

# Startup Watch

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## STARTUP POLICIES

### Kerala Financial Corporation announces Rs 10 cr fund for startups; to support entrepreneurship in all stages of growth

Source: <https://youstartups.com/kerala-financial-corporation-announces-rs-10-cr-fund-for-startups-to-support-entrepreneurship-in-all-stages-of-growth/>

State-owned Kerala Financial Corporation (KFC), the leading lending institution has come out with what is billed as the biggest financial support programme for funding up to Rs 10 crore for startups. The Scheme, 'KFC Startup Kerala', will support startups in all stages of their growth starting from proof of concept to prototype development, product trials, market entry, commercialization and scaling up. Furthermore, there will be venture debt scheme and provision to finance purchase orders received by startups. Sanjay Kaul, CMD of KFC, said the assistance will be Rs.25 lakh for productisation, Rs 50 lakh for commercialization and Rs 100 lakh for scaling up.

"Loans will be provided at concessional interest rates of 7 per cent without any collateral. Repayment period will be 60 months including moratorium period of maximum 12 months. Startups need to apply online at [www.kfc.org](http://www.kfc.org). Processing will be done centrally and the sanction will be considered by an expert committee," said Kaul.

"The scarcity of capital and inadequate availability of credit facilities are the major problems confronting startups. Entrepreneurs should be

encouraged through incentives and assistance on easy terms", added Kaul. Incidentally this bonanza comes close on the heels of the announcement made by State Finance Minister K.N. Balagopal in his maiden Budget speech. At present there are 3,900 startups registered in the state and through this new programme Balagopal plans to add another 2,500 more in five years. The loan will be extended to set up the workshop, purchase necessary machinery, computers, servers, software, setting up infrastructure, purchase raw materials, working funds, working capital, cloud expenses, licenses, permits, consultancy charges, marketing expenses, preliminary and preoperative expenses, interest during the implementation period.

The loans will be sanctioned as soft loan, with option to convert into equity capital, on condition that the KFC share shall not exceed 30 per cent. Once the startups get a firm purchase order, they are eligible to get loans up to Rs 10 crore for executing the orders. Those entities which have undergone due diligence by a SEBI Registered Venture Capital Fund can also get venture debt of Rs 10 crore. "This is the first of its kind of scheme where all stages of startups are considered. KFC will provide mentoring and handholding to startups and there will be liberal exit options," added Kaul.

## Bills to help depositors, startups passed

Source: <https://youstartups.com/bills-to-help-depositors-startups-passed>

The bills were passed with a voice vote amid protests by the opposition members on the Pegasus snooping controversy and on the three farm laws that had been enacted recently.

Union finance minister Nirmala Sitharaman told the Upper House that the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill will help small depositors, including those of the stressed Punjab & Maharashtra Co-operative (PMC) Bank.

The bill to make sure depositors quickly get the insured amount for their deposits in case of a bank collapse, was passed after a short debate. Bank depositors get a maximum cover of ₹5 lakh for their deposits, but often the payment in the event of a bank failure takes a long time.

The bill seeks to ensure that this payment is made within 90 days, even when the bank is placed under a moratorium.

It seeks to insert a section in the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961, to facilitate this. The move is significant as several banks, including PMC Bank, Yes Bank and Lakshmi Vilas Bank, had recently faced stress. The legislation would also help depositors of 23 cooperative banks that are under stress, Sitharaman said while replying to the debate. The bill also allows the DICGC to raise the ceiling on the premium, with the prior approval of the RBI. The Upper House also cleared the Limited Liability Partnership (Amendment) Bill on Wednesday. This bill seeks to decriminalize certain provisions and improve the ease of doing business. A limited liability partnership (LLP) is a preferred legal form among startups. There are more than 200,000 LLPs in the country.

The bill is aimed at reducing penal provisions in the LLP Act from 24 to 22 and decriminalizing 12 provisions that are technical or procedural in nature where no criminal intent is involved.

