



Grant Thornton

An instinct for growth™

The Indian startup saga



Foreword



Vishesh C Chandiok
National Managing Partner,
Grant Thornton India LLP

Prime Minister Narendra Modi recently launched an ambitious programme called Startup India Standup India. This was aimed at revolutionising and accelerating the startup revolution in India, which is already witnessing strong traction. There was an earlier era in India where manufacturing startups dominated in the 70s and the 80s, and these were supported through seed capital and soft loans by the development financial institutions (DFIs) both at the centre and the state level.

Entrepreneurs who were keen at setting up factories were supported in their endeavours and several companies which are today household names were beneficiaries of this ecosystem. To name a few Reliance, Biocon, Infosys etc. are some of the big names. However, the DFIs supported predominantly through loans and earned healthy returns when a company did well. Otherwise they ended up writing off the loans – a model that was unsustainable. While they did not make significant gains on successful companies, they lost money on failed ventures. As a result of this and subsequent economic liberalisation since mid-90s, we did not have a startup ecosystem.

In the past decade, we have seen the rebirth of the startup ecosystem with a more sustainable business model in the form of venture capital. This is now taking strong root in the tech related areas and we are now seeing the results of this in cities such as Bengaluru and Gurgaon. India's economic future lies in encouraging startups which will bring dynamism, new thinking and create jobs to the Indian economy.

Contents

1. An overview	3
2. India's startup ecosystem: fast facts	4
3. Deal analysis in startup ecosystem	8
4. In the spotlight	10
5. Challenges within the startup environment	17
6. Opportunities	19
7. Current regulatory environment and initiatives	20

1. An overview

a. What is a startup?

Currently a clear definition of a 'Startup' does not exist in the Indian context due to the subjectivity and complexity involved. Considering various parameters pertaining to any business such as the stage of their lifecycle, the amount and level of funding achieved, the amount of revenue generated, the area of operations, etc, some conceptual definitions are available in the public domain. These have been sourced and enumerated below to provide an indicative understanding on the space to the reader. The Department of Industrial Policy and Promotion (DIPP) is also working around a clear definition for startups and is expected to make it public in due course.¹

b. Stages of the startup lifecycle

Discovery

Identify a potential scalable product/service idea for a big enough target market

Validation

The service or product discovered hits the market, looking for the first clients ready to pay for it

Maintenance

Maximising benefits and facing problems derived from the global dimension that the business has achieved

Sale or Renewal

The decision to sell the startup to a giant or acquire huge resources that the brand will need to continue growing

PRE-STARTUP

STARTUP

GROWTH

Efficiency

The entrepreneur begins to define his/her business model and looks for ways to increase customer base

Scale

Pushing the growth of the business aggressively while increasing its capacity to grow in a sustainable manner

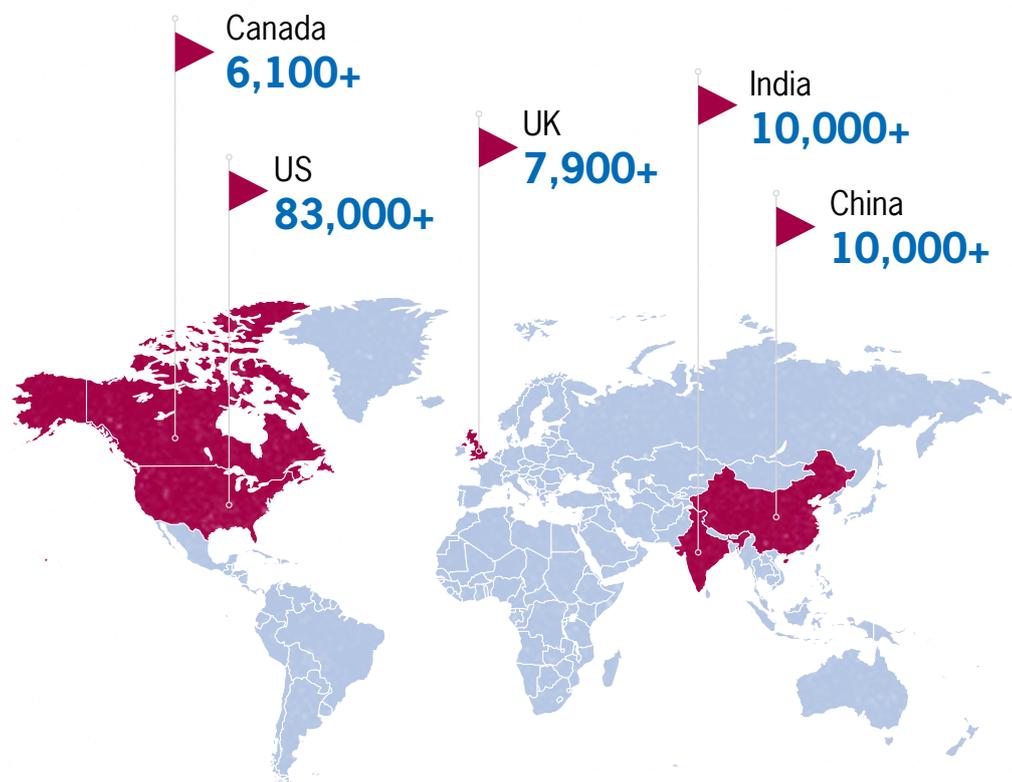
1. Startups India - An Overview, Grant Thornton & ASSOCHAM

2. India's startup ecosystem: Fast facts

The startups have been the cynosure within the Indian business environment over the last few years. This has resulted into the emergence of a number of home grown unicorns across the country. One of the major contributors leading to this development has been the mega funding that has been ploughed into most of these unicorns between the period 2007 and 2015. This has been in line with the global trend dominating the space. Even the aspiring startups have had a decent run during this period, where finding investors is usually considered a tough task. India comes across as a thriving under-penetrated consumer driven market with a scope for exponential growth. Internet penetration and its increasing importance will drive most of the businesses. On account of the consumer demographics, with China being out of bounds, India offers the largest pie of investment opportunity that the world is eyeing. This is despite the multitude of operational, regulatory and taxation issues that surround the business running environment in India.²

However, 2015 has turned out to be a year offering a bit of a reality check to one and all. This realisation has now redefined the dynamics of the businesses to a great extent. The year also set the tone for the next stage in the evolution of the startup ecosystem. The larger problems plaguing the businesses, such as the unorganised and fragmented Indian market, lack of clear and transparent policy initiatives, lack of infrastructure, lack of knowledge and exposure, complications in doing business, etc. are at least now being identified as issues that need to be addressed. The framework and course of regulations need to be updated and adopted as the situation and circumstances demand. To create awareness and building an entrepreneurial environment, various stakeholders such as the government, corporates, educational institutions and others should join hands to build a better ecosystem for the youth. The government is already taking steps in this direction and we understand several initiatives would be rolled out in the times to come to make India into an impeccable startup hub.

a. India is amongst the top five countries in the world in terms of startups



b. Indian startup industry composition

Total startups

10,000 (approx.)

