

# Startup Watch

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## STARTUP POLICIES

**Union Minister Dr Jitendra Singh launched the "Amrit Grand Challenge Program" titled "JANCARE" to identify 75 innovations in Telemedicine, AI, Digital Health & BIG Data by Start-ups and Entrepreneurs**

*Press Information Bureau: September 29, 2021*

Union Minister of State (Independent Charge) Science & Technology; Minister of State (Independent Charge) Earth Sciences; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space, Dr Jitendra Singh launched the "AmritGrand Challenge Program" titled "JANCARE" to identify 75 Start-Up Innovations in Telemedicine, Digital Health, mHealth with BIG Data, AI, Block Chain and other technologies.

The Minister said, as the launch of Grand Challenge coincides with the Azadi Ka Amrit Mahotsav launched by the Prime Minister, it is all the more imperative for Young Startups and entrepreneurs to come out with Innovative Ideas and Solutions for India's healthcare challenges. He said, the 75 Best Chosen Startups will be an asset for India to lead the country in the next 25 years, during the celebrations of Centenary of India's Independence.

Addressing the BIRAC's 10th Biotech Innovators Meet in New Delhi with a theme- "Vigyan se Vikash", Dr Jitendra Singh pledged full support to Startups from ideation to deployment stage. He expressed satisfaction that there is a commit-

ment from several industry, hospitals investors, incubators and other stakeholders for this Amrit Challenge, which will end by 31st December 2021. The Minister also felt happy that this is being launched a day after the Pradhan Mantri's Digital Health Mission was announced.

Dr Jitendra Singh directed the Biotechnology Industry Research Assistance Council (BIRAC) to pro-actively reach out to Young Startups, rather than they are approaching BIRAC for help and support. He said, an audit in this regard will be done by the end of the year. The Minister also made his stand clear that Young promising Innovations will get priority in terms of help, support and hand-holding than the established industrial hubs. He said, though there is no dearth of talented HR pool in the Country, the main challenge is to channelize it for evolving new paradigms.

Interacting with some of the top Biotech and Agri Startups and Stakeholders, Dr Jitendra Singh said, he firmly believes that the Startups ecosystem has the potential to tilt the balance from import-centric medical devices sector to Made in India for India and for World alternatives. He said, many of the innovations developed in the last two years in the field of diagnostic kits, healthcare and farming will have a relevance in post-COVID era.

Dr Jitendra Singh said, India's Bio-Economy is on way to achieve US\$ 150 billion target to contribute effectively to Prime Minister's vision of a US\$ 5 trillion economy by 2024-25. Addressing

the BIRAC's 10th Biotech Innovators Meet in New Delhi, he said, the Sunshine Biotech Sector will more than double from US\$ 70 billion at present to US\$ 150 billion by 2025.

The Minister said that the Innovation and Startups support has resulted in more than 600 Plus Technologies and Products at different stages of Commercialisation. He also informed that the Startups ecosystem is also poised to scale to 10,000 biotech Startups propelling the innovation and knowledge translation into products that are Made in India – for India and for the World.

Dr Jitendra Singh said, BIRAC has established 60 world class Bio-incubators in the country. Moreover, BIRAC today engages with more than 5,000 Startups and young entrepreneurs, who have received financial and mentoring support from BIRAC as it has its footprints across India and at all major global biotech destinations, he added. He said, it is also heartening to see that women founders led Startups have about 27% representation and is growing further.

Dr Jitendra Singh that the support from BIRAC in nurturing the talent pool, providing opportunities to Startups to Seed, Succeed and Scale is evident as thousands of them have received not only funding support but access to mentors and expertise for regulatory, go-to-market strategy development, fund raising and commercialization. The Minister said, due to this rich Startup ecosystem, we witnessed several Covid-19 diagnostic kits developed and manufactured by young Startups in a very short time that enabled our country to become Atmanirbhar for testing using indigenized diagnostic kits and related products. Dr. Renu Swarup, Secretary DBT & DST, and Chairperson BIRAC, Ms. Anju Bhalla, Joint Secretary DST and Managing Director BIRAC, eminent scientists, researchers, innovators and entrepreneurs, mentors and enablers of the biotech ecosystem took part in the event.

