

Startup Watch

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Union Minister, Shri Piyush Goyal inaugurates the 'Prarambh: Startup India International Summit' on 15 January 2021.

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STARTUP POLICIES

Ahead Of Union Budget, India's Crypto Startups Seek Clarity On Tax, Foreign Exchange & More

12 Jan'21

SOURCE: <https://inc42.com/buzz/union-budget-2021-indias-crypto-startups-seek-clarity-on-taxes-more>

- ⇒ Indian crypto players are hoping that the government would provide clarity on certain subjects such as taxation on crypto gains, in this year's Union Budget
- ⇒ Law firm Khaitan and Co has suggested that changes should be made to the Foreign Exchange Management Act, 1999, to help the crypto sector
- ⇒ It has also been recommended that Indian crypto exchanges should be regulated by SEBI and considered at par with other stock exchanges, to gain the confidence of investors

In his budget speech in 2018, India's then finance minister Arun Jaitely had stated that the government didn't consider cryptocurrencies as legal tender, and would take all steps to eliminate their use. That same year, the Reserve Bank of India (RBI) barred all banks from providing services to crypto companies, effectively putting the scope for innovation in the sector in a deep freeze.

The next two years saw some Indian crypto exchanges scale down their operations and lay off huge chunks of their workforce. Others, such as

Koinex shut down altogether, with the company's founders citing the lack of formal banking channels as the reason for the closure.

Things began looking up last year when in March, the Supreme Court quashed RBI's banking ban on crypto companies. The ruling worked as a lease of life for Indian crypto exchanges, which soon witnessed an uptick in user signups and trading volumes. The growth of these homegrown exchanges also beckoned foreign investors such as Coinbase and Draper Associates to tap into the demand for crypto in the country. The Bitcoin price rally has only helped matters along.

NORKA Pravasi Startup Scheme supports 4,179 start-ups in five years

IBEF: January 12, 2021

In the past five years, the Non-Resident Keralites Affairs (NORKA) Pravasi Startup Scheme has funded 4,179 expatriate entrepreneurs and the Left Government has approved Rs. 220.37 crore (US\$ 30.01 million) by "pravasis" who have returned to Kerala for such start-up ventures.

In 2019-20, using the Pravasi Startup Scheme, 1,043 individuals realised their entrepreneurial dreams and Rs. 53.40 crore (US\$ 7.27 million) was approved for this. This scheme is a joint venture between NORKA and the Kerala Startup

Mission to generate opportunities for Pravasis to migrate from abroad for self-employment and to begin as entrepreneurs on a new journey locally.

The aim of the scheme is to rehabilitate foreign nationals who, as per their technical skills, can add to the economic development of the state.

Of the 16 banks that offer loans to expatriates, Kerala Bank, Canara Bank, and the Travancore Pravasi Development Co-operative Society are just a few.

Loans up to Rs. 30 lakh (US\$ 40.85 thousand) with a 15% capital subsidy, subject to a limit of Rs. 3 lakh (US\$ 4.09 thousand), are eligible for start-ups from expats who have migrated to Kerala for at least two years after working overseas and have now settled locally.

The scheme also includes a 3% interest refund for those who repay the interest on time for the first four years, the government said. NORKA has extended its field camps to cover more individuals, to make credit processes simpler and to process credit in a single day. In 2019-20 seven camps were conducted and around 500 pravasis have benefited from this.

STARTUP STORIES

Can Jaipur-Based Kirana King Become The OYO For Kirana Stores In India?

<https://inc42.com/>

Two decades ago, kirana (grocery) stores in India successfully transformed themselves to take on the supermarkets and hypermarkets like Reliance Fresh, More, Big Bazaar, and Dmart. Despite the economies of scale of modern, large-sized brick & mortar retailers, kirana stores were able to provide value for money to customers that helped them retain their market share against organized retailers.

But in 2021, there's a new challenge for Kirana stores in the country. The fight this time is from online grocery players like Big Basket, Grofers, Nature's Basket, and RelianceSmart among others. The value proposition being offered by online grocery companies is ease of ordering online, home delivery, and discounts on large orders.