Startups

4,300 | **5,700**

% Share

43% | **57%**

New startups annually

800 | **N.A**

Sector concentration

E-commerce - 33%

B2B - 24%

Consumer internet - 12%

Mobile apps - 10%

SaaS - 8%

Other - 13%

Engineering - 17%

Construction- 13%

Agri products- 11%

Textile - 8%

Printing & packaging - 8%

Transport & logistics - 6%

Outsourcing & support - 5%

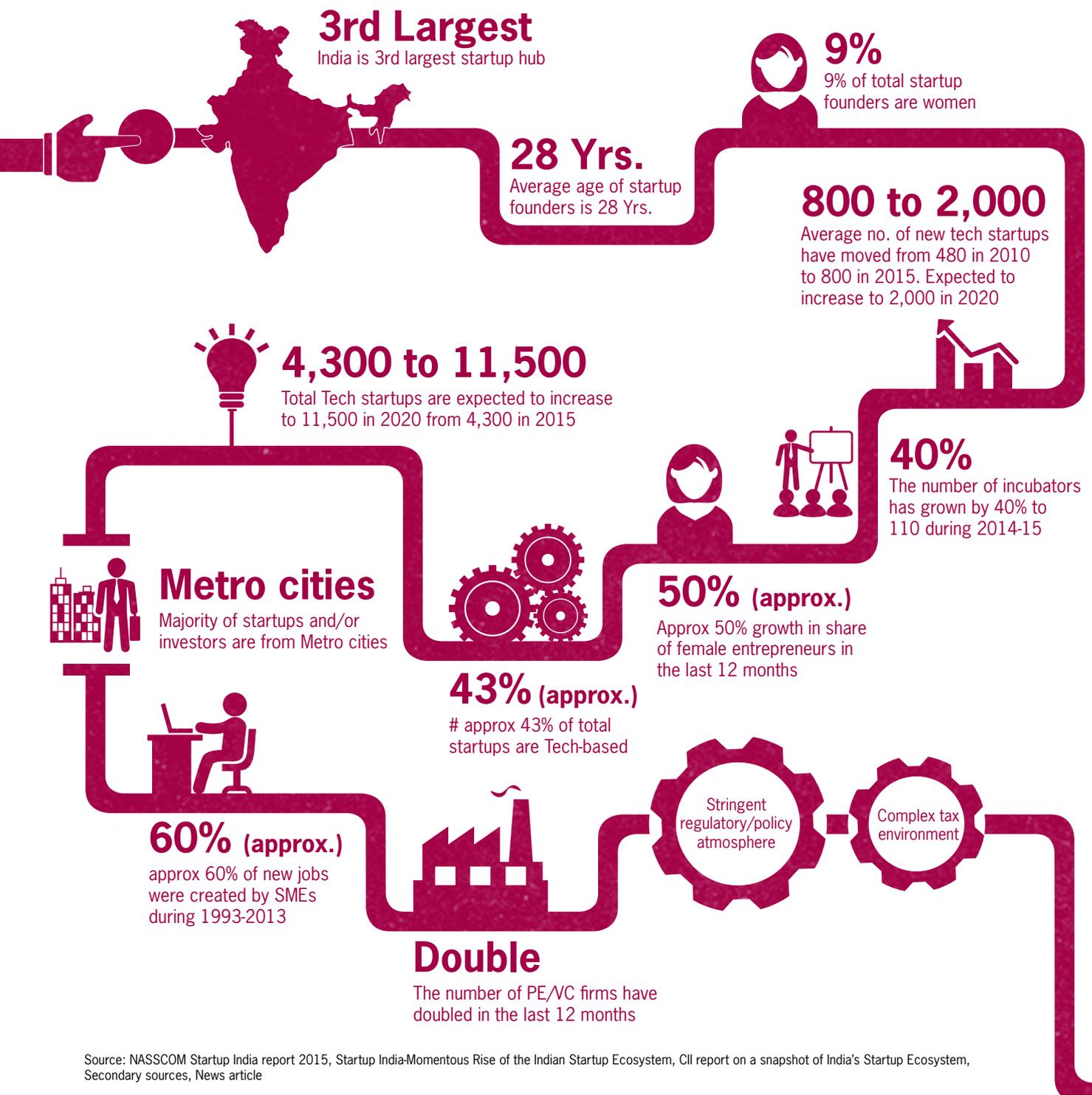
Other - 32%

■ Technology based startups

■ Non-Technology based startups

Note: Non-tech based startups sector concentration is an outcome of a survey conducted by CRISIL on ~20% sample of micro, small, and medium enterprises 2013-14
Source: NASSCOM Startup India report 2015, Microsoft Ventures, Secondary sources, News article

Current state of Indian startups



Source: NASSCOM Startup India report 2015, Startup India-Momentous Rise of the Indian Startup Ecosystem, CII report on a snapshot of India's Startup Ecosystem, Secondary sources, News article

India comparison

	India	China	Israel	Singapore	Japan	US
Total no. of startups (approx.)	10,000	10,000	4,750	N.A.	N.A.	83,000
Tech-based startups	4,300	3,400	4,000	N.A.	N.A.	48,500
Non-tech based startups	5,700	6,600	750	N.A.	N.A.	34,500
Set up a new business (Days)	30 – 60	30	13	2	10	4
Corporate tax rate	34%	25%	26%	17% (100% tax exemption for startups)	34%	39%
No. of Tax payments by businesses (p.a.)	33	9	TBD	TBD	TBD	11
Bank lending rate	10.3%	5.6%	3.9%	5.4%	1.2%	3.3%
R&D spending % of GDP (Est. 2014)	0.85%	1.90%	4.20%	n/a	3.40	2.80%

Source: World Bank, News articles, Gov. sites

The approximate number of startups in India (as depicted in the table India comparison above) is the same as that of China. This in itself, is indicative of the startup revolution that India has witnessed and the momentum being experienced in the space.

However, if one were to dig deep, high lending rates and corporate tax rates pose significant roadblocks for the industry's progress. Corporate tax rates as high as 34 percent affect the ease of doing business adversely. Conversely, tax friendly policies, absence of capital or dividend taxes and benefits to startups headquartered in Singapore from their 70 comprehensive Double Taxation Avoidance Agreements (DTAA), for instance, are initiatives which provide a taxation environment conducive to establishing startups³. According to the World Bank Doing Business in 2016 report, India's position has improved from 164 to 155 in terms of starting a business. This ascertains that India has become a better place for a business inception. However, beginning a venture is still a tedious process in India and it

takes 29 days and over 12 procedures to initiate a business⁴. In countries such as Israel, the number of days is virtually half as that of India and the scenario is better for other developed countries such as Singapore. In these developed countries, it takes as low as 2 days to begin a business. In addition to taking corrective measures in this direction, the tone also needs to be set right for other critical aspects such as lending rate and spend on research and development. The lending rate is virtually thrice as that of developed economies such as the United States and this calls for stringent action. Angel investors, venture capitalists and private equity firms have though provided respite in this regard, making the industry progress at a good pace over the years.

Furthermore, with the enthusiasm of Modi government visible through various initiatives such as the Digital India campaign, Make in India and the recent all-inclusive Action plan to boost startups, the business environment would certainly become conducive to invest and develop.

3. Source: Your story

4. Source: World Bank report , Economic Times

3. Deal analysis in startup ecosystem

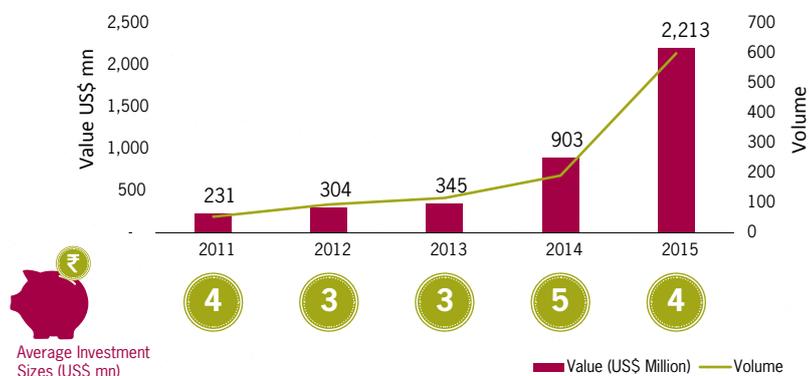
a. Startup investment round up

There has been a flurry of new startups and innovations in India in recent years. The Indian startup ecosystem has evolved, being driven by factors such as growth in number of funds/angels, evolving technology, higher smart phone and social media penetration, growth in incubators and accelerators, younger demographics etc. Recent government initiatives such as ‘Start up India, Stand up India’ India will only result in additional momentum in this space.⁵

2015 witnessed the maximum traction in this space with over 600 companies getting funding; more than US\$ 2 bn being deployed by PE and VC funds. Some of the top deals were Warburg Pincus’ investment in Ecom Express, Rocket Internet AG and Goldman Sacs investment in Foodpanda and Tiger Global and SAIF Partners’ investment in Little Internet.

