

Startup Watch

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STARTUP POLICIES

Shri Piyush Goyal chairs the first meeting of National Startup Advisory Council

source-<https://dipp.gov.in/sites/default/files/pressRelease-Startups>

Startups are the New Champions of Aatmanirbhar Bharat: Shri Goyal; Calls upon the successful entrepreneurs to take initiative to share their knowledge, experience and ideas, and mentor others New Delhi; 15.4.21 Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal today chaired the first meeting of National Startup Advisory Council(NSAC). Department for Promotion of Industry and Internal Trade (DPIIT) had constituted the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities. Besides the ex-officio members, the council has a number of non-official members, representing various stakeholders such as founders of successful startups, veterans who have grown and scaled companies in India, persons capable of representing interest of investors into startups, persons capable of representing interests of incubators and accelerators, representatives of associations of stakeholders of startups and representatives of industry associations. In his inaugural address, Shri Goyal said

that this council shall act as the guiding light for many budding startup entrepreneurs in India. He said that this is the first time in our nation's history where such a high-powered team of people from the private sector and the Government have come together, so that „You take your own policy decisions“. Appreciating the work done by the startups in all sectors, for finding innovative solutions to various problems, Shri Goyal said that India is hub of innovation & outof-the-box thinking. He said that Startup movement has stirred entrepreneurial spirit in last 5 years. “We have witnessed tremendous efforts by stakeholders right from national to block levels towards the realization of our Hon'ble PM's „Startup India" vision". Describing the Startups as the New Champions of Aatmanirbhar Bharat, Shri Goyal said that we have the potential to become World's largest and most innovative startup ecosystem. He said that the Government has and will always be a supportive partner in charting progress of Indian Startup ecosystem. Calling for making “Startup India” a symbol of national partnership and national consciousness, the Minister stressed on the need to sow the seeds of entrepreneurship at school level to encourage students to innovate. He also called upon the successful entrepreneurs to take initiative to share their knowledge, experience, ideas and mentor students and youth. He said that there are innovative ideas with people in rural India, and Tier II and Tier III towns, waiting to be harnessed. The Minister said that it is our collec-

tive responsibility to realise the objectives of Startup India: The Way Ahead, which was launched by the Prime Minister in January this year. He said that this will help India reach a stage, where countries around the world would look to model their own startup ecosystems based on India's achievements and will take StartUp India to the Global Stage. The minister said that the Government is ready to act as an Enabler rather than Regulator. He said that collectively, we have to maximise our efforts to minimise the problems & make sure that India's cost-effective solutions are made available to serve the needs of the poorest. During the meeting, the participants gave many meaningful insights into the startup ecosystem, and gave ideas and suggestions as to how this can be strengthened further through various measures.

New BIS licence: Government announces 50 pc rebate for startups, micro-industry, women entrepreneurs

<https://yourstory.com/2021/04/government-50-pc-rebate-startups-microindustry-women-entrepreneurs>

The government on Tuesday slashed the annual marking fee to get a new BIS licence and certification by 50 percent for micro-industry, startups, and women entrepreneurs. It also said the services of BIS are now made available free of cost to everyone and can be downloaded from the standardisation port of e-BIS. Bureau of Indian Standards (BIS), a government quality standards-setting body, issues licences with a standard mark to help identify the unit, which has manufactured the product at a specific location. "The government has given 50 percent rebate on (new) BIS certification of products for startup, micro-industry, and women entrepreneurs," Food and Consumer Affairs Minister Piyush Goyal tweeted.

An additional 10 percent rebate has been given to the existing licence holders, which will give a boost to the government 'Vocal for Local' campaign, he added. According to BIS Director-General Pramod Kumar Tiwari, the rebate offered for the new licence is expected to bring more companies under the ambit of licensing and certification regime. For existing license

holders, a 20 percent rebate was already given and now an additional 10 percent will be given to them, he said in a virtual press conference. The minimum annual marking fee for a new licence differs from product to product. For instance, on water, the fee is about Rs 1,60,000, he added.

Listing out the new initiatives taken by BIS to bring in efficiency and transparency, Tiwari said several steps have been taken to ease the compliance burden on the stakeholders. The entire process of certification -- including granting and renewal of licence -- has been automated through Manak Online Portal of e-BIS, he added. BIS has set strict timelines for the disposal of applications and real-time basis monitoring of compliance, he noted. Tiwari said that more than 80 percent of products being brought under 'simplified procedure'. This means a licence for the manufacturing of these products will be granted within a period of one month. He informed that as a result of these initiatives, it has been possible to dispose of more than 90 percent of applications within the prescribed time frame.