This is where Jaipur-based Kirana King sees an opportunity. The retail tech startup offers a complete transformation of kirana stores within three to four days, helping them adorn the look of modern-day superstores, thereby improving infrastructure, hygiene, and feel of their shops. But in the digital age, looks are not the only thing that matter to customers. They want ease of making payments as well as getting deliveries.

Hence, Kirana King also focuses upon revamping the entire distribution channel of kirana stores, integrating technology-enabled solutions for digital payments, inventory management, and assortment. "With this, we increase the average revenue for retailers by 20-30%, and some as high as 50%," claimed Anup Kumar, founder and CEO of Kirana King.

How Glow Road Has Financially Empowered Indian Women With Its Take On Social Commerce

04 Jan'21 source:<https://inc42.com/>

When the four founding team members from HealthcareMagic were planning their exit — post its acquisition by a US-based company for a valuation of over 100 Cr, faced the question 'what next?'. They realised that they wanted to build something that actually had a big impact on Indian society.

At the time, social media was witnessing a massive jump in users as well as a way for businesses to sell. Looking to tap this opportunity, Sonal Verma (MBBS, MD) — who was the founder of HealthcareMagic — decided to drive her passion towards helping women become financially empowered. So Verma, along with Kunal Sinha, Nitesh Pant, Shekhar Sahu, and Nilesh Padariya founded GlowRoad.

With the goal to solve the problems faced by micro-entrepreneurs, and provide them with more opportunity and a platform to earn from home, GlowRoad was formally incorporated in 2017.

The social commerce sector, which is currently pegged to be a \$2 Bn market, is growing majorly due to millions of small retailers leveraging the reach and impact of social media to grow

their business. While the exponential growth has attracted many tech giants such as TikTok (before the ban), Facebook, Instagram, Google and others, GlowRoad and other startups are also making a big difference by solving unique problems in the social ecommerce value chain. Elaborating on what sets GlowRoad apart in this highly competitive field, cofounder Verma said, “We provide resellers with access to trusted suppliers, logistic services, and payment gateway. We want them to have long-term sustainable businesses, this means curating products in terms of quality, designs, and the product mix itself. We also offer a very simple free personal online storefront to our resellers, so as they grow they can use digital marketing to expand their business.”

The startup claims to have over 10 Mn registered members, and enable lakhs of resellers to earn money every month. It is working with all major logistics service providers to solve the challenge of deliveries and returns; delivering products in more than 23K postal codes, primarily in Tier 2 and 3 cities.

A Deep Dive Into GlowRoad

Building a platform to help micro-entrepreneurs earn from home is a challenging task in India, especially considering the many scams that run under the name of ‘earn from home’.

“We tried our best to be easily approachable to anyone wondering who we were. Thankfully, we had a proven track record as entrepreneurs, which increased the confidence level of both suppliers and resellers,” added Verma.

Another major hurdle for the startup in its initial days was sorting out logistics partnerships and processes, which took a lot of iterations. Today, it is enabling the resellers by not having to keep physical inventory and thus, zero capital to start a business. “We use a lot of AI to help resellers get maximum output in minimum time. For the same amount of time invested, a reseller makes more on GlowRoad than on any other reselling platform, which reflects in our excellent retention rate,” said Sahu.

While the first two months of lockdown affected the startup adversely, it partnered with edtech companies and telemedicine products, which

helped it stay relevant in the market. This is a flexibility that social commerce offers startups. As the market evolves, the products and offerings on the platform also have to be tailored. During the lockdown, the startup shuffled its focus to the ‘stay at home’ lifestyle to ensure that resellers have relevant products to offer.

Sahu told his meant more products in the home fashion, cookware, healthcare and personal care categories and targetting sellers that do the best job with these categories. “The best part is that our unit economics have become much better. We would most likely be the first profitably growing social commerce company in India,” added the cofounder.

Considering the fact that resellers are more concerned with product quality, delivery, ease of returns and refunds, timely margin payment and more, the startup said that it made deliberate efforts to meet their expectations on all these parameters.

The next big challenge was the supply chain. Suppliers that were new to ecommerce needed training and regular communication. So the company worked closely with the suppliers to help understand customer requirements, identify causes for returns, and take corrective measures. Verma further added, “From the beginning we have focussed heavily on building smart solutions for our suppliers to manage orders and inventories using our platform. Additionally, we are the only platform to offer resellers with an online digital shop in a click of a button which they can share with their buyers and bring more customers, growing their business multifold.”

