

# Startup Watch

ISSUE NO 32  
15 MARCH 2022

FORTNIGHTLY  
NEWSLETTER



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## STARTUP POLICIES

### Govt to support Startups through better incubation centres in smaller towns: Shri Goyal

Press Information Bureau: March 07, 2022

Mr Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, today advocated for IIT-Madras to become a symbol of self-reliance and self-confidence, as well as a flag-bearer for 'Startup India.' Our startups are making India proud, and the government is constantly coming up with fresh ideas in the Advisory Council, he said.

He said that "90 Unicorns, by itself, is reflective of the confidence with which our Startups are growing. By and large, the Startups have created a good name for themselves, a very high level of credibility and I am fairly confident that going forward there will be more and more changes." He also added that finance, in addition to scalable and good ideas, is no longer a restriction for Startups working in database-technology based solutions.

### Shri Piyush Goyal calls upon the Startups to help India become self-reliant in Energy and Defence sectors

Press Information Bureau: March 14, 2022

Mr. Piyush Goyal, Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distri-

bution and Textiles stated that opportunities exist in the current military turmoil. He said that the Ukraine-Russia crisis should serve as a wake-up call to all of us to stop relying on crude oil and military hardware. He asked startups to assist India in becoming energy self-sufficient. He also stated that the current situation is perfectly aligned with the Make in India programme, which was established eight years ago, the Atmanirbhar Bharat project, and the outcome of Covid-19, all of which are contributing to India's growth trajectory. He added that the government was paying attention to the demands of startups and that its doors were open 24 hours a day, seven days a week.

### Swachhata Startup Challenge launched to promote an enabling environment for development startups and entrepreneurs in the waste management sector

Press Information Bureau: March 15, 2022

On January 27, 2022, the government, in partnership with the Department of Promotion of Industry and Internal Trade (DPIIT), announced the "Swachhata Startup Challenge" to promote an enabling environment for waste management businesses and entrepreneurs. The quality of solutions presented by startups working in the domains of (i) Social Inclusion (ii) Zero Dump (iii) Plastic Waste Management and (iv) Transparency will be evaluated. The scheme calls for the 10

best startup solutions to be chosen, with each of them receiving a financial grant of Rs. 25 lakh (US\$ 32,663) and a year of dedicated incubation support.

According to the instructions for the "Swachh Technology Challenge," all Urban Local Bodies (ULBs) performed the challenge and submitted their two best solutions to the states, who then evaluated the entries to select the top three. In addition to award money and state/city recognition, ULBs around the country must provide implementation support to winning solutions startups.

### **Google, MeitY to help 100 Indian startups for making global apps, games**

*IBEF: March 03, 2022*

Users outside India spent 150% more time on apps and games made by Indian companies in 2021 on Google Play than they did in 2019, demonstrating the potential and opportunity that Indian startups and developers now have to push app and game innovations for the rest of the globe. MeitY Startup Hub, an initiative of the Ministry of Electronics and Information Technology (MeitY), and Google today unveiled the Appscale Academy, a cohort of 100 Indian early to mid-stage businesses that will help build high-quality worldwide apps and games. These 100 startups were picked from over 400 applications through an in-depth evaluation process that considered their innovative ideas and innovation, product quality, product scalability, and talent diversity.

Mr. Bhuvnesh Kumar, joint secretary, MeitY, added, "Startups and developers are key drivers of India's digital transformation journey. We are seeing them drive meaningful solutions for India and the world. We at MeitY value our partnership with Google, and it gives me immense delight to further boost this spirit of innovation with the Appscale Academy Program."

## **STARTUP STORIES**

### **This Hyderabad startup delivers drinking water in paper boxes**

*Source: <https://www.indiatimes.com/news/india/>*

Single-use plastic, from carrying bags to pack-

ing covers and water bottles has become a major threat to the environment. One of the biggest issues with single-use plastic is that, though they are recyclable, a large portion of it is not recycled and ends up in landfills or in the environment. While plastics are not bio-degradable, they can break up into tiny fragments called microplastic and can wreak havoc.

They then end up in water bodies, get eaten by fish and other aquatic beings, and can gradually make it to the human body. As awareness about the plastic menace grows, many are willing to give it up and embrace more eco-friendly alternatives.

But unfortunately, there are not many such options that are available. A Hyderabad-based start-up has claimed that they have made eco-friendly water boxes that can replace plastic water bottles.