Over and above the US\$ 2 bn deals in the startup space, other top deals in the overall tech space in 2015 include the usual suspects i.e. investment of US\$ 700 mn in Flipkart by Sequoia Capital and Steadview Capital, US\$ 500 mn in Snapdeal by Alibaba, Softbank & others, over US\$ 1100 mn in Olacabs by a group of investors including Tiger Global, Softbank, DST Global etc. Other fairly large transactions include investment in Quikr, Jabong, Grofers, Shopclues, Pepperfry and Oyorooms which have received funding of more than US\$ 100 mn.

Investment momentum in startups have increased rapidly over the last five years with investment values increasing at a CAGR of more than 75 percent between 2011 and 2015 while investment volumes have increased at a CAGR of over 80 percent in the same period.



In the earlier years start up sectors which were attracting funding was limited to information technology (IT) and consumer and retail sectors. However, recently there has been a huge influx of startups in other verticals such as discovery platforms, payment gateways, hyper local services, e-com logistics, healthcare, food tech, cab aggregators etc. All these in some way or other being allied to the consumer technology sector enabling e-commerce.

Out of the total deals in this period, two startups have received funding above US\$ 100 mn each while there have been five startup investments above US\$ 50 mn each. The above US\$ 100 mn transactions have occurred in 2015 which include Warburg Pincus’ investment in Ecom Express (US\$ 133 mn) and two rounds of funding (cumulatively US\$ 290 mn) in Foodpanda.com (Pisces EServices Private Limited) by investors such as Rocket Internet, Goldman Sacs Falcon Edge and Phenomen Ventures.

Investments above US\$ 50 mn include popular names such as Housing.com (US\$ 90 mn from Softbank), Hike Technologies (US\$ 65 mn from Tiger Global and Bharti Softbank Pte Ltd), Little Internet (US\$ 50 mn from Tiger Global, SAIF Partners and angel investors) and Netmeds (US\$ 50 mn from OrbiMed and MAPE Advisory Group).

According to our criteria, companies which have received investment at funding stages over and above Series B, have not been considered as startups. Since transactions at and below Series B funding typically have smaller ticket sizes, the number of high value investments in this period is subdued.

Average investments over the period between 2011 and 2015 have been fairly stable ranging from US\$ 3 to 5 mn. Therefore, even though deal volumes have seen an extraordinary increase from 2011 to 2015, the increase has been more pronounced in the seed/angel investments. However, there hasn’t been a significant rise in average deal-sizes in startup investments.

5. Startups India - An Overview, Grant Thornton & ASSOCHAM

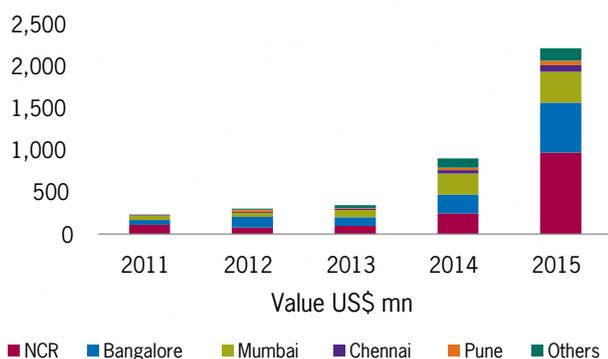
b. Geographies 2011-2015

The startup ecosystem continues to be concentrated in regions such as the NCR, Bangalore and Mumbai which together contribute to 87 percent of total investment value and 84 percent of total investment volume in 2015.

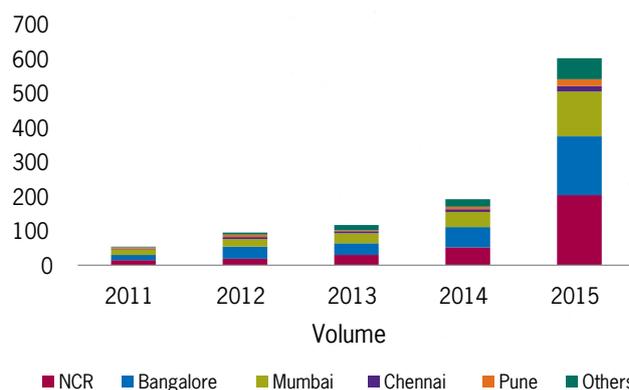
The national capital region (NCR) witnessed the highest investment activity, which gradually increased from 15 investments in 2011 to above 200 investments in 2015. As compared to 2014, which witnessed investment activity of US\$ 245 mn (across 52 deals), this year showed a 300 percent jump with investments of US\$ 972 mn (across 204 deals). Key startups that witnessed investments in 2015, in this region include Ecom Express (ECom Logistics), Foodpanda (FoodTech), Peppertap (Hyperlocal), Rivigo (Ecom Logistics) and UrbanClap (On-demand services). NCR contributes to 27 percent of the total value and volume of investments in 2014 where as in 2015 NCR contributed to 44 percent of the total value and 34 percent of the total volume of investments.

Investment activities have also been on the rise in the IT hub of the country – Bengaluru, where investment values in 2015 have grown by over 160 percent year-on-year. While the number of transactions have been fairly high (59 deals in 2014 and 171 deals in 2015) investment values have been at US\$ 596 mn due to the absence of any big-ticket investments (above US\$ 100 mn). Key startups that attracted investor attention in 2015 from this region include Little Internet (Discovery platform), Portea Medical (Consumer HealthTech), Blackbuck (Ecom Logistics), HouseJoy (On-demand services) and Swiggy (Food Tech). Bangalore contributes to 25 percent of the total value and 31 percent of the total volume of deals in 2014. Compared to this, in 2015 Bangalore contributed 27 percent of the total value and 28 percent of the total deal volumes.

Geographic Break-up Values (US\$ mn)



Geographic Break-up Volumes



Mumbai has also seen significant traction in the investment activity. Investment volumes grew by almost 200 percent year-on-year to about 130 investments in 2015. The value of investment grew to US\$ 366 mn in 2015 from the earlier US\$ 253 in 2014. However, this growth has not been substantial (45 percent year-on-year) as compared to the growth in volumes. In 2015, the city witnessed few big ticket transactions compared to other regions with the top companies such as Culture Machine (US\$ 18 mn), TinyOwl (US\$ 16 mn), CredR (US\$ 15 mn), GOQii (US\$ 13 mn) and Coverfox (US\$ 12 mn) receiving investments of less than

US\$ 20mn each. Mumbai contributed to 28 percent of the total value and 23 percent of the total volume of deals in 2014 whereas in 2015 Mumbai contributed 17 percent of the total value and 21 percent of the total volume of deals.

2015 witnessed renewed traction in upcoming regions such as Chennai, Pune, Jaipur (major deals in these geographies for the last five years include Netmeds - Chennai (US\$ 50 mn in 2015), ZoRooms - Jodhpur (US\$ 30 mn in 2014), VeloCloud - Chennai (US\$ 21mn in 2014), Allygrow - Pune (US\$ 20 mn in 2015) and Arkin Net Inc- Pune (US\$ 15 mn in 2015).

