

Startup Watch

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STARTUP POLICIES

India's first smart city in Gujarat collaborates with startup incubator to accelerate fintech innovation

SOURCE: <https://www.newindianexpress.com/business/2021/jul/01/indias-first-smart-city-in-gujarat-collaborates-with-startup-incubator-to-accelerate-fintech-innovation>

As part of the collaboration, Zone Startups India, a part of BRTSIF, will explore avenues to set up and promote a fintech hub in Gujarat's GIFT SEZ.

Gujarat International Finance Tec-City (GIFT City) said it has collaborated with the BIL Ryerson Technology Startups Incubator Foundation (BRTSIF) to accelerate fintech innovation. GIFT City is India's first smart city and international financial services centre (IFSC), and BRTSIF is a joint venture among BSE Institute Mumbai, Ryerson University and Simon Fraser University, Canada.

As part of the collaboration, Zone Startups India, a part of BRTSIF, will explore avenues to set up and promote a fintech hub in GIFT SEZ, according to a statement by GIFT City. It will further lay down the foundation to promote start-ups and support the Government of India's vision for entrepreneurship development and innovation culture at GIFT-IFSC.

GIFT City is emerging as a hub for fintech activities and BRTSIF would play an important role for

promoting talent and developing ecosystem to attract start-ups in GIFT IFSC, the statement noted.

GIFT City MD and CEO Tapan Ray said, "Fintech and IFSC are emerging fields in India with immense potential.

Their synergy is essential to develop a matured financial ecosystem in the country, given their dynamic traits.

"According to him, one of the objectives of GIFT City has been to provide a productive platform for fintech and related sectors to be globally competitive.

Zone Startups will develop a programme to attract domestic as well as international fintech and fintech-enabled start-ups in areas such as digital banking, crowdfunding, insure-tech, and prepaid payment instruments, among others. Zone Startups Managing Director Hemant Gupta said the world of banking and financial services is entering a phase of deeply transformative digitisation.

"A new generation of digital consumers expects a modern and seamless customer experience and is demanding new ways of transacting business.

Emerging trends in neo-banking, app-led payments, and digital currencies are all creating new opportunities and presenting new problems that need solutions," he added.

Better Harvests: Raising funds easier for agri-tech startups

SOURCE: <https://www.financialexpress.com/industry/sme/better-harvests-raising-funds-easier-for-agri-tech-startups>

In the last three years, agri-tech in India has seen increased attention from industrialists, accelerators, incubators and alternate fund investors apart from established venture capitalists. This is due to innovation in technology that enables addressing new challenges. According to a Nasscom report, there were over 450 Indian agri-tech startups and they raised over three times the venture fund in 2019 as compared to 2018, amounting to over \$250 million. In 2021, this number is expected to be even higher, pending thorough assessment. The innovation has also been the main attraction of other funds and venture development platforms. “Technology can play a disruptive role in input costs optimisation, farm management, precision farming, integrating financial services, value chain enhancement among many others, for agriculture and allied sectors such as livestock, fisheries and non-timber forest produce,” says Manoj Kumar, founder and CEO, Social Alpha, a venture development platform enabled by Tata Trusts, that has been working with Cisco India to accelerate agritech startups in India. Recently, the platform, along with Cisco India, via its Krishi Mangal programme, has accelerated five agri-tech startups

A deep-tech company, TraceX Technologies, from the Krishi Mangal programme, has been innovating in blockchain technology for agriculture. The startup has been working with 1000 maize farmers in Belgaum, Karnataka to make a connected supply chain. “Together with the on-field partner, we aim to increase the income of the farmers by 25%. Blockchain can be leveraged to digitalise the entire supply chain providing transparency, trust and traceability,” says Anil Nadig, co-founder, TraceX Technologies.

Tan90, another startup from the Krishi Mangal programme, has been working along with consortium partners Greenbliss Agro and DByT Dynamics to implement cold storage solutions for

marginal farmers in Andhra Pradesh and Telangana. “Organic farmers are the major beneficiaries, where storage at low temperatures is the only way to extend shelf life. Cost effective cold chain solutions are the need, with a major aim to keep both capital costs and operational costs minimal,” says Soumalya Mukherjee, co-founder, Tan90. “The approach further extends to data driven analytics for price prediction, to provide the best returns to farmers,” he adds. Social Alpha and Cisco India’s programme has also given further boost to meat and fisheries tech solutions along with data driven advisory services for farmers.

Another novel approach to the industry has come from Ventureland Asia, a marketing opportunity fund, by the way of acquisition. Arpit Organic, which was acquired in 2019 by Sajan Raj Kurup led Ventureland Asia, has transformed into a complete tech stack firm called Saintfarm, which takes organic farm produce to consumers.

