

UNISYNOC  
ANGEL INVESTING SIMPLIFIED

# NEWSLETTER

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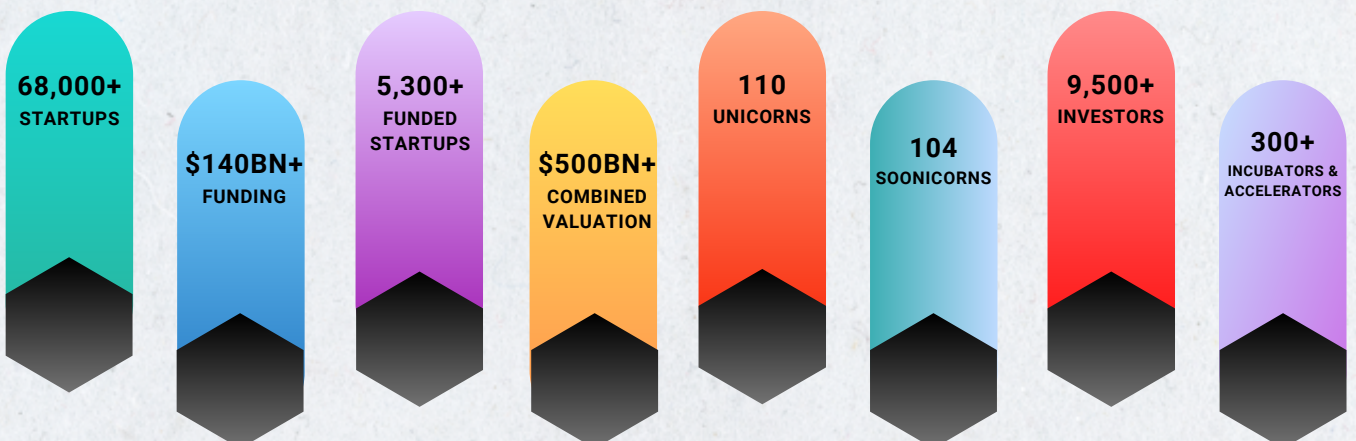
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## India's Startup Economy



# Message from the Founder's Desk

## Celebrating India's thriving Unicorn Club: Igniting Economic Growth



In recent years, the Indian startup ecosystem has witnessed a remarkable phenomenon that has captured the attention of the world—the rise of the "Unicorn Club." These startups valued at over a billion dollars have become symbolic of India's growing economic prowess and technological innovation. The Indian startup landscape has undergone a profound transformation, evolving from humble beginnings to a global hub of innovation. Today, the nation boasts a thriving ecosystem that nurtures and supports the growth of unicorns across various sectors, ranging from e-commerce and fintech to healthtech and edtech.

These unicorns aren't just statistical achievements; they embody the spirit of entrepreneurship that is driving India's economic resurgence. By attracting substantial investments, these startups are injecting vital capital into the economy, fostering job creation and fostering technological advancements. They have become pivotal players in attracting foreign investment and bolstering India's reputation as a global business destination.

The impact of these unicorns extends far beyond their financial valuations. They are pioneering groundbreaking solutions to address pressing societal challenges. Whether it's revolutionizing online education, enhancing healthcare accessibility, or transforming the way we dine, these startups are reshaping the way we live, work, and interact with the world around us. Their innovative models are inspiring a new generation of entrepreneurs to think boldly and create solutions that can drive positive change.

As we celebrate the successes of India's unicorn club, it's important to acknowledge the collaborative efforts that have made this journey possible. Government initiatives promoting ease of doing business, angel investors fostering early-stage innovation and mentorship programs nurturing emerging talent—all have played a crucial role in fostering a fertile ground for unicorns to thrive. Moreover, the spirit of resilience and adaptability displayed by these startups in the face of challenges is a testament to the indomitable spirit of Indian entrepreneurship.

In closing, let us celebrate the remarkable achievements of India's unicorn club—a testament to the nation's limitless potential and unwavering dedication to progress. As we turn the pages of this newsletter, may we find inspiration in the stories of these startups and their founders, and may we collectively embark on a journey to shape a brighter, more innovative, and prosperous future.



