

# Startup Watch

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## STARTUP POLICIES

### Union Budget 2021: The 9 Major Takeaways For Startups From The First Digital Budget Speech

Source: Inc42

India's Finance Minister Nirmala Sitharaman on Monday (February 1) presented the Union Budget 2021 — with a sharp focus on digital transformation and the next phase of economic recovery after the Covid-induced market recession. She also ditched the bahi khata that had become a major talking point during the longest budget speech ever last year and went with a 'Made in India' tablet. Besides this, the focus was also around key sectors in the digital economy with increased spending for healthcare, education and employment generation in manufacturing and infrastructure.

Delivering her budget address, the FM projected a fiscal deficit of 6.8% of gross domestic product for 2021-22. The current year was expected to end with a deficit of 9.5%, she said, a sharp rise from the 7% expected earlier. Despite this, the FM was bullish about recovery of the Indian economy.

Earlier, the Economic Survey had projected a GDP growth rate of 11% for the fiscal year 2021-22. Whether the government's spending boost gives the thrust to key sectors to achieve this benchmark remains to be seen. In the meanwhile, here are the key highlights from the Union Budget 2021-21 for startups.

### Key Takeaways From Union Budget 2021-22 For Indian Startups

The primary focus areas of the budget were healthcare and generating jobs by increasing the government's expenditure across sectors even as the country struggles to bounce back from a pandemic-induced recession.

### Tax Holidays For Startups; Exemptions For Investors

Besides the new definition for small businesses, Sitharaman also proposed an extension of the tax holiday to startups by another year to March 31, 2022 during her Union Budget 2021 address. Moreover, she also announced that in order to incentivise investment in startups, the government is proposing extending the eligibility period of claiming capital gains exemption for investment made in the startups by one more year to March 31, 2022.

In the Union Budget of 2017, the then finance minister, the late Arun Jaitley had announced that startups that were incorporated after March 31, 2016 could avail a tax holiday for three out of seven years, from the date of incorporation. Startups can avail this exemption provided that annual turnover does not exceed INR 25 Cr in any financial year.

### Insurtech Gets FDI Booster Shot

Among the key decisions from the Budget was the proposal to amend the Insurance Act, 1938 to increase permissible foreign direct invest-

ment limit (FDI) from 49% to 74% in insurance companies at the Union Budget 2021.

This would allow foreign ownership and control of insurance companies in the country with certain safeguards. However, the majority of directors on the boards of such companies and key management persons will have to be resident Indians, with 50% directors being independent directors and a specified percentage of profits being retained as general income.

With apt support and investment by the private sector these measures will have a multiplier effect and take insurance to a large section of Indian population, the FM said.

Foreign direct investments in insurance companies are currently permitted under automatic route up to 49% with a rider that insurance companies should be Indian owned and controlled, i.e. more than 50% shall be beneficially owned by resident Indian citizens and control of the insurance company shall be in the hands of resident Indian citizens.

### **Fintech In Focus**

The Indian government proposed allocating INR 1,500 Cr to boost the penetration of digital payments as well as other measures to boost financial inclusion.

Finance Minister Nirmala Sitharaman, while presenting the Union Budget for 2021-22, has proposed to set up a “world-class” fintech hub near Gujarat capital Gandhinagar at GIFT City (Gujarat International Finance Tec-City).

Besides this, the government will also introduce a bill to set up development financial institutions (DFI) with an outlay of INR 20,000 Cr to boost credit access for small businesses, MSMEs as well as those working in areas of focus such as manufacturing and infrastructure.

To further facilitate credit flow under the scheme of Stand Up India for scheduled castes and tribes, as well as women entrepreneurs, the government has proposed to reduce the margin money requirement from 25% to 15%, and to also include loans for activities allied to agriculture.

### **Lowering Compliance Burden On Startups**

The FM also proposed to revise definition under Companies Act, 2013 for small companies by

increasing their threshold for capitalisation from not exceeding INR 50 Lakh to not exceeding INR 2 Cr and turnover from not exceeding INR 2 Cr to not exceeding INR 20 Cr.

“This will help more than 200K companies in easing their compliance requirements,” said Sitharaman.

By the new definition of small companies under the Companies Act, a large number of startups will be recognised as small companies. Small companies enjoy certain benefits over other companies in terms of compliance requirements. For instance, a small company needs to hold only two board meetings in a year, unlike other companies which are required to hold four such meetings in the same period.

In a separate announcement, which is also expected to ease the compliance burden on startups, Sitharaman proposed to use data analytics, artificial intelligence, machine learning to make regulatory filings more frictionless for businesses and startups in a revamp of the ministry of corporate affairs (MCA) portal. The government had said that the ministry would look to introduce AI-based features in MCA-21 when version 3.0 of the portal is rolled out.

The MCA-21 3.0 is expected to have features such as single source of truth, ease of doing business, e-adjudication, online compliance monitoring, among others. All this is aimed at making the authenticity and comprehensiveness of corporate even better.

For the startup ecosystem, this is crucial as MCA-21 shares crucial information to various stakeholders such as the regulators, investors and companies. All filings under the various laws for companies and businesses in India are submitted through this portal.

