

Startup Watch

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This Issue

Cornext: This startup solves the fodder crisis for dairy farms P.2

Ed-infra startup Techmint launches in 25 countries, eyes more markets P.3

Startup Funding P.4

Startup Acquisitions P.5

Startup Events-Upcoming P.7

Start-up FAQs P.8

STARTUP POLICIES

India leading the world in field of start-ups: PM Modi

Source: <https://www.financialexpress.com/industry/sme/india-leading-the-world-in-field-of-start-ups-pm-modi>

Asserting that this is an era of start-ups, Prime Minister Narendra Modi on Sunday said India is leading the world in this field with more than 70 start-ups having crossed the valuation of USD 1 billion.

In his broadcast, Modi said that in any country having a large population of youth, three things — ideas and innovation, passion to take risks and the ‘can do’ spirit— matter a lot. When these three things come together, unprecedented results are achieved and miracles happen, he said. “These days we hear all around us, start-up, start-up, start-up. It is true that this is the era of start-ups and it is also true that in the field of start-ups, in a way, India is leading the world,” Modi said. He noted that year after year start-ups are getting record investments and this sector is growing at a fast pace. “Even in small cities of the country, the reach of start-ups has increased. Nowadays the word unicorn is much in discussion. Unicorn is a start-up whose valuation is one billion dollars, around Rs 7,000 crore,” Modi said.

“Till 2015, there used to be nine or 10 unicorns in the country, you will be very happy to know that now India is flying high in the world of unicorns as well. According to a report, a big

change has come this year. In just 10 months, a unicorn is being raised in India every 10 days,” he said. This is a big thing because the country’s youth achieved this success in the midst of the Covid pandemic, he said.

“Today, there are more than 70 unicorns in India, that is, more than 70 start-ups have crossed the valuation of USD 1 billion,” Modi said. Due to the success of start-ups, everyone has noticed them and they are getting support from investors from all over the country and abroad, he said, adding that just a few years ago no one could have imagined this happening. Indian youth are also contributing to the solution of global problems through start-ups, he noted. Modi also spoke to a youngster, who has tried to put forward a solution to the problem of pollution by introducing technology by which he managed to reduce emissions of buses by 40 per cent.

He said a few years back if someone used to say that he wants to do business or wants to start a new company, then, the elders of the family used to say, “why don’t you want to do a job, have a job”. There is security in a job, there is salary. The hassle is also less.” “But, if someone wants to start their own company today, then people around him are very excited and fully supportive. This is the turning point of India’s growth story, where people are now not only dreaming of becoming job seekers but also becoming job creators,” he said. This will further strengthen India’s stature on the global stage, he added.

Shri Piyush Goyal visits Science and Technology Park in Savitribai Phule, Pune University. The healthy competition between Pune and Mumbai in start-up ecosystem should continue: Piyush Goyal. India may have billion problems but it also has billion brilliant entrepreneurs to solve these problems: Piyush Goyal

Source: <https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1780697>

The Minister for Commerce & Industry, Textiles, Consumer Affairs and Food & Public Distribution, Shri Piyush Goyal today said, it is encouraging that 46 percent of start-ups registered with DPIIT have women as part of eco system. He hoped that woman will lead Start-up culture in Maharashtra. He further said, today we have startup ecosystem across length and breadth of India. More than 50000 startups have been registered in India. It is third largest ecosystem in world. Informing that as per DPIIT registrations, Pune has 3200 Start-ups whereas Mumbai 3274 Start-ups, Minister suggested that this healthy competition between Pune and Mumbai should continue. Recalling the contribution of social reformer and educationist Savitribai Phule, he said that Savitribai had started first girls school in Pune, so it is befitting that women entrepreneurs showcase their work in this Science Technology Park in Pune.

Comparing Incubators with parents, minister added that they are like guide and supporter that start-ups need. Describing Pune's unique position to support start-ups due to presence of industry, IT and finest academic institutions minister added that it is time to increase international collaboration in start-up ecosystem. He expressed need for collaboration of Academia, industry and research for thriving of Start-ups. The minister further informed that it is heartening to note that out of 79 Unicorns in India, 4 are from Pune. Sci-Tech Park in Pune University has 153 start ups. Noting that some of the innovations showcased in today's Science and Technology Park for Divyang people were exciting, he hoped to see more innovations for farmers, divyang and poor.