Written by,

**CA Mayank Desai**

**Co-Founder, Unisync Angels  
Partner, Y.B. Desai & Associates**



## Featured Article

# The Unicorn Landscape: The Growth Engine for the Indian Economy

In the world of startups and entrepreneurship, few achievements are as illustrious as attaining the coveted "unicorn" status. Coined to represent startups valued at over a billion dollars, unicorns symbolize the zenith of innovation, ambition and market disruption. In recent years, India has carved out its own remarkable Unicorn Club, showcasing the nation's remarkable prowess in the global startup ecosystem. India is home to the third highest number of unicorns in the world. As of date, there are 110 unicorns in India with total capital raised more than \$99 billion and combined valuation of \$347 billion.

### A Phenomenal Rise:

India's journey to establishing its Unicorn Club was not overnight. It was the culmination of years of hard work, risk-taking and an ecosystem that fostered innovation. The nation's first unicorn, MakeMyTrip, burst onto the scene in 2010, and since then, the club has grown exponentially, with startups from various sectors earning their unicorn stripes. In 2013 there were only 4 unicorns but the scenario has changed now. The Indian startup ecosystem minted 61% of Indian unicorns post-2020. 2021 emerged as the year of unicorns, with 45 startups touching \$1 billion valuation mark.

### Sector-wise Snapshot

In India, 11 sectors have startups with unicorn status. The highest number of unicorn is in Ecommerce which accounts for 25 unicorns. The biggest player Flipkart has a valuation of \$37.3 billion. Cars24, DealShare, Droom, FirstCry, Global Bees, Good Glam Group, Boat, Lenskart are a few unicorns from the ecommerce space. Fintech has 23 unicorns. One of the biggest Fintech player Razorpay has a valuation of \$7.5 billion. Other unicorns from Fintech include Zerodha, CRED, Paytm, Digit Insurance, Policybazaar, MobiKwik, Pine Labs, Lendingkart, Navi Technologies. There are 22 unicorns in Enterprisetech. Postman Inc. has a valuation of \$5.6 billion. Zoho Corporation, Freshworks, Druva, Icertis, Uniphore, MindTickle are a few unicorn from Enterprisetech industry. Cleantech and Real Estate Tech are the sectors where unicorns are emerging. Cleantech unicorn, Ola Electric, has a valuation of \$6 billion.

## The Key Venture Capitalists:

The unicorn system has grown in India due to active investment by several prominent investors and venture capital firms. Tiger Global, a New York-based VC firm, counts 39 Indian unicorns in its portfolio, including names such as Flipkart, BharatPe and NoBroker, among others. Peak XV Partners, formerly known as Sequoia India, has 37 unicorns in its portfolio including the Good Glamm Group, BharatPe, Zomato, Freshworks, Ola, OYO, Pine Labs, and Razorpay, among others. Japanese tech investor SoftBank has invested capital to the tune of \$15 Bn in homegrown startups and counts India as its third-largest market. It has so far backed 22 unicorns including the likes of Ola, Paytm, Blinkit, Swiggy, Lenskart, FirstCry. Accel India has a cumulative portfolio valuation of well over \$100 Bn as of mid-2022. With more than 22 unicorns under its belt, it has so far invested in the likes of Flipkart, Chargebee, Freshworks, Vedantu, BookMyShow, Myntra, Moglix, Ninjacart, and Swiggy.

## Impact of unicorns on Indian Economy:

The rising number of unicorns has created more job opportunities in India. Indian unicorns have created more than 4.5 lakh jobs till date. Ecommerce & Fintech unicorns played a pivotal role in formalization of blue-collar employment. More than 1,26,000 jobs are created by ecommerce unicorns, the highest among others. 84% of employment was generated by Bengaluru and Delhi NCR unicorns. Bengaluru based unicorns emerged as leader among emerging startups hubs in terms of job creation. Apart from job creation, many unicorns have contributed to Indian economy by bringing in advanced technology, enhanced infrastructure and global market expansion.

