

Startup Watch

ISSUE NO 10
15 APRIL 2021

FORTNIGHTLY
NEWSLETTER



This Issue

Startup Stories P.2

Indian Startups Turning Unicorns 2X Faster Than A Decade Ago P. 3

Startup Funding P.4

Startup Acquisitions P.4

Startup FAQs P.6

STARTUP POLICIES

Telangana Startup Ecosystem Banks On Robust Government Infrastructure For Growth

Source:<https://inc42.com/features/teLANGANA-startup-ecosystem-banks-on-robust-government-infrastructure>

- The state is known for its multiple state-sponsored incubators
- Some prominent enabling structures in the state include IIIT Hyderabad, TiE and more
- Telangana also has a list of Hyderabad Angels, Anthill Ventures, Endiya Partners among others

With Hyderabad as its flagship startup hub, the state of Telangana is looking to carve a niche in various emerging sectors that may not be the top of the agenda in other Indian states. Known for its state government-supported innovation ecosystem, the state's focus has been around emerging technologies such as blockchain, augmented reality/virtual reality, renewable energy and blockchain. This means a lot of the onus of enabling startups actually falls with the government since venture capital money is more risk-averse.

Sebi eases norms to encourage listing of start-ups

Source:<https://www.timesnownews.com/business-economy/companies/article/sebi-eases-norms-to-encourage-listing-of-start-ups>

To encourage listing of start-ups, markets

watchdog Sebi approved a slew of relaxations to norms, including reducing holding period for pre-issue capital. Besides, the regulator approved revamping of delisting rules and rationalising the existing framework related to reclassification of promoter and promoter group entities.

At the meeting of Sebi board on Thursday, it was also decided to introduce new requirements for sustainability reporting by listed entities. This new report will be called the Business Responsibility and Sustainability Report (BRSR) and will replace the existing Business Responsibility Report (BRR).

The BRSR will be applicable to the top 1,000 listed entities (by market capitalisation) for reporting on a voluntary basis for FY 2021-22 and on a mandatory basis from 2022-23.

Karnataka State To Rope In HNIs, Movie Stars For INR 100 Cr Startup Fund

Source:inc42.com/buzz/karnataka-state-govt-to-rope-in-family-offices-for-inr100-cr-startup-fund

- The state had announced a INR 100 Cr startup fund in the March budget
- The government will provide INR 25 Cr as its share for the fund
- State capital Bengaluru tops the list of Indian startup hubs for funding as well as deal count

Karnataka state government will tap family offices and high net-worth individuals (HNIs), includ-

ing prominent film stars, for its INR 100 Cr startup fund, a senior government official was quoted as saying in a report.

On March 8, during the budget speech, chief minister BS Yediyurappa had announced that the state government would set up a new INR 100 Cr venture capital fund to support emerging technology firms and cement Karnataka's pole position in innovation. The government will provide INR 25 Cr as its share for this and the balance INR 75 Cr will be contributed by other institutions.

BIS certification: Govt offers 50% concession for micro enterprises, women entrepreneurs, startups

Source: <https://www.financialexpress.com/industry/sme/msme-eodb-bis-certification-govt-offers-50-concession-for-micro-enterprises-women-entrepreneurs-startups>

Ease of Doing Business for MSMEs: In order to encourage micro enterprises, startups, and women entrepreneurs to get their products certified by the Bureau of Indian Standards, the Modi government on Tuesday slashed the annual minimum marking fee by 50 per cent. "The Modi government has reduced the annual minimum marking fee for startups, micro enterprises, and women entrepreneurs to certify their products," Commerce Minister Piyush Goyal tweeted. Existing BIS license holders including micro-enterprises and women entrepreneurs will be given an additional 10 per cent concession. "This will give a boost to the Vocal for Local campaign as well," Goyal added. BIS works to ensure uniform standards in product quality, perform product testing, and issue licenses to indicate that products are certified as per its standards.

A new license involves Rs 1,000 as application fee along with an inspection fee of Rs 7,000 per man day before preliminary inspection visit by BIS. Post BIS decision to grant the license, the applicant is required to pay an annual license fee of Rs 1000 along with the minimum marking fee specified for the product. The minimum marking fee for each product differs.

In a virtual press conference on Tuesday by BIS Director-General Pramod Kumar Tiwari and Secretary, Department of Consumer Affairs

Leena Nandan, the bureau noted that the entire process of certification of licenses has been automated through the eBIS portal and a new system for automatic renewal of licenses was introduced. Further, applicants are consulted at the stage of scrutiny of the application to avoid delay in processing. As a result of these initiatives, it has been possible to dispose of more than 90 percent applications within the prescribed timeframe, Tiwari added.