Inside Kerala's Hardware Startup Revolution: The State's Journey To Becoming The Hardware Hotbed In India

<https://inc42.com/features/inside-keralas-hardware-startup-revolution-the-states-journey-to-becoming-the-hardware-hotbed-in-india>

- Powered by KSUM and with the Maker Village as its knowledge partner, Kerala: Driving India's Hardware Startup Revolution by Inc42 Plus takes a deep dive into the hardware ecosystem of the state
- The Top Performer in the second edition of India's state startup ranking, Kerala has built a robust ecosystem for its hardware startups
- The report looks at how the state is promoting entrepreneurship at the grassroots level and supporting the growth of its startups and budding entrepreneurs

The Indian startup ecosystem has proved time and again that it is ever ready to counter unprecedented challenges. Despite the Covid-19 pandemic bringing the entire world to a standstill, there had been an overall uptick in the

startup space. Not only did the total funding amount between 2014 and H1 2020 grow to touch \$63 Bn, but the country also saw the entry of 34 startups into the coveted unicorn club with a combined valuation of \$115.5 Bn.

This ecosystem, however, is dominated by software startups. According to The State Of Indian Startup Ecosystem 2018 report by *Inc42 Plus*, hardware and IoT-focussed startups accounted for a mere 8% of the total market, and India's contribution to global hardware electronics production stood at 3.4%.

STARTUP STORIES

MeitY Startup Hub, La French Tech Bengaluru announce tie-up

<https://telecom.economictimes.indiatimes.com/news/meity-startup-hub-la-french-tech-bengaluru-announce-tie-up>

MeitY Startup Hub and La French Tech, Bengaluru, have launched the Indo-French Tech Programme to support Indo-French startup collaboration. It is also for facilitating a rapid convergence of the French and Indian startup ecosystems, and establishing linkages between Indian and French incubators and startups. This programme is jointly supported by the Ministry of Electronics & IT of India, and the French Government, a joint statement said. The Indo-French Tech Programme was launched on the occasion of the visit to India of French Minister for Europe and Foreign Affairs, Jean-Yves Le Drian during a French Tech event at the Indian office of Meero, a French on-demand photography unicorn, on Thursday.

"The visit of Minister Le Drian was an opportunity to highlight the growing Indo-French partnership in the digital sector and promoted co-operation between the two countries in the field of technological innovation," the statement added.

IAMAI debuts a mentoring programme for Indian startups

<https://economictimes.indiatimes.com/tech/startups/iamai-debuts-a-mentoring-programme-for-indian-startups/>

The Internet and Mobile Association of India (IAMAI) has launched an initiative for mentoring

Indian startups bringing a bunch of local entrepreneurs as mentors. Founders such as Dinesh Agarwal (CEO, IndiaMart NSE 0.18 %), Nikhil Kamath (Co-founder and CIO, Zerodha), Adhil Shetty (CEO, BankBazaar), Rajesh Magow (Group CEO of MakeMyTrip) are among the mentors of the "Circle Program."

Startups with a valuation of Rs 35-75 crore will be considered for Circle 1. Mentors are expected to interview entrepreneurs and successful candidates will be accepted into the programme. "Getting mentors on board was the biggest challenge because they have busy schedules. They have committed to giving a couple of hours every month to speak with the start-ups," said Vivek Bhargava, Chairman, IAMAI Startup Committee. Ten mentors have joined the initiative so far.

The subscription fee for the programme is Rs 2 lakh (per annum) which can be renewed. "This will take care of the content we create for them. For example, they can get access to Harvard University courses at a specially negotiated price," Bhargava said.

As many as 32 entrepreneurs will join the first circle by June this year. "We want to do one circle, make sure it delivers value to entrepreneurs and mentors and will think about the next circle after that," Bhargava said.

Announced: \$250m Amazon Smbhav Venture Fund for India

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Amazon India has announced a major technology funding programme led by US\$250 million Amazon Smbhav Venture Fund which is to invest in startups and entrepreneurs focusing on technology innovations in Small and Medium Businesses (SMBs) digitization, Agriculture and Healthcare.

The Venture Fund will invest in technology led startups that are passionate about unlocking possibilities of a digital India, Amazon India said in a release on 15 April 2021 from Bengaluru.