### **Focus On Healthtech; National Health Portal**

To bridge the urban-rural healthcare divide, Sitharaman announced a total allocation of INR 2.23 Lakh Cr for healthcare and wellness initiatives in the country during the Union Budget 2021-22. The plan includes a pan-India healthcare portal for digital health management, as well as a Mission Poshan 2.0 for nutrition and diet programmes in rural districts.

The budget allocation increased by 137% over the previous year. The FM also announced Aat-

manirbhar Health Yojana with an outlay of INR 64,180 Cr over 6 years. She announced operationalisation of health units at 32 airports, 11 seaports and 7 land crossings.

The budget also allocated INR 35,000 Cr for Covid-19 vaccination. Talking about India's fight against Covid-19, Sitharaman said the country has two vaccines available, adding that two more vaccines are expected soon.

“Expansion of the integrated health information portal to all states and union territories to connect all public health labs,” said Sitharaman.

### **Rapid Digitalisation Underway In Agriculture**

Sitharaman revealed that around 1.68 Cr farmers have registered on government's e-agriculture marketplace — eNAM, recording a transaction worth INR 1.14 Lakh Cr.

Further, she stated that the eNAM platform currently has more than 1000 mandis. “With all this, the agricultural infrastructure fund would be made available to AMPCs or Mandis, augmenting their infrastructure facilities,” she added.

Founded in April 2016, eNAM is an e-trading portal that connects with physical wholesale markets through a virtual platform, creating a unified national market for agricultural produce, where farmers can sell their produce at a transparent and competitive price, online.

With the government being at the receiving end of farmers' ire for the three controversial agriculture reform laws that many believe will hurt minimum support prices (MSPs) in the long run, the finance minister announced measures to allay concerns.

Sitharaman said the MSP regime has undergone a “sea change” to assure price at least 1.5 times of production cost with sharp increase in procurement of foodgrains and payment to farmers. In her budget speech for the next fiscal, she said the procurement of crops like paddy, wheat, pulses and cotton has jumped manifold in the last six years.

### **Boost For Electric Mobility; Railways**

Finance Minister Nirmala Sitharaman proposed 100% electrification of railways by 2030 along with plans to boost the share of public transport in urban areas during the Union

Budget 2021 address. The government has announced an outlay of INR 18,000 Cr for the same for the 2020-21 period.

Stressing on the need for greater commercialisation, the FM allocated INR 1,70,000 Cr as budgetary allocation for the transport sector for 2020-21. She added that the National Highways Authority of India (NHAI) will be encouraged to pursue “greater commercialisation of highways to raise finance”.

Besides proposing highway works in several states such as Tamil Nadu, West Bengal, Kerala and Assam, all incidentally poll-bound states, the Minister also talked about bringing in metrolite and metroneo technologies, which are rail-guided urban transport systems with rubber-tired electric coaches powered by an overhead traction system running on elevated or at-grade sections, in tier 2 and tier 3 cities.

To boost adoption of EVs and modern low-emission vehicles, the government also announced a voluntary vehicle scrapping policy to phase out old and unfit vehicles. “This will help in encouraging fuel efficient, environment friendly vehicles, thereby reducing vehicular pollution and oil import bill,” Sitharaman said.

Vehicles would undergo fitness tests in automated fitness centres after 20 years in case of personal vehicles, and after 15 years in case of commercial vehicles.

### **Expansion Roadmap or National Education Policy**

Taking forward the National Education Policy (NEP) announced in 2020, Finance Minister Nirmala Sitharaman said during the Union Budget 2021 address that the government will extend this programme through specific schools for regional implementation of the policy. The FM also announced measures to enhance skill development initiatives across the country.

More than 15,000 schools will be qualitatively strengthened to include all components of NEP. They will hand hold and mentor other schools in their region. She announced that 100 new Sainik Schools will be set up in partnership with NGOs, private schools and states.

Taking forward the plans to set up a Higher Education Commission announced in last year's budget, Sitharaman announced that a legislation for the same will be implemented in 2021. It will be an umbrella body for standard setting, accreditation, regulation and funding.

## State VC fund for startups on anvil, to open up govt market: Kerala CM

*source: [conomictimes.indiatimes.com/tech/startups/state-vc-fund-for-startups-on-anvil-to-open-up-govt-market-kerala-cm](https://economictimes.indiatimes.com/tech/startups/state-vc-fund-for-startups-on-anvil-to-open-up-govt-market-kerala-cm)*

The Kerala chief minister said startups have already been given complete exemption in their rent for four months and there will be a partial exemption in the rent amount for the next three months.

Kerala Chief Minister Pinarayi Vijayan on Tuesday said his government was looking into the possibility of setting up a dedicated Venture Capital (VC) fund for startups, besides opening up the government market for startup consortiums and hiking the special fund for startup development.

A proposal to set up the VC fund with the backing of public sector Kerala Bank and Kerala State Industrial Development Corporation (KSIDC) is under active consideration, he said during an interaction with startups founders, organised by Kerala Startup Mission (KSUM) here last evening.