Stressing that government involvement always stifles industries' progress, the Minister gave

example of decades of sixties and seventies when industrial progress was hampered due to government interventions. He went on to add that no Unicorn today would have reached this position solely based on government support. Minister said that way forward can only be in a way where architecture of Start-ups is drawn by entrepreneurs while government will only provide support in the form of facilitator. However he added that some initiatives like Covaxin are good example of government and industry collaboration. He concluded that India may have billion problems but it also has brilliant billion entrepreneurs to solve these problems with extremely cost effective solutions for farmers, Divyang and Poor.

Backgrounder

Science and Technology Entrepreneurs' Park, Pune, was established in 1986 jointly by Ministry of Science and Technology, Government of India and University of Pune. The Park, apart from various other ministries has been recently funded under Startup India's Seed Fund Program.

Startup India's Seed Fund Program is a flagship program of Ministry of Commerce and Industry under the Department for Promotion of Industry and Internal Trade and the program is playing a pivotal role in supporting startups across India Vice Chancellor of Pune University Shri Nitin Karmalkar, Prashant Girbane, of Mahratta Chamber of Commerce, Industries and Agriculture, and Smt. Manisha Verma, Principal Secretary, Skill Development, Employment and Entrepreneurship Department, Government of Maharashtra were also present on this occasion.

Cornext: This startup solves the fodder crisis for dairy farmers

Source: <https://www.financialexpress.com/industry/sme/cornext-this-startup-solves-the-fodder-crisis-for-dairy-farmers>

Founded in 2015 by three entrepreneurs—Madhav Kshatriya, Amarnath Sarangula and Feroz Ahmed—Cornext has taken an integrated approach to help dairy farmers. This agritech startup offers low-cost, innovative quality feeding solutions for the dairy farmers. Kshatriya, an MBA from Australia and a dairy farmer himself, has an in-depth understanding of the pain

points of a dairy farmer. Sarangula, an IITian with experience in strategic planning, integrates proprietary baling technology with decentralised rural entrepreneurial ecosystem. Ahmed, a logistics expert, brings innovation in low-value-high-volume logistics.

Recently, Cornext became one among the seven startups selected from India for the 'Indo Israel Cohort Program' jointly launched by Startup Nation Central, Israel, TiE Hyderabad and TiE Israel. Kshatriya, CEO of Cornext, said, "Our goal is to make quality fodder easily accessible to dairy farmers in India." The first cohort will focus on innovations in the agritech sector, and the shortlisted startups will undergo speaker sessions and workshops on sensitization to Indian/ Israeli culture, business culture, perspectives on local market, consumer behaviour and exposure to high-growth sectors in both countries.

Cornext is focused on building a fodder ecosystem to help Indian dairy farmers. It started out by introducing a disruptive technology called Silage Baling, a naturally fermented, highly nutritious, ready-to-eat green forage packed in the form of Silage Bales by using imported technology. Cornext is soon launching a first of its kind mobile app "FeedNext" which offers low-cost quality feeding solutions such as baled silage, TMR (total mixed ration), fortified hay, mineral mixtures, feed supplements, etc to dairy farmers. The new e-marketplace 'FeedNext' will be a one-stop-shop for all feeding requirements of dairies.

STARTUP STORIES

Ed-infra startup Teachmint launches in 25 countries, eyes more markets

Source: <https://www.ibef.org/news/edinfra-startup-teachmint-launches-in-25-countries-eyes-more-markets>

Teachmint, a startup focused on education infrastructure, has launched its teaching platform in 25 countries across Southeast Asia and the Middle East, including Indonesia, Thailand, Vietnam, the United Arab Emirates, and Saudi Arabia. Teachmint hopes that by doing so, educators in all of these countries will be able to become future-ready powered by Teachmint's proprietary, mobile-first classroom technology.

Teachmint is now the only Indian education-SaaS company to go worldwide on this scale.

Teachmint's teaching platform has also been localized in languages like Arabic, Thai, Indonesian Bahasa, and Vietnamese to effectively meet the needs of educators in these regions, with more languages coming up. It is available on both App Store and Google Play. This app is adopted significantly with over 100,000 users in just a few weeks. With the release of many classroom features that further improve digital and hybrid learning infrastructure in the next months, the business expects to exponentially increase.

Mr. Mihir Gupta, CEO and Co-founder of Teachmint stated that "Since inception, we have been solving a universal problem statement in education with our innovation in teaching-learning infrastructure. Expanding to international markets has been a natural extension for our product." He also mentioned, "We have been receiving a lot of inbound requests from teachers and other stakeholders in these geographies, and it delights me to share that we are now ready to revolutionize their teaching journey."