## The M&A Play by Unicorns:

Indian unicorns have acquired over 400+ companies. Unicorns in sectors such as ecommerce and edtech have acquired the most number of startups. In 2021, 103 companies were either merged or acquired while in 2022 the number of companies was 96. The unicorn with the highest number of merger and acquisitions (M&A's) is cure.fit with 28 M&As. Next in line is Mensa brands with 21 M&A's. Flipkart has 19 M&As under its portfolio while Zomato has 16.

While analysing Indian unicorns, we find not just billion-dollar valuations, but a testament to the nation's entrepreneurial spirit, resilience, and potential. These startups are charting a new path, disrupting industries, and leaving an indelible mark on the global startup landscape. As they continue to evolve, we eagerly anticipate the next wave of innovation that will emerge from India's vibrant startup ecosystem, propelling the nation further into the forefront of the global economy.

### Unisync Startup Portfolio Strategy

#### FOCUS SECTORS:

- DeepTech
- EnterpriseTech
- ConsumerTech
- HealthTech
- CleanTech
- AgriTech
- EdTech
- MediaTech
- D2C / E-Commerce

# Startup Updates



**Ola Electric** launched its new entry-level electric scooter **S1X** and also showcased its four electric motorcycles which will be launched towards the end of 2024.



**Tata CliQ** announced the launch of its first omni-channel beauty retail outlet, **Tata CliQ Palette** in Mumbai. The store features AR-led makeup trials and skin analyzer mirror.



**Yulu** will provide 20,000 next generation shared DeX EVs to cater to the hyperlocal delivery needs of quick-commerce startup **Zepto**.



**Sachin Bansal** led fintech startup **Navi** Finserv reported a profit of Rs. 172 crore in FY23. It's operating revenue surged 2.8X to INR 1283 cr in FY23.



Ecommerce giant **Flipkart** launched an app-in-app fashion vertical, **SPOYL**, targeted at Gen Z customers. SPOYL will feature more than 40,000 products across categories such as western wear, accessories and footwear.



Department for Promotion of Industry and Internal Trade (**DPIIT**) has recognized startups which are spread across more than 56 diversified sectors. 3,085 recognized startups are engaged in the fintech sector.

# Startup Fundings



**CarTrade** acquired a 100% stake in Sobek Auto India Private Limited, consisting of the OLX classifieds platform and **OLX Autos** C2B transaction business for INR 535.54 Cr.



Manipal group's **Ranjan Pai** to invest INR 250 cr in **FirstCry** as part of a \$60 Mn secondary share sale at the ecommerce giant at a valuation of around \$3 Bn.



**Ananya Birla**-led Svatantra Microfin signed a definitive agreement to acquire **Chaitanya India** Fin Credit Pvt Ltd for INR 1,479 Cr.



Singapore-based health tech investor **HealthXCapital (HXC)** has merged with marquee VC firm **Jungle Ventures** to lead the VC's healthcare investments in India and Southeast Asia.



**Zerodha's** investment arm **Rainmatter** earmarked an additional INR 1,000 Cr capital to invest in sectors such as health, education and climate change.



**Japanese** mobile entertainment company **MIXI** announced the launch of a \$50 Mn corporate venture capital fund in India. The fund will invest in early stage entertainment and consumer services startups.

## Featured Startup

# we360ai



**Unisync Angel's portfolio company, Zenstack Private Limited that operates with brand name of we360.ai, is a B2B SaaS startup in the employee engagement and analytics space. Its vision is to enhance global productivity by using technology.**

The pandemic and its aftermath gave rise to a flexible way of working where employees can work from home, office or even remotely. Although remote/ hybrid work has become common across sectors and industries, employee engagement and productivity is becoming difficult to track. This led Arnav Gupta, the founder and co-founders Swapnil Tripathi and Sandeep Panda, to develop workforce analytics software that helps organizations convert data from all corners of work into meaningful information and actionable insights to improve the way work is processed.

we360.ai enables CXOs to manage engagement and productivity of their employees in all working environments. It provides data about screen time, keyboard presses, mouse clicks/movements, admin report and actionable insights for C-suite.

