TURBOCHARGING THE DELHI-NCR START-UP ECOSYSTEM

10th September 2019
ABOUT
THE AUTHORS

TiE is a global not-for-profit organization born in Silicon Valley in 1992. It is spread across a vast network of 61 Chapters in 14 countries with a single minded mission of fostering entrepreneurship through mentoring, networking, education, incubation and funding.

The Delhi-NCR chapter of TiE, one of the biggest and most vibrant of the TiE chapters, has unique significance. It seeks to engage not only with entrepreneurs but also with policy makers in order to foster the spirit of entrepreneurship. It seeks to become the bridge that would connect Indian government and industry with successful Indian entrepreneurs across the world, many of whom are regarded as thought leaders.

Founded in 2002, Zinnov is a leading global management and strategy consulting firm, with core expertise in Product Engineering, Digital Transformation, Innovation, and Outsourcing Advisory. Over the past 17 years, Zinnov has successfully consulted with over 250+ Fortune 500 customers to develop actionable insights that help them in their transformation journeys. Zinnov is committed to empowering leading technology companies drive meaningful business outcomes, leveraging a combination of consulting and platforms to deliver value.
Forward

RAJAN ANANDAN
President
TiE Delhi-NCR

“Delhi-NCR has a vibrant start-up ecosystem. With over 7000 start-ups what is most interesting is the broad-based nature of start-ups in NCR. The region has enormous potential and can become one of the top start-up and innovation capitals in the world over the next 5 years. Turbocharging the Delhi-NCR ecosystem will require concerted focus on several key areas. This research sheds significant light on what needs to be done”

PARI NATARAJAN
CEO
Zinnov

“Delhi-NCR has the potential to become the go-to start-up destination in the world. Given proximity access to large consumer market across income segments, to the agrarian belt with its rural population and, the largest and underserviced MSME customer base in the country – Delhi NCR has the potential to build global leadership across multiple sectors. This report provides insights on the opportunity at hand and the proactive actions needed to realize it.”
Our Partners

This report is a testament of the collaborative nature of the Indian start-up ecosystem and reflective of the strong commitment of our partners – without whose support this report would not have been made possible.
“Today, Indian tech startups are adopting unique approaches to solving a wide range of problems at scale; disrupting the markets locally as well as globally. Powered by great infrastructure, talent, and a supportive ecosystem, the Delhi-NCR region proves to be a fertile ground for start-ups. We are truly excited about extending the boundaries of digitization along with start-ups.”

“TiE’s report clearly shows that Delhi-NCR has the highest concentration of Unicorn start-ups in the nation. However, to continue this #1 Unicorn ranking, the Delhi-NCR ecosystem must refocus and reinvest in growing the early stage segment – making funding and talent a top priority. At a macro level there is still a need to focus on environment, infrastructure and policy to support entrepreneurs. Microsoft for Start-ups will invest in programs focused on scaling and enabling Seed to Series A funded start-ups in the Delhi-NCR region.”
“Delhi being the national capital has always been the nucleus of government-enabled initiatives coupled with the innate culture of entrepreneurial fervour. With a rich history of innovation, Delhi-NCR has cemented its place in leading changes that has impacted the lives of many Indians. It is also the home to some of the biggest Indian start-ups including Paytm, Snapdeal, Zomato and many more, which exemplifies its potential in every aspect, and why it is on its way to truly become the start-up capital of India.”

“Supporting a worthwhile research project is always good for the ecosystem as it generates data that helps all stakeholders. Delhi-NCR has the highest number of active start-ups in the country as well as most Unicorns today and it has full potential of becoming another innovation hub like Bangalore. The more such hubs we have in the country, the more vibrant a Start-up ecosystem will be. Hopefully this exercise will unlock more opportunities and galvanize the ecosystem even further.”