## Approvals under new startup policy will be expedited, says revenue minister

source: <https://youstartups.com/approvals-under-new-startup-policy-will-be-expedited-says-revenue-minister>

goa-news

Porvorim: Revenue minister Jennifer Monserrate on Friday said the state government has granted administrative approval to the draft Goa Startup Policy 2021 which is prepared while integrating the department for promotion of industry and internal trade. She said that the policy would be sent to the finance department for concurrence. The minister said the policy was drafted after consulting startups, incubation centres and the central ministry. She said the policy has proposed to do away with the high-powered committee to avoid delays and maintain approval at the minister-level to expedite permissions. Monserrate said 150 applications have been received under the present startup policy of which 111 are certified and 41 have been incentivised. The draft policy proposes to revise the definition of a startup from the existing cut off of Rs 25 crore annual turnover to Rs 100 crore annual turnover. The move is part of the department of information and technology's move to bring in more tech firms under the ambit of the policy, which will replace the Goa Startup Policy 2017. Tech bodies have been urging the government to roll out the new policy since the existing policy lapsed in 2020 and has been granted a six-month extension till March-end. The draft policy aims to create at least 500 innovative, technology-enabled startups over the next three years, which should potentially create employment for at least 6,000 Goans. Reacting to MLA Rohan Khaunte's scam allegations in the IT department, with regards to contracts awarded to companies, Monserrate said the tender was awarded on the e-Nivida portal, brought onboard by Khaunte. "If you imply this is scam, it means e-Nivida, your initiative, is itself fraudulent," she said.

## Roaring Startup Ecosystem: As many as 52,391 Startups recognized by DPIIT

Source: <https://newsonair.com/2021/07/31/roaring-startup-ecosystem-as-many-as-52391-startups-recognized-by-dpiit>

The startup ecosystem in India has been oozing positivity in our Nation by being the important

engine for growth and job generation and due to vast commercial potential for startups, India is often described as the poster child of emerging markets.

Five years since the launch of the Start-Up India initiative by Prime Minister Narendra Modi, India is witnessing a golden chapter in the history of Indian entrepreneurship. Recognised as the 3rd largest startup ecosystem; as of July 2021, a total of 52,391 entities are officially recognised as startups by the Department for Promotion of Industry and Internal Trade (DPIIT).

Further, India is a dwelling abode to 53 unicorns currently, with a tentative valuation of Rs. 1.4 lakh crore. Apart from it, India's economy, demography and government's active support provides a wide spectrum and scope for establishing a thriving startup environment.

## STARTUP STORIES

### GreenSat: Using satellite data to help farmers

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

Mumbai-based GreenSat aims to address the four pillars of the farming sector—the farmer, the buyer, the banker and the insurer, via its technology platform. The platform processes and offers satellite data, including images, geo, meteorological and other important data useful for farmers. The startup has partnered with a host of observatories to procure accurate images and data for precision farming. “Once the farmer signs up on the platform, every 15 days we offer him detailed reports having satellite images of the farm, weather conditions, health of the soil, what to sow and how to address various problems in the area for better outcomes, for free,” says Deepak Yadav, founder, GreenSat Innovation Labs.

The platform also has features to simplify credit needs for the farms. “If the farmer presses the credit button, all of his details, including credit score, are sent to the lenders we have partnered with. In addition, we also connect the farmers to the sellers who are on our platforms,” adds Yadav. GreenSat has also done pilot testing to bring in recycled waters to the

platform for irrigation purposes at a very less cost. “This is especially cost-effective in water starved areas. Our first focus is rural farmers. We plan to offer this service to the pharmaceutical industry which consumes a lot of water,” says Yadav. The reports also help financial institutions on the platform to maintain historical data and offer credits and services accordingly. “Satellite images and associated data is the cheapest and accurate. Any other hardware to do aerial imaging becomes costly,” says Yadav. The platform uses Experian credit scores at the moment but is developing a 360-degree formula for giving credit scores to farmers. “The traditional methods do not consider loan waivers that the farmers get. Even after a loan waiver, the credit score of the farmer does not reflect it for a long time. We will give a holistic view of the farmer's background and will not make it look like a recommendation to lenders,” says Yadav. He adds that wilful defaulters are only a tiny percentage and most of the farmers have genuine reasons behind defaulting and that the credit report should reflect this exactly. GreenSat is also into contract farming for leafy perishable crops so that the farmers do not get locked into a contract. “We lease unused land from farmers and manage fluctuations in price. The farmers are free to sell their produce anywhere,” says Yadav. For other crops, it procures from the farmers directly and supplies to the market. “In the last two months of the lockdown we sold 600-700 tonnes of produce in the Mumbai and Pune region via contract farming to a couple of food aggregators. We continue to expand this to a few other cities,” adds Yadav. Currently, there are over 10,000 farmers on the platform. The company is also bootstrapped and remains profitable.