4. In the spotlight

While startups are present across multiple sectors. In 2015, certain sectors have however seen more startups than the others and some of these sectors are analysed below:



a. Consumers (Food Tech; Retail; Real Estate; Apps and Tech; Discovery platforms and On-demand services; Coupons and Deals; Hyperlocal Delivery; Travel and Transport; Social Platforms)

Key Trends

- Hyper local has been revolutionised. The local grocer along with the plumber and food delivery boy has now become tech savvy. Some of the examples include:
 - Companies like Amazon, Ola, Flipkart, Snapdeal, and Paytm entered the hyperlocal grocery services as well.
 - Swiggy covered all the Tier I cities after venturing to Chennai.
 - Since the launch of home services provider Housejoy in January, the company went from 40 orders a day to 4,000 in 10 months, while its competitor Urbanclap received 3000 vendors in Mumbai alone.
 - Even offline shopping was made easier by Shopsy, a discovery platform, and digital payment provider Momoe ventured beyond restaurants, into grocery stores, spas and salons, and apparel stores.⁶
- Omni channel is as well witnessing a surge. Taking hyperlocal services to the next level, Omni channel strategies brought offline players into e-commerce spectrum. Omni channel retail gave more inclusivity. Customers can discover online and get the products from the brick and mortar stores.⁶
- Several Indian languages went online with these startups. For example: Local e-commerce startup Storeking, which functions exclusively with local languages, partnered with wallet services provider MobiKwik to enable expansion. Classifieds platform Quikr is also available in seven languages now.⁶
- Tier II cities are now getting significant focus and are not secondary anymore. For example:
 - Faaso's went to Tier II cities such as Baroda and Ahmedabad, thus making its presence in total 10 cities.
 - Online grocery service Grofers, now present in 8 of the Tier II cities, has made its presence in a total of 18 cities.
- Auto rickshaw aggregator and on-demand grocery provider Jugnoo even announced its launch in Tier III city Udaipur.⁶
- Real Estate is witnessing a change in technology as both the agents and customers can now access real-time information in cloud-hosted databases, and collaborate more effectively based on a common system of record.⁶
- New entrants like Zo Rooms are accelerating as they offer an innovative technology for the unbranded hotels. A majority of them are not sophisticated enough to manage their online listing, bookings and customer reviews. Also, they don't have sufficient clarity on the essential requirements of today's tech-savvy budget traveller.⁷

USPs

- The opportunity window for online retailers is huge. The main reasons behind that is the rapid urbanisation, rising literacy levels, increased smartphone penetration, a larger young generation and rapidly growing access to the internet.⁸
- Growing awareness about different cuisines as well as innovations in the process of food making, e.g. Gastronomy has led to the rise in the demand for variety of foods and this provides for great expansion opportunities for the food startups.⁹
- The travel and transport sector has not only been limited to providing taxi services, but has expanded to make it easier for the logistics companies, as they adapt to new technologies.⁶
- Online real estate websites have gained consumer confidence as brokers are eliminated in the process of searching a property. Several of the websites verify the listing by the owner/builder themselves by visiting the place.

6. Start-up trends that rules India in 2015

7. Tech Crunch

8. Your Story

9. Retail Ecommerce Sales In India 2014 – 2018 (Link)

Location Concentration

- In all the consumer sub-sectors, most startups have emerged from Tier-1 cities. Bengaluru, Delhi NCR and Mumbai. The top emerging cities include Chennai, Pune, Hyderabad, Ahmedabad and Jaipur.¹⁰

Funding Trends¹¹

- Total Investments in Transport, Travel & Real Estate: US\$1.1 billion
- Number of Startups Funded: 450+
- Total Investments in On - demand, Hyperlocal & Logistics: US\$500 million
- Number of Startups Funded: 150+
- Total Investments in Apps & Tech: US\$180 million
- Number of Startups funded: 400+

New Entrants

- Bundl Technologies - Swiggy.com
- Truly Madly Matchmakers - TrulyMadly.com
- Zostel Hospitality - Zo Rooms
- Delhivery
- UrbanClap



b. Enterprise Application (BigData Apps; E-commerce Enablers; Retail Tech; Sales and Marketing Tech; HR Tech; SaaS; Loyalty and Customer Management; Enterprise Resource Planning; Business Intelligence)

Key Trends

- Initially started out as a pro-bono service familiarise people with the market offerings, the startups monetise their business model finding multiple beneficiaries and advertisements.
- Partnerships with technology providers has helped startups add credibility to their names and increase client base.

USP

- Enablement solutions support other startups in the eco system and hence there is a demand.

Location Concentration

- Though the tech support enterprise applications have been concentrated in South India, places like Pune and Gurgaon are also coming up with a host of new entrants in that space

Funding Trends

- The amount invested in the sub-sector is upwards of US\$100 million in 2015.
- Many of the companies have been funded by Angel investors.

New Entrants

- LogiNext Solutions - loginextsolutions.com (BigData Apps)
- MoEngage India (Business Intelligence)
- SellerworX Online Services (Ecommerce Enablers)
- DoPoints Marketing Services - Sunday Realty Solutions (Enterprise Mobility)
- Pivoting Softwares - Gridle (ERP)
- Belong Technologies India - Belong.co (HR Tech)
- Customer Labs Digital Solutions (Loyalty and Customer Management)
- Arkin Net Inc (Retail Tech)
- WizRocket Technologies (SaaS)
- AgentDesks (Sales and Marketing Tech)

10. iamware

11. Start-up India: Moment of Rise of the Indian Start-up Ecosystem, NASSCOM



c. Fintech (Payments; Mobile Payments; Crowdfunding; Consumer Finance; Banking Tech; Insurance Tech; Fraud & Risk Management)

Key Trends

- The existing payments ecosystem offers an opportunity to expand the present market segment. FinTech startups are well aware of the need to revolutionise the financial services and to take advantage of the opportunity to create innovative services to transform the current system into an efficient, effective, and inclusive one.¹¹
- Consumers are increasingly making purchases straight from their phones. This has led to increased mobile transactions and consumers expect a frictionless transaction.¹²
- People in the age group of 18-24 years have the attention of finance companies and this generation prefers mobile banking than actually visiting a bank branch physically.¹²

USPs

- Point-of-purchase will increasingly shift from an “e-commerce site” to just about everywhere online platform increasing the online payments.¹²
- Alternative lending platforms have lower cost structures as a result of being virtual than brick-and-mortar, and use more technology than manpower to determine creditworthiness. This means that they can pass these savings to depositors in the form of higher interest rates, even for loans with equal risk.¹³
- FinTech companies give investors unprecedented access to almost every asset class.¹³

Location Concentration

- Majority of these FinTech companies are located in the Tier 1 cities namely Mumbai and Bengaluru.

Funding Trends

- There has been an approximate investment of US\$70 million in 2015.
- Majority of these startups have been funded by angel investors.

New Entrants

- Bestdealfinance.com
- Lendingkart Technologies - Lendingkart.com
- Ketto Online Ventures
- Coverfox Insurance Broking
- Backwater Technologies – Chillr
- Razorpay Software
- Momoe Technologies

11. Start-up India: Moment of Rise of the Indian Start-up Ecosystem, NASSCOM

12. Crowdfunder.com

13. Iamwire.com; India in Business, Ministry of External Affairs



d. Healthcare (Consumer Health Tech; Health Tech)

Key Trends

- There is a significant demand in the quality of healthcare services in Tier II and Tier III cities which states that the people are recognising the need for specialty-care. The overall Indian healthcare market today is worth US\$ 100 billion and is expected to grow to US\$ 280 bn by 2020, a compound annual growth rate (CAGR) of 22.9 percent.
- Online healthcare (Tele-medicine and Tele-Radiology) has increased the communication amongst multiple people. These startups connect healthcare providers with patients, and in a country like India where there is a rampant problem of uneven spread of doctors, such companies help in a major way. According to the World Bank, there are only 0.7 doctors per 1,000 people in India, and therefore, there is an acute shortage on the supply side.¹⁴
- There is a growth in adoption of technology amongst doctors across diverse spectrum, which will enable them to deliver quality consultation to their patients.
- There is also significant advent of wearable medical devices and lifestyle tracking devices and applications.

