

Startup Watch

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STARTUP POLICIES

Bangalore Bioinnovation Centre News – Startup Genome Partnership

Source: <https://youstartups.com/bangalore-bioinnovation-centre-news-startup-genome-partnership>

Startup Genome and the Government of Karnataka today announced a collaboration to further accelerate growth in Karnataka's startup ecosystems. The two entities will work closely to support and promote startup ecosystems not only in fast growing cities such as Bangalore, Mangalore and Mysore but also cities in North Karnataka.

With more than 100 clients across six continents in 40+ countries to date, Startup Genome is the leading research and policy advisory organization for governments and private institutions committed to advancing startup ecosystems. Startup Genome's Global Startup Ecosystem Report (GSER), the world's most comprehensive and widely-read research on startups, will include notable startups in Karnataka in the next edition of the report.

"Karnataka's startup ecosystems have the potential to change the world on an enormous scale, especially in the subsectors of biotechnology and healthtech," said Marc Penzel, Founder and President of Startup Genome. "We are proud to build on the important work that's already been done to establish Karnataka as an important tech hub and bring more global exposure to it."

The Government of Karnataka has created multiple organizations to support startup growth such as Bangalore

BioInnovation Centre (BBC) under the aegis of Karnataka Innovation & Technology Society (KITS) Department of Electronics, IT, BT and S&T, Government of Karnataka. BBC operates the largest biotechnology startup hub in India and was created as a joint initiative of the Department of Biotechnology, Government of India and Department of Electronics, IT, BT and S&T, Government of Karnataka. KITS acts as nodal agency of the Department to provide support to startups, entrepreneurs, and researchers in life sciences, healthcare, agriculture, industrial and environmental biotechnology, IT and Electronics fields.

Additionally, Startup Genome will also interface with KITS in order to better collaborate with industry, academia, incubators, accelerators, and corporates to promote the startup ecosystem in Karnataka. KITS has partnerships with 21 countries under the Global Innovation Alliance program, and helped Karnataka craft India's first startup policy before India launched a national policy.

The BBC's new partnership with Startup Genome will create more opportunities for local startups to get national and international exposure.

Speaking on the occasion, Dr E V Ramana Reddy, IAS, Additional Chief Secretary, Department

of Electronics, IT, BT and S&T, Government of Karnataka and Chairman, BBC said, "This collaboration between BBC and Startup Genome will not only provide global exposure to startups but also help Karnataka emerge as one of the most powerful innovation hubs globally."

"We are committed to strongly supporting our innovation ecosystem, and we have no doubt the next few years will see substantial expansion", said Managing Director of KITS, Ms Meena Nagaraj, IAS.

"Collaborating with an international organization like Startup Genome will help in our mission to ensure startups have the opportunity to grow and get attention around the world," said Dr. Jitendra Kumar, Managing Director of Bangalore BioInnovation Centre.

ADIF aims to make Indian startup ecosystem among top 3 globally by 2030

Source: <https://www.financialexpress.com/industry/sme/adif-aims-to-make-indian-startup-ecosystem-among-top-3-globally-by-2030>

The issues that startups face with Google Playstore and Apple's App store can be the point to start conversation with a lot of startups, and bring them on board to find out the path that suits both sides, Alliance of Digital India Foundation (ADIF) executive director Sijo Kuruvila George told PTI.

Digital startup think tank ADIF plans to make the Indian startup ecosystem among the top three globally by 2030, with focus on boosting knowledge base, driving collaboration and finding the right policy framework to drive growth, a senior official of the organisation said on Wednesday. The issues that startups face with Google Playstore and Apple's App store can be the point to start conversation with a lot of startups, and bring them on board to find out the path that suits both sides, Alliance of Digital India Foundation (ADIF) executive director Sijo Kuruvila George told PTI.

"We are now the third-largest startup market globally and are home to over 50 unicorn startups, only behind the US (122) and China (92). While we are third largest in terms of size, the Indian startup ecosystem hovers around the twenties in terms of rankings. "If we are the

third-largest in size, we should aim to be at least third in terms of ranking as well. Our mission is to transform the Indian startup ecosystem to be among the top three globally by the year 2030," George said. He said that the ADIF will look at building a trust alliance of founders in the coming days where a lot of knowledge sharing can take place.