The Venture Fund will specifically focus on encouraging the best ideas to digitize SMBs, drive technology-led innovation in agriculture to improve farmer productivity and enable them to

bring the best of India's farms to consumers, and enable universal and quality healthcare access for all using technology.

Additionally, Amazon announced plans to digitally empower and bring one million offline retailers and neighbourhood stores online, on the Amazon India marketplace, by 2025 through the Local Shops on Amazon program.

At the same event, Amazon also launched the 'Spotlight North East' initiative to bring 50,000 artisans, weavers and small businesses online from the 8 states in the North East region of India by 2025 and to boost exports of key commodities like tea, spices and honey from the region.

These new initiatives were announced during a fireside chat at Amazon Smbhav between Andy Jassy, AWS CEO and incoming CEO of Amazon, and Amit Agarwal, Global Senior VP and Country Head, Amazon India, where they reiterated Amazon's long-term commitment to unlock the infinite possibilities for India.

Speaking at Smbhav 2021, Agarwal said, "In 2020, we pledged to digitize 10 million SMBs, enable US\$10 billion in exports, and create one million jobs by 2025. Through our initiatives, we are committed to be a catalyst and a partner in unlocking the possibilities for a Digital India, and realize the vision of an Aatmanirbhar Bharat."

The launch of Amazon Smbhav Venture Fund aims to attract best ideas and empower entrepreneurs in the country to partner in this vision. "Additionally, our initiatives to on-board one million offline shops on Amazon.in and digitally empower the North East region will accelerate the progress towards a digital and self-reliant India," he said.

In the Healthcare sector, the Venture Fund aims to invest in Indian startups that are using technology for doctor assistance, telemedicine, e-diagnosis, AI powered treatment recommendations or digitizing operations of healthcare providers such as independent primary care clinics, diagnostic labs, pharmacy value chain or specialty doctor clinics for improving access to a wider patient base agnostic of physical geographic location.

In the SMB sector, through the Venture Fund, Amazon will invest in technology startups that

digitize SMBs for demand access, efficient operations and supply chain efficiency. The Venture Fund will independently invest in startups, building solutions to empower SMBs to launch, manage, and grow their business online, automate and digitize their operations, and expand their business globally by exporting to customers worldwide. These investments will help seed and scale-up innovation in the sector.

Two additional focus areas will be agriculture and healthcare. In the Agri-tech sector, the Venture Fund aims to invest in Indian startups that are using technology to bring the best produce to consumers, make agri-inputs more accessible to farmers, provide tailored agronomy solutions to farmers to improve productivity, distribute credit and insurance to farmers or reduce food waste by building efficient farm to fork supply chains start-ups focusing on other sectors and themes as well where we can positively influence the livelihoods of SMBs.

Towards this objective and as part of the Venture Fund, Amazon announced an investment in "M1xchange" – a startup focusing on invoice discounting marketplace exchange for MSMEs (Micro Small and Medium Enterprises) established under the TReDS license (Trade Receivables Discounting System license). M1xchange connects MSMEs with banks & financiers (and vice versa) through the marketplace exchange and the MSME is able to assign its invoice dues to a bank or financier and receive financing at better rates; thereby, solving the payments challenge for MSMEs.

As part of its commitment to digitize SMBs in India, Amazon will onboard one million offline retailers and neighbourhood stores by 2025 through the Local Shops on Amazon program.

STARTUP FUNDING

upGrad raises \$120 M from Temasek

<https://yourstory.com/2021/04/edtech-upgrad-raises-120m-from-temasek-funding>

upGrad said it has raised \$120 million (about Rs 897.3 crore) from Singapore-based Temasek, making this the first external fund-raise by the edtech major. Since its inception in 2015, upGrad has been 100 percent owned, funded, and run by its co-founders as a capital-efficient busi-

ness. upGrad plans to use the fresh capital to further strengthen its team, scale its global market operations, and bolster its technology and product capabilities, a statement said. The company will also pursue merger and acquisition (M&A) opportunities, expand graduate and post-graduate degree portfolio in India, and scale up operations to achieve its \$ 2 billion revenue goal by 2026, it added. "We welcome Temasek in our mission to power career success for each and every member of the global workforce as their trusted LifeLongLearning partner and drive meaningful career outcomes," upGrad co-founder Ronnie Screwvala said. This capital will further fuel the company's commitment towards global expansion as well as deeper India penetration, as it marches forward with its goal of making India the teaching capital of the world, upGrad co-founder Mayank Kumar added. Credit Suisse acted as the exclusive financial advisor to upGrad, and Rajaram Legal acted as legal advisor. upGrad is an online higher edtech company offering over 100 courses in collaboration with global universities like Duke Corporate Education (US), Michigan State University (US), IIT Madras, IIM Kozhikode, and others.