Future Outlook For Social Commerce And GloWRoad

While the growth of ecommerce in India is no longer news to anyone, in a matter of just 10 years, the social ecommerce market is expected to be twice the current size of ecommerce. The sector is expected to reach \$20 Bn by 2025 and nearly \$70 Bn by 2030. This presents startups such as GlowRoad and others of its kind, a big opportunity to tap into. Talking about the industry in India, Pant said, “If we talk very specifically about social commerce, we

are still in early stages. Many more ways of social commerce are flourishing in China, so first, those need to be tried in India. Also, platforms that provide tools and services for resellers to help reseller scale-up are required.”

The startup believes that though the segment has seen incredible growth and some remarkable companies, there still exists a huge untapped market, which makes it easier for multiple players to co-exist. Success here is determined by the one with the most retention and capital efficiency as acquiring users and sellers becomes more and more expensive through cashburn.

GlowRoad is looking to consolidate and streamline the various product categories in fashion, home and electronics in the coming six months for a more sustainable approach in reaching customers.

Beyond the growth opportunity, lately, there has been another grave concern for the social commerce segment. There could be regulatory hurdles in the future given the rising incidents of multi-level marketing, fake goods and spam pages. But Verma claimed GlowRoad’s model tackles such illicit activities, “GlowRoad works on a single layer of resellers unlike the typical pyramid structure based multi-level marketing companies.” She further added, “Our resellers don’t need to recruit people under them. We have entirely stayed away from anything that might look like multi-level marketing, which is the biggest regulatory hurdle in the reselling space. Same way, we have stayed away from coaxing suppliers into exclusivity. Current regulations are by and large favorable for the industry and it should help in growth.”

Online cosmetics startup Nykaa eyes \$3 billion IPO in 2021

Jan 05, 2021 source: <https://www.financialexpress.com/industry/sme/tpg-backed-beauty-startup-said-to-plan-ipo-at-3-billion-value/>

Nykaa E-Retail Pvt is planning an initial public offering as soon as this year that could value the Indian online cosmetic retailer at a minimum \$3 billion, according to people familiar with the matter.

The startup founded by Falguni Nayar, a former investment banker, is working with advisers to

prepare for the share sale in Mumbai, the people said. Nykaa is leaning toward a domestic listing, though an overseas share sale is also under consideration, said the people, who asked not to be named as the information is private.

Deliberations are ongoing and details of the offering including the size and timeline could change, the people said. A representative for Nykaa declined to comment.

Founded in 2012, Nykaa’s platform lists more than 1,200 brands ranging from makeup, skin-care to health supplements and hair dryers, according to its website, which logs 55 million monthly visits. It has six warehouses across India and receives over 13 million orders each month.

The company was preparing for an IPO in two years, its founder and Chief Executive Officer Nayar told local news agency PTI in an interview in 2018.

Nykaa counts TPG and Indian tycoon Sunil Munjal’s family office Hero Enterprise among its backers. In November, Fidelity Management and Research Co. invested an undisclosed amount in Nykaa’s latest funding round. The startup is among companies that have benefited as Indian consumers increasingly shop online — a trend bolstered by the pandemic-led lockdown last year.

STARTUP FEATURES

'2021 will be a watershed moment for India's tech ecosystem' — here are the startup sectors that VCs are betting on

JAN 11, 2021 SOURCE: <https://www.businessinsider.in/business/startups/news/2021-will-be-a-watershed-moment-for-india-tech-ecosystem-here-are-the-startup-sectors-that-vcs-are-betting-on>

- ⇒ In 2021, Indian VCs (venture capitalists) believe that the investment deal flow will continue as global funds too jump in for a pie of the Indian startup ecosystem.
- ⇒ Indian investors say they will continue to bet on sectors like e-commerce, edtech, fintech and SaaS, while there's room for sectors like SpaceTech and Agritech to grow.
- ⇒ The year ahead could see consolidation in India's tech ecosystem as well. Investors believe more mergers and acquisitions are on the cards in 2021.

India's tech ecosystem is riding into the new year with a lot of enthusiasm.