“Ten years ago, Uber was born out of a watershed moment in technology. It was the spirit of entrepreneurship and innovation that created a new standard of consumer experience. It’s great to see so many new-age enterprises challenge the status quo with ambitious goals to solve real-world issues. Our aim will always be to facilitate and encourage start-up creation for the betterment of society. With entrepreneurship seeping into the economic and social fabric of India, Delhi-NCR is on track to become India’s start-up capital and eventually a global hub for transformation.”
Executive Summary

1. Delhi-NCR has a thriving ecosystem with over 7000 start-ups, 10 Unicorns and a cumulative valuation of ~$50 Bn

2. However, unlocking the true potential of the Delhi-NCR start-up ecosystem will require focusing on several core areas

3. We recommend proactive measures across three dimensions:
   a) Strengthen Core
      - Build World Class affordable start-up hubs
      - Significantly increase the Seed & Early stage investment
      - Improve quality of incubators and accelerators
      - Develop tech and entrepreneurial talent
   b) Prioritize 10 sectors
   c) Launch sector specific initiatives

4. With appropriate interventions, Delhi-NCR will become one of the Top 5 Global Start-up hub with 12000 start-ups, 30 Unicorns and cumulative valuation of ~$150 Bn by 2025
Delhi-NCR has a thriving start-up ecosystem
Delhi-NCR has the largest number of active start-ups in India

Source: Crunchbase, angel.co, Zinnov CoNXT Research and Analysis
With a healthy mix across different sectors

# of start-ups

- Consumer Product and Services: 2653
- Enterprise Products: 1767
- Ecommerce: 1690
- Health: 815
- Edtech: 763
- Industrial & IoT: 755
- Foodtech: 642
- Fintech: 536
- Energy: 306
- Media & Online Content: 295
- Logistics and SC: 175
- Agriculture: 80
- Mobility: 78

% of funded start-ups

- Consumer Product and Services: 14%
- Enterprise Products: 12%
- Ecommerce: 10%
- Health: 11%
- Edtech: 11%
- Industrial & IoT: 15%
- Foodtech: 12%
- Fintech: 17%
- Energy: 14%
- Media & Online Content: 15%
- Logistics and SC: 18%
- Agriculture: 16%
- Mobility: 19%

Source: Zinnov CoNXT Research and Analysis
Delhi-NCR also has the most number of Unicorns

70% of Delhi-NCR Unicorns are B2C companies

Delhi-NCR has added at least 1 unicorn each year, since 2013

There is a healthy mix across sectors – fintech, foodtech, logistics, hospitality, e-commerce and energy

Source: Crunchbase, Zinnov CoNXT Research and Analysis, Yourstory, Inc42, Economic times, CBInsights
“Time to Unicorn” in Delhi-NCR is now 5-6 years

Source: Economic Times, Inc42, Yourstory, TimesofIndia, Zinnov Conxt Research And Analysis, Livemint, Cbinsights
Delhi-NCR ecosystem has the highest cumulative private market valuation in India

- Delhi-NCR contributes >50% of cumulative valuation of Indian start-up ecosystem
- 5 of top 10 most valued start-ups in India are based in Delhi-NCR

Source: Crunchbase, Zinnov CoNXT Research and Analysis
Delhi-NCR also has 3 of the 4 most Valuable listed Internet companies

Source: Crunchbase, Moneycontrol, Bseindia, Nasdaq, Nseindia, Zinnov Conxt Research And Analysis
However, there are several core areas to address
The pace of new start-ups being founded has slowed over the past two years – across India and also in Delhi-NCR

# of start-ups founded, by year

Source: Zinnov Conxt Research And Analysis, Crunchbase
Access to funding across all stages needs to be improved

Cohort analysis for start-ups in Delhi-NCR founded between three distinct time periods

<table>
<thead>
<tr>
<th>Total # of New Start-ups in Delhi-NCR</th>
<th>2009-11</th>
<th>2012-14</th>
<th>2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>700+</td>
<td>1850+</td>
<td>3800+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of start-ups that raised a seed round</th>
<th>2009-11</th>
<th>2012-14</th>
<th>2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>13%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Note: reflects percentage of all seed-funded start-ups that graduate to next funding stage

<table>
<thead>
<tr>
<th>2009-11</th>
<th>2012-14</th>
<th>2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>51%</td>
<td>30%</td>
<td>17.5%</td>
</tr>
<tr>
<td>23%</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>16%</td>
<td>6.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>7%</td>
<td>3%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Source: Zinnov CoNXT Research and Analysis
Seed and Early stage funding needs to be significantly increased