It's major differentiator is its all feature bundle, pricing, dashboard for the employees, dedicated key account managers and support system. The startup is targeting a \$21 billion global market. The startup works on a subscription based business model with monthly and yearly subscriptions. Its target market includes SMEs & Enterprises in Information and Communication Technology, BPOs, BFSI, Education, HR Industries, Media and Telecommunication. Its client list includes Patanjali, DB Corp Ltd, Hinduja, Quytech, The Knowledge Academy, TATA AIA Life Insurance, Jocata and numerous such companies.

Apart from India, we360.ai caters to clients in Canada, USA, South Africa, Australia, Egypt, China, Ukraine, Sweden and Tunisia. It is the highest rated software on every software review platform and has been constantly outperforming the industry leaders. Its average rating is 4.9 throughout all the platforms. It was awarded with Leader Badge by G2 Fall 2022.

**The best startups generally come from somebody needing to scratch an itch. – Michael Arrington, TechCrunch founder**



# Startup Terminology

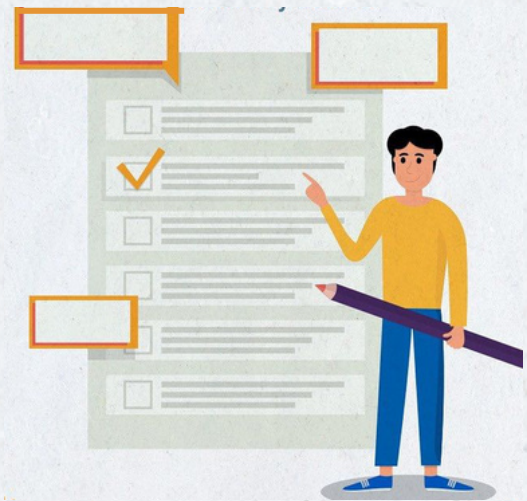
## RUN RATE:

The annualized revenue or spending rate based on a shorter period of time, such as a month or a quarter.



## TERM SHEET:

A document that outlines the terms and conditions of an investment deal, including the valuation, investment amt. and other key details.



## BOOTSTRAPING:

Starting and growing a business without external funding or capital, often by relying on personal savings or revenue generated from the business.



## INCUBATOR:

A program or facility that provides support and resources to startups in their early stages of development.



# Unisync Startup Demo Day



## Unisync Angels organized Unisync Startup Demo Day on 26th August, 2023 at Provyz, Surat.

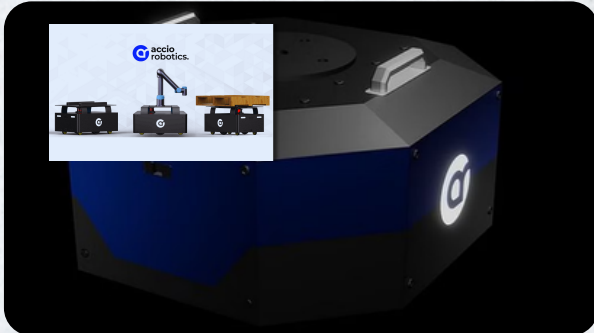
Unisync Startup Demo Day brought together three dynamic startups to showcase their groundbreaking ideas and innovations in front of a room filled with eager investors, industry experts and enthusiasts. The atmosphere was charged with anticipation and excitement as these startups took the stage to pitch their visions for the future.



Founders from varied industries enthusiastically presented their business followed by critical line of questioning from investors. The event truly encapsulated the essence of innovation and entrepreneurship. At Unisync Angels, we look forward to organizing more such events for startups and investors with the aim to provide growth capital and connect.

See things in the present, even if they are in the future.”  
– Larry Ellison, Oracle co-founder

**1. Accio Robotics  
(Illuminify Technologies Pvt. Ltd.)**



**Location – Bengaluru  
Industry – Robotics**

Accio Robotics is building autonomous systems to automate the process of order picking in warehouses. Order picking contributes to 55% of the total warehousing cost. Accio brings this cost down by over 90% due to eliminating manual labour from the process. Accio's autonomous robots help harness the vertical access for storage, thus reducing the warehouse footprint by over 85%.