## STARTUP FUNDING

### Reliance backs US energy storage start-up Ambri in \$144m fundraising

Source:<https://youstartups.com/reliance-backs-us-energy-storage-start-up-ambri-in-144m-fundraising>

Reliance New Energy Solar said it would invest \$50m in Ambri and that the two were in talks “to

set up a large-scale battery manufacturing facility in India, which could add scale and further bring down costs for Reliance's green energy initiative".

As the world looks to increase deployment of renewable energy to combat climate change, large stationary batteries are emerging as a key technology to help grids integrate electricity from solar and wind sources, whose output is intermittent.

Tuesday's deal is the latest in a series of tie-ups between large industrial groups and start-ups seeking to develop energy storage technology.

ArcelorMittal last month announced it had invested in Massachusetts-based start-up Form Energy, which is developing an iron-based battery to store renewable energy cheaply for up to 100 hours.

Ambani said the Ambri battery would be part of Reliance's plans for a 5,000-acre green energy complex in Jamnagar, which will produce solar panels, hydrogen electrolyzers and batteries.

"Reliance Industries sees this strategic partnership with Ambri as an important step in its journey of achieving its decarbonisation goals," he said. Ambri said some of the money raised would fund the design and construction of manufacturing facilities in the US.

Hedge fund Paulson & Co and Ambri's largest shareholder Bill Gates also participated in the fundraising, along with new investors Fortistar, Goehring & Rozencwajg Associates and the Japan Energy Fund. Ambri's technology uses electrodes made of calcium and the semi-metal antimony, separated by a molten salt electrolyte. On heating to 500C, the liquid metals combine while charging and re-separate when discharging.

The company said its batteries, which can store energy cost-effectively for up to 24 hours and have a lifespan of up to 20 years, could allow solar energy generated during the daytime to be used at evening or morning peak load times.

Ambri also announced it had signed a deal with the mining company Perpetua Resources, which is backed by Paulson, for the long-term supply of antimony.

Perpetua is looking to develop the Stibnite Gold Project in central Idaho, which it says can provide a domestic source of antimony.

"This agreement is a meaningful step in support of the current administration's goal of achieving 100 per cent clean electricity in the US, while prioritising the domestic manufacturing of battery technology," said Laurel Sayer, chief executive of Perpetua Resources.

## Agri-tech firm Krishify raises US\$ 2.7 million from investors for expansion of biz

*IBEF: August 05, 2021*

Krishify, an Agri-tech start-up, said on Tuesday that it has raised US\$ 2.7 million in funding to expand its operations.

Krishify, a networking platform for farmers and other agri professionals, was launched in 2019 by three IIT grads Mr. Rajesh Ranjan, Mr. Manish Agarwal, and Mr. Avinash Kumar.

Omidyar Network India, Ankur Capital, and current investor Orios Ventures led a pre-Series A fundraising round for the company.

Mr. Nitin Kaushal and Mr. Chakradhar Gade, co-founders of Country Delight, also participated as angel investors.

"The platform will use the funds to continue developing its user base, which is now at 3.5 million members and rising 30% month over month. The platform will also use the funds to create robust monetisation channels." according to the release.

According to Krishify, severe information asymmetry, a lack of awareness about farming/dairy techniques, weak market linkage in crops and dairy, and limited options to buy farm input and equipment hamper the Indian agricultural ecosystem.

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The company stated that it plans to close these gaps by developing a content-centric, trusted platform that would serve as a one-stop shop for customers looking to boost their business chances. Krishify facilitates the sharing of information and connects potential buyers and sellers.

It also allows users access to a big database of up-to-date information in their native language.

To provide a high level of customization, the platform uses user profiling and AI algorithms. It can offer services such as agricultural advice and comments, as well as the purchase and sale of cattle, secondhand tractors and machinery, and seeds.

