

Startup Watch

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STARTUP POLICIES

Startups backbone of country's development: PM Modi

Source: <https://indianexpress.com/article/business/startups-backbone-of-country-development-modi>

Prime Minister Narendra Modi on Saturday called on Indian startups to tackle challenges facing the country, urging them to move towards villages, as he announced that January 16 would be celebrated as National Startup Day to spread the culture of startups across India. During a virtual interaction with startups, Modi recounted various steps taken by the government to improve ease of doing business for such units, calling them the “backbone of the country’s development”.

“I urge the startups of India to move towards the village as well. This is both an opportunity and a challenge,” he said, noting that rural and semi-urban areas were looking for a new wave of expansion, and improvement in last mile delivery of goods and services to such areas had led to growth in the talent pool in rural

The Prime Minister noted that there were three key aspects to government efforts to strengthen the innovation, entrepreneurship and the startup ecosystem in India. “First, to liberate entrepreneurship, innovation from the trap of government processes and bureaucratic silos. Second, to build institutional mechanisms to promote innovation. And third, to do the handholding of

young innovators and young enterprises,” he said.

Modi noted that measures like removing problems of ‘angel tax’, simplification of tax procedures, permitting self-certification for certain labour and environment compliances and removal of over 25,000 compliances had helped strengthen the startup ecosystem.

He also highlighted that government efforts to boost the startup ecosystem had yielded results in terms of an increase in patent, trademark and copyright registrations.

“While 4,000 patents were sanctioned in the year 2013-14, last year more than 28,000 patents were granted. While in the year 2013-14, about 70,000 trademarks were registered, in 2021, more than 2.5 lakh trademarks have been registered,” the Prime Minister said, adding that the number of copyrights registered had increased to over 16,000 from 4,000 during the same period

Government officials noted that Indian startups were witnessing greater investment interest.

“The kind of interest which is being taken in the startup investment climate... In the last one year, annual investments into the startups have increased from USD 11 billion to USD 36 billion,” Anurag Jain, Secretary of the Department for Promotion of Industry and Internal Trade (DPIIT), said at the National Startup Awards event.

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Commerce and Industry Minister **Piyush Goyal** called on startups to reach out to the government on how it could ease the regulatory burden on them further by making processes simpler.

Speaking at the National Startup Awards, he urged startups to develop content in Indic languages, encourage products and solutions with greater social and economic impact, promote startups in every district, create innovation zones and adopt best practices from across the globe.

"Let us aim for atleast 75 unicorns in the 75 weeks to the 75th Anniversary of Independence": Shri Piyush Goyal

Press Information Bureau: January 24, 2022

Shri Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, today urged Indian industry to aim for 75 unicorns in the 75 weeks leading up to India's 75th anniversary of independence next year.

"We have added 43 unicorns added in 45 weeks, since the start of 'Azadi ka Amrit Mahotsav' on 12th March, 2021. Let us aim for at least 75 unicorns in this 75-week period to 75th Anniversary of Independence," he remarked while unveiling the NASSCOM Tech Start-up Report 2022. "India has now become the hallmark of a trailblazer & is leaving its mark on global start up landscape. Investments received by Indian start-ups overshadowed pre-pandemic highs. 2021 will be remembered as the year Indian start-ups delivered on their promise, - fearlessly chasing opportunities across verticals - Edtech, HealthTech & AgriTech amongst others," he said.

Shri Goyal praised the ITES (Information Technology Enabled Services) industry, notably the Business Process Outsourcing (BPO) sector, for setting a record for Services exports last year. He also added, "services Export for Apr-Dec 2021 reached more than US\$ 178 billion despite the Covid19 pandemic when the Travel, Hospitality & Tourism sectors were significantly down." According to Shri Goyal, Prime Minister Shri Narendra Modi has announced January 16th as National Start-up Day, demonstrating his commitment to spreading the innovation cul-

ture to every nook and cranny of the country.

Shri Goyal stated that the government has taken many efforts to strengthen the start-up ecosystem:

- Resolving 'Angel tax' issues, simplifying tax procedures, and allowing self-certification and self-regulation are all steps in the right direction.
- Over 26,500 compliances have been reduced in their burden.
- 770 violations have been decriminalised.