**2. Seedtree  
(Seed Tree Collaborative Pvt. Ltd.)**



**Location – Surat  
Industry – Construction/Interior**

Seedtree is a tech-enabled marketplace connecting professionals, suppliers, and clients in the construction industry. It is an urban company of design services, LinkedIn for professionals, connecting the ecosystem in one place. The company believes in providing quality and sustainable designs in promised time period. It works on the ethics of providing clients with payment protection along with their dream interior designs.

**3. YesMindy  
(Health and Wellness Innovations  
Pvt. Ltd.)**



**Location – Delhi  
Industry – HealthTech**

YesMindy aims to create a tech enables mental health ecosystem. It focuses on holistic wellness journey with their handpicked mental health professionals. It offers an exclusive platform dedicated to cater to all mental health needs. The company strives to be the world's leading mental healthcare service provider, through comprehensive in-house designed solutions ensuring quality and integrated care systems for all the stakeholders.

# Audit Trail Compliance for Startups

By CA Amish Sanghavi



Now a days the business operations are more and more carried out in the form of corporate structure. Corporate structures are becoming more agile. At the same time the corporate governance is gaining more and more importance. Regulators and stakeholders expect more and more transparency in the financial statements. As we know that now Data is new oil and financial data is of utmost importance for any corporate whether a small size struggling start-up or well positioned big shots. The accounting software generating the financial data must meet the statutory requirements of regulators.

The MCA has issued notification No. G.S.R. 206(E) dated March 24, 2021 requiring every company to have audit trail (Edit log) in the accounting software used for maintaining the books of account w.e.f April, 01, 2021. However, the same was deferred and now the same has been made compulsory to be followed w.e.f April, 01, 2023. (i.e., from financial year commencing from April 01, 2023 and onwards.) This is going to impact a lot to all the companies and their way in which the books of account are prepared and maintained. In some cases, the software is required to be updated or in some cases even the same is required to be changed.

**Here is the attempt to decode the implementation guide with respect to this new compliance in following Q & A form to have better understanding of the issue.**

**Q1) From when the amendment shall be applicable?**

**A1)** As per the provision of rule 3(1) of Companies (Accounts) Rules,2014, this amendment is applicable to F.Y commencing from 01/04/2023. However as per the provision of Rule 11(9) if the Companies (Audit and Auditors) Rules,2014 it is applicable from F.Y commencing from 01/04/2022.

**Q2) What shall be the implication of these two different applicable dates?**

**A2)** Companies have to maintain the audit trail (edit log) in all computer software used for maintaining books of accounts w.e.f 1st April,2023 whereas the auditor shall report appropriately in his audit report for F.Y 2022-23 in the section "other matters".

**Q3) What is the meaning of accounting software?**

**A3)** Accounting software is a computer software or system that enables recording, maintenance & reporting of books of accounts & relevant eco system applicable to business requirements.

**Q4) Whether this amendment is applicable for books of account maintained in an accounting software which is in house or outsourced?**

**A4)** This amendment is equally applicable for books of account maintained on any accounting software whether in-house or outsourced.

It means that if the books of accounts are maintained by an accountant on his system/laptop at his premises who is maintaining the books of accounts of his other clients also, this amendment is equally applicable. Therefore, such accountants also have to ensure that the accounting software used by them also have the system of maintaining audit trail (edit log). The companies have to ensure that the accountant using various accounting software must have the system of maintaining audit trail (edit log).

**Q5) Whether this amendment is applicable to on premise software or cloud software?**

**A5)** It is applicable to both the types of accounting software.

**Q6) If some of the accounting functions are outsourced, then whether this amendment is applicable to such accounting functions?**

**A6)** Yes, it is equally applicable. For example, payroll function is outsourced to some service provider, then the management of the company has to ensure that the software used by such service provider must have the facility of Audit Trail (edit log).

**Q7) What is the meaning of audit trail?**

**A7)** Audit trail is a visible trail of evidence enabling one to trace information contained in statements or reports back to the original input source. The meaning of the above definition in simple terms is chronological record of the changes that have been made to data. It covers the events right from creating new data, updating, editing and deleting of data

**Q8) What is covered under audit trail?**

**A8)** It covers the records related to the following

- when changes were made i.e., Date and time (time stamp)
- who made the changes i.e., User id
- what data was changed i.e., Data/transaction reference; success/failure

**Q9) For how many years audit trails to be preserved for record retention?**

**A9)** As per the provision of section 128(5) of the Companies Act 2013, the books are to be kept and preserved in the retrievable form for 8 financial years and accordingly the audit trail is to be preserved for 8 financial years for record retention.