There are multiple startup IPOs on the cards, investments are flowing in, and the spirit of recovering in a post-pandemic era is high.

In 2020, despite the coronavirus pandemic PE-VC (private equity and venture capital) deals hit \$39 billion across 814 deals led by the onslaught of deals by Mukesh Ambani's Jio Platforms and Reliance Retail.

And in 2021, Indian VCs (venture capitalists) believe that the investment deal flow will continue as global funds are eyeing a slice of the Indian startup ecosystem.

2021 will be a watershed year for the tech economy in India. While foreign investors have been extremely bullish about it, domestic investors and even large corporates have been largely bystanders past 10 years waiting for the change to reach a certain critical mass. They will now jump in or be left out of the handsome gains that will be accrued in the next 10 years, by participating in the tech economy," said Anup Jain, Managing Partner at Orios Venture Partners.

India's internet ecosystem in numbers :

Internet Subscribers	Smartphone devices	Social media users	Daily mobile time
749 million	500 million	376 million	4.8 hours

Edtech will continue to shine

2020 was the year of edtech in India. With schools and colleges shut due to the COVID-19 pandemic, India's educational technology startups stood at the forefront of online transition of schools. In 2020, edtech startups raised a total of \$2.2 billion, and VCs believe that the money will continue flowing into the sector.

Fintech is the next big bet

As the internet penetrates India's hinterlands, the adoption of digital payments, financial tech instruments will increase across the country. And VCs believe that fintech cos will drive the growth. "If 2020, the year of the pandemic, was all about edtech and health tech, 2021 will be the year of Fintech in India. Consumers and businesses alike have made substantial changes to the way they lead their lives and businesses and set new goals and practices for saving, investing and spending," said Jain. Jain lists that financial services or neo-banking ecosystem, wealth cre-

ation and management will reign big in fintech along with "the use of tech by consumers, just like in e-commerce, will be reflected in discovery and purchase of financial products and services."

E-commerce boom to linger

With the coronavirus pandemic, offline retail was hit in a big way, which also led to India's e-commerce firms' boom along with grocery retail, which saw their numbers multiply. From Amazon and Flipkart seeing the number of sellers grow on their platform to JioMart, BigBasket, Grofers, saw their average order volumes and app downloads grow during the pandemic.

This e-commerce boom will continue to linger in the new year, believe VCs. The durable shift to online has gone well beyond just the top 50 million users, and all incumbents brands have embraced it and are providing a good experience. The sector will keep expanding, and new retail (formats+omnichannel), Social commerce, warehousing, etc should see innovation," said Deepak Gupta, Founding Partner, WEH Ventures. Within e-commerce, Direct to Consumer or DTC brands that sell directly from their websites saw massive growth in 2020. And that has seen investor appetite also grow, with brands like boAt raising over \$100 million in funding already in 2021.

SaaS to ride on the benefit of digitization

One of India's best performing bets has been in the SaaS (Software as a Service) sector with unicorns like Freshworks, Zoho, Druva, Zenoti, Icertis. And experts believe that the offerings in SaaS are far from over. "We expect adoption of SaaS (software-as-a-service) products to become more widespread as people realized the benefits of digitization during the COVID 19 pandemic. Cyber Security companies would have tailwinds as data leaks / data thefts have made sure people take this aspect into cognizance," said Jatin Desai, Managing Partner at Inflexor Ventures.

Space, agri and electric vehicle infra are among other sectors to watch out for

Here are the other sectors that VCs are betting on

- ⇒ SpaceTech
- ⇒ AgriTech
- ⇒ InsurTech
- ⇒ Electric Vehicles Infrastructure

Pankaj Makkar, MD of Bertelsmann India Investments, sums it up that sectors like e-commerce, e-commerce logistics, direct-to-consumer, Edtech, HealthTech, and some portions of FinTech will do well in the new year. But he also sees consolidation in India's tech ecosystem. "We will also see Mergers and Acquisitions happening as competitors may join hands because there is less space to grow," he said.

Are Investors Putting Enough Money In Smaller Indian Cities To Capture The Next Billion Consumers?