Source: Crunchbase, Angel.Co, Zinnov Conxt Research And Analysis
Base of Active Angel investors in Delhi-NCR should be increased

% share of active Angel Investors in India

- Delhi-NCR: 22%
- Delhi: 13%
- Gurgaon: 7%
- Noida: 2%

Source: Letsventure, IAN, Crunchbase, Zinnov Conxt Research And Analysis
Focused effort is required to increase structured programs and corporate participation

1. **With 23% of all start-ups present in the region - there is a headroom for more incubators and accelerators**

2. **Absence of high-quality programs at key lifecycle stages limits the extent to which entrepreneur can leverage local ecosystem**

3. **Low corporate participation in local ecosystems limits access, reduces opportunities and awareness to new technology**

Source: Zinnov CoNXT Research and Analysis, Inc42, trak.in
Outcome driven programs are required to boost tech talent in Delhi-NCR

Fresh talent pool available each year from local ecosystem

<table>
<thead>
<tr>
<th># of Engineering Colleges/Universities</th>
<th># of Graduates</th>
<th># of Computer Science/ IT Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi - NCR</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>150</td>
<td>35000</td>
</tr>
<tr>
<td></td>
<td>95000</td>
<td>6500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11500</td>
</tr>
</tbody>
</table>

These numbers have a direct impact on the quality of available talent

Shortage of quality talent, in required quantity, is a biggest reason for companies to shift cities or open technology centres outside home location

Source: AICTE India website, Zinnov Knowledge Centre
Critical need to increase affordable Co-working spaces

<table>
<thead>
<tr>
<th>CBD</th>
<th>Non CBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBD</td>
<td>Non CBD</td>
</tr>
<tr>
<td>Office rental Cost (Rs./Sq. Ft./Month)</td>
<td>Co-Working Space (Cost per desk/month)</td>
</tr>
<tr>
<td>CBD</td>
<td>Non CBD</td>
</tr>
<tr>
<td>Delhi NCR</td>
<td>Bangalore</td>
</tr>
<tr>
<td>205</td>
<td>120</td>
</tr>
<tr>
<td>13500</td>
<td>11500</td>
</tr>
<tr>
<td>240</td>
<td>120</td>
</tr>
<tr>
<td>24000</td>
<td>12000</td>
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</tbody>
</table>

Note: CBD stands for Central Business District

Source: Knightfrank Real Estate Reports, Zinnov Knowledge Centre
Key city dynamics need to be improved on multiple fronts

Delhi-NCR

Ease of Living  
Cost of Living  
Crime Index  
Pollution Index  
Ease of doing Business  
Avg. travel time to work

Pollution, traffic and crime are some of the key challenges in the region

These factors also have a negative impact on attracting global MNC tech centres, corporates and investors to set-up offices in the region

Competition among states, to attract & nurture start-ups, is increasing

- **Karnataka**: Incentives to start-ups in association with Corporates like Amazon, IBM, Microsoft etc.
- **Chhattisgarh**: Partnerships with Wadhwani Foundation’s NEN for conducting workshops, mentoring sessions and college outreach
- **Telangana**: Partnered with corporates that support start-ups under T-Hub initiative

- **Karnataka**: Rs. 10 Cr. Fund for Women Entrepreneurs
- **Telangana**: Rs. 15 cr. Fund for Women Entrepreneurs
- **Haryana**: Collaboration with United Nations to promote Women Entrepreneurship

- **Chhattisgarh**: Offers mentorship to incubate start-ups under its 36 Inc. program
- **Uttar Pradesh and Kerala**: Established a common mentor pool to offer start-ups Business and Technical Guidance

- **Rajasthan**: Launched an online platform ‘iStart’ for easy access to information and funding
- **Odisha**: Built an online platform for application, evaluation and disbursement of incentives
- **Telangana**: Introduced TSiPASS to provide timely clearances, self-certification, etc.