Cross-border tutoring is becoming more popular, as witnessed by Teachmint. Over 1 million Teachmint teachers in India now have this opportunity thanks to their worldwide growth, which allows them to expand their student base to foreign markets and vice versa for teachers from other countries.

Mr. Gupta said, "The significance of mobile as a more affordable form of technology for millions of children is potentially changing the face of education. Over the past year, a majority of our teachers in India have expanded their classrooms to at least some students outside of their immediate city." He also added, "With our international expansion, we are thrilled to open up newer possibilities and enable teachers to create truly global classrooms."

Mihir Gupta, Payoj Jain, Divyansh Boradia and Anshuman Kumar the alumni of IIT Bombay and IIT Delhi founded Teachmint in May 2020. They have executive experience at OYO, McKinsey, Swiggy, and Roposo. Through its proprietary classroom technology, the company is reinventing the infrastructure for education. This is well-suited to education providers all across the world, including individual teachers, schools, universities, and ed-tech firms. With over 10

million teachers and students from 25 countries using the site, it is now available in over 15 Indian and international languages, including English. Rocketship.vc, Vulcan Capital, Learn Capital, Goodwater Capital, and Lightspeed India are among the investors who have backed Teachmint.

Starting out from Jaipur, this SaaS-based marketing startup has made its way to work with the Silicon Valley giants

Source: <https://www.thehindu.com/brandhub/pr-release/starting-out-from-jaipur-this-saas-based-marketing-startup-has-made-its-way-to-work-with-the-silicon-valley-giants>

Taggbox, incorporated in 2018, is the only Indian platform providing UGC (User-Generated Content) marketing solutions to global brands, helping them engage with their customers through transparency, relatability, and an omnipresent presence.

Marketing, today, is about the customers. Businesses across the globe have started tailoring their approach with respect to the bandwagon effect that users are following. But to be on the receiving end, gaining user trust and engagement is a prerequisite.

The traditional method of marketing is undergoing a paradigm shift with more focus being laid on customer engagement and building social proof. Here, integrating the role of customers as brand advocates with the existing marketing strategy could help in building trust, engagement and communities. Realizing an opportunity in these gaps, Taggbox rolled out its suite of products to bring the role of customers; as the most valuable asset of the brand in the spotlight.

The platform has been helping leading global brands authentically introduce their business to a wider set of audiences by leveraging user-generated content across marketing channels. Thus, multiplying their reach, brand awareness, and credibility in deliverables. "With consumers gaining greater access to acquiring and sharing information, the need to imbibe authenticity in marketing & advertising rose. That's when resourcing content generated by the ultimate force-users, through a no-code platform hit our

minds." - Neeraj Singal, CEO & Co-founder of Taggbox.

The 'Curious Case' of a Domestic Brand Reaching Global Heights

Neeraj recalls, "When we started out, the intent was to create a platform that takes the mainstream approach to marketing a notch higher by streamlining users' experience."

The journey of starting from a non-tech state, Jaipur, to doing business with Fortune 500 companies wasn't a ride of any ease. But, the startup's vision of building an ecosystem that validates users' opinions and experiences while helping brands to cash on the plethora of unbiased, authentic content created on social media channels paved the way for its success. In this digitally knitted world, where documenting emotions, learning and exploring things is just a click away, Taggbox has been helping brands bring in light the most impactful and choicest of content to enhance results derived from marketing. Taggbox claims to have helped brands increase their user trust, engagement, and conversions.

An Integrated Marketing Solution For Global Giants

With Taggbox's smart and enterprise-ready solutions, brands can enhance their existing marketing campaigns easily. Global giants like Facebook, OnePlus, SmashBurger, Audi, Yale University, Microsoft are among the other 10,000 brands that the platform has served ever since its commencement in 2018.

The suite of tools are built to help brands grow digitally across marketing touchpoints. Marketers can aggregate content from diverse social media platforms, curate it, and display the same on their web pages, print or social ads, digital screens, email campaigns, etc., to attract social proof, build faith and inspire potential users' purchase decisions.

Neeraj shares "For us, (y)our customer's experience is everything and by providing an omnichannel integrated marketing solution, we seek to reduce the work that marketers are put across, while still maximizing the ROI."