04 Jan'21 source: <https://inc42.com/features/are-investors-putting-enough-money-in-smaller-indian-cities>

- ⇒ Just \$87 Mn worth of funding was raised outside of the tier 1 cities in 2020 compared to \$234 Mn raised in 2019
- ⇒ Between 2014 to 2020, around \$1.07 Bn has been raised by startups from Tier 2 & 3 cities
- ⇒ Government-backed startup policies, state-funded incubators and various other schemes have all played a crucial role in propelling the fledgeling startup ecosystems in India's Tier 2 and 3 cities, but is it enough?

Over the last six years, India's startup ecosystem has come a long way. Having become the world's third largest startup ecosystem with over 55,450 startups, India is at the centre of fund-

ing plans of the world's biggest investment funds. But as entrepreneurs chase the next billion users to make products and services for, there has been an increasing expectation that investments will come in the cities where these users live. We are talking about Bharat, which resides in tier 2 and tier 3 cities of India.

With an internet user base of over 700 Mn, India is the market that every tech company needs. But, the question is whether investor money moves beyond the big cities of India?

The pandemic was harsh for the overall startup ecosystem, with a decline of 10% in total funding at \$11.5 Bn in the country, it hit the smaller cities even harder with just \$87 Mn worth of funding going to startups located there, in 2020 as compared to \$234 Mn worth of funding in 2019, a 62% year on year decline.

According to Inc42 Plus data, between 2014 and 2020, only \$1.07 Bn has been raised by startups in tier 2 and 3 cities. Even outside the top three cities, a bulk of the funding was cornered by cities like Pune, Hyderabad and Chennai, leaving little for the non-metros. What does the future hold for smaller towns? Do startups based out of Bharat have a future?

STARTUP FUNDING

B2B Ecommerce Unicorn Udaan Bags \$280 Mn From Octahedron, Moonstone & Others

06 Jan'21, SOURCE:<https://inc42.com/>

B2B ecommerce platform Udaan, on Wednesday (January 6), announced that it has raised \$280 Mn in additional financing from new investors Octahedron Capital and Moonstone Capital, along with existing investors Lightspeed Venture Partners, DST Global, GGV Capital, Altimeter Capital, and Tencent.

Prior to this, Udaan raised \$585 Mn from Tencent, Altimeter, Footpath Ventures, Hillhouse, GGV Capital and Citi Ventures. Existing investors Lightspeed Venture Partners and DST Global had also participated in the round. The company has raised up to \$1.15 Bn till date across multiple funding rounds. The company is looking to deploy the latest fund towards continued market creation of B2B ecommerce in

India and digitise more small businesses across the country. It will focus on expansion of products and categories available on Udaan, increasing user experience, enhancing technology platforms and also expanding its SME financing capabilities, along with reinforcement of the supply-chain infrastructure.

Singapore's Beenext leads \$4m series A round in Indian digital payments firm

source:<https://www.techinasia.com/singapores-beenext-leads-4m-series-indian-digital-payments-firm>

Phi Commerce, an India-based digital payments firm, announced that it has raised US\$4 million in a series A round led by Singapore-based VC firm Beenext. Yatra Angel Network, which is managed by seed investor and fintech veteran Abhishant Pant, also participated in the round.

Phi Commerce will utilize the funds to bolster its product offering, expand in existing markets, and enter new geographies.

Founded in 2015, the Pune-based fintech startup offers an application programming interface (API) platform – PayPhi – that addresses payments collection, processing, and distribution requirements of networks, banks, processors, and businesses through online, mobile, and in-store channels. Phi Commerce, which claims to have more than 100 million monthly transactions, has a presence across Tier 1 to Tier 3 cities in India. "India is probably the most complex payment market in the world with all sorts of payment form factors. The Phi Commerce team has built a remarkable product covering end-to-end omnichannel payments at scale," said Hero Choudhary, partner at Beenext. In June 2020, Beenext closed a total of US\$160 million for its two new funds. One of them was the US\$110 million Beenext Emerging Asia Fund which was focused on investing in early-stage startups in India and Southeast Asia to accelerate digital technologies across the region.

PepsiCo selects 10 emerging innovators including one from India for mentoring

IBEF: January 13, 2021

On Tuesday, PepsiCo published a list of 10

global emerging innovators, including Biosustain Labs in India, each of which will receive a US\$ 20,000 grant and mentoring support under its fifth 'Greenhouse Accelerator' initiative.