"At ADIF, we will compile this knowledge and take it to our young entrepreneurs and help fuel the next wave of entrepreneurs. "Furthermore, our ecosystem is still very nascent, so it's understandable that the policies haven't fully caught up. ADIF will thus also focus on advocating for favourable policies, figuring out solutions that are in the best interest of everyone and driving them," George said. Google has proposed to charge up to 30 per cent on revenues earned by apps through its Playstore in line with Apple's policies. George said that most of the apps and startups in India don't have high margins, therefore, there is a need for ADIF to discuss the matter with startups.

He said that the state of Arizona has come up with guidelines on app store fees which is an early sign to start with. "Given the importance some of these issues have, I think it is a very interesting conversation to have. We completely acknowledge that it (30 per cent cut on apps earning) is a problem. All of us need to figure out the right way to go forward. Either by regulation or by way of collaboration," George said. He said that there are issues around angel investors, cross border payments etc where ADIF will work to bring in improvements.

STARTUP STORIES

12 early-stage startups signalling Chennai's rise as a key innovation hub in India

source: <https://yourstory.com/2021/07/12-early-stage-startups-signalling-chennais-rise-startup-hub>

In H1 2021, Chennai raised \$73.8 million across 17 deals. The SaaS capital of India is slowly but steadily rising to be a key startup hub of the country. Here are 12 early-stage startups from Chennai to watch out for.

Chennai, or the SaaS capital of India, is fast be-

coming one of India's key startup hubs. Between January and June 2021, Chennai attained the 6th spot among the eight Tier-I cities in terms of number of deals (17), as well as amount of funding (\$73.8 million) raised. From January 2015 to June 2021, Chennai startups have raised a total of \$1.6 billion across 199 deals. While the maximum concentration of deals is at the early stage, the volume of funding is highest at the growth stage. Amid the pandemic, investors have also been testing waters in different niche sectors, giving rise to the number of early-stage deals. According to Rohini Prakash, Founder, Tomorrow Capital, one of the primary reasons is the Tamil Nadu government's aggressive promotion of the rising startup ecosystem through the presence of a large number of Special Economic Zones (SEZ) in Chennai and business and trade laws that offer a competitive and hassle-free environment for startups and new businesses.

"This, coupled with fast-paced infrastructure development and a strong IT talent base, is attracting more startups to the region. The lower cost of living in Chennai — compared to cities like Delhi, Mumbai, or even Bangalore — is another factor," she adds.

India's first venture fund by startup founders launched with US\$ 85 million corpus

SOURCE:<https://www.ibef.org/news/indias-first-venture-fund-by-startup-founders-launched-with-u-85-million-corporus>

Founders Mr. Girish Mathrubootham of Freshworks, Mr. Manav Garg of Eka Software, Mr. Shubham Gupta ex-Matrix, and Mr. Avinash Raghava ex-Accel have teamed together to establish a founders-first company called Together Fund in an effort to boost entrepreneurial enthusiasm in India.

The fund, which has a US\$ 85 million initial capital, aims to assist India's finest SaaS entrepreneurs in building, scaling, and winning together, therefore creating India as a true product country. Together Fund is India's first and only venture capital fund run by founders. They op-

erate some of India's most well-known SaaS businesses in addition to being founding partners of Together.

In a seed, pre-A, or Series A round, the fund will invest between US\$ 250,000 and US\$ 3 million. Founders want to be the first institutional investor because it allows them to perform the heavy lifting in terms of assisting entrepreneurs in building products and achieving product-market fit at the critical zero to one stage of the startup journey.

Apart from their time and skills, the Together Fund will provide access to a network of over 150 operators that can assist companies with operational knowledge, networking, and tactical context guidance. They will also assist firms in obtaining better vendor partner arrangements as well as open access to the finest CEO trainers.

"Freshworks is a huge firm with more than 3,800 team members and offices all over the world," Mr. Girish Mathrubootham said in a blog post announcing the fund's debut. However, we were only a six-person company operating out of a tiny garage in Chennai over eleven years ago. I didn't have a gilded CV or come from a wealthy household, but that didn't stop me from dreaming big."

"I recognise that not every creator is as lucky, which is why as an angel investor, I have funded more than sixty startups," he continued. While many of these businesses thrived and developed into household brands, it was witnessing undervalued founders transform into ambitious individuals who were confident in their place in the world that brought me the greatest satisfaction."

"Your connection with Together shouldn't only be like having an investor in your company - it will be like having an additional co-founder. I'll be there for you through thick and thin. The sort of investors we hoped to work with when we first launched our own businesses." Mr. Manav Garg of Eka Software said in explaining the concept behind Together.