STARTUP FUNDING

Credit startup ePayLater sees disbursement growth

Source: <https://www.financialexpress.com/industry/sme/credit-startup-epaylater-sees-disbursal-growth>

ePayLater provides credit solutions to SMEs spread across more than 100 cities in the country and has disbursed over Rs 1,000 crore in facilitating inventory purchases.

ePayLater, a start-up in the SME credit space, has seen around 30% quarter-on-quarter growth in disbursal volumes since the past one-and-a-half years. The startup, which recently raised \$10 million in their Series B round from Zurich-based responsAbility Investments AG, Blue Ashva Capital, Pravega Ventures and other investors, caters to the last mile in B2B commerce, especially between the distributors and suppliers, and kirana stores and wholesalers. "Food and groceries is an essentials segment, and although there were a lot of supply disruptions in the initial phase of Covid, the segment overall saw a lot of spending, especially at the neighbourhood kirana stores," ePayLater founder Aurko Bhattacharya said.

According to Bhattacharya, the startup has turned out to be an important ally of the kirana stores during the pandemic time by providing them credit for purchases from their suppliers which in turn meant better fulfilment of orders from their end customers. "We did not see any spike in delinquency as well. The underwriting models held very well during the tenor and the period was marked by increasing volumes with lower risk," he told FE.

ePayLater provides credit solutions to SMEs spread across more than 100 cities in the country and has disbursed over Rs 1,000 crore in facilitating inventory purchases.

India's Swiggy to invest US\$700 million in grocery delivery service Instamart

Source: <https://www.channelnewsasia.com/business/indias-swiggy-invest-us700-million-grocery-delivery-service-instamart>

SoftBank-backed Indian food delivery startup Swiggy said it would invest US\$700 million in its grocery delivery service Instamart, to strengthen its footing in a highly competitive domestic market. First launched in the Indian cities of Bengaluru and Gurugram last year, Instamart is set to reach an annualised gross merchandise value run rate of US\$1 billion in the next three quarters, Swiggy said. The service, which

spans 18 cities in the country and serves more than 1 million orders per week, will also start 15-minute deliveries in top cities by January 2022. Home delivery companies in India were hit by a sudden pandemic-related lockdown last year as health concerns discouraged people from ordering in, but as the initial hesitancy eased, food and grocery delivery apps like Swiggy reaped the benefits of fewer people stepping out. The Indian online grocery market is estimated to reach US\$18.2 billion in 2024 from US\$1.9 billion in 2019, according to government estimates. Instamart competes with Tata-owned BigBasket, Grofers, in which Swiggy's larger rival Zomato Ltd holds a stake, Amazon.com Inc's Amazon Fresh and Reliance Industries' JioMart. Swiggy Chief Executive Officer Sriharsha Majety said in a statement that the company's food delivery business was currently at a US\$3 billion annualised gross merchandise value run rate.

STARTUP ACQUISITION

Drone startup Aarav Unmanned Systems acquires Algopixel Technologies

Source: <https://www.devdiscourse.com/article/business/1831315-drone-startup-aarav-unmanned-systems-acquires-algopixel-technologies>

Our partnership with Algopixel is part of our playbook to boost the Human Development Index by utilising robust and impactful end-to-end drone solutions for some very critical sectors globally, said Vipul Singh, Co-founder-CEO, AUS. The Algopixel team has clarity as well as capability to help the startup build the future roadmap that it has planned, Singh said. End-to-end drone solutions startup Aarav Unmanned Systems (AUS) said it has acquired software solutions provider Algopixel Technologies for an undisclosed amount. The acquisition will accelerate AUS' journey towards building robust and scalable end-to-end solutions for sectors like mining, infrastructure, land records, and precision farming. The Bengaluru-based Algopixel, which was founded by Abhirup Bhatnagar and Rishabh Gupta in 2015, is a software solutions provider for drone operation management and cloud-based data processing.

AUS has recently bagged major contracts from the Survey of India, Tata Steel, and a few other known enterprises. The acquisition will enable AUS to further strengthen its end-to-end solution pipeline and make it future-ready for large-scale impactful solutions for global markets, it stated. “Our partnership with Algopixel is part of our playbook to boost the Human Development Index by utilising robust and impactful end-to-end drone solutions for some very critical sectors globally,” said Vipul Singh, Co-founder-CEO, AUS.

The Algopixel team has clarity as well as capability to help the startup build the future roadmap that it has planned, Singh said. “We are actively seeking more such partnerships with like-minded companies, investors, and people globally,” he added. “The capability of AUS to deliver at scale and their vision about the future applications of drones aligns with our vision about how we wish to see drone technology adding value to the life of citizens globally,” said Abhiroop Bhatnagar, co-founder, Algopixel Technologies. This acquisition will help Algopixel in propelling faster and better towards the future of the drone industry, he added.