Biosustain Labs, located in the Kodagu district of Karnataka, creates safe functional food items for customers looking for unique health benefits.

Five emerging innovators, Braingaze, Carbiotix AB, Melico Research, Seqbiome, Sphera Encapsulation, were chosen from Europe, while four were chosen from the US: BioLumen, ZBiotics, Canomiks, LifeNome-Ask Sophie.

PepsiCo said, "Participating firms will receive grant funding of US\$ 20,000 and launch a six-month business programme designed to boost their development through personalized mentoring."

The 10 innovators will receive personalised mentorship through roles like research and production, supply chain and architecture from experts at PepsiCo. Mentors will partner with businesses to address a variety of business challenges, including business model growth, technology scaling and go-to-market strategy.

PepsiCo Ventures Group Managing Director, Mr. Daniel Grubbs said, "We are eager to extend our Greenhouse Accelerator programme into new fields such as cutting-edge technology and research. We have a lot to learn from this team and look forward to working closely with these 10 innovators who are changing the game through customization and new technology."

PepsiCo said that a committee of stakeholders inside PepsiCo selected the finalists on the basis of their ability to deliver ingredients, products or services that promote a healthier lifestyle and encourage global health and wellness management.

What Are Series A, B And C Fundings?

January 4, 2021

source: <https://www.startupstories.in/stories/inspirational-stories/articles/importance-of-communications-for-a-startup>

Startups usually go through a tumultuous series of journeys during their lifecycle. As a startup is continuing to grow, the need for funds becomes more and more important. Funding of-

fers startups the necessary influx of money at various stages to focus on different aspects like product building, scaling up, expansion, innovation, research and development. While only a handful of startups usually make it big without the need of much funding, the rest of the other startups engage in multiple efforts to raise enough capital through rounds of external funding.

Once a startup completes a seed funding round, the next following rounds are called as series funding and are classified into Series A, B and C respectively.

These Series fundings usually have a timeline and Series A is the first of the three rounds of funding. Many startups often spend years in search of a Series A funding while some other startups easily get their foot in the door. The Series fundings are a stepping stone for a startup to eventually become a Unicorn or for filing for an Initial Public Offering (IPO.)

As is the case with seed funding, the Series A,B and C rounds of funding also see investors putting their money into a startup in exchange for equity. The success of a startup directly correlates to the amount of returns an investor gains. Before any round of funding, a startup needs to be valued and a valuation is done based on multiple factors like management, track record, market size, risk and liabilities. Let us have a look at what Series A,B and C funding means below.

Series A funding

Once a startup gains a proven customer base and consistent revenue figure, the startup may opt for a Series A round of funding. This funding can be used by a startup in question to improve their customer base as well as taking opportunities to scale their product across different markets. A startup also usually prepares a long term business plan after receiving a Series A funding. Series A fundings range between \$ 2 million and \$ 15 million. Investors are not looking for a great idea but rather a plan to take the great idea and make it into a money making business.

Series B funding

Series B funding rounds are all about startups expanding and taking their business to the next level. Investors help startups get there by

expanding market reach. Companies that have gone through seed and Series A funding rounds have already developed substantial user bases and have proven to investors that they are prepared for success on a larger scale. Series B fundings are usually used to scale a startup to meet the increasing demand levels. Series B fundings range between \$ 30 million and \$ 60 million with the average funding at \$ 33 million.

Series C funding

By the time startups arrive at Series C round of funding, they are usually quite successful. The idea behind the Series C round of funding is for startups to raise capital to develop new products and expand into newer markets or probably even acquire other businesses. Normally investors expect a 200% return on their investment during the Series C round of funding. Companies vying for a Series C funding are usually looking to go for an IPO or to expand on a global scale. Startups are usually valued at around \$ 118 million when applying for a Series C funding. This concludes the list of Series funding. Series fundings are an important milestone in any startup's roadmap to success and this article hopes to break down the Series funds into simple terms.

STARTUP ACQUISITION

Byju's to buy medical, engineering entrance coaching leader Aakash in US\$ 1 billion mega deal

IBEF: January 13, 2021

Byju's, India's largest online education startup, has signed an agreement for US\$ 1 billion to acquire brick & mortar test prep pioneer Aakash Educational Services Ltd, stated a spokesperson.