Mr. Ritesh Arora of BrowserStack, Mr. Kunal Shah of CRED, Mr. Aneesh Reddy of Capillary, and Mr. Gaurav Munjal of Unacademy are among the fund's limited partners.

STARTUP FUNDING

Indian startups on track to raise record amount this year

Source: <https://yourstory.com/2021/07/yourstory-h1-2021-funding-report-indian-startups>

In the first six months of 2021, the Indian startup ecosystem raised \$10.1 billion across 543 deals, and added 15 new unicorns. YourStory Research highlights key trends observed in H1 2021.

India may be faced with an uncertain economic environment after being ravaged by a deadly second wave of the COVID-19 pandemic, but that hasn't deterred global and domestic investors from ramping up the pace and quantum of their investments into the Indian startup ecosystem.

In H1 2021, Indian startup funding touched \$10.15 billion, already exceeding the \$9.94 billion raised in the whole of last year. This was raised across 543 deals from around 1,024 active investors in the ecosystem.

Going forward, Indian startup funding is expected to touch record levels this year, with startups likely to raise anywhere between \$12 billion and \$17 billion funding by the end of 2021, according to YourStory Research.

In the first six months of 2021, 15 startups attained the coveted unicorn status as well while Nazara launched its IPO.

Here are some key trends observed in H1 2021:

- Unique startup count in H1 2021 (491) has already been equivalent to more than 50 percent of total number of unique startups funded in 2020 (746)
- Number of non-outlier deals saw a 32.58 percent increase while the funding amount saw a 48 percent increase in comparison to H1 2020.
- Early-stage startups raised \$1.1 billion across 405 deals, growth-stage startups raised \$1.9 billion across 55 deals and late-stage startups raised \$6.7 billion across 48 deals.
- In terms of amount of funding raised, B2B startups saw a 114 percent growth while B2C startups saw a growth of 107 percent in comparison to H1 2020

- Tier-I startups raised \$9.8 billion funding across 493 deals, while Tier-II startups gained \$64 million across 32 deals.
- Bengaluru startups secured \$5 billion funding in H1 2021 across 171 deals, followed by Delhi-NCR (\$2.8 billion across 164 deals), and Mumbai (\$1.7 billion across 97 deals).
- Tier-II cities that received the most investor attention were Indore and Thiruvananthapuram
- Fintech and financial services sector topped the charts, raising \$1.89 billion across 98 deals. This was followed by edtech (\$1.42 billion across 65 deals), foodtech (\$1.05 billion across 2 deals), ecommerce (\$879 million across 38 deals) and healthtech (\$700 million across 53 deals)

The report offers an in-depth view of the state of funding activity and key trends in the Indian startup ecosystem in January-June H1 2021, a comparison across H1 2015- H1 2021, and an outlook of what 2021 has in store for us in months ahead.

It also depicts the current landscape of active investors in India, Tier-I and Tier-II inclination, sectoral landscape, business model-wise distribution, sectoral landscape, and more.

STARTUP ACQUISITIONS

Meru may explore merger with Mahindra group company

Source: <https://www.pehalnews.in/meru-may-explore-merger-with-mahindra-group-company/>

Mahindra & Mahindra may merge Meru with a group company – almost definitely Mahindra Logistics – to usher in operational synergies and efficiencies following its full acquisition of the radio taxi fleet operator, two individuals acquainted with the matter stated.

The synergies with the logistics arm could possibly be multi-faceted, since Mahindra Logistics is within the enterprise of provide chain and enterprise mobility, which incorporates numerous business verticals comparable to client items, e commerce and prescribed drugs.

The company has been on a path to restoration after being severely impacted by the Covid-19 pandemic and has been earmarked for fast-track progress.

M&M may additionally put Meru's fundraising plans on the backburner. The taxi fleet operator had initiated funding talks with corporations comparable to Japanese automotive leasing agency Orix Auto Infrastructure Services. The discussions had progressed between the promoter of Meru for a potential stake sale to boost about Rs 350-Rs 400 crore. A supply who was a part of the fundraising deal stated M&M doesn't need to burn any extra capital and has no urge for food for additional threat. It's a bit early to touch upon the short-term revival of the demand cycle of each the enterprise to client (B2C) and enterprise to enterprise (B2B) segments because the company step by step emerges out of lockdown-like restrictions and is long-term enterprise progress choices, a company spokesperson stated. Meru's buyers, personal fairness fund True North, and its promoters Neeraj Gupta and Farhat Gupta, have exited the enterprise, after promoting their stakes to M&M.