How the acquisition of Transition Robotics will help Delhivery

Source: <https://indianexpress.com/article/explained/delhivery-transition-robotics-acquisition-drove-delivery>
Logistics service provider Delhivery said Wednesday it had acquired California-based Transition Robotics Inc (TRI), a company focused on developing unmanned aerial system (UAS) platforms.

The announcement comes at a time when India is taking steps towards allowing delivery of goods through drones.

What is Transition Robotics Inc (TRI)?

A decade-old company, TRI has focused on taking novel vertical-takeoff UAS with advanced flight capabilities to market. In 2015, the company unveiled the JumpShip, a fully autonomous platform allowing commercial operators to combine the operational flexibility of multi-rotor with the efficient, fast flight of fixed-wing aircraft.

What is in it for Delhivery?

Delhivery will get access to all intellectual property registered in the US to TRI with this trans-

action, strengthening its capabilities in a wide range of applications, including aerial photography, remote sensing, inspection, and surveys.

Speaking on the development, Kapil Bharati, Chief Technology Officer, Delhivery, said, “While we continue to build our supply chain platform, we must look at the long-term developments poised to shape the industry. Bringing TRI onboard gives us a chance to get directly involved with core Drone Technology as regulations and use cases for drones are evolving in the country.”

Does India allow delivery of goods through drones?

Not yet, but earlier this year, India liberalised the norms for operating civilian drones in the country. However, certain entities have been permitted by the Ministry of Civil Aviation to run pilot tests on delivery of vaccines to the hinterland using drones.

Separately, in September, the Ministry of Civil Aviation notified the airspace map for operations of drones, with an aim to establish a different air traffic management system for unmanned aerial vehicles — taking the first steps towards allowing beyond visual line of sight drone operations — deemed necessary for delivery of goods.

STARTUP EVENTS >> UPCOMING

GovTechThon

4 December 2021 - 22 January 2022

Website: <https://www.tirunelvelistartups.com>

GovTechThon 2021



- Hackathons are the events where software developers, domain experts and programmers come together to collaborate for developing innovative, problem-solving software prototypes.
- With this Tirunelveli GovTechThon, Tirunelveli District administration envisages finding solutions, that promote efficiency and high-quality service delivery in government agencies, by leveraging the power of citizens and innovation. Government representatives from various departments have identified the below-mentioned challenges that could be solved using data and technology. We invite startups, students, coders, developers, designers, engineers, data scientists, and Subject Matter Experts (SMEs) from industry, academia to develop technology solutions to the challenges listed and share them with us within the deadline. Selected teams will be invited for further discussion in implementing the same.
- Win or lose, we are certain that new lessons will be learned, ideas will be tested, limits will be pushed and lives will be changed forever

STARTUP FAQs

What are employee stock options and how do they work?

ESOPS or employee stock ownership plans are given to eligible employees as an incentive to retain them. These ESOPS or ownership plans that can be converted into equity shares of a company, are issued in parts and have a vesting schedule. Which means that an employee is allotted ESOPS in a phased manner and must wait for said period before she can exercise her right to buy/convert these shares. ESOPS are offered by new gen **startups** to attract talent. In most of these fast-growing smaller companies, the management do not have the financial bandwidth to attract senior talent and often equity is one of the attractions. The **value** of these stock options grows with each **funding** round that the company raises. Either the company buys back a part of the vested shares or in case of a funding round or strategic stake sale, the buyer offers to buyout, providing liquidity event to the **ESOP** holders. The spate of ESOP buybacks announced by startups in the last 12 months have proved to be a major wealth creation opportunity for their workforce and hence have ensured a lot of senior talent also gravitates to these companies.

How does startup valuation work?

While traditional businesses are valued on the discounted cash flows or DCF basis, there is a different way to look at and value a loss making startup. These fast-growing disruptive companies are often measured on -

- 1) Total addressable market or TAM that they are targeting and the share of that pie that they are likely to corner.
- 2) The growth rate
- 3) Business sustainability
- 4) Size of the profit pool

Also, for traditional businesses, the assets are generally tangible things like manufacturing plants, machinery and other physical infrastructure. However, a large part of these new age businesses are built on intangible aspects such as brand, user base and other things. While these things get reflected in the P&L of such companies, it becomes hard to define their worth.

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