USPs

- Health industry remains under-penetrated by technological innovation, thereby providing multiple opportunities for the new entrants.
- Healthcare portals are making it possible for people to browse through top doctors, read patient feedback and book their next doctor's visit with the click of a button.¹⁵

Location Concentration

- Majority of these healthcare companies are located in the Tier 1 cities namely Mumbai, Delhi and Bengaluru.
- However, there is a demand for these companies in Tier-II and Tier-III cities as well.

Funding Trends

- There has been an investment of upwards of US\$135 million in 2015.

New Entrants

- Net-Meds Marketplace - Netmeds.com
- GOQii Technologies
- Lybrate Inc
- Medwell Ventures
- Welcome Cure

14. lamwire.com; India in Business, Ministry of External Affairs
15. Business Standard



e. Logistics (Consumer Logistics; E-Com Logistics)

Key Trends

- Significant interest has been towards the growing concept of hyper-logistics, which essentially involves technology enabled services to link local retailers with the end consumers.¹⁵
- A new and upcoming trend includes P2P (Point-to-Point) shipping. It is a model for getting the personal parcel delivered at the shortest time possible from any part of the world. Such platforms are breaking the barriers of delivery from overseas location by connecting a traveller (from across the globe) who is ready to earn some more money by delivering the product to the seeker. The model is operational for both domestic and overseas delivery.¹⁶
- A recent trend has been around the intra city logistics. Startups like trucksfirst, Moovo, the Karrier and ShippR have launched an intracity logistics aggregator platform. It acts as an exchange platform for cargo owners and transporters¹⁶

USPs

- The growth of E-commerce is directly related to the growth of logistics. It is estimated that in 2018, online retail will be a US\$18-billion industry in India while in 2019, e-commerce logistics will be a US\$2-billion industry.¹⁷
- Tier II and Tier III cities have the maximum expansion potential for logistics companies. These cities across India are now receiving over 2,600 deliveries per month.¹⁸

Location Concentration

- Tier I cities are the preferred location for the logistic companies. Majority of the companies are located at Mumbai, Bengaluru and Gurgaon.
- However, there has been recent inclination towards Tier II cities as well.

Funding Trends

- There has been an approximate investment of US\$270 million in 2015.

New Entrants

- Shadowfax Technologies
- Carthero Technologies – Roadrunnr
- NAXR Logistics - Parcelled.in
- Pickingo Logixpress
- Pickrr Technologies
- Ecom Express

15. Logistics in 2015

16. Economic Times

17. Your Story

18. Silicon India



f. Enterprise Infrastructure (Enterprise Security; Cloud Infrastructure; Enterprise Mobility; Data Analytics, Management and Infrastructure; Platform as a Service (PaaS); Specialised Infrastructure Solutions)

Key Trends

- Security breaches and data leakage will continue to trouble companies of all sizes. These new threats need to be quickly answered quickly by a new defence system. The new entrants providing enterprise infrastructure offer next-generation security architectures which integrate discrete security systems into a platform.¹⁸
- Unlike the PC market, the mobile device market (handsets and tablets) will not be dominated by Microsoft. There will be at least two to three platforms across the globe. This mobile diversity provides startups with more flexible and open management systems. Additionally, this will lead to richer applications and more focus on their usability, rather than larger and cumbersome applications.¹⁹
- The Internet of Things (IoT) is another upcoming trend which is estimated to be made up of 26 billion devices by 2020. Additionally, industrial control systems are rolling out IP all the way to the control and measurement points. As of now, these networks are separate and individual.¹⁹

USPs

- Data infrastructure used by the startups enables apps to take advantage of scale out systems and which is beyond what traditional SaaS applications provide.¹⁹
- Business intelligence applications used by the companies have started to transition from an OLAP data source in a relational database to a new type of service that connects different data sources from social networks, third-party apps and other sources.²⁰

Location Concentration

- A significant majority of the companies are located at Bengaluru.

Funding Trends

- Together there has been an investment of approximately US\$45 billion in 2015.

New Entrants

- Zapstitch Technologies (Cloud Infrastructure)
- Cube26 Software (Enterprise Mobility)
- Mad Street Den Systems (Data Analytics, Management and Infrastructure)
- Allygrow Technologies (Specialised Solutions)
- Julia Computing (Enterprise security)

18. Silicon India
19. Tech Crunch
20. Your Story



g. Education (Education Tech; Collaborative and Cognitive Learning)

Key Trends

- The education system has changed drastically and there are now interactive textbooks and a rise of web-based research and gamification.²⁰
- Teachers now have access to multiple IT tools such as podcasting, virtual classroom and voice recording in order to engage better with their students.
- There has been a shift in pedagogy. Videography is now being used for content delivery such as sports and lab experiments etc. Most edtech companies use technology to compress data so that the video streaming or pre-recorded video files can be sent over slow connections.²¹
- Digital learning has now been made a part of the regular learning process and this is done through 3D content and learning management systems (LMS) with AI interface.

USPs

- There is a huge potential for expansion by ensuring that the technology is reaching Tier II and Tier III cities. And with innovations, edtechs are offering HD quality videos at 100kbps speed.²¹
- Spending on education is something that parents are unwilling to skimp on and amongst others, coaching for IIT engineering has highest of per capita spending (around Rs 75,000 per head). Offerings such as education through an online platform significantly reduce the costs for

parents and opens up a huge potential market.²¹

Location Concentration

- Following the same pattern of other sectors, edutech companies are majorly located in Tier I cities. However, their location is not a constraint as they offer their services to Tier II and Tier III cities using innovative internet technology.

Funding Trends

- These edutech companies have an approximate funding of US\$40 million in 2015.
- Majority of these startups have been funded by Angel investors.

New Entrants

- Toppr.com - Haygot Education
- Vedantu Innovations
- Next Door Learning Solutions – Onlinetyari
- SpringBoard
- Beyond Horizons EduConnect - MeetUniv.com

20. Your Story

21. Times of India

5. Challenges within the startup environment

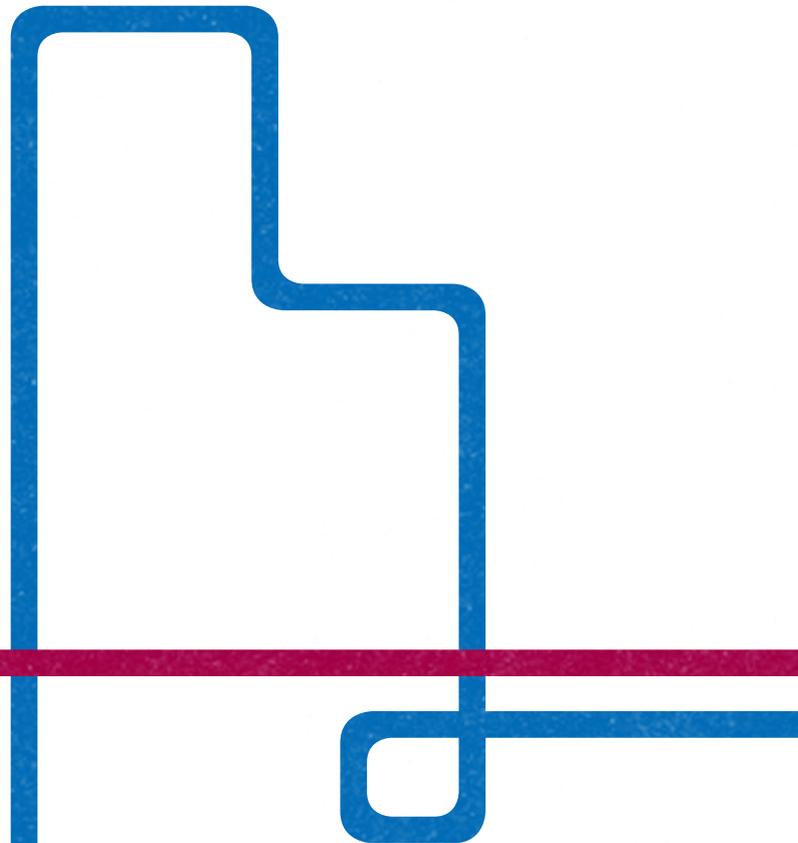
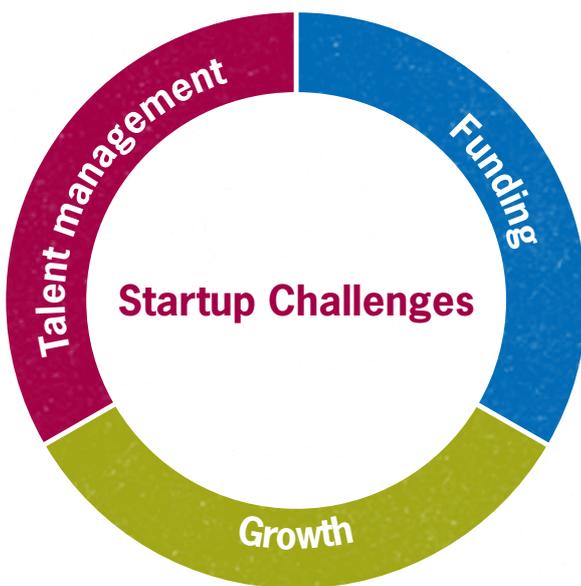
The 2016 World Bank Ease of Doing Business (out of 189 economies) ranks India at 130 where starting a business rank for the country is even lower at 155.²²