“We have been invested in creating end-to-end tech solutions, touching not just one, but all points in the organic farming supply chain,” says Kurup. The firm uses IoT based farming solutions, analytics for farmers, price and demand predictions, logistics management and finally a consumer facing mobile application for taking orders. It had an initial investment of around \$3 million for the complete tech overhaul.

As a consequence, the startups have been able to overcome challenges in accessing funds, exploring and developing new markets and covering the whole length of the value chain without compromising on the gestation period to engineer solutions.

STARTUP STORIES

Zomato gets SEBI's go-ahead to float Rs. 8,250 crore IPO

Source: <https://www.ibef.org/news/zomato-gets-sebis-goahead-to-float-rs-8250-crore-ipo>

Zomato, a food delivery platform has obtained SEBI's approval to raise Rs. 8,250 crore (US\$ 1.11 billion) through an initial share-sale.

According to draft red herring brochure, the initial public offer (IPO) includes fresh issue of equity shares worth Rs. 7,500 crore (US\$ 1.01 billion) and an offer-for-sale of Rs. 750 crore (US\$ 100.86 million) by Info Edge (India) Ltd.

In April, Zomato, filed initial IPO documents with SEBI, attained its statement on July 2, an update with the regulator demonstrated on Monday.

SEBI's remark is extremely essential for any corporation to launch public issues like IPO, follow on public offer (FPO) and rights issue.

As per the draft documents, proceeds from the fresh issue would be utilized for financing organic and inorganic growth plans, and general corporate objectives.

In the last few years, the online food delivery segment has witnessed considerable growth with players like Zomato and Swiggy dominating the market.

In FY20, Zomato's revenue registered a 2X growth at US\$ 394 million (~ Rs. 2,960 crore).

In February, Zomato had raised US\$ 250 million (> Rs. 1,800 crore) in funding from Tiger Global, Kora and others, resulting in the valuation of the company at US\$ 5.4 billion.

Morgan Stanley India Company Pvt Ltd., Kotak Mahindra Capital Company and Credit Suisse Securities (India) Pvt Ltd. are the book running lead managers and global coordinators to the issue.

Citigroup Global Markets India Pvt Ltd. and BofA Securities India Ltd. have been selected as merchant bankers to the public issue. The shares the firm will be listed on BSE and NSE.

In 2020, Mr. Deepinder Goyal, Zomato founder and CEO had announced that the firm was intending to go for an IPO in the first half of 2021.

ARTPARK to launch \$100 million venture fund exclusively for startups in AI and robotics space

SOURCE: <https://www.marketshockers.com/artpark-to-launch-100-million-venture-fund-exclusively-for-startups-in-ai-and-robotics-space>

ARTPARK, a nonprofit that backs technology-driven solutions for social problems, is set to launch a \$100 million venture capital fund for Indian startups in the robotics and artificial in-

telligence sector.

It will be the biggest venture fund supporting the country's AI and robotics sector, where funding is still at a nascent stage.

Bengaluru-based ARTPARK (AI and Robotics Technology Park) works closely with universities and researchers to develop cutting-edge technology solutions to real-world problems specific to India. It aims to help talented people and researchers set up companies and develop products.

"We have the university ecosystem that produces world-class talents. Connecting them to an institution like ARTPARK will help them to work on their ideas, use our resources and scale up solutions," ARTPARK's CEO Umakant Soni told ET. "We are launching this \$100 million fund to help such companies."

He said the fund could potentially address the existing gap in financing deep tech firms. "VC funds in India expect companies to show value in terms of revenue. But in reality, revenue is only a lagging indicator, not a leading indicator," he said.

The soon-to-be-launched VC fund will focus on companies and startups that have a risk appetite. "ARTPARK is a place where people come to take risks. The institution will provide an ecosystem, talent and funding where innovative minds can take bold risks and develop tech solutions in strategic areas," Soni said.

ARTPARK was incubated at the Indian Institute of Science, Bengaluru, last year, and set up with support from AI Foundry, also a section 8 company, in a public-private partnership with \$32 million seed grant from the department of science and technology and the Karnataka government.

The organisation plans to seed and support unique companies in the AI and robotics space that can make visible societal impact in healthcare, education, infrastructure, agriculture and such select areas.

The technology innovation park is set up on the lines of Stanford Research Institute (SRI) in the US that has been at the forefront of creating Silicon Valley. "We want to take technology moonshots and create a sustainable ecosystem that can come up with some remarkable results in the next 10 years," Soni said.