**Q10) Who is primarily responsible to maintain audit trails in accounting software?**

**A10)** As management of the company is responsible for maintaining books of account, same way its only management of the company who is responsible for maintaining audit trails.

**Q11) What shall be the consequences if management have not identified all records / transactions for which audit trail should be maintained? or the accounting software does not have the features to maintain the audit trail or it was not enabled throughout the year?**

**A11)** It will clearly result in qualified audit report with modified opinion or adverse reporting.

**Q12) Is small company exempt from this amendment?**

**A12)** No, this amendment is applicable to all the companies registered under The Companies Act, 2013. No exemption is given to private limited company, small company or Section 8 company. Even the start-ups operating as corporates must have to follow this requirement without any exemption.

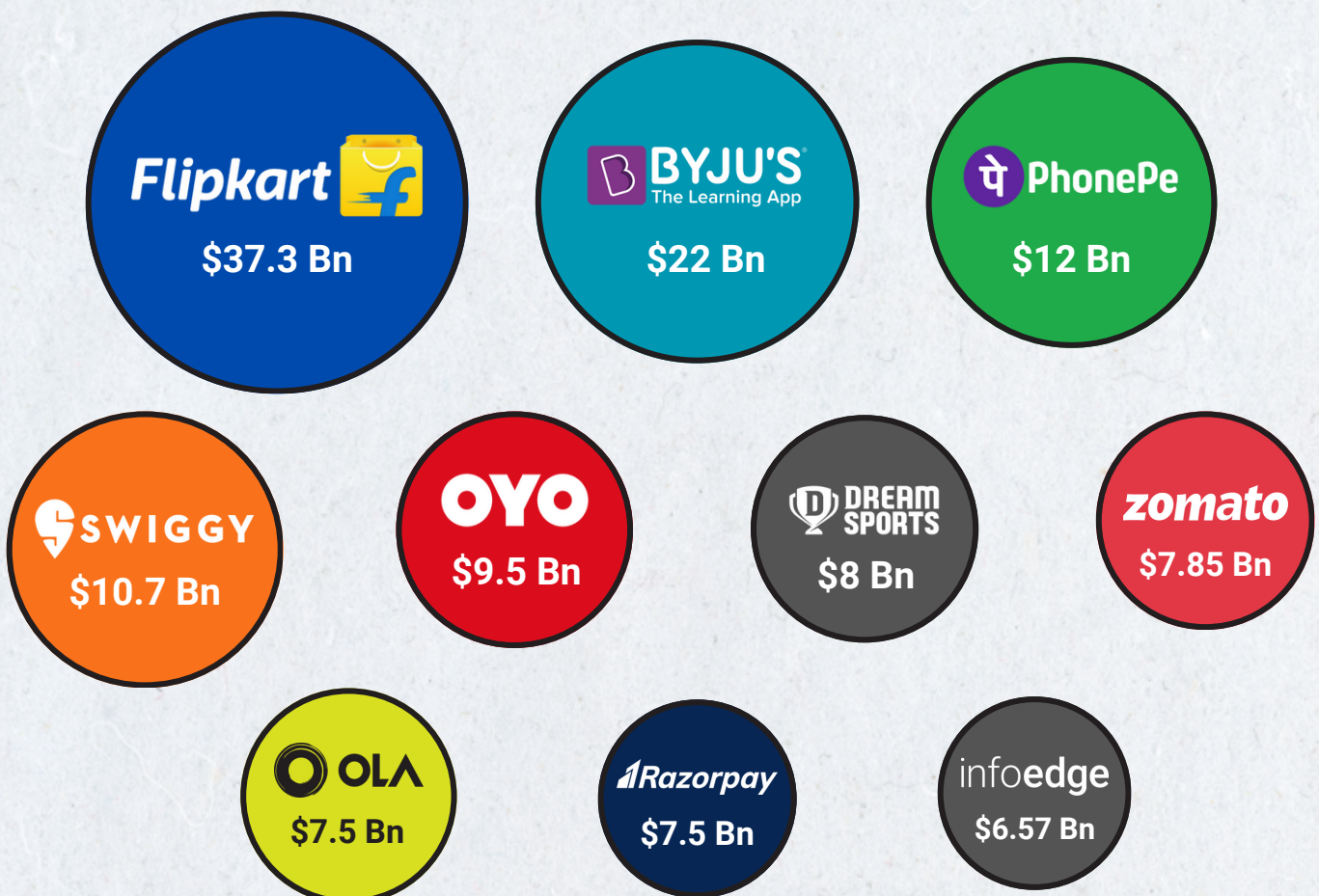


Adapted and Prepared by,

**CA AMISH SANGHAVI**

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## India's Most Valued Unicorns

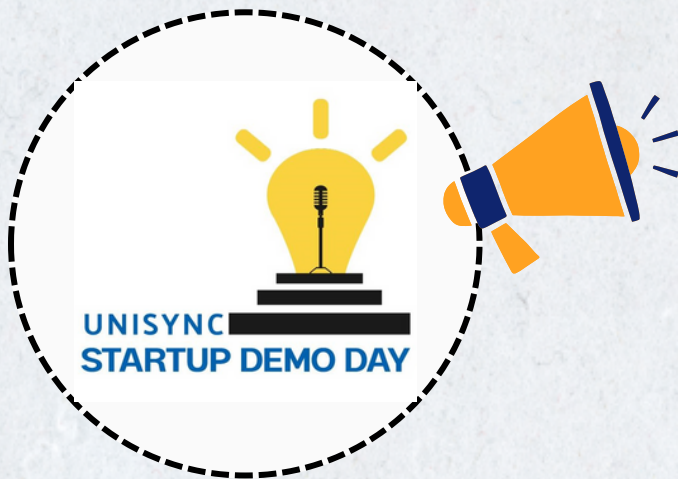
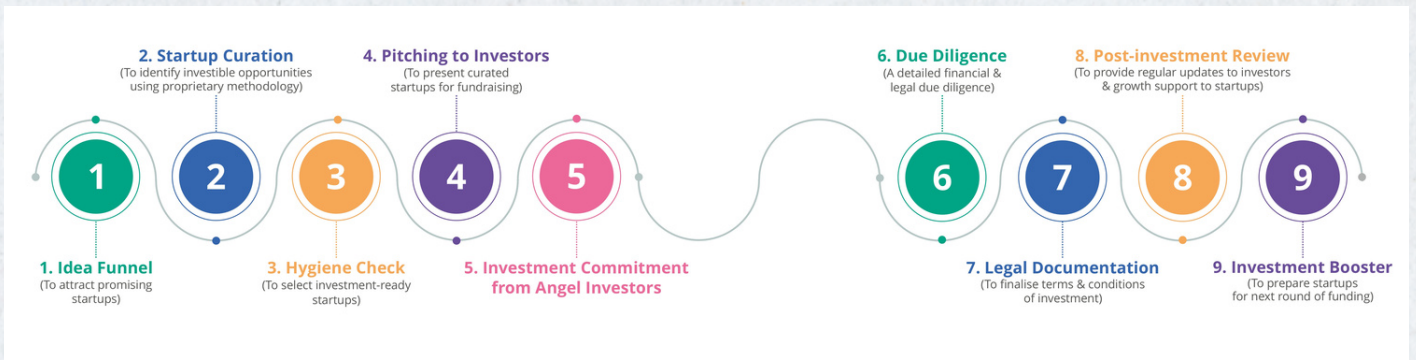


**Note:**  
These are last publicly recorded valuation.  
In case of Info Edge, market cap is as of 27 May 2023.

SOURCE: INC42

Diligence is the mother of good luck.  
– Benjamin Franklin

# Unisync Startup Investment Process:



## Unisync Startup Demo Day

7th October, 2023

5:00pm onwards

At Provyz Co-working, Surat.

For more details: +91-95126-67000



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empowering startups by providing growth capital and connect.

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