M&M has plans to make the mobility companies sector turn out to be a Rs 20,000 crore enterprise (by worth) by 2025. The section consists of three key verticals – Transport as a Solution (TaaS), Vehicles as a Solution (VaaS) and Mobility as a Solution (MaaS).

"It makes sense for Meru to play in the high-end, niche or the B2B space and stay away from the mass segment," stated VG Ramakrishnan, managing director of Avanteum Advisors. Post-Covid-19, there was a downturn within the B2C section and Meru wouldn't prefer to burn any extra money, he added.

Meru will look to focus fully on its B2B enterprise focusing on company homes and go sluggish with shoppers. The new enterprise module might be to deliver synergies with the completely different Mahindra companies.

M&M is already an investor in self-drive automotive rental platform Zoom Car India and has built-in Meru EVGO and Mahindra's electrical automobile platform Glyd for metropolis and outstation journey.

Meru is totally on a consolidation mode to optimise prices and enhance profitability. It may take a name on funding and enterprise growth as soon as places of work begin reopening and companies stabilise, sources stated.

Meru had been dropping out to competitors and had began providing area of interest B2B companies, together with offering cabs to corporates.

Its income had fallen to Rs 156 crore in FY2019 from Rs 277 crore in FY2017.

In May this 12 months, Mumbai-based M&M bought out Meru, ending the latter's run as an unbiased entity that had lagged in competing in opposition to experience hailing platforms Ola and Uber.

Meru's growth plans embrace creating infrastructure to function a fleet of over 300 Electric Vehicles (EVs) throughout India, with the eventual aim of accelerating it to 10,000 EVs.

Simplilearn founder Krishna Kumar on the edtech startup's \$250M acquisition by Blackstone

Source: <https://yourstory.com/2021/07/simplilearn-founder-krishna-kumar-blackstone-acquisition-deal/>

Blackstone announced that it was acquiring a majority stake in edtech startup Simplilearn for \$250 million.

The deal provides the edtech startup's investors, who have pumped in Rs 200 Cr of funding, with an almost 7X return on their investments as they exit following the BlackStone deal, Simplilearn Founder and CEO Krishna Kumar says in an interaction with *YourStory* Founder and CEO Shradha Sharma.

Blackstone, a globally recognised investor with a strong track record in the edtech sector, is expected to add "significant value" to Simplilearn due its scale, commitment to building businesses, and its global network that will enable the startup to develop partnerships with businesses and universities as it continues to expand around the world.

STARTUP EVENTS >> UPCOMING**TANSEED 2.0 (Tamil Nadu Startup Seed Grant Fund))****Organized by StartupTN****Registration Deadline: Jul 23, 2021 - Aug 20, 2021****Online Bootcamp - 2nd to 6th September, 2021****Pre-Final Pitch - 11th & 12th September, 2021****Final Pitch - 18th & 19th September, 2021**

Tamil Nadu Startup and Innovation Mission, branded as “StartupTN”, established as a Section 8 company under the MSME Department by the Government of Tamil Nadu in March 2021. Their sole mandate is to implement the “Tamil Nadu Startup and Innovation Policy 2018-23” and to offer support through various schemes and programs, thereby creating an enabling ecosystem for startups in the state.

One of the schemes envisaged in the Tamil Nadu Startup and Innovation Policy is the much needed seed fund to support early-stage startups. Startup TN launched the first edition of TANSEED (Tamil Nadu Startup Seed Grant Fund) this year during January-February 2021, as a Grand Challenge, in association with “Headstart Network Foundation” and had supported Ten Promising Startups with a seed grant of Rs. 10 Lakh each.

Following its success, they are planning to launch the Second Edition of TANSEED 2021 during July-September 2021 supporting upto 20 Startups with seed grant of INR 10 Lakh each.

STARTUP EVENTS >> PAST**Inspreneur Connect–Vector 1 (Third e-pitching Session)**

The High Commission of India, Singapore, in association with Nasscom & TiE, Singapore, organized the third e-pitching session of Vector 1.0 virtual series to connect Indian Startups with Singaporean VCs on 30th July 2021.

High Commissioner, Mr P Kumaran spoke at the event. In the 3rd edition, 10 innovative Startups from India were showcased. The participating startups were from Aviation, Cyber-Security, Enterprise Solutions, Healthtech, Insurtech, Logistics & Retailtech sectors.

For Feedback & Comments, please contact:

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