Noting that these initiatives would further strengthen the robust government-startup relationship, the CM said the proposals for startups announced in the state budget for 2021-22 would be implemented at the earliest. "It is the policy of the government to offer necessary financial aid to startups to blossom. The government will consider increasing the special fund for the development of startups. Besides, the state will take further measures to enable entrepreneurs to improve their skills," Vijayan said.

The government would think about earmarking more funds to strengthen the marketing side of startups.

"They can create a strong impression in the national and international level through expos and industrial cooperation.

From this year the government has decided to form an 'International Launching Pad' for startups," he added.

Elaborating on various schemes and events of KSUM, Vijayan said women entrepreneurs would get up to Rs 15 lakh as loan.

Startups led by women have been given a moratorium of two years for the aid from KSUM. For facilitating investment of NRIs in startups, there are programmes like annual Seeding Kerala event and monthly Investor Cafe.

The Chief Minister said startups have already been given complete exemption in their rent for four months and there will be a partial exemption in the rent amount for the next three months.

"Under KSUM's Fund of Fund scheme, 11 startups have been given aid through Kerala Specific Angel Fund, which is the first-of-its-kind in the country," he added.

According to startup circles, the move would enable more startups to participate in big government tenders.

This is a novel model to bring business to startups through the government.

The budget also has proposed to bring in startup innovation zones in government departments, which will help evolve problem-solving innovations for the benefit of the public.

Around 100 startup founders, 70 of them online, made suggestions and demands for further strengthening the startup ecosystem in the southern state.

KSUM is the nodal agency for entrepreneurship development and incubation activities in the state.

## 28 non-official members nominated to National Startup Advisory Council

*Date: Jan 19, 2021,*

*source: <https://economictimes.indiatimes.com/tech/startups/28-non-official-members-nominated-to-national-startup-advisory-council/>*

**Byju's founder and chief executive Byju Raveendran and Kris Gopalakrishnan from Axilor Ventures are among the non-official members nominated to the council**

The government on Tuesday nominated 28 non-official members including Byju's founder and

CEO Byju Raveendran and Kris Gopalakrishnan from Axilor Ventures on the National Startup Advisory Council.

The council was set up last year to advise the government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country.

“The Central Government has now decided to nominate the non-official members on the National Startup Advisory Council representing various stakeholders,” the Department for Promotion of Industry and Internal Trade (DPIIT) said in a statement.

It said these include founders of successful startups, veterans who have grown and scaled companies in India, persons capable of representing the 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. The term of the non-official members will be for a period of two years.

The council, which aims to foster a culture of innovation amongst citizens and students, promote innovation, and promote creation, protection and commercialization of intellectual property rights, is chaired by the commerce and industry minister.

The members include CII President Uday Kotak, Kunal Bahl (Snapdeal), Bhavish Aggarwal (Ola), Sanjeev Bikhchandani (Info Edge), Abhiraj Singh (Urban Company), among others.

## STARTUP STORIES

### SaaS startups are already walking the revival road

Source: <https://www.financialexpress.com/industry/sme/saas-startups-are-already-walking-the-revival-road-venkat-vallabhaneni-managing-partner-inflexor-ventures>

SaaS was a fairly new term/ concept back in 2015, with slow adoption on both B2B and B2C fronts.

While it is clear that the Covid-19 pandemic and related lockdown/social distancing has impacted almost all businesses globally, there are some sectors particularly within technology that are experiencing tailwinds. Especially the

ones that make work or business continuity from home more productive and safe, like cloud-based SaaS software companies, says Venkat Vallabhaneni, managing partner, Inflexor Ventures, an early-stage, sector agnostic tech VC fund. “SaaS companies have an edge as they are asset light with quick and easy DIY type adoption, have recurring revenue models and also lend themselves well to WFH,” he tells Sudhir Chowdhary in a recent interview.

### Why are you focusing on deep tech and SaaS at Inflexor? Is the SaaS space in India yet to achieve its full glory?

Jatin Desai (managing partner) and I both come with a strong technology background—having set up and led technology divisions for global banks, and also having scaled our own tech focused ventures in the past. Deep tech/SaaS are an obvious choice for our investment thesis/ethos. Also, SaaS companies have an edge as they are asset light, offer quick and easy adoption, offer non-linear growth and have recurring revenue models.

We are a sector-agnostic fund, looking for products leveraging strong technology/IP/innovation to differentiate and create a mark for themselves in domestic and international markets. B2B, enterprise software platforms are where our sweet spot lies. Having said that, we are comfortable investing in selective B2C consumer tech and products with differentiated business model and technology IP.

Indian SaaS industry has 1,000-plus companies, generating revenues of \$3.5 billion in FY20. Around 150 companies out of these generated an ARR of more than \$1 million. Around seven of them are unicorns with the likes of Zoho, Freshworks, Druva, Postman, etc. And 75% of the demand for Indian SaaS products comes from overseas. If this is any indication, we have great things to be witnessed from this space in the future.

### Do you see any challenges in SaaS startups post Covid?

While the pandemic and related lockdown has impacted almost all businesses globally, there

are some sectors particularly within technology, like cloud-based SaaS software companies, that are experiencing tailwinds. Especially the ones that make work or business continuity from home more productive and safe, or OTT platforms with their endless choice of content to keep people entertained.