Two techies Suneeth Tatineni and Chaitanya Ayinapudi quit their corporate jobs to set up the start-up 'Caro Water', meaning 'dear water', with an aim to reduce plastic waste.

"A person who is travelling long-distance will buy at least five one-litre water bottles. Less than 10 per cent of these plastic bottles are getting recycled while the rest are ending up in land fillings. It is a serious issue. To find a solution to this issue, we have started packing water using cardboard boxes wherein nutrition enriched water is filled into recyclable bag-in-box bags," Suneeth Tatineni, the Co-founder of Caro Water, told ANI. According to him, these boxes and bags are eco-friendly and will be recycled. He further added that they have tied up with recycling units in the city to make sure that nothing from these boxes end up in land fillings. He mentioned that the recycled cardboard and the water bags inside the boxes will be used for other purposes.

Suneeth said these water boxes are available in two variants of 5 litre and 20 litre and the 5-litre box is available at Rs 75 while the 20-litre water box is charged Rs 120.

The company claims this is the first-of-its-kind product in India. "The idea to supply daily drinking water in eco-friendly boxes is itself unique and first of its kind in the country. Over the last two quarters since the inception, we were able to sell around 8,000 odd 20-litre water boxes,"

Chaitanya Ayinapudi, the Co-Founder of Caro Water said.

## STARTUP FEATURE

**SilverBullet** : Serial entrepreneur Milan Ganatra has worked with the fintech industry for about two decades. And throughout these years, he has noticed an alarming level of information asymmetry between businesses providing financial products and services and people keen to invest through them. That is why his latest venture, 1SilverBullet, is building a layered gateway for businesses across investment, insurance and lending segments.

Launched in 2021, the Mumbai-based startup provides a blockchain-based API that can be integrated with any tech-enabled platform for selling investments, insurances or lending products. But there are other benefits. For instance, a tech platform in the investment space can become a point of contact for investors and financial institutions, linking them at one place via the secure API customer acquisition and sales through investment channels such as AIFs, MFs, PMS and more. Apart from the ready-to-use backend, the company provides maintenance services for its B2B clients and claims that its API reduces a business's time to market by 50%.

The fintech enabler charges a commission on every transaction done through its platform. Since its revenue generation started in January 2022, the ARR for FY22 stands at \$120K and is estimated to reach \$5.4 Mn in the next financial year.

1SilverBullet says it has already onboarded 40+ portfolio management services. Going ahead, it plans to introduce life insurance, health insurance and fixed deposit schemes by partnering with 25+ insurers and corporate FD providers. This will take its total number of portfolio management services to 80+ by March 2022.

**Capital** : More than 70 Mn Indians have put their money in the capital market, while 100 Mn+ people have reportedly invested in digital assets like cryptocurrencies. But retail investors' interest in startups as a new asset class has piqued only recently. To cater to this up-

coming market and ensure a win-win strategy for all stakeholders, long-time investors San-skar Jayaswal and Pranav Nair set up Capital in January 2022.

The Bengaluru-based fintech firm allows retail investors to lend to high-growth startups for fixed returns in the form of passive income, while young companies can raise non-dilutive capital from this marketplace. Retail investors (lenders) can also trade their investments through a secondary market for early exits. Prior to investing, people can review a company's financials and use financial tools to analyse investment opportunities. Retail investors can use Capital's services for free, but startups need to pay a processing fee on the debt raised. The company is run on blockchain to ensure foolproof security for all.

Currently, it claims a 100+ investor base backing four startups, with a revenue run rate of INR 50 Lakh for FY22. It also aims to disburse INR 45 Cr worth of loans to 100+ Indian startups through 10,000+ retail investors by the end of this year. By 2025, it plans to bring 50K+ startups and 6.35 Cr+ MSMEs within its ambit.

## STARTUP FUNDING

Source: INC42

- Volopay raises \$29 mn from Winklevoss twins, JAM Fund, and others
- ExactSpace Technologies raises \$1.4 mn in seed funding led by Thermax
- Testsigma raises \$4.6 million in seed funding led by Accel, STRIVE
- Fintech-startups-to-lead-the-way-in-raising-venture-debt-in-2022
- accel-india-raises-650-mn-for-seventh-venture-capital-fund
- Ginglani-distillers-raises-6-6-cr-in-pre-series-a-round
- student-loan-fintech-kuhoo-raises-20-million-from-west-bridge-capital
- claimbuddy-raises-3-mn-in-pre-series-a-round-of-investmen
- Fintech start-up Niyo raises \$100 million in a Series C funding round
- Fintech-Focussed QED Investors To Infuse Nearly \$500 Mn In Indian Startups