Moreover, over 80 per cent products have been brought under 'Simplified Procedure' – launched in 2016 for its ISI-mark certification programme intended to reduce the time required for issuing the license. The license for manufacturing of these 80 products under Simplified Procedure' is issued within one month. According to a statement by Consumer Affairs Ministry, Tiwari said that BIS has nearly 21,000 Indian Standards, and to benefit particularly the MSME sector, Indian Standards are now available free of cost and can be downloaded from the standardization portal of e-BIS.

STARTUP STORIES

Chiratae, Blume-Backed India DeepTech Unveils First Cohort With Nine Startups

SOURCE: <https://inc42.com/buzz/chiratae-blume-backed-india-deeptech-unveils-first-cohort-with-nine-startups>

- The six-week-long accelerator programme hosted companies working across automation, genomics and cybersecurity
- India DeepTech is a pan-industry alliance to promote deeptech startup in India
- The association's members include Chiratae Ventures, Blume Ventures, SINE-IITB, WRVI Capital, Axilor and others

India DeepTech (IDT) has announced the cohort for its first accelerator, consisting of nine stage deeptech companies working across automation, robotics, biotech, genomics and cybersecurity segments.

The six-week-long accelerator programme helped its cohort participants get validation of their business ideas, better understanding of their respective markets and also get acquainted

with the best practices to run a deeptech enterprise. The programme, which called for application in January 2021, does not offer any equity or grants, but helps the company pitch to investors better.

Artificial Intelligence helps marketers take smart decisions

Source:<https://www.financialexpress.com/industry/sme/artificial-intelligence-helps-marketers-take-smart-decisions>

Blueshift raises \$30 million in Series C funding round to scale its SmartHub customer data platform

Marketing and customer experience (CX) are increasingly intertwined in today's connected world, and marketers are being tasked with understanding customers through the lens of CX data to craft personalised experiences. However, traditional marketing platforms focus only on marketing response data (like clicks), and are unable to leverage CX data from across the customer journey. The first generation of customer data platforms (CDPs) attempted to solve this challenge by focusing only on data integration, but lacked any intelligent decisioning, and were not built for marketers or CX professionals.

Blueshift's SmartHub CDP platform combines the data fidelity of a CDP with the intelligence needed for marketers to make real-time decisions. This enables them to not only unify 360-degree CX data (CDP), but also to make AI-powered decisions from large volumes of data (Smart), and distribute the decisioning to every touchpoint in the customer journey (Hub). The Blueshift SmartHub CDP platform uses patented AI technology to unify, inform, and activate the fullness of customer data across all channels and applications. Put simply, it gives brands the tools they need to deliver 1:1 experiences in real-time across the customer journey. Blueshift's SmartHub CDP platform has been adopted by global brands including LendingTree, Discovery Inc., Udacity and BBC, and has been shown to deliver 781% RoI in a study conducted by Forrester Research. "With the increased urgency towards digital transformation, we have seen an increased demand for

a SmartHub CDP, that can not only unify silo-ed data, but also unify silo-ed experiences," said Vijay Chittoor, co-founder and CEO of Blueshift. Recently, Blueshift announced a \$30 million Series C funding round, bringing the total amount raised to \$65 million. This funding round was led by Fort Ross Ventures, along with Avatar Growth Capital. Existing investors including Softbank Ventures Asia, Storm Ventures, Conductive Ventures and Nexus Venture Partners also participated in the round.

Indian Startups Turning Unicorns 2X Faster Than A Decade Ago

Source:<https://inc42.com/datalab/indian-startups-turning-unicorns-2x-faster-than-a-decade-ago>

- Not even four months into 2021, India has already seen nine new unicorns — Digit Insurance, Innovaccer, Infra.Market, Meesho, CRED, Pharmeasy, Groww, Sharechat and Gupshup
- Startups founded a decade ago are only now entering the unicorn club, but those founded after 2015 have got there in half the time
- A huge spike in mega rounds is producing unicorns at a fast clip in India; seven out of the nine startups that turned unicorn in 2021 were founded between 2015 and 2018

Not even four months into 2021 and India has already seen nine startups entering the unicorn club. While between January and March, three new startups had achieved \$1 Bn+ valuation, the first nine days of April has seen six other startups joining the list. And it's not just about the sheer number of new unicorns, but where they are coming from.

This year, we saw India's first social commerce unicorn in Meesho, India's first healthtech unicorn in the form of Innovaccer, while Pharmeasy became the first epharmacy to achieve this milestone.