- **Kerala**: Kerala Start-up Mission (KSUM) has been created for assisting start-ups with idea implementation
- **Karnataka**: Set-up a govt. supported Start-up Cell
- **Tamil Nadu**: Govt. aided Fintech start-up Incubator to be set-up

- **Andhra Pradesh**: AP Innovation Society has been established
- **Maharashtra**: Maharashtra State Innovation Society (MSInS) has been established
- Many other states have established Innovation Societies to create world-class innovation ecosystem

*Source: NASSCOM Zinnov Start-up Landscape 2018, Zinnov CoNXT Research and Analysis*
Recommended initiatives to turbocharge the Delhi-NCR ecosystem
We recommend proactive measures across three dimensions

**Strengthen Core**
- Improve access to funding
- Improve quality of incubators and accelerators
- Affordable co-working spaces
- Expand quality and quantity of technical talent

**Prioritize Sectors**
10 horizontal and vertical sectors to leverage inherent advantages of Delhi-NCR

**Sector Specific Initiatives**
- Centres of Excellence
- Market shaping Regulatory frameworks
- Digital and Physical Sandboxes

Source: Zinnov CoNXT Research and Analysis
Priority Sectors for Delhi-NCR
Priority sectors for Delhi-NCR to build global leadership

1. Consumer Tech and Consumer Products
2. Next Gen E-Commerce
3. Travel & Hospitality
4. Education & EdTech
5. Food and Foodtech
6. Financial Services
7. Logistics and SCM
8. Mobility & Electric Vehicles
9. Smart Cities
10. Agriculture
Priority sectors

**Consumer Tech and Consumer Products**

Includes all type of consumer internet start-ups and new consumer product start-ups.

NCR given its large population with highest GDP per Capita and highly connected internet user base provides an exciting launchpad for start-ups.

**Next Gen E-Commerce**

First Gen E-commerce based on western E-commerce models, focused on 1st 100 million internet users.

Next Gen E-commerce based on video, social commerce and vernacular will focus on next 200 million internet users.

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**Sector Particulars**

- **Per capita income**
  - **INR 3.6 L** Delhi
  - **INR 1.2 L** India

- **Population of Delhi-NCR** 2.5 Cr

- **Of start-ups in Delhi-NCR are B2C focused** 64%

- **Current GDP growth for Delhi state** 8.1%

- **Estimated value of Retail in 2020** $1 Tn

- **Of all Large Enterprise in based in Delhi-NCR are in Retail sector** 10%

- **GDP Contribution** $200 Bn

Source: IBEF, data.gov.in, Zinnov CoNXT Research and Analysis
Priority sectors

**Travel and Hospitality**

Delhi-NCR is home to top 3 online travel companies and the leading hospitality start-up.

With growing Per Capita Income, rising domestic and international travel, NCR can be the house for a large no. of Travel & Hospitality start-ups.

**Sector Particulars**

- GDP Contribution: 10%
- Jobs by 2028: 52.3 Mn
- Delhi’s rank Worldwide by the number of foreign tourist arrivals: 28th

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**Education and EdTech**

India’s education sector provides large market opportunity with current worth of $92 billion.

With 500 million internet users and consumers willing to pay online, EduTech is now at the tipping point.

**Sector Particulars**

- 2nd Largest market for e-learning after the US
- E-learning market by 2020: $5.7 Bn

Source: IBEF, World travel and tourism council, Zinnov CoNXT Research and Analysis
Priority sectors

**Food and Foodtech**

Delhi-NCR is home to largest online food start-up and many large food & food related companies.

Digitisation provides an opportunity to create cloud kitchen brands and new Direct to Consumer (DTC) brands from NCR.

**Sector Particulars**

- **USD 540 Bn**
  - Indian Food Market by 2020
- **9 million jobs**
  - In Food processing industry by 2024
- **11**
  - India ranks among 170 exporters of organic produce
- **12%**
  - Growth rate of Foodtech projected during 2016-21

**Financial Services**

India has massive unserved financial needs. 500 Mn internet users combined with India Stack (especially UPI) creates an opportunity to build very large fintech companies.

Delhi-NCR has the maximum no. of FinTech start-ups in country with the largest FinTech start-up in India.

**Sector Particulars**

- **USD 600 Bn**
  - Unserved Consumer lending market in India
- **USD 320 Bn**
  - Unserved MSME lending market in India
- **20%**
  - Of start-ups in Delhi-NCR are in FinTech
- **10.9M**
  - # of MSME in Delhi, UP and Haryana
- **250Mn**
  - Population of Delhi, UP and Haryana

Source: IBEF, Zinnov CoNXT Research and Analysis
Priority sectors

Logistics & SCM

Logistics and SCM sector is currently at an inflection point and is expected to grow rapidly.