- Mela Ventures closes maiden fund at Rs 320 cr; Accel raises \$650 mn; Sixth Sense Ventures invests \$10 mn in Prozo & Macmerise raises Pre-Series A round from IPV, Amitabh Bachchan
- Seafood marketplace Captain Fresh raises \$50 million in Series C
- CredAvenue raises \$137 million, turns unicorn in 18 months
- live-tutoring-startup-filo-raises-23-million-series-a-funding-led-by-anthos-capital
- salesforce-ventures-others-invest-50-mn-in-atlan
- Tiger-global-backed-fintech-startup-money-view-secures-75-mn-in-series-d-round

## India's gaming startup Loco gets \$42 mn from South Korea's Hashed, others

IBEF: March 11, 2022

India's live-streamed games company Loco has raised US\$ 42 million in funding, led by South Korea's early-stage venture fund Hashed. The funding will be used to speed up the development of streaming technology, content creation, and the gamer and creator ecosystem.

This funding round will boost the two-year-old startup's valuation to around US\$ 200 million.

The games company said that the Series A round included new investors such as Makers Fund, outsourcing billionaire Narayana Murthy's Catamaran Ventures, and Korea Investment Partners, as well as existing investors such as Krafton Inc., Lumikai Ltd., and Hiro Capital.

Since January of last year, Loco's daily user counts have increased by over 15 times, while "live watch hours," the amount of time users spend watching live-streamed games, has increased by about 80 times.

## CredAvenue enters unicorn club as valuation triples to \$1.3 bn in 6 months

IBEF: March 07, 2022

CredAvenue, an online loan marketplace, has raised US\$ 137 million in its Series B fundraising round, making it the ninth unicorn of 2022. The financial start-up announced that its valua-

tion has risen to US\$ 1.3 billion, more than tripling in just six months. With involvement from existing investors, the fundraising was spearheaded by Insight Partners, worldwide private equity and venture capital firm based in New York, B Capital Group, and Dragoneer.

Mr. Gaurav Kumar, Founder and CEO of CredAvenue, said, "We have a once-in-a-lifetime opportunity to transform the global debt and collections market through a combination of the marketplace, operating system, and fulfillment." The funds will be used to organically and inorganically expand the company's business in India and other key worldwide markets by purchasing diversified companies for forward and backward services and product integration.

The debt market claims to have reached a new milestone, with a total Gross Turnover Volume (GTV) of more than US\$ 12 billion. It presently has more than 2,300 corporates, 750 lenders on its platform and has handled loan volumes of over Rs 90,000 crores (US\$ 11.68 billion).

## Agritech startup Otipy raises \$32 million from investors to expand business

Source: <https://www.business-standard.com/>

Agri-tech startup Otipy, which mainly sells fresh vegetables and fruits through its mobile app, has raised \$32 million (Rs 235 crore) from investors including Westbridge Capital to grow its business

In the series B funding round, existing investors SIG and Omidyar Network India also participated. In July last year, the Gurugram-based startup had raised USD 10.2 million (around Rs 76 crore).

Launched in 2020, Otipy, which is part of Crofarm Agriproducts Pvt Ltd, is a business-to-business-to-consumer (B2B2C) ecommerce platform for fresh produce that includes vegetables, fruits, dairy and other grocery items.

Otipy founder and CEO Varun Khurana said "leveraging our fast supply chain and community leader network we aim to provide fresh, quality produce to consumers at the lowest price. We will continue to build on our proposition for value conscious consumers."

The series B round of funding will support the company as it seeks to expand business to new pin codes, strengthen supply chain, invest in technology, and add product categories, he added. Otipy uses its technology to procure fresh produce from farmers based on the demand generated as per its prediction engines and delivers the farm fresh goods to customers within 12 hours of harvest. The startup expects its turnover to jump nearly five times to Rs 100 crore by the end of this fiscal year.

## STARTUP ACQUISITIONS

### Scaler buys edtech firm AppliedRoots for \$50mn to expand online courses

SOURCE:<https://www.business-standard.com/>

Scaler, a startup offering upskilling courses to working professionals, said it has acquired online learning platform AppliedRoots for \$50 million to strengthen its data science, artificial intelligence and machine learning courses.

Last year, Scaler acquired Coding Minutes and CodingElements, both online tutors. AppliedRoots is known for its flagship AppliedAICourse. AppliedRoots said it has served more than 40,000 in the last four years.

