

Startup Watch

ISSUE NO 47
NOVEMBER 2022

MONTHLY
NEWSLETTER



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STARTUP POLICIES

Govt recognises 84,012 startups; 58% are in 5 states

<https://smefutures.com/govt-recognises-over-84012-startups-58-are-in-5-states/>

A total of 84,012 startups have been recognized by the government, as on November 30, 2022. About 58% of the startups recognized by the government are confined to five states of the country.

While Maharashtra tops the list with 15,571 government-recognised startups, states like Karnataka, Delhi, Uttar Pradesh and Gujarat have 9,904 respectively; 9,588; 7,719, and 5,877 such institutions.

The government launched the Startup India initiative on January 16, 2016, to create a strong ecosystem for innovation and nurture startups in the country. Under the Startup India initiative, to provide capital at different stages of the business cycle of start-ups, the Government has implemented the Fund of Funds for Startups (FFS) and Startup India Seed Fund Scheme (SISFS). Have done, Both schemes are implemented on an India basis. The Fund of Funds for Startups scheme was approved and set up in June 2016 with a corpus of Rs 10,000 crore, to be contributed in the 14th and 15th Finance Commission cycles depending on the progress of implementation, to enable Startups Much needed boost can be given.

Under the FFS, the scheme does not invest directly in startups, instead, it provides capital to SEBI-registered Alternative Investment Funds (AIFs), known as daughter funds, that invest in growing Indian startups through equity. AIFs supported under FFS are required to invest at least 2x the amount committed under FFS in start-ups.

According to the commerce ministry, till November 30, 2022, a commitment of Rs 7,527.95 crore has been made to AIF in the FFS of the Rs 10,000 crore fund. In addition, Start-up India Seed Fund Scheme has been approved for 4 years from 2021-22.

The objective of the scheme is to provide financial support to start-ups for proof of concept, prototype development, product testing, market entry and commercialization.

By November 30, 2022, in SISFS, to the corpus of Rs. 945 crores 455.25 crores has been sanctioned to 126 incubators, of which Rs. 186.15 crores has been distributed.

Govt issues guidelines for PLI scheme to boost domestic drone industry

IANIS

The Ministry of Civil Aviation has issued guidelines for the implementation of the Production Linked Incentive (PLI) scheme to support the indigenous drone industry.



These guidelines cover aspects like the definitions, qualification and eligibility application and online portal project management agency (PMA), empowered group of secretaries (EGoS) and competent authority.

For the implementation of this scheme during 2022-23 to 2024-25, a corpus of Rs 120 crore has also been allocated.

To make India a global hub for research and development, testing, manufacturing, and operation of drones under the Aatmanirbhar Bharat Abhiyan, the liberalised Drone Rules, 2021 were released to create a growth-oriented regulatory framework for drones.

UPI To Soon Have Single-Block-And-Multiple Debits Functionality: RBI

<https://inc42.com>

The new functionality will allow a customer to create a payment mandate against a merchant by blocking funds in bank account for specific purposes, which can be debited whenever required. The new functionality will significantly enhance the ease of making payments in the ecommerce space and while investing in securities. The RBI also announced expansion of the scope of BBPS to include all categories of payments and collections, both recurring and non-recurring in nature.

Look Beyond Fintech, Also Focus On Climate Change: FM Smt. Sitharaman To Startups

<https://inc42.com>

Finance Minister Smt. Nirmala Sitharaman has urged homegrown startups and entre-

preneurs to also focus on developing climate change and farming solutions. "More and more innovations for dealing with climate and climate change are going to be absolutely precious. Finance Minister Nirmala Sitharaman said that self-sufficiency to be able to transition to a better climate is a major aspect of 'Atmanirbhar Bharat' She urged startups and investors to look beyond the fintech and enterprisetech sectors and give importance to areas such as climate change solutions. As per a report, acting on climate change in India could be a \$11 Tn addressable market opportunity by 2071.

STARTUP STORIES

How ElectronEV Is Planning To Revolutionise India's Heavy-Duty Commercial Vehicle Space

<https://inc42.com>

ElectronEV is looking to invest about \$12 Mn to boost its operations in India. ElectronEV said that its technology has grabbed the eyeballs of many in the food and milk industry, heavy-duty segment, and ports. Unlike most OEMs, the startup offers tailor-made commercial EVs to its clients.

STARTUP FUNDING

Indian start-ups raise US\$ 1.27 billion in November 2022

IBEF

Indian start-ups raised US\$ 1.27 billion of funding in November, which is the highest since June. This increase has mostly been led by early and growth-stage rounds that crossed the mark of US\$ 1 billion after more than five months, according to the data from Venture Intelligence. In June, Indian start-ups raised US\$ 2.36 billion.

Investment in Agri-Tech start-ups jumps 2-fold to \$4.6 billion in FY2022

IBEF

According to research by AgFunder and Omnivore, investment in agricultural and food

technology start-ups more than doubled to \$4.6 billion in the previous fiscal year, owing to increased inflows in the restaurant industry and e-grocery.