According to him, the VC fund aligns with ARTPARK's economic model where the organisation will become autonomous in five years once the funding from the government stops. "The organisation will also hold stake in companies similar to SRI," he said.

Soni is also founding partner at pi Ventures, one of India's first focused deep-tech funds that had a fund corpus of \$30 million.

Grofers becomes a unicorn after Zomato reportedly invests US\$ 120 million

Source: <https://www.ibef.org/news/grofers-becomes-a-unicorn-after-zomato-reportedly-invests-us-120-million>

Grofers, a Gurugram-based grocery delivery start-up reportedly joined the unicorn club, post raising US\$ 120 million from Zomato, a food delivery platform. The development has taken the valuation of Grofers to > US\$ 1 billion.

Grofers refused to clarify on the report. The company stated, "Currently, we emphasise to do our best to help consumers at the time of pandemic. While we continue to develop technology that enables the grocery ecosystem to make goods more accessible and affordable for millions of Indian households."

Zomato did not respond instantly on this matter. In 2020, Zomato reportedly attempted to acquire Grofers, to expand its presence in the grocery delivery space.

According to a new report published by Motilal Oswal, a stock broking house, the online grocery market has registered ~ 30X growth over the last seven to eight years to reach US\$ 3 billion.

The report mentions that India has ~ 154 million transacting households. Of which, online grocery solutions users stands at ~ 130 million, generating an addressable market of US\$ 293 billion.

The news comes only a week after Mr. Saurabh Kumar, cofounder of Grofers announced his exit from the company. He will remain to be a board member and a shareholder in the company.

The company was founded in 2013 and so far, it has raised ~ US\$ 662 million across equity and debt rounds. Its investors include Sequoia Capital India, Bennett Coleman and Co Ltd., Trifecta

Capital Advisors, Abu Dhabi Capital Group and SoftBank Vision Fund.

STARTUP ACQUISITIONS

Edtech firm upGrad earmarks US\$ 250 million for M&A, non-linear growth

Source: <https://www.ibef.org/news/edtech-firm-upgrad-earmarks-us-250-million-for-ma-nonlinear-growth>

upGrad, an EdTech company announced that it has allocated US\$ 250 million for the initiatives related to mergers and acquisitions (M&As) over the next 7-9 months, as it plans to bolster its non-linear growth strategy.

By March 2022, upGrad is expected to exceed annual revenue run rate at US\$ 500 million and is intending to raise ~ US\$ 400 million at a valuation of US\$ 4 billion.

Mr. Ronnie Screwvala, Co-founder, and Chairman, upGrad, said, "Outside of cash, we anticipate for a robust value currency in our stock to explore M&As with unique founders who will unite with us as partner entrepreneurs to develop this over the next decade."

Mr. Screwvala stated that upGrad has recognised particular segments as well as target firms, two of which will be revealed over the next 60 days.

It comprises platform and high touch digital learning capability that will complement upGrad's journey in for the last 6 years and a global part in the short form learning.

upGrad has established a solid tech platform and deep immersive learning capability with high touch-points to secure ~ 70% of the Indian higher education market for employed individuals.

This year, upGrad raised ~ US\$ 160 million funds.

In June 2021, the company announced that in the next three months in India, it plans to onboard 1,000 employees from > 100 campuses, comprising Metros and tier 2 and 3 cities.

It has also bolstered its senior leadership teams in the US and the UK.

The company appointed Mr. Tom Atkinson as the VP for sales and partnerships in the UK and Mr. Octave Auger as the VP for growth. In North

America, the company appointed Mr. Aaron Edgell as VP of marketing

Larsen & Toubro Infotech completes acquisition of Cuelogic Technologies

Source: <https://www.newindianexpress.com/business/2021/jul/08/larsen--toubro-infotech-completes-acquisition-of-cuelogic-technologies>

Cuelogic, which is the seventh acquisition by LTI since the company got listed in 2016, will be integrated with the digital practice of Larsen and Toubro Infotech, the company had earlier said in a st

Larsen & Toubro Infotech (LTI) on Thursday said it has completed acquisition of Cuelogic Technologies, a digital engineering and outsourced product development company.

In June this year, LTI said it will acquire Cuelogic Technologies for USD 8.4 million (about Rs 61.6 crore).

The company completed the acquisition of 100 per cent shareholding of Cuelogic on July 7, 2021

Consequently, Cuelogic is now a wholly owned subsidiary of the company and Cuelogic Technologies Inc., US, is now a wholly owned step-down subsidiary of the company, LTI said in a regulatory filing.

Cuelogic, which is the seventh acquisition by LTI since the company got listed in 2016, will be integrated with the digital practice of Larsen and Toubro Infotech, the company had earlier said in a statement.