Another SaaS based industry which has seen substantial uptick in Covid-19 times is edutech with significant interest from K-12 kids as well as millennials looking to upskill themselves from the comfort of their homes. Our Fund-II portfolio companies offering SaaS solutions in EduTech, cybersecurity, automation are seeing some significant tailwinds with actual sales or in-bound leads up by 3X to 4X compared to pre-Covid-19 times.

SaaS was a fairly new term/ concept back in 2015, with slow adoption on both B2B and B2C fronts. But with increased awareness of its benefits, it has become a preferred business model. Covid-19 has given it the necessary push for rapid digitalisation and acceleration in digital adoption by users.

### Which are the sectors that you focus on?

Few of the sectors that we are focusing more from our Fund-II are fintech, healthtech, edutech, consumer tech and also opportunistic sectors such as space tech. From a SaaS perspective, the maximum emergence we are observing is from healthtech with several startups offering EMR maintenance, efficient last mile distribution of medicines, B2B platforms assisting with scans for quick diagnosis of Covid-19 and other ailments, etc.

Another space would be enterprise tech offering B2B solutions to not only improve their internal processes but also increase their reach and revenues.

### What is the opportunity available for SaaS in India and globally?

SaaS companies (from the mid players to the world giants) has been receiving immense traction, especially in the last few months and is expected to continue so. VCs investing \$32 billion globally in 2019 in SaaS companies clearly

demonstrate the faith they have in their growth. India has the geographical advantage to price its SaaS products substantially lower compared to its global peers, to attract customers.

Also, India's young demographic (forming a significant portion of India's huge user base) with its massive consumption of easily accessible internet content becomes a magnet for companies to setup as well as invest in India.

### Amazon partners with Startup India to launch accelerator programme Propel

Jan 19, 2021,

source:<https://economictimes.indiatimes.com/tech/startups/amazon-partners-with-startup-india-to-launch-accelerator-programme-propel/>

**The top three startups in the programme will also have a chance to win a \$50,000 equity-free grant from the e-commerce giant.**

US online retail giant Amazon said it has partnered with Startup India to launch an accelerator programme - Propel - for early-stage Indian consumer brands focused on selling their products to customers in global markets. Propel, which is part of Amazon's Global Selling programme, will look to identify 10 early-stage consumer product startups in India, mentor them and help them build successful export businesses with insights and learnings from other brands that sell on Amazon.

Amazon has also partnered with Sequoia Capital India and Fireside Ventures to aid the startups in potentially raising capital from the VCs, while the top three startups in the programme will also have a chance to win a \$50,000 equity free grant from the e-commerce giant.

"Amazon Global Selling, our flagship program to grow exports from India is witnessing tremendous momentum with increasing interest from exporters across India. With Amazon Global Selling we will continue to make exports simple and accessible to businesses of all sizes and fulfil our commitment of enabling \$10 billion in e-commerce exports from India by 2025," said Amit Agarwal, Country Head at Amazon India.

The accelerator programme will have a six-week mentorship event for startups, during which they will also receive aid from Amazon to launch their products on its global selling programme, giving them access to the US firm's fifteen other marketplaces, including the US, Germany, and Japan.

Amazon says it has seen a significant surge in interest from Indian MSMEs to export products due to the Covid-19 pandemic. The company claims it has over 70,000 sellers that now export from India, with several of them seizing the global selling opportunity as sales in the domestic market have stuttered.

Toys, home and furnishing products, personal care products, natural healthcare products, and arts and crafts are among the best selling categories from Indian sellers on Amazon's overseas marketplaces, the company says. In July last year, Amazon said that it had crossed \$2 billion in cumulative exports from India since it started its Global Selling programme in 2015. When Jeff Bezos, founder and CEO of Amazon, visited the country last year, he announced a \$1 billion investment in digitising MSMEs and growing exports from India to \$10 billion by 2025.

## **Antler ropes in Nitin Sharma as Partner and co-lead for India market/**

**20 January 2021**

source:<https://economictimes.indiatimes.com/tech/startups/antler-ropes-in-nitin-sharma-as-partner-and-co-lead-for-india-market/>

**Sharma has invested in more than 50 tech startups in multiple geographies. He previously worked with NEA and was a founding team principal at Lightbox Ventures in India.**

Early-stage venture capital platform Antler has appointed FirstPrinciples VC founder Nitin Sharma as Partner and co-lead for the Indian market.

“Antler aims to invest over \$100M in India across funds in the next four years. These funds will support founders from the idea stage, all the way to Series A and B. Nitin will co-lead the India efforts with Rajiv Srivatsa, co-founder of

Urban Ladder,” the company said in a statement.

Sharma has invested in more than 50 tech startups in multiple geographies. He previously worked with NEA and was a founding team principal at Lightbox Ventures in India. “While opportunities in India are boundless, a few key gaps persist especially at the seed and pre-seed stage: a truly global partner that can bring institutional resources and significant follow-on commitment even at the idea stage,” said Sharma. “This is exactly why Antler can fill the gaps and have a transformative impact.” Sharma-founded FirstPrinciples VC is a thesis-driven syndicate and portfolio of more than 35 startups, including Fynd (acquired by Reliance), OnJuno, Niki, Kutumb, SharesPost (acquired by Forge) and XOKind. Its portfolio startups will now have access to Antler's vast global network, capital and resources, according to the statement.