Delhi-NCR is home to two largest Logistics start-ups.

Logistics & SCM

~22 Mn People employed

14% cost to GDP

2019

2022E

9% cost to GDP

Industry worth

CAGR 10.5%

Mobility & Electric Vehicles

India electric vehicles market is expected to reach $2 billion by 2023 and is expected to grow at a rapid pace.

The Delhi Government has set the target of achieving 25% of new e-vehicles by 2023 and announced Rs 100 crore for a state electric vehicle fund.

Source: IBEF, Morgan Stanley Mobility Report, Zinnov CoNXT Research and Analysis, techsciresearch
Priority sectors

Smart Cities

Smart City is a digital revolution creating opportunities for start-ups in tech areas (IoT, Artificial Intelligence, Cloud Computing, Blockchain, Sensors, Geospatial Technology).

Delhi-NCR having progressive policies can lead to this new wave of innovation.

Agriculture

Agriculture is large blue ocean for start-ups. Being one of the biggest agricultural markets with low farm productivity and poor access to better solutions creates significant opportunities for start-ups.

With proximity to large agricultural base of North India, NCR is the attractive place for Agri based start-ups.

Source: IBEF, India Economy Survey 2017-18, Zinnov Conxt Research And Analysis, Infoholicresearch
Sector Specific Initiatives
Create global Centres of Excellence

Recommendations

- Build sector specific “Centre of Excellence” (CoE) for each priority sector
- Augment CoE with sector specific sandboxes and panel of policy makers to improve ease of doing business
- Catalyse corporates to engage with CoE to create market opportunities for start-ups and corporates
- Encourage academic institutions to participate in relevant CoE to provide exposure to students

Call for Action

Example

- In 2018, Govt. of Maharashtra announced a FinTech Policy to declare Mumbai as a FinTech Hub to capitalize on inherent advantages of the city
Build physical sandboxes for smart cities

Recommendations

• Identify and declare a region of 30 sq. km (2% of land area) in Delhi-NCR as a physical sandbox to test new technologies and solutions

• Augment physical sandbox with regulatory support to secure the environment while providing approvals for testing new technologies and solutions in the areas of:
  – Water, waste and energy, construction and traffic management (movement and parking etc.)
  – Pollution monitoring, e-Governance (incl. asset monitoring and tax collection)

• Augment with digital sandbox to make available data at a city-level, on similar lines as Open Government Data Platform in India, for start-ups to build solutions

Call for Action

Example

• In 2014, Singapore set-up Smart Nation Program Office to drive policy change and technology adoption for variety of challenges faced by the city nation. Cornerstone of Singapore’s success as a smart city is in its ability to create digital, policy and physical sandboxes to test new technologies in real-world conditions
Build Delhi-NCR as a hotbed for electric vehicle

Recommendations

- Introduce digital window to expedite re-certification process for electric vehicles (incl. e-bikes)
- Revise phased localization approach to: over 1-2 years or 30% localization giving enough time for Industry to build local start-up ecosystem
- Set-up a special EV Cell in the city for following:
  - Planning and setting up of charging Infrastructure
  - Working with Incubators and Manufacturers to support start-ups
  - Providing Land at subsidized rates to start-ups for setting up Manufacturing hub of EV and Battery units

Call for Action

Example

- The Chinese government had introduced EV subsidies in 2010 which has been adjusted in annual policy to promote EV sales
- Govt has an active policy to promote the construction of EV charging infrastructure and has target-setting, funding and mandated standards
- The policy has resulted into maximum EV sales in the world

Source: Zinnov CoNXT Research and Analysis
## Mobility-as-a-Service Program

### Recommendations

- Bring sandbox to test innovative products, services and business models of start-ups under relaxed regulatory environment for short span of time
- Clearing the regulatory uncertainty for the mobility sector e.g.
  - Making carpooling a viable option
  - Enable shared mobility for commercial vehicles
- Provide Incentives to companies for encouraging their employees to use mobility as a service
- Simultaneously, provide incentives to on-demand transport start-ups and companies to use electric vehicles

