 36 months
- Flipkart internally raised its IPO valuation to \$60-\$70 Bn. It also plans to list on the US bourses in 2023 instead of 2022

## STARTUP FUNDS

Source: INC42

- IPO-bound Navi Technologies set up a metaverse-based Fund of Funds scheme, the Navi Metaverse ETF FoF of around \$300 Mn
- Elevation Capital (formerly SAIF Partners) has launched an eight fund worth \$670 Mn to back early-stage startups across consumer tech, consumer brands, fintech, SaaS and Web3 startups
- Aavishkaar Capital raised \$130 Mn for the first close of the sixth impact fund, eyeing to close the fund at \$200 Mn by the end of 2022
- Early-stage VC fund YourNest Venture Capital's \$75-Mn third fund received \$15 Mn from the Indian sovereign fund National Investment and Infrastructure Fund (NIIF)
- Seed-stage VC firm Speciale Invest announced the final closure of its second fund after raising INR 286 Cr to back deeptech and global SaaS startups
- Maharashtra Government announced

to create an EV-focused fund to help EV startups to scale operations

Growth stage VC firm Beams Fintech Fund completed the first close of its maiden fund at \$36 Mn (INR 270 Cr), targeting a corpus of \$100 Mn (INR 750 Cr) by CY22

100X.VC is planning to invest INR 125 Cr (over \$16.5 Mn) in 100 early-stage startups in the next 12 months besides its cohort classes

- Agritech VC firm Omnivore launched its third fund, with a target corpus of \$130 Mn (INR 1,000 Cr)

## OTHER DEVELOPMENTS

Source: INC42

- Micro VC fund 100X.VC has unveiled 10 startups that are part of its seventh cohort – Class 07. The list includes fintech startups Zerobalance, ToastApp and Go-Crow, cybersecurity startup BugBase, EV OEM Emo Energy, edtech Helppr, D2C startup Pilk, enterprisetech startup Kloudmate, social media Quriverse and petcare brand Papa Pawsome
- Singapore-based sovereign wealth fund GIC is reportedly set to lead a fresh funding round of \$200 Mn in CRED, valuing the fintech startup at \$6.5 Bn
- Global pharmaceutical giant Pfizer has joined hands with AIM, NITI Aayog, AGNli, FITT, IIT-Delhi and Social Alpha to launch the Pfizer INDovation Program which will back oncology startups in India providing a grant of up to INR 65 Lakhs
- Nazara Technologies is investing \$2.5 Mn in US-based gaming fund BITKRAFT Ventures for co-investment opportunities
- Sports fantasy unicorn Mobile Premier League (MPL) is likely to raise funds from crypto exchange FTX, among others, to drive web3 proliferation and adoption in the Indian gaming industry
- SoftBank is reportedly looking to slow down investments globally in 2022.

## STARTUP EVENTS >> UPCOMING



### **NASSCOM 10,000 Startups Incubation Programs - Warehouse, Virtual and Tech.**

NASSCOM 10,000 Startups Incubation programs are designed to help startups looking for a kick-start and connects.

The 10,000 Startups Warehouse Incubation program is a premium plug and play co-working space for tech startups. Each warehouse is supported and funded by the respective State Government.

The 10,000 Startups Virtual Incubation program enables startups to scale up with various opportunities and industry connects digitally.

Both Incubation Programs provide market access; investor connects; access to state and government programs; NASSCOM Startup Hub (NSH); Startup Kit; mentoring: one-on-one and in groups by industry experts; other tools to scale such as webinars, meetups, CXO roundtables workshops and more.

**Eligibility:** Only startups with a minimum viable technology product (not services) are eligible to apply for the programs. It is strongly suggested that the product be beyond its ideation phase.

**For applying :** <https://nasscom.accubate.app/ext/form/48/1/apply>

## STARTUP FAQs

### **What is Startup India Hub?**

Startup India Hub is a one-stop platform for all stakeholders in the Startup ecosystem to interact amongst each other, exchange knowledge and form successful partnerships in a highly dynamic environment.

### **Why do Investors invest in Startups?**

Investing in startups is a risky proposition, but the low requirement for overhead capital combined with high upside potential, makes it lucrative for investors to put their bets on startups.

The Thomson Reuters Venture Capital Research Index replicated the performance of venture capital industry in 2012 and found that overall venture capital has returned at an annual rate of 20% since 1996 – far outperforming modest returns of 7.5% and 5.9% from public equities and bonds respectively.

For Feedback & Comments, please contact:

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