The overall investment in agrifoodtech startups for India in FY2022 was \$4.6 billion, which is 119% greater than in FY2021, according to the India, AgriFoodtech Investment Report 2022. In addition, the number of agreements grew to 234 in FY2022, up from 189 in FY2021. Funding for agrifoodtech continues to be increased overall by downstream investments. With a funding of \$1.9 billion in the restaurant marketplace and \$1.4 billion in eGrocery have turned up as the most funded downstream categories. In addition, the capital raised by these two industries accounts for around 66% of funding in the agrifoodtech space.

Major Fundings

Source: IBEF

Fintech startup Galgal raises US\$ 1 million in seed funding

Galgal Money, a fintech startup, has received US\$ 1 million in seed funding from angel investors. Galgal Money is a cutting-edge Mumbai-based fintech start-up that focuses on bringing effective banking solutions to the youth in order to make money management and saving as stress-free as possible. Galgal Money was founded in 2021.

Simplilearn raises US\$ 45 million in new funding round led by GSV Ventures

Using a multi-stage venture capital consortium led by GSV Ventures, Simplilearn, an online platform for skilling and training, has raised US\$ 45 million. The fundraising round included participation from Clal Insurance and the venture platform DisruptAD.

HR tech start-up Keka raises US\$ 57 million in series A funding by WestBridge

Keka, a Hyderabad-based HR IT startup, has raised US\$ 57 million in series A funding,

with WestBridge Capital serving as the lead investor.

It surpasses the previous top place by US\$ 1 million to become India's largest enterprise tech series A funding round.

Bengaluru-Based Bumble Bee Flights Raises INR 300 Cr To Build Autonomous Air Taxis

<https://inc42.com>

Bumble Bee Flights plans to use the fresh funds to set up an assembly plant in Odisha for manufacturing air taxis whose first prototype is expected to be launched by April 2023. Bee Flights air taxis would run on solar-charged swappable batteries and would weigh around 300 kgs. The startup plans to design and manufacture the air taxis by partnering with operators across the globe in order to service, support, and run the operations.

STARTUP ACQUISITION

Source: <https://inc42.com/>

Manufacturing Unicorn Zetwerk Makes Fourth Acquisition, Buys US-Based Unimacts For \$39 Mn

Zetwerk acquisition spree continued in 2022. It has acquired the US-based manufacturing services company Unimacts at a valuation of \$39 Mn to strengthen its international operations. This is the fourth acquisition by the Bengaluru-based manufacturing and supply chain unicorn.

HDFC Bank Acquires Minority Stake In Fintech Startup Mintoak At \$3.7 Mn

HDFC Bank has acquired a 7.75% stake in fintech startup Mintoak in an all-cash deal. The bank has been allotted 21,471 fully paid-up Compulsory Convertible Preference Shares (CCPS) and 10,538 fully paid-up equity shares at a price of INR 9,731 apiece. The acquisition deal is subject to complete by 31st January 2023.

STARTUP EVENTS >> UPCOMING

I. Event: Startup India Innovation Summit 2023

Date: 10-16 January 2023 (Workshops)

Registration link: <https://www.startupindia.gov.in/content/sih/en/ams-application/workshop.html?applicationId=633fc1ebe4b05eb49aac1d0e>

About: The Summit is expected to witness global participation from startups, innovators, venture capitalists, angel investors, corporates, incubators, accelerators, academic institutions, and government stakeholders. In addition to this, the Summit is also expected to propel domestic discourse on emerging technologies and businesses for the public to participate in and experience the thought leadership that India has achieved in the innovation ecosystem in past few years.

II. Event: Transport4All Challenge

Application Timeline: Application ends 30 December 2022

Registration link: <https://www.startupindia.gov.in/content/sih/en/ams-application/challenge.html?applicationId=6303457fe4b080c62a8539f9>



About: An initiative of the Ministry of Housing and Urban Affairs of the Government of India—aims to bring together cities, citizens, and startups to develop solutions that improve public transport to better serve the needs of all citizens. The first edition of the Challenge focuses on digital innovation. Cities and startups will receive guidance to develop and test various solutions, learn from them, and scale them to build people's trust in public transport and enhance their mobility. The solutions will make public transport—formal as well as informal— safe, convenient, and affordable for all.

STARTUP FAQs

What triggered the unicorn rush during 2021?

While work from home during the pandemic fueled the growth of digital businesses in India, the incident also resulted in a long unicorn list. Mainly three factors, a thriving digital payments ecosystem, large smartphone user base and digital-first business models, have come together to attract investors. Tech companies, which have become household brands, are contributing to the unicorn boom in India, as smartphone penetration and digitization of commerce in every aspect of life has increased manifold during the pandemic. Besides fintech, e-commerce grocery, SaaS and marketplace players are contributing the most to the unicorn universe.

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