### Call for Action

- Mobility on-demand (MOD) Sandbox program launched in 2016 in US for testing the new business models of mobility and has been funded under the govt. transport research and development program
- This model brought many start-ups with new business model & provided more options for comfortable commuting

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**Source:** Zinnov CoNXT Research and Analysis
Strengthen Core
Build world-class start-up hubs

Recommendations

- Establish 3 world-class start-up hubs - one each in Delhi, Noida and Gurugram
- Facilities should be designed to provide infrastructure for:
  - Co-working space (for start-ups, enablers and investors)
  - Centre of Excellence for priority sectors identified for the region
- Community Events, Meetings and Networking sessions

Call for Action

- State Govt.
- Corporates

Example

- The T-Hub, set-up in 2015 by Govt. of Telangana, has become a central location for start-ups, corporates, investors and mentors to meeting, network and operate.
- It has become hub for corporate innovation, co-working, events and a sector-agnostic acceleration program.

Source: Zinnov CoNXT Research and Analysis
Encourage outcome driven initiatives for enhancing talent pool

Recommendations

• Encourage local & global EdTech start-ups with outcome driven business model to focus on NCR
• Open a “Start-up School” focusing on teaching the basics of starting up
• Enhance talent in new technologies (AI, ML, Blockchain, IoT, Data science):
  – Develop special 3 months coding program by collaboration of College with Large corporates
  – Special internship opportunities for IIT Delhi and Top engineering college students at Tech companies and leading start-ups
  – Tie-ups for NCR colleges with education technology firms like Udacity, Coursera, upGrad and Udemy

Call for Action

State Govt.  Corporates  Central Govt.  Academic Institutions

Example

• Made in China 2025 policy focusing on reduce China’s dependency on imported technology by closing the skills & talent gap between China and the U.S.
• This resulted in upskilling of individual talent in the deep tech area who eventually turned into entrepreneurs

Source: Zinnov CoNXT Research and Analysis
Improving quality of incubators and accelerators

**Recommendations**

- Institute an innovation fellowship program to attract individuals with prior hands-on experience in building start-ups
- 2 innovation fellow should be mapped per incubator and accelerator,
  - Prior work experience in the sectors relevant to I/A
  - With an objective to accelerate time-to-market for start-ups
- Fellowship should be selected by any of the Investors committee or seasoned founders

**Call for Action**

- Government of Kerala is offering a one-year fellowship to experienced professionals and motivated youngsters in making Kerala a vibrant hub of tech startups and talent pool skilled in emerging technologies
- Selected fellows work with Kerala Start-up Mission, other Government bodies, industry leaders and associations, start-ups and other stakeholders

**Example**

Source: Zinnov CoNXT Research and Analysis
Catalyse pre-seed start-ups with cash grants support

Recommendations

- Establish a regional fund with an initial corpus of INR 20 Cr and a total corpus of INR 100 Cr for providing cash grant support to start-ups who have not raised any equity funding.
- To enable efficient deployment of funds it is further recommended:
  - Implementation be driven through series of quarterly events to provide added advantage of visibility to start-ups with at least a prototype.
  - Deployment should be single tranche of Rs. 10 Lakhs for start-ups that are selected by a panel of angel investors, entrepreneurs and policy makers.
  - Preference should be for start-ups aligned to region’s priority sectors / themes.
- 5% of the corpus should be kept aside to support quarterly events.

Call for Action

Example

- Idea2PoC, scheme initiated by Govt. of Karnataka in 2015, provides up to INR 50L as grants to start-ups.
- Start-ups are selected in different thematic area through the year and funds are disbursed over a 2-year period in multiple tranches.
- Till date 156 start-ups have received funding.
Create seed stage co-investment fund for angel groups

Recommendations

• Establish a regional fund with an initial corpus of INR 100 Cr and a total of INR 500 Cr for co-investments with recognized and established angel investor groups or online fundraising platforms
• To enable efficient deployment of funds it is further recommended:
  ‒ An implementation committee of early stage venture capital investors be set-up to screen and approve angel investor groups or online angel investment platforms as “Co-investment Partner”
  ‒ Preference be given to angel groups with (a) focused on priority sectors for Delhi-NCR; (b) with dedicated office in Delhi-NCR
• 1-2% of the corpus should be kept aside to support angel groups in covering operational expenses

