

Startup Watch

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STARTUP POLICIES

471 to nearly 73,000: India's start-ups have increased 15,400% in last 6 years

Source: <https://www.ibef.org/news/>

In India, the number of established startups have risen by 15,400% during the past six years. The number of new-age enterprises, which operate in 56 diversified sectors, increased from 471 in 2016 to 72,993 in 2022. Over 4,500 start-ups have been recognised in sectors such as the internet of things (IoT), robotics, artificial intelligence and analytics. The government is implementing the Fund of Funds for Startups (FFS) Scheme and the Startup India Seed Fund Scheme (SISFS) to provide financial assistance to startups through Alternative Investment Funds (AIFs) and incubators, respectively.

In terms of the number of startups created over the past six years and the employment they have generated, Maharashtra has edged out Delhi and Karnataka for the top rank. In Maharashtra, 13,519 startups were established which generated 1.46 lakh jobs over this period. Karnataka registered 8,881 startups and 1.03 lakh jobs, while the national capital registered 8,636 startups and 87,643 jobs.

The National Initiative for Developing and Harnessing Innovations (NIDHI), an umbrella programme launched by the Department of Science and Technology (DST), was intro-

duced in 2016 with the goal of fostering knowledge-based and technology-driven innovations into profitable enterprises.

India's bioeconomy likely to touch US\$ 300 billion by 2030

Source: <https://www.ibef.org/news/>

According to the India BioEconomy Report 2022 by Biotechnology Industry Research Assistance Council (BIRAC), India's bioeconomy is expected to touch US\$ 150 billion by 2025 and over US\$ 300 billion by 2030.

The number of biotech startups in the country has increased from 50 to over 5,300 in the last 10 years because of the growing enabling ecosystem and priority to the sector provided by Prime Minister Mr. Narendra Modi, said Dr. Jitendra Singh, Minister of State (Independent Charge) Science & Technology; Minister of State (Independent Charge) Earth Sciences; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space.

74 specialised bio-incubation centres have been built by BIRAC in 21 states and UTs, including 7 in the north-eastern region.

India is among the top three in South Asia and top 12 destinations for biotechnology in the world, with approximately 3% share in the global biotechnology industry, said Dr. Singh. According to the report, BT cotton, biopesticides, biostimulants and biofertilizers con-

tributed to about US\$ 10.48 billion in 2021 for bioeconomy of the country.

Indian Ecommerce Unicorns

Source: Inc42

- Currently, India houses 105 unicorns coming from diverse sectors. Of this, ecommerce sector accounts the highest share with 23 unicorns
- The country's ecommerce sector, which is poised to become \$400 Bn by 2030, is likely to grow at a CAGR of 19% between 2022 and 2030. Between 2014 and March 2022, the ecommerce startups have cumulatively secured \$49 Bn from funding activities.
- From a single unicorn in 2012, 12 startups including Droom, GlobalBees, The Good Glam Group and Infra.market, among others gained the unicorn status in 2021 alone
- Apart from raising funds, these ecommerce startups have also roped in some of the prominent investors across the globe including Walmart, SoftBank, Tiger Global and Blackstone, among others.
- Ecommerce marketplace, which houses 11 unicorns, is one of the prominent sub-sectors of the Indian ecommerce industry followed by B2B ecommerce marketplaces with four unicorns.

STARTUP STORIES

General Aeronautics begins commercial production of agri drones

Source: <https://yourstory.com/2022/>

Drone startup General Aeronautics has said that it has begun commercial production of agricultural drones and aims a monthly production of 100 units.

The Bengaluru-based startup delivers advanced aerial technologies for agriculture,

healthcare, and unmanned aerial vehicle design.

The drone manufactured by General Aeronautics, under the brand name 'Krishak', has a 16-kg payload with 25 minutes of flight time and can cover up to six acres per battery charge with AI-assisted navigation.

The startup has priced its drones at Rs 25 lakh each, with three batteries. Its main clients are agro-chemical companies such as Syngenta and Bayer Cropscience. It is mainly focused on B2B sales.

Last year, the government issued standard operating procedures for use of drones in the farm sector. The Union Budget too gave drones a push. The agriculture ministry has come up with a scheme to fund drones for cooperatives, entrepreneurs and farm produce organisations.

Hindalco to make aluminium plates for new EV battery technology

Source: <https://yourstory.com/>

Aluminium major Hindalco Industries has signed an exclusive partnership with Israeli cleantech company Phinergy for R&D and pilot production of aluminium plates in aluminium-air batteries for India.