“Nitin's hands-on approach and international experience is immediately recognised by numerous founders in the market, and with our combination of an ex-founder and an investor working in tandem, we will help founders in India with a very rich set of perspectives,” said Srivatsa, co-lead, Antler India.

An MBA from The Wharton School, Sharma serves on the India Advisory Boards of AngelList, the USC Viterbi School of Engineering, and TheBetterIndia, and has advised the government policy think tank (Niti Aayog) on frontier tech policy making.

Antler has offices in London, Berlin, Bengaluru, Stockholm, New York, Singapore and Sydney. Founded in Singapore in 2017, Antler has invested in over 250 companies so far. “India is a priority market in Antler's objective to create a world-changing impact. India is a hotbed of innovation and we are thrilled to double-down on the market with this leadership team,” said Magnus Grimeland, founder and CEO, Antler.

## STARTUP FEATURE

### These 5 startups are building innovative tech solutions to support India's defence sector

Date: 26 January, 2021

Source: <https://yourstory.com/2021/01/republic-day-2021-startups-building-innovative-tech-supporting-defence>

India houses around 194 defence tech startups that are building innovative tech solutions to empower and support the country's defence efforts. This Republic Day, YourStory brings you a list of some of these companies.

In India, aerospace and defence is one of the most important sectors of the country, which accounts for almost 1.6 percent of the national GDP. According to a recent report by consultancy firm Maier+Vidorno, the aerospace and defence industry in India is estimated to reach around \$70 billion by 2030. The report stated that a huge portion of the Indian defence needs is, however, fulfilled via imports. As the country strives to become *aatmanirbhar* or self-reliant, the government has been pushing innovators to come up with cutting-edge Made in India technology to empower the defence sector. Last August, Prime Minister Narendra Modi stressed up the need for local defence manufacturing. And playing a major role to fulfil this mission is the Indian startup ecosystem. In 2018, the Ministry of Defence earmarked Rs 500 crore to encourage MSMEs and startups through its Innovations for Defence Excellence (iDEX) initiative. Then, in 2019, the government announced its plans to fund at least 250 defence startups over the next five years. Several startups have been developing technologies to help the armed forces, Defence Public Sector Undertakings (DPSUs), and Ordnance Factory Board (OFB). According to government data, India has around 194 startups in the defence tech space. On India's 72nd Republic Day, YourStory brings you a list of tech startups working to support and empower India's defence efforts.

**EyeROV** Kochi-based EyeROV is working towards enabling efficient underwater inspection with its marine robotic solutions and solve problems for several industries, such as defence,

ocean research organisations, shipping, oil and gas, infrastructure, and construction. Founded in 2016 by Johns T Mathai and Kannappa Palaniappan P, EyeROV is developing India's first commercial underwater drone for remote inspection of offshore assets. "With human divers, there are either inspection delays or lack of expertise. They are able to dive only up to 30-40 metres, whereas an ROV drone can go up to 100 or 200 metres below sea level," Johns explained. The startup's first industrial-grade underwater drone EyeROV Tuna was commercially launched in 2018. It claims the 50cm X 50cm X 50 cm cube-shaped ROV has completed more than 1,000 hours of underwater inspection of dams, bridges, ports, ship hulls, oil and gas assets, and other critical underwater structures across 25 projects in five states. EyeROV, which won the iDEX Defence India Startup Challenge in 2019, onboarded Defence Research and Development Organisation (DRDO) as its first customer. Backed by Maker Village Kochi, Kerala Startup Mission, and GAIL, the startup has completed over 15 pilot projects for Adani Power, Coastal Police, BSF, Kerala Fire and Rescue, Kerala Police, and Assam Fire and Rescue. EyeROV was also a part of YourStory's Tech30 list in 2020 for building innovative ROV drone solutions for data-led reporting in marine operations.

**Optimized Electrotech** Ahmedabad-based Optimized Electrotech, which was also one of the winners of the iDEX Defence India Startup Challenge in 2019, is solving surveillance-related challenges with its long-distance imaging systems. Founded in 2017 by Sandeep Shah along with Anil Yekkala, Dharin Shah, Kuldeep Saxena, and Purvi Shah, Optimized Electrotech is an electro-optics surveillance startup which aims to work with the defence, paramilitary forces, aerospace, airports, critical assets, among other industries. In an earlier interaction with YourStory, Sandeep had explained that the electro-optics system captures information by converting data from photons into images that can be automatically interpreted and coupled with other sensors for a better understanding. Different ranges of the electromagnetic spectrum can provide different insights into the im-