The platform has impacted over one million total registered learners in over 50 countries. The edtech space has seen strong growth globally with the COVID-19 pandemic serving as an inflection point. While a number of players have raised fresh funding from investors, consolidation is also being seen in the industry with deals like Unacademy acquiring PrepLadder for \$ 50 million and Byju's buying WhiteHat Jr for \$300 million and Aakash Educational Services for nearly \$1 billion. Last year, upGrad also acquired The Gate Academy (TGA) and Rekrut India.

Pi Ventures launches second fund; aims to raise \$75-100 million

source: <https://yourstory.com/2021/04/pi-ventures-launches-second-fund-ai-deep-tech-startups>

Pi Ventures, the early-stage venture capital fund based in India and focused on artificial intelligence and deep-tech startups, has announced the launch of its second fund with an

initial target corpus of Rs 565 crore (\$75 million approximately). Founded in 2016 by Manish Singhal, Pi Ventures is looking to expand the scope of startup investments through the second fund to invest in areas such as material sciences, biotech, nanotech, and spacetech to name a few. "We have received SEBI approval for the second fund and it also has greenshoe option of Rs 185 crore," said Manish. Pi Ventures expects to close the second fund by the end of this year, and the final target could be in the range of \$75-100 million. It had raised Rs 225 crore (\$30 million) for its first fund, which was closed in 2018. According to Manish, given the venture fund's experience over the last five years of investing in AI and deep-tech startups in India, he felt there were enough young companies in the country that could bring major differentiation through technology to solve a large problem. The second fund of Pi Ventures aims to invest in around 20-25 startups, largely at the seed and pre-Series A stages. The cheque sizes will range from \$0.5-1 million. The second fund has attracted both new limited partners (LPs) as well as the existing ones. In the first fund, the prominent investors were CDC UK; IFC World Bank; SIDBI; Hero Enterprise Chairman Sunil Kant Munjal; Electronic Development Fund (managed by Canbank Ventures) — the corporate financing arm of Hero Electronix; In Colour Capital from Canada; Accel Partners; and prominent family offices and entrepreneurs such as Binny Bansal, Bhupen Shah, Raghuveer Tarra, and Ullas Kamath to name a few.

In the first fund, Pi Ventures invested in 13 startups including Niramai, Locus, Wysa, Agnikul, and Pyxis among others. Manish said, "So far, our investment strategy has worked extremely well and we have a healthy portfolio of companies that have scaled massively despite the current pandemic situation."

STARTUP EVENTS >> PAST

SICCI-SIIC INNOVATION LAUNCHPAD

23 April 2021, Virtual Platform

High Commissioner P. Kumaran delivered the inaugural address at the SICCI-SIIC Launchpad competition held on 23rd April 2021. The Singapore Indian Chamber of Commerce and Industry (SICCI) and Start-up Incubation and Innovation Centre (SIIC) of IIT-Kanpur have come together to provide a gateway of opportunities to tech-based start-ups to usher a circular economy and an entrepreneurial ecosystem.

The two institutions are collaborating to identify young, indigenous talent to provide them with an array of incubation services. "This one-of-its-kind association will provide start-ups in Singapore and India a competitive edge in the global market," said a joint statement .

To galvanise their efforts towards promoting indigenous innovation, SICCI-SIIC Launchpad Competition - SICCI-SIIC INNOVATION LAUNCHPAD - held a start-up pitch competition on a virtual platform.

Nine pre-selected contestants - five from Singapore and four from India - pitched their ideas to the judges. "LaunchPad 2021 is the first of many upcoming endeavours that marks the beginning of an unseen era in the incubation ecosystem.

STARTUP FAQs

1. What kind of business structure should I choose for my startup ?

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. The most preferred business structures for a startup are Private Limited companies and LLPs. A Private Limited company is legally recognized and generally favoured by investors. However, it has stricter compliance and may have a higher cost of incorporation. Whereas incorporation cost is lower for LLPs and they tend to have relaxed compliance in comparison to Pvt. Ltd. Co. In addition to that, LLPs have limited liabilities and are equally recognised by investors and all over the world.

2. How do I know my registration is complete? ?

Once the application is complete, and the startup gets recognised, you will receive a system-generated certificate of recognition. You will be able to download this certificate from the Startup India portal.

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

For Feedback & Comments, please contact:

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