### **India as a startup nation is built on the foundation of its digital public goods**

<https://www.financialexpress.com/opinion/india-as-a-startup-nation-is-built-on-the-foundation-of-its-digital-public-goods/2338944/>

India hosts the third-largest startup ecosystem globally. Over the last decade, the consistent growth of this ecosystem has resulted in 55,000 startups that have created \$350 billion of value and employing over 1.5 million people. Indian startups have raised over \$70 billion from 2014-2020, \$11.5 billion in 2020, and \$10.5 billion in the first half of 2021 alone, a period overlapping with the Covid-19 pandemic. Industry participants and observers marked a new record in the Indian ecosystem in 2020 for unicorn creation, with 11 startups reaching the milestone. The new year has only seen an acceleration, with 6 unicorns born in one week and 18 created in just H1 2021, with an expectation of 25 more established and 70 total by the year-end. As per "India – A Startup Nation", a report by 3one4 Capital, by 2025, India is expected to host 100,000 startups and 150 Unicorns, cumulatively supporting 3.5 million jobs and creating \$1 trillion of value. These companies create immense value for the nation and those that invest in it, be they global or domestic investors. The momentous IPO of a decacorn startup last quarter augurs well for the Indian public markets to participate in this transformation and harkens an era of full-stack capital participation in the Indian startup ecosystem. The ecosystem has been on a compounding evolution for over a decade and is built on top of pillars such as India Stack and the Digital Public Goods (DPGs), as well as innovations in low-cost internet access.

### **Evolution of India Stack**

India Stack was synthesised to solve a fundamental issue impeding financial inclusion: a lack of a comprehensive identifier. With the launch of the Unique Identification Authority of India in 2009, the Indian government put in motion the world's largest one-sweep identification system – Aadhar, a 12-digit unique identifier for every Indian resident linked to demographic, residential, and biometric data. As of February 2020, 90% of the population had an Aadhar card issued to them. India now has the world's most extensive biometric ID system and has been recognised worldwide for its comprehensive coverage, ingenuity, and flexibility.

With the deep involvement of industry leaders and a long-term policy commitment to the mis-

sion, the Aadhar system was architected as a multi-platform public utility with application programming interfaces (APIs) to develop products and services on top of the system. This decision proved crucial to developing India Stack and the DPG model by allowing for interoperable modular design.

On the heels of Aadhar arrived e-KYC or Know Your Customer in 2012, enabling businesses and banks to digitally perform KYC verification using biometrics or mobile OTP. With growing mobile penetration in India, linking mobile and Aadhar was another masterstroke of the system. The final component of the JAM (Jan Dhan – Aadhar – Mobile) triad, Jan Dhan, was implemented in 2014 and remains one of the largest financial inclusion initiatives in the world. The Pradhan Mantri Jan Dhan Yojana (PMJDY) launched a platform for universal banking access, built on the unique identification system that Aadhar makes possible. Some crucial features of PMJDY include the provision of a basic zero-balance account for every household, a RuPay debit card for online transactions, and access to credit, insurance, remittance, and pension. Mobile banking became available on even basic feature phones. The JAM architecture democratised access to financial services, and India vaulted into financial integration. PMJDY has provided more than 400 million Indians with a digitally accessible bank account, with over 50% being women.

Another breakthrough was the UPI (United Payments Interface), a novel interface using the Immediate Payment Service protocol to operate accounts in any participating bank at any time of day. With UPI, for the first time globally, money could be sent by a click on mobile from one bank account to another in under 6 seconds. UPI pioneered the transfer of funds from account to account instead of the ledger entry and delayed reconciliation system that credit card networks and other protocols use. It revolutionised digital payments in India, brought numerous advantages to customers, banks, and merchants, and supported the Bharat Bill Pay System. The BHIM app demonstrated UPI's end-to-end use case. Startups like PayTM, PhonePe, and more followed up on BHIM and integrated UPI and Bill Pay with various con-

sumer tech networks to create fintech super-app solutions. UPI transaction volume has been steadily increasing, setting a record in July 2021 at 3 billion transactions totalling over Rs 6 trillion.

The evolution of India Stack from solving the problem of identification with Aadhar to the continual addition of interoperable modules for transactions, banking, bill payments, relief delivery via DBT, and more, demonstrates its growing value in democratising access to digital platforms.

#### **Utility of the DPG architecture**

In a country as large and diverse as India, financial inclusion and integration were made possible by using publicly owned, regulated technology frameworks that are accessible to private developers in an organised fashion with the open-API frameworks. Open access has encouraged competition and spurred innovation and investments, thus delivering value to the end-users.