According to Shri Goyal, India's unique digital infrastructure - Aadhaar, Digilocker, Fastag, Cowin, UPI, and so on - has enabled Access and Affordability.

"The Cowin portal showed the world that Indian could run world's largest vaccination programme efficiently & effectively, with complete mapping & monitoring done digitally. UPI has helped new age technologies in reaching the common man at affordable prices," stated Shri Goyal. "The next "UPI moment" will be the ONDC (Open Network for Digital Commerce). The first-of-its-kind globally, ONDC to enable interoperability between eCommerce companies, providing equal opportunity to small & large players, will help control digital monopolies & make industry more inclusive for buyers & sellers alike, empowering MSMEs to unlock innovation & value," he added.

Shri Goyal outlined a five-point roadmap for the NASSCOM's future:

- Focus on people's basic and core needs, such as improving access to financial services, education, and healthcare, and finding answers to farmer difficulties, among other things.
- Concentrate on high-growth, job-creating industries such as advertising and marketing, professional services, fitness and wellness (yoga is growing increasingly popular around the world), gaming, sports, and audio-visual services.
- AI, IoT, Big Data, Data Analytics, Blockchain, Virtual Reality, 3D Printing, Drones, and other Deep Tech should be used by more businesses to produce solutions for local and worldwide markets.
- Startups from Tier 2 and 3 cities have a lot of potential. If we provide them with more assis-

tance and good coaching, they may be able to play a significantly larger role in the years to come.

•India will take over the G20 leadership in 2023; please offer subjects that resonate with our vision for resolving global concerns.

“While 2021 was a year in which we defied all odds, 2022 will be the breakthrough year which will unlock country’s exponential value. ‘India at 100’ will be renowned as a Start-up nation. But as PM Modi said yesterday in his speech- the “Amrit Kaal,” the coming 25 years - are the period of utmost hard work, sacrifice and tapasya,” he said.

India must strive to be amongst the top 25 in Global Innovation Index: Piyush Goyal

<https://www.thehindubusinessline.com/>

Indian startups turned Covid-19 crisis into opportunity, India now has the third largest number of unicorns in the world: Minister

India must strive to be amongst the top 25 in the Global Innovation Index, said Commerce and Industry Minister Piyush Goyal today.

“Our startups are the key reason behind India’s meteoric rise in Global Innovation Index (GII) from 76 in 2014 to 46 in 2021,” the Minister said virtually addressing the Startup India Innovation Week launch, which started on Monday.

Goyal called upon stakeholders in the innovation ecosystem to work with the government to move to the top 25 position in the GI.

Startups in India have turned the COVID-19 crises into an opportunity and made 2021 the year of unicorns as the country now has the third largest number of unicorns (82) in the world, the Minister observed. India pushed the UK by one rank to take the third position in 2021. The top two countries with the largest number of unicorns are the US and China.

From 2018 to 2021, more than 6 lakh jobs have been created by startups and in 2021 alone more than 2 lakh jobs have been created, per government figures.

Pointing out that startups were creating job opportunities across the country, Goyal said that almost 4 startups are recognised in India every hour with 45 per cent belonging to Tier II & III cities. It is also empowering women as 46 per

cent of startups are found by women entrepreneurs.

The success of IPOs of many startups is an encouraging trend and implies that they have the ability to become the new multi-national corporations. He said that startups should focus on healthifying India through their innovations.

Government has been acting as a ‘facilitator’ by focusing on simplification, facilitation and bringing ease in starting & doing business, the Minister pointed out. Listing some measure to improve ease of business for startups, Goyal said that there was an 80 per cent rebate on patent filing, 50 per cent on trademark filing fees and relaxation in public procurement norms. Other measures include self-certification under labour and environmental laws, Funds of Funds for startups, income tax exemption for 3 out of 10 years and Seed Fund scheme of Rs. 945 Cr.

An improved IPR regime has resulted in the registration of 1.16 million trademarks in last 4 years, he added.

Shri Piyush Goyal urges Global Venture Capital Funds to focus on Startups from Tier 2 and 3 cities

Press Information Bureau: January 17, 2022

According to government data released on Friday, the country's exports increased 38.91% year on year to US\$ 37.81 billion in December 2021, owing to strong performance in industries such as engineering, textiles, and chemicals, even as the trade deficit increased to US\$ 21.68 billion. Imports surged 38.55% to US\$ 59.48 billion in December 2021. Exports increased by 49.66% to US\$ 301.38 billion between April and December 2021-22.