The deal is expected to be completed in the next two or three months.

Byju's, headquartered in Bangalore, is estimated at US\$ 12 billion and has been on a fundraising drive as the pandemic outbreak drove interest for online lessons. India's second most valuable startup is funded by the likes of the Chan Zuckerberg Initiative, Tiger Global Management and Bond Capital, co-founded by Silicon Valley investor Mary Meeker.

Aakash Educational Services, which is backed by the Blackstone Group, runs the Aakash Institute, which has over 200 brick and mortar centres and tutors' students to enter the prestigious engineering and medical schools of the world. Its number of students is over 250,000.

According to the spokesperson, Aakash's founders, the Chaudhry family, will exit entirely as per the deal with Byju's, while Blackstone will exchange a portion of its 37.5% equity in Aakash for Byju's stake

Byju's was established by Mr. Byju Raveendran, a former teacher and educator's son, who designed the smartphone app in 2011. The app caters to kindergarten to 12th grade students and has been adding more than 5 million users a month. In the K-12 classes, India has about 250 million students. The app offers lessons by video animations and games in math and science.

Byju's said last September that more than 70 million users signed in from over 1,700 cities across the country when it announced a fund raise. Over 4.5 million of these are consumers who are paying. In the current financial year ending March 2021, the goal is to double its revenue to US\$ 1 billion.

Unacademy scoops up test prep platform NeoStencil in sixth acquisition of the year

30th Dec 2020

source:<https://yourstory.com/2020/12/edtech-unacademy-acquires-test-prep-platform-neostencil>

Edtech unicorn Unacademy has acquired Gurugram-based test prep platform NeoStencil for an undisclosed sum. The acquisition will help it grow its presence in small towns. Edtech unicorn Unacademy has announced its sixth acquisition of 2020. After Kreatryx, CodeChef, PrepLadder, Mastree, and Coursavy, Unacademy has now acquired NeoStencil, a test prep platform focused on government jobs, for an undisclosed amount. The announcement was made by Gaurav Munjal on Twitter. NeoStencil offers over 500 courses to help students crack government entrance exams. This acquisition will further consolidate Unacademy's leadership position in the test prep space,

and also increase its presence in Tier-II and III towns. Munjal said in a tweet, "Our mission at Unacademy is to democratise knowledge and while we have set out firmly towards that goal, we have a long way to go. We believe together we can create a huge impact and build products that help our Learners crack their goals." Gurugram-based NeoStencil was founded in 2014 by Kush Beejal and Love Beejal to make education affordable and accessible for all. The live learning platform has partnered with over 100 institutions, served 1.1 million students, and helped several coaching centres go digital during the pandemic. In an earlier interaction with YourStory, NeoStencil had said that it has about 150,000 active users on the platform, and paid users make up 10 percent of it. Following the Unacademy acquisition, Kush stated, "Our resolve is to ensure that every aspirant has access to the best resources regardless of whether they live in a metropolitan city. Joining the Unacademy Group enables us to realise this vision by being a part of a larger movement." Munjal, meanwhile, added, "I have known Kush and Love for the past three years and have been fortunate to see their journey from the sidelines. It's great to have them as a part of the Unacademy Group." Unacademy's acquisition spree mirrors this year's broader industry trend. 2020 saw more mergers and acquisitions in edtech than ever before with unicorns like BYJU'S and Unacademy scooping up younger startups at will.

Cyient gets Australia's FIRB clearance, completes acquisition of IG Partners

06 January, 2021 source:<https://economictimes.indiatimes.com>

New Delhi: IT and engineering services company Cyient on Friday said it has received nod from the Foreign Investment Review Board (FIRB) of Australia, and has completed the acquisition of Australian consulting firm IG Partners. In August this year, Cyient had said it will acquire Australian consulting firm IG Partners to expand its end-to-end offerings for the local and regional resources sector. "This is to inform that further to our communi-

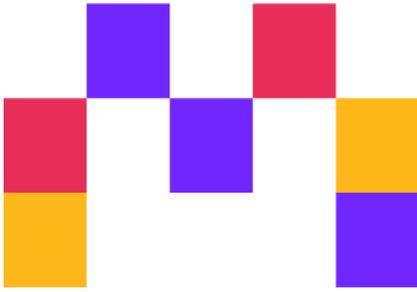
cation on August 31, 2020, regarding the si . Integrated Global Partners Pty Ltd (IG Partners) is headquartered in Melbourne, Australia and employs about 40 employees and consultants. Founded in 2012, its revenue for FY2020 was AUD 14.8 million.