During the pandemic and national lockdowns, India Stack received further validation. The Indian government delivered relief support directly to 420+ million beneficiaries via DBT, including farmers, women Jan Dhan account holders, and other disadvantaged groups. Bill Pay enabled citizens to pay for utilities digitally. The UPI protocol allowed peer-to-peer transfers at a time when people couldn't transact in person. E-Sign, DigiLocker and other facilities allowed some businesses to continue operations while in lockdown. DPGs will have immense feedforward effects for the economy, especially in the post-COVID-19 recovery trendline. McKinsey Global Institute's report 'India's turning point' concludes "financial-sector reforms and streamlining resources can deliver \$2.4 trillion in investment while boosting entrepreneurship by lowering the cost of capital for enterprises by about 3.5 percentage points".

India has pioneered a new system with a "tech for all" approach. Interoperability and modular architectures are the key components here. These pave the way for greater financial integration with flow-based lending, vernacular voice assistance, customised insurance, new risk capital vehicles, and ultimately real-time personalisation of services. This will serve as

the paradigm for digital inclusion the world over, with India serving as the crucible for the largest, scalable drive to digital.

While the first wave of innovation of the DPG architecture was in financial inclusion and integration, the interoperable, modular and multi-platform system design can help reform many sectors: health, education, technologies, and labour management in manufacturing and construction. The second- and third-order benefits of the system are tremendous and limited only by the ingenuity of the innovation engines in startups.

India is transforming rapidly, ably supported by the political leadership's consistent vision for creating a Digital India. Today, India has 1.2 billion unique Aadhar accounts, 1 billion bank accounts, 1.2 billion mobile phones, and 900 million mobile connections. This has truly created an interconnected India.

This transformation is led by young entrepreneurs using technology and innovation to drive step-function change, with strong backing from the largest and most distinguished sources of capital globally. The unique interplay between state-led DPGs and industry-led productisation has set the ecosystem up for another record-setting run over this new decade. India's startups are seizing this generational opportunity and accelerating the country's transformation into a more inclusive and prosperous economy. A stable regulatory regime, liberalised capital flows, immense talent ecosystem has enabled India to leapfrog to the third largest startup ecosystem in the world.

## STARTUP STORIES

### Atal Innovation Mission in partnership with Dassault Systemes' all set to give another boost to innovation

*Press Information Bureau: September 17, 2021*

Atal Innovation Mission (AIM) NITI Aayog in partnership with Dassault Systèmes' is all set to rave up the innovation and entrepreneurship ecosystem across the country.

In this regard a Statement of Intent (Sol) was signed between AIM and Dassault Systèmes on September 16, 2021 in a virtual event to support

various current and future initiatives of AIM programs and AIM beneficiaries in India.

Under this Sol, Dassault Systèmes will support and promote AIM beneficiaries including Atal Tinkering Labs (ATLs), AIM incubators (AICs and EICs), Atal Community Innovation Centres (ACIC), grantees under Atal New India Challenge (ANIC), and Atal Research & Innovation for Small Enterprise (ARISE).

With an aim to promote innovation and entrepreneurship amongst aspiring entrepreneurs, this program will act as a catalyst for an open innovation collaboration to accelerate disruptive innovation in the community.

The Sol features six aspects of engagement between Dassault and AIM, NITI Aayog. These include access to Dassault Systèmes' 3DEXPERIENCE Lab start-up acceleration program to selected AIM start-ups; mentorship to selected AIM start-ups for capability building of their products; 3DEXPERIENCE Lab related global community access to selected AIM start-ups; industry connect for selected AIM start-ups with Dassault Systèmes' worldwide customers, partners and technology collaborators as and when applicable; participation of selected AIM start-ups in Dassault Systèmes national and global events; and organization and participation in joint events, hackathons, challenges with AIM and NITI Aayog

Expressing his views, Mission Director AIM, Dr Chintan Vaishnav said that the partnership with Dassault is a win-win partnership and earmarks the expanding ecosystem of AIM in the country across all the beneficiaries.

"This initiative will open a new window for select Indian start-ups as they get access to the Dassault Systèmes global start up ecosystem-their accelerator program and a chance to connect with peers, industry experts, engineers, designers and be a part of the 3DEXPERIENCE Lab, which I must say I am very excited about because of its ability to accelerate start-ups, and with community worldwide," he added.

Managing Director, India, Dassault Systèmes Deepak NG while sharing his views said that the engagement with AIM is the beginning of a long-term relationship that reinforces Dassault's commitment to nurture an ecosystem of makers, innovators in the country.