Imports increased by 68.91% to US\$ 443.82 billion during the period, leaving a trade imbalance of US\$ 142.44 billion, according to the figures. "Merchandise exports in December 2021 totaled US\$ 37.81 billion, up from US\$ 27.22 billion in December 2020, or a 38.91% increase. When compared to December 2019, exports in December 2021 increased by 39.47% "According to a statement issued by the Commerce Ministry.

STARTUP STORIES

How Shiprocket Is Fuelling D2C Growth Through Its RocketFuel Accelerator Programme

SOURCE: <https://inc42.com/startups/>

As India is now home to more than 100 Mn online shoppers, the D2C market is estimated to grow exponentially and hit \$100 Bn by 2025, accounting for 60% of the ecommerce opportunity.

Delhi-based Shiprocket, a third-party logistics (3PL) service provider and an ecommerce/D2C enabler, has come up with a hand-holding initiative in the form of the RocketFuel Accelerator programme.

RocketFuel will be shortlisting more startups and plans to commence the second batch in the coming months.

In the past few years, more than 800 new-age, digital-first Indian brands have done away with business intermediaries and taken the direct-to-consumer (D2C) route to ensure greater operational efficiency, more control on profit and expenditure, and effective customer engagement. The D2C format, an ecommerce spin-off of sorts, has been here for the past few years. But it has flourished most during pandemic times after offline operations came to a shuddering halt and businesses resorted to online selling almost overnight.

The D2C growth has been further fuelled by the shift in consumer mindset as people have opted for online shopping for the sake of safety and convenience. As India is now home to more than 100 Mn online shoppers, the D2C market is estimated to grow exponentially and hit \$100 Bn by 2025, accounting for 60% of the ecommerce opportunity.

Among the D2C sub-segments, fashion has the highest growth potential and is estimated to reach \$43.2 Bn by 2025. Also, apparel and footwear is the most significant fashion category that is likely to capture nearly 77.6% of the online fashion market by 2025.

Given the growth prospects, many new entrants are making a foray into the D2C space. However, not all newbies have extensive

knowledge of the core DNA and the best practices to make them successful and sustainable, even when life returns to normal.

Keen to help new businesses and entrepreneurs scale up in a capital-efficient manner during these transformational times, Delhi-based Shiprocket, a third-party logistics (3PL) service provider and an ecommerce/D2C enabler, has come up with a hand-holding initiative in the form of the RocketFuel Accelerator programme.

Launched in September 2020, the programme aims to empower startups with effective mentoring, expert advice, funding and market access. The first batch of the accelerator programme included seven startups across consumer-facing segments, ranging from wearable technology and audio accessories to packaged food, meal supplements, nutraceuticals, fashion accessories and more.

“Our vision for the next three years is to build a community of 200 top brands across D2C categories and be a part of their journey,” said Vishesh Khurana, cofounder (growth) at Shiprocket. RocketFuel will be shortlisting more startups and plans to commence the second batch in the coming months.

In September 2021, Shiprocket announced collaborating with Huddle to launch the RocketFuel X Huddle accelerator programme to invest \$1 Mn towards the mentoring of growth-stage D2C startups. Huddle is a Delhi-based sector-agnostic incubator for early stage startups.

The 3PL platform that offers cost-effective shipping solutions to D2C brands has so far raised \$280 Mn in funding. Its latest round of \$185 Mn was co-led by Zomato, Temasek and Lightrock India.

STARTUP FUNDING

- Swiggy becomes decacorn, valuation crosses \$10.7 bn in new funding round. Swiggy, the world's largest food delivery service, has raised US\$ 700 million in additional capital headed by Invesco. Baron Capital Group, Sumeru Venture, IIFL AMC Late Stage Tech Fund, Kotak, Axis Growth Avenues AIF- I, Sixteenth Street Capital, Ghisallo, Smile Group, and Segantii Capi-

tal were among the new investors in the round. The financing included current investors Alpha Wave Global (formerly Falcon Edge Capital), Qatar Investment Authority, and ARK Impact, as well as long-term investor Prosus. Swiggy has become a decacorn, according to sources, as its valuation has nearly quadrupled to US\$ 10.7 billion, making it India's second most valuable company after edtech behemoth Byju's, which is presently valued at US\$ 21 billion, making it the first local start-up to reach that milestone.