Policies and regulatory environment has been criticised for starting up business in the country. Taxation, multi window clearances, red-tapism and bureaucracy are some of the issues associated with the country. Moreover, historically the government's role has been fairly limited to providing the

funding in terms of grants and loans but recently with the Prime Minister Narendra Modi's government, it is taking up a more active role enabling the right environment for this sector.

According to a survey by Internet and Mobile Association of India (IAMAI) industry body, growth, talent management and funding are the top three challenges faced by startups

Overview of challenges



22. IAMAI and IMRB joint survey findings, afaqs website

a. Talent:

- For a startup in India, it is difficult to attract and hire the right talent and skilled workers at a time when the economy is witnessing a booming private sector with a plethora of multinationals setting shop and hiring talent
- Culture issues associated with taking risks and dealing with failures have prohibited people from venturing out with an entrepreneurial spirit. People are conscious about risks and rewards, India being a price sensitive market. In addition, not everyone is flexible enough to work in a startup
- A startup often cannot match the compensation packages offered at larger companies nor is a startup job seen as a steady one

b. Funding:

- Challenges in raising funds remain the primary concern, especially during the starting stage, given no credit history or track record of the company. Also, there is limited number of credit rating firms for small and medium enterprises
- Over the past few years, investors have put in billions of dollars into hundreds of startups, many of which have grown into thriving businesses. However, many analysts believe that raising funding in later stages of business could become difficult to sustain their operations.
- Many Internet companies delay putting in efforts for revenue generation and focus more on raising investment from different channels. As a result, once the funding halts, trouble looms large with low revenue figures
- Effective cash management is an issue in the short and long term. Cash being the primary channel of payment, electronic payments are still not popular owing to absence of complete penetration to Tier 2 and Tier 3 cities.

- Flawed business models and revenue strategies lead to failure of many startups
- Government and private sector investors have funds through investment channels but such funding is not available for all forms of businesses. For such startups, the biggest problem is to gain investor trust and appropriate funding

c. Growth:

- Appropriate IT infrastructure is a current need given growing number of consumers coming online. Without an impetus to the right and timely technology in the country, growth of businesses will not happen. Cyber risks and lack training of employees on security platforms are acting as roadblocks for startups to prosper
- Mentorship of talent is very important as a lot of these startups are having a young workforce with some very unique ideas that needs direction for reaping effective results. There is lack of formal mechanism to mentor startups in the country and help them grow beyond the setup stage
- Lack of an effective branding strategy is another issue that hampers startups from flourishing speedily
- Indian market is highly unorganized and fragmented, acting as a big hurdle for startups to succeed
- Lack of awareness of potential that exists for their startup businesses prohibits growth

Some of the other challenges in this sector include managing business with intense competitive environment, maintaining a sustainable business, technology design, regulatory framework, and intellectual property rights. According to the IAMAI survey, issues such as regulatory framework and monetisation of business model are not bigger concerns for startups as compared to the primary problem of raising funds.

6. Opportunities

- **Demographic factors:** According to the latest UN report India with 356 million 10-24 year-olds have the largest concentration of youth population despite having a smaller population than China. India has a large domestic market and can be considered as a test bed before going global. The large population has also led to a consumer expenditure growth, which has in turn has propped up supply and production²³
 - **Government support:** Prime Minister Narendra Modi envisions India to be in the top 50 of the World Bank Doing Business ranking report as a part of his campaign to re-energize business and attract foreign investment. Currently, the country stands at 130th rank (out of 189 ranked economies). With the present government focused on making a difference in the country's outlook, lot of opportunities exist even for the startup sector. On 16 January 2016, the Modi government announced capital gains, income tax sops for startups under its Startup India Action plan 2016. The Start Up India mission envisages promoting technology business incubators and creation of research parks. Also the Human Resource Development Ministry and the Department of Science and Technology are partners in an initiative to set up over 75 startup support hubs in the National Institutes of Technology (NITs), the Indian Institutes of Information Technology (IIITs), the Indian Institutes of Science Education and Research (IISERs) and NIPERs or National Institutes of Pharmaceutical Education and Research.
 - **Internet Usage:** Indian market provides tremendous opportunity for startups and brands willing to innovate. Internet penetration is high in urban markets and among professionals internet has become useful for innovations of startups & brands. As of 2014, India was the third-largest online market with more than 198 million internet users, ranked only behind China and the United States, 38 percent of those who use the internet at home or at work come from the 25-34 age bracket.
 - **High mobile penetration:** India's tele-density reached 76.55 percent with a subscriber base of 95.76 crore (2014). Growth in mobile penetration is transforming the way businesses and consumers communicate and work with increased productivity. For example, startups that develop mobile apps now have an ever increasing market to cater to.
 - **Rising number of global incubators:** Startup incubators are companies that assist new startups in their initial phase of development by providing various services. Incubators share both tangible and intangible resources such as equipment, office space, services such as accounting, computing and legal services. They also assist startups in raising startup capital and perform various networking activities to reduce the financial burdens and resource issue. Incubators help entrepreneurs in building sustainable business environment while benefiting the broader corporate communities.
 - **Easy access to funding:** The capital required can be accessed through various sources like VC/PE, Angel investors, banks, financial institutions and incubators. Entrepreneur group is supporting the development of other startups. M&A is witnessing increased momentum in India.
- Education:** The state and central government is trying to tackle these issues by pumping almost INR 310 billion (approx. USD 5.7 billion) into improving school infrastructure and recruiting teachers. **Right to Education Act** is enshrining the rights of all children to free and compulsory education, increasing the enrolment and attendance levels.

23. Grant Thornton ASSOCHAM report, Startups in India – An overview; Action Plan January 16, 2016, The Hindu; iamwire

7. Current regulatory environment and initiatives

Reforming the regulatory ecosystem for startups



Harish HV
Partner,
Grant Thornton India LLP

The Government of India and some state governments have woken up to the potential of startups to create significant value, employment and India specific solutions. The governments are now looking at reforming the regulatory system. The Startup India Action Plan was the first step in doing so. Karnataka had announced a startup policy earlier and other governments such as Rajasthan are also working on or have already announced policies for startups.

The key driver behind these is the two-pronged strategy: It encourages entrepreneurship and also removes operating hurdles which are unnecessary and add to the costs and proves to be an impediment for startups. The other benefit is that the approach stems the exodus of startups which are Indian but re-domicile to other favourable jurisdictions. This I call as intellectual property drain.