OTHER DEVELOPMENTS

- Sharechat is reportedly close to raising funding from Google, Snapchat maker Snap Inc and existing investor Twitter. The round will value the company at over \$1 Bn.
- Early-stage venture capital firm Blume Ventures launched a 'Blume Founders Fund' through which it has invested in five companies — short video app Chingari, fintech platform Indiagold, lifestyle DTC brand Monrow, an undisclosed autonomous robotics venture and an undisclosed fintech venture.
- Mirae Asset group is looking to widen its India footprint with a dedicated \$35 Mn (INR 256 Cr) fund for early-stage Indian startups. The fund will look to invest in up to Series A rounds in early stage tech companies.
- Venture capital firm Z3Partners has announced the first close of its maiden fund at \$13 Mn (INR 100 Cr), with a target corpus of \$100 Mn (INR 730 Cr). The company is looking to invest in high-growth startups across consumer and enterprise sectors. It has already invested in cybersecurity SaaS startup CYFIRMA and social commerce startup DealShare using this fund.

STARTUP EVENTS >> UPCOMING**The Makers Summit**

12-14 March 2021 , India

**The
Makers
Summit**

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**Startup Roadshow held in Singapore**

HCI in partnership with the CII and Action Community for Entrepreneurship (ACE) organized a Singapore Roadshow as a precursor to the 'Start-up India International Summit - Prarambh', over a virtual platform on 12 January. The High Commissioner spoke at the Roadshow, highlighting India's start-up ecosystem and the opportunities available for Singapore investors and entrepreneurs in India. The High Commissioner also invited them to participate in the upcoming Start-up India International Summit to be held on 15-16th January.

Shri Piyush Goyal inaugurates the 'Prarambh: Startup India International Summit'

The two day 'Prarambh', Startup India International Summit was inaugurated by Union Minister, Shri Piyush Goyal on 15th January 2021, with members of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) countries participating in the inaugural event. The Summit is being organized by Department for Promotion of Industry and Internal Trade, M/o Commerce & Industry, as a follow up of the announcement made by the Prime Minister Shri Narendra Modi at the 4th BIMSTEC Summit held in Kathmandu in August, 2018.

Declaring the Summit open, the Minister of Railways, Commerce and Industry, Consumer Affairs and Food and Public Distribution Shri Piyush Goyal said that the Summit is a demonstration of neighborhood first policy which will booster partnership among the member countries. He hoped that this will ushering a new beginning, showcasing various aspects of the startup world. He said that Indian startup ecosystem has made big progress in the last five years since the launch of Startup India. With participation from over 25 countries and more than 200 global speakers, the Summit is the largest Startup India International Summit organized by the Government of India since the launch of the Startup India Initiative in 2016. The Summit is having 24 sessions with focus on enhancing multilateral cooperation and engagement with the countries from around the global to collectively develop and strengthen the Startup ecosystem.

STARTUP FAQs

1. Which are the bodies and agencies that fall under the category of “Funding Bodies”?

As per the notification no. G.S.R 180(E) dated February 17, 2016, Alternate Investment Funds, Venture Capital Funds, Angel Fund and Seed Funds registered with SEBI will be eligible for providing support to entities in which not less than 20 percent equity is taken up by such funds. The list SEBI registered funds(VCFs and AIFs) has been published on Startup India portal

2. What are the aspects that need to be reviewed before issuing support?

A funding agency is required to validate if the entity under review is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property if it aims to develop and commercialize :

- A new product or service or process; OR
- A significantly improved existing product or service or process that will create or add value for customers or workflow.

The following activities are not considered as a valid case for issuing support :

- Products or services or processes which do not have potential for commercialization; OR
- Undifferentiated products or services or processes; OR
- Products or services or processes with no or limited incremental value for customers or workflow.

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

For Feedback & Comments, please contact:

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