Pune-headquartered Cuelogic, which was founded in 2010, primarily focuses on developing cloud native web and mobile applications, modernisation, and runs Innovation Lab as a service for its clients in the US and India.

Global payments platform Nium to acquire Wirecard's forex unit in India

SOURCE: <https://yourstory.com/2021/07/global-payments-platform-nium-acquire-wirecard-forex-unit-india>

This acquisition, Nium's second in just over a month after its acquisition of Ixaris, is expected to close in the third quarter of 2021, subject to customary closing conditions, including approval by the local banking control authority.

Nium, a Singapore-based global payments platform, on Wednesday announced that it has signed a definitive agreement to acquire Wirecard Forex India Pte Ltd – a foreign currency exchange, prepaid card, and remittance service provider in India.

Wirecard Forex is licensed by the Reserve Bank of India as an Authorised Category II Money Exchange Dealer (AD II), and the acquisition includes Wirecard's AD II licence. With this license, Nium can directly engage in a variety of payment services activities across the subcontinent, including currency conversion, money transfer, and prepaid card issuance. Nium holds the broadest licensing portfolio of any independent payments fintech. It issues approximately 30 million physical and virtual cards today and is licensed in 11 jurisdictions, including direct card issuing capabilities in 24 countries and in 40 currencies.

"We're seeing an accelerated move to digital payments as companies modernise their infrastructure to capitalise on the post-COVID economic recovery," said Prajit Nanu, Nium's Co-founder and CEO.

"More companies are turning to our global payments stack to embed financial services quickly. This acquisition broadens our licensing portfolio, extends the suite of digital payments services we can offer in India, and provides us with a physical footprint to provide more support in metro areas," he added.

Nium acquires Wirecard Forex at a time when India's prepaid card market is expected to boom at a CAGR of 40.5 percent between 2021 – 2026, as per Expert Market Research (EMR) report. Driving this growth is an expected increase in adoption by businesses looking for fast and easy payment processing, payment flexibility, and elimination of delays related to reimbursements. And, as consumer spending returns post-Covid, gift cards, meal cards, travel cards, and payday cards will become increasingly popular with businesses and consumers.

STARTUP EVENTS >> UPCOMING**9Unicorns 4th close at \$50 mn, to hold India's largest demo day on August 11-12**

9Unicorns & Venture Catalysts Presents

GLOBAL DEMO DAY

	WEDNESDAY AUGUST 11, 2021	THURSDAY AUGUST 12, 2021
Asia & India	1.30pm Singapore (SST) 11.00am India (IST)	
Europe & Middle East	10.30am London (CET) 1.30pm Dubai (GST) 3.00pm India (IST)	
USA		9.00am San Francisco (PST) 12.00pm New York (ET) 9.30pm India (IST)

PRESENTING TO YOU

15 EARLY STAGE STARTUPS | 15 SERIES A/B STARTUPS

SUCCESS STORIES OF 9UNICORNS & VENTURE CATALYSTS

BharatPe	80x	EDUFLIGHT	97x	dukaan	50x	PEE SAFE	9x
HEARD	5-7x	SUPR	4.75x	+ImpactGuru	6x		

ECOSYSTEM PARTNER YOURSTORY e27

Early stage startup fund 9Unicorns announced the fourth close of its first accelerator fund at \$50 million with participation from key players and limited partners (LPs) including Haldiram's, Indian Bank, Chona Family Office, among others. The \$82-million sector-agnostic fund, from the stable of India's leading integrated incubator Venture Catalysts (VCats), plans to invest in 150 startups over the next one year. The country witnessed the birth of 15 unicorns in the last six months as compared to 11 in the whole of last year. Riding high on this success, 9Unicorns is set to organise its first-ever Global Demo Day – D Day – along with its parent firm Venture Catalysts on August 11-12, 2021. A total of its 30 portfolio startups – 15 early-stage and 15 pre-Series A startups – will represent sectors as diverse as deep tech, artificial intelligence and data analytics, B2B SaaS, fintech, insurtech, healthtech, consumer tech and edutech.

STARTUP FAQs**1. Business Incubators**

As you know, every industry today has programmes called business incubators to assist startups with proper financing and training when they are merely starting out. The programmes consist of industry experts serving as mentors-cum-investors to help entrepreneurs understand the current growth trends.

2. Friends and Family

What could be better than your own family or friends investing money in your idea. This, in fact, is said to be one of the safest and the most reliable ways of all the other fundings as the one lending you the money knows you enough to put their trust in you. Besides, you always have them by your side.

source: <https://cleartax.in/s/7-steps-to-register-your-startup-in-startup-india#faq>

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