- Health Startup Athelas Hits \$1.5 Billion Valuation After Pandemic Boom. Athelas Inc., a startup that builds remote patient monitoring technology, raised \$132 million in new funding, bringing its valuation to \$1.5 billion.
- Fresh Produce Seller Pluckk Raises \$5M in Seed Funding .Pluckk, an Indian fresh produce food-tech startup, has raised \$5 million in seed funding from Exponentia Ventures to build its team and technology, adding to its customer base and expanding into key metro areas.
- boAt's Plans To File INR 2,000 Cr DRHP Next Week
- Early-stage venture capital firm pi Ventures completed the first close of its Fund II at INR 300 Cr (\$40 Mn).The fund plans to invest in 20-25 startups in the fields of blockchain, spacetech, biotech, and material science
- IncubateHub to launch nine Thematic Demand-Led accelerators for the startups and corporates to co-create solutions and go-to-market strategies in partnership with Venture Catalysts and 9Unicorns.
- Bengaluru-based intra-city logistics startup, Porter, has implemented its maiden Employee Stock Ownership Plan (ESOP) worth \$5 Mn. The move will allow

all eligible current and former employees to sell their holdings

Bengaluru-based fintech startup Juspay has increased its ESOP pool scheme size by 232X. The startup has hiked the ESOP to 48,56,161 from the existing 20,959 options. The increased ESOP pool size will be now worth INR 552 Cr or \$74 Mn (as per the current exchange rate). Otherwise, the ESOP pool size would have been of INR 2.3 Cr or \$320K.

- Innovation ecosystem enabler T-Hub has been selected under the Startup India Seed Fund Scheme by the central government's Department for Promotion of Industry and Internal Trade (DPIIT) to disburse INR 5 Cr among eligible startups.
- Kunal Shah-led fintech unicorn CRED has expanded its ESOP pool size to \$500 Mn by adding 112,504 stock options to 392,958 stock options in total

STARTUP ACQUISITIONS

Reliance Retail buys 54% stake in robotics startup Addverb for \$132 mn

Source:<https://www.ibef.org/news/reliance-retail-buys-54-stake-in-robotics-startup-addverb-for-132-mn>

According to a top official of Addverb, Mukesh Ambani's Reliance Retail has purchased a 54 percent share in the domestic robotics startup for USD 132 million (about Rs 983 crore).

Sangeet Kumar, co-founder and CEO of Addverb Technologies, told PTI that the company will continue to function independently and that the cash obtained from Reliance will be used to develop the company's business worldwide as well as to build one of Noida's largest robotic production facilities.

The company already has a factory in Noida that manufactures 10,000 robots every year.

"With this investment, Reliance will own around 54% of Addverb. They become the company's major shareholder. Reliance was already a valued client with whom we had collaborated on the design and delivery of highly automated

warehouses for their Jio-Mart grocery business. There was already a level of familiarity and trust in place, which led to this association," Kumar explained.

He went on to say that the strategic alliance with Reliance Retail will allow them harness 5G, battery technology through new energy initiatives, and improvements in material sciences (carbon fibre) to offer more advanced and inexpensive robots. "We are a successful business. The cash will be used to expand our manufacturing facilities and extend our operations in other countries."

Currently, India accounts for 80% of our revenue; but, in the next 4-5 years, this mix is likely to shift to a 50-50 split between India and global operations. "Our software revenues account for 15% of our entire income, and they are likely to expand dramatically," Kumar said.

Addverb, which was founded in 2016, hopes to close the current financial year with a revenue of Rs 400 crore, up from Rs 200 crore a year ago.

"We hope to be a billion-dollar firm in sales in the next 5-6 years. Everything is done in India: design, manufacturing, and delivery all around the world," Kumar explained.

Addverb has four subsidiaries: one in Singapore, one in the Netherlands, one in the United States, and one in Australia.