ages captured. The startup works with 400 nm to 12 $\mu$  range, the visible light spectrum, in order to provide image analysis for several applications such as border security, machine vision, etc. “Electro-optics has various applications, including surveillance for smart cities, satellite-based imaging, border surveillance, medical imaging, access control, machine vision, automotive (advanced driver-assistance systems, i.e. ADAS), and consumer electronics. However, the idea of being able to serve our country led us to focus on enhancing homeland security and defence capabilities,” he added. The startup’s first line of product, deployed for border surveillance, the InfiVision series has been designed to detect a tank in more than 30km range. Its MistVision series provides a long-range electro-optics system for fog penetration while its ClearVision series helps in high spectral-range surveillance in all weather conditions. The NoctVision series is designed to perform surveillance at night. “We work with Homeland Security (MHA) and Defence (MOD). Our products are useful for CISF to guard strategic assets; for BSF, ITBP, AR, and Coast Guard to keep a watchful eye on trespassing at borders; for CRPF and all Central and State Police forces for better law implementation within cities, and finally Army, IAF and Navy for ISR (intelligence, surveillance, and reconnaissance),” Sandeep said.

**ideaForge** Mumbai-based ideaForge is not a new name in the defence and surveillance sector. The drone startup, which claims to have over 90 percent of market share in the security and surveillance segment, was founded in 2007 by IIT Mumbai alumni Ankit Mehta, Rahul Singh, Vipul Joshi, and Ashish Bhat. The company is involved in manufacturing drones for defence, homeland security, and industrial applications. The drones built by ideaForge have been deployed by the Indian Armed Forces, central armed police forces, and state police forces. It also has industrial customers in geospatial surveying, oil and gas, mining sectors. Earlier this month, the startup bagged a \$20 million contract from the Indian Army for the delivery of its high-altitude variant product – Switch Un-

manned Aerial Vehicle (UAV). According to the company, Switch UAV is an indigenous system developed to cater to the most demanding surveillance operations of the Indian Armed Forces. The Fixed-Wing VTOL (Vertical Take-off and Landing) UAV has been designed to be deployed at high altitude and harsh environments for day and night for intelligence, surveillance, and reconnaissance (ISR) missions. Apart from helping the armed forces for defence, the startup has also been trying to fight the current COVID-19 situation. In April, it joined hands with police forces in Sangli (Maharashtra) and Guwahati (Assam) to deploy its drones for surveillance and monitoring COVID-19 social distancing norms during lockdown.

**Vinveli Iowa** and Chennai-based Vinveli is building indigenous UAVs or drones for Special Forces under the Ministry of Home Affairs, such as the National Security Guard and the Central Reserve Police Force, and the Ministry of Defence. The startup was founded in 2014 by Gokul Anandayavaraj, an aerospace engineer from the University of Texas along with his college friends Yuan Qu and Eshan Halekote. The Iowa Startup Accelerator-backed startup has been manufacturing and supplying drones to India’s Special Forces since 2016. Its clientele also includes the National Security Guard, Central Reserve Police Force, and the Ministry of Defence. In an earlier interaction with YourStory, Gokul had explained that the startup builds the drones upon receiving orders from the clients. The startup works with them to thoroughly understand the requirements from the UAV and builds them accordingly. “Our drones have helped save lives in the battlefield as the machine is placed in front of the commando, taking the first hit while eliminating the enemy of the commando,” Gokul said. Vinveli also has two Indian patents. According to the startup, its launcher and firing systems are completely indigenously designed and manufactured and the raw materials are also procured locally

**Nyokas Technologies** Kochi-based Nyokas Technologies, which was also one of the winners of iDEX 2019, is an ultra-smart clothing startup. It is involved in building individual pro-

tection systems or body armour through an amalgamation of nano-materials, textiles, electronics, and software. Founded in 2017 by Ajay Sangwan, Vivek Jose, Rohit T, and Teny Thomas, the startup has developed a wearable monitoring T-shirt with built-in sensors to track vitals of the wearer. It has also developed a wearable jacket Zeal to empower civilians to protect themselves from assault or life-threatening situations. In case of a situation where the user gets grabbed and attacked by someone, the pressure-activated sensors will understand the danger and immediately alert the nearby authorities about the attack through the official app. According to the startup, it is aimed at developing an ecosystem for high-tech clothes in India through nano-science and fashion technology.

## STARTUP FUNDING

### PM Modi announces Rs 1,000-crore seed fund for startups

*Date: January 17, 2021*

*Source: <https://www.financialexpress.com/industry/sme/pm-modi-announces-rs-1000-crore-seed-fund-for-startups>*

Through the GeM portal, local startups have been given the opportunity to participate in government tenders at par with big companies.

Prime Minister on Saturday announced a Startup India seed fund worth Rs 1,000 crore to enable startups to raise initial funding. “This will help to start and grow new start-ups,” Modi said at the Prarambh Start-up India International summit. Going ahead, the government will also help startups to raise debt capital by providing guarantees, Modi said, adding, “India is trying to create a startup ecosystem which will be based on the key principle of the youth, by the youth and for the youth.”

Modi said India today has the world’s third-largest startup ecosystem. The country has more than 41,000 startups of which more than 5,700 startups are in the IT sector. As many as 3,600 startups operate in the health sector, while nearly 1,700 startups are present in the agriculture sector, the PM said, emphasising that these startups are changing the

“demographic characteristics of businesses”. “The biggest USP of the startup world is its disruption and diversification capacity,” Modi said. Through the GeM portal, local startups have been given the opportunity to participate in government tenders at par with big companies.