STARTUP FUNDING

D2C Wave Biggest Contributor To India's Ecommerce Funding Revival

Inc42

- Ecommerce was the top-funded sector at \$520 Mn and ranked third in terms of deal count with 33 deals
- In the fourth quarter of 2020, ecommerce startups raised funding worth \$313 Mn, which was 9% of the total funding amount for Indian startups at \$3.5 Bn that quarter
- But in the current quarter, the funding amount for ecommerce startups has grown to \$520 Mn, which is 18.9% of the total startup funding amount of \$2.7 Bn

Shopping on the Internet.

Can D2C or direct-to-customer be the harbinger of growth for India's burgeoning ecommerce sector, where funding had been largely going to B2B platforms till late 2020? That certainly seems true for the Indian startup ecosystem, where funding deals for startups with native D2C platforms picked up pace sharply in the first quarter of 2021.

According to Inc42 Plus data till March 20, 2021, Indian startups raised \$2.7 Bn from 268 funding deals. Ecommerce was the top-funded sector at \$520 Mn and ranked third in terms of deal count with 33 deals.

Speciale Invest raises Rs 120 cr as part of new fund for early-stage startups

Source: <https://www.financialexpress.com/industry/sme/speciale-invest-raises-rs-120-cr-as-part-of-new-fund-for-early-stage-startups>

Speciale Invest, a seed-stage venture capital firm investing in deep technologies, on Friday said it has raised Rs 120 crore as part of its Rs 140 crore-Speciale Invest Continuity Fund I. Speciale Invest Continuity Fund I is the second fund raised by Speciale Invest.

Speciale had raised its first fund of USD 10 million (over Rs 60 crore) in 2018, and has invested in 14 startups so far, with an average deal size of sub-USD 500,000. "We had aimed for the second fund to be around Rs 100 crore but this got oversubscribed, closed over Rs 120 crore in the second fund, and soon will reach the target of Rs 140 crore," the company said in an

emailed response.

The second fund has been backed by an experienced group of domestic investors, it added. "The fund expects to invest in about 18-20 startups building enterprise software products including SaaS (software as a service), developers' tools and frontier technologies including space-tech, robotics, photonics and alternative energy among others.

"We have a few more deals to go through in the next quarters, and capital reserved for follow-on funding in our current investee companies," the company said. The investment strategy and portfolio construct continues to remain the same across funds, and a larger corpus allows for more follow-on allocation to the portfolio, it said.

"We are excited to announce the launch of our second fund to support and boost the deep-tech startup ecosystem in India amid the ongoing pandemic. "The oversubscribed round of funding and interest in our subsequent round demonstrate the support of our investors in our team in creating a long standing venture institution," Vishesh Rajaram, Managing Partner at Speciale Invest, said.

Portfolio companies of Speciale Invest include enterprise software companies Wingman, True Lark, TotalCloud, Scapic, iAuro, Pocket52 and; and hardware startups The ePlane Company, Agnikul, Astrogate Labs, CynLr, and Kawa Space

STARTUP ACQUISITIONS

Biggest deal in Edtech sector! Byju's to acquire Aakash Educational Services for \$1 billion

source: <https://www.financialexpress.com/industry/sme/byjus-acquires-aakash-educational-services>

In the biggest deal in the edtech sector so far, the country's most valued online education firm, Byju's is acquiring Blackstone Group-backed Aakash Educational Services (AESL) for an estimated \$1 billion cash and stock deal.

In the biggest deal in the edtech sector so far, the country's most valued online education firm, Byju's is acquiring Blackstone Group-

backed Aakash Educational Services (AESL) for an estimated \$1 billion cash and stock deal. The acquisition will extend Byju's footprint into the offline segment. Post the deal, Blackstone Group and AESL founders JC Chaudhry and Aakash Chaudhry will become minority shareholders in Byju's. AESL will, however, continue to function independently.

In a statement, Byju's said that after the integration, it will make further investments to "accelerate Aakash's growth".

Valued at about \$13 billion, Byju's is the most-valued Indian start-up after Paytm. So far, the educational offering of Byju's is limited, in the sense that being an online medium it does not have the scope of the face-to-face physical interaction with the students. With AESL on board, Byju's can now overcome this limitation and use the former's physical infrastructure to offer offline coaching to students belonging to the non-test prep category, analysts said.

Also, the existing subscribers of Byju's, especially those studying in grades 9-12 can automatically opt for AESL's core entrance exam courses, thereby creating stickiness for the Byju's platform. As far as Aakash Educational Services is concerned, the deal with Byju's will enable them to add online learning to its services. "The physical centres often have capacity constraints and classes sometimes go on for hours, creating inconvenience for students. Now, with their courses becoming hybrid, the problems can be mitigated," analysts said.