Announcing the acquisition, Abhimanyu Saxena, co-founder of Scaler & InterviewBit, said: "All the co-founders have extensive experience across software development, AI & ML and the edtech industry. We feel powerful synergy with their team, their ideas and goals. Together we can accelerate the pace at which we can aid aspiring tech professionals to upskill themselves and create meaningful and rewarding careers."

Post the acquisition, the six co-founders of AppliedRoots will join Scaler and lead varied projects. A vast majority of the team of AppliedRoots will work with the Scaler DS&ML business vertical. Some team members will also be building on the content vertical. The AppliedRoots team will also be spearheading some new initiatives and programs that are planned for later in the year.

Srikanth Verma Chekuri, Co-founder, AppliedRoots, Said. "We started AppliedRoots to democratize higher education with phenomenal quality and mentorship, and our vision is in perfect alignment with that of Scaler."

Scaler has seen significant growth over the last few years. With over 1000 employee and a learner base of more than 15,000 software engineers, the platform is working towards bridging the tech talent gap in India.

### E-commerce roll-up start-up Upscalio acquires 4 D2C brands

SOURCE:<https://www.businesstoday.in>

Upscalio is competing with the likes of Thrasio which had announced its India foray recently, along with ex-Myntra CEO's Mensa Brands, among otherS.

Roll-up e-commerce start-up Upscalio has announced the acquisition of four D2C brands, Gizga, Tizum, Aircase, and HomePuff brands. The brands operate in the next-gen computer, PC and phone accessories, laptop bags, and kitchenware segment, respectively. Upscalio is competing with the likes of Thrasio which had announced its India foray recently, along with ex-Myntra CEO's Mensa Brands, among others. These brands have a significant market share in their respective verticals and hold a unique stance as category leaders on Amazon with positive reviews, ratings and recall. Established by Dinesh Vardhan, Vikram Vardhan and Amit Hingarh over 7 years ago, the brands are bolstered with a scrupulous procurement system which have contributed to their steady growth, according to an official statement by Upscalio. Upscalio said that with the new acquisitions, the company aims to achieve an annual revenue of Rs 200 crore in next two years.

The company will focus on expanding the brands' geographical footprint while also ramping up new product development. UpScalio will also plan an eventual B2B foray to unlock new growth avenues for all three brands.

## STARTUP EVENTS >> UPCOMING



### Land Accelerator South Asia 2022

The Land Accelerator South Asia is designed to foster a unique entrepreneurial eco-system which aims at nurturing these innovative landscape entrepreneurs with dedicated mentorship, technical expertise, marketing and networking solutions, and funding for scaling up. The Land Accelerator South Asia program also aims to develop sustainable and profit-

able business models for land restoration.

World Resources Institute India (WRI India) and Sangam Ventures are jointly hosting the Land Accelerator South Asia this May - October, 2022. The organizers are looking for a cohort of 50 entrepreneurs from across South Asia, who will undergo a 6 week training, post which 15 entrepreneurs will be selected for additional training, mentoring, opportunity to pitch to impact investors and funding support through a grant of € 3,000 at successful completion of the program (Top 15 startups) . For participation details, please refer to

<https://www.startupindia.gov.in/content/sih/en/ams-application/accelerator-program.html?applicationId=61e8fdcce4b020b2f8867a5a>

<https://www.wri.org/initiatives/land-accelerator>

## STARTUP FAQs

### What is Startup India Seed Fund Scheme?

Easy availability of capital is essential for entrepreneurs at the early stages of growth of an enterprise.

Funding from angel investors and venture capital firms becomes available to startups only after the proof of concept has been provided. Similarly, banks provide loans only to asset-backed applicants. It is essential to provide seed funding to startups with an innovative idea to conduct proof of concept trials.

DPIIT has created Startup India Seed Fund Scheme (SISFS) with an outlay of INR 945 Crore to provide financial assistance to startups for Proof of Concept, prototype development, product trials, market entry, and commercialization. It will support an estimated 3,600 entrepreneurs through 300 incubators in the next 4 years.

The Hon'ble Prime Minister of India announced the scheme in his Grand Plenary address of Prambh: Startup India International Summit on 16th January 2021. After approval of EFC and Hon'ble Finance Minister, the scheme has been notified on 21.01.2021.

The Seed Fund will be disbursed to eligible startups through eligible incubators across India.

For Feedback & Comments, please contact:

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