Retailers, cattle traders, breeders, and mandi traders are among the agri-stakeholders who utilise Krishify to find and communicate with a diverse community of farmers, according to the statement.

## Edtech firm upGrad becomes new unicorn at \$1.2 billion valuation

Source: <https://www.ibef.org/news/edtech-firm-upgrad-becomes-new-unicorn-at-12-billion-valuation>

UpGrad, a global online higher education company, became another unicorn from the country on Monday, announcing a total investment round of US\$ 185 million at a market valuation of US\$ 1.2 billion.

Temasek, IFC (International Finance Corporation, a sister organisation of the World Bank), and IIFL contributed new funds to the company.

"We're very focused on being one of the top three-five edtech firms in the world, serving a one-billion-strong workforce aged 18 to 60. Since we opened up for a fundraise and had our first raise from Temasek, followed by IFC and IIFL in the last 60 days, we've been happy with investor interest" upGrad's Chairperson and Co-Founder, Mr. Ronnie Screwvala, stated.

UpGrad received US\$ 120 million from Temasek, a Singapore-based global investment firm, in April.

"We'll keep you updated on M&As and unlocking value as they happen," he said in a statement. "Yes, the latest value was US\$ 1.2 billion, but as I keep saying, we're not fans of the tag of unicorn; for us, it's just a means to a much larger objective," he said.

According to recent reports, the company is in advanced talks to raise US\$ 400 million at a US\$ 4 billion value.

As part of its non-linear growth plan, upGrad has set aside US\$ 250 million for mergers and acquisitions (M&As) over the next seven to nine months.

By March 2022, upGrad expects to have surpassed a US\$ 500 million annual revenue run rate, and it plans to raise close to US\$ 400 million at a US\$ 4 billion value.

UpGrad has developed a powerful digital platform and a highly immersive learning experience with numerous contact points in order to capture over 70% of the Indian higher education market for working professionals.

UpGrad purchased worldwide firm KnowledgeHut for an unknown price earlier this month.

KnowledgeHut, an upGrad company, expects revenue to exceed Rs. 300 crore (US\$ 40.40 million) next year, with 65% coming from nations in North America, the Middle East, and Southeast Asia.

According to industry estimates, India presently has 53 unicorns with a worth of Rs. 1.4 lakh crore (US\$ 18.85 billion).

## STARTUP ACQUISITIONS

### Whatfix Closes Nittio Learn Deal

Source: INC42

Following its \$90 Mn Series D funding round in June, digital adoption SaaS platform Whatfix closed the acquisition of Nittio Learn, a learning management systems provider. The acquisition will help Whatfix enhance the training capabilities of its platform for personalised, adaptive and rich learning. Nittio Learn's toolset includes additional content options, assessment capabilities, and training course allocation

Khadim Batti, CEO and cofounder of Whatfix, said, "We're delighted to get Nittio Learn onboard on our journey to provide our customers with all the necessary tools to execute such a massive digital transformation effort. We are continuously reimagining Digital Adoption alongside our customers as we grow and expand into new markets over the next year and beyond."

## 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 FAQs

### Types of startup funding and which businesses need them

#### Small business loans:

When it comes to funding sources, small business loans are the bread and butter of the bunch. Small business loans are similar to personal loans, meaning you're approved for a set amount of funding with an interest rate attached.

You can get a small business loan through banks and other financial institutions, many of which can be found through the Small Business Administration (SBA). Keep in mind that, like a personal loan, you'll need to have solid business credit. This will help you acquire a bigger loan with a lower interest rate, and reduce the amount the loan costs you on the whole.

**Ideal for:** Any business with decent credit and responsible spending habits can be a great candidate for a small business loan. Make sure you have a plan for the funds before acquiring them, as squandering a small business loan can be costly. It's also unlikely you'll get approved for a second loan immediately after taking out the first one, so again: spend the first one wisely.

For Feedback & Comments, please contact:

High Commission of India,  
31 Grange Road, Singapore- 239702.

Email : [com2.singapore@mea.gov.in](mailto:com2.singapore@mea.gov.in) ; [com.singapore@mea.gov.in](mailto:com.singapore@mea.gov.in)

URL : [www.hcisingapore.gov.in](http://www.hcisingapore.gov.in)