"In terms of employment, each of these subsidiaries will grow. Manufacturing will take place in India, with our overseas business assisting in the design of the robots," Kumar stated.

STARTUP IPO

Logistics Startup Ecom Express To Raise INR 4,860 Cr Via IPO

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

Delhi-based logistics startup Ecom Express' offer will include fresh offer worth INR 2,160 Cr. The startup's investors will also look forward to offloading shares worth INR 2,700 Cr.

The startup in consultation with BRLMs will look forward to an pre-IPO placement aggregating to INR 360 Cr.

IPO-bound logistics startup Ecom Express which is heading for an initial public offering

has finalised its IPO offer. The Delhi-based logistics startup will be issuing a fresh issue size worth of INR 2,160 Cr. The startup's offer will also include offer-for-sale worth INR 2,700 Cr by existing shareholders. The board of Ecom Express in a meeting held on December 9, 2021 has further finalised that the startup in consultation with BRLMS (Book Running Lead Manager(s)) may decide to raise an pre-IPO place round aggregating to INR 360 Cr.

However, it's unclear who all will be offloading their shares as part of the IPO. Earlier, Inc42 sources had informed us that the startup intends to raise funds at \$1.5 Bn to -\$1.8 Bn valuation. The company also intends to raise INR 360 Cr in Pre-IPO placement, the filings revealed.

Last year, the logistics startup had raised \$20 Mn from its existing investor CDC Group. It also counts Warburg Pincus, Partners Group, Peepul Capital amongst its investors. To date, it has raised close to \$450 Mn across six rounds. Founded in 2012 by TA Krishnan, Manju Dhawan, K Satyanarayana and Sanjeev Saxena, Ecom Express provides end-to-end logistics solutions. It facilitates first-mile pickup, processing, network optimisation and last-mile delivery. The startup operates in 2,400 towns across more than 25,000 Pin-codes in India.

In February this year, it invested \$11 Mn (INR 80.6 Cr) in Bangladesh's third-party e-commerce logistics company Paperfly to make its maiden venture outside India. In the financial year ending on March 31, 2021, Ecom Express had posted a revenue of INR 1,622 Cr, with a profit of INR 57 Cr. The logistics joins the likes of EaseMyTrip, CarTrade, Nykaa, ixigo, and boAt who are profitable and have gone or are heading towards a public listing.

In FY20, it posted a revenue of INR 1,018 Cr, a 23% increase compared to INR 1,254 Cr in FY19. Its expenses grew by 42% from INR 1,148 Cr to INR 1,631 Cr in FY20. It posted a loss of INR 313.5 Cr in FY20, a sharp rise from INR 129.5 Cr in FY 19.

Ecom Express IPO details comes just two weeks after Delhivery received SEBI nod for its 7,640 Cr IPO.

STARTUP EVENTS >> UPCOMING

Seeding Kerala 2022 - HNI Registration

11-12 February 2022

Website: [source:https://www.townscript.com/e/seeding-kerala-2021-241331](https://www.townscript.com/e/seeding-kerala-2021-241331)

Kerala Startup Mission is organizing Seeding Kerala to bring together the HNI network of Kerala and showcasing opportunities to invest in the best startups from Kerala and other parts of India. The 7th edition of this conference will bring in leading investors and experts from the Indian Startup ecosystem and senior government officials from the state and central governments to facilitate the initiative to a great success.

STARTUP FAQs

How do I fill out a startup recognition form ?

- Step 1: Incorporation of the business. ...
- Step 2: Registering business with the startup India scheme. ...
- Step 3: Documents required to be upload online (upload only
- Step 4: Choose if you would like to have tax benefits. ...
- Step 5: Self-certify your documentation.

How do I check startup recognition?

Eligibility Criteria for Startup Recognition:

- The Startup should be incorporated as a private limited company or registered as a partnership firm or a limited liability partnership
- Turnover should be less than INR 100 Crores in any of the previous financial years
- An entity shall be considered as a startup up to 10 years from the date of its incorporation
- The Startup should be working towards innovation/ improvement of existing products, services and processes and should have the potential to generate employment/ create wealth. An entity formed by splitting up or reconsutrcuon of an existing business shall not be considered a "Startup"

For Feedback & Comments, please contact:

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