Modi said about 8,000 startups have registered on the portal so far and done business of nearly Rs 2,300 crore. He lauded the startups for coming up with innovative solutions during the pandemic and supporting the government’s efforts to normalise economic activity. More than 10 startups across sectors ranging from beauty to payments turned unicorn in 2020 against nine in 2019.

The two-day Prarambh Startup India International Summit marks the fifth anniversary of the Startup India initiative launched by the Prime Minister on January 16, 2016.

### Healthtech startup MFine raises \$16M led by Heritas Capital

*18th Jan 2021*

*source <https://yourstory.com/2021/01/funding-healthcare-startup-mfine-heritas-capital>*

Healthtech startup MFine plans to use this funding to reinforce its position in delivering an AI-driven, on-demand healthcare service across India.

Healthtech startup MFine has raised \$16 million in funding led by Heritas Capital. The round also saw participation from Singapore-based family office Y’S Investment Pte Ltd. Existing investors SBI Investment, SBI Ven Capital, BEENEXT, and Alteria Capital have also followed-on in the round. A statement shared by Prime Venture Partners, an investor in MFine, state that the oversubscribed round wraps up a strong year for MFine with the company achieving 10X growth amidst exponential adoption of telemedicine and digital health in India in 2020.

The statement added MFine will deploy the funds towards tripling its investments in AI, mobile engineering, and device integration; expanding its hospital network across the country; scaling the recently launched services which include delivering medicines, preventive health screenings, and diagnostic tests. The

company will also initiate Series C fund raising in the coming months. With this fund raise MFine plans to reinforce its position in delivering an AI-driven, on-demand healthcare service across India, and aims to be one of the largest virtual hospitals in the world with services across primary care, secondary care, and chronic care management in collaboration with its trusted partners.

## HRtech Startup Darwinbox Raises \$15 Mn From Salesforce Ventures To Expand Globally

*Date: 19 Jan'21 Source: <https://inc42.com/buzz/hrtech-startup-darwinbox-funding-salesforce-ventures>*

HRtech startup Darwinbox has raised \$15 Mn funding led by Salesforce Ventures, the investment arm of global SaaS giant Salesforce, to expand its global footprint and accelerate entry into Southeast Asia and the Middle East, the company announced on its website.

With the capital raised, Hyderabad-headquartered Darwinbox would be hiring for several leadership positions in India and globally and onboard partners to reach and serve more enterprise customers. Darwinbox said it would be hiring 200 people across geographies, and utilising the funds for AI and ML development and data analytics for enterprises.

Darwinbox was founded in 2015 by Jayant Paleti, Rohit Chennamaneni, and Chaitanya Peddi. It raised \$4 Mn in Series A round in 2017, which was led by Lightspeed India Partners. Other investors participating in the round included Endiya Partners, Mohandas Pai's 3one4 Capital and Startupxseed Ventures. In September 2019, Sequoia Capital India led a \$15 Mn Series B round in the company, along with Lightspeed, Endiya and 3one4. The latest investment brings the total funding for the company to \$35 Mn

## Ripplr Raises \$3 Mn In Series A From Zephyr Peacock

*Date: 19 Jan'21*

*source: <https://inc42.com/buzz/ripplr-raises-3-mn-in-series-a-from-zephyr-peacock>*

Bengaluru-based logistics and distribution startup Ripplr has raised \$3 Mn in Series A

funding round from private equity fund Zephyr Peacock India Growth Fund and Chand family office, Yukti. Existing investor 3one4 Capital also participated in this round.

Ripplr was founded in June 2019 by Abhishek Nehru and Santosh D. It offers an AI/ML-based distribution platform that bridges the gap between brands and unorganised retail, solving for both distribution and information asymmetry at both sides. It further helps its customers optimise operations across the value chain.

The company deploys predictive analytics to manage demand and inventory for both brands and retailers, providing real-time information on sales orders, inventory and delivery status through customised dashboards. The brand uses these analytics with suggestive planning algorithms to reduce wastage and loss of sale at retail endpoints.

## STARTUP ACQUISITION

### Edtech unicorn BYJU'S acquires Blackstone Group-backed Aakash Educational Services for \$1B

*12th Jan 2021*

*source: <https://yourstory.com/2021/01/edtech-unicorn-byjus-acquires-aakash-blackstone-group>*

Edtech unicorn BYJU'S is making the news again, this time for a billion-dollar acquisition. According to reports, BYJU'S has acquired brick and mortar education player Aakash Educational Services (AES) for \$1 billion. Although BYJU'S and Aakash are yet to confirm the deal, this would be a significant move in the online learning and test prep space. Aakash Educational Services is present in around 200 locations, with media reports saying that AES has half-a-million paying students enrolled in its programmes. BYJU'S has close to five million paying students out of around 80 million users. When combined, this would be a significant deal as it would focus on the 'phygital' approach to teaching students in secondary education, and preparing them for entrance exams. BYJU'S is valued at \$12 billion and is backed by Facebook Founder Mark Zuckerberg's Chan Zuckerberg Initiative, Tiger Global Management, and Bond Capital. Blackstone Group, the PE fund, has backed Aakash Educa-

tional Services and it would, if the deal is inked, own less than 5 percent of BYJU'S. According to reports, the Aakash family may get a cash payout of \$300 million.