The regulatory environment in India has undergone a lot of reforms since liberalisation at the macro level. But at the operating level it is still suffering from myriads of rules and laws. Some of these regulatory procedures are archaic and take the energy away from the business of creating value. A lot of this stems from our past stance of socialism, suspicion of business and equally important the tendency of some to take advantage of these rules against the spirit of legislation. The notion among the lawmakers that someone will misuse the liberalisation leads them to create more stringent rules and norms that become hurdles. This is also driven by the lack of punishment. Just as an example, a couple of Chinese companies who ran Ponzi schemes were caught and the promoters were hanged to death. I am not advocating capital punishment but in India we rarely see any punishment and hence there is not much deterrence and bureaucrats create rules.

The other is the push by investors to relocate the companies out of India due to the regulatory environment, lack of ease of doing business, unpredictability of the tax regime etc. This is taking away a lot of our successful startups outside India. We are presently at a situation where a startup begins in India and if it starts creating significant value, (which is usually between 20-25 percent of the startups only and the rest fail or unable to scale) there is pressure and most of them then relocate outside India. We are going to be left with the 75 percent in India. Most of the value creating startups will end up outside India.

Fortunately, the Government of India, Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) have realised the potential and the pain areas relating to many of these and are working to resolve the issues. All three have announced measures relating to startups, thanks to the engagement of organisations such as *ispirt* (I have been a part of this personally) that are meant to educate them on the issues and potential, and nurture the startups. The process is underway. However, much more needs to be done and we are confident that these would come in the weeks and months to follow. I hope that these measures will be used in the right spirit and people will use it in the spirit in which it was created and not misuse them. This would propel further simplification, rationalisation and other incentives from the Government.

a. Current Policies and Initiatives²⁴

Initiative	Commencement	Description
Make in India	September 2014	<ul style="list-style-type: none"> The intent of the campaign is to attract foreign investments and encourage domestic companies to participate in the manufacturing, thereby contributing to the country's growth story. To promote manufacturing sector, government is giving impetus in the form of single-window clearances, minimal procedures & cutting out of any red-tapism to set up businesses
Standup India	August 2015	<ul style="list-style-type: none"> The campaign aims at promoting entrepreneurship among women and scheduled castes and tribes. Some of the salient features include: <ul style="list-style-type: none"> Loans under the scheme would be given for greenfield projects in the non-farm sector Intention of the scheme is to facilitate at least two such projects per bank branch The scheme is expected to benefit at least 250,000 borrowers in 36 months from the launch of the scheme.
Digital India	July 2015	<ul style="list-style-type: none"> The vision of the program is to transform India into a digitally empowered society and knowledge economy The program aims to ensure that government services are made available to every citizen through an online platform. Private sector has committed funds at the launch of this initiative to fund new ventures, representing a huge business opportunity for startups.
Micro Units Development Refinance Agency (MUDRA)	April 2015	<ul style="list-style-type: none"> The Indian government launched Mudra Bank to boost the growth of small businesses, manufacturing units and small entrepreneurs The bank would provide credit facility of up to INR 50,000 to small businesses, loan of up to INR 5 lakh to little bigger businesses and loan of up to INR 10 lakh to the MSME sector at low rates In January 2016, the Union Cabinet gave approval for the conversion of MUDRA Ltd to MUDRA-Small Industries Development Bank of India(SIDBI) and for the creation of a credit guarantee fund for MUDRA loans The MUDRA scheme is expected to benefit 1.73 crore people
India Aspiration Fund	August 2015	<ul style="list-style-type: none"> The finance minister also announced the India Aspiration Fund to encourage the startup ecosystem and allocated INR 400 crore to various venture funds. He also launched another program called SMILE (SIDBI Make in India Loan for Small Enterprises) with an allocation of INR 10,000 crore. The <ul style="list-style-type: none"> objective of the scheme is to offer soft loans in the form of quasi-equity and term loans on soft terms to MSMEs.
Startup Action Plan 2016*	January 2016	<ul style="list-style-type: none"> It is an initiative of the Government to build a strong eco-system for nurturing innovation and Startups in the country The action plan covers three aspects – simplification and handholding; funding support and incentives; and industry-academia partnership and incubation

Startup Action Plan 2016 – On 16th January 2016, Prime Minister Narendra Modi, launched the plan. It contains several positive initiatives for the startups in the country to ease up various regulatory, legal, financial and other challenges faced by them.²⁵

24. Startups India - An Overview, Grant Thornton & ASSOCHAM

25. Action Plan January 16, 2016

Challenge addressed	Government initiative
Compliance	
To reduce regulatory burden	<p>Compliance regime based on self-certification</p> <ul style="list-style-type: none"> Startups shall be allowed to self-certify compliance with labour and environment laws No inspection will be done for labour laws for three years Self-certify compliance for environment laws for “white” category startups
To create a single point of contact	<p>Created Startup India hub to enable knowledge exchange and access to funding</p> <p>The hub will provide guidance on all aspects of startup lifecycle and organize mentorship programs</p>
To simplify startup process	<p>Rolling-out of mobile app and portal</p> <p>A startup will be able to set up by just filling up a short form through a mobile app and online portal that will be launched in April 2016. In addition, the App shall provide a collaborative platform with a national network of stakeholders (including venture funds, incubators, academia, mentors etc.). The Startup portal shall have similar functionalities (being offered through the mobile app)</p>
To promote awareness and adoption of Intellectual Property Rights (IPRs)	<p>Legal support and fast-tracking patent examination at lower costs</p> <p>Various measures have been taken to facilitate filling of patents, trademarks and designs by startups including fast-tracking of startup patent applications, panel of facilitators to provide general advisory on different IPRs, government bearing facilitation cost and 80% rebate on filing of application vis-à-vis other companies</p>
To provide an equal platform to Startups (in the manufacturing sector) in public procurement vis-à-vis the experienced companies	<p>Relaxed Norms of Public Procurement for Startups</p> <p>Government shall exempt Startups (in the manufacturing sector) from the criteria of “prior experience/turnover” in bidding for Government entity or PSU work without any relaxation in quality standards or technical parameters.</p>
To make it easier for Startups to wind up business	<p>Faster exit for startups</p> <p>Startups with simple debt structures may be wound up within a period of 90 days from making of an application for winding up on a fast track basis</p>
Funding support and incentives	
To provide funding support	<p>Providing Funding Support through a Fund of Funds</p> <p>In order to provide funding support to Startups, Government will set up a fund with an initial corpus of INR 2,500 crore and a total corpus of INR 10,000 crore over a period 4 years (i.e. INR 2,500 crore per year). The Fund of Funds shall be managed by a Board with private professionals from industry bodies</p>
To providing credit and ensure smooth operations	<p>Credit Guarantee Fund for Startups</p> <p>Credit guarantee mechanism through National Credit Guarantee Trust Company/ SIDBI is being envisaged with a budgetary Corpus of INR 500 crore per year for the next four years</p>
Tax incentives	
To promote investments into Startups	<p>Tax Exemption on Capital Gains</p> <p>Capital gain tax exemption is provided for investment in newly formed manufacturing Micro Small and Medium Enterprise (MSMEs) by individuals</p>
To promote the growth of Startups and address working capital requirements	<p>Tax Exemption to Startups</p> <p>To stimulate the development of Startups in India, profits of Startup initiatives are exempted from income-tax for a period of 3 years</p>
To encourage seed-capital investment in Startups	<p>Tax Exemption on Investments above Fair Market Value</p> <p>Under The Income Tax Act, where a Startup receives any consideration for issue of shares which exceeds the Fair Market Value of such shares, such excess consideration is taxable.</p> <p>Currently, investment by venture capital funds in Startups is exempted from this provision. The exemption shall be extended to investment made by incubators in the Startups.</p>