“Our engagement with AIM will further strengthen on our common objectives on how start-ups can leverage technology, industry best practices and policies driven by the Government,” he added, “Our 3DEXPERIENCE lab will give access to technology and community for emerging start-ups in new domains like electric vehicles, batteries and charging infrastructure, medical devices, energy & materials sector and even to frugal innovators providing sustainable solutions for the industry of the future,” he asserted.

## STARTUP FUNDING

### Indian SaaS startup Freshworks raises \$1 bn via 'superstar' IPO in US

*Business Standard*

Excitement and a sense of achievement were evident as Girish Mathrubootham, founder and Chief Executive Officer of SaaS (software as a service) start-up Freshworks, got ready to ring the opening bell at the Nasdaq MarketSite on Wednesday.

Freshworks became the first Indian SaaS start-up to get listed in the US, and looks all set to raise \$1.03 billion from its initial public offering (IPO), taking its valuation to \$10.13 billion.

“I feel like an Indian athlete who has won a gold medal at the Olympics. I am really proud of how far we have come and more importantly I am excited about what’s ahead,” he said.

Inspiration for the IPO came from an unlikely source. “The code name of our IPO was Project Superstar, named after the most successful movie star from Tamil Nadu, Rajnikanth,” Mathrubootham said.

Coming on the back of the successful listing of Zomato on the Indian bourses, Freshworks’ IPO has set the Indian start-up ecosystem buzzing with excitement.

Mathrubootham added that the firm was showing the world what a global product company from India can achieve. “The fact that we are doing it first in the US, here at the Nasdaq is truly amazing. I would like to say today is day zero for Freshworks all over again.

”Confidence in the firm’s ability was also evident from the fact that it upped the pricing of its

shares in its initial public offering on Wednesday to \$36 apiece. According to Bloomberg, this comes after Freshworks had only on Monday lifted the planned range of the offering from \$28 to \$32.

The shares began trading on the Nasdaq Global Select Market under the symbol “FRSH”, and the offering is expected to close on September 24, subject to customary closing conditions. In addition, the San Mateo-based start-up has granted underwriters a 30-day option to purchase an additional 2.85 million shares of Class A common stock at the IPO price, less underwriting discounts and commissions.

The offering marks a significant rise in its valuation of \$3.5 billion in November 2019, when it raised \$150 million from Sequoia Capital, CapitalG and Accel. Going further back, in July 2018, it was valued at \$1.5 billion. Its projected valuation represents a near six-fold increase in just over three years.

This is indeed an achievement as Freshworks competes with global giants such as Salesforce, SAP, and Oracle.

### This EdTech start-up is India's newest unicorn

*Livemint, 29 Sep 2021, 05:24 PM IST*

Online learning platform Vedantu has raised \$100 million at a valuation beyond \$1 billion, becoming latest Indian startup to reach unicorn status.

Singapore’s ABC World Asia led the \$100 million Series E round, with existing investors such as Tiger Global Management, Coatue Management and GGV Capital also participating, Vedantu said in a statement Wednesday.

The Bangalore-based startup becomes the fifth Indian edtech unicorn after Byju’s, Unacademy, UpGrad and Eruditus, and the third to reach the milestone this year. Online education is among industries benefiting as global investors boost their bets on the country’s startup ecosystem. Vedantu launched its live-tutoring services seven years ago, an early entrant into the burgeoning field. It targets 500,000 paid users by March 2022, up from about 200,000 currently, said Vamsi Krishna, co-founder and CEO.

## STARTUP EVENTS >> UPCOMING

### FinTech Festival India

9-11 March 2022, New Delhi, India

Website: <https://www.fintechfestival.in/event/6cf223a8-3f97-45d0-a2d9-1e8c1cae49ba/summary>

- FinTech Festival India 2022 will play a pivotal role in further strengthening the ecosystem and enhancing collaboration between Indian & Global FinTechs.
- FinTech Festival India will be one big celebration of new ideas, technologies, rich dialogues, productive engagements involving the greatest minds from the world of Finance and Technology. It will be preceded by a series of 10 Hybrid Micro Experiences in 8 cities in India until February 2022 and the culmination Mega Event will be held in March 2022 in New Delhi.
- FinTech Festival India aims to unleash the potential of FinTech in India and showcase the opportunities for global investors and global FinTech fraternity to venture in the Indian market.

## STARTUP FAQs

### Definition of Startup (for the purpose of Government schemes)

An entity shall be considered as a Startup:

- Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.

- Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.

Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'.

Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence.

An entity shall cease to be a Startup on completion of ten years from the date of its incorporation/ registration or if its turnover for any previous year exceeds one hundred crore rupees.

For Feedback & Comments, please contact:

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