With the aluminium-air battery, developed by Phinergy, energy is released when aluminium reacts with oxygen in ambient air to produce aluminium hydroxide. This significantly increases the driving range of electric vehicles (EV) because of its light weight and high energy density, according to a press statement from Hindalco Industries.

The EV industry, which will be the primary market for aluminium-air batteries, is projected to achieve cumulative sales of 80 million units by 2030, according to a joint report by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, and NITI Aayog.

In a stock-exchange filing, Hindalco announced its memorandum of understanding (MoU) with Phinergy, and IOC Phinergy (IOP), a joint-venture between the Israeli company and Indian Oil Corporation.

In the MoU, Hindalco Industries has also undertaken to recycle the aluminium in used batteries.

The applications of Phinergy's technology include energy backup for critical sites, range extension for electric vehicles, and use as renewable energy storage.

Aluminium-air batteries offer a viable alternative to other battery chemistries, and will boost domestic manufacturing of batteries to meet India's growing demand for energy storage, the stock-exchange filing stated.

IOP, the third company in the MoU, was set up in March 2021 to manufacture and commercialise aluminium-air energy systems in India. Companies like Suzuki India, Ashok Leyland, and Mahindra Electric are part of the technology-validation process under IOP, according to a previous statement from the public sector giant.

STARTUP FUNDING

Source:Inc42

- MSME focussed startup Lal10 raises \$5.5 million in funding led by Yuj Ventures, others
- CoinDCX's India entity profit rises 855% to Rs 4.36 crore in FY21
- CashKaro clocks Rs 225 cr revenue, Rs 4000 cr GMV for FY22; eyes new verticals
- Ola to invest \$500 M in battery innovation and R&D
- Tech fund Sorin raises \$100M for Series A to C investments
- Fitterfly raises \$12 million from Amazon Smbhav Venture Fund, others
- Creative Galileo raises \$7.5 million from Kalaari at \$40-million valuation
- Early-stage VC firm Auxano Capital to raise \$25 million from HNIs
- Edtech Unicorn upGrad Acquires Harappa Education For \$38 Mn To Focus On Enterprisetech Segment
- SuperShare Raises \$6.5 Mn From Accel, LightSpeed For Its Content Sharing Platform
- India Setting Up \$5 Bn Fund To Further Incentivise EV Adoption

- Xponentia Capital's Second Fund Raises INR 365 Cr To Back 8-10 Startups
- Threado Raises \$3.1 Mn Seed Funding To Help Businesses Manage Online Communities

Fintech startup Backspace Tech raises US\$ 450,000

Source:<https://www.ibef.org/news/>

Backspace Tech, a fintech startup, has raised US\$ 450,000 from strategic investors, including Mr. Mohan K & Mr. Jai Kumar (founders of Ippopay), Mr. Omar Bin Brek, UAE-based founder of Foloosi, along with M2P Fintech founders and other angel investors.

Backspace Tech is a fintech startup building SaaS applications for financial institutions to resolve disputes and chargebacks on UPI and card payments. By providing technology and automation through SaaS, the product assists in resolving the difficulties faced by both issuer banks and acquirer banks during the full dispute and chargeback process.

Sequoia, Tiger Global led startup funding in Apr-Jun; fintechs attracted most funds: Nasscom

Source:<https://yourstory.com/2022/07>

Venture capital firms Sequoia Capital and Tiger Global Management led funding in Indian startups during April-June period, with the fintech sector attracting most of the \$6 billion (about Rs 47,870 crore) investments made during the quarter, industry body Nasscom said in a report.

Fintech firms attracted about 26 percent of the total investments made during the quarter, followed by media and entertainment (19 percent), enterprise tech (16 percent), retail tech (9 percent), edtech (8 percent) and health tech (5 percent), according to the report.

The April-June quarter saw only four unicorns: neobanking firm Open, SaaS platform LeadSquared, edtech startup Physics Wallah and online beauty products market-

place Purple.

Open became the first neobanking unicorn after raising \$50 million in Series D funding from IIFL.

LeadSquared raised \$153 million in Series C funding from WestBridge Capital to become a unicorn, while PhysicsWallah raised \$100 million in its Series A funding from Westbridge and GSV Ventures. Purple raised \$34 million as part of its Series E funding round from Paramark Ventures.