Challenge addressed	Government initiative
Incubators	
To provide national and international visibility to the Startup ecosystem	<p>Organising Startup Festivals Organising Startup Fests for Showcasing Innovation and Providing a Collaboration Platform.</p>
To serve as a platform for promotion of self-employment activities	<p>Launch of Atal Innovation Mission The Atal Innovation Mission (AIM) shall have two core functions - Entrepreneurship promotion through Self-Employment and Talent Utilisation; and innovation promotion</p>
To ensure professional management of Government sponsored / funded incubators	<p>Harnessing Private Sector Expertise for Incubator Setup Government shall encourage setting up of 35 new incubators in existing institutions and 35 new private sector incubators</p>
To propel successful innovation	<p>Building Innovation Centres at National Institutes Government will set up/ scale up 31 centres (to provide facilities for over 1,200 new Startups) of innovation and entrepreneurship. It will set up 31 centres (to provide facilities for over 1,200 new Startups) of innovation.</p>
To propel successful innovation	<p>Setting up Research Parks The Government shall set up 7 new Research Parks in institutes indicated below with an initial investment of INR 100 crore each. The Research Parks shall be modeled based on the Research Park setup at IIT Madras.</p>
To nurture and facilitate bio-entrepreneurship	<p>Promoting Startups in the Biotechnology Sector</p> <ul style="list-style-type: none"> • Biotechnology Research Assistance Council (BIRAC) AcE Fund in partnership with National and Global Equity Funds such as Bharat Fund and India Aspiration Fund will provide financial assistance to Biotech startups • Department of Biotechnology shall set up 5 BIRAC Regional Entrepreneurship Centres in the next 5 years to impart necessary knowledge and skills required for converting biotechnology ideas into successful ventures.
To foster a culture of innovation amongst students	<p>Innovation Focused Programs for Students Various programs will be instituted to promote research and innovation amongst young students such as:</p> <ul style="list-style-type: none"> • National Initiative for Developing and Harnessing Innovations (NIDHI) will be set up to support and award INR 10 lakhs to 20 student innovations from Innovation and Entrepreneurship Development Centres • Uchhattar Avishkar Yojana has set aside INR 250 crore per annum towards nurturing research amongst IIT students.
To support creation of world class incubators in India	<p>Annual Incubator Grand Challenge The Government of India shall identify and select 10 incubators through the Annual Incubator Grand Challenge. The selected incubators based on pre-defined Key Performance Indicators (KPIs) would be given INR 10 crore each as financial assistance.</p>

b. Proposed changes

Single online clearance system

- Prime Minister Narendra Modi plans to bring an online approval window which will provide over 200 permits required by different industries from various government divisions
- This new system for clearance approval for new entrepreneurs would allow them to apply for and track the status of their applications/license permits online
- Currently, 81 state-level clearances, including land acquisition, setting up a factory are being digitised
- 133 clearances that are being granted by other central government divisions, including the home, defence and railway ministry, will come online

PM is working on taking the online governance systems on the fingers of public through the introduction of mobile phones channel

Simplification of regulatory regime

- The government working on to simplifying business processes and regulations to bring India ranking on the ease of doing business to 50 from the current ranking of 142 on the World Bank's index
- According to a DIPP official, a government panel is working on a policy that proposes exempting startups from a 22 federal rules and regulations such as—
 - Proposal includes exemption from company and labour laws until a startups revenue touches to certain level,
 - Certain tax exemptions for a specified period and
 - Easing norms for raising capital globally.

Self-utilisation and talent utilisation (SETU)

The government is planning to set up a mechanism called SETU, under the newly formed NITI Aayog, to provide technical assistance and incubation to startups. In 2015 Union Budget, Finance Minister, Arun Jaitley, has set aside INR 1,000 crore for support startups.

About Grant Thornton

Grant Thornton International Ltd.

Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice. Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions. More than 40,000 Grant Thornton people, across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work.

Grant Thornton in India

Grant Thornton in India is one of the largest assurance, tax, and advisory firms in India. With over 2,500 professional staff across 13 offices, the firm provides robust compliance services and growth navigation solutions on complex business and financial matters through focused practice groups. The firm has extensive experience across a range of industries, market segments, and geographical corridors. It is on a fast-track to becoming the best growth advisor to dynamic Indian businesses with global ambitions. With shorter decision-making chains, more senior personnel involvement, and empowered client service teams, the firm is able to operate in a coordinated way and respond with agility.

Over the years, Grant Thornton in India has added lateral talent across service lines and has developed a host of specialist services such as Corporate Finance, Governance, Risk & Operations, and Forensic & Investigation. The firm's strong Subject Matter Expertise (SME) focus not only enhances the reach but also helps deliver bespoke solutions tailored to the needs of its clients.

Credits and Acknowledgement

Grant Thornton

Authors

Anirudh Gupta
Archi Maitreya
Divyabala N
Geetanjali Singh
Kinnari Gandhi
Monica Kothari
Pooja Monga

Editorial review

Devesh Chandra Srivastava
Nida Zaidi

Design

Mrityunjay Gautam

For further information, please contact:

Vidya Rajarao

Partner,
Grant Thornton India LLP
M: +91 99004 59932
E: Vidya.Rajarao@IN.GT.COM

Contact us

To know more about Grant Thornton in India, please visit www.grantthornton.in or contact any of our offices as mentioned below:

NEW DELHI

National Office
Outer Circle
L 41 Connaught Circus
New Delhi 110001
T +91 11 4278 7070

AHMEDABAD

BSQUARE Managed Offices
7th Floor, Shree Krishna
Centre
Nr. Mithakali Six Roads
Navrangpura
Ahmedabad 380009
T +91 76000 01620

BENGALURU

"Wings", 1st Floor
16/1 Cambridge Road
Ulsoor
Bengaluru 560008
T +91 80 4243 0700

CHANDIGARH

B-406A, 4th Floor
L&T Elante Office Building
Industrial Area Phase I
Chandigarh 160002
T +91 172 4338 000

CHENNAI

Arihant Nitco Park,
6th Floor, No. 90,
Dr. Radhakrishnan Salai
Mylapore
Chennai 600004
T +91 44 4294 0000

GURGAON

21st Floor, DLF Square
Jacaranda Marg
DLF Phase II
Gurgaon 122002
T +91 124 462 8000

HYDERABAD

7th Floor, Block III
White House
Kundan Bagh, Begumpet
Hyderabad 500016
T +91 40 6630 8200

KOCHI

7th Floor, Modayil Centre
point
Warriam road junction
M. G. Road
Kochi 682016
T +91 484 406 4541

KOLKATA

10C Hungerford Street
5th Floor
Kolkata 700017
T +91 33 4050 8000

MUMBAI

16th Floor, Tower II
Indiabulls Finance Centre
SB Marg, Elphinstone (W)
Mumbai 400013
T +91 22 6626 2600

MUMBAI

9th Floor, Classic Pentagon
Nr Bisleri factory, Western
Express Highway
Andheri (E)
Mumbai 400099
T +91 22 6176 7800

NOIDA

Plot No. 19A, 7th Floor
Sector – 16A
Noida 201301
T +91 120 7109 001

PUNE

401 Century Arcade
Narangi Baug Road
Off Boat Club Road
Pune 411001
T +91 20 4105 7000

For more information or for any queries, write to us at contact@in.gt.com



Follow us @GrantThorntonIN



© 2016 Grant Thornton India LLP. All rights reserved.

"Grant Thornton in India" means Grant Thornton India LLP, a member firm within Grant Thornton International Ltd, and those legal entities which are its related parties as defined by the Companies Act, 2013 read in conjunction with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

Grant Thornton India LLP (formerly Grant Thornton India) is registered with limited liability with identity number AAA-7677 and has its registered office at L-41 Connaught Circus, New Delhi, 110001.

References to Grant Thornton are to Grant Thornton International Ltd (Grant Thornton International) or its member firms. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by the member firms.