BYJU'S CEO Byju Raveendran, in an earlier conversation with YourStory, pointed out that the recent acquisitions of WhiteHat Jr and Osmo were two significant deals undertaken by the edtech giant as part of its growth and expansion plans. Osmo, a US-based startup that was acquired by BYJU'S for \$120 million last year, develops apps for children by using offline inputs. Byju Raveendran revealed that as a company, he found Osmo's acquisition as an opportunity to add a hands-on online experience for their students.

Similarly, WhiteHat Jr, which predominantly focuses on coding for kids, was acquired by BYJU'S in August 2020 for \$300 million to focus as an add-on to what BYJU'S already offers. The acquisition was one of the biggest deals in the edtech space. Byju also highlighted that he is confident about the quality of content his company brings to the table. He said: "I am very bullish about what technology can do for the edtech sector. Active learners are key. It's awareness that we are trying to create and are truly convinced about."

## Flipkart-Aditya Birla Fashion deal gets approval from CCI

Jan 20, 2021,

SOURCE:<https://economictimes.indiatimes.com//tech/startups/flipkart-aditya-birla-fashion-deal-gets-approval-from-cci/articleshow/>

Bengaluru: The Competition Commission of India (CCI) has approved the Rs 1,500-crore Flipkart-Aditya Birla Fashion deal, giving a leg-up to the online fashion retail business of the Walmart Inc.-owned company.

"Commission approves acquisition of a 7.8% minority stake in Aditya Birla Fashion and Retail Ltd by Flipkart-Aditya Birla Fashion deal gets approval from CCI.

The Flipkart-ABFRL deal, announced in October 2020, will give much-needed capital to Aditya Birla Fashion Retail Ltd., at a time when the pandemic kept its stores closed and offices shut for most of last year. The company oper-

ates Pantaloons and is the owner of office-wear brands such as Allen Solly and Peter England. ABFRL, which has a network of 3,004 stores, plans to use the funds to strengthen its balance sheet, scale up existing businesses and increase its presence in emerging high-growth categories such as innerwear, athleisure, casual and ethnic wear.

"Through this transaction with ABFRL, we will work towards making available a wide range of products for fashion-conscious consumers across different retail formats across the country," Flipkart Group CEO Kalyan Krishnamurthy had said while announcing the deal.

Flipkart's move to acquire stakes in offline fashion retailers is part of its broader strategy of expanding operations and leveraging strategic partnerships to keep cost structures lean in an increasingly competitive environment. In July last year, Flipkart Group acquired a significant minority stake in Arvind Fashions' subsidiary Arvind Youth Brands for Rs 260 crore.

## Zomato Acquires Sports Discovery Startup Fitso For Over 80 Cr

22 Jan'21

Source:[inc42.com/buzz/zomato-acquires-sports-discovery-startup-fitso-for-over-80-cr](https://inc42.com/buzz/zomato-acquires-sports-discovery-startup-fitso-for-over-80-cr)

Indian foodtech unicorn Zomato has acquired full-stack sports facilities provider and discovery startup Fitso in a deal reportedly worth INR 80 Cr-INR 100 Cr.

The deal was first speculated in September last year and more details have emerged now, though an official confirmation is yet to come. This is Zomato's first big acquisition after UberEats' India business, which it bought for \$350 Mn (INR 2554 Cr) in January 2020. It also hints at the company's strategy of diversifying its revenue streams beyond the core food delivery business and into sports and nutrition, which is Fitso's forte.

"The deal has been internally announced by Zomato. Fitso's team along with its cofounders will join Zomato," a source told Entrackr, which first reported the development.

## STARTUP EVENTS >> UPCOMING

**The Makers Summit**  
12-14 March 2021 , India



The Makers Summit 2021 by Inc42 Plus is India's largest product conference which will bring together 10,000+ product founders, leaders and makers working at the intersection of product, marketing, and design – inspiring you to build better products, towards a better India. The agenda for TMS will be shared in due course.

## STARTUP EVENTS >> PAST

**Enterprise Singapore participates in the 'Prarambh: Startup India International Summit'**

Mr Edwin Chow, Assistant CEO, Enterprise Singapore spoke at the recently held Startup India International Summit 2021. He shared how local startups and the global innovation ecosystem can create solutions to solve problems beyond their borders.



## STARTUP FAQs

### 1. What documents would qualify as a supporting document to the application to register as a “Startup”?

- The application shall be accompanied by
- a copy of Certificate of Incorporation or Registration, as the case may be, and a write-up about the nature of business highlighting how it is working towards innovation, development or improvement of products or processes or services, or its scalability in terms of employment generation or wealth creation.

### 2. Do I need to print an application form and submit the physical copy of the same to complete the process of Startup registration?

No. The application has to be submitted online only.

*source:<https://vikaspedia.in/social-welfare/entrepreneurship/startup-india-1/frequently-asked-questions>*

For Feedback & Comments, please contact:

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