STARTUP ACQUISITIONS

Mergers & acquisitions on rise as startups diversify into newer spaces

Source: <https://www.ibef.org/news/>

With funding under pressure and the resulting impact on valuations, larger firms are seeking mergers and acquisitions (M&A) to expand into different markets and boost capacity. This pattern was repeated in the first half of 2022. (January-June). According to Tracxn data, overall acquisitions stood at 169 as of July 26, with an average purchase price of US\$ 90.2 million. A huge increase from the first half of 2021, when 115 purchases fetched an average of US\$ 180 million. There were 244 purchases between January-December 2021, with an average transaction price of US\$ 227 million.

Another factor for increased M&A activity is fewer initial public offerings (IPO), with tech equities falling in India and abroad.

MediBuddy acquires company co-founded by its former employee

source: <https://www.vccircle.com/>

MediBuddy has acquired online doctor consultation startup Clinix, in the healthcare platform's first acquisition after racking up \$125 million in a fresh funding round earlier this year. The acquisition will help MediBuddy penetrate into the domestic rural market, it said in a statement without disclosing the deal value.

Clinix, operated by PBD Solutions Pvt. Ltd,

was co-founded by former MediBuddy employee, Aravind Dhulipala in 2020. The Hyderabad-based startup has presence across 20 tier-III and IV cities in the country. It sets up kiosks in localities and trains locals to book procedures for online doctor consultations.

Notably, M&A deal value in the healthcare and pharmaceutical space hit a record high in January-June this year, crossing the total deal value of \$3.35 billion achieved in the whole of 2021.

Gupshup acquires conversational AI platform Active.AI

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

Leading conversational messaging platform Gupshup has acquired Active.AI, a conversational artificial intelligence (AI) platform used by banks and fintech firms, for an undisclosed sum.

Headquartered in Singapore, Active.AI serves banking, financial services and insurance (BFSI) customers across 43 countries with conversational banking as a service (DBaaS) platform.

Ecommerce SaaS startup CommercelQ acquires DSA provider e.fundamentals

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

Retail ecommerce management platform CommercelQ has acquired UK-headquartered digital shelf analytics (DSA) provider e.fundamentals.

CommercelQ provides software to brands to help them perform better on ecommerce platforms such as Amazon.

CommercelQ became the 12th Indian startup unicorn of this year in March when it raised \$115 million in funding led by SoftBank Vision Fund II, thus taking its valuation to more than \$1 billion.

As part of this acquisition, e.fundamentals - will merge operations with the US-based CommercelQ. The customers will have access to the combined offerings and customer-obsessed support team worldwide.

STARTUP EVENTS >> UPCOMING



The banner for the 'Lakshya' startup event features the 'START 2 STARTUP' logo on the top left and the 'Azadi Ka Amrit Mahotsav' logo on the top right. The word 'lakshya' is written in a large, stylized orange font in the center. Below it, the text reads 'Biggest Opportunity for Startups to Get Funded by Top VC' and 'Funding Upto 10 Cr'. The 'Eligibility Criteria' are listed as: '- Registered Entity.' and '- Must be Revenue generating startups.' A blue 'Apply Now' button with a QR code is on the right, with the URL 'https://bit.ly/s2slakshya' below it. The text 'Inviting Startups from every sectors to apply !!!' is at the bottom left. A 'Partners' section at the bottom lists logos for AGILITY VENTURES, FLUID, haad, RW, STARTUP BUDDY, IP Samadhan, LAWYERED, and Startup News.

START 2 STARTUP

lakshya

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Apply Now

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Partners

AGILITY VENTURES FLUID haad RW STARTUP BUDDY IP Samadhan. LAWYERED Startup News

“LAKSHYA” is an annual event organized by Start2Startup for supporting startups. The event is open for all sector startups and biggest funding opportunity for startup to raise funding for their startup from the top VCs and scale their venture to next level.

The event will be divided into two phases

Phase 1: All the applications will be scrutinized and shortlisted startups will be informed.

Phase 2: All the shortlisted startups will be pitching their venture to the VCs and Angel Investor
Who can apply:

- Startups with MVP and ready to launch in the market.
- Startups generating revenue
- Growth Stage Startups

STARTUP FAQs

Are unicorns still a rarity ?

From the time the term was first used, it has become more common for startups to bag the unicorn tag, but the \$1 billion valuation still gets industry attention, and is considered an impressive achievement. According to PitchBook, a financial data and software company, a convergence of private and market funding is allowing more unicorns to emerge, faster.

For Feedback & Comments, please contact:

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