

India's dynamic start-up ecosystem is the silverlining in this challenging time

The COVID pandemic has threatened the survival of many micro, small and medium enterprises (MSMEs) in the country. At the same time, there is one segment of the economy that is witnessing rapid growth in funding and revenue. That is the dynamic technology enabled start-up ecosystem. In the first six months of the current calendar year, 14 technology enabled start-ups have become unicorns, which is a term used for privately held firms that attained more than USD 1 billion valuation. In the entire year 2021, 14 start-ups reached Unicorn status, while in the previous year 10 start-ups attained this status. According to an industry estimate, local and foreign investors have deployed USD 8.76 billion in start-up enterprises in the first five months of the current calendar year and this represents a whopping 80% growth from the year ago period.

Start-ups that attained unicorn status so far in the current year are: e-pharmacy platform Pharmeasy, social networking platform ShareChat, fintech startup CRED and social commerce startup Meesho, among others.

In the year 2011, India got its first unicorn, inMobi, which offers mobile advertising solution globally. Today, there are more than 40 unicorns in the country, compared to around 700 across the world. India's start-up enterprises provide jobs to more than 1.4 million people, both directly and indirectly. The edutech firm Biju's is the most valuable start-up in India with valuation of USD 16.5 billion, followed by Paytm's parent firm One97 Communications (USD 16 billion), Oyo Rooms (USD 9 billion), Ola Cabs, Zomato, fantasy sports platform Dream11 etc.

Going ahead, India is expected to produce several billion dollar valuation firms in the technology enabled business space. Fintech, edutech, enterprise software, insurance, aggregation platforms, telemedicine etc. are some of the promising sectors in the post-COVID world. The mass usage of smartphones and cheap availability of broadband technology, viz. 4G, has given major boost to telemedicine, edutech, fintech and other technology enabled sectors.

The impressive growth in start-up enterprise should encourage more youngsters to follow the entrepreneurial path rather than being a job seeker after finishing education. The key to the success of a start-up firm is the selection of a product or a service that is valuable for a critical mass of consumers.

The litmus test for a business idea is the total addressable market (TAM). If the TAM is potentially large for a particular product or service, only then it can become a sustainable business proposition. The art of choosing the right business proposition is the identification of a huge unmet demand for a large target market.

For the success of the new business proposition, the founder/co-founders should have passion in this sector. Also, the founder should have key competency in that sector or there should be a team of co-founders who have complementary skills in that sector.

Notifications

PIB

Ministry signs MoU for development of sea plane services in India

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1727212>

India's goods exports grow 8% in May 2021 vs May 2019 (the normal year)

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1727266>

Ethanol distillation capacity to double by 2025

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1727206>

Ministry notifies draft rules under Code on Social Security, 2020

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1727195>

Government simplifies registration process for MSMEs

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1727325>

Minister launches tribal livelihoods initiative

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1727385>

CBIC

Customs rescinds notification dated May 1, 2021

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs33-2021.pdf>

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver etc.

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt52-2021.pdf>

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APEDA to issue RCMCs for cashew kernels and allied products

<https://content.dgft.gov.in/Website/dgftprod/56e854e5-ce21-4f21-8438-810a2fb85b46/PN%20%206%20Eng%20dt%2014-06-21.pdf>

Amendment in export policy of injection Remdesivir

<https://content.dgft.gov.in/Website/dgftprod/28f692ab-b541-469f-9fe9-b8e4be0361a0/Noti%208%20Eng.pdf>