Call for Action

State Govt.  Angel Investor

Example

• UK’s Angel CoFund was set-up with GBP 100Mn corpus was set-up in 2011 to specifically invest alongside angel investors.
• Followed by London Co---investment Fund in early 2015 with a corpus of GBP 25Mn.
• Both funds are currently active and investing in the seed stage and have been deemed successful.
Create Fund-of-Funds to accelerate early stage venture capital

Recommendations

• Establish a regional fund-of-funds with an initial corpus of INR 200 Cr and a total corpus of INR 1000 Cr for investments in SEBI-registered funds focused on investment at Series A stage
• To enable efficient deployment of funds it is further recommended:
  - Govt. appointed investment team to manage the disbursement
  - Preference be given to venture funds with (a) focused on priority sectors for Delhi-NCR; (b) with office in Delhi-NCR; and (c) with general partners
• Fund-of-Funds should be deployed across at least 10 venture funds with contribution not more than 10% in the total corpus of each venture fund

Call for Action

State Govt.  Corporates  Venture Fund

Example

• The Yozma initiative, which ran between 1993 and 1998, used public money to attract foreign funding to Israeli businesses
• When the scheme was set-up 1993, around 50% of venture capital funding in Israel came from public money, but by 2000 the proportion had declined to almost nothing
Vision 2025 for Delhi-NCR
Vision 2025 for Delhi-NCR start-up ecosystem

01
Top 5
Global Start-up Hubs

02
12,000+
Active Start-ups

03
30
Unicorns

04
$150+ Bn
Cumulative Valuation
About Partners
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Google is a subsidiary of Alphabet Inc.

Intuit’s mission is to power prosperity around the world. Guided by this, Intuit Circles program aims to empower start-ups and small businesses by creating a thriving community of peers, investors, partners like co-working spaces, incubators and accountants. Intuit Circles tries to solve some of the biggest start-up needs by leveraging smart technology (AI/ML) and Intuit’s 36-year experience in serving small businesses globally. The program also enables tech start-ups to partner with Intuit’s QuickBooks Online to collaboratively develop solutions for the 4.5 million global customers.
The SoftBank Group invests in breakthrough technology to improve people’s quality of life around the world. The SoftBank Group is comprised of SoftBank Group Corp. (TOKYO: 9984), a holding company that includes telecommunications, internet services, AI, smart robotics, IoT and clean energy technology providers; Arm Limited, the world’s leading semiconductor IP company; and the SoftBank Vision Fund, which is investing up to $100 billion to help extraordinary entrepreneurs transform industries and shape new ones.

Uber’s mission is to create opportunity through movement. We started in 2010 to solve a simple problem: how do you get access to a ride at the touch of a button? More than 10 billion trips later, we are building products to get people closer to where they want to be. By changing how people, food, and things move through cities, Uber is a platform that opens up the world to new possibilities.
Note for Readers
Start-up Definition

An entity working towards innovation, development, deployment, and commercialisation of new products, processes, or services driven by technology or intellectual property

01 Age: < 10 YEARS
Technology product / platform companies incepted in the last 10 years

02 Origin: INDIA
Founders of Indian origin, with HQ or core product development in India

03 Status: ACTIVE
Current working status of the company is active

04 Stage: PROTOTYPE
The start-up must have at least a prototype or MVP; Idea stage start-ups not considered
Methodology

With recommendations on priority sectors, specific initiatives and policy support required to turbocharge the Delhi-NCR ecosystem.

Phase 1: Secondary Research
- Multi-dimensional Analysis
- Start-ups Landscape
- Investments & Exits
- Community & Talent
- Infrastructure
- Institutional and Policy Framework

Phase 2: Primary Research
- 1-1 interviews with a large number of founders, enablers, investors and policy makers

Phase 3: Final Report
- Analysing the current state of Delhi-NCR Start-up Ecosystem across different parameters
- With recommendations on priority sectors, specific initiatives and policy support required to turbocharge the Delhi-NCR ecosystem.
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