"The future of learning is hybrid and this union will bring together the best of offline and online learning, as we combine our expertise to create impactful experiences for students. The pandemic has brought the importance of the blended format of learning to the forefront," Byju Raveendran, founder & CEO, Byju's said in a statement. After garnering more than \$1 billion from investors last year, Byju's raised another close to \$460 million in fresh funding last week. The Bengaluru-based company is in discussions to acquire rival Toppr in a transaction estimated to be over \$100 million. Last year, the company had acquired WhiteHat Jr in a \$300-million deal.

Byju's that claims to have as many as 80 million registered users and 5.5 million subscribers

said it managed to add 45 million new students on its platform in mere six months during the lockdown. Aakash Chaudhry, MD, AESL, told FE that the deal with Byju's will enable it to get a wider reach in terms of audience. Students who are interested in medicals and IIT typically start building on their abilities from classes 8-10. "That is where the presence of Byju's is massive and we will get more visibility. Aakash's presence is currently limited to the over 215 test prep centres," Chaudhry said.

Aakash has been an extremely good business with steadily improving Ebitda margins and revenue growth. This is expected to create cash flow relief to Byju's in the short term, said Atit Danak, principal and head of CoNXTat Zinnov.

The market size of Indian ed-tech sector is estimated to grow by 3.7 times in the next five years, to touch \$10.4 billion by 2025 from \$2.8 billion in 2020, according to a recent report by EY-IVCA. The segment will see more than 37 million paid users by 2025.

Pine Labs acquires payments platform Fave for \$45 million

source:<https://economictimes.indiatimes.com/tech/startups/pine-labs-acquires-payments-platform-fave-for-45-million>

Pine Labs has acquired Kuala Lumpur-based payments and discovery platform Fave in an all-cash deal worth \$45 million. The consolidation will help the merchant commerce startup build a consumer vertical in India and Southeast Asian countries such as Malaysia, Singapore and Indonesia.

The acquisition also paves the way for Fave to launch its payments app in India, which will allow Indian consumers to make transactions at nearly 5 lakh physical retail points and merchants powered by Pine Labs, Amrish Rau, the chief executive of the Noida-based fintech unicorn, told ET.

STARTUP EVENTS >> UPCOMING**WTF Startup Equity****15 May 2021, India****Registration Link:** [HTTPS://INC42.COM/STARTUP-EQUITY-EVENT/?ITM_MEDIUM=WEBSITE&ITM_SOURCE=BANNER-AD&ITM_CAMPAIGN=ESOP-EVENT&ITM_CONTENT=STARTUP-EQUITY-PHASE-1&ITM_TERM=600#TICKET](https://inc42.com/startup-equity-event/?itm_medium=website&itm_source=banner-ad&itm_campaign=esop-event&itm_content=startup-equity-phase-1&itm_term=600#ticket)

A one-day event/workshop that aims to enable founders and core team members to understand term sheets, ESOPs and valuations and get actionable insights to implement them. For any founder, understanding term sheets, ESOPs and valuations is both crucial and complicated. These three terms are an essential part of the startup financing process, and founders must understand what is good or bad for them. The one-day event will enable you to delve deeper into your startup's growth process as the experiences and insights from industry experts, founders and investors guide you along. Anyone who is part of an early to growth-stage startup, whether they are employees, core team members or the founders themselves, and wants to understand term sheets, ESOPs and valuations is welcome to attend the event.

STARTUP FAQs**1. What are the benefits of signing up with startup India ?**

There are a number of benefits startups receive by the Startup India Scheme. Nevertheless, in order to avail these benefits, an entity is needed to be set up by the DPIIT as a startup. Startups are allowed to self certify their compliance for six labour laws and three environment laws. This is allowed for a total period of five years from the date of incorporation/registration of the entity. Startups are allowed a three-year tax exemption and the best intellectual property services and resources solely built to help startups protect and commercialise their IPRs.

2. What can I do to attract investors for a start-up ?

To attract investors, not only do you need a stellar product with a scalable model, but you also need visibility. Make sure that your product receives healthy engagement and traction. You'll need to register your startup on startup India and proactively seek out investors. Make sure you are able to effectively communicate your business idea to the investor and the sustainability of your business model.

source:<https://cleartax.in/s/7-steps-to-register-your-startup-in-startup-india#faq>

For Feedback & Comments, please contact:

**High Commission of India,
31 Grange Road, Singapore- 239702.**

Email : com2.singapore@mea.gov.in ; com.singapore@mea.gov.in

URL : www.hcisingapore.gov.in